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If you have sold or transferred all your shares in Richfield Group Holdings Limited (the “Company”), you should at once hand this circular to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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田生集團有限公司

RICHFIELD GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 183)

**MAJOR TRANSACTION:
DISPOSAL OF PROPERTY**

This circular will be published and available on the websites of the Company and the Stock Exchange.

30 May 2014

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Agreement”	the conditional contract for the sale and purchase of the Property dated 15 April 2014 and entered into between the Seller and the Buyer
“Board”	the board of Directors
“Buyer”	Bayswater Road (112) Limited, a company incorporated in Jersey with limited liability
“Company”	Richfield Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms of the Agreement
“Completion Date”	date of completion, which will be 16 June 2014
“Deposit”	the deposit of £3,900,000 payable by the Buyer to the Seller on the date of the Agreement
“Directors”	directors of the Company
“Disposal”	the disposal of the Property as contemplated under the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)

DEFINITIONS

“Leases”	the various leases between the Seller and Independent Third Parties in relation arrangement granting to a third party subsisting rights of use, occupation or enjoyment of the Property together with every document granted under, varying, supplemental or collateral to any of them prior to the entering into of the Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Pong”	Mr. Pong Wai San, Wilson, who is interested in 1,288,970,000 Shares of the Company, representing approximately 37.05% of the total issued share capital of the Company
“Property”	the freehold property known as 119-122 Bayswater Road, London W2 3JH under the title number LN62008, 272756 and 436171
“Purchase Price”	£39,000,000, being the purchase price under the Agreement
“Richfield (Holdings)”	Richfield (Holdings) Limited, a company incorporated in the Marshall Islands and the holder of 760,000,000 Shares of the Company, representing approximately 21.85% of the total issued share capital of the Company
“Seller”	Ace Decade Developments Limited, a company registered in England and Wales and a wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“£”	Sterling Pounds, the lawful currency of the United Kingdom
“%”	per cent

LETTER FROM THE BOARD



田生集團有限公司

RICHFIELD GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 183)

Executive Directors:

Mr. Lee Wing Yin

Mr. Ngan Man Ho

Non-executive Director:

Mr. Lai Hin Wing, Henry

Independent non-executive Directors:

Mr. Koo Fook Sun, Louis

Ms. Yeung Wing Yan, Wendy

Mr. Lung Hung Cheuk

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Unit 1209, 12/F.

Silvercord Tower 2

30 Canton Road

Tsim Sha Tsui

Kowloon

Hong Kong

30 May 2014

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION: DISPOSAL OF PROPERTY

INTRODUCTION

Reference is made to the announcement of the Company dated 15 April 2014 in relation to, among the entering into of the Agreement in relation to the Disposal. On 15 April 2014, the Seller, a wholly owned subsidiary of the Company, has entered into the Agreement with the Buyer, an Independent Third Party, in relation to the Disposal of the Property at the Purchase Price of £39,000,000.

The Disposal constitutes a major transaction on the part of the Company under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further details regarding the Disposal and the Agreement in accordance with the Listing Rules.

THE AGREEMENT

- Date: 15 April 2014 (after trading hours)
- Parties:
- (1) Ace Decade Developments Limited, a wholly-owned subsidiary of the Company (as the Seller)
 - (2) Bayswater Road (112) Limited (as the Buyer)

The Seller is a company registered in England and Wales with limited liability and is principally engaged in property holdings.

To the best knowledge and information of the Directors, the Buyer is a company registered in Jersey with limited liability and is principally engaged in property investment and development. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Buyer and its ultimate beneficial owner(s) are Independent Third Parties.

The Buyer may elect for the transfer of the Property to be made to an entity other than the Buyer provided that, among others, the Buyer gives the Seller written notification of the identity of the transferee no later than fifteen business days prior to the Completion Date. Such transferee shall be independent of and not connected with the Company and its connected persons (as defined under the Listing Rules).

Assets to be disposed

Pursuant to the Agreement, subject to the Seller obtaining the necessary approval(s) from the Shareholders to approve the Agreement and the transactions contemplated thereunder in accordance with the Listing Rules, the Seller shall sell and the Buyer shall buy the Property for the Purchase Price on the terms of the Agreement.

The Property is the subject of a property redevelopment project located in Central London, the United Kingdom with a gross area of approximately 8,300 square feet and a total gross internal area of approximately 33,000 square feet. The Property is sold subject to and with the benefit of the rights of occupation created by the Leases but otherwise with vacant possession on Completion.

Based on the aggregate book value of the Property (being approximately HK\$338,372,000 as at 31 December 2013 in accordance with the unaudited management accounts of the Group) and the estimated net proceeds from the Disposal of approximately HK\$500,600,000, it is expected that the Company will realise a gain from the Disposal of approximately HK\$162,000,000 in total being the difference between the estimated net proceeds from the Disposal and the book value of the Property as at 31 December 2013.

LETTER FROM THE BOARD

Since the Property was acquired by the Group in August 2012, the Group did not record any profits attributable to the Property for the year ended 30 June 2012 and the net profit attributable to the Property for the year ended 30 June 2013 was approximately HK\$3,227,000.

To the best of the Directors' knowledge, information and belief, the Purchase Price was determined after arms' length negotiations with reference to among others, the book value of the Property as at 31 December 2013 and the offer price of the market in recent months. The Directors consider that the terms and conditions of the Disposal are fair and reasonable and are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Consideration

The consideration payable for the sale and purchase of the Property shall be the Purchase Price.

The Purchase Price of £39,000,000 shall be paid by the Buyer to the Seller in the following manner:

- (a) a Deposit of £3,900,000 payable on the date of the Agreement;
- (b) balance of the Purchase Price (subject to adjustments such as apportionments) shall be paid to the Seller upon Completion.

The Deposit of £3,900,000 has been received by the Group as at the Latest Practicable Date.

To the best of the Directors' knowledge, information and belief, the consideration for the Disposal was determined after arms' length negotiations with reference to the book value of the Property as at 31 December 2013, the gain on Disposal and the offer price of the market in recent months. The Directors consider that the terms and conditions of the Disposal are fair and reasonable and are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Condition

The sale and purchase of the Property are subject to the Seller obtaining the necessary approvals from the Shareholders to approve the Agreement and the transactions contemplated thereunder in accordance with the Listing Rules.

If the Condition has not been satisfied at or before noon on the date being five business days prior to the Completion Date then either the Seller or the Buyer may serve written notice upon the other and the Agreement shall terminate and the Seller shall immediately return the Deposit with accrued interest to the Buyer.

Written approvals on the Disposal have been obtained from Mr. Pong and Richfield (Holdings), which are in aggregate interested in more than 50% of the issued share capital of the Company. Please also refer to the section headed "Listing Rules Implications" below for details.

LETTER FROM THE BOARD

Completion

Subject to the fulfillment of the condition, Completion shall take place on 16 June 2014 (the “**Completion Date**”) when all apportionments and other moneys shall be paid by direct credit.

If actual Completion occurs after the Completion Date and that is not due to the act or default of the Seller, then (without prejudice to any other rights of the Seller):

- (a) if the amount of the Deposit is less than 10 per cent of the Purchase Price, the Buyer shall immediately pay to the Seller’s Solicitors a further deposit equal to the balance of that 10 per cent;
- (b) the Buyer shall reimburse the Seller for any proper costs (including legal costs) which the Seller incurs on or after the Completion Date relating to any steps which it takes to enforce or complete the Agreement; and
- (c) the Seller shall in every case be entitled in respect of the same period of time both to be paid interest pursuant to the terms of the Agreement and to enjoy income from the Property.

USE OF PROCEEDS AND EXPECTED FINANCIAL EFFECTS OF THE DISPOSAL

The Board estimates that the gross proceeds from the Disposal (before deduction of relevant costs and expenses) will amount to approximately £39,000,000 (equivalent to approximately HK\$507,000,000), before any relevant costs, including sales commission, legal fees and other professional and miscellaneous fees, or tax imposed by the relevant authorities (if any). The estimated net proceeds is expected to be approximately £38,500,000 (equivalent to approximately HK\$500,600,000). It is intended that the net proceeds from the Disposal will be applied towards the general working capital and business development of the Group, in the amount of approximately HK\$200,600,000 and HK\$300,000,000 respectively but the actual allocation may be changed according to the economic environment and the actual development costs and land premium to be incurred for the existing development projects.

Based on the unaudited accounts of the Group as at 31 December 2013 and the aforesaid estimated net proceeds from the Disposal, it is expected that the Group will record a gain of approximately HK\$162,000,000 attributable to the Disposal for the financial year during which the Disposal is completed and a corresponding increase in the net assets of the Group. In any event, the Board does not envisage that the Disposal will create any significant adverse impact on the Group’s financial position.

REASONS FOR THE DISPOSAL

The Group is principally engaged in the provision of property brokerage services (including first-hand property brokerage business), provision of schemes for property consolidation, assembly and redevelopment, property trading and property development.

LETTER FROM THE BOARD

The Group has commenced its first-hand property brokerage business in May 2014. Regarding the property development business, the Group had interests in two property development projects in Hong Kong, with the equity interests of 51% and 30%, respectively. The Group will continue to carry on its existing business and there is no current intention of discontinuance or disposal of any significant part of its existing businesses. As at the date hereof, there is no current or potential negotiations which would lead to a notifiable transaction under Chapter 14 of the Listing Rules. The Group would take a conservative strategy on investment in new business or property development project in view of the uncertainties in the global scene.

In light of the gain from the Disposal, the Board considers that the Disposal represents a good opportunity for realisation of the Group's investment in the Property. Further, the proceeds from the Disposal can further strengthen the cash flow of the Group and will allow the Group to reallocate its resources for future development.

Taking into consideration of the aforesaid, the Directors consider that the terms and conditions of the Disposal are on normal commercial terms and are fair and reasonable and that the Disposal is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The entering into of the Agreement and the Disposal constitute a major transaction on the part of the Company under Chapter 14 of the Listing Rules and are subject to the announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have any material interest in the Disposal and no Shareholders are required to abstain from voting if the Company is to convene a general meeting to approve the Disposal.

In lieu of holding a general meeting to approve the Disposal, written approvals on the Disposal have been obtained from Mr. Pong and Richfield (Holdings), who are interested in an aggregate of 2,048,970,000 Shares, representing approximately 58.90% of the issued share capital of the Company pursuant to Rule 14.44 of the Listing Rules. The Company will not hold a general meeting to approve the Disposal and the transactions contemplated thereunder.

RECOMMENDATION

The Board considers that the terms of the Disposal and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

By order of the Board
RICHFIELD GROUP HOLDINGS LIMITED
Lee Wing Yin
Executive Director

1. SUMMARY OF FINANCIAL INFORMATION

The financial information of the Group for the three financial years ended 30 June 2011, 30 June 2012 and 30 June 2013 and for the six months ended 31 December 2013 can be found in the annual reports of the Company for each of the three financial years ended 30 June 2011, 30 June 2012 and 30 June 2013 and the interim report of the Company for the six months ended 31 December 2013 respectively, all of which have been published on the HKExnews website at www.hkexnews.hk and the company's website at <http://ir.sinodelta.com.hk/richfieldgp/pdf/announcement/LTN20110929215.pdf>, <http://ir.sinodelta.com.hk/richfieldgp/pdf/announcement/LTN20121018249.pdf>, <http://ir.sinodelta.com.hk/richfieldgp/pdf/financial/LTN20131024301.pdf> and <http://ir.sinodelta.com.hk/richfieldgp/pdf/financial/LTN20140313891.pdf> respectively.

2. FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

The residential property market remained quiet in the year of 2013. The total number of sale and purchase agreements for residential property dropped sharply by approximately 47% from a year earlier. Since the Government introduced different stages of demand management measures to curb property prices for both residential and non-residential properties in October 2012 and February 2013, the trading activities slowed down obviously and the first few months of 2014. Yet supplies of residential properties were limited, property owners and developers stayed on the sideline and awaiting for further changes of the market.

Although the Government lowered the compulsory auction sales threshold of old building from 90% to 80% since 1 April 2010, it also stimulated the growth of the overall acquisition price of old buildings by landlords and owners. Overall flat prices have surpassed the 1997 peak. It became a new kind of worthwhile investment by purchasing old tenement buildings for redevelopment in these years. The high acquisition price as well as the Government's demand management measures affects the plans of developers, in which seriously challenging the property assembly and brokerage business of the Group.

The Hong Kong property market was unstable during the year of 2013 and would be continue to be sluggish in the year of 2014. Even though the Government increases the supply of land in 2013, the supply of land in urban areas still remained scarce and property assembly for redevelopment continues to be one of the main sources of land supply to the developers in the light of the scarce supply of land in Hong Kong. The Group has not changed its long-standing core business and continued to reach the requirement of owners of the old buildings and actively provide possible assistance as appropriate. The Group will focus on the property assembly projects in various prime locations around the metro area. The Group will regularly review and manage the project mix to maintain and maximize the profitability and at the same time looking for appropriate opportunity to reallocate its resources.

In order to diversify the business scope, the Group has been engaging in property developments so as to broaden the revenue base which benefit the Company and the shareholders as a whole in the long run. The Group has been exploring the business opportunities both locally and internationally.

Since the demand and needs of urban residential property of Hong Kong was growing continuously, the Group is still optimistic in the local property development business. The Group would monitor the market situation closely while dedicated to develop strategically in the property development business for driving growth of the Group.

The Group has been committed to conducting the property assembly business since 2007. Apart from seeking business opportunities, the Group has also expanded its endeavours of improving the environment of the urban old districts as well as the quality of life among the neighbourhoods over the years.

As announced in the announcement of the Company dated 8 May 2014, the Group decided to extend its existing property assembly and brokerage business and commenced a first-hand property brokerage business for first-hand residential properties in Hong Kong.

3. INDEBTEDNESS

(a) Borrowings

At the close of business on 31 March 2014, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Circular, the Group had total borrowings of approximately HK\$134,082,000 comprising bank borrowings of approximately HK\$132,138,000 and finance lease liabilities of approximately HK\$1,944,000.

(b) Securities and guarantees

As at 31 March 2014, the Group's borrowings were secured by guarantees by Mr. Au Wing Wah, a substantial shareholder of the Company (solely for the bank borrowings of approximately HK\$44,770,000), and the pledge of certain properties under property, plant and equipment and investment properties with net carrying amounts of approximately HK\$98,832,000 and HK\$190,000,000 respectively.

(c) Contingent liabilities

(i) As at 31 March 2014, the Company has executed guarantee amounting to HK\$144,000,000 with respect of bank loans to its associates, which is also secured against properties under development held by those associates. Under the guarantee, the Company would be liable to pay the bank if the bank is unable to recover the loans.

(ii) Litigations

(A) It relates to labour dispute made against the Group. This claim concerned the former employee of the Group who made claim on account of alleged bonuses due in relation to the property assembly projects undertaken by the Group during his course of

employment. The Labour Tribunal judged that the Group is liable to pay HK\$4,100,000 to the former employee. Accordingly, the provision for legal claim of approximately HK\$4,100,000 has been provided for the year ended 30 June 2013. The Group appealed against the decision to the High Court and the appeal hearing took place on 4 April 2014. As at the Latest Practicable Date, the judgment of such appeal has yet been handed down by the Court and the litigation is still in progress.

- (B) There was a personal injury action brought by an individual against, among others, a subsidiary of the Group in the District Court. As at the Latest Practicable Date, the writ of summons has yet been served on the Group by the plaintiff's solicitors.

Save as aforesaid and apart from intra-group liabilities and normal trade payables, the Group did not have any loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding at the close of business on 31 March 2014.

Save as disclosed above, the Directors have confirmed that there have been no material changes in the indebtedness and contingent liabilities of the Group since 31 March 2014, up to and including in the Latest Practicable Date.

For the purpose of the above statement of indebtedness, foreign currency accounts have been translated into Hong Kong dollars at the approximate rates of exchange prevailing at the close of business on 31 March 2014.

4. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, taking into consideration the financial resources available to the Group including the internally generated funds, the present bank and other facilities, the Group will have sufficient working capital for at least twelve months from the date of this circular.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group as at 30 June 2013, the date to which the latest published audited financial statements of the Group were made up.

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Ascent Partners Valuation Service Limited, an independent valuer, in connection with its valuation as at 1 May 2014 of the property interests disposed of by the Group.



Suite 2102, Hong Kong Trade Centre
161-167 Des Voeux Road Central
Hong Kong
Tel: 3679-3890
Fax: 3579-0884

Date: 30 May 2014

The Board of Directors
Richfield Group Holdings Limited
Unit 1209, 12th Floor
Silvercord Tower 2
30 Canton Road
Tsim Sha Tsui
Hong Kong

Dear Sirs,

INSTRUCTIONS

In accordance with your instructions for us to value a property for redevelopment purpose disposed of by Richfield Group Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) in 119-122 Bayswater Road, London, W2, United Kingdom (the “**Property**”), we confirm that we have carried out property inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interests as at 1 May 2014 (referred to as the “**Valuation Date**”).

This letter which forms part of our valuation report explains the basis and methodologies of valuation, clarifying assumptions, valuation considerations, title investigation and limiting conditions of this valuation.

BASIS OF VALUATION

Our valuation of the property interests represents the market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

VALUATION METHODOLOGY

We have valued the property interest by the Residual Approach assuming sale of the property interest in its existing state with the benefit of immediate vacant possession. We arrived at the sale values of the proposed development upon the Gross Development Value (“GDV”).

The residual valuation approach assumes the property’s capital value equates to the end value of the property once developed, less the costs of realisation (which includes site assembly and purchase, demolition, build costs, professional fees, planning, finance and marketing costs and developer’s profit).

To form an opinion of residual ‘land value’ we have had to make certain assumptions for the input variables. We consider these assumptions are appropriate and reasonable, but they cannot be guaranteed. You should therefore satisfy yourself that our assumptions are appropriate and consistent with your own knowledge of the actual costs and input variables. If there is any difference, you should inform us as the value reported is only valid within the context of the assumptions that we have adopted.

You should also be aware that the residual value is highly sensitive to even small movements in the input variables. Accordingly, the result must be treated with caution, as a small correction to even a single input could have a disproportionately adverse effect on the outcome.

VALUATION CONSIDERATIONS

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the International Valuation Standards (2013) published by the International Valuation Standards Council and effective from 1 January 2014.

VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the seller sells the property interests on the open market in their existing states without the benefit of a deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements, which could serve to affect the values of the property interests.

In undertaking our valuation, we have assumed that, unless otherwise stated, transferable land use rights in respect of the property interests for specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have also assumed that the owners of the properties have enforceable titles to the properties and have free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired terms as granted.

No allowance has been made in our report for any outstanding or additional land premium, charges, mortgages or amounts owing on the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

Other special assumptions of the property interests, if any, have been stated out in the footnotes of the valuation certificate attached herewith.

TITLE INVESTIGATION

We have been, in some instances, shown copies of various title documents and other documents relating to the property interests and have made relevant enquiries. We have not examined the original documents to verify the existing title to the property interests and any material encumbrances that might be attached to the property interests or any lease amendments.

All legal documents provided by the Group have been used for reference only. No responsibility regarding legal title to the property interests is assumed in this valuation report.

LIMITING CONDITIONS

We have inspected the exterior, and wherever possible, the interior of the properties but no structural survey had been made. In the course of our inspection, we did not note any serious defects. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. Further, no test has been carried out on any of the building services. All dimensions, measurements and areas are only approximates. We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the copies of documents handed to us are correct.

The site inspection of the property was carried out by Ms. Sharnie Gosal (MRICS) on 30 April 2014.

We have not carried out any soil investigations to determine the suitability of the soil conditions and the services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period. We do not make any allowance for contamination or pollution of the land, if any, which may have been caused by past usage.

We have relied to a considerable extent on information provided by the Group and have accepted advice given to us on such matters, in particular, but not limited to, the sales records, tenure, planning approvals, statutory notices, easements, particulars of occupancy, site and floor areas and all other relevant matters in the identification of the property interests.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Liability in connection with this valuation report is limited to the client to whom this report is addressed and for the purpose for which it is carried out only. We will accept no liability to any other parties or any other purposes.

This report is to be used only for the purpose stated herein, any use or reliance for any other purpose, by you or third parties, is invalid. No reference to our name or our report in whole or in part, in any document you prepare and/or distribute to third parties may be made without written consent.

EXCHANGE RATE

Unless otherwise stated, all monetary amounts stated in this report are in British Pound (“GBP”). The exchange rate adopted in our valuations is approximately GBP 1 = HKD 13.1 which was approximately the prevailing exchange rate as at the Valuation Date.

Our valuation certificate is herewith attached.

Yours faithfully,
For and on behalf of
Ascent Partners Valuation Service Limited

Stephen Y. W. Yeung

MFin BSc(Hons) Land Adm. MHKIS MRICS CREA RPS(GP)

Principal

Mr. Stephen Y. W. Yeung is a Registered Professional Surveyor with over 10 years' experience in valuation of properties in HKSAR and mainland China. Mr. Yeung is a Professional Member of The Hong Kong Institute of Surveyors as well as a chartered surveyor of The Royal Institution of Chartered Surveyors.

VALUATION CERTIFICATE

119-122 Bayswater Road, London, W2

Property	Description and Tenure	Particular of Occupancy	Market Value in Existing State as at 1 May 2014 GBP
119-122 Bayswater Road, London, W2, United Kingdom	The property comprises a 0.18 acre, un-cleared, development site on the north side of Bayswater Road, comprising four Victorian terraced houses that were converted into the Royal Bayswater Hotel. The ground floor accommodates three retail units completed in 1930s.	We have been advised the ground floor retail units are currently subject to standard institutional leases, and we have been advised that vacant possession of the whole may be obtained upon six months' notice to quit being served upon the individual lessees.	25,300,000 (Twenty Five Million Three Hundred Thousand Pounds)
	The existing buildings with a total Gross internal area of approximately 2,547 sq.m. and to be demolished (retaining the façade) as part of the development. The proposed development is targeted to be completed in October 2017.		100% interest to be attributable to the Group
	The Property is held under a freehold interest.		25,300,000

Notes:

- (1) The valuation of the Property was prepared by Stephen Y. W. Yeung in collaboration with Mr. Rupert Maude and Ms. Sharnie Gosal. Mr. Rupert Maude is a Fellow of the Royal Institution of Chartered Surveyors ("RICS"), with 38 years' experience in real estate valuations. His experience on valuations covers all property classes. Ms. Sharnie Gosal is a Member of RICS, with 7 years' experience in real estate valuation.
- (2) The Property was inspected by Ms. Sharnie Gosal on 30 April 2014.
- (3) The general description and market information of the Property is summarized as below:

Location : The Property is situated in Bayswater, about 1.2 miles (1.93 km) west of the West End at Marble Arch in the City of Westminster, in a well-regarded residential area. The Property forms part of the block located between Inverness Terrace to the east and the southern end of Queensway to the west, situated directly opposite Hyde Park.

Bayswater Road (A402) is the main road running along the northern edge of Hyde Park in London. In the east, Bayswater Road originates from the Marble Arch junction, and at its western end it continues into Notting Hill Gate.

Transportation : The nearest underground stations are Queensway (Central line), immediately to the west of Queensway and Bayswater (District and Circle lines), 320m to the North. Paddington mainline terminus is less than a mile to the north-east.

Nature of Surrounding Area	:	It comprises a mixture of property types, including retail, hotels and converted flats, and whilst a busy thoroughfare, does benefit from running adjacent to Hyde Park. Major shopping facilities along Oxford Street and Bond Street, circa 1.5 miles to the east of the subject property are readily accessible, whilst more boutique and specialist shops, bistros and restaurant are available a short walk to the west along Notting Hill Gate and to the north along Westbourne Grove.
Market yield in the vicinity	:	Residential: about 3.2% gross Prime retail: about 5.25% net Restaurant: about 6.00% net
Market Price in the vicinity	:	Residential: GBP1,100 per square foot (average) Prime retail: GBP1,100 per square foot (average) Restaurant: GBP1,200 per square foot (average)
Market rental in the vicinity	:	Residential: GBP45 per square foot per annum (average) Prime retail: GBP100 per square foot per annum (average) Restaurant: GBP75 per square foot per annum (average)

- (4) The registered owner of the Property is Ace Decade Developments Limited.
- (5) The Property falls at the southern edge of the Queensway Conservation Area, and immediately adjacent to the Bayswater & Royal Parks Conservation Areas where mixed used development is recognised by the Planning Authority and is supported if in context with the surrounding buildings and environment. The current zoning use of the property, in accordance with the Unitary Development Plan, is 'major shopping centre (secondary frontage)'.
- (6) Pursuant to a planning permission (ref 10/10822/FULL) granted in March 2012 by Westminster City Council, demolition of the existing buildings and structures and erection of a new 7-storey plus basement building including the following uses were permitted and the details are shown as follows:

Permitted Use	Remarks
Residential	22 units
Retail	Class A1
Restaurant	Class A3
Cycle Parking Space	27 units
Servicing and plant room	Within the basement

- (7) As per information provided by the Company, the proposed development scheme of the Property is listed below:

Proposed Use	Floor	Net Internal Area (square feet)
Residential	First to Sixth	25,640
Retail	Basement/Ground	2,842
Restaurant	Basement/Ground	3,520
Gym/Spa	Basement	710
		32,712

- (8) The market value of the Property assuming completing of the proposed development as at the Valuation Date (i.e. GDV) is GBP 57,356,000. The estimated cost of carrying out the development is about GBP 15,900,000.
- (9) Pursuant to the valuation report dated 1 May 2014 for 119-122 Bayswater Road, London, W2, UK issued by Cluttons LLP, the market value of the Property was GBP25,300,000 as at 1 May 2014.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particular given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and is not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Director's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the following Director had or was deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) or which were otherwise required to notify the Company and the Stock Exchange pursuant to the Model Code:

(i) Long positions in the Shares and the underlying shares

Name of Director	Number of Shares		Approximate percentage of shareholding
	Personal interest	Total	
Lee Wing Yin ("Mr. Lee")	1,000,000	1,000,000 (Note)	0.03%
Ngan Man Ho ("Mr. Ngan")	248,000 1,000,000	248,000 1,000,000 (Note)	0.01% 0.03%
Lai Hin Wing, Henry ("Mr. Lai")	1,000,000	1,000,000 (Note)	0.03%
Koo Fook Sun, Louis ("Mr. Koo")	1,000,000	1,000,000 (Note)	0.03%
Lung Hung Cheuk ("Mr. Lung")	1,000,000	1,000,000 (Note)	0.03%
Yeung Wing Yan, Wendy ("Ms. Yeung")	1,000,000	1,000,000 (Note)	0.03%

Note: These shares represent the share options granted by the Company under the New Scheme on 26 October 2012.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were otherwise required to notify the Company and the Stock Exchange pursuant to the Model Code.

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial Shareholders

So far as is known to the Directors, as at the Latest Practicable Date, the following person (not being Directors or chief executive of the Company) had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of shareholders	Capacity in which shares are held	Number of shares	Approximate percentage of shareholding
Pong Wai San, Wilson ("Mr. Pong")	Beneficial owner	371,576,000 (Note 1)	10.68%
	Interested in controlled corporation	936,794,000 (Note 1)	26.93%
Tung Ching Yee, Helena (Note 2)	Family interest	1,308,370,000	37.61%
Virtue Partner Group Limited	Beneficial owner	936,794,000	26.93%
Au Wing Wah ("Mr. Au")	Beneficial owner	8,400,000 (Note 3)	0.24%
	Interested in controlled corporation	760,000,000 (Note 4)	21.85%
Kong Pik Fan (Note 5)	Family interest	768,400,000	22.09%
Richfield (Holdings) Limited	Beneficial owner	760,000,000 (Note 4)	21.85%

Notes:

1. 936,794,000 shares are beneficially owned by Virtue Partner Group Limited, a company wholly owned by Mr. Pong, and therefore Mr. Pong is deemed to be interested in these shares under the SFO. 371,576,000 shares are personally owned by Mr. Pong, of which 8,400,000 shares represent the share options granted to him by the Company under the Old Scheme on 9 July 2010 and 11,000,000 shares represent the share options granted to him by the Company under the New Scheme on 26 October 2012.
2. Ms. Tung Ching Yee, Helena is the wife of Mr. Pong and accordingly deemed to be interested in the shares beneficially owned by Mr. Pong in his own capacity and through his controlled corporation, Virtue Partner Group Limited, under SFO.
3. These 8,400,000 shares are share options granted by the Company to Mr. Au under the New Scheme on 26 October 2012.
4. These 760,000,000 shares are beneficially owned by Richfield (Holdings) Limited, a company wholly owned by Mr. Au, and therefore Mr. Au deemed to be interested in the shares owned by Richfield (Holdings) Limited, under SFO.
5. Ms. Kong Pik Fan is the wife of Mr. Au and accordingly deemed to be interested in the shares beneficially owned by Mr. Au in his own capacity and through his controlled corporation, Richfield (Holdings) Limited, under SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, Mr. Koo, Ms. Yeung and Mr. Lung, the independent non-executive Directors, have signed a letter of appointment with the Company for a term of one year, of which Mr. Koo's and Mr. Lung's terms are commencing from 23 March 2014 and expiring on 22 March 2015, while Ms. Yeung's term is commencing from 12 December 2013 and expiring on 11 December 2014.

Mr. Lai, the non-executive Director, has signed a letter of appointment with the Company for a term of one year commencing from 12 December 2013 and expiring on 11 December 2014.

Mr. Lee, the executive Director, has entered into a service agreement with the Company for a term of 36 months commencing from 1 June 2013, or terminated by not less than three months' notice in writing served by either party at any time thereafter. Mr. Lee is entitled to a director's emolument of HK\$68,000 per month plus discretionary bonus to be decided by the Board at its sole discretion, which is determined by reference to the prevailing market conditions and his roles, experience and responsibilities in the Company.

Mr. Ngan has entered into a service agreement with the Company for an initial term of 36 months commencing from 12 December 2011, or terminated by not less than three months' notice in writing served by either party at any time thereafter. Mr. Ngan is entitled to a director's emolument of HK\$62,000 per month plus discretionary bonus to be decided by the Board at its sole discretion, which is determined by reference to the prevailing market conditions and his roles, experience and responsibilities in the Company.

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or substantial Shareholder or any of their respective associates has any interest in business which competes with or may compete with the business of the Group or has any other conflict of interests which any person has or may have with the Group.

5. LITIGATION

As at the Latest Practicable Date, there were several litigation claims against the Group. One of the litigation relates to labour dispute made against the Group. This claim concerned the former employees of the Group who made claim on account of alleged bonuses due in relation to the property assembly projects undertaken by the Group during their course of employment. The Labour Tribunal judged that the Group is liable to pay HK\$4,100,000 to the former employee. The Group appealed against the decision to the High Court and the appeal hearing took place on 4 April 2014. As at the Latest Practicable Date, the judgment of such appeal has yet been handed down by the Court and the litigation is still in progress.

In September 2013, there was a litigation relating to the property agency dispute made against the Group and the purchaser. In that action, the plaintiff, being the registered owner of a flat in an old building, sought to obtain, amongst other things, an order from the court to rescind a provisional agreement for sale and purchase under which the plaintiff agreed to sell her property to the purchaser at the consideration and on the terms and conditions stated therein. A global settlement agreement has subsequently been reached by the parties in February 2014 and the parties have on 5 March 2014 obtained the approval of the High Court to allow them to wholly discontinue their respective claims/counterclaims therein with no order as to costs. The matter is thus concluded.

There was a personal injury action brought by an individual against, among others, a subsidiary of the Group in the District Court. As at the Latest Practicable Date, the writ of summons has yet been served on the Group by the plaintiff's solicitors.

Save as disclosed above, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

6. INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, no contract or arrangement of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any of the Directors had a material interest, whether directly or indirectly, subsisted as at the Latest Practicable Date.

None of the Directors nor experts referred to in paragraph 8 below has any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to, the Company or any of its subsidiaries during the period since 30 June 2013, the date to which the latest published audited financial statements of the Group were made up, up to and including the Latest Practicable Date.

7. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date which are or may be material:

- (a) the provisional agreement dated 17 January 2014 and entered into between World Fair Global Limited, a wholly owned subsidiary of the Company as seller and Profit Vision Investments Limited as purchaser for the sale and purchase of 49% equity interests in Plan Link Limited for a consideration of HK\$225,400,000;
- (b) the formal agreement dated 4 March 2014 and entered into between World Fair Global Limited, a wholly owned subsidiary of the Company as seller and Profit Vision Investments Limited as purchaser for the sale and purchase of 49% equity interests in Plan Link Limited for a consideration of HK\$225,400,000;
- (c) the shareholders' agreement dated 17 March 2014 and entered into between World Fair Global Limited, a wholly owned subsidiary of the Company and Profit Vision Investments Limited in relation to their interests in Plan Link Limited; and
- (d) the Agreement.

8. EXPERT

Following is the qualification of the expert who has given an opinion or advice contained in this circular:

Name	Qualification
Ascent Partners	Independent Professional Valuer

As at the Latest Practicable Date, Ascent Partners did not have any interests, either direct or indirect, in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 30 June 2013, the date to which the latest published audited consolidated financial statements of the Group were made up.

As at the Latest Practicable Date, Ascent Partners was not interested beneficially or non-beneficially in any Shares in the Company or any of its subsidiaries or any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Ascent Partners has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its respective letter and/or report and/or reference to its name in the form and context in which it respectively appears.

9. MISCELLANEOUS

- (a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The head office and principal place of business of the Company in Hong Kong is Unit 1209, 12/F., Silvercord Tower 2, 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.
- (c) The branch share registrar and transfer office in Hong Kong of the Company is Tricor Tengis Limited located at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The company secretary of the Company is Mr. Lee Wing Yin, who is an associate member of the HKICPA and a fellow member of The Association of Chartered Certified Accountants and also an executive Director of the Company.
- (e) The compliance officer of the Company is Mr. Lee Wing Yin.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at Unit 1209, 12/F., Silvercord Tower 2, 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong during normal business hours on any business day from the date of this circular up to and including 4 July 2014:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for each of the three financial years ended 30 June 2013 and the interim report of the Company for the six months ended 31 December 2013;
- (c) the written consent from Ascent Partners referred to under the paragraph headed "Expert" in this appendix;

- (d) the property valuation report on the Property as set out in Appendix II of this circular;
- (e) the material contracts referred to under the paragraph “Material contracts” in this appendix; and
- (f) this circular.