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**RICHLY FIELD GROUP LIMITED**

*(incorporated in the British Virgin Islands  
with limited liability)*

**DICKSON GROUP HOLDINGS LIMITED**

**(IN LIQUIDATION)**

*(incorporated in the Cayman Islands and  
continued in Bermuda with limited liability)*

**(stock code: 313)**

**RESTRUCTURING OF DICKSON GROUP HOLDINGS LIMITED  
(IN LIQUIDATION) INVOLVING, INTER ALIA, CREDITORS' SCHEMES OF  
ARRANGEMENT IN ACCORDANCE WITH SECTION 99 OF THE COMPANIES ACT AND  
SECTION 166 OF THE COMPANIES ORDINANCE, SUBSCRIPTION OF  
SUBSCRIPTION SHARES AND CONVERTIBLE NOTES, DISPOSAL OF  
EXCLUDED COMPANIES, INCREASE IN AUTHORISED SHARE CAPITAL AND  
WHITEWASH WAIVER**

**Financial adviser to Richly Field Group Limited**



**VC CAPITAL LIMITED**  
滙盈融資有限公司

**Financial adviser to Dickson Group Holdings Limited**

**(In Liquidation)**



**ASIAN CAPITAL**  
(CORPORATE FINANCE) LIMITED

卓亞(企業融資)有限公司

The Liquidators and the Investor are pleased to announce that the Formal Agreement and the CN Subscription Agreement were duly signed on 5 November 2007 and 22 January 2008 respectively. The Formal Agreement is subject to a number of conditions including, *inter alia*, the Schemes becoming effective on the Effective Date, the Whitewash Waiver and the Resolutions being passed at the Special General Meeting. The principal terms of the Formal Agreement and the CN Subscription Agreement are set out in this announcement.

Immediately upon completion of the Subscription, the Investor, its ultimate beneficial owners and parties acting in concert with any one of them will be interested in an aggregate of approximately 94.77% of the Enlarged Issued Share Capital. The issue of the Subscription Shares to the Investor as a result of the Subscription will trigger the obligation of the Investor to make a mandatory unconditional general offer for all the Shares (other than those Subscription Shares already owned or agreed to be acquired by it or by parties acting in concert with it) under Rule 26 of the Code. The Investor will make an application to the Executive for a Whitewash Waiver, which is subject to approval by Independent Shareholders by way of poll at the Special General Meeting pursuant to Note 1 on dispensations from Rule 26 of the Code.

**The release of this announcement is not an indication that the Formal Agreement and the Schemes will be successfully implemented and completed or that the resumption of trading in the Shares or the Resumption Proposal has been or will be approved by the Stock Exchange. Trading in the Shares has been suspended at the request of the Company since 9:30 a.m. on 30 December 2005 and will continue to be suspended until further notice. Further announcements will be made when material developments take place or the trading in the Shares is to be resumed.**

**The Company has submitted a Resumption Proposal to the Stock Exchange on 21 November 2007 with a view to seeking resumption of trading in the Shares and that the Company is addressing the matters set out in the Stock Exchange's announcement dated 7 June 2007 and issues relating to the Resumption Proposal.**

## **INTRODUCTION**

On 10 September 2007, the Company, the Liquidators and the Investor signed the Preliminary Agreement, the Exclusivity Agreement and the parties entered into the Escrow Agreement with the Escrow Agent. On 30 October 2007, the parties to the Exclusivity Agreement signed an extension letter extending the exclusivity period to 5 November 2007.

The Liquidators and the Investor are pleased to announce that the Company, the Liquidators and the Investor signed the Formal Agreement on 5 November 2007. The Formal Agreement involves, *inter alia*, the implementation of the Schemes, the subscription of Subscription Shares and Convertible Notes and the Disposal. On 9 November 2007, the parties to the Formal Agreement entered into the Second Escrow Agreement with the Escrow Agent. On 22 January 2008, the parties entered into the Supplemental Formal Agreement and the CN Subscription Agreement.

## **FORMAL AGREEMENT**

**Date:** 5 November 2007

**Parties:**

- (1) The Company;
- (2) The Liquidators; and
- (3) The Investor.

The Investor, its ultimate beneficial owners and parties acting in concert with any one of them have confirmed to the Company and the Liquidators that they and their respective associates are independent third parties not connected (as defined in the Listing Rules) with or acting or presumed to be acting in concert with the Company, the Directors, the chief executive and substantial shareholders of the Company or any of their subsidiaries or their respective associates.

The parties to the Formal Agreement have also entered into the Supplemental Formal Agreement on 22 January 2008 to amend and clarify certain terms and conditions to the Formal Agreement.

## **Principal terms of the Formal Agreement and the Supplemental Formal Agreement**

### ***(1) The Schemes***

As at the date of this announcement and based on the Proof of Debts, the total indebtedness that is currently due and owing by the Company to its Creditors amounted to approximately HK\$741.80 million, of which approximately HK\$4.48 million was owed to the Preferential Creditors (including employees and governmental departments) and approximately HK\$737.32 million was owed to the Ordinary Creditors by the Company. As at the date of this announcement, the Liquidators have received in principle support from Creditors representing more than 75% of the total indebtedness of the Company for the Restructuring Proposal.

**The Creditors' claims will be subject to the adjudication by the Scheme Administrators after the Schemes are being implemented.**

#### *Discharge of Liabilities*

On Completion, all the Liabilities shall be compromised and discharged by the arrangements contemplated under the Schemes, which shall include:

- (a) the implementation of the Schemes as approved by the Creditors at the Creditors' meeting(s) which shall provide for the Cash Amount to be applied by the Scheme Administrators in settlement of the Liabilities;
- (b) the Cash Amount will first be applied by the Scheme Administrators for the full and final settlement of the claims of the Preferential Creditors and any remaining balance for the full and final settlement of the claims of the Ordinary Creditors on a pro-rata basis; and
- (c) the Excluded Companies will be transferred to Newco pursuant to the Disposal Agreement to be realised for the benefit (if any) of the Ordinary Creditors.

The implementation of the Schemes as aforesaid shall be conditional on Completion and the Cash Amount shall be funded by the Company out of the proceeds of the Subscription. The Company, the Liquidators and the Investor shall use their best reasonable endeavours to effect the Schemes within their respective control and influence as soon as reasonably practicable and in any event prior to the Conditions Long Stop Date. Subject to (b) above, the Company shall be released from all Liabilities in full on Completion and no claims shall be made by the Creditors against the Company in respect of the Liabilities after Completion.

As at the date of this announcement and to the best information and knowledge of the Liquidators, there are five Creditors with an aggregate claim of approximately HK\$7,370,537 who are also Shareholders, these Interested Shareholders would receive payments under the Schemes and the terms of the Formal Agreement are not extended to the other Shareholders. Therefore, the implementation of the Schemes constitutes a special deal for the Company under Rule 25 of the Code, and requires the consent of the Executive, which will normally be granted provided that the independent financial adviser to the Independent Board Committee and the Independent Shareholders publicly stating that in its opinion the respective terms of the Schemes are fair and reasonable; and the respective transactions contemplated in the Formal Agreement, the CN Subscription Agreement and the Disposal Agreement are approved by the Independent Shareholders by way of poll at the Special General Meeting. The Investor, its ultimate beneficial owners and parties acting in concert with any one of them and the Interested Shareholders and their respective associates will abstain from voting on the relevant resolution(s) to be proposed at the Special General Meeting. The Liquidators consider that the Schemes have been determined on an arms length basis and are on normal commercial terms.

## **(2) *The Subscription***

Subject to the fulfilment of the Conditions as described below, the Investor shall subscribe for the 6,000,000,000 Subscription Shares at the par value of HK\$0.05 which, upon completion of the Subscription, represent approximately 94.77% of the Enlarged Issued Share Capital. The total consideration payable for the Subscription Shares shall be HK\$300,000,000 which shall be paid by the Investor to the Company in the following manner:-

- (a) as to HK\$5,000,000 by credit against the Deposit already paid by the Investor under the Exclusivity Agreement which the parties have agreed is to be applied by the Company in payment of the Transaction Expenses;
- (b) as to HK\$5,000,000 by credit against the HK\$5,000,000 to be released by the Escrow Agent to the Liquidators in their capacity as liquidators of the Company or to its order out of the Escrow Deposit upon the signing of the Formal Agreement, which the parties have agreed is to be applied by the Liquidators in their capacity as liquidators of the Company in payment of the Transaction Expenses;
- (c) as to HK\$5,000,000 by credit against the HK\$5,000,000 to be released by the Escrow Agent to the Liquidators in their capacity as liquidators of the Company out of the Escrow Deposit upon Completion, which the parties have agreed is to be applied by the Liquidators in their capacity as liquidators of the Company in payment of the Transaction Expenses;

- (d) as to HK\$25,000,000 by credit against the Second Escrow Deposit to be released by the Escrow Agent to the Liquidators in their capacity as liquidators of the Company upon Completion, which the parties have agreed to be applied by the Company to pay the Scheme Administrators pursuant to the Schemes as to HK\$25,000,000 of the Cash Amount;
- (e) up to HK\$40,000,000 by capitalisation of the amount advanced by the Investor from time to time to activate and operate the construction business of Dickson Guangdong; and
- (f) as to the remainder of the subscription monies representing an amount not less than HK\$220,000,000, by way of cashier order(s) drawn on a prime bank in favour of the Company or as it may direct in writing which will be applied by the Company to pay the Scheme Administrators pursuant to the Schemes as to HK\$50,000,000 of the Cash Amount.

The remainder of the subscription monies in the amount of HK\$170 million, together with up to HK\$40 million advanced and to be advanced by the Investor to Dickson Guangdong will sum up to an aggregate amount of HK\$210 million available to the Group, which will be used as working capital for the revitalization of the businesses of the Group. Details of the use of proceeds from the Subscription are set out in the section headed “Use of Proceeds” in this announcement.

The Subscription Shares shall rank *pari passu* with all the Shares then in issue with all the rights and benefits attached thereto and free from any Encumbrances or third party’s rights.

As at the date of this announcement, the Company has received a non-refundable deposit of HK\$5,000,000 from the Investor under the Exclusivity Agreement and a further payment of HK\$5,000,000 from the Investor after the signing of the Formal Agreement. Furthermore, the Investor has already advanced RMB5.0 million (approximately HK\$5.3 million) into Dickson Guangdong to serve as its initial working capital pursuant to the Formal Agreement. Up to HK\$40,000,000 (including the aforesaid HK\$5.3 million advanced) may be injected by the Investor into Dickson Guangdong for its business operations as and when required, which will be capitalised by issuing the Subscription Shares to be subscribed by the Investor credited as fully paid.

#### *The Subscription Shares*

As at the date of this announcement, there were 330,874,303 Shares in issue. Assuming the issue of the Conversion Shares at HK\$0.05 per Share, the 6,000,000,000 Subscription Shares represents:

- (i) approximately 1,813.38% of the issued share capital of the Company as at the date of this announcement;
- (ii) approximately 94.77% of the Enlarged Issued Share Capital;
- (iii) approximately 75.00% of the enlarged issued share capital of the Company upon the issuance of Subscription Shares and New Shares for the purpose of maintaining the Public Float;

- (iv) approximately 48.00% of the enlarged issued share capital of the Company upon the issuance of Subscription Shares, New Shares for the purpose of maintaining the Public Float and the Conversion Shares upon the exercise in full of the Conversion Rights; and
- (v) approximately 43.84% of the enlarged issued share capital of the Company upon the issuance of Subscription Shares, the placing down of the Subscription Shares for the purpose of maintaining the Public Float and the issuance of Conversion Shares upon the exercise in full of the Conversion Rights.

### *The Subscription Price*

The Subscription Price of HK\$0.05 per Share represents:

- (i) a discount of approximately 52.38% to the closing price of HK\$0.105 of the Shares in issue before suspension of trading of the Shares at 9:30 a.m. on 30 December 2005; and
- (ii) a premium of approximately HK\$1.76 over the audited consolidated net liabilities per Share of HK\$1.71 as at 31 March 2007 (based on the audited consolidated net liabilities of the Company of approximately HK\$565,655,000 as at 31 March 2007 and 330,874,303 Shares in issue).

The subscription price was determined upon arms length negotiations between the Company, the Liquidators and the Investor and having taken into account a number of factors including the Company being currently in liquidation and with audited net liabilities of approximately HK\$565,655,000 as at 31 March 2007. With the support of the majority of the Creditors and in the circumstances, the Liquidators believe that the subscription price of HK\$0.05 per Share was the best they could have secured and that the terms of the Subscription are therefore fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **(3) *The Convertible Notes***

On 22 January 2008, the Company, the Liquidators and the Investor signed the CN Subscription Agreement (as described below in the section headed “CN Subscription Agreement”). Pursuant to the CN Subscription Agreement, the Investor agrees to, *inter alia*, subscribe or procure subscribers not being connected persons (as defined in the Listing Rules) of the Company to subscribe for the Convertible Notes on the terms and conditions as contained in the CN Subscription Agreement. The Company can at its sole discretion, at any time within the Exercise Period require the Investor to subscribe for the Convertible Notes provided that in so doing it shall not cause the Company to breach the Public Float requirement upon the conversion of the Convertible Notes into Conversion Shares.

Please also refer to the section headed “Principal terms of the CN Subscription Agreement”.

#### ***(4) The Disposal***

It is the intention that the parties to the Formal Agreement shall enter into the Disposal Agreement as soon as practicable following the execution of the Formal Agreement such that the Excluded Companies shall be transferred to Newco at a nominal value upon Completion. Pursuant to the Formal Agreement, the terms of the Disposal have not been finalized, and the final terms of the Disposal Agreement have yet to be negotiated and finalised and may deviate from those contained in the Formal Agreement. As at the date of this announcement, no legally binding agreement in relation to the Disposal has been entered into. It is expected that the Disposal Agreement will be entered into on or before 29 February 2008.

The Company shall retain no residual legal obligations in respect of such Excluded Companies including obligations as past shareholder following such transfer. All rights and interests in Dickson Guangdong will be retained and all rights, benefits and assets in the Excluded Companies will be transferred to Newco as to be expressed in the Disposal Agreement.

Save for the fact that the Investor will become a controlling Shareholder upon Completion, the Investor, its ultimate beneficial owners and parties acting in concert with any one of them are not otherwise connected (as defined in the Listing Rules) with the Company, the Liquidators and Newco. The Investor, its ultimate beneficial owners and parties acting in concert with any one of them do not have any interest in Newco or the assets transferred to it.

As the terms of the Disposal Agreement will not be extended to all the Shareholders, the Disposal constitutes a special deal for the Company under Rule 25 of the Code, and requires the consent of the Executive, which will normally be granted provided that the independent financial adviser to the Independent Board Committee and Independent Shareholders publicly stating that in its opinion the terms of the Disposal Agreement are fair and reasonable; and that the Disposal Agreement, the CN Subscription Agreement and the respective transactions contemplated under the Formal Agreement are approved by the Independent Shareholders by way of poll at the Special General Meeting. The Investor, its ultimate beneficial owners and parties acting in concert with any one of them and the Interested Shareholders and their respective associates will abstain from voting on the relevant resolution(s) to be proposed at the Special General Meeting. Moreover, the Disposal may constitute a very substantial disposal for the Company pursuant to Rule 14.06 under Chapter 14 of the Listing Rules. Further announcements will be made by the Company as regards the signing of the Disposal Agreement in due course and will comply with the relevant requirements of Listing Rules and the applicable provisions of the Code, and details of which will be included in the circular to be issued in connection with the Formal Agreement.

## 5) *The DG Options*

Pursuant to the terms of the Formal Agreement, in the event that either (i) the Listing Committee of the Stock Exchange does not grant an approval in principle for the Resumption Proposal to proceed; or (ii) any one of the Conditions to the Formal Agreement has not been fulfilled by the Conditions Long Stop Date (or such other date as the parties may agree), the parties to the Formal Agreement shall have the following options:

- (a) The Investor shall have priority over the Liquidators and the right to request the Liquidators to sell all the shares in Dickson Guangdong to the Investor at a consideration of the lower of either (a) the net asset value of Dickson Guangdong; or (b) HK\$3,000,000 (“DG Call Option”). Such consideration shall be payable upon the exercise of the DG Call Option and shall be settled by funds placed in an escrow account pursuant to an escrow agreement;
- (b) Should the Investor not exercise its right under (a) above, the Liquidators shall have an option to request the Investor to acquire or purchase all the shares in Dickson Guangdong from the Liquidators at the consideration of the lower of either (a) the net asset value of Dickson Guangdong; or (b) HK\$3,000,000 (“DG Put Option”). Such consideration shall be payable upon the exercise of the DG Put Option and shall be settled by funds placed in an escrow account pursuant to an escrow agreement.
- (c) The net asset value mentioned in clauses (a) and (b) above shall be evaluated by an independent valuer appointed by the Liquidators with the agreement of the Investor. For the avoidance of doubt, any costs and expenses arising from the appointment of the independent valuer shall be borne by the Investor and shall not be regarded as Transaction Expenses.

The Liquidators have indicated that they will exercise the DG Put Option if the Listing Committee of the Stock Exchange has not granted an approval in principle for the Resumption Proposal to proceed and in the Liquidator’s reasonable opinion that the Company will not be able to resume the trading of its Shares by the Conditions Long Stop Date. The DG Put Option is only exercisable if the Investor does not exercise its DG Call Option. Upon exercise of the DG Options, Dickson Guangdong will cease to be a subsidiary of the Company and the results of Dickson Guangdong will also cease to be consolidated into the consolidated accounts of the Company.

The DG Options constitute a discloseable transaction pursuant to Rule 14.06 under Chapter 14 of the Listing Rules.

### *Consideration and Use of Proceeds*

The consideration payable upon the exercise of the DG Options, being the lower of either (a) the net asset value of Dickson Guangdong; or (b) HK\$3,000,000, was arrived at after arms length negotiation between the Liquidators and the Investor with reference to the amount of approximately HK\$3,600,000, being the amount of the registered capital of Dickson Guangdong already paid up as at the date of this announcement. The Liquidators consider the consideration for the DG Options and terms of the DG Options are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.



The proceeds from the DG Options will go to the Company's liquidation account to settle liquidation expenses and if there is a surplus, be available for distribution to the Creditors.

### *Financial Effect of the DG Options*

It is estimated that as a result of the exercise of the DG Options by either party, the Company will record a net gain of approximately HK\$566,000 calculated by deducting the carrying value of Dickson Guangdong as at 31 December 2006 from the maximum consideration payable under the DG Options in the amount of HK\$3,000,000 to be received.

### **Conditions**

Completion of the Formal Agreement will be subject to the following:

- (1) All approvals, sanctions and filing of documents necessary for the purposes of making the Schemes effective having been obtained and done as the case may be and, in the case of approvals not having been revoked or invalidated, including but not limited to the approval of the Schemes by a majority in number representing three-fourths in value of the Creditors as the case may be present and voting in person or by proxy at the Court Meeting, the sanction by the Hong Kong Court and Bermuda Court of the Schemes and registration of a copy of the relevant court order sanctioning the Schemes to the Registrar of Companies in Hong Kong and Bermuda;
- (2) All of the Resolutions having been passed by the Shareholders (and where required by Independent Shareholders) by the required voting majorities at the duly convened Special General Meeting (by way of poll where required by regulatory authorities) and not having been revoked or invalidated;
- (3) The approval of the Bermuda Monetary Authority for the issue of the Subscription Shares and the New Shares required for the maintenance of Public Float having been obtained and not having been revoked;
- (4) If required, the consent or approval of all other relevant government or regulatory authorities in relation to the Schemes, the Formal Agreement, the CN Subscription Agreement, the Disposal Agreement and the Resumption Proposal having been obtained and not having been revoked which includes the consent from the Executive under Note 4 and Note 5 to Rule 25 of the Code in relation to the Disposal and the Schemes respectively;
- (5) The granting of the Whitewash Waiver by the Executive conditional on the approval of the Independent Shareholders and such Whitewash Waiver not having been revoked;
- (6) The approval in principle from the Stock Exchange for the listing of and permission to deal in the Subscription Shares and the New Shares required for the maintaining of Public Float having been obtained subject only to (a) the formal allotment and issue of such Subscription Shares; (b) such other administrative conditions as are customarily stipulated by the Stock Exchange for resumption of trading or listing of the Shares; and (if applicable) (c) maintaining of the Public Float;

- (7) The formation of Newco by the Liquidators and the transfer of all legal and beneficial interests held by the Company in and all liabilities of the Company actual or contingent to the Excluded Companies to Newco; and
- (8) The removal of the liquidation order issued against the Company in Hong Kong.

Completion of the Subscription, the Disposal and the proposed issue of New Shares or the placing down of a portion of Subscription Shares for the maintenance of the minimum Public Float and the Schemes becoming effective on the Effective Date are inter-conditional. However, the CN Subscription Agreement shall be conditional on Completion taking place and the Schemes becoming effective on the Effective Date. The Liquidators, the Company and the Investor undertake to co-operate fully and use their best endeavours to fulfil each of the Conditions on or before the Conditions Long Stop Date. Unless otherwise agreed by the parties, none of the above Conditions can be waived. The Investor has confirmed that it will not under any circumstances waive Conditions (4) and (5).

If all the Conditions are fulfilled, Completion shall take place on the fifth Business Day following the day on which the last of the Conditions are fulfilled (or such other date as may be agreed by the parties in writing in order to coincide with the day of resumption of trading, but such date shall in any event be not later than the Conditions Long Stop Date and shall be the same as the Effective Date).

The Formal Agreement will terminate automatically if the Conditions have not been fulfilled (or, where applicable, waived) by the Conditions Long Stop Date.

In the event that any of the structures or transactions proposed in the Restructuring Proposal are found to be legally or practically unworkable, the Liquidators, for and on behalf of the Company, and the Investor undertake to work together in good faith to find alternative means or structure to effect the Restructuring Proposal so that the parties may obtain the benefits described in the Restructuring Proposal. If an alternative means or structure to effect the Restructuring Proposal has been agreed by the parties, the Formal Agreement shall be revised accordingly and the Company shall announce the same by making a further announcement.

### **Events of Default**

Upon the occurrence of default under the Formal Agreement occasioned by the Investor, and in the event the Resumption Proposal is rejected by the Stock Exchange and it is in the reasonable opinion of the Liquidators in good faith that such rejection was due to acts done or failed to be done by the Investor, the sum of HK\$25,000,000 held in escrow shall be paid to the Liquidators and the Company as liquidated damages.

## CN SUBSCRIPTION AGREEMENT

**Date:** 22 January 2008

**Parties:**

- (1) The Company;
- (2) The Liquidators; and
- (3) The Investor.

**Principal terms of the CN Subscription Agreement**

Pursuant to the terms of the CN Subscription Agreement, the Investor has irrevocably agreed to subscribe or otherwise procure parties not being connected persons (as defined in the Listing Rules) of the Company to subscribe for the Convertible Notes in an aggregate amount of not more than HK\$225,000,000 at any time within the Exercise Period following the receipt of the Exercise Notice. The Company shall have the sole discretion to serve the Exercise Notice to the Investor within the Exercise Period. Upon receipt of the Exercise Notice, the Investor shall take up or procure other Note Subscriber(s) to take up the Convertible Notes. The Convertible Notes shall be issued at its face value. As the Investor (which will become a substantial Shareholder upon Completion) and its associate(s) will become connected persons (as defined in the Listing Rules) of the Company upon Completion, pursuant to Rule 14A.13(5) of the Listing Rules, the exercise or non-exercise of the option by the Company to serve the Exercise Notice to the Investor will constitute a connected transaction, and the Company will be subject to full compliance with the requirements, including, among other things, the approval of independent shareholders of the Company, under Chapter 14A of the Listing Rules. Accordingly, the issuance of the Convertible Notes and the Conversion Shares thereof will also be subject to, among other things, the approval of independent shareholders of the Company, under Chapter 14A of the Listing Rules.

The Convertible Notes will serve as a standby source of funds and will be called only for amounts needed for the businesses of the Group. In the event that the Company exercises its rights to call upon the Investor to subscribe for the Convertible Notes in full, the proceeds of approximately HK\$225 million will be used as working capital for the businesses of the Group. In the PRC construction industry in which the Group operates, it is generally difficult for small and medium-sized construction companies to obtain loans/financing from banks and it would be desirable and beneficial to the Group's business if Dickson Guangdong has sufficient working capital when bidding for new projects. A sufficient level of standby credit such as the Convertible Notes will give the Group a competitive advantage over its competitors, thereby increasing the chance of Dickson Guangdong being awarded new projects. The Convertible Notes, which can be issued at the sole discretion of the Company, therefore provide a useful and necessary standby source of funds for the Group to meet its business needs as and when such requirements arise.

The CN Subscription Agreement is not inter-conditional with the completion of the Subscription, the Disposal and the proposed issue of New Shares or the placing down of a portion of Subscription Shares for the purpose of maintaining the Public Float. However, the CN Subscription Agreement shall be conditional on Completion taking place and the Schemes becoming effective on the Effective Date. If the Conditions are not fulfilled on or before the Conditions Long Stop Date or such other date as agreed between the Company and the other parties, the CN Subscription Agreement shall lapse and become null and void, and the parties thereto will be released from all obligations therein save for any antecedent breaches as contained in the CN Subscription Agreement.

The parties to the CN Subscription Agreement confirm that the issue of the Convertible Notes shall not under any circumstances cause a breach of the Public Float requirement in accordance with Rule 8.08 of the Listing Rules.

The Investor has also undertaken that any Note Subscriber(s) to be procured by it to subscribe for all or part of the Convertible Notes under the terms of the CN Subscription Agreement, will be third parties who are independent of the Company and its connected persons (as defined in the Listing Rules).

The principal terms of the Convertible Notes are as follows:

Principal amount:	not more than HK\$225 million
Issue period:	within twelve (12) months following the date of the Completion
Maturity date:	two (2) years after the date of issue of the Convertible Notes
Interest:	the Convertible Notes do not bear any interest
Denomination of each Convertible Note:	HK\$5 million
Conversion Rights:	the Convertible Notes from time to time are convertible on any Business Day commencing on the day following the date of issue of the Convertible Notes and up to the Maturity Date provided that the exercise of the Conversion Rights will not result in the failure to comply with the Public Float requirements by the Company
Conversion Price:	the higher of (i) 90% of the average closing price per Share as quoted on the Stock Exchange for the ten trading days immediately before the Conversion Date; or (ii) the par value of the Share
Listing:	applications will be made for the listing of and permission to deal in the Conversion Shares on the Stock Exchange
Conversion Shares:	the Conversion Shares shall upon issue rank <i>pari passu</i> in all respects with the then issued Shares. The relevant provisions of the Code will be complied with upon the conversion of the Convertible Notes

Transferability: the Convertible Notes are freely transferable and may be assigned to any party other than a party connected with the Company or any of its Subsidiaries, the directors, the chief executive and substantial shareholders of the Company and its Subsidiaries and their respective associates within the meanings ascribed thereto in the Listing Rules

Repayment: repayment of the principal amount in respect of the Convertible Notes will be made before 12 noon on the Maturity Date (or if not a business day, the following business day) by way of cashier orders to be delivered to the holder(s) of the Convertible Note(s)

Voting: holder(s) of the Convertible Note(s) will not be entitled to attend or vote at any general meetings of the Company by reason only of it being the holder(s) of the Convertible Note(s)

The Company will undertake to notify the Stock Exchange promptly if any connected person (as defined in the Listing Rules) of the Company deals in the Convertible Notes.

After Completion and upon the issuance of any of the Convertible Notes by the Company, the Company will make a monthly announcement (the “Monthly Announcement”) on the website of the Stock Exchange for so long as any Convertible Notes are outstanding. Such Monthly Announcement will be made on or before the tenth Business Day following the end of each calendar month and will include the following details in a table form:

- (i) whether there has been any conversion of the Convertible Notes during the relevant month. If yes, the relevant Monthly Announcement will set out details of the conversion(s), including the conversion date, number of Conversion Shares issued and the conversion price for each conversion. If there is no conversion during the relevant month, a negative statement to that effect will be made;
- (ii) the outstanding principal amount of the Convertible Notes after the conversion, if any;
- (iii) the total number of Shares issued pursuant to other transactions during the relevant month, including Shares issued pursuant to the exercise of options under any share option scheme(s) of the Company; and
- (iv) the total issued share capital of the Company as at the commencement of the relevant month and as at the last day of the relevant month.

In addition to the Monthly Announcement, if the cumulative amount of Conversion Shares issued pursuant to the conversion of the Conversion Notes reaches 5% of the issued share capital of the Company as stated in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be) (and thereafter in multiples of such 5% threshold), the Company will, as soon as practicable but in any event no later than the fifth Business Day thereafter, issue an announcement on the website of the Stock Exchange which will set out the information stated in (i) above for the period commencing from the date of the immediately preceding Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be) up to the date on which the total amount of Conversion Shares issued pursuant to the conversion amounted to 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be).

Further, if the Company forms the view that the issue of any Conversion Shares pursuant to a conversion of the Conversion Notes will trigger a disclosure requirement under Rule 13.09(1) of the Listing Rules, then the Company is obliged to make such disclosure regardless of the issue of any announcements in relation to the Convertible Notes as mentioned above.

#### *The Conversion Shares*

As at the date of this announcement, there were 330,874,303 Shares in issue. Assuming a minimum conversion price of HK\$0.05 per Share (being the current par value), there will be a total of 4,500,000,000 Conversion Shares to be issued upon full conversion of the Convertible Notes which will represent:

- (i) approximately 1,360.03% of the issued share capital of the Company as at the date of this announcement;
- (ii) approximately 71.08% of the Enlarged Issued Share Capital;
- (iii) approximately 56.25% of the enlarged issued share capital of the Company upon the issuance of Subscription Shares and New Shares for the purpose of maintaining the Public Float;
- (iv) approximately 71.08% of the enlarged issued share capital of the Company upon the issuance of Subscription Shares and the placing down of the Subscription Shares;
- (v) approximately 36.00% of the enlarged issued share capital of the Company upon the issuance of Subscription Shares, New Shares for the purpose of maintaining the Public Float and the Conversion Shares upon the exercise in full of the Conversion Rights; and
- (vi) approximately 41.55% of the enlarged issued share capital of the Company upon the issuance of Subscription Shares, the placing down of the Subscription Shares for the purpose of maintaining the Public Float and the issuance of Conversion Shares upon the exercise in full of the Conversion Rights.

## **INCREASE IN AUTHORISED SHARE CAPITAL**

As at the date of this announcement, the Company has an authorised share capital of HK\$200,000,000 divided into 4,000,000,000 shares of HK\$0.05 each and an issued share capital of approximately HK\$16,543,715 divided into 330,874,303 shares of HK\$0.05 each. If the Restructuring Proposal is implemented, the authorised share capital of the Company will need to be increased to HK\$1,000,000,000 divided into 20,000,000,000 shares of HK\$0.05 each. Shareholders' approval will be sought for the increase of the authorised share capital at the Special General Meeting.

Apart from the issuance of the Subscription Shares, the Conversion Shares and New Shares to maintain the Public Float as required, the Company has no intention to issue any other new Shares in the foreseeable future.

## **INFORMATION ON THE COMPANY**

The Company was originally incorporated in the Cayman Islands on 10 September 1990, and the domicile of the Company was changed from the Cayman Islands to Bermuda as an exempted company on 11 February 2004. The Company is an investment holding company. Its subsidiaries and associated companies are principally engaged in construction and maintenance work. The construction and maintenance work division is the principal segment of the Company.

The Company was wound up on 18 December 2006, and Mr. Stephen Liu Yiu Keung and Mr. Robert Armor Morris were appointed as joint and several liquidators on 29 May 2007. The Company has been put into the 3rd stage of delisting procedure on 7 June 2007, and a Resumption Proposal has been submitted to the Stock Exchange on 21 November 2007.

## **INFORMATION ON DICKSON GUANGDONG**

Dickson Guangdong was a foreign investment enterprise incorporated on 4 March 2005 with a registered capital of US\$3 million, of which approximately 15.38% of such registered capital has been paid up. It is a wholly-owned subsidiary of the Company and was set up by the Former Group with a view to expand and promote its construction business in the PRC. In 2005 and 2006, Dickson Guangdong had been in negotiation with clients for various construction projects in the PRC. Dickson Guangdong was in the process of applying for a license to act as a specialized contractor to undertake Class 2 main contracting and specialist sub-contracting works when the Company started to experience financial problems in late 2005. Dickson Guangdong has since then suspended its process of application and has never completed the application for such Class 2 license.

Other than its business license, Dickson Guangdong currently does not hold any other license. Notwithstanding that Dickson Guangdong only has its business license and does not have other contractor licenses, there is no impediment to Dickson Guangdong undertaking any construction project in the PRC as long as such project does not involve works which require the contractor to have a specialist license. Dickson Guangdong will apply for the aforesaid Class 2 license in the PRC upon the paying up in full of its registered capital. At the moment, Dickson Guangdong can undertake construction projects in the PRC which does not require such Class 2 license.

The following is a summary of audited financial information of Dickson Guangdong for the years ended 31 December 2005 and 31 December 2006 prepared in accordance with PRC GAAP:

	<b>For the year ended 31 December 2006 RMB</b>	<b>For the year ended 31 December 2005 RMB</b>
Turnover	Nil	Nil
Net Loss (before taxation and extraordinary items)	(1,182,236)	(858,080)
Net Loss (after taxation and extraordinary items)	(932,236)	(858,080)
	<b>As at 31 December 2006 RMB</b>	<b>As at 31 December 2005 RMB</b>
Total Assets	2,700,972	3,364,880
Total Liabilities	468,392	200,000
Net Assets	2,232,580	3,164,880

## **CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY**

The following tables show the two options for changes in the shareholding structure of the Company immediately before and after the completion of the Subscription for the maintenance of the Public Float. The Investor intends to maintain the listing status of the Shares on the Stock Exchange and the Public Float requirement on Completion. The first is achieved by the allotment and issue of New Shares; and the second is by the placement of a portion of the Subscription Shares on or before Completion. The Investor will determine which option it would take to maintain the Public Float at the time of the issue of the circular of the Company. If required, the New Shares which may be issued by the Company and placed to independent third parties to maintain the Public Float on or before Completion will be allotted and issued under a specific mandate to be granted to the Directors, subject to Independent Shareholders' approval at the Special General Meeting. If such specific mandate is to be sought at the Special General Meeting, the material terms of the agreement to be entered into between the Company and the placing agent or the places will be set out in a separate announcement and the circular of the Company so as to enable the Shareholders to make an informed decision as to whether to vote for or against the relevant resolution in respect of such specific mandate at the Special General Meeting. The New Shares or the Subscription Shares, as the case may be, will be placed to third parties who are independent of the Company and its connected persons (as defined in the Listing Rules) and who are not acting in concert with the Investor, its ultimate beneficial owners and their respective concert parties, and the placing of such New Shares or Subscription Shares will be completed on or before Completion such that the Subscription will not result in the Company breaching the Public Float requirement. Effects on the full conversion of the Convertible Notes are shown in each table.



Further announcement(s) will be made as and when the arrangements in relation to maintaining the Public Float have been confirmed by the Investor.

(a) Maintenance of Public Float by the allotment and issue of New Shares and placing down part of the Conversion Shares:

Names of the Shareholders	Existing Shareholding		Upon completion of the Subscription		Upon completion of the Subscription and the allotment and issue of New Shares		Upon completion of the Subscription, the allotment and issue of New Shares and assuming the full conversion of the Convertible Notes at a conversion price of HK\$0.05 per Share	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Investor and parties acting in concert with it								
– Subscription Shares	Nil	Nil	6,000,000,000	94.77	6,000,000,000	75.00	6,000,000,000	48.00
– Conversion Shares (Note 5)	Nil	Nil	Nil	Nil	Nil	Nil	3,375,000,000 (Note 4)	27.00
Sub-total	Nil	Nil	6,000,000,000	94.77	6,000,000,000	75.00	9,375,000,000	75.00
Placees of New Shares	Nil	Nil	Nil	Nil	1,669,125,697 (Note 1)	20.86	1,669,125,697	13.35
Placees of Conversion Shares	Nil	Nil	Nil	Nil	Nil	Nil	1,125,000,000 (Note 4)	9.00
Well Peace Limited (Note 2)	60,805,590	18.38	60,805,590	0.96	60,805,590	0.76	60,805,590	0.49
Wisdom Top International Limited (Note 3)	23,142,857	6.99	23,142,857	0.37	23,142,857	0.29	23,142,857	0.19
Other public Shareholders	246,925,856	74.63	246,925,856	3.90	246,925,856	3.09	246,925,856	1.97
Total	<u>330,874,303</u>	<u>100.00</u>	<u>6,330,874,303</u>	<u>100.00</u>	<u>8,000,000,000</u>	<u>100.00</u>	<u>12,500,000,000</u>	<u>100.00</u>
Public Float			330,874,303	5.23	2,000,000,000	25.00	3,125,000,000	25.00

Notes:

1. Immediately after the completion of the Subscription, the Company is to allot and issue 1,669,125,697 New Shares to maintain the minimum Public Float. The New Shares will be placed to third parties who are independent of the Company and its connected persons (as defined in the Listing Rules) and not acting in concert with the Investor, its ultimate beneficial owners and their respective concert parties. It is expected that no one individual placee will hold more than 10% or more of the then issued share capital of the Company.
2. Well Peace Limited is ultimately beneficially owned by Mr. Lam Chin Wang (“Mr. Lam”). Mr. Lam is the existing substantial shareholder of the Company and he does not hold any directorship in the Company.

3. Wisdom Top International Limited is a company incorporated in Hong Kong with limited liability whose entire issued share capital is ultimately owned by Sky Realty Holdings Limited. Sky Realty Holdings Limited is beneficially owned as to 56.00% by Mr. Lam. The remaining 44% of the issued share capital of Sky Realty Holdings Limited is held by four independent third parties who are not connected with the Company and its connected persons (as defined in the Listing Rules). Each of their effective interests in the existing issued share capital of the Company is less than 5.0% each. Accordingly, Mr. Lam is deemed to be interested in 25.37% of the existing issued share capital of the Company.
4. Under the terms of the CN Subscription Agreement, no conversion of the Convertible Notes may take place if such conversion will result in the Company breaching the Public Float requirement. The Investor will transfer such amount of the Convertible Notes to independent third parties who are not connected with the Company and its connected persons (as defined in the Listing Rules) to maintain the Public Float requirement upon the exercise of the Conversion Rights in full. This will result in such independent Note Subscribers holding an aggregate of 1,125,000,000 Conversion Shares upon the exercise in full of the Conversion Rights attached to the Convertible Notes held by them.
5. As the Investor (which will become a substantial Shareholder upon Completion) and its associate(s) will become connected persons (as defined in the Listing Rules) of the Company upon Completion, pursuant to Rule 14A.13(5) of the Listing Rules, the exercise or non-exercise of the option by the Company to serve the Exercise Notice to the Investor will constitute a connected transaction, and the Company will be subject to full compliance with the requirements, including, among other things, the approval of independent shareholders of the Company, under Chapter 14A of the Listing Rules. Accordingly, the issuance of the Convertible Notes and the Conversion Shares thereof will also be subject to, among other things, the approval of independent shareholders of the Company under Chapter 14A of the Listing Rules.

(b) Maintenance of Public Float by the Investor placing down part of the Subscription Shares and part of the Conversion Shares:

Names of the Shareholders	Existing Shareholding		Upon completion of the Subscription		Upon completion of the Subscription and the placement of Subscription Shares		Upon completion of the Subscription, the placement of Subscription Shares and assuming the full conversion of the Convertible Notes at a conversion price of HK\$0.05 per Share	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Investor and parties acting in concert with it								
– Subscription Shares	Nil	Nil	6,000,000,000	94.77	4,748,155,727 (Note 1)	75.00	4,748,155,727	43.84
– Conversion Shares (Note 3)	Nil	Nil	Nil	Nil	Nil	Nil	3,375,000,000 (Note 2)	31.16
Sub-total	Nil	Nil	6,000,000,000	94.77	4,748,155,727	75.00	8,123,155,727	75.00
Placees of Subscription Shares	Nil	Nil	Nil	Nil	1,251,844,273 (Note 1)	19.77	1,251,844,273	11.56
Placees of Conversion Shares	Nil	Nil	Nil	Nil	Nil	Nil	1,125,000,000 (Note 2)	10.39
Well Peace Limited	60,805,590	18.38	60,805,590	0.96	60,805,590	0.96	60,805,590	0.56
Wisdom Top International Limited	23,142,857	6.99	23,142,857	0.37	23,142,857	0.37	23,142,857	0.21
Other public Shareholders	246,925,856	74.63	246,925,856	3.90	246,925,856	3.90	246,925,856	2.28
Total	<u>330,874,303</u>	<u>100.00</u>	<u>6,330,874,303</u>	<u>100.00</u>	<u>6,330,874,303</u>	<u>100.00</u>	<u>10,830,874,303</u>	<u>100.00</u>
Public Float			330,874,303	5.23	1,582,718,576	25.00	2,707,718,576	25.00

Notes:

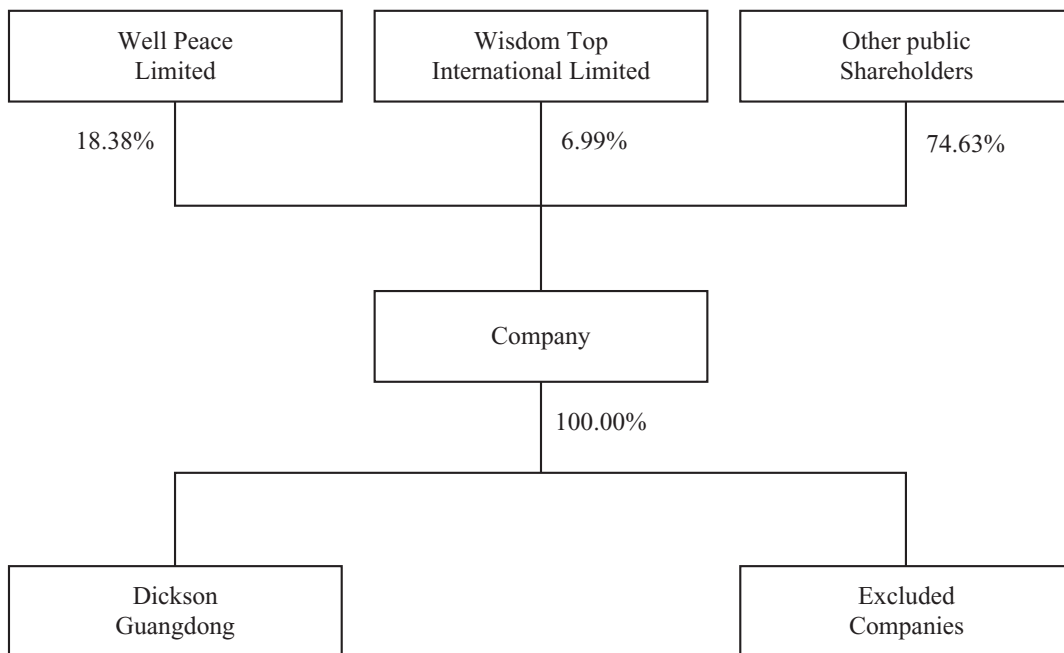
1. Immediately after the completion of the Subscription, if necessary the Investor will place down a maximum of 1,251,844,273 Shares out of the Subscription Shares to maintain the minimum Public Float. The Subscription Shares will be placed to third parties who are independent of the Company and its connected persons (as defined in the Listing Rules) and not acting in concert with the Investor, its ultimate beneficial owners and their respective concert parties. It is expected that no one individual placee will hold more than 10% or more of the then issued share capital of the Company.
2. Under the terms of the CN Subscription Agreement, no conversion of the Convertible Notes may take place if such conversion will result in the Company breaching the Public Float requirement. The Investor will transfer such amount of the Convertible Notes to independent third parties who are not connected with the Company and its connected persons (as defined in the Listing Rules) to maintain the Public Float requirement upon the exercise of the Conversion Rights in full. This will result in such independent Note Subscribers holding an aggregate of 1,125,000,000 Conversion Shares upon the exercise in full of the Conversion Rights attached to the Convertible Notes held by them.

3. As the Investor (which will become a substantial Shareholder upon Completion) and its associate(s) will become connected persons (as defined in the Listing Rules) of the Company upon Completion, pursuant to Rule 14A.13(5) of the Listing Rules, the exercise or non-exercise of the option by the Company to serve the Exercise Notice to the Investor will constitute a connected transaction, and the Company will be subject to full compliance with the requirements, including, among other things, the approval of independent shareholders of the Company, under Chapter 14A of the Listing Rules. Accordingly, the issuance of the Convertible Notes and the Conversion Shares thereof will also be subject to, among other things, the approval of independent shareholders of the Company, under Chapter 14A of the Listing Rules.

## GROUP STRUCTURE

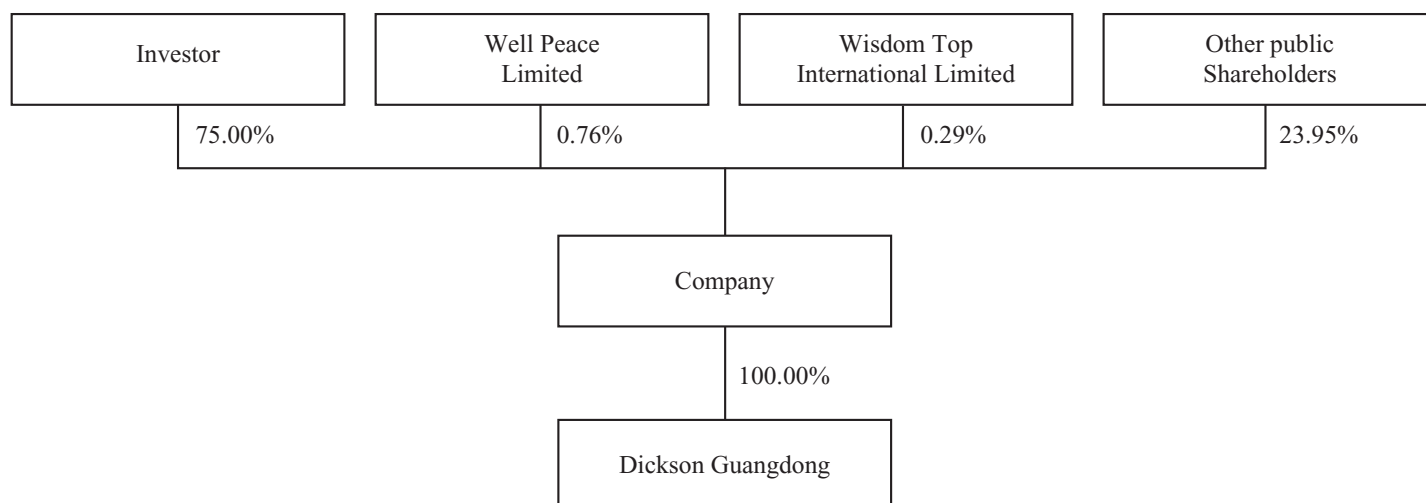
The following diagrams show the Group structure before and after the completion of the Subscription, the issue and allotment of New Shares/the placing down of Subscription Shares and the Disposal:

### Group structure before Completion:

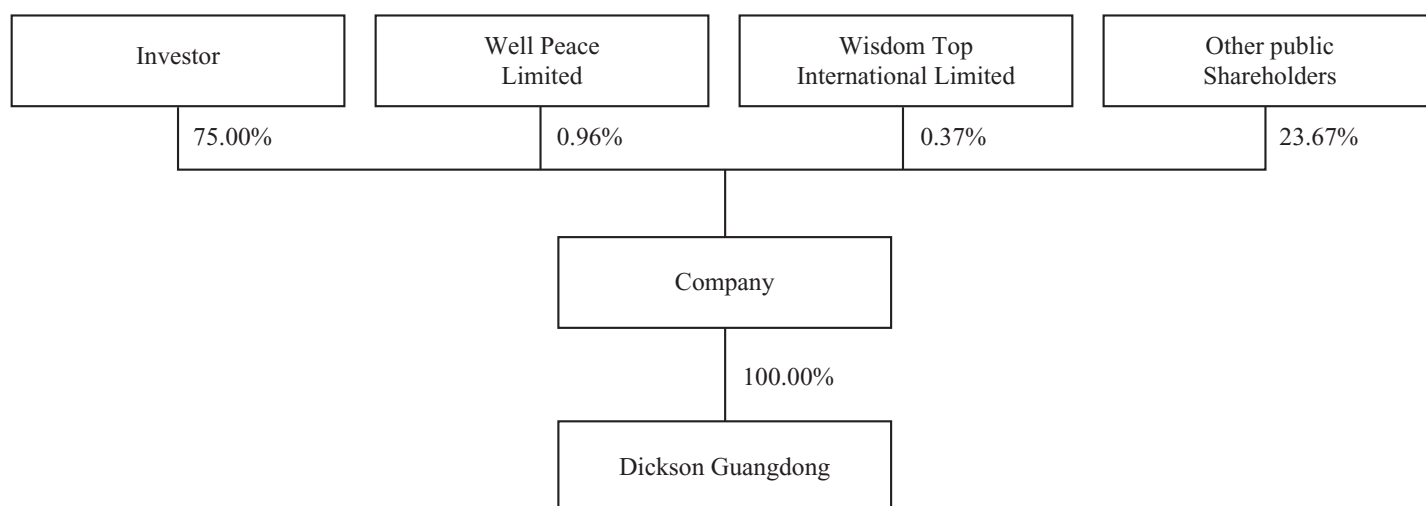


## Group Structure after Completion:

### (i) Based on the Company allotting and issuing New Shares to maintain the minimum Public Float requirement



### (ii) Based on the Investor placing down part of the Subscription Shares to maintain the minimum Public Float requirement



## INFORMATION ON THE INVESTOR

The Investor, Richly Field Group Limited, is an investment holding company incorporated in the British Virgin Islands with limited liability. Save for entering into the Preliminary Agreement, the Exclusivity Agreement, the Escrow Agreement, the Second Escrow Agreement, the Formal Agreement, the Supplemental Formal Agreement and the CN Subscription Agreement, the Investor has not conducted any business since its incorporation. The Investor is ultimately beneficially owned as to 32% by Mr. Pang Yuet, as to 24% by Mr. Smith Siu, as to 24% by Mr. He Guang and as to 20% by Beijing Capital Group.

Beijing Capital Group is a company listed on the Shanghai Stock Exchange and is controlled by Beijing Capital Group Limited, a State-owned enterprise in the PRC. Beijing Capital Group is principally engaged in land and property development. It has played a significant role in the development of Beijing by undertaking projects in the city's infrastructure, including transport and the environment. One of the Beijing Capital Group's subsidiaries, Beijing Capital Land Ltd. (stock code: 2868), is listed on the Main Board of the Stock Exchange. It is a leading developer in Beijing which has developed a wide range of properties including office buildings and other commercial and residential properties in the city.

Mr. He Guang ("Mr. He"), aged 49, has been an executive director and vice-president of Beijing Capital Land Ltd. since December 2002. Prior to this appointment, Mr. He was responsible for project management in the New Rank Group in Hong Kong since 1998. During the period from late 1996 to 1998, he worked as a senior engineer for C.M. Wong Associates Limited in Hong Kong, which is a firm of consulting engineers specializing in structural and geo-technical engineering projects. He has also worked as a senior architect and engineer for TCL Construction Development Limited in Canada from May 1996 to December 1996 and was responsible for designing several development projects in Canada and in Hong Kong. Prior to his current position at Beijing Capital Land Ltd., Mr. He also served as a member of the senior management of Beijing Rongjin Real Estate Development Co., Limited, a PRC property development company. Mr. He has 22 years of experience in architectural engineering and obtained his Doctorate in Civil Engineering from the University of Montreal, Canada in 1996.

Mr. Smith Siu ("Mr. Siu"), aged 43, graduated from the Jinan University of International Finance in 1985. He started working in the real estate business in 1995 and has been responsible for financial management in various property development projects in Beijing, Guangzhou and Zhejiang.

Mr. Pang Yuet ("Mr. Pang"), aged 41, was appointed as Deputy General Manager of Yinhua Fund Management in 2000 and has been the Chairman of Yinhua Fund Management since 2003. Yinhua Fund Management was jointly established by Beijing Capital Group, 西南證券有限責任公司 (Southwest Securities Company\*), 南方證券股份有限公司 (South Securities Company\*) and 東北證券有限責任公司 (Northeast Securities Company\*) in 2001. It is a national fund management company approved by the China Securities Regulatory Commission with assets of over RMB100 billion under its management. Mr. Pang has over 15 years of experience in the finance and securities businesses. Mr. Pang holds an Executive Master of Business Administration degree from the Cheung Kong Graduate School of Business in Shanghai, the PRC.

## **WHITEWASH WAIVER**

Immediately upon completion of the Subscription, the Investor, its ultimate beneficial owners and parties acting in concert with any one of them will be interested in 6,000,000,000 New Shares, representing approximately 94.77% of the Enlarged Issued Share Capital. Accordingly, the Investor will make an application to the Executive for a Whitewash Waiver from their obligations under the Code to make a mandatory unconditional general offer for all the Shares other than those already owned or agreed to be acquired by the Investor, its ultimate beneficial owners or parties acting in concert with any one of them. The granting of the Whitewash Waiver will be subject to approval by the Independent Shareholders by way of poll at the Special General Meeting. If this condition precedent is not satisfied, the Formal Agreement will lapse and will not be implemented.

The Investor, its ultimate beneficial owners and parties acting in concert with any one of them confirm that they have not dealt in the securities of the Company during the six month period immediately prior to the date of this announcement. They have also undertaken not to deal in the securities of the Company before Completion.

## **FUTURE INTENTIONS OF THE INVESTOR**

The Investor intends to revive the Group's existing construction business through Dickson Guangdong. It is expected that immediately upon completion of the restructuring, Dickson Guangdong will be the only major operating subsidiary of the Group.

The Investor has entered into the CN Subscription Agreement with the Company and the Liquidators, details of which are set out under the section headed "CN Subscription Agreement" above. The issue of such Convertible Notes shall be at the discretion of the Company, and as such will serve as a standby source of fund which will be used as working capital for the businesses of the Company and Dickson Guangdong should such need arise.

Given a high level of capital to be contributed by the Investor and Beijing Capital Group's strong background and network in the PRC, the Investor's shareholders believe that the Group can leverage on their expertise in the property development and construction business to rebuild the Group's construction business, particularly in the PRC.

The Investor intends to pay up the registered capital of Dickson Guangdong in full, and assist Dickson Guangdong to apply for a license for Class 2 main contracting and specialist sub-contracting works from 廣東省建設廳 (Department of Construction of Guangdong Province\*) for the carrying out of the construction business in the PRC as soon as practicable. Notwithstanding that Dickson Guangdong only has its business license and does not have other contractor licenses, there is no impediment to Dickson Guangdong undertaking any construction project in the PRC as long as such project does not involve works which require the contractor to have a specialist license. At the moment, Dickson Guangdong can undertake construction projects in the PRC which does not require such Class 2 license.

The Company had up to two years from the date of issue of the business license of Dickson Guangdong (being 26 December 2005) to pay up the registered capital of Dickson Guangdong in full, such deadline being 25 December 2007. The Company has been in financial distress since late 2005 and has not had sufficient financial resources to pay up the outstanding registered capital of Dickson Guangdong.

On 30 August 2007, the Investor proposed the Restructuring Proposal to the Company and the Liquidators, which involves the revitalization of the Group's business by capturing the business opportunities in the PRC construction industry through Dickson Guangdong. In view of the above, Dickson Guangdong applied to 廣東省對外貿易經濟合作廳 (Department of Foreign Trade and Economic Co-operation of Guangdong Province\*) to extend the time for paying up of the registered capital to 30 September 2008. Such application was approved by 廣東省對外貿易經濟合作廳 (Department of Foreign Trade and Economic Co-operation of Guangdong Province\*) on 20 September 2007.

Upon full payment of the outstanding registered capital of Dickson Guangdong (which is expected to take place as soon as practicable after Completion), the full business license will be issued to Dickson Guangdong which, under normal circumstances, will be renewed annually by 廣東省工商行政管理局 (Industry and Commerce Administration of Guangdong Province\*) as long as Dickson Guangdong has paid its taxes in full and has not breached any laws. Upon obtaining the full business license, Dickson Guangdong will then be able to apply for the license for Class 2 main contracting and specialist sub-contracting works in the PRC. The application by Dickson Guangdong for the aforesaid Class 2 license will not be processed by 廣東省建設廳 (Department of Construction of Guangdong Province\*) until Dickson Guangdong can produce evidence that it has completed its outstanding capital injection in full by the Company. As the Company is now in liquidation, it does not have sufficient financial resources to inject outstanding capital. The injection of the outstanding capital into Dickson Guangdong by the Company, and, hence, the application for the aforesaid Class 2 license by Dickson Guangdong can only proceed after the Completion when the Company has the necessary resources.

A new management team with ample experience in the construction industry has taken charge of Dickson Guangdong's operations. The Investor is confident that, with its strong support in the business, financial and management aspects, the Group will be able to gain a strong foothold in the PRC construction industry and achieve a substantial level of operations within a reasonable period of time.

The Investor, its ultimate beneficial owners and parties acting in concert with any one of them confirm that, save for the arrangements as contemplated under the Formal Agreement, they have no intention to inject their assets or any other assets into the Group, or to dispose of or re-deploy any of the assets of the Group.

## **USE OF PROCEEDS**

### **Subscription Shares**

It is estimated that the net proceeds from the Subscription would be approximately HK\$285 million. The Company intends to apply such net proceeds for the following purposes:

- (i) as to HK\$75 million for payment to the Creditors pursuant to the Schemes; and
- (ii) as to HK\$210 million as working capital for the revitalisation of the businesses of the Group.

As at the date of this announcement, Dickson Guangdong has secured five legally-binding contracts with its customers for an aggregate contract sum of approximately RMB117.4 million and signed a letter of intent for a construction project with an estimated project period of approximately two years for a total contract sum of approximately RMB197.8 million. The cash resources so generated will be used to finance the projects which the Group has secured and other future projects.



## **Convertible Notes**

The maximum gross proceeds of approximately HK\$225 million from the issue of the Convertible Notes is intended to serve as a standby source of funds for the businesses of the Group as and when required. The Company will consider the financial requirements of the then business situation and working capital needs of the Group and will exercise its discretion to require the Investor to subscribe for the Convertible Notes for such amounts as needed at the time. As such, the Convertible Notes may or may not be issued and, even if issued, may be issued only in part and not in full.

## **PROPOSED CHANGE OF BOARD COMPOSITION**

The Board currently comprises Mr. Lin Xiong and Mr. Chin Wai Kay Geordie, being the executive Directors, and Mr. Wong Ying Sheung, being the independent non-executive Director.

All existing executive Directors and independent non-executive Director will resign from the Board upon Completion or the earliest time permitted under the Code, whichever is the later. The Investor intends to nominate Mr. He, Mr. Sun Peng and Mr. Wong Kin Fai as executive Directors, and Mr. Yeung King Wah Kenneth, Mr. Lei Jian and Mr. Hei Xue Yan as independent non-executive Directors upon Completion.

Set out below are the biographical details of the proposed executive Directors (other than Mr. He whose details are set out under the section headed “Information on the Investor” above) and independent non-executive Directors to be nominated by the Investor to the Board.

### **Executive Directors**

Mr. Sun Peng (“Mr. Sun”), aged 36, has been the Deputy General Manager of 北京棕欄泉置業有限公司 (Beijing Palm Springs Properties Company Limited\*) since 2001. Beijing Palm Springs Properties Company Limited is a developer of high-end luxury properties and leisure properties in Hong Kong and in the PRC, with cumulative investment surpassing RMB 8 billion. Prior to this, he served as an assistant to general manager in Cheng Cheng Enterprise (Shenzhen) Company Limited. Mr. Sun obtained his Bachelor of Arts degree from Shenyang University in 1994. He has over 10 years of experience in corporate management and project management.

Mr. Wong Kin Fai (“Mr. Wong”), aged 39, is a qualified cost engineer practising in quantity surveying and project management. He has over 10 years of experience in the construction industry and is principally engaged in the provision of consultancy services to construction projects in Hong Kong and the PRC. Mr. Wong obtained a Master of Science degree from the University of Warwick in 1993 and a postgraduate diploma in quantity surveying from the University of Hong Kong in 1997. He is an accredited Quantity Surveyor with the Academy of Experts (England).

## **Independent non-executive Directors**

Mr. Yeung King Wah, Kenneth (“Mr. Yeung”), aged 49, is the founder of Yeung and Co., Chartered Accountants. He is a member of the Institute of Chartered Accountants in England and Wales, a member of the Hong Kong Institute of Certified Public Accountants and a member of the Chartered Institute of Taxation in the United Kingdom. Since his graduation from the University of Birmingham in the United Kingdom in 1981, he has spent 17 years in Europe working with several major international accounting practices and a London-listed manufacturing and retail group. In 1994, he was admitted as a full member of the Association of Corporate Treasurers in the United Kingdom. Mr. Yeung joined PricewaterhouseCoopers in 1998, and set up his own management consulting practice in Hong Kong in 2001. He later helped to set up ILS (Far East) Limited in Hong Kong and ILS (China) Limited in the Greater China, which specializes in the provision of tax planning and company secretarial services. He has been a director of both ILS (Far East) Limited and ILS (China) Limited since their commencement of business.

Mr. Lei Jian (“Mr. Lei”), aged 54, is a registered electrical and mechanical engineer in the PRC. He was the Managing Director of ZOC Construction Engineering Company Limited from 1999 to 2002. He joined ZOC Investment Company, which is engaged in financial services, in 2002 and was appointed its Chairman and Managing Director in March 2005. He graduated from 中共中央黨校 (Party School of the Central Committee of Communist Party of China\*) where he studied economics and management. Mr. Lei has over 30 years of experience in engineering and mechanical engineering and corporate management.

Mr. Hei Xue Yan (“Mr. Hei”), aged 66, is a senior economist of the PRC. Mr. Hei has extensive experience in the field of finance and trading and has been in the field for 38 years. He has served in the Trade and Finance Bureau of the Jilin province for 18 years from 1965 to 1983. He was the general manager of 吉林省國際信託投資公司 (Jilin International Trust and Investment Company\*) from 1984 to 1992 and was the general manager of 海南省國際信託投資公司 (Hainan International Trust and Investment Company\*) from 1992 to 1994. From 1994 to 1998, he was the consultant for China Zhuoli Trading Company. He was nominated as the Deputy Secretary to 中國證券業協會 (Securities Association of China\*) for the period from 1998 to 2000. Mr. Hei was the chairman of Yinhua Fund Management from 2000 to 2003.

Save for the above, no other changes are contemplated to be made to the composition of the Board. Further announcement will be made by the Company as regards the changes in the composition of the Board in due course.

## **REASONS FOR THE RESTRUCTURING PROPOSAL**

The Company has been in financial distress since late 2005. The winding up petition for the Company was heard by the Hong Kong Court on 18 December 2006 and a winding up order was made against the Company. The matter was further heard in the Hong Kong Court on 29 May 2007, and Mr. Stephen Liu Yiu Keung and Mr. Robert Armor Morris were appointed as joint and several liquidators of the Company. Since then, the Liquidators have been in discussion and negotiation with various potential investors with a view to restructuring the Company and submitting a viable resumption proposal to the Stock Exchange. The Restructuring Proposal from the Investor has been accepted by the Liquidators and received in principal support from Creditors representing more than 75% of the total indebtedness of the Company as it represents the most viable resumption proposal offering on balance the best recovery for the Creditors compared with other restructuring proposals received by the Company.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee, comprising the existing independent non-executive Director, was formed on 31 January 2008 to advise the Independent Shareholders as to whether the terms of the Formal Agreement, the CN Subscription Agreement and the Disposal Agreement and the Whitewash Waiver are fair and reasonable so far as the Independent Shareholders are concerned, and whether the aforesaid agreements (including the transactions contemplated thereunder) are in the interests of the Company and the Shareholders as a whole.

An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Whitewash Waiver, the Formal Agreement, the CN Subscription Agreement, the Disposal Agreement and the transactions contemplated thereunder. A further announcement will be made upon the appointment of the independent financial adviser.

## **GENERAL**

The Company and the Liquidators have published the annual results for the years ended 31 March 2006 and 2007 on 17 December 2007 and the interim results for the six months ended 30 September 2006 and 2007 on 15 January 2008. The Resumption Proposal has been submitted to the Stock Exchange on 21 November 2007. The Resumption Proposal includes the Schemes, the Subscription, the DG Options, the Disposal Agreement, the CN Subscription Agreement, the increase in the authorised share capital and the placing down of the Subscription Shares or the issuance of New Shares for the purpose of maintaining the Public Float. The Company will also submit an application for the listing of, and permission to deal in, the Subscription Shares and the New Shares to be allotted and issued for the purpose of compliance with the Public Float requirements.

The Investor will make an application to the Executive for the Whitewash Waiver, the granting of which will be subject to the approval of Independent Shareholders by way of poll at the Special General Meeting. The Company will make an application to the Executive for approval under Rule 25 of the Code in relation to the Disposal and the Schemes which will be subject to the independent financial adviser to the Independent Board Committee and the Independent Shareholders publicly stating that in its opinion

the terms of the Disposal Agreement and the Schemes are fair and reasonable; and that the Disposal Agreement, the CN Subscription Agreement and the respective transactions contemplated under the Formal Agreement are approved by the Independent Shareholders by way of poll at the Special General Meeting.

The resolutions to be put to the Independent Shareholders at the Special General Meeting will also include the granting of a specific mandate for the issue and allotment of the Subscription Shares and the issue and allotment of the New Shares (if necessary for the purpose of maintaining of the Public Float).

The Investor, its ultimate beneficial owners and the Interested Shareholders and their respective concert parties and associates will abstain from voting at the Special General Meeting on the resolutions to approve the Whitewash Waiver, and the transactions contemplated under the Formal Agreement, the CN Subscription Agreement and the Disposal Agreement.

Save for the Interested Shareholders and their respective associates who will abstain from voting in respect of their aggregate shareholding of approximately 0.577% of the existing issued share capital of the Company on the resolutions pertaining to the Whitewash Waiver, and the transactions contemplated under the Formal Agreement, the CN Subscription Agreement and the Disposal Agreement, to the best of the Liquidators' knowledge, information and belief having made all reasonable enquiries, no other Shareholders shall be required to abstain from voting on the resolutions to approve the transactions as set out in this announcement at the Special General Meeting.

The resolutions to be put to the Shareholders at the Special General Meeting will include the granting of a general mandate for the allotment and issue of the new Shares and the increase in authorised share capital of the Company.

A circular containing, amongst other things, details of the Formal Agreement, the Supplemental Formal Agreement, the CN Subscription Agreement, the Disposal Agreement, the increase in authorised share capital, the Whitewash Waiver, the DG Options, the approval to be sought from the Independent Shareholders for the granting of the specific mandate for the allotment and issuance of the Subscription Shares and the New Shares (if necessary for the purpose of maintaining the Public Float) and other matters as detailed above, together with the recommendation of the Independent Board Committee to the Independent Shareholders, the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders and the notice of the Special General Meeting, is required to be despatched to the Shareholders within 21 days of the date of this announcement. Application will be made by the Company and the Investor to the Executive for a waiver from strict compliance with Rule 8.2 of the Code for an extension of the despatch time limit to accommodate the Court timetable for the Schemes.

The timetable, including the timetable for implementation of the Schemes and the respective transactions contemplated under the Formal Agreement as well as the time for holding the Special General Meeting has not been fixed. Further announcement(s) will be made as and when the timetable for the Schemes and other matters have been finalised.

**The release of this announcement is not an indication that the Formal Agreement and the Schemes will be successfully implemented and completed or that the resumption of trading in the Shares or the Resumption Proposal has been or will be approved by the Stock Exchange. Trading in the Shares has been suspended at the request of the Company since 9:30 a.m. on 30 December 2005 and will continue to be suspended until further notice. Further announcements will be made when material developments take place.**

**The Company has submitted a Resumption Proposal to the Stock Exchange on 21 November 2007 with a view to seeking resumption of trading in the Shares and that the Company is addressing the matters set out in the Stock Exchange's announcement dated 7 June 2007 and issues relating to the Resumption Proposal.**

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

- “Beijing Capital Group” means 北京首創股份有限公司 (Beijing Capital Co., Limited\*), a company incorporated in the PRC which is listed on the Shanghai Stock Exchange and is controlled by Beijing Capital Group Limited, one of the ultimate beneficial owners of the Investor;
- “Beijing Capital Group Limited” means 北京首都創業集團有限公司 (Beijing Capital Group Limited\*), a State-owned enterprise in the PRC;
- “Beijing Rongjin Real Estate Development Co., Limited” means 北京融金房地產開發有限公司 (Beijing Rongjin Real Estate Development Co., Limited\*), a property development company established in the PRC;
- “Bermuda Court” means the Supreme Court of Bermuda;
- “Bermuda Scheme” means the scheme of arrangement to be made between the Company and the Creditors pursuant to section 99 of the Companies Act which will become effective and binding on the Creditors if, *inter alia*, a majority in number of the relevant Creditors representing more than 50% in number and not less than 75% in value of the Company's indebtedness have voted in favour of the Bermuda Scheme at the meeting of the Creditors, the Bermuda Scheme has been sanctioned by the Bermuda Court and an office copy of the court order has been filed with the Registrar of Companies in Bermuda;
- “Board” means the board of Directors;
- “Business Day” means a day (excluding Saturdays, Sundays and public holidays) on which banks are generally open for business in Hong Kong;

“Cash Amount”	means an aggregate sum of HK\$75,000,000 to be provided to the Scheme Administrators and allocated by the Scheme Administrators to the Creditors pursuant to the terms of their power under the Schemes to settle the Liabilities;
“CN Subscription Agreement”	means the conditional subscription agreement dated 22 January 2008 and entered into amongst the Company, the Liquidators and the Investor for the purpose of the issue of the Convertible Notes by the Company at its sole discretion to the Investor or such other persons as nominated by the Investor, as the case may be, on and subject to the terms and conditions contained therein;
“Code”	means the Hong Kong Code on Takeovers and Mergers;
“Companies Act”	means the Companies Act 1981 of Bermuda, as amended from time to time;
“Companies Ordinance”	means the Companies Ordinance (Cap. 32) of the Laws of Hong Kong;
“Company”	means Dickson Group Holdings Limited (In Liquidation), a company originally incorporated in the Cayman Islands on 10 September 1990 and continued in Bermuda on 11 February 2004 with limited liability;
“Completion”	means completion of the Formal Agreement and the transactions contemplated thereunder;
“Conditions”	means the conditions for the completion of the Formal Agreement as set out in this announcement and each a “Condition”;
“Conditions Long Stop Date”	means 31 August 2008 or such later date as the parties may agree;
“Conversion Date”	means the date on which the Conversion Rights are exercised in accordance with terms and conditions of the Convertible Notes;
“Conversion Price”	means the higher of (i) 90% of the average closing price per Share as quoted on the Stock Exchange for the ten trading days immediately before the Conversion Date; or (ii) the par value of the Share;
“Conversion Period”	means the period between the issue date of the Convertible Notes and the Maturity Date;
“Conversion Rights”	means the rights of conversion attached to the Conversion Notes and shall be exercisable by the Investor or the Note Subscriber(s), as the case may be, during the Conversion Period to convert the whole or part of the principle amount of the Convertible Notes into Conversion Shares;

“Conversion Shares”	means the Shares to be issued by the Company upon exercise by the Investor or the Note Subscriber(s) of the Conversion Rights, as the case may be;
“Convertible Notes”	means the convertible notes to be issued by the Company at its sole discretion to the Investor or such other person(s) as may be nominated by it, at any time during the Exercise Period in the amount of not more than HK\$225,000,000 at the Conversion Price;
“Court Meeting”	means the meeting of the holders of Shares and/or Creditors to be convened by the Bermuda Court and/or Hong Kong Court, notices of which will be contained in the Schemes circular and Schemes documents and to be published by public notices in Hong Kong and Bermuda;
“Creditors”	means collectively, the Ordinary Creditors and the Preferential Creditors;
“Deposit”	means a non-refundable deposit of HK\$5,000,000 paid by the Investor to the Company under the Exclusivity Agreement;
“DG Options”	means the call option pursuant to which the Investor has the right to request the Liquidators to sell all the shares in Dickson Guangdong to the Investor and the put option pursuant to which the Liquidators have the right to request the Investor to purchase all the shares in Dickson Guangdong from the Liquidators;
“Dickson Guangdong”	means 德信建工(廣東)有限公司(Dickson Construction Engineering (Guang Dong) Limited*), a company incorporated in the PRC and a wholly-owned subsidiary of the Company;
“Directors”	means director(s) of the Company;
“Disposal”	means the proposed disposal by the Company (tangible and intangible assets save and except for the investment in Dickson Guangdong) to Newco of the entire issued share capital of the Excluded Companies pursuant to the Disposal Agreement;
“Disposal Agreement”	means a disposal agreement to be entered into amongst the Company, Newco and the Investor (if required) providing for the transfer of the entire issued share capital of the Excluded Companies to Newco at a nominal consideration;

“Effective Date”	means the date on which the Schemes become effective in accordance with their terms, the date of Completion being the same date;
“Encumbrances”	include any mortgage, pledge, lien, charge, assignment by way of security, hypothecation, security interest, any arrangements commonly referred to as “flawed assets” arrangements and set-off rights which exceed the rights under the insolvency set-off rules of any relevant jurisdiction, or any other security arrangement or agreement, whether relating to existing or future assets and whether conditional or not and “Encumbrance” shall be construed accordingly;
“Enlarged Issued Share Capital”	means the total issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares;
“Escrow Agent”	means the escrow agent appointed by the Company, the Liquidators and the Investor under the Escrow Agreement and the Second Escrow Agreement;
“Escrow Agreement”	means the escrow agreement dated 10 September 2007 and entered into between the Company, the Liquidators, the Investor and the Escrow Agent in relation to the Escrow Deposit to be placed in escrow by the Investor;
“Escrow Deposit”	means the deposit in the sum of HK\$10,000,000 paid by the Investor under the Escrow Agreement;
“Excluded Companies”	means all those other subsidiaries, associated companies, jointly controlled entities and other investments in which the Company has an interest (whether direct or indirect) other than Dickson Guangdong;
“Exclusivity Agreement”	means the exclusivity agreement dated 10 September 2007 entered into amongst the Company, the Liquidators and the Investor in relation to the exclusivity period which allowed time for negotiation by the parties of the terms and conditions and execution of the Formal Agreement;
“Executive”	means the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director (in each case acting in the capacity of “Executive” under the Code);
“Exercise Notice”	means a notice issued by the Company to the Investor at any time and in the sole discretion of the Company within the Exercise Period to take up the Convertible Notes;
“Exercise Period”	means any day falling within twelve (12) months following the date of Completion;



“Formal Agreement”	means an agreement (as supplemented by the Supplemental Formal Agreement) relating to the release and discharge of Liabilities presently due and owing by the Company to the Creditors, the Disposal and the issuance of Subscription Shares, New Shares and Convertible Notes and entered into between the Company, the Liquidators and the Investor on 5 November 2007 pursuant to which the parties have agreed to record their arrangements as to the subscription of Subscription Shares and the Convertible Notes, the implementation of the Schemes and other ancillary matters related thereto;
“Former Group”	means the Company and its subsidiaries (being Dickson Guangdong and the Excluded Companies);
“Group”	means the Company and Dickson Guangdong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Court”	means the High Court of Hong Kong;
“Hong Kong Scheme”	means the scheme of arrangement to be made between the Company and its Creditors pursuant to section 166 of the Companies Ordinance which will become effective and binding on the Creditors if, <i>inter alia</i> , a majority in number of the relevant Creditors representing more than 50% in number and not less than 75% in value of the Company’s indebtedness have voted in favour of the Hong Kong Scheme at the meeting of the Creditors, the Hong Kong Scheme has been sanctioned by the Hong Kong Court and an office copy in the court order has been filed with the Registrar of Companies in Hong Kong;
“Independent Board Committee”	the independent board committee of the Company comprising the existing independent non-executive Director, being Mr. Wong Ying Sheung, which was formed on 31 January 2008 to advise the Independent Shareholders;
“Independent Shareholders”	means the Shareholders other than the Investor, its ultimate beneficial owners and parties acting in concert with any one of them, the Interested Shareholders and their respective associates and those (if any) involved in or interested in the Whitewash Waiver, the Formal Agreement, the CN Subscription Agreement, the Disposal Agreement and the transactions contemplated thereunder;
“Interested Shareholders”	means the Shareholders who are also the Creditors, namely Ng Shiu Lun, Chung Chi Keung, Chang Wai Kwan, Leung Wing Yee, Mandy and i-Concepts Investment Limited, holding an aggregate of approximately 0.577% of the existing issued share capital of the Company;

“Investor”	means Richly Field Group Limited, an investment holding company incorporated in the British Virgin Islands with limited liability, which is ultimately beneficially owned as to 32% by Mr. Pang Yuet, 24% by Mr. Smith Siu, 24% by Mr. He Guang and 20% by Beijing Capital Group;
“Liabilities”	means in relation to each Creditor the indebtedness and any other financial liabilities due by the Company to it as at Completion;
“Liquidators”	means Mr. Stephen Liu Yiu Keung and Mr. Robert Armor Morris, both of Ernst & Young Transactions Limited, 18th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong, the joint and several liquidators of the Company who act without personal liabilities;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Maturity Date”	means the date falling two years from the date of the issue of the Convertible Notes;
“New Shares”	means new Shares to be issued and allotted by the Company under a specific mandate to be approved at the Special General Meeting for the purpose of issue and allotment of the Subscription Shares, the Conversion Shares (if required) and/or the new Shares to be issued (if required) for the purpose of maintaining of Public Float, as the case may be;
“Newco”	means Line Treasure Limited, a company incorporated in Hong Kong with limited liability, being the newly incorporated company held and controlled by the Liquidators for the benefit of the Creditors (including the Interested Shareholders);
“Note Subscriber(s)”	means such other person(s) nominated by the Investor not being connected person(s) (as defined in the Listing Rules) of the Company to take up the Convertible Notes;
“Ordinary Creditors”	means those creditors of the Company as at Completion other than the Preferential Creditors;
“PRC”	means the People’s Republic of China;
“PRC GAAP”	means the generally accepted accounting principles in PRC;
“Preferential Creditors”	means the creditors of the Company as at Completion whose preferential claims (being claims which are preferential in accordance with law) will be settled in full under the Schemes;

“Preliminary Agreement”	means the preliminary agreement entered into between the Company, the Liquidators and the Investor on 10 September 2007 in relation to Restructuring Proposal for the Company;
“Proof of Debts”	means the proof of debts duly lodged with the Liquidators by the Creditors in respect of amounts which are currently overdue and owing to the Creditors by the Company, in the amount of approximately HK\$741.80 million as at the date of this announcement;
“Public Float”	means having not less than 25% of the total issued share capital in the hands of the public under Rule 8.08 of the Listing Rules;
“Resolutions”	means the resolutions to be proposed at the Special General Meeting which are necessary or appropriate in relation to the Restructuring Proposal, including the resolutions to approve the special deals as contemplated under Rule 25 of the Code and the Whitewash Waiver in relation to the implementation of the Schemes;
“Restructuring Proposal”	means the restructuring proposal proposed by the Investor to the Company and the Liquidators on 30 August 2007, as a result of which the Preliminary Agreement was entered into, as modified by the Formal Agreement, the CN Subscription Agreement and the Disposal Agreement;
“Resumption Proposal”	means the proposal which has been submitted (with the joint efforts of the Investor and the Company) to the Stock Exchange on 21 November 2007 together with the application for the resumption of trading of the Shares on the Stock Exchange (as supplemented by the supplemental information for the resumption proposal dated 18 December 2007 and the second supplemental information for the resumption proposal dated 10 January 2008);
“Scheme Administrators”	means such persons who are appointed as scheme administrators pursuant to the terms of the Schemes, namely the Liquidators;
“Schemes”	means the Hong Kong Scheme and the Bermuda Scheme;
“Second Escrow Agreement”	means the second escrow agreement dated 9 November 2007 and entered into amongst the Company, the Liquidators, the Investor and the Escrow Agent in relation to the Second Escrow Deposit to be placed in escrow by the Investor;
“Second Escrow Deposit”	means the deposit in the sum of HK\$25,000,000 paid by the Investor under the Second Escrow Agreement;

“SFC”	means the Securities and Futures Commission of Hong Kong;
“Share(s)”	means share(s) of HK\$0.05 each in the capital of the Company;
“Shareholder(s)”	means holder(s) of the Share(s);
“Special General Meeting”	<p>means the special general meeting of the Shareholders (excluding those Shareholders who shall abstain from voting in respect of such resolution(s) under the Code or the Listing Rules) to be held to consider all the resolutions of the Company necessary or appropriate in relation to the Restructuring Proposal, including, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>(i) the Formal Agreement and the Supplemental Formal Agreement and the transactions contemplated thereunder;</li> <li>(ii) the approval of the Whitewash Waiver;</li> <li>(iii) the approval of the issue of the Subscription Shares;</li> <li>(iv) the approval of the signing and execution of the CN Subscription Agreement;</li> <li>(v) the approval of the Disposal and the signing and execution of the Disposal Agreement;</li> <li>(vi) the approval of the increase of the authorised share capital of the Company;</li> <li>(vii) the passing of specific mandates for (a) the issue and allotment of the Subscription Shares; and (b) the issue and allotment of such New Shares as may be required for the maintenance of the Public Float;</li> <li>(viii) the approval, in accordance with the requirements of the Listing Rules, of a general mandate for the issue and allotment of the New Shares;</li> <li>(ix) the approval of the settlement of the indebtedness due to the Interested Shareholders under the Schemes which constitutes a special deal under Note 5 to Rule 25 of the Code; and</li> <li>(x) the approval of the Disposal which constitutes a special deal under Note 4 to Rule 25 of the Code;</li> </ul>

“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subscription”	means the subscription of 6,000,000,000 New Shares to be issued by the Company to the Investor, subject to approval at the Special General Meeting, representing approximately 94.77% of the Enlarged Issued Share Capital and raising subscription monies in the amount of HK\$300,000,000 with a subscription price of HK\$0.05 per Share;
“Subscription Shares”	means the 6,000,000,000 New Shares to be issued as per the Subscription pursuant to the Formal Agreement;
“Subsidiary”	bears the meaning ascribed to it in the Companies Ordinance, and “Subsidiaries” shall be construed accordingly;
“Supplemental Formal Agreement”	means the supplemental agreement to the Formal Agreement dated 22 January 2008 and entered into amongst the Company, the Liquidators and the Investor for the purpose of amending and clarifying certain terms and conditions of the Formal Agreement;
“Transaction Expenses”	means all costs and expenses incurred or to be incurred for and on behalf of the Company in relation to the Restructuring Proposal, the Preliminary Agreement, the Exclusivity Agreement, the Formal Agreement, the CN Subscription Agreement and the Schemes as well as matters incidental thereto including, without limitation, fees to be paid to its auditors, legal advisers (both solicitors and barristers), independent financial advisers and the Liquidators;
“Whitewash Waiver”	means a waiver from the obligation of the Investor, its ultimate beneficial owners and parties acting in concert with any one of them to make a mandatory unconditional general offer for all the issued Shares (other than those already owned or agreed to be acquired by the Investor, its ultimate beneficial owners and parties acting in concert with any one of them) pursuant to Note 1 on the dispensations from Rule 26 of the Code as a result of the allotment and issue of the Subscription Shares;
“Yinhua Fund Management”	means 銀華基金管理有限公司 (Yinhua Fund Management Company Limited*), a national fund management company established in the PRC and approved by the China Securities Regulatory Commission with assets of over RMB100 billion under its management;

“HK\$” and “cents” Hong Kong dollars and cents, the lawful currency of Hong Kong;  
“RMB” Renminbi, the lawful currency of the PRC; and  
“%” per cent.

By order of the board of directors of  
**Richly Field Group Limited**  
**He Guang**  
*Director*

For and on behalf of  
**Dickson Group Holdings Limited**  
**(In Liquidation)**  
**Stephen Liu Yiu Keung**  
**Robert Armor Morris**  
*Joint and Several Liquidators*  
*who act without personal liabilities*

Hong Kong, 12 February 2008

*As at the date of this announcement, the Board comprises Mr. Lin Xiong and Mr. Chin Wai Kay Geordie, being the executive Directors, and Mr. Wong Ying Sheung, being the independent non-executive Director.*

*As at the date of this announcement, the board of directors of the Investor comprises Mr. Sun Peng, Mr. He Guang and Mr. Wong Kin Fai.*

*The Liquidators jointly and severally accept full responsibility for the accuracy of the information contained in this announcement other than that relating to the Investor and confirm, having made all reasonable enquiries, that to the best of their knowledge, the opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*The directors of the Investor jointly and severally accept full responsibility for the accuracy of the information in this announcement other than that relating to the Company and confirms, having made all reasonable enquiries, that to the best of their knowledge, the opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

\* *For identification purposes only*