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Rising Development Holdings Limited

麗盛集團控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock code: 1004)

Oriental Day International Limited

東日國際有限公司

(incorporated in British Virgin Islands with limited liability)

JOINT ANNOUNCEMENT

Possible unconditional mandatory general cash offer by

Taifook Securities Company Limited on behalf of

Oriental Day International Limited to acquire all the issued shares in Rising Development

Holdings Limited (other than those shares already owned or agreed to be acquired by

Oriental Day International Limited and parties acting in concert with it);

and

Resumption of trading

Financial adviser to Oriental Day International Limited



THE S&P AGREEMENT

On 22 July 2007, the Offeror entered into the S&P Agreement with the Vendors, pursuant to which the Offeror has agreed to purchase and the Vendors have agreed to sell an aggregate of 435,016,000 Shares, representing approximately 71.63% of the entire voting rights of the Company as at the date of this announcement, at a total cash consideration of HK\$400,214,720 (equivalent to HK\$0.92 per Sale Share).

The S&P Agreement is conditional upon fulfillment of the conditions specified therein and as described in the section headed "S&P Agreement" of this announcement.

* For identification purposes only

THE OFFER

Upon Completion, the Offeror and parties acting in concert with it will own an aggregate of 435,016,000 Shares, representing approximately 71.63% of the entire voting rights of the Company as at the date of this announcement and is required under Rule 26.1 of the Takeovers Code to make an unconditional mandatory general cash offer to acquire all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

Taifook Securities will, on behalf of the Offeror, make the Offer in compliance with the Takeovers Code at HK\$0.92 per Offer Share in cash. The terms of the Offer are set out in the section headed "Possible unconditional mandatory general cash offer" of this announcement. Taifook Capital is satisfied that there are sufficient financial resources available to the Offeror to complete the purchase of the Sale Shares and meet the full acceptance of the Offer.

GENERAL

Under Rule 8.2 of the Takeovers Code, within 21 days of the date of this announcement or such later date as the Executive may approve, the Offeror is required to despatch the offer document containing the terms of the Offer (accompanied by the acceptance and transfer forms in respect of the Offer) to the Shareholders. In addition, the Company is required to send the offeree document in relation to the Offer to the Shareholders within 14 days of the posting of the offer document or such later date as the Executive may approve.

It is the intention of the Offeror and the Company that the Composite Offer Document will be jointly despatched by the Offeror and the Company to the Shareholders in respect of the Offer. Given that the Offer is subject to fulfillment of the conditions precedent set out under the S&P Agreement, it is expected that the Offer will not take place within 21 days of the date of this announcement. An application will be made to the Executive pursuant to Note 2 to Rule 8.2 of the Takeovers Code for his consent to despatch the Composite Offer Document to the Shareholders within 7 days of Completion.

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee will be formed to advise the Offer Shareholders in respect of the Offer. The Independent Board Committee will approve the appointment of an independent financial adviser which will advise the Independent Board Committee in respect of the Offer and an announcement on the appointment will be made as soon as practicable.

THE OFFER IS A POSSIBILITY ONLY

The Offer is a possible unconditional mandatory general cash offer, and it will only be made if Completion takes place pursuant to the S&P Agreement. Completion is subject to the satisfaction and/or waiver of the conditions precedent under the S&P Agreement. Accordingly Completion may or may not take place and the Offer may or may not proceed. The Shareholders and potential investors of the Company are advised to exercise extreme caution when dealing in the securities of the Company.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Friday, 20 July 2007 pending the issue and publication of this announcement. Application has been made by the Company for the resumption of trading in Shares on the Stock Exchange with effect from 9:30 a.m. on Tuesday, 31 July 2007.

S&P AGREEMENT

Date: 22 July 2007

- Vendors:
1. Rising Global Asset Limited, the holder and beneficial owner of 360,000,000 Shares, representing approximately 59.28% of the entire voting rights of the Company, is wholly and beneficially owned by Mr. Ng, an executive Director.
 2. Silver Sound Assets Limited, the holder and beneficial owner of 50,580,000 Shares, representing approximately 8.33% of the entire voting rights of the Company, is wholly and beneficially owned by Mr. Ng, an executive Director.
 3. Mr. Ng, the holder and beneficial owner of 24,436,000 Shares directly, representing approximately 4.02% of the entire voting rights of the Company.

In aggregate, Mr. Ng directly and indirectly owned 435,016,000 Shares, representing approximately 71.63 % of the entire voting rights of the Company as at the date of this announcement.

Purchaser: The Offeror

Sale Shares: 435,016,000 Shares beneficially owned by the Vendors, representing approximately 71.63% of the entire voting rights of the Company as at the date of this announcement. The Sale Shares will be sold free from all claims, charges, liens, encumbrances, equities and other third parties' rights on Completion.

Consideration: HK\$400,214,720 in total, representing HK\$0.92 per Sale Share.

The Consideration has been paid/shall be payable by the Offeror to the Vendors (or their nominees) in the following manner:

- (1) HK\$55,000,000 has been paid by the Offeror to the Vendors' solicitors who shall act as stakeholders upon the signing of the S&P Agreement on 22 July 2007, which is refundable to the Offeror in accordance with the terms of the S&P Agreement if the Vendors fail to complete the sale of the Sale Shares pursuant to the S&P Agreement and such failure is not caused by the default or omission of the Offeror; and
- (2) the balance of HK\$345,214,720 shall be payable to the Vendors at Completion.

Conditions precedent:

Completion is conditional upon:

- (1) the Shares remaining listed and traded on the Main Board at all times from the date of the S&P Agreement up to (and including) the date of Completion, save for any temporary suspension not exceeding twelve consecutive Business Days, or such longer period not exceeding fifteen consecutive Business Days as may be required by the SFC or the Stock Exchange in connection with the review and approval of the documents relating to the Offer (including but not limited to announcements and documents relating to the Offer) by the SFC or the Stock Exchange prior to their release or publication, and no indication being received prior to Completion from the SFC or the Stock Exchange to the effect that the listing of the Shares on the Main Board shall or may be withdrawn or objected to;
- (2) (where applicable) the passing of the necessary resolutions by the shareholders of the Vendors to approve the terms of and the transactions contemplated under the S&P Agreement and the implementation thereof;
- (3) all the warranties given by the Vendors under the S&P Agreement being true and correct in all material respects as at Completion by reference to the facts and circumstances subsisting at the date; and
- (4) no petition for the winding up of any member of the Group being presented or analogous proceedings being taken against any member of the Group and no demand is made by any banking and/or financial creditor of the Company for payment, whether or not under any of the existing guarantees given by any member of the Group in favour of such creditors, and such demand is not withdrawn, the effect of which in the reasonable opinion of the Offeror is such that the listing of the Shares on the Main Board shall be withdrawn.

Completion: Subject to fulfillment or waiver of all the conditions precedent set out under the S&P Agreement, Completion shall take place on the date of Completion, which is 24 August 2007 after satisfaction or waiver of the last of all the said conditions precedent, or at such other date as the Offeror and the Vendors may otherwise agree in writing.

POSSIBLE UNCONDITIONAL MANDATORY GENERAL CASH OFFER

Immediately after Completion, the Offeror and parties acting in concert with it will be interested in an aggregate of 435,016,000 Shares, representing approximately 71.63% of the entire voting rights of the Company. As such, the Offeror is required under Rule 26.1 of the Takeovers Code to make an unconditional mandatory general cash offer to acquire all the issued Shares (other than those shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

There are no outstanding warrants, options, derivatives or securities convertible into Shares as at the date of this announcement.

The Offer will be made on the terms set out below.

Principal terms of the Offer

Taifook Securities will, on behalf of the Offeror, make the Offer in compliance with the Takeovers Code on the following basis:

for each Offer Share HK\$0.92 in cash

Comparisons of value

The price of HK\$0.92 for each Offer Share is the same as the consideration agreed to be paid by the Offeror for each Sale Share under the S&P Agreement and represents:

- (a) a discount of approximately 18.6% to the closing price of HK\$1.13 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 1.3% over the average of the closing prices of HK\$0.908 per Share for the five consecutive trading days up to and including the Last Trading Day;
- (c) a premium of approximately 8.0% over the average of the closing prices of HK\$0.852 per Share for the 10 consecutive trading days up to and including the Last Trading Day;
- (d) a premium of approximately 6.2% over the average of the closing prices of approximately HK\$0.8667 per Share for the 30 consecutive trading days up to and including the Last Trading Day; and
- (e) a premium of approximately 71.0% over the audited consolidated net assets value per Share of approximately HK\$0.5381 as at 31 March 2007.

Highest and lowest prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six month period prior to the date of this announcement were HK\$1.13 per Share on 19 July 2007 and HK\$0.30 per Share on 1 February 2007 respectively.

Total consideration

As at the date of this announcement, the Company has 607,268,000 Shares in issue. Assuming that there is no change in the issued share capital of the Company prior to the making of the Offer, at the offer price of HK\$0.92 per Offer Share, the entire issued share capital of the Company is valued at approximately HK\$558.7 million under the Offer, and all of the 172,252,000 Offer Shares are valued at approximately HK\$158.5 million.

Taifook Capital is satisfied that there are sufficient financial resources available to the Offeror to complete the purchase of the Sale Shares and meet the full acceptance of the Offer.

Effect of accepting the Offer

By accepting the Offer, the Offer Shareholders will sell their Shares to the Offeror or its nominee free from all liens, claims and encumbrances and with all rights attached to them, including the rights to receive all dividends and distribution declared, made or paid on or after the date on which the Offer is made, i.e. the date of posting of the Composite Offer Document.

Stamp duty

Seller's ad valorem stamp duty arising in connection with acceptance of the Offer amounting to 0.1% of the amount payable in respect of the relevant acceptance (or the market value of the Offer Shares, if such market value is higher than the amount payable in respect of the relevant acceptance) will be deducted from the amount payable to the Offer Shareholders who accept the Offer.

The Offeror will bear its own portion of buyer's ad valorem stamp duty at the rate of 0.1% of the amount payable in respect of the relevant acceptances (or the market value of the Offer Shares, if such market value is higher than the amount payable in respect of the relevant acceptance) and will be responsible to account to the Stamp Office of Hong Kong all the stamp duty payable for sale and purchase of the relevant Offer Shares pursuant to the acceptance of the Offer.

Settlement of the consideration

The amounts due to the Offer Shareholders who accept the Offer should be paid by the Offeror to the Offer Shareholders as soon as possible but in any event within 10 days from the receipt of a duly completed acceptance form in accordance with the Takeovers Code.

INFORMATION ON THE COMPANY

The Group is principally engaged in investment holding, trading in equity securities, the manufacture and sale of fur garments and the sale of fur skins.

Based on the annual report of the Company for the year ended 31 March 2007, the net profits of the Group attributable to Shareholders for the two years ended 31 March 2006 and 31 March 2007 were approximately HK\$46.4 million and HK\$63.7 million respectively.

The following table sets out the shareholding structure of the Company as at the date of this announcement and immediately after Completion but before the Offer assuming that there is no change in the issued share capital of the Company:

	As at the date of this announcement		Immediately after the Completion but before the Offer	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
The Vendors	435,016,000	71.63	–	–
The Offeror and parties acting in concert with it	–	–	435,016,000	71.63
Ms. Chui May Ling, Margaret, an executive Director	270,000	0.04	270,000	0.04
Public	171,982,000	28.33	171,982,000	28.33
Total	<u>607,268,000</u>	<u>100.00</u>	<u>607,268,000</u>	<u>100.00</u>

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Mr. Lai Leong. Save for the entering into of the S&P Agreement, the Offeror has not conducted any business since its incorporation and has no material assets and liabilities other than the amounts required to finance the acquisition of the Sale Shares and the Offer. Mr. Lai Leong is the sole director of the Offeror.

Prior to the entering into of the S&P Agreement, neither the Offeror, its beneficial owner nor the parties acting in concert with any of them owned any Shares. Save for the entering into of the S&P Agreement, none of the Offeror, its beneficial owner and parties acting in concert with any of them has dealt in any Shares during the period commencing on the date six months prior to the date of the S&P Agreement and up to the date of this announcement.

Save for the S&P Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or the Company and which might be material to the Offer. Save for the S&P Agreement, there are no agreements or arrangements to which the Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer.

As at the date of this announcement, none of the Offeror and parties acting in concert with it has received any irrevocable commitment to or not to accept the Offer if the Offer is to be made in accordance with the Takeovers Code.

INTENTION OF THE OFFEROR REGARDING THE COMPANY

It is the intention of the Offeror that the existing principal activities of the Group will remain unchanged. However, the Offeror will conduct a review on business activities and assets of the Group for the purpose of formulating business plans and strategies for the future business development of the Group.

The Offeror has no intention to make any material changes to the employees or management of the Group or to dispose of any material assets or businesses of the Group other than in its ordinary course of business and has no intention to inject any material assets or businesses into the Group. There is currently no concrete plan on any appointment of director to the Board. Subject to the completion of the Offer, if thought fit, the Offeror may appoint new directors to the Board to strengthen the corporate governance and management of the Company.

The Offeror will review the composition of the Board following the publication of this announcement and such composition may or may not be changed before or after Completion and/or upon the close of the Offer. Any such change will only be effected in accordance with the Takeovers Code and the Listing Rules. In the event of any change in the composition of the Board, the Company will comply with the publication requirement under the Listing Rules to inform the public accordingly.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror has no intention to privatise the Company and intends to maintain the listing of the Shares on the Stock Exchange. The Board will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares.

GENERAL INFORMATION

Under Rule 8.2 of the Takeovers Code, within 21 days of the date of this announcement or such later date as the Executive may approve, the Offeror is required to despatch the offer document containing the terms of the Offer (accompanied by the acceptance and transfer forms in respect of the Offer) to the Shareholders. In addition, the Company is required to send the offeree document in relation to the Offer to the Shareholders within 14 days of the posting of the offer document or such later date as the Executive may approve.

It is the intention of the Offeror and the Company that the Composite Offer Document will be jointly despatched by the Offeror and the Company to the Shareholders in respect of the Offer. Given that the Offer is subject to fulfillment of the conditions precedent set out under the S&P Agreement, it is expected that the Offer will not take place within 21 days of the date of this announcement. An application will be made to the Executive pursuant to Note 2 to Rule 8.2 of the Takeovers Code for his consent to despatch the Composite Offer Document to the Shareholders within 7 days of Completion.

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee will be formed to advise the Offer Shareholders in respect of the Offer. The Independent Board Committee will approve the appointment of an independent financial adviser which will advise the Independent Board Committee in respect of the Offer and an announcement on the appointment will be made as soon as practicable.

DEALINGS DISCLOSURE

The respective associates of the Offeror and the Company are reminded to disclose their dealings in the securities of the Company in accordance with Rule 22 of the Takeovers Code.

Stockbrokers, banks and others who deal in relevant securities of the Company on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and those clients are willing to comply with them. Principal traders and dealers, who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules pursuant to the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any seven-day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquires. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.

UNUSUAL PRICE AND VOLUME MOVEMENTS

The Directors have noted the recent increase in the price and trading volume of the Shares and wish to state that the Directors are not aware of any reasons for such increase other than those stated in this announcement. Save as disclosed in this announcement, the Directors also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which should be discloseable under Rule 13.23 of the Listing rules, neither is the Board aware of any matter to be discloseable under the general obligations imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Friday, 20 July 2007 pending the issue and publication of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on Tuesday, 31 July 2007.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“Board”	the board of Directors from time to time
“Business Day”	a day (other than Saturday) on which banks are open for business in Hong Kong
“Company”	Rising Development Holdings Limited (Stock code: 1004), a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the S&P Agreement
“Composite Offer Document”	the document to be jointly issued by the Offeror and the Company to all Shareholders in accordance with the Takeovers Code containing, inter alia, terms and conditions of the Offer, the forms of acceptance and transfer in respect of the Offer, the letter of advice of the independent financial adviser to the Independent Board Committee in respect of the Offer and the letter of advice of the Independent Board Committee to the Offer Shareholders in relation to the Offer
“Director(s)”	director(s) of the Company

“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of such Executive Director
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	a committee of the Board to be formed to advise the Offer Shareholders in relation to the Offer
“Last Trading Day”	19 July 2007, being the last trading day immediately prior to the Suspension
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“Mr. Ng”	Mr. Ng Ngan Lung, one of the Vendors and the beneficial owner of the other two Vendors, and an executive Director
“Offer”	the possible unconditional mandatory general cash offer to be made by Taifook Securities on behalf of the Offeror (subject to Completion) to the Offer Shareholders for their Shares at HK\$0.92 per Offer Share in compliance with the Takeovers Code
“Offeror”	Oriental Day International Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and wholly and beneficially owned by Mr. Lai Leong
“Offer Shareholders”	Shareholders other than the Offeror and parties acting in concert with it
“Offer Share(s)”	a total of 172,252,000 Shares subject to the Offer
“Sale Shares”	the 435,016,000 Shares registered in the name of and beneficially owned by the Vendors representing approximately 71.63% of the entire voting rights of the Company as at the date of the S&P Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Shareholders”	the holders of Shares

“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suspension”	the suspension of trading in the Shares on the Main Board with effect from 9:30 a.m. on Friday, 20 July 2007 pending the issue and publication of this announcement
“S&P Agreement”	the conditional agreement dated 22 July 2007, entered into among the Offeror and the Vendors for the sale and purchase of the Sale Shares
“Taifook Capital”	Taifook Capital Limited, the financial adviser to the Offeror, a licensed corporation under the SFO licensed to carry on Type 6 (advising on corporate finance) regulated activity for the purposes of the SFO
“Taifook Securities”	Taifook Securities Company Limited, a licensed corporation under the SFO to carry on Types 1 (dealing in securities), 3 (leveraged foreign exchange trading) and 4 (advising on securities) regulated activities, which will make the Offer on behalf of the Offeror upon Completion
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers, as amended from time to time
“Vendors”	(1) Rising Global Asset Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly and beneficially owned by Mr. Ng; (2) Silver Sound Assets Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly and beneficially owned by Mr. Ng; and (3) Mr. Ng
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the board of directors of
Rising Development Holdings Limited
Ng Ngan Lung
Chief Executive Officer

For and on behalf of
Oriental Day International Limited
Mr. Lai Leong
Sole director

Hong Kong, 30 July 2007

As at the date of this announcement, the Board comprises two executive Directors namely, Mr. Ng Ngan Lung, Ms. Chui May Ling, Margaret and three independent non-executive Directors namely, Ms. Ho Man Kay, Angela, Mr. Chan Wing Yuen, Hubert and Mr. Fan Sai Yee.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement (other than that in relation to the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than that in relation to the Group) the omission of which would make any of the statements in this announcement misleading.

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