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RICHFIELD GROUP HOLDINGS LIMITED
田 生 集 團 有 限 公 司*
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8136)

DISCLOSEABLE TRANSACTION

**FORMATION OF A JOINT VENTURE
FOR DEVELOPMENT OF LAND IN HONG KONG**

The Board is pleased to announce that on 18 May 2010, Joy Shing, a wholly-owned subsidiary of the Company, entered into the Shareholders' Agreement with Apex for establishing a joint venture for the purpose of acquiring and re-developing the Property. The JV is owned as to 30% by the Group and 70% by Apex.

As the applicable percentage ratios in respect of the estimated capital commitment of the Group towards the Project exceed 5% but are below 25%, the formation of the JV constitutes a discloseable transaction for the Company and is subject to the announcement requirement under Chapter 19 of the GEM Listing Rules.

INTRODUCTION

On 18 May 2010, Joy Shing, a wholly-owned subsidiary of the Company, entered into the Shareholders' Agreement with Apex for establishing a joint venture for the purpose of acquiring and re-developing the Property. The material terms of the Shareholders' Agreement are summarised below.

SHAREHOLDERS' AGREEMENT

Date : 18 May 2010

Parties : (1) Apex;
(2) Joy Shing;
(3) JV as the joint venture company; and
(4) Everhost as the operating subsidiary.

* For identification purpose only

Apex is a limited liability company incorporated in the British Virgin Islands. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the principal business activity of Apex as at the date of this announcement is holding of 70% shareholding interest in the JV, and Apex and its ultimate beneficial owners (namely, Phoenix Asia Real Estate Investments IV(A), L.P. and Phoenix Asia Real Estate Investments IV(B), L.P.) are third parties independent of the Company and connected persons (as defined in the GEM Listing Rules) of the Company.

- Principal Activity : The JV is formed for the purpose of acquiring and re-developing the Property through Everhost.
- Shareholding : The JV is owned as to 30% by the Group and 70% by Apex. The JV will not become a subsidiary of the Company. Instead, the Company will treat its investment in the JV as an investment in an associate.
- Board Composition : The Group will be entitled to appoint up to 2 directors to each of the JV and Everhost while Apex will be entitled to appoint up to 4 directors to each of the JV and Everhost.
- Financing : The project costs will be funded initially by project financing from banks or financial institutions as the board of the JV may deem appropriate from time to time with any shortfall to be funded by shareholders' loans from Joy Shing and Apex on a several and pro-rata basis with reference to their respective shareholdings in the JV.
- Profit Sharing : Any profit derived from the Project will be shared by Joy Shing and Apex on a 30:70 basis.

INFORMATION ON THE PROJECT

The Property comprises 9 blocks of old residential buildings located at Nos.18-32 Junction Road, Kowloon, Hong Kong with a site area of approximately 10,200 square feet. Subject to the approval of the relevant government department(s), the maximum permissible gross floor area for re-development under the relevant outline zoning plan is 9 times the site area, comprising approximately 76,500 square feet for residential use and approximately 15,300 square feet for commercial use. It is intended that the Property will be re-developed into a composite residential/retail building or buildings and Apex or its affiliates will be appointed as the manager of the Project and entitled to a management fee equivalent to 5% of the total construction costs. It is also agreed that Apex or its affiliates has a right to be appointed as the sales coordinator for marketing and sales of the Project and entitled to a service fee equivalent to 1% of the gross sale proceeds of each unit or any part or parts thereof received by Everhost from retail sales.

The project costs, including (without limitation) the costs of acquisition of the Property and the construction costs, are currently estimated to be approximately HK\$754 million, of which the Group (through Joy Shing) is expected to contribute approximately HK\$226.2 million, representing its 30% interest in the JV, to be paid in accordance with the payment obligations under the sale and purchase agreements for acquisition of the Property and the construction schedule for re-development of the Property. The Group intends to finance its portion of the funding requirements initially by project financing with any shortfall to be financed by internal resources of the Group. Up to the date of this announcement, the Group has contributed HK\$30,484,050 to the JV by way of shareholder's loan.

REASONS AND BENEFITS FOR FORMING THE JOINT VENTURE

The Group is principally engaged in provision of property brokerage services, provision of schemes for property consolidation, assembly and re-development and property trading in Hong Kong. To complement such business and broaden the revenue base of the Group, the Board decides to diversify and expand its existing business into the property development market. In light of the growing potential of the property development market in Hong Kong, the Board is of the view that such diversification will be beneficial to the long term development of the Group. In addition, it is believed that by forming the JV with Apex, the Group would be able to capitalise on the extensive knowledge, experience and expertise which Apex's management has in the property development business in Hong Kong which are crucial for the future success of the property development business of the Group. Further, the Group would also be able to benefit financially from its investment in the JV through the sale and/or leasing of the units in the re-developed Property.

Taking into consideration of the aforesaid, the Directors consider the terms of the formation of the JV to be fair and reasonable and in the interest of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios in respect of the estimated capital commitment of the Group towards the Project exceed 5% but are below 25%, the formation of the JV constitutes a discloseable transaction for the Company and is subject to the announcement requirement under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“Apex”	Apex Step Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Board”	the board of Directors

“Company”	Richfield Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“Everhost”	Everhost Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the JV
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Joy Shing”	Joy Shing Development Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“JV”	Apex Plan Limited, a company incorporated in the British Virgin Islands with limited liability and owned as to 30% by Joy Shing and 70% by Apex
“Project”	the acquisition and re-development of the Property
“Property”	the property located at Nos.18-32 Junction Road, Kowloon, Hong Kong
“Shareholders’ Agreement”	the shareholders’ agreement dated 18 May 2010 between Apex, Joy Shing, the JV and Everhost
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Richfield Group Holdings Limited
Pong Wai San, Wilson
Executive Director

Hong Kong, 18 May 2010

As at the date of this announcement, the Company's executive director is Mr. Pong Wai San, Wilson, the Company's non-executive director is Mr. Li Chi Chung and the Company's independent non-executive directors are Mr. Koo Fook Sun, Louis, Mr. Lai Hin Wing, Henry and Mr. Lung Hung Cheuk respectively.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- 1. the information contained in this announcement is accurate and complete in all material respects and not misleading;*
- 2. there are no other matters the omission of which would make any statement in this announcement misleading; and*
- 3. all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

This announcement will remain on the "Latest Company Announcements" page of the GEM website (www.hkgem.com) for at least 7 days from its date of posting and on the designated website of the Company at ir.sinodelta.com.hk/richfieldgp/.