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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)

**ANNOUNCEMENT OF ESTIMATED IMPROVEMENT IN
RESULTS FOR THE YEAR ENDED 31 MARCH 2008
AND
POSSIBLE EXTENSION OF TIME
FOR FULFILMENT OF PROFIT GUARANTEE**

ESTIMATED IMPROVEMENT IN RESULTS FOR THE YEAR ENDED 31 MARCH 2008

For the year ended 31 March 2007, the Group recorded audited net loss of about HK\$11.7 million. It is expected that based on preliminary estimation by the Company, the results of the Group for the year ended 31 March 2008 will improve compared with that for the year ended 31 March 2007 and the Group will record a net profit.

The improvement in the results of the Group for the year ended 31 March 2008 was mainly due to the acquisition of the new business of property assembly, brokerage and trading on 29 May 2007. This newly acquired business diversified the Group's business into property consolidation, assembly and redevelopments in Hong Kong and it offered the Group a good business opportunity in view of the growing trend of the property market and the shortage of supply of land in urban districts in Hong Kong.

POSSIBLE EXTENSION OF TIME FOR FULFILMENT OF PROFIT GUARANTEE

Based on the preliminary estimation by Richfield Realty, a wholly owned subsidiary of the Company, there will be a shortfall between the actual net profit before payment of bonus payable to the management of Richfield Realty (if any) and after tax and any extraordinary or exceptional items of Richfield Realty for the year ended 28 May 2008, and the Profit Guarantee. As set out in the Circular, the product of the shortfall and 3.98 (being the price earnings multiple) shall set off against the face value of the promissory note and convertible bonds issued to the vendor which is wholly owned by Mr. Au. If such product exceeds the face value of the promissory note and convertible bonds for the time being outstanding, the vendor shall compensate the Group in cash. The shortfall is mainly the

* For identification purpose only

result of the drastic surge in property prices during the second half of 2007. Having considered the prospects of the business of the property assembly and brokerage, the Group is actively negotiating with Mr. Au a proposal for the settlement of the shortfall, which may include extension of the time for fulfillment of an agreed guaranteed profit. Further announcement will be made by the Company as and when appropriate.

This announcement is made by Richfield Group Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of the Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

Estimated Improvement in Results for the Year Ended 31 March 2008

For the year ended 31 March 2007, the Group recorded audited net loss of about HK\$11.7 million. It is expected that based on preliminary estimation by the Company, the results of the Group for the year ended 31 March 2008 will improve compared with that for the year ended 31 March 2007 and the Group will record a net profit.

The improvement in the results of the Group for the year ended 31 March 2008 was mainly due to the acquisition of the new business of property assembly, brokerage and trading on 29 May 2007. This newly acquired business diversified the Group’s business into property consolidation, assembly and redevelopments in Hong Kong and it offered the Group a good business opportunity in view of the growing trend of the property market and the shortage of supply of land in urban districts in Hong Kong.

Reference is made to the circular of the Company dated 10 May 2007 (the “Circular”) in relation to the acquisition of the entire issued share capital of Richfield Realty Limited (“Richfield Realty”) by the Company (the “Acquisition”). Richfield Realty is principally engaged in the provision of property brokerage services, carrying out schemes for property consolidation, assembly and redevelopments and property trading in Hong Kong. As set out in the Circular, Mr. Au Wing Wah (“Mr. Au”), the then sole beneficial owner of the entire issued share capital of Richfield Realty before the completion of the Acquisition has guaranteed in favour of the Group that Richfield Realty could achieve HK\$150,000,000 audited net profit before payment of the bonus payable to the management of Richfield Realty (if any) and after tax and any extraordinary or exceptional items of Richfield Realty for the 12-month period commencing from the completion date of the Acquisition benchmarked for the purpose of the adjustment mechanism for the consideration of the Acquisition (the “Profit Guarantee”).

On the basis that the Group has acquired a profit-making business during the financial year ended 31 March 2008, it is expected that the results of the Group for the year ended 31 March 2008 will improve compared with that for the year ended 31 March 2007 and the Group will have a remarkable turnaround to record a net profit.

Possible Extension of Time for Fulfilment of Profit Guarantee

As mentioned above, Mr. Au guaranteed that Richfield Realty could achieve HK\$150,000,000 audited net profit before payment of the bonus payable to the management of Richfield Realty (if any) and after tax and any extraordinary or exceptional items of Richfield Realty for the 12-month period commencing from the completion date of the Acquisition.

However, the drastic surge of property prices during the period from June 2007 to January 2008 causes an unrealistic price demanded by owners of older flats, so that several key property assembly projects, especially in mid-level of Hong Kong Island have foiled. Developers have raised their offers but they are still lower than the asking prices of the owners. As a result of property price increases, a number of key assembly projects have been either put on hold or have their profit margin being reduced during the year ended 31 March 2008, so that the result of Richfield Realty for the year ended 31 March 2008 was lagged behind the expectation at the time of Acquisition.

Accordingly, based on the preliminary estimation by Richfield Realty, a wholly owned subsidiary of the Company, there will be a shortfall between the actual net profit before payment of bonus payable to the management of Richfield Realty (if any) and after tax and any extraordinary or exceptional items of Richfield Realty for the year ended 28 May 2008, and the Profit Guarantee. As set out in the Circular, the product of the shortfall and 3.98 (being the price earnings multiple) shall set off against the face value of the promissory note and convertible bonds issued to the vendor which is wholly owned by Mr. Au. If such product exceeds the face value of the promissory note and convertible bonds for the time being outstanding, the vendor shall compensate the Group in cash. The shortfall is mainly the result of the drastic surge in property prices during the second half of 2007. Having considered the prospects of the business of the property assembly and brokerage, the Group is actively negotiating with Mr. Au a proposal for the settlement of the shortfall, which may include extension of the time for fulfillment of an agreed guaranteed profit. Further announcement will be made by the Company as and when appropriate.

By Order of the Board
Mr. Pong Wai San, Wilson
Executive Director

Hong Kong, 30 May 2008

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 this Company at ir.sinodelta.com.hk/richfieldgp/.