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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)

**MAJOR TRANSACTION:
PROPERTY DEVELOPMENT PROJECT**

The Board is pleased to announce that on 30 July 2010, the Purchasers entered into the Provisional Sale and Purchase Agreements with the Vendors in relation to the acquisition of the majorities of the Properties (other than the Owned Property) for an aggregate cash consideration of HK\$208,346,900.

The Board will redevelop the Properties after completion of the Acquisition. The Redevelopment involves a total development area of approximately 70,000 sq. ft., with a total of approximately 10,000 sq. ft. for shops and approximately 60,000 sq. ft. for residential purpose.

The Project including the Acquisition and the Redevelopment constitutes a major transaction on the part of the Company under the GEM Listing Rules. In lieu of holding a general meeting to approve the Project, written approvals on the Project have been obtained from each of the Controlling Shareholders which are in aggregate interested in 2,048,970,000 Shares, representing approximately 69.96% of the issued share capital of the Company pursuant to Rule 19.44 of the GEM Listing Rules. The Company will not hold a general meeting to approve the Project.

A circular containing, among others, details of the Project, will be despatched to the Shareholders for information only as soon as practicable within 15 business days of this announcement.

The Board is pleased to announce the launch of the Project involving the Acquisition and the Redevelopment.

* *For identification purposes only*

THE ACQUISITION

On 30 July 2010, the Purchasers, wholly-owned subsidiaries of the Company, entered into the Provisional Sale and Purchase Agreements with the Vendors in relation to the acquisition of 83.33% of the Properties (other than the Owned Property) for an aggregate cash consideration of HK\$208,346,900.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendors and, if applicable, their respective ultimate beneficial owners, are Independent Third Parties. The Vendors are owners of 83.33% of the Properties (other than the Owned Property).

The Purchasers are wholly-owned subsidiaries of the Company and are principally engaged in property holdings.

As at the date of this announcement, the Group owns the Owned Property. The acquisition cost of the Owned Property is approximately HK\$14,300,000.

Assets to be acquired:

Pursuant to the Provisional Sale and Purchase Agreements, the Vendors agreed to sell and the Purchasers agreed to acquire the majorities of the Properties (other than the Owned Property) subject to and upon the terms and conditions of the Provisional Sale and Purchase Agreements. To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, the Properties have a total gross area of approximately 29,400 sq. ft. and certain Properties are subject to tenancies or licences.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the tenants and/or licensees and, if applicable, their respective ultimate beneficial owners are Independent Third Parties.

For further details of the Properties and the Redevelopment, please refer to the section headed "The Redevelopment" below.

Consideration:

The total considerations for majorities of the Properties (excluding the Owned Property) are HK\$208,346,900 which will be settled by the Purchasers in cash in the following manners:

- (a) as to HK\$2,080,000 was paid to the Vendors as deposit upon or before the entering into of the Provisional Sale and Purchase Agreements;
- (b) as to HK\$11,952,500 will be paid to the Vendors as further deposit upon the entering into of the Formal Sale and Purchase Agreements; and
- (c) as to HK\$10,569,000 will be paid to the solicitor of Vendors as stakeholder and will be released to the Vendors upon completion of the Acquisition.
- (d) as to the remaining balance of HK\$183,745,400 will be paid to the Vendors upon completion of the Acquisition.

The considerations for each of the Properties were arrived at after arm's length negotiations between the parties to each of the Provisional Sale and Purchase Agreements and are on normal commercial terms after having taken into account the market price of the Properties and comparison based on market prices of comparable properties of similar size, character and location have been made. Preliminary valuation on the land value and the gross development value of the proposed development have been obtained from an independent valuer. According to the preliminary valuation, the land value of the Project amounts to approximately HK\$300,000,000 and the gross development value of the Project amounts to approximately HK\$526,000,000. A valuation report from independent valuer on the Project will be included in the circular to be despatched to the Shareholders.

The Directors (including the independent non-executive Directors) consider that the terms of the Provisional Sale and Purchase Agreements are fair and reasonable and are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Completion

Completion of the Acquisition shall take place from 19 October 2010 to 22 October 2010. Upon completion of the Acquisition, the Group will own 86.67% of the Properties. The Group will acquire the outstanding unacquired minority units of the Properties under the Redevelopment.

THE REDEVELOPMENT

Upon completion of the Acquisition, the Group will own 86.67% of the Properties, i.e. Nos. 142 to 152 of Carpenter Road and will acquire the outstanding unacquired minority units of the Properties. The Board considers that there is no difficulty for the Group to acquire the outstanding unacquired minority units of the Properties. The Properties are located in Kowloon City, Hong Kong next to the Carpenter Road Park. The Board will redevelop the Properties into a mixed-use commercial and residential development comprising shops and residential apartments.

The Properties have a site area of approximately 7,700 sq. ft. and the Redevelopment involves a total development area of approximately 70,000 sq. ft., with a total of approximately 10,000 sq. ft. for shops and approximately 60,000 sq. ft. for residential purpose. The preliminary redevelopment plan is that there will be a two-storey shopping mall with a 25-floor residential apartments, subject to any adjustments to the final redevelopment plan.

It is expected that the Redevelopment will be completed in or about 2015.

Capital Commitments

It is expected that the capital commitments of the Group for the Redevelopment (including the transaction costs, the costs and expenses for the remaining unacquired units of the Properties, construction costs, consultancy fee, interest for bank borrowing, marketing fee and development management fee but excluding the consideration for the Acquisition) will amount to approximately HK\$260,000,000.

The Group intends to finance the consideration for the Acquisition and capital commitment for the Redevelopment from its internal resources and external borrowings from bank and other financial institute.

REASONS FOR THE PROJECT

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.

The Directors have been actively seeking to diversify its business scope and consider that the engagement in property development will broaden the revenue base of the Group and will be beneficial to the Company and the Shareholders as a whole in the long run. Reference is also made to the announcement of the Company dated 18 May 2010 in relation to the formation of joint venture of the Group of a property development project at Nos.18-32 Junction Road, Kowloon, Hong Kong. In light of the growth of demand in Hong Kong property market, the Directors consider that the Project, which comprises the Acquisition and the Redevelopment, represents an excellent opportunity for the Group to tap into the property development market and will enhance the Shareholders' value in the long run. The experience and expertise of the Group obtained in the joint venture property development project can also be applicable to the Project and with the experience of the Group in property market in Hong Kong, the Board is optimistic in the sale and/or leasing of the units in the re-developed property after the Redevelopment.

The Directors (including the independent non-executive Directors) therefore consider that the terms of the Project are fair and reasonable and are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

GENERAL

The Project (including the Acquisition and the Redevelopment) constitutes a major transaction on the part of the Company under the GEM Listing Rules and is subject to the notification, announcement and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, no Shareholders have a material interest in the Project and no Shareholder would be required to abstain from voting if the Company has convened a general meeting for the approval of the Project.

In lieu of holding a general meeting to approve the Project, written approvals on the Project have been obtained from each of the Controlling Shareholders respectively which are in aggregate interested in 2,048,970,000 Shares, representing approximately 69.96% of the issued share capital of the Company pursuant to Rule 19.44 of the GEM Listing Rules. The Company will not hold a general meeting to approve the Project.

A circular containing, among others, details of the Project, will be despatched to the Shareholders for information only as soon as practicable within 15 business days of this announcement.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement.

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| “Acquisition” | the acquisition of the majorities of the Properties (other than the Owned Property) subject to and upon the terms and conditions of the Provisional Sale and Purchase Agreements and the Formal Sale and Purchase Agreements |
| “Board” | the board of Directors from time to time |
| “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 |
| “Controlling Shareholders” | together: (i) Richfield (Holdings) Limited, a company incorporated in the Marshall Islands and wholly owned by Mr. Au Wing Wah, the sole Director of Richfield Realty Limited, a wholly owned subsidiary of the Group, and holding 760,000,000 Shares; and (ii) Mr. Pong Wai San, Wilson, an executive Director holding 352,176,000 Shares; and (iii) Virtue Partner Group Limited, a company incorporated in British Virgin Islands and wholly owned by Mr. Pong Wai San, Wilson and holding 936,794,000 Shares |
| “Director(s)” | the director(s), including the independent non-executive directors of the Company from time to time |
| “Formal Sale and Purchase Agreements” | the formal agreements for sale and purchase of the majorities of the Properties (other than the Owned Property) to be entered into between the Purchasers and the Vendors |
| “Group” | the Company and its subsidiaries from time to time |
| “GEM” | the Growth Enterprise Market of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |

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| “Independent Third Party(ies)” | any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons of the Company in accordance with the GEM Listing Rules |
| “Owned Property” | the ground floor of No. 142 of Carpenter Road, Kowloon City, Hong Kong, being one of the Properties |
| “Project” | the property redevelopment project comprising the Acquisition and the Redevelopment |
| “Properties” | the properties situated at Nos. 142, 144, 146, 148, 150 and 152 of Carpenter Road, Kowloon City, Hong Kong |
| “Provisional Sale and Purchase Agreements” | the provisional agreements for sale and purchase of the Properties (other than the Owned Property) dated 30 July 2010 and entered into between the Purchasers and the Vendors |
| “Purchasers” | companies incorporated in the British Virgin Islands with limited liability and are wholly-owned subsidiaries of the Company |
| “Redevelopment” | the acquisition of the unacquired units of the Properties and the redevelopment of the Properties as disclosed in this announcement |
| “Shareholder(s)” | the holder(s) of the Share(s) from time to time |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Vendors” | the vendors to the Provisional Sale and Purchase Agreements, the respective beneficial owners of the majorities of the Properties and are Independent Third Parties. |

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“sq. ft.” square feet

By order of the board of directors of
RICHFIELD GROUP HOLDINGS LIMITED
LEE WING YIN
Director

Hong Kong, 30 July 2010

At the date of this announcement, the Company’s executive directors are Mr. Pong Wai San, Wilson, Mr. Lee Wing Yin, 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 of the issuer collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the issuer. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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/.