

**RICHFIELD GROUP LIMITED
AND CONTROLLED ENTITIES**

ABN 66 009 144 503

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2005**

RICHFIELD GROUP LIMITED
ABN 66 009 144 503

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RICHFIELD GROUP LIMITED

ABN 66 009 144 503
(Incorporated in Western Australia)

REGISTERED OFFICE

1st Floor
9 Bowman Street
South Perth
Western Australia 6151

DIRECTORS

Mr Steven Leigh Pynt
Mr Jack Bai

Mr Christopher Bai

AUDITORS

Bentleys MRI Perth Partnership
Level 40, BankWest Tower
108 St George's Terrace
Perth
Western Australia 6000

SHARE REGISTRY

Computershare
Level 2, Reserve Bank Building
45 St George's Terrace
Perth
Western Australia 6000

STOCK EXCHANGE LISTING

The Australian Stock Exchange Limited
ASX Code - RCH

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Richfield Group Limited support the principles of corporate governance. The corporate governance practices have been adopted by the Board and will be implemented throughout the coming year.

The Board of Directors of Richfield Group Limited is responsible for the corporate governance of the entity. The Board guides and monitors the business and affairs of Niagara Mining Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

The format of the Corporate Governance Statement follows the Australian Stock Exchange Corporate Governance Council's (the Council's) "Principles of Good Corporate Governance and Best Practice Recommendations" (The Recommendations). In accordance with the Council's recommendations, the Corporate Governance Statement must now contain certain specific information and must disclose the extent to which the Company has followed the guidelines during the period; where a recommendation has not been followed, that fact must be disclosed, together with the reasons for the departure. The structure of Richfield Group Limited Corporate Governance Statements is as follows:

Principle 1.	Lay solid foundations for management and oversight
Principle 2.	Structure of the Executive Committee to add value
Principle 3.	Promote ethical and responsible Conduct of the Directors and Executive Officers
Principle 4.	Encourage enhanced performance
Principle 5.	Respect the rights of business conduct
Principle 6.	Safeguard integrity in Company share dealings
Principle 7.	Promote communication strategies
Principle 8.	Make timely and balanced disclosure
Principle 9.	Recognise and manage risk

Because of the size of the Board and the level of activity of the Company, the Board is yet to adopt the Policies being developed for it. Consideration has been given to each of the principles and recommendations above and the Board will ensure the necessary policies are adopted by 31 December 2004.

The whole of the Board are non-executive directors.

Non-executive directors have the right to seek independent professional advice in furtherance of their duties as Directors as their own expenses.

The Board's task is to identify business potential, assessing areas of business risk, implements procedures to develop policies regarding business expansion, and co-ordination of financial resources for business expansion. Its specific role is to ensure that business expansion is:

- Of strategic fit to the group;
- Systematically researched;
- Profitable; and
- Within the control of the group.

AUDIT COMMITTEE

At present it is considered that the Company is not at a size to justify a separate audit committee of Board of Directors. All matters that might be dealt with by such a committee are subject to screening at full Board meetings.

The Board of Directors is responsible for the corporate governance of the Company and it recognises and endorses the need for high standards of corporate governance. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders and other stakeholders.

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
CORPORATE GOVERNANCE STATEMENT (CONT'D)

The Boards responsibilities include:

- The establishment of continuous disclosure controls throughout the consolidated entity.
- The review of all legislative and regulatory obligations, and identification of all business risks.
- The periodical review of the nomination of external auditors and the adequacy of the existing external audit arrangements.
- The determination and review of employment contracts for all key personnel.
- The maintenance of ethical standards and the satisfying of community expectations in respect of its corporate conduct.

STRUCTURE OF THE BOARD

The skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the annual report is included in the Directors' Report. Directors of Niagara Mining Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgement.

In the context of Director independence, "materiality" is considered from both the Company and individual Director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the Director in question to shape the direction of the Company's loyalty.

In accordance with the definition of independence above, the materiality thresholds set, the following Directors of Richfield Group Limited are considered to be independent:

Name	Position
Mr J Bai GuoJin	Non-Executive Director
Mr C Bai	Non-Executive Director

There are procedures in place, agreed to by the Board, to enable Directors, in furtherance of their duties, to seek independent professional advice at the Company's expense.

The term in office held by each Director in office at the date of this report is as follows:

Name	Term in office
Mr J Bai GuoJin	6 years 10 months
Mr C Bai	2 years 9 months

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
DIRECTORS' REPORT

The Directors present their report together with the financial report of Richfield Group Limited and its controlled entities ("the Company") for the year ended 30 June 2005 and the independent audit report thereon.

DIRECTORS

The Directors of the Company at any time during or since the end of financial year are:

MR STEVEN LEIGH PYNT
Age 47

Chairman, Executive Director

After completing his law degree in 1980, Mr Pynt worked with a law firm for two and a half years before joining a major accounting firm where he worked as a tax consultant. Subsequently, he established his own legal firm that later merged with a medium size Perth firm. Mr Pynt is a Partner with McDonald Pynt solicitors, practicing primarily in commercial law. He also serves as Chairman of the Commercial Tribunal.

Currently Mr Pynt is a director of Gondwana Resources Ltd and Working Systems Solutions Ltd. Both these companies are listed on the ASX and Mr Pynt has held the position of director during the last three (3) years.

Appointed 2 February 1995

MR JACK BAI GUOJIN
Age 49

Independent Non-Executive Director

Mr Jack Bai is a resident of Singapore and has extensive business interests in the region. Currently Mr Bai is a director of the Australian based Company Calibre Solutions Pty Ltd.

Appointed 8 December 1999

MR CHRISTOPHER BAI
Age 51

Independent Non-Executive Director

Mr Christopher Bai is a Singapore based businessman. He is in the day to day management of a corrugated paper box manufacturing factory in Singapore.

Appointed 10 January 2003

MR CHAK CHEW TAN
Age 49

Independent Non-Executive Director

Appointed 19 November 2003
Resigned 7 February 2005

MS JENNIFER POH CHOO LIM
Age 45

Independent Non-Executive Director

Appointed 19 November 2003
Resigned 7 February 2005

COMPANY SECRETARY

MR SIMON HEADON

Age 37

Mr Headon holds a Bachelor of Business (Accounting) from Edith Cowan University. He is a member of CPA Australia and the National Tax and Accountants Association. Mr Headon has been with Nissen Kestel Harford since July 1988 and was appointed a director in July 2000. He attends to the financial reporting and taxation compliance work for a number of public companies as well as providing business and statutory compliance advice to a wide range of clients.

Appointed 1 July 2005

MR ROSS KESTEL

Age 50

Appointed 29 June 2001

Resigned 1 July 2005

DIRECTORS' MEETINGS

The number of Directors' meetings and the number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Number of meetings attended during the year	Number of meetings eligible to attend
Jack Bai	1	1
Steven Pynt	1	1
Christopher Bai	-	1
Chak Chew Tan	1	1
Jennifer Poh Choo Lim	-	1

In addition there were nine (9) Circular Resolutions signed by the Directors who were eligible to vote.

PERFORMANCE

The performance of the Board and key executives is reviewed regularly against both measurable and qualitative indicators. Each Board member's and key executive's performance is assessed against specific and measurable qualitative and quantitative performance criteria. The performance criteria against which Directors and executives are assessed is aligned with the financial and non-financial objectives of Richfield Group Limited. Directors whose performance is consistently unsatisfactory may be asked to retire.

There is currently no Nomination, Remuneration or Audit Committees as all issues relating to corporate governance are dealt with by the full Board of Directors, due to the size of the Company. Ensuring arrangements are in place to adequately manage those risks.

REMUNERATION

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating Directors and key executives fairly and appropriate with reference to relevant employment market conditions. To assist in achieving this objective, the Board links the nature and amount of executive Directors' and officers' emoluments to the Company's financial and operational performance. The expected outcomes of the remuneration structure are:

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
DIRECTORS' REPORT (CONT'D)

- Retention and motivation of key executives
- Attraction of quality management to the Company
- Performance incentives which allow executives to share the rewards of the success of Richfield

For details on the amount of remuneration and all monetary and non-monetary components for all Directors, refer to the Directors' Report. In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the Board, having regard to the overall performance of Richfield Group Limited and the performance of the individual during the period.

There is no scheme to provide retirement benefits, other than statutory superannuation, to Directors.

The Board is responsible for determining and reviewing compensation arrangements for the Directors.

AUDIT COMMITTEE

The Company does not have an audit committee. It is considered that the costs of having an audit committee for a small public company outweigh any perceived benefits to members.

REMUNERATION REPORT

The Company does not have a remuneration committee as no emoluments were paid by the Company to the Directors during the financial year.

PRINCIPAL ACTIVITIES

The Company did not carry on a business during the financial year. A number of investment opportunities in the IT industry have been reviewed.

OPERATING RESULTS

The consolidated profit/(loss) of the consolidated entity after providing for income tax and eliminating outside equity interests amounted to \$358,924 (2004: \$339,445).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes to the Company's state of affairs during the financial year were as follows:

- A 51% interest in the Singapore based IT Company – Advanz International Pte Ltd was acquired. Advanz International is an IT consultancy business, which encompasses network systems infrastructure and IT business solutions, software customization and development as well as strategic IT outsource and maintenance services.
- Richfield Shipping Pty Ltd, a wholly owned subsidiary of Richfield Group Limited entered into an agreement with Richfield Marine Agencies (s) Pte Ltd to acquire 100% of the issued share capital of Richfield Marine Agencies (s) Pte Ltd, a company incorporated in Singapore. The consideration was the issue of 46,226,100 shares in Richfield Shipping to the shareholders of Richfield Marine Agencies (s) being Chak Chew Tan and Poh Choo Lim who were Directors of Richfield Group Limited until their resignation in February 2005.
- The Company announced a return of capital by way of an in specie distribution of 4,646,760 fully paid ordinary shares in Richfield Shipping Pty Limited shares.

DIVIDENDS

No dividends were paid or proposed during the year ended 30 June 2005.

EVENTS SUBSEQUENT TO BALANCE DATE

Other than the matters disclosed in the Events Subsequent to Balance Date in the Notes to the financial statements, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity, in future financial years.

LIKELY DEVELOPMENTS

The Company continues to look for opportunities for expansion in the IT industry.

DIRECTORS' INTERESTS

The relevant interest of each director in the shares, debentures, interests in registered schemes and rights or options over such instruments issued by the companies within the consolidated entity and other related bodies corporate, as notified by the directors to the Australian Stock Exchange in accordance with S205G (1) of the Corporations Act 2001, at the date of this report is as follows:

Directors	Ordinary Shares
Mr S Pynt	8,000
Mr J Bai	10,228,734
Mr C Bai	10,066,694

SHARE OPTIONS

During or since the end of the financial year, the Company has not granted any options over the unissued ordinary shares to the Directors of the Company.

INDEMNIFICATION AND INSURANCE OF OFFICERS

Indemnification has not been given or paid during the financial year for any person who is or has been a director of the Company.

Since the end of the previous financial year, the Company has not paid any insurance premiums for any person who is or has been an auditor of the Company.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's operations are not regulated by any significant environmental regulation under the Law of the Commonwealth or of a State or Territory.

NON-AUDIT SERVICES

During the year, Hall Chadwick Chartered Accountants, the Company's auditor, has performed certain other services in addition to their statutory duties.

The board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company to ensure they do not impact the integrity and objectivity of the auditor; and

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
DIRECTORS' REPORT (CONT'D)

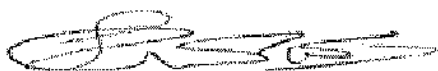
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in Professional Statement F1 *Professional Independence*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

A copy of the auditors' independence declaration as required under Section 307C of the Corporations Act is included.

Details of the amounts paid to the auditor of the Company, for audit and non-audit services provided during the year are set out below:

	Consolidated	
	2005	2004
	\$	\$
Statutory audit		
Audit and review of financial reports	10,950	11,000
Other services		
Taxation compliance services	1,475	1,000
	12,425	12,000

Signed in accordance with a resolution of the Board of Directors



Jack Bai
Director

Dated at SINGAPORE this 30TH day of September 2005

**RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
AUDITOR'S INDEPENDENCE DECLARATION**

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES ABN 66 009 144 503

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2005 there have been:

- i no contraventions of the auditor's independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii no contraventions of any applicable code of professional conduct in relation to the audit.

BENTLEYS MRI PERTH PARTNERSHIP



**MAURICE L ANGHIE
PARTNER**

30th September 2005

Level 40, BankWest Tower
108 St George's Terrace
PERTH WA 6000

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
ABN 66 009 144 5039

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
RICHFIELD GROUP LIMITED

SCOPE

The financial report and directors' responsibility.

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Richfield Group Limited (the company) and the consolidated entity, for the year ended 30 June 2005. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

AUDIT APPROACH

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

AUDIT OPINION

In our opinion, the financial report of Richfield Group Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2005 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

INHERENT UNCERTAINTY REGARDING CONTINUATION AS A GOING CONCERN AND THE CARRYING VALUE OF INVESTMENTS IN AN UNLISTED COMPANY.

Without qualification to the opinion expressed above, attention is drawn to the following matters:

- (i) The financial statements have been prepared on the basis of going concern. However the consolidated entity has made trading losses since inception and the ability of the consolidated entity to continue as a going concern is dependent on the operations becoming profitable or additional funds being provided by financiers or shareholders.
- (ii) As disclosed in Note 11, there are shares in an unlisted company at a cost of \$232,338 with a receivable of \$37,290 amounting to a total of \$269,628. The recoverability of these amounts is dependent on this company becoming profitable.

BENTLEYS MRI PERTH PARTNERSHIP



MAURICE L. ANGHIE
PARTNER

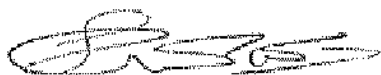
Dated at Perth this 30th day of September 2005.

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION

The directors declare that:

1. the financial statements and notes, as set out on pages 13 to 34, are in accordance with the Corporations Act 2001:
 - (a) giving a true and fair view of the Company's and consolidated entity's financial position as at 30th June 2005 and of their performance for the year ended on that date; and
 - (b) complying with Accounting Standards and Corporation Regulations 2001; and
2. the Chief Executive Officer / Managing Director has declared that:
 - (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
3. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



MR JACK BAI
CEO / MANAGING DIRECTOR

DATED at SINGAPORE this 30th day of September 2005

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005

	NOTE	CONSOLIDATED 2005 \$	2004 \$	PARENT ENTITY 2005 \$	2004 \$
Revenues from ordinary activities	2	181,217	5,029	3,631	5,029
Changes in inventories of finished goods and work in progress		(108,094)	-	-	-
Raw materials and consumables used		-	-	-	-
Employee benefits expense		(132,099)	-	-	-
Depreciation and amortisation expense	3	(614)	(15,379)	(303)	-
Borrowing costs expense	3	-	-	-	-
Other expenses from ordinary activities	3	(299,334)	(329,095)	(279,181)	(332,975)
Profit/(Loss) from ordinary activities before income tax expense	3	(358,924)	(339,445)	(275,853)	(327,946)
Income tax (expense)/benefit	4	-	-	-	-
Profit/(Loss) from ordinary activities after income tax expense		(358,924)	(339,445)	(275,853)	(327,946)
Effect of acquisition of subsidiary during the year		-	-	-	-
Net loss attributable to outside equity interests		-	-	-	-
Net loss attributable to members of the parent entity		(358,924)	(339,445)	(275,853)	(327,946)
Total changes in equity other than those resulting from transactions with owners as owners		(358,924)	(339,445)	(275,853)	(327,946)
Basic earnings per share (cents per share)	7	(0.0007)	(0.0007)		

The accompanying notes form part of these financial statements.

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2005

	NOTE	CONSOLIDATED		PARENT ENTITY	
		2005	2004	2005	2004
		\$	\$	\$	\$
CURRENT ASSETS					
Cash Assets	8	251,598	880,798	199,869	592,354
Receivables	9	78,121	27,285	139,099	27,285
Inventories	10	9,764	-	-	-
TOTAL CURRENT ASSETS		<u>339,483</u>	<u>908,083</u>	<u>338,968</u>	<u>619,639</u>
NON CURRENT ASSETS					
Other Financial Assets	11	269,628	-	269,628	303,444
Property, Plant & Equipment	13	9,563	8,181	7,878	8,181
Intangible Assets	14	-	-	-	-
TOTAL NON CURRENT ASSETS		<u>279,191</u>	<u>8,181</u>	<u>277,506</u>	<u>311,625</u>
TOTAL ASSETS		<u>618,674</u>	<u>916,264</u>	<u>616,474</u>	<u>931,264</u>
CURRENT LIABILITIES					
Payables	15	312,544	243,387	204,450	243,387
TOTAL CURRENT LIABILITIES		<u>312,544</u>	<u>243,387</u>	<u>204,450</u>	<u>243,387</u>
TOTAL LIABILITIES		<u>312,544</u>	<u>243,387</u>	<u>204,450</u>	<u>243,387</u>
NET ASSETS		<u>306,130</u>	<u>672,877</u>	<u>412,024</u>	<u>687,877</u>
EQUITY					
Contributed Equity	16	8,963,131	8,963,131	8,963,131	8,963,131
Reserves	17	(24,503)	(16,680)	-	-
Accumulated Losses	18	(8,632,498)	(8,273,574)	(8,551,107)	(8,275,254)
Parent Entity Interest		<u>306,130</u>	<u>672,877</u>	<u>412,024</u>	<u>687,877</u>
TOTAL EQUITY		<u>306,130</u>	<u>672,877</u>	<u>412,024</u>	<u>687,877</u>

The accompanying notes form part of these financial statements.

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2005

	NOTE	CONSOLIDATED 2005 \$	2004 \$	PARENT ENTITY 2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		142,266	-	-	-
Payments to suppliers and employees		(512,982)	(379,019)	(286,684)	(351,014)
Interest received		3,631	5,029	3,631	5,029
Borrowing costs		-	-	-	-
Income tax paid		-	-	-	-
Net cash provided by/(used in) operating activities	20(a)	(367,085)	(373,990)	(283,053)	(345,985)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant & equipment		-	-	-	-
Purchase of property, plant & equipment		(1,996)	8,181	-	(8,181)
Investments/Advances to controlled entities		(335,189)	-	(199,405)	(288,444)
Payment for subsidiary, net of cash acquired	20(b)	-	-	-	-
Net cash flows provided by/ (used in) investing activities		(335,193)	8,181	(199,405)	(296,625)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		-	-	-	-
Repayment of borrowings		-	-	-	-
Net cash flows provided by/ (used in) financing activities		-	-	-	-
Net increase/(decrease) in cash held		(702,274)	(365,809)	(482,458)	(642,610)
Cash relating to subsidiary no longer part of economic entity		73,074	-	89,973	-
Cash at beginning of the financial year		880,798	1,246,607	592,354	1,234,964
Effect of exchange rates on cash holdings in foreign currencies		-	-	-	-
Cash at end of financial year	8	251,598	880,798	199,869	592,354

The accompanying notes form part of these financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the consolidated entity of Richfield Group Limited and controlled entities, and Richfield Group Limited as an individual parent entity. Richfield Group Limited is a listed public company, incorporated in Australia.

The financial report has been prepared on an accrual basis and is based on historical cost and does not take into account changing money values, or except where stated current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) BASIS OF ACCOUNTING

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the ordinary course of business and on the assumption of sufficient funds becoming available for the operations of the consolidated entity.

(b) INTANGIBLES

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition.

Both purchased goodwill and goodwill on consolidation and intangibles are amortised on a straight line basis over the period of 20 years. The balances are reviewed annually and any balance representing future benefits for which the realisation is considered to be no longer probable are written off.

(c) INCOME TAX

The consolidated entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the loss from ordinary activities adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting loss and taxable income are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2005

(d) PRINCIPLES OF CONSOLIDATION

A controlled entity is any entity controlled by Richfield Group Limited. Control exists where Richfield Group Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Richfield Group Limited to achieve the objectives of Richfield Group Limited. A list of controlled entities is contained in Note 12 to the financial statements.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Where controlled entities have entered the consolidated entity during the year, their operating results have been included from the date control was obtained.

Outside interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

(e) PROPERTY, PLANT & EQUIPMENT

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

CLASS OF FIXED ASSET	DEPRECIATION RATE
Leasehold Improvements	2%
Plant and Machinery	10% - 20%
Office Furniture	6% - 20%
Office Equipment	20%
Motor Vehicles	10% - 30%

(f) LEASES

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the consolidated entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the consolidated entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(g) INVESTMENTS

Shares in listed companies held as current assets are valued by directors at those shares' market value at each balance date. The gains or losses, whether realised or unrealised, are included in profit from ordinary activities before income tax.

Non-current investments are measured on the cost basis. The carrying amount of non-current investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are held for their investment potential. Investment properties are stated at cost. Investment properties are not depreciated except where the unexpired term of the lease is 20 years or less in which case depreciation is provided on the carrying amount over the remaining term of the lease.

(h) INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average cost. Cost of stocks comprises material, labour, and an appropriate portion of fixed and variable overheads. Overheads are applied on the basis of normal operating capacity.

(i) EMPLOYEE ENTITLEMENTS

Provision is made for the company's liability for employee entitlements, where applicable, arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the consolidated entity to employee superannuation funds and are charged as expenses when incurred.

(j) CASH

For the purpose of the statement of cash flows, cash includes:

- cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and
- investments in money market instruments with less than 14 days to maturity.

(k) COMPARATIVE FIGURES

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(l) REVENUE

Revenue from the sale of goods or rendering of a service is recognised upon the delivery of goods or the service to the customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2005

All revenue is stated net of the amount of goods and services tax (GST).

(m) **BORROWINGS**

Borrowings comprise commercial bills, bank loans, bank overdrafts and finance liabilities that are carried at their principal amounts. Interest is expensed as it is incurred except where they are capitalised against qualifying assets.

(n) **PAYABLES**

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the consolidated entity. Trade payables are usually settled within 30-day terms.

(o) **RECEIVABLES**

Trade receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable. Trade receivables are usually settled within 30-day terms.

(p) **FOREIGN CURRENCY TRANSACTIONS AND BALANCES**

Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date.

The gains and losses from conversion of short-term assets and liabilities, whether realised or unrealised, are included in profit from ordinary activities as they arise.

The assets and liabilities of the overseas controlled entities, which are self-sustaining, are translated at year-end rates and operating results are translated at the rates ruling at the end of each month. Gains and losses arising on translation are taken directly to the foreign currency translation reserve.

Exchange differences arising on hedged transactions undertaken to hedge foreign currency exposures, other than those for the purchase and sale of goods and services, are brought to account in the profit from ordinary activities when the exchange rates change. Any material gain or loss arising at the time of entering into hedge transactions is deferred and brought to account in the profit from ordinary activities over the lives of the hedges.

Costs or gains arising at the time of entering hedged transactions for the purchase and sale of goods and services, and exchange differences that occur up to the date of purchase or sale, are deferred and included in the measurement of the purchase or sale. Gains and losses from speculative foreign currency transactions are brought to account in the profit from ordinary activities when the exchange rate changes.

(q) **GOODS AND SERVICES TAX (GST)**

Revenues, expenses and assets are recognized net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognized as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2005

(r) IMPAIRMENT OF ASSETS

The carrying amounts of the consolidated entity's assets, other than stocks, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. An impairment loss in respect of buildings carried at revalued amount is recognized in the same way as a revaluation decrease, in which case it will be charged to equity under the heading asset revaluation reserve. All other impairment losses are recognized in the profit and loss account.

The recoverable amount is the higher of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognized for the asset no longer exists or decreases. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised. A reversal of an impairment loss in respect of buildings carried at a revalued amount is recognised in the same way as a revaluation increase, in which case it will be credited directly to equity under the heading asset revaluation reserve. All other reversals of impairment are recognised in the profit and loss account.

	CONSOLIDATED		PARENT ENTITY	
	2005	2004	2005	2004
	\$	\$	\$	\$
2. REVENUE				
Operating Activities:				
- Revenue from sale of goods	177,477	-	-	-
- Interest received	3,631	5,029	3,631	5,029
- Other revenue	109	-	-	-
- Rental revenue	-	-	-	-
- Realised gain on currency translation	-	-	-	-
- Management fees	-	-	-	-
Total Revenue	181,217	5,029	3,631	5,029
Non-Operating Activities				
- Proceeds on disposal of property, plant and equipment	-	-	-	-
- Gain on deconsolidation	-	-	-	-
Total Revenue	181,217	5,029	3,631	5,029

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2005

	CONSOLIDATED		PARENT ENTITY	
	2005	2004	2005	2004
	\$	\$	\$	\$
3. OPERATING PROFIT/(LOSS)				
Profit/(Loss) from ordinary activities before income tax has been determined after:				
(a) EXPENSES				
Cost of sales	108,094	-	-	-
Unrealised loss on currency translation	-	-	-	-
Realised loss on currency translation	(80,897)	167,468	-	167,468
Bad and doubtful debts				
- trade debtors	-	-	-	-
- other debtors	62,720	-	62,720	-
- director related parties	-	-	-	-
- wholly owned subsidiaries	-	-	-	-
- partly owned subsidiaries	-	-	-	-
	18,177	167,468	62,720	167,468
Borrowing costs:				
Other persons	-	-	-	-
Depreciation of non-current assets:				
- Plant and equipment	614	-	303	-
Amortisation of non-current assets:				
- Leasehold improvements	-	-	-	-
- Intangibles	-	-	-	-
- Goodwill on consolidation	-	15,379	-	-
Total amortisation	-	15,379	-	-
Write down of non-current investments to recoverable amount	-	-	-	-
Rental expenses on operating leases				
- Minimum lease payments	-	-	-	-
(b) REVENUE AND NET GAINS/(LOSSES)				
Net gain/(loss) on disposal of non-current assets:				
- Property, plant and equipment	-	-	-	-
- Investments	-	-	-	-

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2005

	CONSOLIDATED		PARENT ENTITY	
	2005	2004	2005	2004
	\$	\$	\$	\$
3. OPERATING LOSS (CONT'D)				
(c) SIGNIFICANT EXPENSES				
The following significant expense items are relevant in explaining the financial performance:				
Provision for doubtful debts (Note 3(a))	-	-	-	-
Bad debts written off (Note 3(a))	62,720	-	62,720	-
Professional Fees	30,624	60,258	42,186	60,258
Goodwill written off (Note 3(a))	-	15,379	-	-
Write down of non-current investments to recoverable amount	-	-	-	-
Net effect of significant items	<u>93,344</u>	<u>75,637</u>	<u>104,906</u>	<u>60,258</u>
4. INCOME TAX EXPENSE/(BENEFIT)				
The prima facie tax on profit/(loss) from ordinary activities before tax is reconciled to the income tax as follows:				
(a) Prima facie tax payable on loss from ordinary activities before tax income at 30% (2003: 30%)	(107,677)	(101,834)	(82,756)	(98,384)
Tax effect of:				
- Permanent differences	-	4,614	-	-
- Timing differences	-	287	-	287
- Consolidation adjustment	-	-	-	-
- foreign company profit/(loss) not subject to income tax in Australia	-	-	-	-
Estimated Future income tax benefits for losses not recognized	<u>107,677</u>	<u>96,933</u>	<u>82,756</u>	<u>98,097</u>
Income tax expense/(benefit) attributable to loss from ordinary activities before income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Future income tax benefit arising from tax losses of a consolidated entity not brought to account at balance date as realisation of the benefits is not regarded as virtually certain	<u>528,771</u>	<u>421,094</u>	<u>309,552</u>	<u>226,796</u>

5. REMUNERATION AND RETIREMENT BENEFITS

(a) PARENT ENTITY DIRECTORS' REMUNERATION

The name of parent entity directors who have held office during the financial year are:

Mr Steven Leigh Pynt
Mr Jack Bai Guo Jin
Mr Christopher Bai

Mr Chak Chew Tan (resigned 7 February 2005)

Ms Jennifer Poh Choo Lim (resigned 7 February 2005)

2004/05

No remuneration was paid or payable to parent entity Directors in 2004 and 2005.

(b) EXECUTIVE REMUNERATION

No remuneration was paid or payable to specified Directors for 2004 and 2005.

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2005

	CONSOLIDATED		PARENT ENTITY	
	2005	2004	2005	2004
	\$	\$	\$	\$
6. AUDITORS' REMUNERATION				
Remuneration of the audit of the parent entity for:				
- Auditing or reviewing the financial report	10,950	11,000	10,950	11,000
- Other services	1,475	1,000	1,475	1,000
Remuneration of other auditors of subsidiaries for:				
- Auditing or reviewing the financial report of subsidiaries	-	-	-	-
- Other services	-	-	-	-
7. EARNINGS PER SHARE				
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	464,676,013	464,676,013	464,676,013	464,676,013
8. CASH ASSETS				
Cash on hand	19	17	17	17
Cash at bank	92,377	314,862	40,650	26,418
Deposits at call	159,202	565,919	159,202	565,919
	<u>251,598</u>	<u>880,798</u>	<u>199,869</u>	<u>592,354</u>
Reconciliation of Cash				
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:				
Cash	251,598	880,798	199,869	592,354
Bank overdrafts	-	-	-	-
	<u>251,598</u>	<u>880,798</u>	<u>199,869</u>	<u>592,354</u>

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2005

	CONSOLIDATED		PARENT ENTITY	
	2005	2004	2005	2004
	\$	\$	\$	\$
9. RECEIVABLES				
CURRENT				
Trade debtors	837,636	802,316	802,316	802,316
Provision for doubtful debts	(802,316)	(802,316)	(802,316)	(802,316)
	<u>35,320</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other debtors	42,801	27,285	39,645	27,285
Provision for doubtful debts - other debtors	-	-	-	-
Amount receivable from:				
- Wholly owned subsidiaries	-	-	99,454	-
- Provision for doubtful debts— wholly owned subsidiaries	-	-	-	-
- Partly owned subsidiaries	-	-	-	-
- Provision for doubtful debts – partly owned subsidiaries	-	-	-	-
- Other related parties	-	-	-	-
- Director related parties	-	-	-	-
- Provision for doubtful debts - director related parties	-	-	-	-
	<u>78,121</u>	<u>27,285</u>	<u>139,099</u>	<u>27,285</u>
10. INVENTORIES				
CURRENT				
Raw materials and stores at cost	-	-	-	-
Finished goods at cost	9,764	-	-	-
	<u>9,764</u>	<u>-</u>	<u>-</u>	<u>-</u>
Finished goods at net realisable value	-	-	-	-
	<u>9,764</u>	<u>-</u>	<u>-</u>	<u>-</u>

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2005

	CONSOLIDATED		PARENT ENTITY	
	2005	2004	2005	2004
	\$	\$	\$	\$
11. OTHER FINANCIAL ASSETS				
NON CURRENT				
Unlisted investments at cost				
- shares in unlisted entities	232,338	-	232,338	115,010
Loans to Other Entities	37,290	-	37,290	188,434
Provision for write down to recoverable amount	-	-	-	-
	<u>269,628</u>	<u>-</u>	<u>269,628</u>	<u>303,444</u>

	COUNTRY OF INCORPORATION	PERCENTAGE OWNED	
		2005	2004
		%	%
12. CONTROLLED ENTITIES			
(a) CONTROLLED ENTITIES			
Richfield Shipping Pty Ltd (Lost 6/5/05)	Australia	-	100
Eastern Prime Corporation Pte Ltd	Singapore	100	100
Advanz International Pte Ltd (Gained 18/8/04)	Singapore	100	-

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2005

	CONSOLIDATED		PARENT ENTITY	
	2005	2004	2005	2004
	\$	\$	\$	\$
13. PROPERTY, PLANT AND EQUIPMENT				
Leasehold building & improvements - at cost	15,144	15,144	15,144	15,144
Accumulated depreciation	(7,266)	(6,963)	(7,266)	(6,963)
	<u>7,878</u>	<u>8,181</u>	<u>7,878</u>	<u>8,181</u>
Office furniture - at cost	30,187	29,515	29,515	29,515
Accumulated depreciation	(29,571)	(29,515)	(29,515)	(29,515)
	<u>616</u>	<u>-</u>	<u>-</u>	<u>-</u>
Office equipment - at cost	70,603	69,278	69,278	69,278
Accumulated depreciation	(69,534)	(69,278)	(69,278)	(69,278)
	<u>1,069</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total property, plant and equipment	<u><u>9,563</u></u>	<u><u>8,181</u></u>	<u><u>7,878</u></u>	<u><u>8,181</u></u>

14. INTANGIBLE ASSETS				
Goodwill on consolidation	19,224	19,224	-	-
Accumulated amortisation	(19,224)	(19,224)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2005

	CONSOLIDATED		PARENT ENTITY	
	2005	2004	2005	2004
	\$	\$	\$	\$
16. CONTRIBUTED EQUITY				
464,676,013 (2004: 464,676,013) fully paid ordinary shares	8,963,131	8,963,131	8,963,131	8,963,131
(a) ORDINARY SHARES				
At the beginning of the reporting period	8,963,131	36,477,907	8,963,131	8,963,131
Shares issued during the year				
151,400,000 on 6 January 2003	-	1,514,000	-	-
Share reduction	-	(28,978,031)	-	-
Transaction costs relating to share issues	-	(50,745)	-	-
At reporting date	8,963,131	8,963,131	8,963,131	8,963,131
		No.		
At the beginning of reporting period	464,676,013	313,276,013	464,676,013	464,676,013
Shares issued during year				
- 6 January 2003	-	151,400,000	-	-
At reporting date	464,676,013	464,676,013	464,676,013	464,676,013

At balance date, no share options were outstanding.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2005

	CONSOLIDATED		PARENT ENTITY	
	2005	2004	2005	2004
	\$	\$	\$	\$
17. RESERVES				
Foreign currency translation	(24,503)	(16,680)	-	-
(a) FOREIGN CURRENCY TRANSLATION RESERVE				
Movement during the year				
Opening balance	(16,680)	(16,680)	-	-
Adjustment arising from disposal of foreign controlled entities	-	-	-	-
Adjustment arising from the translation of foreign controlled entities' financial statements	(7,823)	-	-	-
Closing balance	(24,503)	(16,680)	-	-

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

18. ACCUMULATED LOSSES

Accumulated losses at the beginning of the financial year	(8,273,574)	(7,934,129)	(8,275,254)	(7,947,308)
Share reduction	-	-	-	-
Net loss attributable to members of the company	(358,924)	(339,445)	(275,853)	(327,946)
Accumulated losses at the end of the financial year	(8,632,498)	(8,273,574)	(8,551,107)	(8,275,254)

19. STATEMENT OF OPERATING BY SEGMENTS

The Company is currently seeking business opportunities in the IT industry. The Company operates in one geographical segment in South-East Asia.

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2005

	CONSOLIDATED		PARENT ENTITY	
	2005	2004	2005	2004
	\$	\$	\$	\$
20. CASH FLOW INFORMATION				
(a) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT/(LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX				
Profit/(Loss) from ordinary activities after income tax	(358,924)	(339,445)	(275,853)	(327,946)
Non-cash flows in loss from ordinary activities				
Depreciation and Amortisation	614	-	303	-
Net loss on disposal of property, plant & equipment	-	-	-	-
Doubtful debts	-	-	-	-
Building impairment loss	-	-	-	-
Write-down of investments to recoverable amount	-	-	-	-
Gain on deconsolidation	-	-	-	-
Other items	-	-	-	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:				
(Increase)/decrease in trade and other debtors	(47,680)	(9,650)	(31,848)	(11,931)
Increase in prepayments and other assets	(3,156)	(8,181)	-	-
(Increase)/decrease in inventories	(9,764)	-	-	-
Increase/(decrease) in trade creditors and accruals	51,825	(16,714)	24,345	(6,108)
Movement in income taxes payable	-	-	-	-
Movement in deferred taxes payable	-	-	-	-
Cash flows from operations	<u>(367,085)</u>	<u>(373,990)</u>	<u>(283,053)</u>	<u>(345,985)</u>

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2005

CONSOLIDATED		PARENT ENTITY	
2005	2004	2005	2004
\$	\$	\$	\$

21. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

- Directors and director-related entities hold directly, indirectly or beneficially as at the reporting date the following equity interests in members of the consolidated entity:

- ordinary shares	257,154,061	257,154,061	257,154,061	257,154,061
- options over ordinary shares	-	-	-	-

- Mr Steven Pynt, a director of Richfield Group Limited, was formerly a director of Bondshaw Holdings Pty Ltd.

RICHFIELD GROUP LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2005

22. FINANCIAL INSTRUMENTS

(a) INTEREST RATE RISK

The consolidated entity's exposure to interest rate risks, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, are as follows:

FINANCIAL INSTRUMENTS	FLOATING INTEREST RATE		1 YEAR OR LESS		OVER 1 TO 5 YEARS		NON-INTEREST BEARING		TOTAL CARRYING AMOUNT AS PER THE BALANCE SHEET		WEIGHTED AVERAGE EFFECTIVE INTEREST RATE(C)	
	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$	2005 (%)	2004 (%)
(i) Financial Assets												
Cash	92,377	314,862	159,202	565,919	-	-	19	17	251,598	880,798	4.25	4.00
Receivables	-	-	-	-	-	-	78,121	27,285	78,121	27,285	N/A	N/A
Total financial assets	92,377	314,862	159,202	565,919	-	-	78,140	27,302	329,719	908,083		
(ii) Financial Liabilities												
Bank overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	312,544	243,387	312,544	243,387	N/A	N/A
Mortgage Loans	-	-	-	-	-	-	-	-	-	-	-	-
Bills Payables	-	-	-	-	-	-	-	-	-	-	-	-
Hire Purchase liability	-	-	-	-	-	-	-	-	-	-	-	-
Total financial liabilities	-	-	-	-	-	-	312,544	243,387	312,544	243,387		

(b) NET FAIR VALUES

The carrying amount of the financial assets and financial liabilities recorded in the financial statements approximate their fair values.

In view of the significant uncertainties facing the consolidated entity as disclosed in Note 1(a) to the financial statements, the fair values of the long-term liabilities are not made as it is not practicable to determine their fair values with sufficient reliability.

(c) CREDIT RISK EXPOSURES

The maximum exposure to credit risk excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position and notes to the financial statements.

23. CAPITAL COMMITMENTS

At balance date, there are no outstanding capital commitments for the parent entity and consolidated entity.

24. EVENTS OCCURRING AFTER BALANCE DATE

There are no other matters or circumstances which have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

25. CONTINGENT LIABILITIES

The company has acted as guarantor for Bondshaw Holdings Pty Ltd ("Bondshaw") to Howard Mortgage Trust & Permanent Trustee Australia Limited for amounts advanced to Bondshaw of \$913,573.73. This guarantee was signed during the period when the company was trading as Oka Motor Company.

The company's directors have resolved to dissolve the guarantee and has instructed its solicitors to act on its behalf, by issuing a letter to Howard Mortgage Trust & Permanent Trustee Australia Limited advising of the company's intent.

26. IMPACT OF ADOPTING AASB EQUIVALENTS TO IASB STANDARDS

The Group has commenced transitioning their accounting policies and financial reporting from current Australian Accounting Standards to Australian equivalents of International Financial Reporting Standards (IFRS). The company has engaged expert consultants to determine the key areas that will be impacted by the transition to IFRS.

As the Group has a 30 June year-end, priority has been given to considering the preparation of an opening balance sheet in accordance with AASB equivalents to IFRS as at 1 July 2004. This will form the basis of accounting for Australian Equivalents of IFRS in the future, and is required when the Group prepare their first fully IFRS compliant financial report for the year ending 30 June 2006.

It is not anticipated that the change in accounting policies will have a material impact on the financial report.

27. COMPANY DETAILS

The registered office of the company is:
Richfield Group Limited
1st Floor
9 Bowman Street
South Perth
WESTERN AUSTRALIA 6151

The principal place of business is:

Richfield Group Limited
194 Pandan Loop
0608 Pantech Industrial Complex
SINGAPORE 128383

The following additional information is required by the Australian Stock Exchange Ltd in respect of listed public companies only.

SHAREHOLDER INFORMATION

As at 31 August 2005 the Company had 849 holders of Ordinary Fully Paid Shares.

(a) DISTRIBUTION OF SHARE HOLDERS (AS AT 31 AUGUST 2005)

Category (size of holding)	Ordinary
1 – 1,000	13
1,001 – 5,000	297
5,001 – 10,000	168
10,001 – 100,000	218
100,001 – and over	153

The number of shareholdings held in less than marketable parcels is Nil.

(b) SUBSTANTIAL SHAREHOLDERS

The names of shareholders that are recorded in the Register of Substantial Shareholders (as at 30 August 2005) are as follows:

Twenty Largest Shareholders (as at 2 September 2005)

	Fully Paid Ordinary	
	Number	Percentage
Tan Chak Chew	26,850,000	5.78%
Lim Poh Choo	26,850,000	5.78%
Eastern Investment Limited	26,850,000	5.78%
Tan Yen Yen	26,850,000	5.78%
Kevin Ho Keng Leng	22,000,000	4.73%
Soi Koon Tan	18,533,334	3.99%
Pacific Achiever Limited	15,733,334	3.39%
Jian Hui Raymond Bai	15,000,000	3.23%
InfoLink Limited	12,600,000	2.71%
Zhenyang Bai	11,000,000	2.37%
Guat Hua Teo	10,200,000	2.20%
Guojin Bai	10,066,734	2.17%
Guobao Bai	10,066,694	2.17%
Guocai Bai	9,998,194	2.15%
Pek San Lam	9,300,000	2.00%
Bin Ice Bai	9,000,000	1.94%
Meow Lan Low	9,000,000	1.94%
Asian Tech Investments Limited	8,400,000	1.81%
Zheng Cong Bai	8,000,000	1.72%
Chian Hui Teo	8,000,000	1.72%

(C) VOTING RIGHTS

Ordinary shares

Subject to any rights or restrictions for the time being attached to any class or classes (at present there are none) at general meetings of shareholders or classes of shareholders:

- each shareholder entitled to vote, may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each Fully Paid Share held, or in respect of which he/she has appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid Shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the Share.

(d) SHARE BUY-BACKS

There is no current on-market buy-back scheme.

(e) The address of the registered office in Australia is:

1st Floor
9 Bowman Street
South Perth WA 6151

(f) Registers of Securities are held at the following addresses:

Computershare Investor Services
Level 2, 45 St George's Terrace
Perth WA 6000

(g) STOCK EXCHANGE LISTING

Quotation has been granted for all the ordinary shares of the company shares of the company on all Member Exchanges of the Australian Stock Exchange Limited.