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RICHLY FIELD

RICHLY FIELD CHINA DEVELOPMENT LIMITED

(incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(stock code: 313)

**PAST CONNECTED TRANSACTION,
MISSTATEMENT IN 2011 INTERIM REPORT,
DELAY IN PUBLICATION OF 2012 ANNUAL RESULTS
AND
POSSIBLE DELAY IN DESPATCH OF 2012 ANNUAL REPORT**

The Company announces that, during the audit of the Company's financial statements for the year ended 31 March 2012, it was found that the entering into the Second Equity Interest Transfer Agreement constitutes a connected transaction for the Company under Rule 14A.13 (1) of the Listing Rules and is subject to the reporting and announcement requirements and exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules. In addition, the Board wishes to clarify that there is a misstatement in certain statements made in 2011 Interim Report in relation to the Second Equity Interest Transfer Agreement.

As additional time is required to provide information for the auditors of the Company to perform and complete their audit procedures in respect of the Company's 2012 Annual Results, the Company expects that it will be unable to publish its 2012 Annual Results by 30 June 2012 and may not be able to dispatch the 2012 Annual Report to the Shareholders by 31 July 2012. The delay in the publication of the announcement of the 2012 Annual Results and the possible delay in the despatch of the 2012 Annual Report, if it materialises, will constitute the non-compliance with Rules 13.46 and 13.49 of the Listing Rules.

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect from 3:10 p.m. on 24 April 2012, and it will remain suspended pending the release of further announcement(s) by the Company.

The Company announces that, Richly Field Beijing, a wholly-owned subsidiary of the Company, and the First Purchaser and the Second Purchaser entered into the First Equity Interest Transfer Agreement and Second Equity Interest Transfer Agreement on 10 June 2011 and 16 June 2011 respectively in relation to the disposal of the entire equity interest in Yinchuan Outlets for a total consideration of RMB6 million (equivalent to approximately HK\$7.358 million). During the audit of the Company's financial statements for the year ended 31 March 2012, it was found that the entering into the Second Equity Interest Transfer Agreement constitutes a connected transaction for the Company under Rule 14A.13 (1) of the Listing Rules and is subject to the reporting and announcement requirements and exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Set out below are the principal terms of the Equity Interest Transfer Agreements.

EQUITY INTEREST TRANSFER AGREEMENTS

First Equity Interest Transfer Agreement

Date

10 June 2011

Parties

- (i) Richly Field Beijing, as the Vendor;
- (ii) 中城聯合投資集團有限公司 (Zhongcheng Lianhe Investment Group Limited*), as the First Purchaser

To the best knowledge, information and belief of the Directors having made all reasonable enquires, the First Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company.

Second Equity Interest Transfer Agreement

Date

16 June 2011

Parties

- (i) Richly Field Beijing, as the Vendor;
- (ii) 廣州奧特萊斯名牌折扣城有限公司 (Guangzhou Outlets World Brands Discount City Company Limited*), as the Second Purchaser

The Second Purchaser is owned as to 50% by Mr. Leung, a substantial Shareholder, and as to 50% by a third party independent of the Company and connected persons of the Company.

Interest disposed of and the Consideration

Richly Field Beijing held 100% equity interest in Yinchuan Outlets. Pursuant to the Equity Interest Transfer Agreements, Richly Field Beijing as the Vendor would sell and each of the Purchasers would acquire 50% of the equity interest in Yinchuan Outlets respectively from the Vendor. The total consideration for the Sale Equity Interest is RMB6 million (equivalent to approximately HK\$7.358 million), with each of the Purchasers paying RMB3 million (equivalent to approximately HK\$3.679 million) respectively to the Vendor within ten days from the respective date of the Equity Interest Transfer Agreements.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchasers with reference to the paid up registered capital of RMB6 million (equivalent to approximately HK\$7.358 million) of Yinchuan Outlets as at 31 May 2011.

INFORMATION ABOUT YINCHUAN OUTLETS AND REASONS FOR THE DISPOSAL

Yinchuan Outlets is a company incorporated in the PRC on 10 March 2011 with limited liability. The Company through Richly Field Beijing indirectly held 100% equity interest in Yinchuan Outlets before the Equity Interest Transfer Agreements. The total registered capital of Yinchuan was RMB6 million, which was fully paid up as at 31 May 2011.

The Group set up Yinchuan Outlets as a project company intended to develop an outlets project in Yinchuan. However, after relevant market research and feasibility studies, it was considered pre-mature to develop such project in Yinchuan. Therefore, the management of Richly Field Beijing decided to dispose of the entire equity interest of Yinchuan Outlets to avoid any further operating costs/expenses and to deploy the Group's resources to other opportunities. Yinchuan Outlets had not engaged in any business activities, as such it did not record any turnover and/or profit before entering into the Equity Interest Transfer Agreements.

INFORMATION ABOUT THE PURCHASERS

Zhongcheng Lianhe Investment Group Limited as the First Purchaser is a company incorporated in the PRC with limited liability, and it is principally engaged in investment business.

Guangzhou Outlets World Brands Discount City Company Limited as the Second Purchaser is a company incorporated in the PRC with limited liability and it is principally engaged in wholesale, retail, provision of convention and exhibition services, property management, management consulting, etc.. Mr. Leung, a substantial Shareholder, held 50% of the equity interest in the Second Purchaser.

INFORMATION ABOUT THE GROUP

The main business activity of the Company is investment holding. The Company through its main subsidiaries engages in the property development and management, building construction and maintenance industries. Its operation is primarily based in the PRC.

STATUS OF THE DISPOSAL

The transfer of the Sale Equity Interest was approved by the relevant PRC authorities and the new business license of Yinchuan Outlets was issued by the local Industry and Commercial Bureau in June 2011, and since then Yinchuan Outlets ceased to be a subsidiary of the Company. As at the date of this announcement, the Company has received the Consideration from the Purchasers. The Company recognises a gain on disposal of approximately HK\$90,000 upon Completion, as the Consideration equals to the carrying value of Yinchuan Outlets in the financial statements of the Group as at the date of the Equity Interest Transfer Agreements.

The Board (including all independent non-executive Directors) ratified and confirmed that the entering into the Equity Interest Transfer Agreements was in the interests of the Company and the Shareholders as whole.

LISTING RULES IMPLICATION

As Mr. Leung, a substantial Shareholder, held 50% of equity interest in the Second Purchaser, the Second Purchaser was a connected person of the Company as defined in Chapter 14A of the Listing Rules, and the entering into the Second Equity Interest Transfer Agreement constitutes a connected transaction under Rule 14A.13 (1) of the Listing Rules.

As the relevant percentage ratios of the Company in respect of the entering into the Second Equity Interest Transfer Agreement are less than 5%, the Disposal is subject to the reporting and announcement requirements and exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

MISSTATEMENT IN 2011 INTERIM REPORT

The entering into Equity Interest Transfer Agreements was disclosed in pages 6 and 27 of the Company's interim report for the six months ended 30 September 2011 (the "2011 Interim Report") as follows:-

"On 10 June 2011, the Group entered into an agreement with a third party for market reasons and disposed the entire equity interest in 銀川奧特萊斯世界名牌折扣城有限公司 for a consideration of RMB6,000,000."

"On 10 June 2011 and 16 June 2011, share transfer agreements were entered into between the independent third parties (the "Purchaser") and Richly Field (Beijing) Investment Consulting Co., Limited, in respect of the disposal of the entire issued share capital of 銀川奧特萊斯世界名牌折扣城有限公司 ("銀川奧特萊斯"), at the consideration of RMB6,000,000 (equivalent to approximately HK\$7,358,000). At the date of disposal, 銀川奧特萊斯 had not engaged in any business activities."

The Board wishes to clarify that there is a misstatement in above paragraphs. As set out above, the Second Purchaser is owned as to 50% by Mr. Leung, a substantial Shareholder, and as to 50% by an third party independent of the Company and connected persons of the Company.

DELAY IN PUBLICATION OF ANNUAL RESULTS AND POSSIBLE DELAY IN DISPATCH OF ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2012

The Board announces that additional time is required to provide information for the auditors of the Company to perform and complete their audit procedures in respect of the Company's annual results for the year ended 31 March 2012 (the "2012 Annual Results").

The Company expects that it will be unable to publish its 2012 Annual Results by 30 June 2012 and may not be able to dispatch its annual report for the year ended 31 March 2012 (the "2012 Annual Report") to the Shareholders by 31 July 2012.

The delay in the publication of the announcement of the 2012 Annual Results and the possible delay in the despatch of the 2012 Annual Report, if it materialises, will constitute the non-compliance with Rules 13.46 and 13.49 of the Listing Rules.

CONTINUE SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 3:10 p.m. on 24 April 2012, and it will remain suspended pending the release of further announcement(s) by the Company.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Richly Field China Development Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the ordinary Shares of which are listed on the Stock Exchange
“Completion”	the completion of the disposal of Sale Equity Interest pursuant to the Equity Interest Transfer Agreements
“connected persons”	has the meaning ascribed thereto in the Listing Rules
“Consideration”	the total consideration for the Sale Equity Interest under the Equity Interest Transfer Agreements
“Director(s)”	the director(s) of the Company
“Equity Interest Transfer Agreements”	the First Equity Interest Transfer Agreement and the Second Equity Interest Transfer Agreement
“First Equity Interest Transfer Agreement”	the equity interest transfer agreement dated 10 June 2011 entered into between the Vendor and the First Purchaser in relation to the disposal of 50% equity interest in Yinchuan Outlets
“First Purchaser”	中城聯合投資集團有限公司 (Zhongcheng Lianhe Investment Group Limited*), a company incorporated in the PRC with limited liability
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Leung”	Mr. Leung Ho Hing, a substantial Shareholder
“PRC”	the People’s Republic of China
“Purchasers”	the First Purchaser and the Second Purchaser
“Richly Field Beijing” or the “Vendor”	Richly Field (Beijing) Investment Consulting Co., Limited (裕田幸福城(北京)投資顧問有限公司), a company incorporated in the PRC with limited liability, a directly wholly-owned subsidiary of the Company

“Second Equity Interest Transfer Agreement”	the equity interest transfer agreement dated 16 June 2011 entered into between the Vendor and the Second Purchaser in relation to the disposal of 50% of equity interest in Yinchuan Outlets
“Sale Equity Interest”	100% equity interest in Yinchuan Outlets
“Second Purchaser”	廣州奧特萊斯名牌折扣城有限公司 (Guangzhou Outlets World Brands Discount City Company Limited*), a company incorporated in the PRC with limited liability
“Share(s)”	share(s) of HK\$0.05 each of the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yinchuan Outlets”	銀川奧特萊斯世界名牌折扣城有限公司 (Yinchuan Outlets World Brands Discount City Company Limited*), a company incorporated in the PRC with limited liability, a former indirectly wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

By Order of the Board
Richly Field China Development Limited
He Guang
Chairman

Hong Kong, 25 June 2012

As at the date of this announcement, the Board comprises Mr. He Guang (Chairman) and Mr. Wong Kin Fai as executive Directors, Mr. Huang Shao Xiong and Mr. Wang Yuan Xun as non-executive Directors, and Mr. Yiu Fai Ming, Mr. Hou Rong Ming and Mr. Lin Qi as independent non-executive Directors.

* *for identification purposes only*