RICHLY FIELD

RICHLY FIELD CHINA DEVELOPMENT LIMITED

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

(stock code: 313)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2012

The board of directors (the "Board") of Richly Field China Development Limited (the "Company") announces the audited consolidated final results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2012 (the "Year") together with the comparative audited figures for year ended 31 March 2011, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2012

	Notes	**2012** **HK$'000**	2011 *HK$'000*
Turnover	*5*	**289**	–
Cost of sales		**(197)**	–
Gross profit		**92**	–
Other revenue	*6*	**18,492**	177,946
Gain on disposal of subsidiaries		**7,219**	6,481
Gain on winding up of a subsidiary		**–**	1,179
Share of results of the associates		**(9,872)**	–
Selling expenses		**(5,860)**	(2,882)
Administrative and other operating expenses	*9*	**(110,448)**	(52,036)
Finance costs	*7*	**–**	–
(Loss)/profit before taxation	*9*	**(100,377)**	130,688
Income tax	*10*	**–**	(36,454)
(Loss)/profit for the year		**(100,377)**	94,234
Other comprehensive income:			
Exchange differences arising on translation of overseas operations		**34,623**	19,312
Total comprehensive (expenses)/income for the year		**(65,754)**	113,546
(Loss)/profit attributable to:			
Owners of the Company		**(78,493)**	33,617
Non-controlling interests		**(21,884)**	60,617
		(100,377)	94,234
Total comprehensive (expenses)/income attributable to:			
Owners of the Company		**(58,170)**	43,664
Non-controlling interests		**(7,584)**	69,882
		(65,754)	113,546
(Loss)/earnings per share attributable to the owners of the Company			
– Basic	*12*	**(0.9) cents**	0.4 cents
– Diluted	*12*	**(0.9) cents**	0.4 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2012

	Notes	2012	2011
		HK$'000	HK$'000
			(Restated)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**5,626**	6,619
Investment properties	*13*	**554,746**	396,165
Interests in associates	*14*	**33,634**	22,976
		594,006	425,760
Current assets			
Properties under development for sale	*15*	**855,557**	641,865
Inventories	*16*	**14,475**	–
Trade and other receivables	*17*	**56,980**	180,156
Amount due from an associate	*14*	**89,590**	–
Amounts due from related companies	*18*	**47,322**	38,203
Cash and bank balances		**29,452**	339,587
		1,093,376	1,199,811
Current liabilities			
Trade and other payables	*19*	**425,301**	309,993
Amounts due to related companies	*20*	**7,936**	17,808
Bank loan, secured	*21*	**87,206**	–
Financial guarantee obligation	*22*	**882**	–
Tax payable		**19,610**	20,476
Provision	*23*	**325**	–
		541,260	348,277
Net current assets		**552,116**	851,534
Total assets less current liabilities		**1,146,122**	1,277,294
Non-current liabilities			
Bank loan, secured	*21*	**286,534**	356,168
Net assets		**859,588**	921,126

	Notes	2012	2011
		HK$'000	*HK$'000*
			(Restated)
EQUITY			
Share capital		**444,044**	444,044
Reserves		**128,373**	181,695
Equity attributable to owners of the Company		**572,417**	625,739
Non-controlling interests		**287,171**	295,387
Total equity		**859,588**	921,126

1. Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which include Hong Kong Accounting Standards ("HKASs") and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The financial statements have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value.

2. Restatement of financial statements

(a) In preparing the consolidated financial statements for the year ended 31 March 2012, the directors of the Company (the "Directors") had identified that the Company omitted to account for in its consolidated financial statements for the year ended 31 March 2011 a consultancy fee payable of RMB15,000,000 (equivalent to approximately HK$17,808,000) to Zhongrong International Trust Company Limited ("Zhongrong Trust"), which directly holds 49.25% interest in Hunan Richly Field Outlets Real Estate Limited ("Hunan Richly Field"), an indirectly non-wholly owned subsidiary of the Company, since December 2010 and up to the reporting date.

On 18 October 2010, Hunan Richly Field and Zhongrong Trust entered into a consultancy service agreement (the "Consultancy Agreement"). Zhongrong Trust, which was incorporated in the People's Republic of China ("PRC") in 1987, is a financial institution authorised by China Banking Regulatory Commission. It is principally engaging in (i) managing capital trust, chattel trust, real estate trust, securities trust and other property trust; (ii) initiating investment fund and fund management companies; (iii) advising on corporate restructuring, mergers and acquisitions or project financing, private banking and other financial advisory services; (iv) underwriting the approved securities; (v) undertaking credit attestation and survey; (vi) provision of custody services; (vii) managing self-owned capital through bank deposit, inter-bank loans, finance leasing and other way of investment; (viii) provision of guarantee service; (ix) managing inter-bank lending and borrowing; and (x) other approved activities.

Pursuant to the Consultancy Agreement, Zhongrong Trust provided consultancy services (including financial advice on the development and construction, analysis on the funding market and design of development plan) for 世界名牌折扣店華中旗艦中心產業服務園 (Industry Service Center of World Brands Discount Flagship Mall in Central China*), a property development project in Changsha, Hunan Province, the PRC, during the year ended 31 March 2011. The total consideration for the consultancy services was RMB20,000,000 (equivalent to approximately HK$23,745,000), which was based on scope of services to be provided and determined after arm's length negotiations between Hunan Richly Field and Zhongrong Trust. Pursuant to the Consultancy Agreement, RMB5,000,000 (equivalent to approximately HK$5,812,000) of the consultancy fee would be paid on or before 21 February 2011 and the remaining RMB15,000,000 (equivalent to approximately HK$17,808,000) would be paid on or before 21 November 2011. The payment term was revised by a supplemental agreement, pursuant to which RMB5,000,000 (equivalent to approximately HK$5,812,000) would be paid on or before 21 February 2011, RMB13,630,000 (equivalent to approximately HK$16,980,000) would be paid on or before 21 November 2011 and the remaining fee of RMB1,370,000 (equivalent to approximately HK$1,707,000) would be paid on or before 30 June 2012.

The Directors considered that with reference to applicable accounting standards, the consultancy fee of RMB20,000,000 (equivalent to approximately HK$23,745,000) should be capitalised as it was directly attributable to the construction of the Group's investment properties and properties under development for sale.

During the year ended 31 March 2011, the consultancy fee of RMB5,000,000 (equivalent to approximately HK$5,812,000) was paid and capitalised to the Group's investment properties and properties under development for sale for the year ended 31 March 2011. Zhongrong Trust became a substantial shareholder of Hunan Richly Field by a subscription of additional registered capital of Hunan Richly Field in December 2010. Details of the transaction were set out in the Company's announcement dated 10 November 2010. The consultancy services were provided and completed before December 2010. Zhongrong Trust did not become a shareholder of Hunan Richly Field until thereafter. As such, the consultancy fee arrangement was not a related party transaction. However, it was mistakenly disclosed as a related party transaction in Note 28 to the Company's consolidated financial statements for the year ended 31 March 2011.

The remaining consultancy fee payable of RMB15,000,000 (equivalent to approximately HK$17,808,000), which should have been capitalised to investment properties and properties under development for sale for the year ended 31 March 2011, was not recorded in the books of the Group for the year ended 31 March 2011 as this transaction had been mistakenly booked on cash basis, rather than accrual basis, upon subsequent payments of the consultancy fees. Consequently, the Company's consolidated statements of financial position as at 31 March 2011 and disclosure for related party transactions for the year ended 31 March 2011 have been restated to correct the error.

(b) As set out in the Company's announcement dated 6 March 2013, on 4 March 2011, Richly Field (Beijing) Investment Consulting Co. Ltd. ("Richly Field Beijing") and Qionghai Millennium Investment Co. Ltd. ("Qionghai Investment") entered into an agreement (the "Qionghai Agreement"), pursuant to which, Richly Field Beijing placed the amount of RMB32,178,050 (equivalent to approximately HK$38,203,000) with Qionghai Investment for a term of one year commencing from 4 March 2011 to 3 March 2012.

Qionghai Investment is a company incorporated Hainan, the PRC, with paid-up registered capital of RMB10,000,000. It is principally engaged in the provision of marketing planning services, business information services and venue leasing services and investment management. At the time of entering into the Qionghai Agreement, Qionghai Investment was indirectly owned as to 54.3% by Mr. Leung Ho Hing ("Mr. Leung"), a substantial shareholder of the Company (the "Shareholder"), and as to 45.7% by a third party independent of the Company and its connected persons.

The management of Richly Field Beijing understood that Qionghai Investment had resources and good relationship with local government or land owner(s) in respect of certain property development projects in Hainan. With the launch of the concept to develop the southern island of Hainan into an international tourism island, during the second half of 2010 the management of Richly Field Beijing contacted Qionghai Investment with the intention to seek suitable property development projects in Hainan. In February 2011, Qionghai Investment identified two potential property development projects in Hainan (the "Potential Projects") for Richly Field Beijing's consideration.

Based on the proposal provided by Qionghai Investment, a total sum of approximately RMB35,000,000 as an initial preparation deposit was required for locating of approximately 1,000 mu land located in an area designated for tourism development in Dalu Town（大路鎮）, Qionghai City, Hainan Province, for one of the Potential Projects. According to the initial plan, it was proposed that this property project would include resort hotel(s), commercial property, residential property, medical rehabilitation facilities, retirement home and eco-tourism resort. The required initial preparation deposit included approximately RMB30,000,000 for the initial deposit for the land transfer fees to be paid to the local land owner(s), approximately RMB2,820,000 for the crop compensation allowance and approximately RMB2,200,000 for other operation expenses. After having considered the proposal of Qionghai Investment and the prospects of the project, the management of Richly Field Beijing decided to provide the initial preparation deposit to Qionghai Investment (but excluding the required sum in the amount of RMB2,821,950 for the crop operations allowance which was considered not necessary at that stage).

Subsequently, on 4 March 2011, with the expectation that Qionghai Investment acted as an agent for the Group would be able to identify and refer one of the Potential Projects for the Group within the period of one year by taking advantage of its local resources and network in Hainan, Richly Field Beijing and Qionghai Investment entered into the Qionghai Agreement, pursuant to which Richly Field Beijing provided the initial preparation deposit in the amount of RMB32,178,050 (equivalent to approximately HK$38,203,000) to Qionghai Investment. The Group was not aware if Qionghai Investment had provided similar services to other companies.

During the tenure of the Qionghai Agreement, Qionghai Investment would identify and refer suitable residential and commercial property development projects in Hainan, the PRC, to the Group. If, during the tenure of the Qionghai Agreement, Qionghai Investment could successfully identify a property project resulting in the Group entering into a land acquisition agreement or a project development agreement with the land owner(s) or the relevant local government department(s) for property development in Hainan, the relevant deposit or expenses could be paid by Qionghai Investment in a timely manner on behalf of the Group to the land owner(s) or the relevant government department(s) or relevant parties out of the RMB32,178,050 of funds. In the event that Qionghai Investment failed to identify and refer suitable property project to the Group during the tenure of the Qionghai Agreement, Qionghai Investment would repay the principal amount of RMB32,178,050 plus relevant interest at a rate no less than the prevailing lending rate of the People's Bank of China ("PBOC") to Richly Field Beijing at the end of term of the Qionghai Agreement.

In September 2011, Globe Outlets City Holdings Limited ("Globe Outlets"), a wholly-owned subsidiary of the Company, and development partners entered into a framework agreement (the "Framework Agreement") regarding the joint development of one of the Potential Projects. However, as at the end of February 2012, there had been no material progress regarding this project since entering into the Framework Agreement. On 27 February 2012, Richly Field Beijing requested Qionghai Investment to repay the outstanding sum of the initial preparation deposit in the amount of RMB30,678,050 plus relevant interest pursuant to the terms of the Qionghai Agreement. It was agreed by both parties that the repayment date would be extended to the end of May 2012. As at the end of May 2012, Qionghai Investment had repaid the principal amount of RMB32,178,050 plus relevant interest of approximately RMB2,574,000 to Richly Field Beijing. The interest rate charged for the principal amount of RMB32,178,050 is around 6% which is no less than the prevailing lending rate of the PBOC. As Qionghai Investment had not been able to successfully refer the relevant property development project to the Group, no fee has ever been paid or payable by the Group to Qionghai Investment.

As Qionghai Investment was indirectly owned as to 54.3% by Mr. Leung, a substantial Shareholder, Qionghai Investment was a connected person of the Company as at the date of the Qionghai Agreement as defined in Chapter 14A of the Listing Rules, and the entering into of the Qionghai Agreement constitutes a connected transaction under Rule 14A.13 (1) of the Listing Rules. As all the relevant percentage ratios of the Company in respect of the entering into of the Agreement are less than 5%, the entering into of the Agreement should be subject to the reporting and announcement requirements but exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the Company did not publish an announcement when entering into the Qionghai Agreement, the Company did not comply with the requirements under Chapter 14A of the Listing Rules. As set out in the Company's announcement dated 6 March 2013, the Board (including all independent non-executive Directors) has ratified and confirmed that the entering into the Qionghai Agreement was fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Details regarding the Qionghai Agreement were set out in the Company's announcement dated 6 March 2013.

During the audit of the Company's financial statements for the year ended 31 March 2011, the search of the director/shareholder list and other registration details of companies in Hainan area was restricted by the local government authority, as such no shareholder information of Qinghai Investment was provided by Richly Field Beijing to the auditors of the Company, and during the audit fieldwork, the working staff of the Group orally confirmed with the Company's auditors that they had disclosed to the auditors all the related party transactions that they were aware of, and this initial preparation deposit was not regarded as an connected or related transaction. Similarly, the then Board confirmed to the auditors that it had disclosed to the auditors the identity of the Group's related parties relationship and transactions of which it was aware of, and this initial preparation deposit was not regarded as a connected or related party transaction. Therefore, the initial preparation deposit in the amount of RMB32,178,050 (equivalent to approximately HK$38,203,000) provided to Qionghai Investment was recognised and classified as trade and other receivables in the Company's consolidated financial statements for the year ended 31 March 2011. The details were also stated in the Company's interim financial statements for the six months ended 30 September 2011 (note (v) in note 10 headed "Trade and other receivables" in page 12 of 2011/2012 Interim Results and note (v) in note 14 headed "Trade and other receivables" in page 32 of 2011/2012 Interim Report).

During the audit of the Company's financial statements for the year ended 31 March 2012, it was discovered that the ultimate major shareholder of Qionghai Investment as at the date of Qionghai Agreement was Mr. Leung, a substantial Shareholder. Accordingly, there were misstatements in the Company's consolidated financial statements for the year ended 31 March 2011, and prior year adjustments and restatement shall be made in the Company's consolidated financial statements for the year ended 31 March 2011 regarding the reclassification of "Other receivables" to "Amount due from a related company".

RMB1,500,000 (equivalent to approximately HK$1,869,000) was repaid by Qionghai Investment to Richly Field Beijing during the year ended 31 March 2012 and the remaining balance of RMB30,678,050 (equivalent to approximately HK$38,219,000), which was recognised as amount due from a related company in the Company's consolidated financial statements for the year ended 31 March 2012, was repaid by Qionghai Investment in May 2012. Interest income of approximately RMB2,268,000 (equivalent to approximately HK$2,826,000) was recognised for this placement during the year ended 31 March 2012 and fully settled in May 2012.

The following tables reflect the effects of the restatement for each financial statement line item affected in respect of the two above mentioned errors for the year ended 31 March 2011. The adjustments do not have any impact on the financial statements at the beginning of the earliest prior period presented, which is 1 April 2010.

Consolidated Statement of Financial Position

	As at 31 March 2011		
	As previously reported	**Adjustment**	**As restated**
	HK'000	*HK'000*	*HK'000*
Non-current assets			
Investment properties	390,466	5,699	396,165
Current assets			
Properties under development for sale	629,756	12,109	641,865
Trade and other receivables	218,359	(38,203)	180,156
Amount due from a related company	–	38,203	38,203
Current liabilities			
Amount due to a related company	–	17,808	17,808

Consolidated Statement of Cash Flows

	For the year ended 31 March 2011		
	As previously reported	**Adjustment**	**As restated**
	HK'000	*HK'000*	*HK'000*
Increase in trade and other receivables	(271,125)	38,203	(232,922)
Increase in amount due from a related company	–	(38,203)	(38,203)
Increase in amount due to a related company	–	17,808	17,808
Increase in properties under development and investment properties	(250,297)	(17,808)	(268,105)

Related party transactions

		For the year ended 31 March 2011		
		As previously reported	**Adjustment**	**As restated**
		HK'000	*HK'000*	*HK'000*
Name of the related party	**Nature of transaction**			
Zhongrong Trust	Consultancy fee	5,812	(5,812)	–

The above mentioned two errors did not affect the figures presented in the Company's consolidated statements of comprehensive income and consolidated statement of changes in equity for the year ended 31 March 2011.

3. Basis of presentation

During the year ended 31 March 2012, the Group incurred losses of approximately HK$100,377,000. As at 31 March 2012, Hunan Richly Field had an outstanding interest-bearing loan in the amount of RMB300,000,000 (equivalent to approximately HK$373,740,000), among which, RMB70,000,000 (equivalent to HK$87,206,000) would be due for the repayment by Hunan Richly Field to a PRC bank (the "PRC Bank") in November 2012.

The Group had been in negotiation with a financial institution (the "Financial Institution") regarding proposed loan arrangement in a total amount of RMB320,000,000 (equivalent to approximately HK$398,656,000) (the "Loan Arrangement"). On 8 November 2012, Hunan Richly Field, the PRC Bank and the Financial Institution entered into a debt assignment agreement, pursuant to which, the debt in the amount of RMB70,000,000 (equivalent to HK$87,206,000) due from Hunan Richly Field to the PRC Bank was assigned to the Financial Institution at a total consideration of RMB70,000,000 (the "Debt Assignment"). On the even date, Hunan Richly Field and the Financial Institution entered into a debt restructuring agreement, pursuant to which Hunan Richly Field shall repay the principal debt in the amount of RMB70,000,000 to the Financial Institution within two years, and during which Hunan Richly Field shall also pay an interest to the Financial Institution at the interest rate of 15% per annum on the principal amount of RMB70,000,000. The land use rights pledged to the PRC Bank was released by the PRC bank, and other land use rights in a total area of approximately 103,782 square meters under Hunan Richly Field were pledged to the Financial Institution.

Apart from the Debt Assignment, on 19 November 2012, a company incorporated in the PRC (the "Lender"), which is an independent third party of the Company and its connected persons, a PRC bank (the "Entrust Bank") and Hunan Richly Field entered into an entrust loan agreement (委托貸款合同) (the "Entrust Loan Agreement"). Pursuant to the Entrust Loan Agreement, the Lender agreed to entrust the Entrust Bank to lend an amount of

RMB250,000,000 (the "Entrust Loan") to Hunan Richly Field. The Entrust Loan has a term of two years and bears interest of 10% per annum. On the even date, pursuant to the Entrust Loan Agreement, Hunan Richly Field and the Entrust Bank entered into a loan agreement (the "Loan Agreement") in relation to the Entrust Loan. Land use rights for a total area of approximately 336,000 square meters under Hunan Richly Field were pledged to the Entrust Bank for the Entrust Loan. In addition, as part of the Loan Arrangement, pursuant to the Entrust Loan Agreement, the Financial Institution issued an undertaking letter to the Entrust Bank undertaking that in the event that Hunan Richly Field cannot repay the Entrust Loan and the relevant interest or any event of default occurs pursuant to the terms of the Loan Agreement, the Financial Institution would acquire the defaulted Entrust Loan from the Entrust Bank. The proceeds under the Entrust Loan will provide the Group with additional funds to repay its current bank debts, trade payables and to provide additional working capital for the Group.

Save for the land already pledged in connection with the Debt Assignment and the Entrust Loan, the book value (at cost) of the portion of the land of the Group, which is available for further pledging, was approximately RMB184,316,000 (equivalent to approximately HK$228,552,000) as at 30 November 2012 with total area of approximately 306,000 square meters. Based on the strong net assets value of the Group, the measures taken to-date by the Board, the expectation on the success of the Group's future operation and the continued support from its bankers, the Board is of the view that the Group will have sufficient working capital to meet its financial obligations as they fall due in the next twelve months from the end of the reporting date. Accordingly, it is appropriate to prepare the consolidated financial statements on a going concern basis, notwithstanding the Group's tight cash flow position as at 31 March 2012.

4. Application of new and revised HKFRSs

In the current year, the Group has applied for the first time a number of new standards, amendment and interpretations ("new and revised HKFRSs") issued by the HKICPA, which are or have become effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKAS 24 (Revised)	Related Party Disclosures
HK(IFRIC) – Int 14 (Amendments)	Prepayments of Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

The adoption of these new and revised HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but not yet effective:

HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[1]
HKFRS 1 (Amendments)	Government Loans[4]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[1]
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities[4]
HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[6]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[4]
HKFRS 11	Joint Arrangements[4]
HKFRS 12	Disclosure of Interests in Other Entities[4]
HKFRS 13	Fair Value Measurement[4]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[3]

HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[2]
HKAS 19 (Revised)	Employee Benefits[4]
HKAS 27 (Revised)	Separate Financial Statements[4]
HKAS 28 (Revised)	Investments in Associates and Joint Ventures[4]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[5]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[4]

[1] Effective for annual periods beginning on or after 1 July 2011.
[2] Effective for annual periods beginning on or after 1 January 2012.
[3] Effective for annual periods beginning on or after 1 July 2012.
[4] Effective for annual periods beginning on or after 1 January 2013.
[5] Effective for annual periods beginning on or after 1 January 2014.
[6] Effective for annual periods beginning on or after 1 January 2015.

HKFRS 9 "Financial Instruments" introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of financial assets.

The Directors anticipate that the application of the other new or revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

5. Turnover

	2012	2011
	HK$'000	*HK$'000*
Sales of fashion wears and accessories	**289**	–

6. Other revenue

	2012	2011
	HK$'000	*HK$'000*
Interest income on:		
Bank deposits	**551**	250
Other loan and receivables (Note (i))	**10,559**	–
Total interest income	**11,110**	250
Government grant (Note (ii))	**–**	174,347
Exchange gain	**5,724**	3,321
Financial guarantee fee income (Note 22)	**359**	–
Late payment interest income (Note (iii))	**626**	–
Others	**673**	28
	18,492	177,946

Note (i):

(a) Included in other loan and receivables, HK$2,668,000 and HK$961,000 represent the interest charged to 廣東省陽江市建安集團有限公司 (Guangdong Yangjiang Construction Group Company Limited*) ("Yangjiang") and 廣州市海珠帕藝裝飾設計服務部 (Guangzhou Haizhu Payi Decoration Design Services Department*) ("Payi") as at 31 March 2012 for a placement of RMB40,000,000 and RMB30,840,000 to them respectively.

On 8 October 2010, Richly Field Beijing and Yangjiang entered into an agreement (the "Yangjiang Agreement"), pursuant to which Richly Field Beijing placed an amount of RMB40,000,000 (equivalent to approximately HK$49,832,000) with Yangjiang for a term of one and half years (i.e. the period commencing from 8 October 2010 to 7 April 2012). During the tenure of the Yangjiang Agreement, Yangjiang would identify and refer suitable residential or commercial property development projects in Guangdong to the Group. The investment return of the project referred by Yangjiang should be no less than 15% based on calculations agreed by the Group. Within one year from the date of the said placement, i.e. 7 October 2011, Yangjiang would provide the Group with the feasibility study report and calculations of the investment returns (the "Feasibility Report") for potential property development projects in Guangdong. If by the end of the aforesaid period, Yangjiang failed to provide the Feasibility Report to the Group or the Feasibility Report provided by Yangjiang failed to meet the requirements of the Group, Richly Field Beijing would have the right to demand Yangjiang for the repayment of the amount of RMB40,000,000 plus the relevant interests (with an interest rate which would be 10% higher than the prevailing lending rate of the PBOC) to Richly Field Beijing.

Separately, on 30 November 2010, Richly Field Beijing and Payi entered into an agreement (the "Payi Agreement"), pursuant to which Richly Field Beijing placed a total amount of RMB30,840,000 (equivalent to approximately HK$38,420,000) with Payi for a term of two years (i.e., the period commencing from 30 November 2010 to 29 November 2012), among which, RMB4,200,000 (equivalent to approximately HK$5,232,000) was paid upon the signing of the Payi Agreement and RMB26,640,000 (equivalent to approximately HK$33,188,000) was paid on 24 November 2011. During the tenure of the Payi Agreement, Payi would identify and refer suitable residential or commercial property development projects in Guangdong to the Group. At the end of the term of the Payi Agreement, failing any successful referral, Payi would repay the principal amount of RMB30,840,000 (equivalent to approximately HK$38,420,000) plus relevant interest (with interest rate being the prevailing lending rate of the PBOC) to Richly Field Beijing.

Yangjiang is a comprehensive construction enterprise incorporated in the PRC with register capital of RMB75,000,000, and it holds first grade contract qualification for building construction, municipal project, decoration project, earth work, and third contract qualification for curtain wall project, foundation work and urban landscaping work. Payi is a company incorporated in the PRC which is principally engaged in renovation, decoration and design projects. Based on sites visits and communications, the management of Richly Field Beijing understood that both Yangjiang and Payi possessed sufficient knowledge and had local connections in respect of certain potential property development projects in Guangdong. The Yangjiang Agreement and the Payi Agreement were entered into with the expectation that Yangjiang and Payi acted as an agent for the Group could identify and refer certain property development projects to the Group within the defined period. The Group was not aware if Yangjiang or Payi had provided similar services to other companies.

Based on the proposals provided by Yangjaing and Payi, initial preparation deposits (such as initial deposits, fees and costs for the composing of design plan, the preparing of survey, geologic, environmental and valuation reports, and other expenses, etc.) were required for locating certain potential projects. After having considered the proposals and prospects of these potential property development projects, the Group provided the respective initial preparation deposit to Yangjiang and Payi, which were intended for facilitating them to secure the potential projects for the Group within the respective agreed period and illustrating the availability of funds. Yangjiang and Payi had regularly reported to the Group regarding the progress of these potential property projects. If the Group was able to enter into a land acquisition agreement or a project development agreement with the respective land owner(s) or the relevant government department(s), the relevant initial deposits, fees and expenses could be paid by Yangjiang and Payi as an agent for the Group in a timely manner to the respective land owner(s) or the relevant government department(s) or the relevant parties, using the initial preparation deposits provided by the Group. As there was no material progress regarding the potential projects by the end of respective agreed period as set out in the Yangjiang Agreement and Payi Agreement, and due to the internal funding needs of the Group, at the request of Richly Field Beijing, Yangjiang and Payi had repaid Richly Field Beijing all the initial preparation deposits together with the relevant interest as set out in the Yangjiang Agreement and Payi Agreement by the end of May 2012. As Yangjiang and Payi had not been able to successfully refer the relevant property development projects to the Group, no fee has ever been paid or payable by the Group to Yanjiang and Payi.

Based on the information available, the Group understands that there is no any relationship between Yangjiang and Payi. Both Yangjiang and Payi are third parties independent of the Company and its connected persons. As the relevant percentage ratios in respect of the entering into the Yangjiang Agreement and Payi Agreement are less than 5%, the entering into the Yangjiang Agreement and Payi Agreement do not constitute notifiable transactions as defined under Rule 14.04 (7) of the Listing Rules.

(b) Included in the other loan and receivables, approximately HK$2,789,000 represents the interest charged to Qionghai Investment as at 31 March 2012 for the placement made by Richly Field Beijing to Qionghai Investment.

As set out in Note 2 (b) to the consolidated financial statements of the Company, on 4 March 2011, with the expectation that Qionghai Investment acted as an agent for the Group to identify and refer one of the Potential Projects for the Group within the period of one year by taking advantage of its local resources and network in Hainan, Richly Field Beijing and Qionghai Investment entered into the Qionghai Agreement, pursuant to which Richly Field Beijing placed RMB32,178,050 (equivalent to approximately HK$38,203,000) with Qionghai Investment. In the event that Qionghai Investment failed to identify and refer suitable property project to the Group during the tenure of the Qionghai Agreement, Qionghai Investment would repay the principal amount of RMB32,178,050 plus relevant interest at a rate no less than the prevailing lending rate of the PBOC to Richly Field Beijing at the end of term of the Qionghai Agreement.

(c) Included in the other loan and receivables, HK$4,141,000 represents the interest charged to Qinhuangdao Outlets Real Estate Co., Limited ("Qinhuandao Outlets") as at 31 March 2012 for the loan facility provided by Richly Field Beijing.

As set out in the Company's announcement dated 6 January 2012, on 6 January 2012, a subscription agreement (the "Subscription Agreement") entered into between King Future Limited (which was then a wholly-owned subsidiary of the Company) ("King Future"), the Company and Sky Speed Holdings Limited ("Sky Speed") (both as the subscribers) in relation to the subscription of new shares issued by King Future. As a result of completion of the Subscription Agreement, Qinhuangdao Outlets became an indirectly 40%-owned associate of the Company in January 2012. The transactions contemplated under the Subscription Agreement constituted a deemed disposal of King Future for the Company, which was subject to the notification and announcement requirements based on the applicable percentage ratios pursuant to the Listing Rules.

As at the date of the Subscription Agreement, Richly Field Beijing had provided an interest-free loan facility in the amount of approximately RMB99,343,000 to Qinhuangdao Outlets. On 6 January 2012, which is the same date of the Subscription Agreement, Richly Field Beijing entered into a loan agreement with Qinhuangdao Outlets, pursuant to which, subject to the completion of the Subscription Agreement taking place, Richly Field Beijing would continue to provide such loan facility (the "Loan Facility") and the tenure of the Loan Facility would be one year from the completion date of the Subscription Agreement (i.e. on or before 5 January 2013) with an annual interest rate of 20%.

As the Loan Facility provided by Richly Field Beijing to Qinhuangdao Outlets would remain in place after the completion of the Subscription Agreement, such provision of the Loan Facility constituted a financial assistance by the Company pursuant to the Listing Rules. Based on the applicable percentage ratios calculated in accordance with Chapter 14 of the Listing Rules, such financial assistance constituted a discloseable transaction for the Company under Rule 14.06 of the Listing Rules, and therefore, it is subject to the notification and announcement requirements under the Listing Rules.

Details of the transactions were set out in the Company's announcement dated 6 January 2012.

Note (ii):

During the year ended 31 March 2010, Hunan Richly Field was granted by 湖南望城經濟開發區管理委員會 (Hunan Wangcheng Economic Development Zone Management Committee*) (the "Committee") a government fiscal subsidy of RMB150,000,000 (equivalent to approximately HK$174,347,000) (the "Government Grant"), of which RMB75,000,000 was received in November 2009 and the remaining balance of RMB75,000,000 was received in November 2010.

The Government Grant was treated as deferred income for the year ended 31 March 2010, which would be released to the consolidated statement of comprehensive income in accordance with the development progress of the property development project in Changsha (the "Changsha Project").

Before the reporting date of the annual report for the year ended 31 March 2011, Hunan Richly Field obtained a supplemental document (the "Supplemental Clarification") from the Committee dated 17 June 2011, which clarified the nature. The Supplemental Clarification explicitly stated that the government fiscal subsidy in the amount of RMB150,000,000 (a) is an incentive award to Hunan Richly Field as an encouragement for the purpose of encouraging Hunan Richly Field to situate in the Development Zone; (b) has no strings attached, and is one-off in nature and non-refundable; (c) is provided without additional cost to be incurred by Hunan Richly Field, and Hunan Richly Field is not obliged to any special payments and has no responsibilities or obligations relating to such government fiscal subsidy; and (d) is paid according to the fiscal budget (財政支出預算) the Development Zone, and is neither related to the development progress of the Changsha Project, nor changeable or refundable irrespective of the construction progress or the commercial operation results of the Changsha Project.

Having considered the nature and conditions of the Government Grant as lately clarified by the Committee, the Government Grant of RMB150,000,000 was recognised as other revenue for the year ended 31 March 2011.

Note (iii):

RMB509,400 (equivalent to approximately HK$626,000) represents late payment interest charged to the two purchasers in relation to the disposal of the entire equity interest in 銀川奧特萊斯世界名牌折扣城有限公司 (Yinchuan Outlets World Brand Discount City Company Limited*) ("Yinchuan Outlets") during the year ended 31 March 2012.

As set out in the Company's announcement dated 25 June 2012, Richly Field Beijing and 中城聯合投資集團有限公司 (Zhongcheng Lianhe Investment Group Limited*) (the "First Purchaser") and 廣州奧特萊斯名牌折扣城有限公司 (Guangzhou Outlets World Brands Discount City Company Limited*) (the "Guangzhou Outlets" or the "Second Purchaser", together with the First Purchaser, the "Purchasers") entered into the first equity interest transfer agreement ("First Equity Transfer Agreement") and second equity interest transfer agreement ("Second Equity Transfer Agreement", together with the First Equity Interest Transfer Agreement, the "Equity Transfer Agreements") on 10 June 2011 and 16 June 2011 respectively in relation to the disposal of the entire equity interest in Yinchuan Outlets (the "Sale Equity Interest").

The total consideration for the Sale Equity Interest is RMB6,000,000 (equivalent to approximately HK$7,358,000), with each of the Purchasers paying RMB3,000,000 (equivalent to approximately HK$3,679,000) respectively to Richly Field Beijing.

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 its connected persons. Therefore, 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 Transfer Agreement constituted a connected transaction under Rule 14A.13 (1) of the Listing Rules.

Details of the transactions were set out in the Company's announcement dated 25 June 2012.

Pursuant to the terms of the Equity Transfer Agreements, each of the Purchasers shall pay the respective consideration within ten days from the respective date of the Equity Transfer Agreements, and if the Purchasers could not pay the respective consideration on time as stipulated in the Equity Transfer Agreements, Richly Field Beijing would charge the Purchasers a default interest at an interest rate of 0.03% per day on the outstanding amount. Given Richly Field Beijing only received the consideration of RMB6,000,000 (equivalent to approximately HK$7,358,000) for the disposal of the Sale Equity Interest from the Purchasers on 25 May 2012, the late payment interest of RMB306,900 (equivalent to approximately HK$378,000) and RMB301,500 (equivalent to approximately HK$371,000) were charged to the First Purchaser and the Second Purchaser respectively, of which an aggregate amount of RMB509,400 (equivalent to approximately HK626,000) was recognised as other revenue for the year ended 31 March 2012.

7. Finance costs

	2012	2011
	HK$'000	*HK$'000*
Interest on bank borrowings	**28,389**	16,026
Less: Interest expense capitalised into properties under development for sale	**(14,958)**	(6,641)
Less: Interest expense capitalised into investment properties	**(13,431)**	(9,385)
	–	–

The borrowing costs have been capitalised at a rate of 7.10% to 7.59% per annum (2011: 6.56% to 7.32%).

8. Segment information

Based on the regular internal financial information reported to the Directors, being the chief operating decision makers, for their decisions about resources allocation to the Group's business components and review of these components' performance, the Group has identified four reportable operating segments as follows:

- property development;
- property management;
- construction and maintenance; and
- trading of fashion wears and accessories.

(i) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment.

	Property development	Property management	Construction and maintenance	Trading of fashion wears and accessories	Inter-segment elimination	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 31 March 2012						
Segment revenue						
Revenues from external parties	**–**	**–**	**–**	**289**	**–**	**289**
Inter-segment sales	**–**	**–**	**–**	**9,474**	**(9,474)**	**–**
	–	**–**	**–**	**9,763**	**(9,474)**	**289**
Segment results	**(23,899)**	**(35,015)**	**(355)**	**(1,531)**	**–**	**(60,800)**
Interest income						**170**
Other income						**7,381**
Gain on disposal of a subsidiary						**443**
Gain on deemed disposal of subsidiaries						**6,776**
Share of results of the associates						**(9,872)**
Impairment on interests in associates						**(13,079)**
Unallocated expenses						**(31,396)**
Loss before taxation						**(100,377)**

	Property development	Property management	Construction and maintenance	Trading of fashion wears and accessories	Inter-segment elimination	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 31 March 2011						
Segment revenue						
Revenues from external parties	–	–	–	–	–	–
Inter-segment sales	–	15,947	–	–	(15,947)	–
	–	15,947	–	–	(15,947)	–
Segment results	156,605	2,848	(4,818)	–	–	154,635
Interest income						250
Other income						3,658
Gain on disposal of subsidiaries						6,481
Gain on winding up of a subsidiary						1,179
Unallocated expenses						(35,515)
Profit before taxation						130,688

Inter-segment sales are charged at terms determined and agreed by both parties.

Segment results represent the profit/(loss) earned by each segment without allocation of central administration costs including directors' remuneration, share of losses of associates, impairment on interests in associates, gain recognised on disposal/winding up of subsidiaries and income tax expense. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance.

(ii) *Information about major customers*

There was no revenue from a single customer that contributed over 10% of the total sales of the Group during the year ended 31 March 2012 (2011: Nil).

(iii) *Geographical information*

The Group's revenue from external customers by location of operations and information about its non-current assets (excluding interests in associates) by location of assets are set out below:

	Revenue from external customers for the year ended 31 March		Non-current assets as at 31 March	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
PRC	**289**	–	**560,140**	402,465
Hong Kong	**–**	–	**232**	319
	289	–	**560,372**	402,784

(iv) *Segment assets and liabilities*

The following is an analysis of the Group's assets and liabilities by reportable segment at the end of the reporting period:

	Property development	**Property management**	**Construction and maintenance**	**Trading of fashion wears and accessories**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
As at 31 March 2012					
Assets					
Segment assets	**1,443,934**	**92,909**	**1,118**	**14,573**	**1,552,534**
Unallocated corporate assets					**134,848**
					1,687,382
Liabilities					
Segment liabilities	**771,166**	**32,792**	**22,677**	**–**	**826,635**
Unallocated corporate liabilities					**1,159**
					827,794

	Property development HK$'000 (Restated)	Property management HK$'000	Construction and maintenance HK$'000	Trading of fashion wears and accessories HK$'000	Total HK$'000 (Restated)
As at 31 March 2011					
Assets					
Segment assets	1,365,536	140,109	10,467	–	1,516,112
Unallocated corporate assets					109,459
					1,625,571
Liabilities					
Segment liabilities	660,905	12,368	30,871	–	704,144
Unallocated corporate liabilities					301
					704,445

Segment assets exclude interests in subsidiaries and interests in associates as these assets are managed on a group basis.

Segment liabilities exclude tax payable and borrowing as these liabilities are managed on a group basis.

(v) Other segment information

	Property development *HK$'000*	**Property management** *HK$'000*	**Construction and maintenance** *HK$'000*	**Trading of fashion wears and accessories** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
For the year ended 31 March 2012						
Other information						
Capital expenditure	858	505	–	–	461	1,824
Depreciation of property, plant and equipment	725	1,004	67	1	199	1,996
Impairment loss on inventories	–	–	–	4,825	–	4,825

	Property development HK$'000	Property management HK$'000	Construction and maintenance HK$'000	Trading of fashion wears and accessories HK$'000	Unallocated HK$'000	Total HK$'000
For the year ended 31 March 2011						
Other information						
Capital expenditure	1,475	3,350	–	–	1,629	6,454
Depreciation of property, plant and equipment	421	354	58	–	242	1,075
Impairment loss on property, plant and equipment	–	–	411	–	–	411

Segment capital expenditure represents the total cost incurred during the year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one year.

9. (Loss)/profit before taxation

(Loss)/profit before taxation is arrived at after charging/(crediting):

	2012 **HK$'000**	2011 HK$'000
Cost of inventories sold	**197**	–
Gain on disposal of subsidiaries	**(7,219)**	(6,481)
Gain on winding up of a subsidiary	**–**	(1,179)
Administrative and operating expenses *(Note)*	**110,448**	52,036

Note:

	2012	2011
	HK\$'000	*HK\$'000*
Administrative and operating expenses:		
Advertising	**3,392**	674
Auditors' remuneration		
– audit services	**900**	300
– non-audit services	**400**	302
Bank charges	**318**	62
Building management fee	**118**	227
Consultancy fees	**1,587**	790
Depreciation on property, plant and equipment	**1,996**	1,075
Entertainment	**5,616**	3,801
Impairment loss on interests in associates (a)	**13,079**	445
Impairment loss on inventories	**4,825**	–
Impairment loss on property, plant and equipment	**–**	411
Legal and professional fees	**3,654**	3,357
Office expenses	**9,664**	3,833
Operating lease payments	**4,425**	2,212
Provision for compensation	**325**	–
Repair and maintenance	**301**	135
Staff cost including directors' emoluments (b)		
– salaries and other benefits	**30,656**	13,342
– equity settled share-based payments	**7,385**	11,683
– retirement scheme contributions	**4,804**	1,699
	42,845	26,724
Sundry expenses	**3,193**	998
Traveling expenses	**13,810**	6,690
	110,448	52,036

(a) The Directors have assessed the recoverable amount of the interests in associates. As the associates incurred substantial continuing operating losses and did not generate positive cash flows, with reference to the recoverable amounts of the underlying assets and liabilities of the associates, an impairment loss of HK\$13,079,000 (2011: HK\$445,000) was provided for the year ended 31 March 2012.

(b) During the year ended 31 March 2012, although construction of the Changsha Project was behind the original schedule, the main structure work of certain parts of the Changsha Project was completed, and the Group had started the promotion programs and sales of the Changsha Project. Accordingly, the Group has recruited additional staff for the marketing, administrative and other supporting work for the Changsha Project during the year ended 31 March 2012. Total number of employees of the Group increased to 230 as at 31 March 2012 compared with 125 as at 31 March 2011 (excluding Directors). Mainly due to the substantial increase in the number of employees and the marketing activities, the staff costs and corresponding other administrative expenses/costs such as office expenses, traveling expenses of the Group, etc, increased substantially as well for the year ended 31 March 2012.

10. Income tax

	2012	2011
	HK$'000	*HK$'000*
PRC enterprise income tax	**–**	36,454

For the Group's subsidiaries established in the PRC, PRC enterprise income tax is calculated at the rate of 25% (2011: 25%); none of them had any taxation charge in the PRC for the year ended 31 March 2012.

The PRC enterprise income tax for the year ended 31 March 2011 was mainly attributed by the RMB150,000,000 (equivalent to approximately HK$174,374,000) government grant received by the Group.

No provision had been made for Hong Kong profits tax as the Group does not have any assessable profits arising in Hong Kong for the current year (2011: Nil).

The tax charge for the year can be reconciled to the (loss)/profit before taxation reflected in the consolidated statement of comprehensive income statement as follows:

	2012	2011
	HK$'000	*HK$'000*
(Loss)/profit before taxation	**(100,377)**	130,688
Notional tax charge on (loss)/profit before tax, calculated at the tax rates applicable to profit in the jurisdictions concerned	**(21,903)**	33,356
Tax effect of non-taxable income	**(1,204)**	(105)
Tax effect on tax losses not recognised	**14,762**	3,003
Effect of utilisation of tax losses previously not recognised	**–**	(4,176)
Over-provision in prior year	**–**	(1,027)
Tax effect of non-deductible expenses	**8,345**	5,403
Income tax for the year	**–**	36,454

11. Dividend

No dividend has been paid or proposed for the year (2011: Nil).

12. (Loss)/earnings per share attributable to the owners of the Company

The calculations of the basic (loss)/earnings per share are based on the following data:

	2012	2011
	HK$'000	*HK$'000*
(Loss)/earnings for the year attributable to the equity holders of the Company	**(78,493)**	33,617
Number of shares	***'000***	*'000*
Weighted average number of ordinary shares used in the calculation of basic (loss)/earnings per share	**8,880,874**	8,880,874

Basic and diluted (loss)/earnings per share for the year ended 31 March 2012 and 2011 have been presented as equal because the exercise price of the Company's share options was higher than the average market price for the year and is therefore considered as anti-dilutive.

13. Investment properties

	2012	2011
	HK$'000	*HK$'000*
		(Restated)
At beginning of the year	**396,165**	–
Transferred from properties under development for sale (Note 15)	**–**	396,165
Additions	**138,864**	–
Exchange adjustments	**19,717**	–
At end of the year	**554,746**	396,165
Land and properties located in the PRC:		
Medium-term lease	**554,746**	396,165

The Group's Changsha Project includes residential and commercial portions, namely "Richlyfield. Outlets Town (裕田•奧特萊斯小鎮)" and "Globe Outlets (環球奧特萊斯)" respectively. Investment properties represent the commercial portion of the Changsha Project, which is the outlet shopping centre held for rental purpose. As set out in Note 23 headed "Provision" to the consolidated financial statements of the Company, as the construction of Changsha Project was behind the original schedule, as at 31 March 2012, the Group was not able to deliver the shop premises to certain tenants according to the agreed timetable set out in the relevant agreements.

According to the Group's accounting policies, investment properties are stated at costs less accumulated depreciation and accumulated impairment losses, if any. Investment properties in the amount of HK$554,746,000 represents the costs of the investment property of the Group less accumulated depreciation and accumulated impairment losses. No depreciation and impairment losses were provided for the year ended 31 March 2012 as the investment properties were still under the construction (2011: Nil).

For disclosure purpose only, according to the Property Valuation Report issued by Asset Appraisal Limited, which is an independent qualified valuer in Hong Kong, on 14 March 2013, the Group's investment properties were valued by reference to comparable properties of similar size, character and location, and the fair value of the Group's investment properties and the land use rights of the lands where they were located as at 31 March 2012 was approximately RMB510,200,000 (equivalent to approximately HK$636,015,000).

14. Interests in associates

	The Group		The Company	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Cost of investment in associates, unlisted	**–**	–	**–**	–
Share of post acquisition losses and reserves	**(8,319)**	–	**–**	–
Amounts due from associates	**145,067**	23,421	**54,773**	23,421
	136,748	23,421	**54,773**	23,421
Less: Amount due from an associate – current portion	**(89,590)**	–	**–**	–
Impairment loss	**(13,524)**	(445)	**(4,774)**	(445)
	33,634	22,976	**49,999**	22,976

Movement in impairment loss

	The Group		The Company	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
At beginning of the year	**445**	–	**445**	–
Impairment loss for the year	**13,079**	445	**4,329**	445
At end of the year	**13,524**	445	**4,774**	445

Note:

As set out in Note 6(i)(c) to the consolidated financial statements of the Company, Richly Field Beijing continued to provide the Loan Facility to Qinhuangdao Outlets after completion of the Subscription Agreement. Included in amounts due from associates, RMB71,914,000 (equivalent to approximately HK$89,590,000) represents the outstanding amount of the Loan Facilities as at 31 March 2012 provided by Richly Field Beijing to Qinhuangdao Outlets. As the amount will be due within one year from the end of the reporting period, it was classified as current asset.

The remaining amounts due from associates mainly represent HK$31,227,000 and HK$23,425,000 advances made from the Company to King Future Holdings Limited ("King Future") and Cosmos View Holdings Limited ("Cosmos View") respectively. The advances were made by the Company to King Future and Cosmos View when King Future and Cosmos View were still the wholly-owned subsidiaries of the Company, and were used by King Future and Cosmos View (through its wholly-owned subsidiary, Richly Field Nanchang Holdings Limited), as the paid-up registered capital of their respective subsidiary in the PRC, namely Qinhuandao Outlets and 江西奧特萊斯名牌折扣城有限公司 (Jiangxi Outlets Brand Discount City Company Limited*). Subsequently, as set out in Note 6 (c) to the consolidated financial statements of the Company and the Company's announcement dated 1 November 2010, King Future, Cosmos View and their respective subsidiaries became associates of the Company in January 2012 and November 2010 respectively. The amounts due from the associates are unsecured, interest-free and have no fixed terms of repayment.

Particulars of the associates as at 31 March 2012 were as follows:

Name of associate	Place of incorporation	Place of operation	Issued and fully paid share capital	Proportion of ownership interest held by the Company Directly	Indirectly	Principal activities
Champ Wisdom Limited	British Virgin Islands ("BVI")	Hong Kong	US$2	50%	–	Investment holding
Champ Wisdom Holdings Limited	Hong Kong	Hong Kong	HK$1	–	50%	Investment holding
Cosmos View Holdings Limited	BVI	Hong Kong	US$100	50%	–	Investment holding
King Future Limited	BVI	Hong Kong	US$10	40%	–	Investment holding
King Future Holdings Limited	Hong Kong	Hong Kong	HK$1	–	40%	Investment holding
Richly Field Nanchang Holdings Limited	Hong Kong	Hong Kong	HK$1	–	50%	Investment holding
Qinhuangdao Outlets Real Estate Co., Limited	The PRC	The PRC	US$4,000,000	–	40%	Properties development

Name of associate	Place of incorporation	Place of operation	Issued and fully paid share capital	Proportion of ownership interest held by the Company Directly	Indirectly	Principal activities
江西奧特萊斯名牌折扣城有限公司 (Jiangxi Outlets Brand Discount City Company Limited*)	The PRC	The PRC	US$6,000,000	–	50%	Properties development
懷來大一葡萄酒莊園有限公司 (Huailai Dayi Wineries Company Limited*)	The PRC	The PRC	HK$20,000,000	–	50%	Properties development

Particulars of the associates as at 31 March 2011 were as follows:

Name of associate	Place of incorporation	Place of operation	Issued and fully paid share capital	Proportion of ownership interest held by the Company Directly	Indirectly	Principal activities
Cosmos View Holdings Limited	BVI	Hong Kong	US$100	50%	–	Investment holding
Richly Field Nanchang Holdings Limited	Hong Kong	Hong Kong	HK$1	–	50%	Investment holding
江西奧特萊斯名牌折扣城有限公司 (Jiangxi Outlets Brand Discount City Company Limited*)	The PRC	The PRC	US$6,000,000	–	50%	Properties development

Summarised financial information in respect of the Group's associates are set out below:

	2012	2011
	HK$'000	*HK$'000*
As at 31 March		
Total assets	**762,247**	45,959
Total liabilities	**(790,249)**	(46,848)
Net liabilities	**(28,002)**	(889)
Year ended 31 March		
Total revenue	**15**	–
Total loss for the year	**(24,792)**	(1,191)
The Group's share of results of the associates	**(9,872)**	–

The Group has not recognised losses of approximately HK$2,137,000 (2011: HK$595,500) and HK$2,137,000 (2011: HK$595,500) for the year and cumulatively respectively for the Group's associates.

Included in the total liabilities, RMB367,696,947 (equivalent to approximately HK$458,077,000) represents the deposit received from Finance Bureau of Changli County, Qinhuangdao, Hebei Province (河北省秦皇島市昌黎縣財政局) in relation to a construction project. The construction contract has not been finalised at the end of the reporting period.

15. Properties under development for sale

Properties under development for sale represent the residential portion of the Changsha Project, which are low-density residential units held for sale.

Properties under development for sale include the acquisition costs of land use rights, design fee, aggregate cost of development, other direct expenses, an appropriate proportion of overheads and borrowing cost incurred and capitalised up to 31 March 2012 in respect of the residential portion of the Group's Changsha Project.

	2012	2011
	HK$'000	*HK$'000*
		(Restated)
At beginning of the year	**641,865**	733,334
Additions	**181,903**	268,105
Transferred to investment properties under construction (Note 13)	**–**	(396,165)
Eliminated on disposal of subsidiaries	**–**	(955)
Exchange adjustments	**31,789**	37,546
At end of the year	**855,557**	641,865
Land and properties located in the PRC:		
Long-term lease	**855,557**	641,865

16. Inventories

Inventories represent fashion wears and accessories held for resale when the outlets portion of the Changsha Project commences business, and are stated at the lower of cost and net realisable value. Cost is calculated on the first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

With reference to a valuation carried out by Asset Appraisal Limited, an independent qualified professional valuer, as at 31 March 2012, as the inventories of fashion wears and accessories may be outdated or obsoleted due to improper storage conditions; the amount indicated in the valuation report prepared by the valuer may not be realisable; unforeseeable promotional expenses may be incurred to reduce the recoverable amount from sales; and there may be further delay in launching the sale of these inventories in the retail shops of Changsha Project, the Directors reassessed the net realisable value of the inventories, and are of the view that the inventories should be subject to a general provision to write down the total cost value of the inventories of approximately HK$19,300,000 by making a 25% provision for each financial year starting from the year ended 31 March 2012. Accordingly, a 25% provision (approximately HK$4,825,000) was made against the cost of the unsold inventories as at 31 March 2012.

For illustration purpose only, according to a valuation carried out by Asset Appraisal Limited by using the market approach with reference to the transaction prices, or price information of similar assets on the market, the fair value of the inventories less costs to sell at 31 March 2012 has been arrived at RMB13,070,169 (equivalent to approximately HK$16,290,000).

The cost of inventories recognised as expenses and included in the cost of sales amounted to approximately HK$197,000 (2011: Nil).

17. Trade and other receivables

	The Group		The Company	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		
Trade receivables *(Note (i))*	**804**	766	**–**	–
Deposit paid	**723**	464	**212**	212
Tender guarantee for a land bidding *(Note (ii))*	**12,458**	96,403	**–**	–
Prepayment	**730**	6,615	**702**	655
Other receivables *(Note (iii))*	**42,265**	75,908	**4**	–
	56,980	180,156	**918**	867

Note (i):

The balances of trade receivables as at 31 March 2012 and 31 March 2011 represent a warranty money retained by an Employer (發包方) in respect of a construction work completed by a subsidiary of the Company during the year ended 31 March 2010. The amount will be refunded to the subsidiary of the Company after the expiry of the warranty periods between 2 to 5 years in accordance with the terms of the relevant construction contract.

Note (ii):

The balance as at 31 March 2012 represents a refundable preliminary tender guarantee deposit (the "Deposit") of RMB10,000,000 (equivalent to approximately HK$12,458,000) paid to Finance Bureau of Shuangyang District, Changchun (長春市雙陽區財政局) under the normal course of property development business by Globe Outlets Town (Jilin) Limited ("Jilin Outlets"), a wholly owned subsidiary of the Company, in respect of the Group's proposed bidding of lands located in Shuangyang District, Changchun, Jilin, the PRC, in accordance with the requirements for a public land auction. It is expected that the public land auction will be held in the first half of 2013. In the event that Jilin Outlets can successfully acquire the land through the public land auction, the Deposit will be paid as part of the land transfer fees to the land owner/local government land authority. Otherwise, the Deposit will be refunded to Jilin Outlets.

The balance as at 31 March 2011 represents the three refundable preliminary tender guarantee deposits of RMB11,200,000 (equivalent to approximately HK$13,297,000), RMB60,000,000 (equivalent to approximately HK$71,234,000) and RMB10,000,000 (equivalent to approximately HK$11,872,000) which were paid respectively under the normal course of property development business by 懷來大一葡萄酒莊園有限公司 (Huailai Dayi Wineries Company Limited*) ("Huailai Wineries"), Qinhuangdao Outlets and Jilin Outlets, wholly owned subsidiaries of the Company as at 31 March 2011, in respect of the Group's proposed bidding of lands located in Hebei, Qinhuangdao and Jilin, the PRC, under public land auctions. During the year ended 31 March 2012, Huailai Wineries had successfully obtained state-owned land use rights with an area of approximately 104,037.82 square meters.

During the year ended 31 March 2012, Huailai Wineries and Qinhuangdao Outlets ceased to be subsidiaries of the Company but remained as associates of the Company as at 31 March 2012.

Note (iii):

(a) As set out in Note 6 (Note (i) (a)) to the consolidated financial statements of the Company, with the expectation that Yangjiang and Payi acted as an agent of the Group could identify and refer suitable property development projects to the Group within a respective period, Richly Field Beijing entered into the Yangjiang Agreement and the Payi Agreement respectively with Yangjiang and Payi. Based on the proposals provided by Yangjaing and Payi, initial preparation deposits in the amount of RMB40,000,000 (equivalent to approximately HK$49,832,000) and RMB30,840,000 (equivalent to approximately HK$38,420,000) was provided to Yangjiang and Payi respectively.

Included in other receivables, RMB10,000,000 (equivalent to approximately HK$12,458,000) and RMB11,840,000 (equivalent to approximately HK$14,750,000) represent the unsettled balance of two placements made to Yangjiang and Payi respectively.

The balance of RMB10,000,000 (equivalent to approximately HK$12,458,000) represents the unsettled balance of a RMB40,000,000 (equivalent to approximately HK$49,832,000) placement to Yangjiang, of which RMB30,000,000 (equivalent to approximately HK$37,374,000) was repaid during the year ended 31 March 2012. The RMB10,000,000 (equivalent to approximately HK$12,458,000) principal together with the RMB2,169,918 (equivalent to approximately HK$2,703,000) interest receivable as at 31 March 2012 has been fully settled by the end of May 2012.

The balance of RMB11,840,000 (equivalent to approximately HK$14,750,000) represents the unsettled balance of a RMB30,840,000 (equivalent to approximately HK$38,420,000) placement to Payi, of which RMB19,000,000 (equivalent to approximately HK$23,670,000) was repaid during the year ended 31 March 2012. The RMB11,840,000 (equivalent to approximately HK$14,750,000) principal together with the RMB782,039 (equivalent to approximately HK$974,000) interest receivable as at 31 March 2012 has been fully settled by the end of May 2012.

(b) As set out in Note 6 (iii) to the consolidated financial statements of the Company, Richly Field Beijing and the Purchasers entered into the Equity Interest Transfer Agreements, the Group disposed of the Sale Equity Interest to the Purchasers at the total consideration of RMB6,000,000 (equivalent to approximately HK$7,358,000), with each of the Purchasers paying RMB3,000,000 (equivalent to approximately HK$3,679,000) respectively to Richly Field Beijing.

Included in other receivables, RMB3,000,000 (equivalent to approximately HK$3,737,000) represents the receivables from the First Purchaser in relation to the disposal of the Sale Equity Interest as at 31 March 2012.

18. Amounts due from related companies

	2012	2011
	HK'000	*HK'000*
		(Restated)
瓊海千禧投資有限公司(“Qionghai Investment”) *(Note (i))*	**41,044**	38,203
廣州奧特萊斯名牌折扣城有限公司(“Guangzhou Outlets”) *(Note (ii))*	**4,051**	–
廣州海墨齋文化活動策劃有限公司(“Haimozhai”) *(Note (iii))*	**1,246**	–
Gekko Japan Co., Limited (“Gekko”) *(Note (iv))*	**981**	–
	47,322	38,203

Note (i):

As set out in Note 2 (b) to the consolidated financial statements of the Company, on 4 March 2011, with the expectation that Qionghai Investment acted as an agent for the Group would be able to identify and refer one of the Potential Projects for the Group within the period of one year by taking advantage of its local resources and network in Hainan, Richly Field Beijing and Qionghai Investment entered into the Qionghai Agreement, pursuant to which Richly Field Beijing placed RMB32,178,050 (equivalent to approximately HK$38,203,000) with Qionghai Investment. Qionghai Investment was indirectly owned as to 54.3% by Mr. Leung, a substantial Shareholder.

At the request of Richly Field Beijing RMB1,500,000 (equivalent to approximately HK$1,869,000) of the placement was repaid by Qionghai Investment during the year ended 31 March 2012. The amount of RMB30,678,000 (equivalent to approximately HK$38,219,000) represents the unpaid balance of amount placed with Qionghai Investment. With RMB2,268,000 (equivalent to approximately HK$2,825,000) interest receivable from Qionghai Investment, total amount unpaid by Qionghai Investment is RMB32,946,000 (equivalent to approximately HK$41,044,000) as at 31 March 2012. As at the end of May 2012, Qionghai Investment had repaid the outstanding amount to Richly Field Beijing.

Note (ii):

As set out in Note 6 (iii) to the consolidated financial statements of the Company, Richly Field Beijing and the Purchasers entered into the Equity Interest Transfer Agreements, the Group disposed of the Sale Equity Interest to the Purchasers at the total consideration of RMB6,000,000 (equivalent to approximately HK$7,358,000), with each of the Purchasers paying RMB3,000,000 (equivalent to approximately HK$3,679,000) respectively to Richly Field Beijing. Guangzhou Outlets as the Second Purchaser is owned as to 50% by Mr. Leung, a substantial Shareholder.

HK$4,051,000 represents the RMB3,000,000 (equivalent to approximately HK$3,737,000) consideration and the RMB252,000 (equivalent to approximately HK$314,000) late payment interest receivable from Guangzhou Outlets in relation to the disposal of the Sale Equity Interest.

Note (iii):

HK$1,246,000 represents the RMB1,000,000 financial guarantee fee charged to Haimozhai in relation to a financial guarantee provided by Hunan Richly Field for a credit facility granted by a bank in the PRC to Haimozhai.

As announced by the Company on 10 August 2012, on 16 December 2011, Hunan Richly Field entered into the entrusted mortgage guarantee contract (the "Entrusted Mortgage Guarantee Contract") with Haimozhai (the "Borrower"), and the guarantee contract (the "Guarantee Contract") and the mortgage contract (the "Mortgage Contract") with Shanghai Pudong Development Bank, Guangzhou Branch (the "SPD Bank") as the lender respectively.

Pursuant to the Entrusted Mortgage Guarantee Contract, the Guarantee Contract and the Mortgage Contract, Hunan Richly Field provided the guarantee with a maximum amount of RMB22,230,000 (the "Guarantee") and the mortgage of a parcel of land (the "Land") with an area of approximately 69,448.8 square meters located in Changsha, the PRC to the SPD Bank for the credit facility (the "Credit Facility") granted by the SPD bank to the Borrower in the amount of RMB20,000,000 with the term of one year from 8 December 2011 to 8 December 2012.

Pursuant to the Entrusted Mortgage Guarantee Contract, the Borrower shall pay Hunan Richly Field a total guarantee fee in the amount of RMB1,000,000, among which, RMB500,000 has been paid in July 2012 by the Borrower, which is about 6 months from the date of the drawdown of the loans/facilities under the Credit Facility, and the balance of RMB500,000 shall be payable on the date of the repayment of the such loans/facilities under the Credit Facility by the Borrower.

The Borrower is a company incorporated in the PRC in April 2006 with paid-up registered capital of RMB20,000,000, and is indirectly wholly-owned by Mr. Leung, a substantial Shareholder, and his associate. Therefore, the Borrower is a connected person of the Company as defined in Chapter 14A of the Listing Rules, and the entering into the Entrusted Mortgage Guarantee Contract, the Guarantee Contract and the Mortgage Contract constitutes a connected transaction under Rule 14A.13 (1) of the Listing Rules.

Details regarding the transactions were set out in the Company's announcement dated 10 August 2012.

As at the end of October 2012, the Guarantee and the Land which was mortgaged for the Credit Facility had been released.

Note (iv):

The balance represents the deposit paid to Gekko in relation to the purchase of fashion wears and accessories from Gekko. Mr. Hasegawa Yuji is the common director of Gekko and 裕田株式會社 (Richly Field Kabuskiki Kaisha*), a wholly-owned subsidiary of the Company.

19. Trade and other payables

	The Group		The Company	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Trade payable (Note (i))	**21,179**	22,041	**–**	–
Accrued charges (Note (ii))	**73,965**	1,191	**940**	300
Deposit received (Note (iii))	**301,426**	264,799	**–**	–
Other payables (Note (iv))	**28,731**	21,962	**–**	–
	425,301	309,993	**940**	300

Note (i):

In 2009, having been engaged by an Employer (發包方) as a contractor (承包方) for a construction work in Hainan, the PRC (the "Hainan Project"), a wholly-owned subsidiary of the Company entered into a sub-contracting agreement with a sub-contractor, which is a third party independent of the Company and its connected persons, for the same project. The Hainan Project was completed in the financial year ended 31 March 2010. As the Employer did not provide the relevant project data to the Group and the sub-contractor, as at 31 March 2012, the Group and the sub-contractor could not complete the project settlement (工程結算) for the Hainan Project. Trade payable in the amount of approximately HK$21,179,000 represents the amount payable by the Group to the sub-contractor as a result of completion of the Hainan Project. At present, the Group is still in discussion with the Employer and the sub-contractor regarding the project settlement for the Hainan Project.

As at the end of each reporting period, the ageing analysis of the trade payables was as follows:

	2012	2011
	HK$'000	*HK$'000*
Current to 60 days	**–**	–
60 – 180 days	**–**	1,858
Over 180 days	**21,179**	20,183
	21,179	22,041

Note (ii):

Accrued charges as at 31 March 2012 mainly represent accrued construction costs for the Changsha Project of approximately RMB55,288,000 (equivalent to approximately HK$68,878,000). Approximately RMB1,928,000 (equivalent to approximately HK$2,402,000) accrued consultancy fee expenses for the Changsha Project and HK$900,000 accrued audit fee were also included in accrued charges.

Note (iii):

Hunan Richly Field is the developer of the Changsha Project. The local government has placed a great importance on and been supportive to the Changsha Project. To match the Group's project concept and the time frame for the Changsha Project, in 2010, Hunan Richly Field and 望城縣開發建設投資總公司 (Wangcheng Development and Construction Investment Company Limited*) ("Wangcheng Investment", and now renamed as 望城經開區建設開發公司 (Wangcheng Economic Development Zone Construction and Development Company Limited*)), a government investment entity and a third party independent of the Company and its connected persons, entered into a construction contract (the "Construction Contract"), pursuant to which Wangcheng Investment appointed Hunan Richly Field as the construction agent for some of the infrastructures and supporting facilities surrounding the Changsha Project, which mainly include municipal power facilities project (市政供電配套工程), earth project (土方工程), drainage and sewer project (排水管渠工程), gardens landscape project (園林景觀工程). The total estimated contract investment sum for the infrastructure construction work is RMB251,474,200 (equivalent to approximately HK$313,287,000).

Included in the deposit received, RMB218,000,000 (equivalent to approximately HK$271,584,000) represents the amount received from Wangcheng Investment under the Construction Contract. As the infrastructure construction work for the Changsha Project was still at an early stage as at 31 March 2012, the amount was recognised as deposit received under trade and other payables. The deposit received will be recognised as the revenue of the Group in the coming years when the attributable contract costs can be clearly and reasonably identified and reliably measured according to the construction progress of the infrastructure for Changsha Project, based on the percentage of completion method.

Included in the deposit received, RMB23,150,000 (equivalent to approximately HK$28,840,000) (2011: RMB3,966,250 (equivalent to approximately HK$4,709,000)) represents the deposits received from pre-sales of the residential properties and lease of commercial units of the Changsha Project prior to the obtaining the relevant occupation permits/completion certificates issued by respective local government authorities as at 31 March 2012.

Note (iv):

Included in other payables, (a) approximately HK$11,337,000 (equivalent to RMB9,100,000) represents an advance made by an individual, an independent third party of the Company and its connected persons, to a wholly-owned subsidiary of the Company as at 31 March 2012; (b) approximately HK$6,229,000 (equivalent to RMB5,000,000) represents an advance made by Wangcheng Investment to 長沙裕田奧特萊斯物業管理有限公司 (Changsha Richly Field Outlets Property Management Company Limited*), a wholly-owned subsidiary of the Company; and (c) approximately HK$6,229,000 (equivalent to RMB5,000,000) represents an advance made by a business customer, an independent third party of the Company and its connected persons, to Hunan Richly Field. The above three advances are all for the capital for the construction of the Changsha Project, which are interest-free, unsecured and have no fixed terms of repayment.

20. Amounts due to related companies

	2012	2011
	HK$'000	*HK$'000*
		(Restated)
Zhongrong Trust *(Note (i))*	**1,707**	17,808
Qingdao Outlets Town Holding Limited ("Qingdao Outlets") *(Note (ii))*	**6,229**	–
	7,936	17,808

Note (i):

As set out in Note 2(a) to the consolidated financial statements of the Company, in October 2010, Hunan Richly Field and Zhongrong Trust entered into the Consultancy Agreement, pursuant to which, Zhongrong Trust provided consultancy services for a property development project of the Group in Changsha for a total consideration of RMB20,000,000 (equivalent to approximately HK$23,745,000). As set out in the Company's announcement dated 10 November 2010, Zhongrong Trust became a substantial shareholder of Hunan Richly Field by a subscription of additional registered capital of Hunan Richly Field in December 2010.

The amount represents the outstanding balance of the RMB20,000,000 consultancy fee payable to Zhongrong Trust as at 31 March 2012.

Note (ii):

On 23 March 2012, Richly Field Beijing and Qingdao Outlets entered into an agreement (the "Qingdao Agreement"), pursuant to which Qingdao Outlets provided Richly Field Beijing with an advance in the amount of RMB5,000,000 (equivalent to approximately HK$6,229,000), which is interest-free, unsecured and repayable on 24 May 2012. The amount of approximately HK$6,229,000 represents the outstanding balance of the advance payable to Qingdao Outlets as at 31 March 2012. Richly Field Beijing has fully repaid the advance to Qingdao Outlets on 24 May 2012.

As Qingdao Outlets is indirectly owned by Mr. Leung, a substantial Shareholder, the entering into the Qingdao Agreement constituted a connected transaction for the Company under the Listing Rules. As the advance by Qingdao Outlets to Richly Field Beijing is interest-free, and no security over the assets of the Group was granted in respect of the advance, the entering into the Qingdao Agreement is exempted from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.65 of the Listing Rules.

21. Bank loan, secured

	2012	2011
	HK$'000	*HK$'000*
Current bank loan – secured	**87,206**	–
Non-current bank loan – secured	**286,534**	356,168
	373,740	356,168
Repayable:		
Within one year or on demand	**87,206**	–
Over one year but within two years	**99,664**	94,978
Over two years but within five years	**186,870**	261,190
Total bank loan	**373,740**	356,168

As at 31 March 2012, the bank loan was secured by a subsidiary's land use rights and properties under development with a net carrying amount of approximately RMB512,029,000 (equivalent to approximately HK$638,112,000). The bank loan bears interest at rates ranging from 7.10% to 7.59% per annum (2011: 6.45% to 7.32%), and does not contain a repayment on demand clause.

22. Financial guarantee obligation

As set out in Note 18 (iii) to the consolidated financial statements of the Company, during the year ended 31 March 2012, pursuant to the Entrusted Mortgage Guarantee Contract, the Guarantee Contract and the Mortgage Contract, Hunan Richly Field provided the Guarantee with a maximum amount of RMB22,230,000 and the mortgage of the Land with an area of approximately 69,448.8 square meters located in Changsha, the PRC to the SPD Bank for the Credit Facility granted by the SPD bank to the Borrower in the amount of RMB20,000,000 with the term of one year from 8 December 2011 to 8 December 2012. As at the end of October 2012, the Guarantee and the Land which was mortgaged for the Credit Facility had been released.

Details of the transactions are set out in the Company's announcement dated 10 August 2012.

23. Provisions

In 2011 and 2012, the Group entered into a number of lease agreements (the "Tenancy Agreements") and joint operations agreements (聯營合同) (the "Cooperation Agreements") with its tenants in relation to the lease/and jointly operating of the shops developed under the Changsha Project. Pursuant to certain Tenancy Agreements, the Group would deliver the shop premises to the respective tenants during the period from August 2011 to May 2012. Pursuant to the Cooperation Agreements, the cooperation between the Group and the respective tenants would commence during the period from December 2011 to May 2012. During the year ended 31 March 2012, the PRC government launched a series of adjustment measures and policies to control the property market. These regulatory control measures and policies had caused the slowdown in the sales of property the Group, which in turn had added pressure on the Group's capital requirement and further resulted in the slowdown in the construction progress of the Changsha Project. As the results of the trial sale of the residential property of the Changsha Project was below the expectation of the Group, during the year ended 31 March 2012, the Group made certain adjustments to the original design of the Changsha Project, which include among others, adjustments to the floor design of the certain residential portion, and the allocation of the floor area among the residential portion, the commercial portion and the facilities, to meet the local demand. These adjustments which required the approval from the local relevant government authorities had also affected the construction progress of the Changsha Project. As the construction of Changsha Project was behind the original schedule, during the year ended 31 March 2012, the

Group was not able to deliver the shop premises to a number of tenants according to the agreed timetable set out in the Tenancy Agreements or the Cooperation Agreements. Pursuant to the Tenancy Agreements and the Cooperation Agreements, the tenants could terminate the agreements and/or claim against the Group for the delay in the delivery of the shop premises on the basis of loss incurred or the number of days delayed.

The Group has been in discussions with the tenants regarding the delay in the delivery of the shop premises. Some of the tenants have terminated the Tenancy Agreements and/or the Cooperation Agreements with the Group with the initial deposits being refunded by the Group. For those tenants who are willing to continue to lease or cooperate with the Group, the Group has been in discussions with them regarding the revised terms of agreements by offering them certain discount on the leasing fees or rent free period as compensation for the delay. As at the end of the reporting period, the Group has not received any claims for compensation from its tenants against the Group, and no estimation can be made on the quantum of such potential compensation. With respect to the terms of the Tenancy Agreements and the Cooperation Agreements, for which the calculation of compensation have been specified, HK$325,000 was recognised as provisions for such compensation as at 31 March 2012.

24. Events after the reporting period

(a) On 12 July 2012, the Company, Xenoton Investment Limited ("Xenoton") and Favour Brightness Development Limited ("Favour") entered into a share transfer agreement (the "Share Transfer Agreement"). Pursuant to the Share Transfer Agreement, the Company procured Chuang Yao Limited ("Chuang Yao"), a wholly-owned subsidiary of the Company, to issue additional 199 new shares of Chuang Yao to the Company, after which, the Company transferred 99 shares, representing 49.5% of the enlarged issued share capital of Chuang Yao, and 17 shares, representing 8.5% of the enlarged issued share capital of Chuang Yao, to Xenoton and Favour respectively at the consideration of US$1 for each of the shares of Chuang Yao. In addition, pursuant to the Share Transfer Agreement, the shareholder loan in the amount of US$1,984,098 (equivalent to approximately HK$15,476,000), representing approximately 49.5% of the shareholder loans, and US$340,704 (equivalent to approximately HK$2,657,000), representing approximately 8.5% of the shareholder loans, due to the Company by Chuang Yao have also been assigned to Xenoton and Favour respectively. The total consideration paid by Xenoton and Favour in cash for the shares of Chuang Yao and the shareholder loans is US$1,984,197 (equivalent to approximately HK$15,477,000) and US$340,721 (equivalent to approximately HK$2,658,000) respectively.

As at the date of the Share Transfer Agreement, Chuang Yao was a wholly-owned subsidiary of the Company with one share being issued and fully-paid. Chuang Yao owns the entire issued share capital of Chuang Yao Holdings Limited, which in turn owns the entire equity interest in Jilin Outlets. Jilin Outlets was a company incorporated in the PRC as a wholly-foreign-owned enterprise with registered capital of USD20,000,000 (equivalent to approximately HK$156,000,000), among which USD4,000,000 (equivalent to approximately HK$31,200,000) had been fully paid up as at the date of the Share Transfer Agreement. Jilin Outlets intended to develop commercial and residential property projects in Changchun, the PRC, with the concept of "World Brands Discount Outlets", and as at the date of the Share Transfer Agreement, Jilin Outlets had paid RMB10,000,000 (equivalent to approximately HK$12,458,000) as the deposit to the local government. After completion of the Share Transfer Agreement, Chuang Yao was owned as to 42% by the Company, 49.5% by Xenoton and 8.5% by Favour respectively.

Both Xenoton and Favour are third parties independent of the Company and its connected persons. As the relevant percentage ratios in respect of the entering into the Share Transfer Agreement is less than 5%, the entering into Share Transfer Agreement is not a notifiable transaction as defined under Rule 14.04 (7) of the Listing Rules.

(b) As set out in Note 6 (Note (i) (c)) to the consolidated financial statements of the Company, Richly Field Beijing continued to provide the Loan Facility to Qinhuangdao Outlets for a term of one year with an annual interest rate of 20%, which constituted a financial assistance under the Listing Rules. The Loan Facility has become due and payable since 5 January 2013. As at 5 January 2013, the outstanding principal of the Loan Facility and the relevant interest were in the total amount of approximately RMB82.3 million. As present, the Group is still in discussions with Qinhuangdao Outlets and Sky Speed (being the controlling shareholder of Qinhuangdao Outlets) regarding the outstanding Loan Facility.

Save as disclosed above, there are no other significant events subsequent to 31 March 2012.

AN EXTRACT OF INDEPENDENT AUDITORS' REPORT

The Company's auditors have modified their report on the Group's consolidated financial statements for the year ended 31 March 2012, an extract of which is as follows:

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2012, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to Note 3 to the consolidated financial statements which indicates that the Group (i) incurred losses of approximately HK$100,377,000 for the year ended 31 March 2012; and (ii) had an outstanding interest-bearing loan due to a bank in the amount of RMB300,000,000 (equivalent to approximately HK$373,740,000), among which, RMB70,000,000 (equivalent to HK$87,206,000) was due for the repayment in November 2012. The Group subsequently did not have adequate liquid funds on hand to meet the repayment obligation, and a debt assignment was only completed in November 2012. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern as at 31 March 2012.

As explained in Note 3 to the consolidated financial statements, a new entrust loan of RMB250,000,000 (equivalent to approximately HK$300,000,000) was obtained by the Group in November 2012, and the consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the success of the Group's future operations to enable the Group to meet its financial obligations as and when they fall due for the foreseeable future. The consolidated financial statements do not include any adjustments that would result from the failure to operate as a going concern. We consider that adequate disclosures have been made.

BUSINESS REVIEW

The main business activity of the Company is investment holding. Its main subsidiaries are in the property development, property management, building construction and maintenance industry including building work, design, construction and building maintenance and the trading of fashion wears and accessories. Their operations are principally located in the PRC.

During the Year, the property market of China was at the stage of severe regulation and control. Under the strict and effective administrative control such as restrictions on multiple purchase, mortgage loan provision and price, the effects of regulation and control on the property market surfaced. The growth rate of property investment in China, area of sale and sale of commodity housing declined drastically compared with the corresponding period in the last year. For the property market in Changsha, which is the focused region of the Group, while the effect of the macroeconomic regulation and control started to surface, consumers and developers adopted the wait-and-see approach, which resulted in the drop in both supply and demand. The accumulated transaction volume showed a declining trend since September 2011, while the rate of decline increased month by month, however the selling price continued with a downward trend, yet the growth rate was falling gradually in the later half of the year.

The regulatory control measures launched by the PRC government had caused the slowdown in property sales of the Group, which in turn had added pressure on the Group's capital requirement and further resulted in the slowdown in the construction progress of the Changsha Project. However, during the Year, the main structural work for the "Richlyfield • Outlets Town" Residential Phase 1 was completed. The area that obtained the pre-sale permit was 48,170 m^2 and contracted area was 3,759.20 m^2. The main construction for both the "Outlets Shopping Plaza" North Zone, Commercial Phase 7, and "Outlets Town Shops", Commercial Phase 1, were also completed. Investment invitation activity is now underway. To promote investment invitation performance as well as to attract more tenants into both the "Outlets Shopping Plaza" and "Outlets Town Shops", the Group has engaged Horizon Group Properties L.P., a reputable US outlet operator, to provide professional service and advice on outlet business settings for the Group; and, coupled with this arrangement, the Group has imported from overseas branded fashion wears and accessories for sales in the outlet shops on a trial basis until all shops are leased out. Sales of these fashion wears and accessories to customers amounted to approximately HK$289,000 for the year ended 31 March 2012. The Group will consider diversifying into this business when circumstances are appealing to the Group. Up till now, Nike first opened its shop in "Outlets Shopping Plaza" North Zone on 1 May 2012, and satisfactory sale result was achieved on the first day. Brands such as Nero Giardini, Marina Militare, Gekko, Navigare, Adidas, New Balance, Zoteno, Dicos, Pizza Hut, Starbucks, KFC and 湖南樂田國際影城 (Hunan Letian International Theatre*) will join in succession later. Among them, 湖南樂田國際影城 (Hunan Letian International Theatre*) will become the theater of highest standard in Hunan. It is expected that, in the future, other international first-tier luxury brands will also be present in "Outlets Shopping Plaza" in Changsha. The outlet business at the "Outlets Shopping Plaza" will gradually nurture the market, bringing not only a continued and stable rental income source for the Group, but also at the same time accumulating and enhancing the popularity and value of the residential project.

ASSOCIATES

Huailai Wineries

During the Year, the Company and Vision Far Investments Limited ("Vision Far") entered into an agreement (the "Subscription Agreement") on 10 October 2011, pursuant to which one new share of Champ Wisdom Limited ("Champ Wisdom") was allotted to Vision Far at the consideration of US$1. As at the date of the Subscription Agreement, Champ Wisdom was a wholly-owned subsidiary of the Company with one share being issued and fully-paid. Champ Wisdom owns the entire issued share capital of Champ Wisdom Holdings Limited, which in turn owns entire equity interest in Huailai Dayi Wineries Company Limited* (懷來大一葡萄酒莊園有限公司) ("Huailia Wineries"). Huailai Wineries was a company incorporated in the PRC as a wholly-foreign-owned enterprise with total registered capital of HK$20,000,000, among which HK$12,000,000 had been fully-paid up as at the date of the Subscription Agreement. After completion of the Subscription Agreement, Huailai Wineries was indirectly owned as to 50% by the Company and indirectly owned as to 50% by Vision Far. Accordingly, Huailai Wineries became an associate of the Company after completion of the Subscription Agreement. Pursuant to the Subscription Agreement, Vision Far has paid the Company HK$10,000,000 for the amount of 50% of the paid registered capital of Huailai Wineries already being paid by the Company. In addition, Vision Far provided the Company with a loan in the amount of HK$10,000,000 with interest rate of 15% per annum payable at the end of December for each year but without a fixed term for the repayment for the principal amount HK$10,000,000.

Vision Far is a third party independent of the Company and its connected persons. As the relevant percentage ratios in respect of the entering into the Subscription Agreement are less than 5%, the entering into Subscription Agreement does not constitute a notifiable transaction as defined under Rule 14.04 (7) of the Rules Governing the Listing of Securities of the Stock Exchange ("the Listing Rules").

During the Year, Huailai Wineries obtained state-owned land use rights with an area totaling 104,037.82 m^2 located in Sangyuan Town, Huailai County of Hebei Province, the PRC. Such parcel of land was jointly planned with another piece of land obtained by lease by Huailai Wineries, leveraging on the resources of the homeland of Huailai grape wine and the geographical advantage in its close proximity to Beijing. It is planned to establish a private wine estate with features of grape plantation and wine-brewing so as to fulfill the business and social, as well as travelling and leisure need of the high-end people in the region surrounding Beijing. In order to better launch the project, Huailai Wineries intends to launch a display area for the purpose of concept promotion. Currently, electricity and water supply, leveling of road and site of display area and part of the greening and plantation in such display area are completed.

Qinhuangdao Outlets

During the Year, as set out in the Company's announcement dated 6 January 2012, King Future Limited ("King Future"), the Company and Sky Speed Holdings Limited ("Sky Speed") entered into a subscription agreement, pursuant to which the Company and Sky Speed subscribed three and six new shares issued by King Future at the consideration of US$3 and US$6 respectively. As a result, Sky Speed and the Company owns 60% and 40% issued share capital of King Future respectively. King Future owns the entire issued share capital of King Future Holdings Limited, which in turn owns the entire equity interest in Qinhuangdao Outlets Real Estate Company Limited ("Qinhuangdao Outlets"). Accordingly King Future becomes an associate of the Company.

Qinhuangdao Outlets successfully obtained state-owned construction land use rights of 1,077 mu during the first quarter of 2012. Such project is located at the Golden Coast of Changli County in Qinhuangdao Municipality of Hebei Province, which is opposite to the Forest Sports Park, to the west of the coastal highway and near the Beidaihe Tourist Resort, a traditional tourist destination in Northern China. It is intended for the project to leverage on its geographical advantage and construct a large-scale seaside self-contained holiday complex consisting shopping, tourism, leisure, holiday and residential elements in one. The planning and design are underway.

CONNECTED TRANSACTIONS

Disposal of Yinchuan Outlets

As set out in the Company's announcement dated 25 June 2012, Richly Field Beijing and 中城聯合投資集團有限公司 (Zhongcheng Lianhe Investment Group Limited*) (the "First Purchaser") and 廣州奧特萊斯名牌折扣城有限公司 (Guangzhou Outlets World Brands Discount City Company Limited*) (the "Second Purchaser", together with the First Purchaser, the "Purchasers") entered into the first equity interest transfer agreement ("First Equity Transfer Agreement") and second equity interest transfer agreement ("Second Equity Transfer Agreement") on 10 June 2011 and 16 June 2011 respectively in relation to the disposal of the entire equity interest in Yinchuan Outlets (the "Sale Equity Interest"). The total consideration for the disposal of the Sale Equity Interest is RMB6,000,000 (equivalent to approximately HK$7,358,000), with each of the First Purchaser and Second Purchaser paying RMB3,000,000 (equivalent to approximately HK$3,679,000) respectively to Richly Field Beijing within ten days for the respective date of the First Equity Transfer Agreement and the Second Equity Transfer Agreement.

As at the date of this report, Richly Field Beijing had received the consideration of RMB6,000,000 (equivalent to approximately HK$7,358,000) for the disposal of the Sale Equity Interest plus the late payment interest in the amount of RMB608,400 (equivalent to approximately HK$749,000) charged to the Purchasers pursuant to the terms of the First Equity Transfer Agreement and the Second Equity Transfer Agreement.

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, and as such it did not record any turnover and/or profit before entering into the First Agreement and Second Agreement.

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 Ho Hing ("Mr. Leung"), a substantial Shareholder, held 50% of the equity interest in the Second Purchaser.

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 of the Sale Equity Interest is subject to the reporting and announcement requirements and exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Entrusted Mortgage Guarantee Contract

As announced by the Company on 10 August 2012, on 16 December 2011, Hunan Richly Field, a non-wholly-owned subsidiary of the Company, entered into the entrusted mortgage guarantee contract (the "Entrusted Mortgage Guarantee Contract") with Guangzhou Haimozhai Culture Activities Planning Company Limited* (廣洲海墨齋文化活動策劃有限公司) (the "Borrower"), and the guarantee contract (the "Guarantee Contract") and the mortgage contract (the "Mortgage Contract") with Shanghai Pudong Development Bank, Guangzhou Branch (the "SPD Bank") as the lender respectively. Pursuant to the Entrusted Mortgage Guarantee Contract, the Guarantee Contract and the Mortgage Contract, Hunan Richly Field provided the guarantee with maximum amount of RMB22,230,000 (the "Guarantee") and the mortgage of a parcel of land (the "Land") with an area of approximately 69,448.8 square meters located in Changsha, the PRC to the SPD Bank for the credit facility (the "Credit Facility") granted by the SPD bank to the Borrower in the amount of RMB20,000,000 with the term of one year from 8 December 2011 to 8 December 2012. Pursuant to the Entrusted Mortgage Guarantee Contract, the Borrower shall pay Hunan Richly Field total guarantee fee in the amount of RMB1,000,000, among which, RMB500,000 has been paid in July 2012 by the Borrower, which is about 6 months from the date of the drawdown of the loans/facilities under the Credit Facility, and the balance of RMB500,000 shall be payable on the date of the repayment of the such loans/facilities under the Credit Facility by the Borrower.

The Borrower is a company incorporated in the PRC in April 2006 with paid-up registered capital of RMB20,000,000, and is indirectly wholly-owned by Mr. Leung, a substantial Shareholder, and his associate. Therefore, the Borrower is a connected person of the Company as defined in Chapter 14A of the Listing Rules, and the entering into the Entrusted Mortgage Guarantee Contract, the Guarantee Contract and the Mortgage Contract constitutes a connected transaction under Rule 14A.13 (1) of the Listing Rules.

In addition to the Guarantee Contract, Mr. Leung and the SPD Bank also entered into a guarantee contract dated 16 December 2011, pursuant to which Mr. Leung provided a maximum personal guarantee in the amount of RMB22,230,000 in relation to the Credit Facility. Subsequently, on 19 January 2012, the Borrower and the SPD Bank entered into the working capital loan agreement where the SPD Bank provided the working capital loan of RMB20,000,000 with the term of one year to the Borrower with an annual interest rate of 9.184%.

According to the development progress of the Changsha Project, the Land would not be developed in the short term. As such, the management of Hunan Richly Field considered that the entering into the Entrusted Mortgage Guarantee Contract, the Guarantee Contract and Mortgage Contract was one of the ways to best utilise the assets of the Group to generate additional income. In addition, Mr. Leung also provided a personal guarantee to the SPD Bank in relation to the Credit Facility. As at the end of October 2012, the Guarantee and the Land which was mortgaged for the Credit Facility had been released.

As the Borrower is indirectly wholly-owned by Mr. Leung and his associate, and Mr. Leung is a substantial Shareholder, the Borrower is a connected person of the Company as defined in Chapter 14A of the Listing Rules, and the entering into the Entrusted Mortgage Guarantee Contract, the Guarantee Contract and the Mortgage Contract 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 Entrusted Mortgage Guarantee Contract, the Guarantee Contract and the Mortgage Contract are less than 5%, the entering into the Entrusted Mortgage Guarantee Contract, the Guarantee Contract and the Mortgage Contract is subject to the reporting and announcement requirements and exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Qionghai Agreement

As set out in the Company's announcement dated 6 March 2013, on 4 March 2011, Richly Field Beijing and Qionghai Millennium Investment Co. Ltd. ("Qionghai Investment") entered into an agreement (the "Qionghai Agreement"), pursuant to which, Richly Field Beijing would place the amount of RMB32,178,050 with Qionghai Investment for a term of one year commencing from 4 March 2011 to 3 March 2012. During the tenure of the Qionghai Agreement, Qionghai Investment would identify and refer suitable residential and commercial property development projects in Hainan, the PRC, to the Group. If, during the tenure of the Qionghai Agreement, Qionghai Investment could successfully identify a property project resulting in the Group entering into a land acquisition agreement or a project development agreement with the land owner(s) or the relevant local government department(s) for property development in Hainan, the relevant deposit or expenses could be paid by Qionghai Investment in a timely manner on behalf of the Group to the land owner(s) or the relevant government department(s) or relevant parties out of the RMB32,178,050 of funds. In the event that Qionghai Investment failed to identify and refer suitable property development project to the Group during the tenure of the Qionghai Agreement, Qionghai Investment would repay the principal amount of RMB32,178,050 plus relevant interest at a rate no less than the prevailing lending rate of the PBOC to Richly Field Beijing at the end of term of the Qionghai Agreement.

Qionghai Investment is a company incorporated Hainan, the PRC, with paid-up registered capital of RMB10,000,000. It is principally engaged in the provision of marketing planning services, business information services and venue leasing services and investment management. At the time of entering into the Agreement, Qionghai Investment was indirectly owned as to 54.3% by Mr. Leung and as to 45.7% by a third party independent of the Company and its connected persons. The management of Richly Field Beijing understood that Qionghai Investment had resources and good relationship with local government or land owner(s) in respect of certain property development projects in Hainan. With the launch of the concept to develop the southern island of Hainan into an international tourism island, during the second half of 2010 the management of Richly Field Beijing contacted Qionghai Investment with the intention to seek suitable property development projects in Hainan by taking advantage of Qionghai Investment's local resources and network in Hainan. In February 2011, Qionghai Investment identified two potential property development projects in Hainan (the "Potential Projects") for Richly Field Beijing's consideration.

Based on the proposal provided by Qionghai Investment, a total sum of approximately RMB35,000,000 as an initial preparation deposit was required for locating of approximately 1,000 mu land located in an area designated for tourism development in Dalu Town (大路鎮), Qionghai, Hainan, for one of the Potential Projects. According to initial plan, it was proposed that this property project would include resort hotel(s), commercial property, residential property, medical rehabilitation facilities, retirement home, eco-tourism resort. The required initial preparation deposit included approximately RMB30,000,000 for the initial deposit for the land transfer fees to be paid to the local land owner(s), approximately RMB2,820,000 for the crop compensation allowance and approximately RMB2,200,000 for other operation expenses. After having considered the proposal of Qionghai Investment and the prospects of the projects, the management of Richly Field Beijing decided to provide the aforesaid initial preparation deposit to Qionghai Investment (but excluding the required sum in the amount of RMB2,821,950 for the crop operations allowance which was considered not necessary at that stage). Subsequently, on 4 March 2011 Richly Field Beijing and Qionghai Investment entered into the Qionghai Agreement, pursuant to which Richly Field Beijing provided the initial preparation deposit in the amount of RMB32,178,050 to Qionghai Investment.

The Qionghai Agreement was entered into with the expectation that Qionghai Investment acted as an agent for the Group would be able to identify and refer one of the Potential Projects for the Group within the period of one year by taking advantage of its local resources and network in Hainan. The initial preparation deposit provided to Qionghai Investment was meant to facilitate Qionghai Investment to secure projects and illustrate availability of funds, and was intended to be applied towards one of the Potential Projects if the Group is minded to invest. The Group was not aware if Qionghai Investment had provided similar services to other companies.

In September 2011, Globe Outlets City Holdings Limited, a wholly-owned subsidiary of the Company, and development partners entered into a framework agreement (the "Framework Agreement") regarding the joint development of one of the Potential Projects. However, as at the end of February 2012, there had been no material progress regarding this project since entering into the Framework Agreement. On 27 February 2012, Richly Field Beijing requested Qionghai Investment to repay the outstanding sum of the initial preparation deposit in the amount of RMB30,678,050 plus relevant interest pursuant to the terms of the Qionghai Agreement. It was agreed by both parties that the repayment date would be extended to the end of May 2012. As at the end of May 2012, Qionghai Investment had repaid the principal amount of RMB32,178,050 plus relevant interest of approximately RMB2,574,000 to Richly Field Beijing. The interest rate charged for the principal amount of RMB32,178,050 is around 6% which is no less than the prevailing lending rate of the PBOC. As Qionghai Investment had not been able to successfully refer the relevant property development project to the Group, no fee has ever been paid or payable by the Group to Qionghai Investment.

As Qionghai Investment was indirectly owned as to 54.3% by Mr. Leung, a substantial Shareholder, Qionghai Investment was a connected person of the Company as at the date of the Qionghai Agreement as defined in Chapter 14A of the Listing Rules, and the entering into of the Qionghai Agreement constitutes a connected transaction under Rule 14A.13 (1) of the Listing Rules.

As all the relevant percentage ratios of the Company in respect of the entering into of the Agreement are less than 5%, the entering into of the Qionghai Agreement should be subject to the reporting and announcement requirements but exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Ratifications of the connected transactions

During the audit of the Company's financial statements for the year ended 31 March 2012, it was found that the aforesaid transactions constituted connected transactions for the Company under Rule 14A.13 (1) of the Listing Rules.

As the Company did not publish an announcements when entering into, the Second Equity Interest Transfer Agreement, the Entrusted Mortgage Guarantee Contract, the Guarantee Contract and the Mortgage Contract, and the Qionghai Agreement, the Company did not comply with the requirements under Chapter 14A of the Listing Rules. The Company published the relevant announcements on 25 June 2012, 10 August 2012 and 6 March 2013 respectively. As announced, the Board (including all independent non-executive Directors) also ratified and confirmed that the entering into of each of the above transactions was fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In light of the above transactions, the Company has engaged external independent auditors to review the adequacy of the Company's corporate governance and internal controls and procedures. Further announcement(s) will be made by the Company as and when appropriate.

GOING CONCERN BASIS

During the Year, the Group incurred losses of approximately HK$100,377,000. As at 31 March 2012, Hunan Richly Field had an outstanding interest-bearing loan in the amount of RMB300,000,000 (equivalent to approximately HK$373,740,000), among which, RMB70,000,000 (equivalent to HK$87,206,000) would be due for the repayment by Hunan Richly Field to a PRC bank (the "PRC Bank") in November 2012.

The Group had been in negotiation with a financial institution (the "Financial Institution") regarding proposed loan arrangement in a total amount of RMB320,000,000 (equivalent to approximately HK$398,656,000) (the "Loan Arrangement"). On 8 November 2012, Hunan Richly Field, the PRC Bank and the Financial Institution entered into a debt assignment agreement, pursuant to which, the debt in the amount of RMB70,000,000 (equivalent to HK$87,206,000) due from Hunan Richly Field to the PRC Bank was assigned to the Financial Institution at a total consideration of RMB70,000,000 (the "Debt Assignment"). On the even date, Hunan Richly Field and the Financial Institution entered into a debt restructuring agreement, pursuant to which Hunan Richly Field shall repay the principal debt in the amount of RMB70,000,000 to the Financial Institution within two years, and during which Hunan Richly Field shall also pay an interest to the Financial Institution at the interest rate of 15% per annum on the principal amount of RMB70,000,000. The land use rights pledged to the PRC Bank was released by the PRC bank, and other land use rights in a total area of approximately 103,782 square meters under Hunan Richly Field were pledged to the Financial Institution.

Apart from the Debt Assignment, on 19 November 2012, a company incorporated in the PRC (the "Lender"), which is an independent third party of the Company and its connected persons, a PRC bank (the "Entrust Bank") and Hunan Richly Field entered into an entrust loan agreement (委托貸款合同) (the "Entrust Loan Agreement"). Pursuant to the Entrust Loan Agreement, the Lender agreed to entrust the Entrust Bank to lend an amount of RMB250,000,000 (the "Entrust Loan") to Hunan Richly Field. The Entrust Loan has a term of two years and bears interest of 10% per annum. On the even date, pursuant to the Entrust Loan Agreement, Hunan Richly Field and the Entrust Bank entered into a loan agreement (the "Loan Agreement") in relation to the Entrust Loan. Land use rights for a total area of approximately 336,000 square meters under Hunan Richly Field were pledged to the Entrust Bank for the Entrust Loan. In addition, as part of the Loan Arrangement, pursuant to the Entrust Loan Agreement, the Financial Institution issued an undertaking letter to the Entrust Bank undertaking that in the event that Hunan Richly Field cannot repay the Entrust Loan and the relevant interest or any event of default occurs pursuant to the terms of the Loan Agreement, the Financial Institution would acquire the defaulted Entrust Loan from the Entrust Bank. The proceeds under the Entrust Loan will provide the Group with additional funds to repay its current bank debts, trade payable and to provide additional working capital for the Group.

Save for the land already pledged in connection with the Debt Assignment and the Entrust Loan, the book value (at cost) of the portion of the land of the Group, which is available for further pledging, was approximately RMB184,316,000 (equivalent to approximately HK$228,552,000) as at 30 November 2012 with total area of approximately 306,000 square meters. Based on the strong net assets value of the Group, the measures taken to-date by the Board, the expectation on the success of the Group's future operation and the continued support from its bankers and other financial institutions, the Board is of the view that the Group will have sufficient working capital to meet its financial obligations as they fall due in the next twelve months from the end of the reporting period. Accordingly, it is appropriate to prepare the consolidated financial statements on a going concern basis, notwithstanding the Group's tight cash flow position as at 31 March 2012.

FINANCIAL REVIEW

Results

Turnover for the Year amounted to approximately HK$289,000 and the corresponding last year was HK$nil. Loss attributable to owners of the Company for the Year was approximately HK$78,493,000 compared with a profit of approximately of HK$33,617,000 for the corresponding last year. Loss per share for the Year was HK$0.9 cents compared with a earnings per share of HK$0.4 cents for the corresponding last year.

During the Year, the Group did not recognize any revenue from construction work and property development which were in progress. The revenue for the Year came from a new segment revenue which accumulated to HK$289,000 that represented the sales of fashion wears and accessories.

Although construction of the Changsha Project was behind the original schedule, during the Year, the main structure work of certain parts of the Changsha Project was completed, and the Group had started the promotion programs and sales of the Changsha Project. Accordingly, during the Year, the Group has recruited additional staff for the marketing, administrative and other supporting work for the Changsha Project. As set out in Note 9 headed "(Loss)/Profit before taxation" in the consolidated financial statements of the Company, mainly due to the substantial increase in the number of employees and the marketing activities, the staff costs and corresponding other administrative expenses/costs such as office expenses, traveling expenses of the Group, etc, increased substantially as well for the Year. In addition, an impairment loss on interest in certain associates in the amount of HK$13,079,000 was made for the Year. As such, the administrative and operating expenses increased to approximately HK$110,448,000 for the Year compared with approximately HK$52,036,000 incurred for the year ended 31 March 2011.

Liquidity and Capital Resources

As at 31 March 2012, the Group's net assets amounted to approximately HK$859,588,000 as compared with net assets amounted to approximately HK$921,126,000 as at 31 March 2011. As at 31 March 2012, the Group had net current assets of approximately HK$552,116,000 including cash and cash equivalents of approximately HK$29,452,000 as compared with net current assets of approximately HK$851,534,000 including cash and cash equivalents of approximately HK$339,587,000 as at 31 March 2011. The

Group's gearing ratio measured on the basis of the Group's total bank borrowings over the total equity as at 31 March 2012 was 43.48% (31 March 2011: 38.67%).

The Group has no significant exposure to foreign currency fluctuation as cash balances, trade receivables and trade payables were denominated in Hong Kong dollars and Renminbi.

The source of funding of the Group was mainly from its internal resources and the bank loans.

Commitments

As at 31 March 2012, the Group had property development expenditure contracted but not yet incurred and provided for in the amount of HK$215,766,000.

Contingent Liabilities

As set out in Note 23 headed "Provision" to the consolidated financial statements of the Company, the construction of Changsha Project was behind the original schedule, during the Year, the Group was not able to deliver the shop premises to a number of tenants according to the agreed timetable set out in the Tenancy Agreements or the Cooperation Agreements. Pursuant to the Tenancy Agreements and the Cooperation Agreements, the tenants could terminate the agreements and/or claim against the Group for the delay in the delivery of the shop premises on the basis of loss incurred or the number of days delayed.

The Group has been in discussions with the tenants regarding the delay in the delivery of the shop premises. Some of the tenants have terminated the Tenancy Agreements and/or the Cooperation Agreements with the Group with initial deposits being refunded by the Group. For those tenants who are willing to continue to lease or cooperate with the Group, the Group has been in discussions with them regarding the revised terms of agreements by offering them certain discount on the leasing fees or rent free period as compensation for the delay. As at the end of the reporting period, the Group has not received any claims for compensation from its tenants against the Group, and no estimation can be made on the quantum of such potential compensation. With respect to the terms of the Tenancy Agreements and the Cooperation Agreements, for which the calculation of compensation have been specified, HK$325,000 was recognised as provisions for such potential claims as at 31 March 2012.

In addition, as disclosed in Note 22 to the consolidated financial statements of the Company, as at 31 March 2012, Hunan Richly Field provided the Guarantee with a maximum amount of RMB22,230,000 (equivalent to approximately HK$27,694,000) to a bank in respect of banking facilities granted to the Borrower. As at the end of October 2012, the Guarantee had been released.

Save as disclosed above, as at 31 March 2012, the Group and the Company did not have any material contingent liabilities.

Employees

Due to business developments, as at 31 March 2012, the Group employed a total of 230 employees (excluding Directors) compared with 125 employees (excluding Directors) as at 31 March 2011. The Group remunerates its employees based on their performance, working experience and prevailing market standards. Employee benefits include medical insurance coverage, provident fund and share options.

PROSPECT AND OUTLOOK

In 2011, the regulatory and controlling policy for the property market in China continued to be strengthened, while the measures were further refined. The efforts in administrative means such as restrictions on multiple purchase, mortgage loan provision and price were reinforced, while there are follow-up economic measures such as new taxes and duties and tax rate and so on; ancillary measures for funding and land of affordable housing etc. were put into operation successively. The monetary policy in the first half of the year continued to tighten, the effects of the regulations and control gradually surface, the supply volume of residential land declined and there was a significant drop in transaction price. The floor price of residential land dropped significantly, the land premium rate has continued down to historic lows. The rate of decline in the transaction volume and average price for residential housing in major cities continued to expand.

Against this background, the property in Changsha developed by the Group is being affected as well. Although it is not located at the areas at which the purchase is restricted in Changsha, the mortgage loan restriction policy and the wait-and-see attitude in the market is unfavorable for the sale of the properties developed in the first phase. Hence, the Group assessed the situation and paid more attention to the development and operation of "Outlets Shopping Plaza" during the period awaiting the recovery of residential housing sales. The Outlets Plaza with a construction area of approximately 100,000 m^2 for the first phrase will introduce more brands with their entry in the Outlet Plaza. With the day-by-day expansion in the market nurtured by outlet business, the popularity and the value of the surrounding properties will be enhanced and the residential products of Outlets Town will capture the market.

In 2012, the PRC government insisted that there will be no waiver in the general direction of the regulation and control over the property market, yet the pre-set fine-tuning in monetary policy will ease the pressures of regulation and control. In the medium to long run, the overall tightness in land resources will not be reversed, the continued advance in the process of urbanization will provide a booming demand, and the real estate industry will face a better room for development. The Group will seize the opportunity and meet the challenges as well as continue to adhere to the ideology of "supporting commercial by residential housing and enhancing real estate by commercial". We will also expand our development layout across the country on a steady, practical and strengthened cooperation approach in order to create the greatest long term and stable value for our shareholders.

FINAL DIVIDEND

The Board does not recommend any final dividend for the Year (2011: Nil).

CORPORATE GOVERNANCE PRACTICES

Hong Kong Exchanges and Clearing Limited (the "HKEx") revised the Corporate Governance Code (the "CG Code") effective from 1 April 2012. The HKEx encouraged companies whose shares are listed on the Stock Exchange of Hong Kong Limited ("Stock Exchange") to adopt the revised CG Code at an earlier date than 1 April 2012.

The Board is committed to aim for high standards of corporate governance and is responsible for corporate governance practices within the Group. Recognising problems in the immediate past, the Board aims to build and effectively operate an efficient and transparent corporate governance system by focusing on three concepts, namely fulfilling management accountability, achieving management transparency, and pursuing high business ethics. This is intended to promote sustained growth while earning support from stakeholders. Through external advisors, the Board is reviewing the corporate governance duties and function to be performed by each member of the Board and different committees, by establishing written corporate governance policies. Besides, in discharging its responsibilities to ensure that the Company complies with revised CG code, the Board has set up several committees, namely, audit committee, remuneration committee and nomination committee, by establishing terms of reference and theirs duties, responsibilities and powers. These will also be reviewed.

The Board confirms that the Company was in compliance with the former CG Code throughout the Year and the revised CG Code since 1 January 2012, except for the following deviations:

Code Provision A.1.7

This provision requires that if a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter shall be dealt by physical board meeting rather than a written resolution. Independent non-executive directors, who, and whose associates, have no material interest in the transaction should be present at that board meeting.

As set out in paragraph headed "Connected transactions" above, the transactions contemplated under the Second Agreement, Entrusted Mortgage Guarantee Contract, the Guarantee Contract and the Mortgage Contract with the SPD Bank; and the Advance Agreement constituted connected transactions which should be subject to reporting, announcement but exempted from the independent shareholders' approval requirement pursuant to Rule 14A.13(1) of the Listing Rules. However, the Company failed to report and announce the aforesaid agreements and contracts in time, and thus is in breach of the Listing Rules.

The Company published the relevant announcements on 25 June 2012, 10 August 2012 and 6 March 2013 respectively. The Board (including all independent non-executive directors) has ratified and confirmed that the entering into of each of the above transactions was fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company has engaged external independent auditors to review the adequacy of the Company's corporate governance and internal control procedures. Further actions and measures will be taken by the Company in this regard.

Code Provision A.2.1

This provision states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

Mr. He Guang assumes the role of chairman of the Company, and there is no other person designated as chief executive officer of the Company. The Board believes that this structure helps to maintain strong and effective leadership and leads to a highly efficient decision making process. The Board will continue to review this situation periodically and, if the Company is able to identify a suitable candidate, will appoint such person to become the chief executive officer of the Company when appropriate.

Code Provision A.4.1

This provision requires the non-executive directors should be appointed for specific terms, subject to re-election at the general meeting of the Company. Currently, all the non-executive Directors are not appointed for a specific term but are subject to retirement by rotation and re-election at subsequent annual general meetings in accordance with the Company's Bye-Laws and Code Provision A.4.2, and have their term of appointment would be of a length of not more than 3 years. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than that in the CG Code.

Code Provision C.1.3

In preparing the consolidated financial statements, the Board has carefully considered the future liquidity of the Group in light of the fact that the Group incurred losses of approximately HK$100,377,000, and as at 31 March 2012, Hunan Richly Field has an outstanding interest-bearing loan in the amount of RMB300,000,000 (equivalent to approximately HK$373,740,000), among which, RMB70,000,000 (equivalent to HK$87,206,000) would be due for the repayment by Hunan Richly Field to the PRC Bank in November 2012.

As set out in Note 3 headed "Basis of presentation" in the consolidated financial statements of the Company and the paragraph headed "Going concern basis" in the "Business Review" section above, in addition to a debt restructuring agreement entered into between Hunan Richly Field and the Financial Institution regarding the assignment of the loan in the amount of RMB70,000,000 from the PRC Bank to the Financial Institution, Hunan Richly Field also entered into the Loan Agreement with the Entrust Bank in relation to the Entrust Loan in the amount of RMB250,000,000. The proceeds under the Entrust Loan will provide the Group with additional funds to repay its current bank debts, trade payable and to provide additional working capital for the Group.

Save for the land already pledged in connection with the Debt Assignment and the Entrust Loan, the book value (at cost) of the portion of the land of the Group, which is available for further pledging, was approximately RMB184,316,000 (equivalent to approximately HK$228,552,000) as at 30 November 2012 with total area of approximately 306,000 square meters. Based on the strong net assets value of the Group, the measures taken to-date by the Board, the expectation on the success of the Group's future operation and the continued support from its bankers, the Board is of the view that the Group will have sufficient working capital to meet its financial obligations as they fall due in the next twelve months from the end of the reporting period. Accordingly, it is appropriate to prepare the consolidated financial statements on a going concern basis, notwithstanding the Group's tight cash flow position as at 31 March 2012.

Code Provision D.1.1

This provision requires that when the board delegates aspects of its management and administration functions to management, it must, as the same time, give clear directions as to the management's powers, in particular, where management should report back and obtain prior board approval before making decisions or entering into any commitments on the issuer's behalf.

At present, the Company has no sufficient written procedures documenting the clear directions as to the delegations of authorities of the Board as to the management's powers, and where management should report back and obtain prior Board approval before making decisions or entering into any commitments on the Company's behalf.

The Company has engaged external independent auditors to review and adequacy of the Company's corporate governance and internal control procedures. Further actions and measures will be taken by the Company in this regard.

Code Provision D.1.2

This provision requires that an issuer should formalize the functions reserved to the board and those delegated to management. It should review those arrangements periodically to ensure that they remain appropriate to the issuer's needs.

Currently, the Company has no sufficient written procedures to formalize the functions reserved to the Board and those delegated to the management.

The Company has engaged external independent auditors to review the adequacy of the Company's corporate governance and internal control procedures. Further actions and measures will be taken by the Company in this regard.

Code Provision E.1.2

This provision requires the chairman of the Board to attend the annual general meeting (the "AGM") and arrange for the chairman of the audit, remuneration and nomination committees (as appropriate) or in the absence of the chairman of such committees, another member of the committee to be available to answer questions at the AGM.

The chairman of the Board, the chairman of the audit, remuneration and nomination committees did not attend the AGM held on 9 August 2011 as they were engaged in an important business meeting overseas. The said AGM was chaired by an executive director.

Non-compliance with Rules 13.46(2), 13.48(1), 13.49(1) and 13.49(6) of the Listing Rules

Pursuant to Rule 13.49(1) of the Listing Rules, the Company is required to publish its preliminary results in respect of financial year ended 31 March 2012 (the "2012 Annual Results") no later than three months after the end of the financial year, i.e. 30 June 2012. Pursuant to Rule 13.49(6) of the Listing Rules, the company is required to publish its preliminary results in respect of six months ended 30 September 2012 no later than two months after the end of the six-month period, i.e. 30 November 2012.

Pursuant to Rule 13.46(2) of the Listing Rules, the Company is required to dispatch to every Shareholders and other holder of its listed securities its annual report not more than four months after the end of the financial year ended 31 March 2012, i.e. 31 July 2012. Pursuant to Rule 13.48(1) of the Listing Rules, the Company is required to dispatch to every Shareholders and other holder of its listed securities its interim report not more than three months after the end of the six-month period, i.e. 31 December 2012.

However, mainly due to (i) the disagreements between the Company and its auditors on the valuation of certain inventories; (ii) lack of sufficient audit evidence of a loan due by an associate of the Company; and (iii) the auditors' reservation about the sufficiency of the Company's cash flow and ability to operate on a going concern basis, the Company was unable to publish the 2012 Annual Results and to dispatch its annual report for the year ended 31 March 2012 within the prescribed time limit set out in the relevant Listing Rules. Due to the delay in publication of the 2012 Annual Results, the publication of the Company's interim results for the six months ended 30 September 2012 and the dispatch the Company's interim report for the six months ended 30 September 2012 are delayed. The Board acknowledges that the delay in the publication of this announcement constitutes non-compliance with Rules 13.46(2), 13.48(1), 13.49(1) and 13.49(6) of the Listing Rules.

Non-compliance with independent non-executive directors' minimum number

Ms. Cho Denise Yee Man ("Mr. Cho") tendered her resignation as an independent non-executive director, chairman and a member of the audit committee, a member of the remuneration committee and a member of the nomination committee of the Company with effect from 20 March 2012.

Mr. Liu Ming Fong ("Mr. Liu") tendered his resignation as an independent non-executive director, a member of the audit committee, remuneration committee and nomination committee of the Company with effect from 25 April 2012.

Following the resignations of Ms. Cho and Mr. Liu, the number of the independent non-executive directors and the audit committee members of the Company fell below the minimum number required under Rules 3.10(1) and 3.21 of the Listing Rules.

As announced by the Company on 13 June 2012, Mr. Yiu Fai Ming and Mr. Hou Rong Ming and Mr. Lin Qi were appointed as the independent non-executive Directors. Following their appointments, the Company is in compliance with Rule 3.10(1) and 3.21 of the Listing Rules.

DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code") as the code of conduct regarding securities transactions by the directors.

The Board confirms that all directors of the Company have complied with the Model Code throughout the year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the Year, the Company and any of its subsidiaries did not purchase, sell or redeem any of the Company's listed shares.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the Listing Rules. The Audit Committee is mainly responsible for overseeing the Company's financial reporting system and internal control procedures; making recommendations to the Board in the appointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of such auditors; and reviewing the interim and annual reports and accounts of the Company.

During the Year, the Audit Committee comprised three independent non-executive Directors, namely Ms. Cho Denise Yee Man (Chairman), Mr. Liu Ming Fang and Mr. He Chuan. Following their resignations during March to June 2012, new members were appointed to the Audit Committee. Currently, the Audit Committee comprises three independent non-executive Directors, namely, Mr. Yiu Fai Ming (Chairman), Mr. Hou Rong Ming and Mr. Lin Qi.

The consolidated financial statements of the Company for the Year have been reviewed by the Audit Committee, who is of the opinion that such statements comply with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

REMUNERATION COMMITTEE

The Company has established a remuneration committee (the "Remuneration Committee") with written terms of reference in compliance with the Listing Rules. The Remuneration Committee is mainly responsible for making recommendations to the Board on the Company's remuneration policy for directors and senior management, and overseeing the remuneration packages of the executive directors, and senior management.

During the Year, the Remuneration Committee comprised one executive Director, Mr. He Guang, and three independent non-executive Directors, namely Ms. Cho Denise Yee Man, Mr. Liu Ming Fang and Mr. He Chuan (Chairman). Following resignations of the three independent non-executive Directors during March to June 2012, new members were appointed to the Remuneration Committee. Currently, the Remuneration Committee comprises one executive Director, Mr. He Guang, and three independent non-executive Directors, namely, Mr. Yiu Fai Ming, Mr. Hou Rong Ming (Chairman), and Mr. Lin Qi.

NOMINATION COMMITTEE

The Company has established a nomination committee (the "Nomination Committee") with written terms of reference in compliance with the Listing Rules. The Nomination Committee is mainly responsible for making recommendations to the Board on matters relating to the appointment or re-appointment of Directors and succession planning for Directors, and review and monitor the structure, size and of the Board to complement the Company's corporate strategy.

During the Year, the Nomination Committee comprised one executive Director, Mr. He Guang, one non-executive Director, Mr. Wang Yuan Xun, and three independent non-executive Directors, namely, Ms. Cho Denise Yee Man, Mr. Liu Ming Fang and Mr. He Chuan. Following resignations of the three independent non-executive Directors during March to June 2012, new members were appointed to the Nomination Committee. Currently, the Nomination Committee comprises one executive Director, Mr. He Guang (Chairman), one non-executive Director, Mr. Wang Yuan Xun, and three independent non-executive Directors, namely, Mr. Yiu Fai Ming, Mr. Hou Rong Ming, and Mr. Lin Qi.

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. Due to the delay in the publication of the financial results for the year ended 31 March 2012, as at the date of this announcement, the Company is still in the process of preparing interim results for the six months ended 30 September 2012. In addition, the Company has engaged external independent auditors to review the adequacy of the Company's corporate governance and internal control procedures, and such internal control review has not been completed as at the date of this announcement. Therefore, trading in Shares on the Stock Exchange will continue to be suspended, and further announcement(s) will be made by the Company as and when appropriate.

PUBLICATION OF INFORMATION ON WEBSITES

This announcement is available for viewing on the website of Hong Kong Exchange and Clearing Limited (http://www.hkexnews.hk) and on the website of the Company (http://www.equitynet.com.hk/richlyfield).

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

Hong Kong, 14 March 2013

As at the date of this announcement, the Board comprises Mr. He Guang (Chairman) and 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 purpose only*