RICHLY FIELD

RICHLY FIELD CHINA DEVELOPMENT LIMITED

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

(stock code: 313)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

The board of directors (the "Board") of Richly Field China Development Limited (the "Company") would like to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2012 (the "Period"), together with the comparative figures for the six months ended 30 September 2011 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2012

		Six months ended 30 September	
		2012	2011
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Turnover	*4*	**115**	–
Cost of sales		**(115)**	–
Gross profit		**–**	–
Other revenue	*4*	**10,265**	468
Gain on disposal of subsidiaries	*7*	**6,446**	443
Share of results of the associates		**(832)**	–
Selling expenses		**(998)**	(4,939)
Administrative and other operating expenses		**(42,630)**	(46,597)
Finance costs	*5*	**–**	–
Loss before taxation	*7*	**(27,749)**	(50,625)
Income tax	*8*	**–**	–
Loss for the period		**(27,749)**	(50,625)

	Notes	Six months ended 30 September 2012 HK$'000 (unaudited)	2011 HK$'000 (unaudited)
Other comprehensive income:			
Exchange differences arising on translation of overseas operations		**211**	22,079
Total comprehensive expenses for the period		**(27,538)**	(28,546)
Loss attributable to:			
Owners of the Company		**(21,079)**	(44,319)
Non-controlling interests		**(6,670)**	(6,306)
		(27,749)	(50,625)
Total comprehensive (expenses)/income attributable to:			
Owners of the Company		**(21,006)**	(31,871)
Non-controlling interests		**(6,532)**	3,325
		(27,538)	(28,546)
Loss per share			
– Basic	*9*	**(0.24) cents**	(0.50) cents
– Diluted	*9*	**(0.24) cents**	(0.50) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2012

	Notes	30 September 2012 HK$'000 (unaudited)	31 March 2012 HK$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**4,735**	5,626
Investment properties	*11*	**591,057**	554,746
Interests in associates	*12*	**58,664**	33,634
		654,456	594,006
Current assets			
Properties under development for sale	*13*	**893,919**	855,557
Inventories		**16,689**	14,475
Trade and other receivables	*14*	**12,784**	56,980
Amount due from an associate	*12*	**99,910**	89,590
Amounts due from related companies	*15*	**485**	47,322
Cash and bank balances		**9,581**	29,452
		1,033,368	1,093,376
Current liabilities			
Trade and other payables	*16*	**456,139**	425,301
Amounts due to related companies		**146**	7,936
Amounts due to associates		**3,074**	–
Bank loan, secured	*17*	**112,194**	87,206
Financial guarantee obligation		**123**	882
Tax payable		**21,435**	19,610
Provision		**325**	325
		593,436	541,260
Net current assets		**439,932**	552,116
Total assets less current liabilities		**1,094,388**	1,146,122
Non-current liabilities			
Bank loans, secured	*17*	**261,786**	286,534
Net assets		**832,602**	859,588
EQUITY			
Share capital		**444,044**	444,044
Reserves		**107,919**	128,373
Equity attributable to owners of the Company		**551,963**	572,417
Non-controlling interests		**280,639**	287,171
Total equity		**832,602**	859,588

1. Basis of Preparation

The interim financial statements are unaudited, condensed and have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2. Basis of Presentation

During the six months ended 30 September 2012, the Group incurred losses of approximately HK$27,749,000. As at 30 September 2012, Hunan Richly Field Outlets Real Estate Limited ("Hunan Richly Field"), a non-wholly owned subsidiary of the Company, had an outstanding interest-bearing loan in the amount of RMB300,000,000 (equivalent to approximately HK$373,980,000), among which, RMB70,000,000 (equivalent to HK$87,262,000) would be due for the repayment by Hunan Richly Field to a bank in the People's Republic of China (the "PRC") (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$398,912,000) (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$87,262,000) 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 for 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 (equivalent to approximately HK$311,650,000) (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 provided 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 pledging, is 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 date. Accordingly, it is appropriate to prepare the condensed consolidated interim financial statements on a going concern basis, notwithstanding the Group's tight cash flow position as at 30 September 2012.

3. Principal Accounting Policies

The accounting policies and basis of preparation adopted in the preparation of these condensed consolidated interim financial statements are consistent with those used in the Group's audited financial statements for the year ended 31 March 2012, except for the adoption of the following new and revised standards and interpretations for the first time for the current period's financial information:

HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets

The adoption of these new and revised standards and interpretations has had no significant impact on the Group for the current or prior accounting periods.

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

HKFRS 1 (Amendments)	Government Loans[2]
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities[2]
HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[4]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statement[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKAS 1 (Amendments)	Presentation of Items of the Other Comprehensive Income[1]
HKAS 19 (Revised)	Employee Benefits[2]
HKAS 27 (Revised)	Separate Financial Statements[2]
HKAS 28 (Revised)	Investments in Associates and Joint Ventures[2]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[3]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

1 Effective for annual periods beginning on or after 1 July 2012.
2 Effective for annual periods beginning on or after 1 January 2013.
3 Effective for annual periods beginning on or after 1 January 2014.
4 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 2015, 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 of the Company 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.

4. Turnover and Other Revenue

An analysis of the Group's turnover and other revenue is as follows:

	Six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Turnover		
Sales of fashion wears and accessories	**115**	–
Other revenue		
Interest income on:		
Bank deposits	**30**	468
Other loan and receivables *(Note (i))*	**9,123**	–
Exchange gain	**194**	–
Financial guarantee fee income *(Note (ii))*	**615**	–
Others	**303**	–
	10,265	468

Note (i):

(a) As set out in the Company's announcement dated 6 January 2012, Richly Field (Beijing) Investment Consulting Co., Ltd ("Richly Field Beijing"), a wholly-owned subsidiary of the Company, continued to provide a loan facility in the amount of approximately RMB99,343,000 (equivalent of approximately HK$123,841,000) (the "Loan Facility") to Qinhuangdao Outlets Real Estate Co., Limited ("Qinhuangdao Outlets"), which became an indirectly 40%-owned associate of the Company after completion of a subscription agreement, and the Loan Facility would be due for repayment on or before 5 January 2013, with annual interest rate of 20%. The provision of the Loan Facility constituted a financial assistance by the Company pursuant to the Listing Rules. Details of this transaction were set out in the Company's announcement dated 6 January 2012.

Approximately HK$8,587,000 (equivalent to approximately RMB6,948,000) represents the interest charged to Qinhuangdao Outlets for the six months ended 30 September 2012.

(b) On 8 October 2010, Richly Field Beijing and 廣東省陽江市建安集團有限公司 (Guangdong Yangjiang Construction Group Company Limited*) ("Yangjiang"), an independent third party of the Company and its connected persons, entered into an agreement, pursuant to which Richly Field Beijing placed an amount of RMB40,000,000 (equivalent to approximately HK$49,864,000) with Yangjiang for a term of one and half years commencing from 8 October 2010 to 7 April 2012. The agreement was entered into with the expectation that Yangjiang acted as an agent for the Group could identify and refer certain property development project in Guangdong, the PRC, to the Group within the defined period by taking advantage of its local connections. 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 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. If by the end of the aforesaid period, Yangjiang failed to refer to a suitable property development project 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 (equivalent to approximately HK$49,864,000) plus the relevant interests (with an interest rate which would be 10% higher than the prevailing lending rate of the People's Bank of China ("PBOC") to Richly Field Beijing. As there was no material progress regarding the potential project by the end of agreed period as set out in the agreement, and due to the internal funding needs of the Group, at the request of Richly Field Beijing, Yangjiang had repaid Richly Field Beijing all the initial preparation deposits together with the relevant interest as set the agreement by the end of May 2012.

Approximately HK$153,000 (equivalent to approximately RMB123,000) represents the interest charged to Yangjiang for the six months ended 30 September 2012.

(c) 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, pursuant to which Richly Field Beijing placed an amount of RMB32,178,050 (equivalent to approximately HK$40,113,000) with Qionghai Investment for a term of one year commencing from 4 March 2011 to 3 March 2012. The agreement was entered into with the expectation that Qionghai Investment acted as an agent for the Group would be able to identify and refer a property development project in Hainan, the PRC, for the Group within the period of one year by taking advantage of its local resources and network. 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 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 PBOC to Richly Field Beijing at the end of term of the Qionghai Agreement. As there was no material progress regarding the potential project by the end of agreed period as set out in the agreement, and due to the internal funding needs of the Group, at the request of Richly Field Beijing, Qionghai Investment had repaid the principal amount plus relevant interest as set out in the agreement to Richly Field Beijing. As Qionghai Investment was indirectly owned as to 54.3% by Mr. Leung Ho Hing ("Mr. Leung"), a substantial shareholder of the Company (the "Shareholder"), Qionghai Investment was a connected person of the Company as at the date of the Agreement as defined in Chapter 14A of the Listing Rules, and, the entering into of the agreement constitutes a connected transaction under Rule 14A.13 (1) of the Listing Rules. Details of this transaction were set out in the Company's announcement dated 6 March 2013.

Approximately HK$379,000 (equivalent to approximately RMB307,000) represents the interest charged to Qionghai Investment for the six months ended 30 September 2012. Total balance due from Qioughai was fully settled by the end of May 2012.

Note (ii):

As set out in the Company's announcement dated 10 August 2012, on 16 December 2011 Hunan Richly Field, a non-wholly owned subsidiary of the Company, provided a financial guarantee with a maximum amount of RMB22,230,000 (equivalent to approximately HK$27,712,000) and a mortgage of a parcel of land with an area of approximately 69,448.8 square meters located in Changsha, the PRC to a bank for a credit facility granted by the bank to 廣州海墨齋文化活動策劃有限公司 ("Haimozhai") in the amount of RMB20,000,000 with the term of one year from 8 December 2011 to 8 December 2012. Pursuant to the relevant agreement, Haimozhai shall pay Hunan Richly Field total guarantee fee in the amount of RMB1,000,000 (equivalent to approximately HK$1,236,000). As Haimozhai is indirectly wholly-owned by Mr. Leung and his associate, and Mr. Leung is a substantial Shareholder, Haimozhai is a related company of the Group and a connected person of the Company as defined in Chapter 14A of the Listing Rules, and the entering into the relevant agreements constitutes a connected transaction under Rule 14A.13 (1) of the Listing Rules. Details of the transaction are set out in the Company's announcement dated 10 August 2012.

By the end of October 2012, the guarantee and the land which was mortgaged for the credit facility granted to Haimozhai had been released. Total guarantee fee to be charged to Haimozhai was revised to RMB888,900 (equivalent to approximately HK$1,099,000) due to the early release.

RMB448,000 (equivalent to approximately HK$615,000) represents the financial guarantee fee charged to Haimozhai for the six months ended 30 September 2012.

5. Finance Costs

	Six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on bank borrowings	**14,103**	11,276
Less: Interest expense capitalised into properties under development for sale	**(7,434)**	(10,766)
Less: Interest expense capitalised into investment properties	**(6,669)**	(510)
	–	–

The borrowing costs have been capitalised at a rate of 7.04% to 7.59% per annum (six months ended 30 September 2011: 7.1% to 7.59% per annum).

6. Segment Information

Based on the regular internal financial information reported to the Group's board of directors, being the chief operating decision makers, for their decision 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:

(i) property development;

(ii) property management;

(iii) construction and maintenance; and

(iv) trading of fashion wears and accessories.

The following is an analysis of the Group's unaudited revenue and results by reportable segment for the periods under review:

	Property development *HK$'000*	Property management *HK$'000*	Construction and maintenance *HK$'000*	Trading of fashion wears and accessories *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Six months ended 30 September 2012						
Segment revenue						
Revenues from external parties	–	–	–	115	–	115
Inter-segment sales	–	–	–	362	(362)	–
	–	–	–	477	(362)	115
Segment results	(8,460)	(11,831)	(78)	(82)	–	(20,451)
Other income						1,112
Gain on disposal of subsidiaries						6,446
Share of results of associates						(832)
Impairment on interests in associates						(5,781)
Unallocated expenses						(8,243)
Loss before taxation						(27,749)

	Property development HK$'000	Property management HK$'000	Construction and maintenance HK$'000	Trading of fashion wears and accessories HK$'000	Elimination HK$'000	Total HK$'000
Six months ended 30 September 2011						
Segment revenue						
Revenues from external parties	–	–	–	–	–	–
Inter-segment sales	–	–	–	–	–	–
	–	–	–	–	–	–
Segment results	(17,012)	(19,932)	(71)	–	–	(37,015)
Interest income						166
Other income						–
Gain on disposal of subsidiaries						443
Unallocated expenses						(14,219)
Loss before taxation						(50,625)

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 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.

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

	Property development *HK$'000*	Property management *HK$'000*	Construction and maintenance *HK$'000*	Trading of fashion wears and accessories *HK$'000*	Total *HK$'000*
As at 30 September 2012					
Assets					
Segment assets	**1,494,235**	**13,397**	**1,219**	**16,786**	**1,525,637**
Unallocated corporate assets					**162,187**
					1,687,824
Liabilities					
Segment liabilities	**807,014**	**22,093**	**21,562**	**709**	**851,378**
Unallocated corporate liabilities					**3,844**
					855,222
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

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

Segment liabilities exclude borrowing as it is managed on a group basis.

7. Loss before Taxation

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

	Six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Staff costs	**15,445**	16,317
Directors' remuneration	**2,628**	2,987
Cost of inventories sold	**107**	–
Depreciation of property, plant and equipment	**993**	1,103
Net foreign exchange loss	**–**	1,028
Gain on disposal of a subsidiary *(Note (i))*	**(6,446)**	(443)
Impairment loss on interests in associates *(Note 12)*	**5,781**	901

Note (i):

(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 at that time, 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 approximately HK$15,476,000 (equivalent to approximately US$1,984,000), representing approximately 49.5% of the shareholder loans, and approximately HK$2,657,000 (equivalent to approximately US$341,000), 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 approximately HK$15,477,000 (equivalent to approximately US$1,984,000) and approximately HK$2,658,000 (equivalent to approximately US$341,000) 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 Globe Outlets Town (Jilin) Limited ("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$12,466,000) 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.

Approximately HK$6,446,000 gain on the disposal of Chuang Yao was recognised for the six months ended 30 September 2012.

(b) As set out in the Company's announcement dated 25 June 2012, on 10 June 2011 and 16 June 2011, share transfer agreements were entered into between the independent third parties (the "Purchaser") and Richly Field Beijing, in respect of the disposal of the entire issued share capital of 銀川奧特萊斯世界名牌折扣城有限公司 (Yinchuan Outlets World Brand Discount City Company Limited*) ("Yinchuan Outlets"), at the consideration of RMB6,000,000 (equivalent to approximately HK$7,358,000). Details of the transaction were set out in the Company's announcement dated 25 June 2012. At the date of the disposal, Yinchuan Outlets had not engaged in any business activities.

HK$443,000 gain on the disposal of Yinchuan Outlets was recognised for the six months ended 30 September 2011.

8. Income Tax

No provision had been made for Hong Kong profits tax and PRC Enterprise income tax as the Group does not have any assessable profits arising in Hong Kong and the PRC respectively during the six months ended 30 September 2012 (six months ended 30 September 2011: Nil).

The Group and the Company had no significant deferred tax assets or liabilities as at 30 September 2012 (31 March 2012: Nil).

9. Loss per Share

The calculation of the basic loss per share is based on the net loss for the six months ended 30 September 2012 attributable to the equity holders of the Company of approximately HK$21,079,000 (six months ended 30 September 2011: HK$44,319,000) and the weighted average number of 8,880,874,303 ordinary shares in issue during the both periods.

Basic and diluted loss per share for the six months ended 30 September 2012 and six months ended 30 September 2011 have been presented as equal because the potential ordinary shares are anti-dilutive.

10. Interim Dividend

No payment of interim dividend was recommended for the six months ended 30 September 2012 (six months ended 30 September 2011: Nil).

11. Investment Properties

	30 September 2012 HK$'000 (unaudited)	31 March 2012 HK$'000 (audited)
At beginning of the period/year	**554,746**	396,165
Additions	**35,953**	138,864
Exchange adjustments	**358**	19,717
At end of the period/year	**591,057**	554,746
Land and properties located in the PRC:		
Medium-term lease	**591,057**	554,746

The Group's property development project in Changsha, the PRC (the "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 a rental purpose.

According to the Group's accounting policies, investment properties are stated at costs less accumulated depreciation and accumulated impairment losses, if any. No depreciation was provided for the six months ended 30 September 2012 and 2011 as the investment properties were still under the construction.

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 27 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 30 September 2012 was approximately RMB519,000,000 (equivalent to approximately HK$646,985,000). No impairment loss was provided for the six months ended 30 September 2012 and 2011.

12. Interests in Associates

	30 September 2012 HK$'000 (unaudited)	31 March 2012 HK$'000 (audited)
Cost of investment in associates, unlisted	**–**	–
Amounts due from associates *(Note (i))*	**186,623**	145,067
Share of post-acquisition losses and reserves	**(8,744)**	(8,319)
	177,879	136,748
Less: Amount due from an associate – current portion	**(99,910)**	(89,590)
	77,969	47,158
Less: Impairment loss	**(19,305)**	(13,524)
	58,664	33,634

Movement in impairment loss

	30 September 2012 HK$'000 (unaudited)	31 March 2012 HK$'000 (audited)
Balance at beginning of the period/year	**13,524**	445
Impairment loss for the period/year *(Note (ii))*	**5,781**	13,079
	19,305	13,524

Note (i):

As set out in Note 4(i)(a), Richly Field Beijing provided the Loan Facility to Qinhuandao Outlets during the six months ended 30 September 2012. Included in amounts due from associates, approximately RMB80,146,000 (equivalent to approximately HK$99,910,000) represents the outstanding amount of the Loan Facility as at 30 September 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$31,215,000, HK$31,227,000 and HK$23,429,000 advances made from the Company to Chuang Yao Holdings Limited ("Chuang Yao"), King Future Holdings Limited ("King Future") and Cosmos View Holdings Limited ("Cosmos View") respectively. The advances were made by the Company to Chuang Yao, King Future and Cosmos View when they were still the wholly-owned subsidiaries of the Company, and were used by Chuang Yao, 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 Jilin Outlets, Qinhuangdao Outlets and 江西奧特萊斯名牌折扣城有限公司 (Jiangxi Outlets Brand Discount City Company Limited). Chuang Yao, King Future, Cosmos View, and their respective subsidiaries became associates of the Company in July 2012, January 2012 and November 2010 respectively. The amounts due from the above associates are unsecured, interest-free and have no fixed terms of repayment.

Note (ii):

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$5,781,000 (six months ended 30 September 2011: HK$901,000) was provided for the six months ended 30 September 2012.

13. 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 the end of the reporting periods in respect of the residential portion of the Group's Changsha Project.

	30 September 2012 HK$'000 (unaudited)	31 March 2012 HK$'000 (audited)
At beginning of the period/year	**855,557**	641,865
Additions	**37,811**	181,903
Exchange adjustments	**551**	31,789
At end of the period/year	**893,919**	855,557
Land and properties located in the PRC:		
Long-term lease	**893,919**	855,557

14. Trade and Other Receivables

	30 September 2012	31 March 2012
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade receivables *(Note (i))*	**804**	804
Deposits paid	**871**	723
Tender guarantee for land bidding *(Note (ii))*	**–**	12,458
Prepayment	**1,010**	730
Other receivables *(Note (iii))*	**10,099**	42,265
	12,784	56,980

Note (i):

The balances of trade receivables as at 30 September 2012 and 31 March 2012 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):

As at 31 March 2012, an amount of HK$12,458,000 tender guarantee deposit for a land bidding (the "Deposit") represents a refundable preliminary tender guarantee deposit of RMB10,000,000 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 Jilin Outlets, a wholly owned subsidiary of the Company at that time, 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.

As set out in Note 7(i)(a), Jilin Outlets ceased to be a subsidiary of the Company but remained as an associate of the Company as at 30 September 2012.

Note (iii):

Other receivables mainly include the followings:

(a) HK$3,281,000 advances made to employees for business activities. The amounts are interest free, unsecured and repayable on demand; and

(b) HK$2,020,000 PRC value-added tax recoverable as at 30 September 2012.

15. Amounts due from Related Companies

	30 September 2012	31 March 2012
	HK$'000	*HK$'000*
	(unaudited)	*(audited)*
瓊海千禧投資有限公司 ("Qionghai Investment")	**–**	41,044
廣州奧特萊斯名牌折扣城有限公司 ("Guangzhou Outlets")	**–**	4,051
廣州海墨齋文化活動策劃有限公司 ("Haimozhai")	**485**	1,246
Gekko Japan Co., Limited ("Gekko")	**–**	981
	485	47,322

HK$485,000 amount due from Haimozhai represents the RMB388,900 financial guarantee fee payable by Haimozhai to the Group in relation to the financial guarantee as set out in Note 4(ii).

16. Trade and Other Payables

	30 September 2012	31 March 2012
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade payables *(Note (i))*	**20,063**	21,179
Accrued charges *(Note (ii))*	**81,115**	73,965
Deposit received *(Note (iii))*	**325,461**	301,426
Other payables *(Note (iv))*	**29,500**	28,731
	456,139	425,301

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 30 September 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$20,063,000 represents the amount payable by the Group to the subcontractor 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 reporting date, the ageing analysis of the trade payables was as follows:

	30 September 2012 ***HK$'000*** **(unaudited)**	31 March 2012 *HK$'000* (audited)
Current to 60 days	–	–
60-180 days	–	–
Over 180 days	**20,063**	21,179
	20,063	21,179

(ii) Accrued charges as at 30 September 2012 mainly represent accrued construction costs for the Changsha Project of approximately HK$73,495,000 (equivalent to approximately RMB58,956,000).

(iii) 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 Ecomomic Development Zone Construction and Development Company Limited*)), which is 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. The total estimated contract investment sum for the infrastructure construction work is approximately HK$313,488,000 (equivalent to approximately RMB251,474,000).

Included in the deposit received, approximately HK$271,759,000 (equivalent to RMB218,000,000) 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 30 September 2012, the deposit received was recognised as deposit received under trade and other payables as at 30 September 2012 and 31 March 2012. 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, HK$52,722,000 (equivalent to approximately RMB42,293,000) 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 30 September 2012.

(iv) Other payables as at 30 September 2012 mainly include the followings:

(a) approximately HK$3,241,000 (equivalent to RMB2,600,000) advance made by an individual, who is an independent third party of the Company and its connected persons, to a wholly-owned subsidiary of the Company;

(b) approximately HK$6,233,000 (equivalent to RMB5,000,000) 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;

(c) approximately HK$6,233,000 (equivalent to RMB5,000,000) advance made by a business customer, an independent third party of the Company and its connected persons, to Hunan Richly Field;

(d) approximately HK$2,493,000 (equivalent to RMB2,000,000) advance made by an individual, who is an independent third party of the Company and its connected persons, to a wholly-owned subsidiary of the Company; and

(e) approximately HK$5,984,000 (equivalent to RMB4,800,000) represents an advance made by a business partner, an independent third party of the Company and its connected persons, to Hunan Richly Field.

The above (a) to (c) advances are interest-free, unsecured and have no fixed terms of repayment.

The above (d) advance is unsecured, interest bearing at 30% per annum and repayable on or before 25 November 2012.

The above (e) advance is unsecured and interest bearing at prevailing lending rate of the PBOC. RMB3,300,000 shall be repayable on or before 27 August 2013 and the remaining RMB1,500,000 shall be repayable on or before 4 September 2013.

17. Bank Loan, Secured

	30 September 2012	31 March 2012
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Current bank loan – secured	**112,194**	87,206
Non-current bank loan – secured	**261,786**	286,534
	373,980	373,740
Repayable:		
Within one year or on demand	**112,194**	87,206
Over one year but within two years	**74,796**	99,664
Over two years but within five years	**186,990**	186,870
Total bank loan	**373,980**	373,740

As at 30 September 2012, the bank loan was secured by a subsidiary's land use rights and properties under development with a net carrying amount of approximately HK$675,635,000 (equivalent to approximately RMB541,798,000) (31 March 2012: approximately HK$638,112,000 (equivalent to approximately RMB512,029,000)). The bank loan bears interest at rates ranging from 7.04% to 7.59% per annum (six months ended 30 September 2011: 7.59% per annum), and does not contain a repayment on demand clause.

18. Event after the Reporting Period

As set out in Note 4(i)(a), 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 HK$102,649,000 (equivalent to approximately RMB82,343,000). At present, the Group is still in discussions with Qinhuangdao Outlets and Sky Speed Holdings Limited (being the controlling shareholder of Qinhuangdao Outlets) regarding the outstanding Loan Facility.

Save as disclosed above, there are no significant events subsequent to 30 September 2012.

EXTRACT OF INDEPENDENT REVIEW REPORT

"CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements does not present fairly, in all material respects, the financial position of the Group as at 30 September 2012, and of its financial performance and its cash flows for the six-month period then ended in accordance with HKAS 34.

EMPHASIS OF MATTER

Without qualifying our conclusion above, we draw attention to Note 2 to the interim financial report which indicates that the Group (i) incurred losses of approximately HK$27,749,000 for the six months ended 30 September 2012; and (ii) had an outstanding interest-bearing loan due to a bank in the amount of RMB300,000,000 (equivalent to approximately HK$373,980,000), among which, RMB70,000,000 (equivalent to HK$87,262,000) 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 30 September 2012.

As explained in Note 2 to the interim financial report, a new entrust loan of RMB250,000,000 (equivalent to approximately HK$311,650,000) was obtained by the Group in November 2012, and the condensed consolidated interim 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 condensed consolidated interim financial statements do not include any adjustments that would result from the failure to operate as a going concern."

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

During the Period, the property market of China continued to be under the influence of the national tightening measures of "purchase limit", "mortgage limit", "limit on pre-sale" policies, etc, and the property market as a whole remained in a downward trend. Nevertheless, Hunan Richly Field Outlets Real Estate Ltd., a non-wholly owned subsidiary of the Company, further improved the model rooms for the residential portion, the relevant infrastructure, greening and landscaping works, etc.. As of 30 September 2012, the Changsha Project had obtained the pre-sale permit for the total area of 60,782 sq.m., and the contracted-sale area amounted to 4,067 sq.m. for the residential portion. For the commercial portion, the interior and exterior decorations, car parking spaces and greening works were partially completed, and the marketing activities were progressing smoothly. Nike, as the first tenant in the Outlet Plaza opened its store in May 2012. By August 2012, some international boutique shops commenced business one by one. Recently, following the Adidas outlet's entry into the Plaza in December 2012, Nero Giardini, Japanese brands Gekko 8010 and other world-renowned brands also joined in and commenced sale. It was expected that in the next year, Pizza Hut, Starbucks, KFC automobile shuttle restaurant, "DICOS" Restaurant, NEW BALANCE, USPOLO outlet stores would be sequentially opened. In order to provide customers a more holistic shopping experience, the "Le Tian" international cinema, would also carry out its trial operation to match with the opening of renowned brand outlets stores in Outlet Plaza.

ASSOCIATES

Huailai Wineries

Huailai Dayi Wineries Company Limited ("Huailai Wineries") obtained state-owned land use rights with an area totaling 104,037.82m^2 located in Sangyuan Town, Huailai County of Hebei Province, the PRC during the year of 2012. 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 winebrewing 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. Electricity and water supply, leveling of road and site of display area and part of the greening and plantation in such display area were completed.

During the Period, the plan of the private wine estate project and the design of the showroom in the demonstration area were in progress, and the transformation works for barren hills and slopes, the grape planting, greening showroom works, etc. in the demonstration area were completed and well prepared for the construction works.

Qinhuangdao Outlets

Qinhuangdao Outlets Real Estate Company Limited ("Qinhuangdao Outlets") successfully obtained state-owned construction land use rights in an area of 1,077 mu during the first quarter of 2012. The 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 was 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. The planning and design for the project are underway.

During the Period, the concept of the planning and design adjustments of Qinhuangdao Outlets was being jointly reviewed by the Qinhuangdao City Planning Commission and the Urban and Rural Planning Bureau of Qinhuangdao City. At the same time, fence construction, and surveying and mapping work were completed.

DISPOSAL OF PART OF THE EQUITY INTEREST IN JILIN OUTLETS

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 at that time, 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 approximately HK$15,476,000 (equivalent to approximately US$1,984,000), representing approximately 49.5% of the shareholder loans, and approximately HK$2,657,000 (equivalent to approximately US$341,000), 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 approximately HK$15,477,000 (equivalent to approximately US$1,984,000) and approximately HK$2,658,000 (equivalent to approximately US$341,000) 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 Globe Outlets Town (Jilin) Limited ("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. Approximately HK$6,446,000 gain on disposal of Chuang Yao was recognised for the six months ended 30 September 2012.

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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

GOING CONCERN BASIS

During the Period, the Group incurred losses of approximately HK$27,749,000. 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$373,980,000), among which, RMB70,000,000 (equivalent to HK$87,262,000) 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 inatotal amount of RMB320,000,000 (equivalent to approximately HK$398,912,000) (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$87,262,000) 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 provided 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 30 September 2012.

FINANCIAL REVIEW

Results

Turnover for the six months ended 30 September 2012 amounted to HK$115,000 and the corresponding period last year was HK$ Nil. Loss attributable to equity holders for the Period was approximately HK$21,079,000 compared with a loss approximately of HK$44,319,000 for the corresponding period last year. Loss per share for the Period was HK$0.24 cents compared with a loss per share of HK$0.5 cents for the corresponding period last year.

Liquidity and Capital Resources

As at 30 September 2012, the Group's net assets amounted to approximately HK$832,602,000 as compared with net assets amounted to approximately HK$859,588,000 at 31 March 2012. As at 30 September 2012, the Group has net current assets of approximately HK$439,932,000 including cash and cash equivalents of approximately HK$9,581,000 as compared with net current assets of approximately HK$552,116,000 including cash and cash equivalents of approximately HK$29,452,000 at 31 March 2012. The Group's gearing ratio measured on the basis of the Group's total bank borrowings over total equity as at 30 September 2012 was 44.92% (31 March 2012: 43.48%).

The Group has no significant exposure to foreign exchange 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 loans from financial institutions.

Commitments

Operating lease commitments

At the end of the reporting period, the total future minimum lease payments under non-cancelable operating leases in respect of premises are analysed as follows:

	30 September 2012	31 March 2012
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Within one year	**1,221**	2,332
After one year but within five years	**–**	–
	1,221	2,332

Leases are negotiated for one to two years and the rentals are fixed during the relevant lease periods.

Capital commitments

At 30 September 2012 and 31 March 2012, the Group had property development expenditure contracted but not yet incurred and provided for in the amount of HK$147,735,000 and HK$215,766,000 respectively.

Contingent Liabilities

In 2011 and 2012, the Group entered into a number of lease agreements (the "Tenancy Agreements") and joint operations agreements (the "Cooperation Agreements") with its tenants in relation to the lease/and jointly operating of the shops developed under the Changsha Project. As the construction of Changsha Project was behind the original schedule. During the Period, 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 date of this announcement, 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 30 September 2012 and 31 March 2012.

Employees

As at 30 September 2012, the Group employed 243 (31 March 2012: 230) employees (excluding Directors). The Group remunerates its employees based on their performance, working experience and prevailing market standards. Employee benefits include insurance coverage, provident fund and share options.

Total staff costs (including director's remuneration) for the Period amounted to HK$18,073,000 (six months ended 30 Setpember 2011: HK$19,304,000).

PROSPECTS AND OUTLOOK

During the Period, compared with the same period last year, individual indicators for the growth rate of real estate investment, new construction and land market broke the record low in recent years. The loan to deposit ratio decreased twice by the Peoples' Bank of China in the first half year of 2012, the interest rate adjusted downward twice within a month, and the loan interest rate for five-year or more personal housing accumulation fund adjusted downward by 0.2%. The Ministry of Land and Resources of PRC and the National Development and Reform Commission, jointly issued the Notice "Restrict Land Use Project Directory (2012 edition)", specifically stipulated that the plot ratio for residential project shall not be less than 1.0. With the China's macro-policies and relevant fine-turning measures underway, the turnover of the property market was slowly recovering. The trend of property sales improved and showed signs of turning upwards after a slight cut of interest rates. The Group will pay close attention to the changes in property market, in order to seize an opportunity and meet the challenges to get into suburban development projects in the second and third tier cities.

The Group was in the process of developing the Changsha Project, and intended to open the north area of the commercial portion completely as soon as possible and highlight the overall value of the commercial products being the landmark of the commercial body in Changsha Hexi. The Group also planned to start the construction work of the new phrase of residential portion to enrich the product lines. Regarding the property pricing, the penetration pricing policy would increase the price by 10%-15% comparing with the existing pricing. Whilst the previous residential owners could enjoy the benefits of appreciation in properties value, the Changsha Project would be planned and designed as regional iconic estate, creating the greatest long term and stable value for shareholders of the Company.

INTERIM DIVIDEND

The Board does not recommend any interim dividend for the Period (six months ended 30 September 2011: Nil).

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

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

Throughout the Period, the Board confirms that the Company was in compliance with 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 the Company's announcements dated 25 June 2012, 10 August 2012 and 6 March 2013, the transactions contemplated under the relevant agreements/contracts 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 was 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 entering into of each of these transactions was fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In light of these transactions, 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.

The positions of Chairman of the Board and Chief Executive Officer ("CEO") of the Company are both currently carried on by the same person. Given the composition of the Board that comprises of three independent non-executive directors and two non-executive directors offering their experience, expertise, independent advice and views from different perspectives, the Board considers that this structure does not undermine the balance of power and authority between the Board and the management. The Board believes that having the same person performing the roles of both Chairman and CEO does provide the Group with strong and effective leadership and allows for more efficient strategic planning process to the Group.

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 than that in the CG Code.

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 procedure documenting the delegation of authorities by 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.

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 13.46(2) of the Listing Rules, the Company is required to dispatch to every Shareholders and other holder of its listed securities its annual report for the year ended 31 March 2012 (the "2012 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 13.49(6) of the Listing Rules, the Company is required to publish its preliminary results in respect of the first six months ended 30 September 2012 (the "2012/2013 Interim Results") no later than two months after the end of six months ended 30 September 2012, i.e. 30 November 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 for the six months ended 30 September 2012 (the "2012/2013 Interim Report") not more than three months after the end of the six months ended 30 September 2012, 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 2012 Annual Results and to dispatch 2012 Annual Report within the prescribed time limit set out in the relevant Listing Rules. Due to the delay in publication of 2012 Annual Results, the publication of 2012/2013 Interim Results and the despatch of 2012/2013 Interim Report are also 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.

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 the Directors have complied with the Model Code throughout the Period.

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

During the Period, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

REVIEW OF INTERIM RESULTS

The unaudited interim results for the Period have been reviewed by the auditor of the Company in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

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 comprises three independent non-executive directors, namely, Mr. Yiu Fai Ming (Chairman), Mr. Hou Rong Ming and Mr. Lin Qi. 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.

The consolidated interim financial information of the Group for the Period 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.

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).

CONTINUE SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect from 3:10 p.m. on 24 April 2012.

As set out in the Company's announcement dated 6 March 2013, 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 of the Company on the Stock Exchange will continue to be suspended, and further announcement(s) will be made by the Company as and when appropriate.

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

Hong Kong, 28 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*