RICHLY FIELD

RICHLY FIELD CHINA DEVELOPMENT LIMITED

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

(Stock Code: 313)

FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2014

The board (the "Board") of directors (the "Directors") of Richly Field China Development Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2014 (the "Year") together with comparative figures for the year ended 31 March 2013 (the "Corresponding Year") and selected explanatory notes as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2014

	Notes	**2014** *HK$'000*	2013 *HK$'000*
REVENUE	*4*	**157,667**	27,943
Cost of sales		**(161,776)**	(31,309)
Gross loss		**(4,109)**	(3,366)
Impairment losses of amounts due from associates		**(370)**	(3,863)
Gain on disposal of subsidiaries	*4*	**–**	6,446
Other income and gains	*4*	**11,867**	12,498
Selling expenses		**(27,389)**	(5,619)
Administrative expenses		**(129,755)**	(92,455)
Finance costs	*5*	**(40,473)**	(22,406)
Share of losses of associates		**(9,419)**	(2,730)
LOSS BEFORE TAX	*6*	**(199,648)**	(111,495)
Income tax credit	*7*	**–**	9,437
LOSS FOR THE YEAR		**(199,648)**	(102,058)

	Notes	**2014** **HK$'000**	2013 HK$'000
Attributable to:			
Owners of the Company	*8*	**(199,648)**	(96,901)
Non-controlling interests		**–**	(5,157)
		(199,648)	(102,058)
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**5,113**	(4,076)
Release of exchange translation reserve upon disposal of subsidiaries		**–**	(1,245)
Share of other comprehensive income of associates		**1,417**	1,471
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**6,530**	(3,850)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(193,118)**	(105,908)
Attributable to:			
Owners of the Company		**(193,118)**	(100,891)
Non-controlling interests		**–**	(5,017)
		(193,118)	(105,908)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*8*		
Basic		**HK(2.25) cents**	HK(1.09) cents
Diluted		**HK(2.25) cents**	HK(1.09) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2014

	Notes	2014 HK$'000	2013 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**4,383**	4,997
Investment properties		**491,027**	389,108
Prepaid land lease payments		**588,754**	592,352
Investments in associates		**31,737**	50,905
Total non-current assets		**1,115,901**	1,037,362
CURRENT ASSETS			
Properties under development		**885,451**	657,389
Inventories	9	**5,510**	8,103
Prepayments, deposits and other receivables		**27,769**	26,299
Loan to an associate		**122,943**	103,893
Cash and cash equivalents		**270,533**	50,301
Total current assets		**1,312,206**	845,985
CURRENT LIABILITIES			
Trade payables	10	**257,969**	145,584
Amount due to a contract customer		**–**	131,590
Receipts in advance, other payables and accruals		**335,496**	175,467
Due to a related company		**19,107**	–
Interest-bearing bank and other borrowings	11	**198,986**	105,712
Provision		**1,691**	855
Tax payable		**9,302**	7,687
Total current liabilities		**822,551**	566,895
NET CURRENT ASSETS		**489,655**	279,090
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,605,556**	1,316,452
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	11	**1,324,945**	846,525
Net assets		**280,611**	469,927
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**445,748**	444,044
(Deficit)/Reserves		**(165,137)**	25,883
Total equity		**280,611**	469,927

1. BASIS OF PREPARATION, PRESENTATION AND CONSOLIDATION

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

As at 31 March 2014, the Group had cash and bank balances of HK$270,533,000 and aggregate outstanding interest-bearing bank and other borrowings of HK$1,523,931,000 together with aggregate payables of HK$381,064,000. The Group recorded a consolidated loss of HK$199,648,000 (2013: HK$102,058,000) for the year ended 31 March 2014. The directors of the Company have taken steps to improve the Group's liquidity and solvency position. Based on management estimation of the future cash flows of the Group, after taking into account (i) the additional banking facilities of RMB300 million obtained during the year ended 31 March 2014; (ii) the additional other loan facility of RMB300 million obtained subsequent to 31 March 2014; (iii) a projection of the future sales of residential properties; and (iv) the expected ability and successfully refinance interest-bearing bank and other borrowings when falling due, if necessary, the directors are of the opinion that the Group will be able to generate sufficient funds to meet its financial obligations when they fall due in the foreseeable future. Accordingly, the consolidated financial statements of the Group have been prepared on a going concern basis.

The validity of the going concern assumption on which the consolidated financial statements are prepared is dependent on the successful and favourable outcomes of the steps being taken by the directors as described above.

Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised at the amounts other than which they are currently recorded in the consolidated statement of financial position. In addition, the Group may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 March 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity, and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Operating cycle

The operating cycle of the Group for the property development business is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Due to the nature of such business, the normal operating cycle is longer than 12 months. The Group's current assets include assets (such as properties under development) which are sold, consumed or realised as part of the normal operating cycle for the property development business even when they are not expected to be realised within 12 months after the end of the reporting period.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – *Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

Other than as further explained below regarding the impact of HKFRS 12 and HKFRS 13, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

HKFRS 12 sets out the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities previously included in HKAS 27 *Consolidated and Separate Financial Statements*, HKAS 31 *Interests in Joint Ventures* and HKAS 28 *Investments in Associates*. It also introduces a number of new disclosure requirements for these entities.

HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but rather provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. HKFRS 13 is applied prospectively and the adoption has had no material impact on the Group's fair value measurements. As a result of the guidance in HKFRS 13, the policies for measuring fair value have been amended.

2.1 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 9	*Financial Instruments*[3]
HKFRS 9, HKFRS 7 and HKAS 39 Amendments	*Hedge Accounting and amendments to HKFRS 9, HKFRS 7 and HKAS 39*[3]
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – *Investment Entities*[1]
HKFRS 11 Amendments	*Accounting for Acquisitions of Interests in Joint Operation*[4]
HKFRS 14	*Regulatory Deferral Accounts*[4]
HKAS 16 and HKAS 38 Amendments	*Clarification of Acceptable Methods of Depreciation and Amortisation*[4]
HKAS 19 Amendments	*Amendments to HKAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions*[2]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*[1]
HKAS 36 Amendments	Amendments to HKAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*[1]
HKAS 39 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*[1]
HK(IFRIC)-Int 21	*Levies*[1]
Annual Improvements 2010-2012 Cycle	Amendments to a number of HKFRSs issued in January 2014[2]
Annual Improvements 2011-2013 Cycle	Amendments to a number of HKFRSs issued in January 2014[2]

1 Effective for annual periods beginning on or after 1 January 2014
2 Effective for annual periods beginning on or after 1 July 2014
3 No mandatory effective date yet determined but is available for adoption
4 Effective for annual periods beginning on or after 1 January 2016

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on the Group's results of operations and financial position.

3. OPERATING SEGMENT INFORMATION

Over 90% of the Group's revenue, expenses and assets are generated from the Group's property development project in Changsha, Hunan Province, the People's Republic of China (the "PRC") (the "Changsha Project"). The management of the Group makes decisions about resources allocation and assesses performance of the Group based on the operating results from and financial position of these business activities. Accordingly, the directors are of the opinion that the Changsha Project in the Mainland China is a single reportable operating segment of the Group.

The Group's revenue from external customers is derived solely from its operations in the Mainland China, and all non-current assets (other than financial assets) of the Group are located in the Mainland China.

During the year, the Group had transactions with a single external customer (2013: one) which contributed over 81% (2013: 98%) to the Group's total revenue. The revenue generated from the rendering of construction service to this customer for the year amounted to HK$127,111,000 (2013: HK$27,414,000).

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents an appropriate proportion of contract revenue from a construction contract; gross proceeds from the sale of properties, net of business tax and other sales related taxes from the sale of properties; the net invoiced value of goods sold, after allowances for returns and trade discounts; and gross rental income received and receivable from investment properties during the year.

An analysis of Group's revenue, other income and gains is as follows:

	Note	**2014** **HK$'000**	2013 *HK$'000*
Revenue			
Construction revenue	*(a)*	**127,111**	27,414
Sales of properties		**28,433**	–
Sale of fashion wears and accessories		**2,055**	518
Gross rental income		**68**	11
		157,667	27,943

	Notes	**2014** **HK$'000**	2013 *HK$'000*
Other income and gains			
Bank interest income		**881**	290
Other interest income	*(b),(c),(d)*	**10,425**	10,812
Exchange gains, net		**396**	465
Financial guarantee fee income		**–**	740
Others		**165**	191
		11,867	12,498
Gain on disposal of subsidiaries		**–**	6,446

Notes:

(a) On 18 March 2010, Hunan Richly Field Outlets Real Estate Limited* (湖南裕田奧特萊斯置業有限公司) ("Hunan Richly Field"), a wholly-owned subsidiary of the Company, and Wangcheng Economic Development Zone Construction and Development Company Limited* (望城經開區建設開發公司) (previously known as Wangcheng Development and Construction Investment Company Limited* (望城縣開發建設投資總公司)) ("Wangcheng Investment"), a state-owned entity, entered into a construction contract (the "Construction Contract"), pursuant to which Wangcheng Investment appointed Hunan Richly Field, as the primary constructor, to provide construction services for some of the infrastructures and supporting facilities surrounding the Changsha Project, which mainly include municipal power facilities project, earth project, drainage and sewer project and gardens landscape project at a cash consideration of RMB251,474,000 (equivalent to HK$310,797,000). During the year ended 31 March 2014, the Group recognised construction revenue of HK$127,111,000 (2013: HK$27,414,000) in the consolidated statement of profit or loss and other comprehensive income during the year ended 31 March 2014.

(b) During the year ended 31 March 2014, the Group recognised interest income of HK$10,425,000 (2013: HK$10,277,000) in respect of a loan to Qinhuangdao Outlets, an associate of the Company. Further details of the transaction are set out in the Company's announcement dated 6 January 2012.

(c) During the year ended 31 March 2013, the Group recognised interest income from a deposit placed with Qionghai Millennium Investment Co., Ltd* (瓊海千禧投資有限公司) ("Qionghai Investment"), a company owned as to 54.3% by Mr. Leung Ho Hing ("Mr. Leung") (a former substantial shareholder of the Company), of HK$379,000. Further details of this transaction are set out in the Company's announcement dated 6 March 2013.

(d) During the year ended 31 March 2013, the Group recognised interest income from deposits placed with Guangdong Yangjiang Construction Group Company Limited* (廣東省陽江市建安集團有限公司) ("Yangjiang") and Guangzhou Haizhu Payi Decoration Design Services Department* (廣州市海珠帕藝裝飾設計服務部) ("Payi"), both independent external parties, of HK$4,000 and HK$152,000, respectively.

* For identification purposes only

5. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	2014	2013
	HK$'000	*HK$'000*
Interest on bank and other loans wholly repayable within five years	**153,560**	66,663
Less: Interest capitalised	**(113,087)**	(44,257)
	40,473	22,406

The capitalisation rates used to determine the amount of borrowing costs eligible for capitalisation for the years ended 31 March 2014 and 2013 were 11.75% and 3.87%, respectively.

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2014	2013
	HK$'000	*HK$'000*
Cost of goods sold#	**19,316**	1,998
Cost of services provided#	**132,920**	18,539
Depreciation of property, plant and equipment	**2,425**	2,101
Depreciation of investment properties#	**7,117**	3,914
Provision for compensation	**884**	530
Write-down of inventories to net realisable value#	**2,423**	6,858
Amortisation of prepaid land lease payments	**10,380**	11,851
Less: amount capitalised	**(4,435)**	(5,853)
	5,945	5,998
Auditors' remuneration	**2,353**	1,500
Minimum lease payments under operating leases in respect of land and buildings and lease properties	**3,045**	4,105
Employee benefit expense (including directors' remuneration):		
Wages and salaries	**32,283**	31,892
Equity-settled share option expense	**802**	1,571
Pension scheme contributions	**2,058**	2,415
	35,143	35,878

This amount is included in "Cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

7. INCOME TAX CREDIT

For the Group's subsidiaries established in the PRC, PRC enterprise income tax is calculated at the rate of 25% (2013: 25%).

No provision for Hong Kong profits tax has been made for the year ended 31 March 2014 as the Group did not generate any assessable profits arising in Hong Kong during the year (2013: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	2014	2013
	HK$'000	*HK$'000*
Current – Mainland China		
Overprovision in prior years	**–**	9,437
Total tax credit for the year	**–**	9,437

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 March 2014 and 2013 in respect of a dilution as the share options outstanding had no dilutive effect on the basic loss per share amounts presented.

The calculation of basic loss per share is based on:

	2014	2013
	HK$'000	*HK$'000*
Loss		
Loss attributable to ordinary equity holders of the Company, used in the basic loss per share calculation	**(199,648)**	(96,901)

	Number of shares	
	2014	2013
Shares		
Weighted average number of ordinary shares in issue during the year, used in the basic loss per share calculation	**8,889,933,837**	8,880,874,303

9. INVENTORIES

	2014	2013
	HK$'000	*HK$'000*
Finished goods – fashion wears and accessories	**5,510**	8,103

10. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2014	2013
	HK$'000	*HK$'000*
Within one year	**177,179**	78,729
One to two years	**60,496**	66,855
Over two years	**20,294**	–
	257,969	145,584

The trade payables are non-interest-bearing and repayable within the normal operating cycle.

11. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2014			2013		
	Contractual interest rate	**Maturity**	***HK$'000***	Contractual interest rate	Maturity	*HK$'000*
Current						
Bank loans – secured	**7.0%-12.0%**	**2015**	**195,455**	6.4%	2014	99,728
Other loans – unsecured	**6.1%**	**2015**	**3,531**	6.1% – 17.6%	2014	5,984
			198,986			105,712
Non-current						
Bank loans – secured	**6.8%-12.0%**	**2016-2017**	**1,324,945**	6.4%	2015 – 2016	186,990
Other loans – secured			**–**	16.1%	2015	659,535
			1,324,945			846,525
			1,523,931			952,237
Analysed into:						
Bank loans repayable:						
Within one year			**195,455**			99,728
In the second year			**316,145**			124,660
In the third to fifth years, inclusive			**1,008,800**			62,330
			1,520,400			286,718
Other loans repayable:						
Within one year			**3,531**			5,984
In the second year			**–**			659,535
			3,531			665,519
			1,523,931			952,237

Note:

(a) The Group's overdraft facilities amounting to RMB295.0 million (HK$378.0 million) (2013: Nil), of which RMB5.0 million (HK$6.3 million) (2013: Nil) had been utilised as at the end of the reporting period, are secured by the pledge of certain of the Group's investment properties, prepaid land lease payments and properties under development.

(b) Certain bank loans of the Group are secured by certain assets of the Group with net carrying amounts as listed below:

	2014	2013
	HK$'000	*HK$'000*
Investment properties	**117,361**	225,455
Prepaid land lease payments	**324,586**	217,590
Properties under development	**73,597**	172,576

(c) The loans are guaranteed by Leung Ho Hing ("Mr. Leung"), a former substantial shareholder and now an independent third party. In connection thereto, the Company provided a counter-guarantee to Mr. Leung.

(d) All of the Group's bank and other loans are denominated in RMB.

EVENT AFTER THE REPORTING PERIOD

On 22 April 2014, the Company, Rueyuan Holding Company Limited ("Rueyuan") and Ever Dynamic Limited ("Ever Dynamic") entered into a sale and purchase agreement, pursuant to which the Company conditionally agreed to acquire and Rueyuan and Ever Dynamic conditionally agreed to sell an aggregate of 60% issued share capital of King Future Limited ("King Future") at a total cash consideration of RMB20,000,000 (equivalent to approximately HK$24,900,000) (the "Acquisition"). In addition, on the same date, Qinhuangdao Outlets Real Estate Company Limited ("Qinhuangdao Outlets"), a wholly owned subsidiary of King Future, Beijing Shangboya Investment Consulting Company Limited ("Beijing Shangboya") and Richly Field (Beijing) Investment Consulting Co., Ltd ("Richly Field BJ"), a wholly owned subsidiary of the Group, entered into a debt assignment agreement, pursuant to which, subject to completion of the Acquisition, Beijing Shangboya agreed to assign the debt (including the principal amount of RMB101,000,000 (equivalent to approximately HK$127,251,000) and the accrued interest at an annual interest rate of 20% on the outstanding principal amount until the completion date of the Acquisition) (the "Debt") to Richly Field BJ. The consideration for the assignment of the Debt shall be payable by Richly Field BJ to Beijing Shangboya in cash equivalent to the Debt on the completion date of the Acquisition.

After completion of the Acquisition, which is subject to, among others, obtaining approval from the Company's shareholders, Qinhuangdao Outlets will become an indirect wholly-owned subsidiary of the Company.

Details of the Acquisition and assignment of the Debt were set out in the Company's circular dated 24 June 2014.

EXTRACT FROM INDEPENDENT AUDITORS' REPORT

The auditor's opinion on the Group's financial statements for the year ended 31 March 2014 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 2014, 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 Hong Kong Companies Ordinance.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to note 2 to the consolidated financial statements which indicates that as of 31 March 2014, the Group had cash and bank balances of HK$270,533,000 and aggregate outstanding interest-bearing bank and other borrowings of HK$1,523,931,000 together with aggregate payables of HK$381,064,000. These conditions, along with other matters as set forth in note 2 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's and Company's ability to continue as a going concern.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in property development, property management, building construction and maintenance and trading of fashion wears and accessories.

During the Year, the Group's sales of the properties, infrastructure construction work, project construction work, commercial leasing, etc. recorded significant growth and made encouraging progress as compared with the Corresponding Year. Thanks to the delivery of the first batch of shop premises and the successful completion of infrastructure work of the outlet property development project in Changsha, Hunan Province in the PRC owned by Hunan Richly Field Outlets Real Estate Limited* (湖南裕田奧特萊斯置業有限公司) ("Hunan Richly Field") (the "Changsha Outlets Project"), the Group recorded a total revenue of approximately HK$157.7 million for the Year, an increase of approximately over 5 times over the Corresponding Year. During the Year, the first batch of shop premises of Outlets Plaza of Changsha Outlets Project was delivered to the clients, which generated income from property sales in the amount of approximately HK$28.4 million and gross profit of approximately HK$10.0 million. The infrastructure construction work within the project district has been fully completed during the Year, which generated construction income of approximately HK$127.1 million, representing an increase of approximately 464% as compared with the Corresponding Year.

The small low-rise building district of Residential Phase 2 has commenced construction during the Year, which is expected to replenish the sales supply of the Group in the fourth quarter of 2014, while the high-rise building district of Residential Phase 2 will commence its construction work in due course of the second half of 2014 depending on the progress of sales. The commencement of the construction work for Residential Phase 2 of the Changsha Outlets Project will continuously replenish and enrich the supply of residential properties for the Group.

Regarding financing aspect, a domestic entrust bank granted Hunan Richly Field entrusted loans in the total amount of RMB1.2 billion (equivalent to approximately HK$1.51 billion), which provided funding for the further progress in construction work and investment invitation activities of the Changsha Outlets Project.

For the commercial portion of the Changsha Outlets Project, the Group focused on invitation for investment and marketing activities during the Year, raising the brand awareness of "Richly Field Town" through successively holding special concerts, model contests and other promotional activities. The frequency and coverage of advertising also substantially increased. For investment invitation, Le Tian International Cinema, the largest cinema in Changsha, has commenced trial operation during the Year, and will be officially open for business by the end of August 2014. A number of fashion costume brands have also commenced business during the Year. As at the date of this announcement, invitations for around one hundred merchants have been completed, including men and women's costume brands, boxes, bags and accessories, household and living experience houses, amusement park for kids and popular shoes and bags shops. As at May 2014, over 30,000 square meters. of the commercial portion has been leased out, and it is expected that the Outlet Plaza of Changsha Outlets Project will fully commence its business in October 2014.

In addition to the Changsha Outlets Project, the Company, through its associate, has investments in property development projects in other cities in the PRC, which include Qinhuangdao and Huailai in Hebei Province and Changchun in Jilin Province in the PRC. During the Year, these projects also made certain progress.

Qinhuangdao Outlets, a 40%-owned associate of the Company, has obtained state-owned construction land use rights for an area of 1,077 mu at the Golden Coast of Changli County in Qinhuangdao of Hebei Province, where outlets property development project (the "Qinhuangdao Outlets Project") is to be constructed. This project is positioning as an outlets-centered, leisure holiday property complex consisting of holiday apartment, hotel apartment and aging-care apartment. During the Year, its preliminary stage of construction of the Qinhuangdao Outlets Project continued, including backfill work and fencing construction work. As at 31 March 2014, the whole fencing and part of the backfill works for the land parcels have been completed, which basically met the land use requirement for Phase 1 construction. Meanwhile, Qinhuangdao Outlets is proactively fulfilling the preliminary work of application for land use and construction licenses and permits, including application for permit for the general project plan and design, so as to be prepared for the commencement of Phase 1 of the Qinhuangdao Outlets Project.

Huailai Dayi Wineries Company Limited* (懷來大一葡萄酒莊園有限公司) ("Huailai Wineries"), a 50%-owned associate of the Company, obtained state-owned construction land use rights certificate for land parcel with an area of 104,037 square meters located in Sangyuan Town, Huailai County, Hebei Province, the PRC during the year of 2012. The parcel of land together with another parcel of land obtained via a lease by Huailai Wineries were under unified planning. 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 to fulfill the business, social, as well as traveling and leisure needs of upmarket inhabitants in the greater Beijing region. In order to launch the project more effectively, Huailai Wineries intends to launch a display area for concept promotion. Electricity and water supply, leveling of road and site of the display area and part of the greening and plantation in such display area were completed. During the Year, for the preparation of construction works, the Group devoted efforts and resources in the planning of the private wine estate project and the design of the showroom as well as the transformation works for barren hills and slopes, the grape planting, greening showroom works, etc. in the display area.

As at the end of March 2014, Globe Outlet Town (Jilin) Limited ("Jilin Outlets"), a 42%-owned associate of the Company, has paid a deposit in the total amount of RMB110,000,000 to the Shuangyang District Government of Changchun, Jilin Province in the PRC ("Shuangyang District Government") in relation to a proposed bidding of certain land parcels. As at the date of this announcement, it has paid another deposit of RMB35,000,000 to the Shuangyang District Government. It is expected that Shuangyang District Government will grant approximately 462 mu (equivalent to approximately 308,000 sq.m.) of state-owned construction land use rights in accordance with relevant PRC legal procedures in the third quarter of 2014.

FINANCIAL REVIEW

During the Year, the Group recorded a total revenue of approximately HK$157,667,000 as compared with approximately HK$27,943,000 in the Corresponding Year. As set out in Note 4 to the consolidated financial statements, the revenue of the Year was mainly attributable to the construction revenue of approximately HK$127,111,000 relating to the provision of construction services for the infrastructure and supporting facilities surrounding the Changsha Outlets Project. In addition, the Group recorded a revenue from the sales of the properties of the Changsha Outlets Project in the amount of approximately HK$28,433,000 compared with nil for the Corresponding Year. Sale of the fashion wears and accessories also recorded revenue in the amount of approximately HK$2,055,000 for the Year compared with approximately HK$518,000 for the Corresponding Year. During the Year, the Group also started to generate rental income of approximately HK$68,000 from the leasing of the Outlet Plaza of the Changsha Outlets Project.

The loss attributable to equity holders amounted to approximately HK$199,648,000 as compared with approximately HK$96,901,000 in the Corresponding Year. The loss per share for the Year was approximately HK$2.25 cents as compared with approximately HK$1.09 cents for the Corresponding Year.

SIGNIFICANT INVESTMENTS

The Group did not have any significant investments during the Year.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The Group had no material acquisitions or disposals of subsidiaries and associate companies during the Year.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group mainly finances its business operations with its internal resources and loan facilities from banks and financial institutions.

As at 31 March 2014, the Group had cash and bank balance of approximately HK$270.5 million (2013: HK$50.3 million). The Group's current ratio (measured as total current assets to total current liabilities) was 1.60 times (2013: 1.49 times). The increase in the current ratio was mainly due to the increase in property under development and cash and cash equivalents.

As at 31 March 2014, the secured and un-secured interest-bearing bank and other borrowings of the Group amounted to approximately HK$1,520 million (2013: HK$946 million) and HK$4 million (2013: HK$6 million), respectively. The gearing ratio, which is calculated as a percentage of total interest bearing borrowings to total equity, was 543% (2013: 203%). The increase in the gearing ratio was mainly due to the significant increase in interest-bearing bank and other borrowings.

PLEDGE OF ASSETS

As at 31 March 2014, property interest held by the Group with net carrying amount of approximately HK$515,544,000 (2013: HK$615,621,000) were pledged to a PRC bank and a financial institution for the Group's borrowings. In addition, as at 31 March 2014, a loan from a financial institution was secured by the Group's entire equity interest in Hunan Richly Field.

FOREIGN EXCHANGE EXPOSURES

As the Group's bank or financial institution borrowings, cash and cash equivalents, accruals, trade receivables and trade payables were mainly denominated in Renminbi, the Group had not significant exposure to foreign currency fluctuation.

COMMITMENTS

As at 31 March 2014, the Group, as lessee, had total future minimum lease payments under non-cancellable operating leases amounting to approximately HK$26,000 (2013: HK$2.1 million).

As at 31 March 2014, the Group had capital commitments contracted, but not provided for and authorised, but not contracted for in respect of property development expenditures of HK$142.1 million (2013: HK$75.9 million) and HK$2,803.0 million (2013: HK$3,115.6 million).

CONTINGENT LIABILITIES

(a) Other than the provision, the Group may be subject to claims for compensation for failure to deliver the shop premises of the Changsha Outlets Project and a provision of HK$884,000 (2013: HK$530,000) was recognised in this respect as at 31 March 2014. While claims for compensation for some of the tenants were based on parameters which cannot be ascertained at this stage (e.g., monthly contingent rental charges over the tenants, which are based on certain percentages of the monthly turnover of the individual outlet shops), no reliable estimation can be made on the amount of the potential compensation payable for these tenants as at 31 March 2014. No claim for compensation has been lodged against the Group up to the date of the financial statements.

(b) The Company has entered into two State-owned Construction Land Use Rights Sale Contracts (the "Land Use Rights Sale Contracts") with the Wangcheng Land Bureau in relation to the acquisitions of the land with site areas of 406,887 square metres and 651,666 square metres (the "Land") on 28 October 2009 and 19 January 2010, respectively.

    Pursuant to the Land Use Rights Sale Contracts, the construction works for the Land (the "Changsha Outlets Projects") shall be completed on or before 20 August 2012 and 31 December 2012, respectively and subject to a daily penalty of 0.1%, payable to the Wangcheng Land Bureau, calculated based on the purchase consideration of the Land in respect of delay in completion of the construction (the "Penalty").

On 15 March 2014, the Company agreed with Hunan Wangcheng Economic Development Zone Management Committee (湖南望城經濟開發區管委會) and Changsha Municipal Land and Resources Economic Development Zone of Wangcheng Bureau Land and Resources Centre (長沙市望城區國土資源局經開區國土資源中心所) (collectively referred to the "relevant PRC authorities"), which are responsible for supervision of the Changsha Outlets Projects and supervision of the Land, respectively, that the relevant PRC authorities agreed with the Company that, if the occupancy rate of Phase I of Changsha Outlets Projects reached 75% by the end of June 2014 and the construction of Phase II of Changsha Outlets Projects has commenced by the end of December 2014, the relevant PRC authorities shall not request the Company to pay the Penalty.

As of 31 March 2014, as the aforesaid conditions were not met. However, the directors are confident that they can meet the aforesaid conditions and the Penalty will not be payable as the Group has not been informed or received any notice regarding the Penalty. Subsequent to the reporting date, as of the date of this report, the Group consider that all of the aforesaid conditions were met. The management will continue the communication with the relevant PRC authorities to report on the Group's current situation. Apart from the aforesaid, with respect to this matter, the directors are not aware of any other penalties which would require a provision or disclosure as contingent liabilities at the reporting date.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2014, the Group employed a total of 246 employees (excluding Directors), as compared with 274 employees (excluding directors) as at 31 March 2013. The Group remunerates its employees based on their performance, working experience and prevailing market parameters. Employee benefits include medical insurance coverage, provident fund and share options.

PROSPECT AND OUTLOOK

The repeated stress by the central government on the promotion of the urbanisation provides an opportunity for the development of commercial complexes and supporting facilities outside the main district. The Group will seize this opportunity to speed up the development and construction of "Commerce + Residence" and "Commerce + Tourism" and other new models of residential cum industrial projects.

On one hand, the Group will accelerate the construction and sales of existing projects and enhances the efficiency of project development; meanwhile, the Group will develop the projects independently after obtaining control over the projects held by the associates through the acquisition of its equity interest. As set out in the Company's announcement dated 23 April 2014 and circular dated 24 June 2014, on 22 April 2014, the Company conditionally entered into the sale and purchase agreement to acquire an aggregate of 60% interest in the project company in Qinhuangdao held by the partner companies.

A substantial shareholder of the Company has been financially supporting to the Group. In order to finance the Acquisition and strengthen the financial position of the Group, on 22 April 2014, the substantial shareholder of the Company, through JeShing Real Estate Group Company Limited* (a company controlled by the substantial shareholder of the Company), granted Richly Field BJ (a wholly-owned subsidiary of the Company) a reviving loan facility in the total principal amount of RMB300,000,000 (equivalent to approximately HK$373,500,000) for a term of three years at a simple interest rate of 5% per annum. No granting of securities over the assets of the Group was required for the reviving loan facility.

After the completion of the Acquisition, the Group will hold 100% interest in the Qinhuangdao Outlets Project. As a result, the Group will be able to promote the project development independently under its sole control and accelerate the pace of project construction. The Group's overall profitability will be enhanced in the long run.

On the other hand, the Group will promote the upgrade of commercial complex concepts, namely the upgrade from the existing traditional model of principal business of outlet store supplemented by operation of leisure and entertainment supporting facilities to the combined mode of a variety of emerging industries in the following three ways: (I) to set up the regional headquarters of each of the brands with the formation of strategic relationship of multi-brand commercial production and mutually beneficial effect; (II) to play a part in modern service industry focusing on financial services and financial product trading with an aim to become a regional financial service centre; (III) to explore the possibilities of a new online and offline consumption model incorporated with the features of electronic information industry and modern logistics industry.

FINAL DIVIDEND

The Board does not recommend any final dividend for the Year (2013: Nil).

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance. During the Year, the Company has applied the principles of and complied with the code provisions of the former Code on Corporate Governance Practices and of the new Corporate Governance Code effective from 1 April 2012 as set out in Appendix 14 of the Listing Rules The Stock Exchange of Hong Kong Limited (the "Stock Exchange") except for the following deviation:

Code Provision A.2.1

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

During the Year, Mr. Ma Jun assumed the roles of chairman and chief executive of the Company. The Board believes that at the Group's development stage, this structure helps to make planning and execution more efficient. The Board will review this situation periodically and will consider steps to separate dual roles of chairman and chief executive as and when appropriate.

Code Provision C.2.6

In accordance with this provision, the issuer without an internal audit function should review the need for one on an annual basis and should disclose the outcome of this review in the Corporate Governance Report.

During the Year, although the Company has not established a formal mechanism and an internal audit function to monitor the effectiveness of the Group's internal control system, the Company engaged an external, independent professional accounting firm (the "Internal Control Consultants") to review all the material transactions as well as the internal control system of the Company. Subsequent to the end of the Year, at the recommendation of Internal Control Consultants, the Company has established its own internal audit function which is independent from the operation of the Group.

INTERNAL CONTROL

During the Year, the Company is committed to improving its internal control system of the Group. As set out in the Company's announcement dated 20 December 2013, the Company engaged the Internal Control Consultants to conduct an internal control review. The Board, at the recommendations of the Internal Control Consultants, approved the improved internal procedures and policies for the Group to implement.

As set out in the Company's announcement dated 4 June 2014, according to the follow-up review report issued by the Internal Control Consultants, the Internal Control Consultants consider that the Group possesses adequate internal control and financial reporting systems to meet the obligations under the Listing Rules. The audit committee of the Company agrees with the findings of the Internal Control Consultants.

The Company will retain an external professional accounting firm to conduct regular internal review for the Company and review results will be reported directly to the audit committee of the Company.

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 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 REVIEW

The audit committee of the Company has reviewed with the management the Group's consolidated financial statements for the Year, including the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, in conjunction with the auditors of the Company.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Company's website at www.equitynet.com.hk and the Stock Exchange's website at www.hkexnews.hk. The 2014 Annual Report will also be available on both websites and despatched to the shareholders of the Company in due course.

By Order of the Board
Richly Field China Development Limited
Ma Jun
Chairman

Hong Kong, 30 June 2014

As at the date of this announcement, the Board comprises Mr. Ma Jun (Chairman) as executive Director, Mr. Chen Wei as non-executive Director, and Ms. Hsu Wai Man Helen, Mr. Chau Shing Yim David and Mr. Xu Jinghong as independent non-executive Directors.

* *For identification purpose only*