RICHLY FIELD

RICHLY FIELD CHINA DEVELOPMENT LIMITED
裕 田 中 國 發 展 有 限 公 司

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

(stock code: 313)

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018

The board (the "Board") of directors (the "Directors") of Richly Field China Development Limited (the "Company") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2018 (the "Year") together with the comparative figures for the year ended 31 March 2017 (the "Corresponding Year") and selected explanatory notes as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2018

	NOTES	2018 HK$'000	2017 HK$'000 (Restated)
Revenue	*5*	**195,338**	60,596
Cost of sales		**(157,862)**	(61,938)
Gross profit (loss)		**37,476**	(1,342)
Write off of completed properties held for sales		**(171,066)**	–
Gain (loss) on revaluation of investment properties		**11,536**	(8,488)
Impairment losses on interests in associates		**–**	(6,637)
Other income and gain		**536**	1,111
Selling expenses		**(5,164)**	(15,665)
Administrative expenses		**(87,389)**	(117,367)
Finance costs	*6*	**(165,174)**	(152,321)
Share of results of associates		**(2,516)**	(17,430)

	NOTES	2018 HK$'000	2017 HK$'000 (Restated)
Loss before tax	7	**(381,761)**	(318,139)
Income tax expense	8	**(9,869)**	(6,415)
Loss for the year		**(391,630)**	(324,554)
Other comprehensive income (expense)			
Items that will not be reclassified to profit or loss in subsequent periods:			
Gain on revaluation of properties from change in use, net of tax		**30,612**	–
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(4,335)**	21,751
Share of other comprehensive expense of associates		**–**	(1,547)
		(4,335)	20,204
Other comprehensive income for the year		**26,277**	20,204
Total comprehensive expense for the year		**(365,353)**	(304,350)
		HK$	*HK$* (Restated)
Loss per share	9		
Basic		**(2.79) cents**	(2.55) cents
Diluted		**(2.79) cents**	(2.55) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2018

	NOTES	**31.3.2018** **HK$'000**	31.3.2017 HK$'000 (Restated)	1.4.2016 HK$'000 (Restated)
Non-current assets				
Property, plant and equipment		**34,996**	32,394	37,790
Investment properties		**1,391,525**	805,079	859,631
Prepaid land lease payments		**709,186**	887,074	970,723
Interests in associates		**39,976**	–	25,614
Available-for-sale investment		**2,724**	2,724	2,724
Prepaid construction costs		**37,343**	–	–
Goodwill		**124,878**	112,710	120,085
		2,340,628	1,839,981	2,016,567
Current assets				
Properties under development		**1,407,476**	934,896	939,848
Completed properties held for sales		**441,433**	431,547	404,729
Inventories	*11*	**–**	–	–
Trade receivables	*12*	**13,216**	23,143	13,415
Prepayments, deposits and other receivables	*13*	**839,643**	68,470	146,580
Cash and cash equivalents		**14,848**	25,560	42,016
		2,716,616	1,483,616	1,546,588
Current liabilities				
Trade payables	*14*	**472,914**	238,660	264,176
Receipts in advance, other payables and accruals		**983,888**	1,036,065	1,096,182
Amounts due to related parties		**203,334**	392,134	299,550
Interest-bearing bank and other borrowings		**174,470**	169,861	1,322,292
Notes payable/convertible notes payable		**88,114**	110,863	132,710
Provisions		**7,221**	7,035	8,886
Tax payable		**140,318**	121,270	133,326
		2,070,259	2,075,888	3,257,122

	NOTES	**31.3.2018** ***HK$'000***	31.3.2017 *HK$'000* (Restated)	1.4.2016 *HK$'000* (Restated)
Net current assets (liabilities)		**646,357**	(592,272)	(1,710,534)
Total assets less current liabilities		**2,986,985**	1,247,709	306,033
Non-current liabilities				
Deferred income		**69,588**	–	–
Amounts due to related parties		**772,598**	546,859	225,818
Interest-bearing bank and other borrowings		**1,366,560**	754,688	–
Deferred tax liabilities		**99,416**	25,200	20,232
		2,308,162	1,326,747	246,050
Net assets (liabilities)		**678,823**	(79,038)	59,983
Equity				
Issued capital		**1,166,834**	659,331	594,331
Reserves		**(488,011)**	(738,369)	(534,348)
Total equity (capital deficiency)		**678,823**	(79,038)	59,983

NOTES:

1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective terms include all applicable 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. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

(b) Basis of preparation of the financial statements

During the year ended 31 March 2018, the Group reported net loss of approximately HK$391,630,000. As at 31 March 2018, the Group had current liabilities of approximately HK$2,070,259,000 and total borrowings, including interest-bearing bank and other borrowings, amounts due to related parties and notes payable, of approximately HK$2,605,076,000 of which approximately HK$465,918,000 will be due in the coming twelve months from the end of the reporting period. As at the same date, the Group also had capital commitment of approximately HK$760,698,000, while its net current assets and cash and cash equivalents amounted to approximately HK$646,357,000 and HK$14,848,000, respectively.

In view of the above, the directors of the Company have reviewed the Group's cash flow projections covering a period of twelve months from 31 March 2018 which have taken into account the following measures.

(i) the continuous financial support from related parties;

(ii) the unutilised loan facility from a related company beneficially owned by a controlling shareholder of RMB878,000,000 (including an additional loan facility of RMB700,000,000 obtained on 28 June 2018) that will not be expiring before 31 March 2019 of which certain amounts has been drawn down by the Group subsequent to the reporting period;

(iii) the extension of the repayment terms of amounts due to related parties as at 31 March 2018 in aggregate of HK$203,334,000 beyond 31 March 2019; and

(iv) the forecasted operating cash flows for the year ending 31 March 2019.

Based on the above, in the opinion of the directors of the Company, the Group will have sufficient working capital to fulfill its financial obligations as and when they fall due in the coming twelve months from 31 March 2018. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis. These consolidated financial statements do not include any adjustments relating to the carrying amounts and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

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. The operating cycle of the Group's 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 properties under development which will be 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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following amendments to HKFRSs and amendments to Hong Kong Accounting Standards ("HKAS(s)"), issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Amendments to HKFRSs	*Annual Improvements to HKFRSs 2014 – 2016 Cycle: Amendments to HKFRS 12*
Amendments to HKAS 7	*Disclosure Initiative*
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*

Except as described below, the application of other amendments to HKFRSs and HKASs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 7 Disclosure Initiative

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments do not prescribe a specific method to fulfil the new disclosure requirements. However, the amendments indicate that one way is to provide a reconciliation between the opening and closing balances for liabilities arising from financing activities.

The application of amendments to HKAS 7 has resulted in additional disclosures on the Group's financing activities, especially a reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities is provided. On initial application of the amendments, the Group is not required to provide comparative information for preceding periods. Apart from the additional disclosure, the directors of the Company considered that these amendments have had no impact on the Group's consolidated financial statements.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9 (2014)	*Financial Instruments*[1]
HKFRS 15	*Revenue from Contracts with Customers*[1]
HKFRS 16	*Leases*[3]
HKFRS 17	*Insurance Contracts*[3]
Amendments to HKFRSs	*Annual Improvements to HKFRSs 2014 – 2016 Cycle*[1]
Amendments to HKFRSs	*Annual Improvements to HKFRSs 2015 – 2017 Cycle*[2]
Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*[1]
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*[1]
Amendments to HKFRS 9	*Prepayment Features with Negative Compensation*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKAS 19	*Plan Amendment, Curtailment or Settlement*[2]
Amendments to HKAS 28	*Long-term Interests in Associates and Joint Ventures*[2]
Amendments to HKAS 40	*Transfers of Investment Property*[1]
HK(IFRIC) – Int 22	*Foreign Currency Transactions and Advance Consideration*[1]
HK(IFRIC) – Int 23	*Uncertainty over Income Tax Treatments*[2]

[1] *Effective for annual periods beginning on or after 1 January 2018.*

[2] *Effective for annual periods beginning on or after 1 January 2019.*

[3] *Effective for annual periods beginning on or after 1 January 2021.*

[4] *Effective date not yet been determined.*

The directors of the Company anticipate that, except as described below, the application of other new and revised HKFRSs will have no material impact on the results and the consolidated financial position of the Group.

3. PRIOR YEAR ADJUSTMENTS

(i) Change in an accounting policy

During the year ended 31 March 2018, the Group changed its accounting policy with respect to the measurement of investment properties. Prior to this change in policy, the Group applied the cost model, under which investment properties were stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Prepaid lease payments, to which the Group's investment properties are separately presented from investment properties. The Group now applies the fair value model, under which investment properties are stated at fair value and recognises the fair value changes to profit or loss, including the relevant prepaid land lease payments. Accordingly, certain prepaid land lease payments were grouped as investment properties for presentation purposes.

The directors of the Company believe that market value of the investment properties held by the Group will be better reflected in a more objective and fair manner through the adoption of the fair value model for the measurement of investment properties, which will assist the management and investors to keep abreast of the financial condition of the Group on a timely basis and provide more relevant and transparent information to the users of the consolidated financial statements of the Group.

The change in the accounting policy is applied retrospectively. The effects of the change in the Group's accounting policy described above on the results for the preceding year by line items presented in the consolidated statement of profit or loss and other comprehensive income are as follows:

	2017
	HK$'000
Decrease in cost of sales	30,046
Decrease in administrative expenses	3,878
Increase in loss on revaluation of investment properties	(8,488)
Increase in income tax expenses	(6,415)
Decrease in loss for the year attributable to owners of the Company	19,021
Increase in other comprehensive income	(2,544)
Decrease in total comprehensive expense for the year attributable to owners of the Company	16,477

The effects of the change in the Group's accounting policy described above on the financial positions of the Group as at the end of the immediately preceding financial year, i.e. 31 March 2017, is as follows:

	As at 31 March 2017 (Originally stated) *HK$'000*	**Adjustments arising from change in accounting policy** *HK$'000*	**As at 31 March 2017 (Restated)** *HK$'000*
Investment properties	557,303	247,776	805,079
Prepaid land lease payments	1,062,250	(175,176)	887,074
Prepayments, deposits and other receivables	72,344	(3,874)	68,470
Deferred tax liabilities	(8,021)	(17,179)	(25,200)
Total effect on net assets	(130,585)	51,547	(79,038)
Accumulated losses	(2,037,988)	56,649	(1,981,339)
Exchange translation reserve	(3,665)	(5,102)	(8,767)
Total effect on total equity	(130,585)	51,547	(79,038)

The effect of the change in the Group's accounting policy described above on the financial positions of the Group as at the beginning of the comparative period, i.e. 1 April 2016, are as follows:

	As at 1 April 2016 (Originally stated)	**Adjustments arising from change in the accounting policy**	**As at 1 April 2016 (Restated)**
	HK$'000	*HK$'000*	*HK$'000*
Investment properties	618,107	241,524	859,631
Prepaid land lease payments	1,161,490	(190,767)	970,723
Prepayments, deposits and other receivables	150,581	(4,001)	146,580
Deferred tax liabilities	(8,546)	(11,686)	(20,232)
Total effect on net assets	24,913	35,070	59,983
Accumulated losses	(1,694,413)	37,628	(1,656,785)
Exchange translation reserve	(26,413)	(2,558)	(28,971)
Total effect on total equity	24,913	35,070	59,983

	Impact on basic loss per share 2017	**Impact on diluted loss per share 2017**
	HK cents	*HK cents*
Loss per share before adjustments	(2.69)	(2.69)
Adjustments arising from change in accounting policy	0.14	0.14
Loss per share after adjustments	(2.55)	(2.55)

(ii) Presentation of consolidated financial statements

During the year ended 31 March 2018, management of the Group reassessed the Group's principal activities and concluded that sales of fashion wears and accessories is no longer a principal activity of the Group and the income from the sales of fashion wears and accessories is presented in other income instead of revenue. As such the relevant income for the year ended 31 March 2017 of approximately HK$895,000 was also reclassified to conform with the current year's presentation.

4. OPERATING SEGMENT INFORMATION

Over 90% of the Group's revenue, expenses, assets and liabilities are generated from the Group's property development and investment projects in Changsha, Hunan Province (the "Changsha Project"), Qinhuangdao of Hebei Province (the "Qinhuangdao Project") and Ningxia, Yinchuan City (the "Ningxia Project") in the People's Republic of China (the "PRC"). The chief executive officer (the chief operating decision maker) makes decisions about resources allocation and assesses performance of the Group based on the operating results and financial position of the Group as a whole, as the Group's resources are integrated and no other discrete operating segment information is provided to the chief operation decision maker. As much, no segment information is presented.

Accordingly, the chief executive officer is of the opinion that the Changsha Project, Qinhuangdao Project and Ningxia Project in the PRC is a single reportable operating segment of the Group.

An analysis of the Group's revenues from external customers for each group of similar products and services is disclosed in note 5.

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

During the year, the Group had no transactions with external customer which individually contributed over 10% to the Group's total revenue (2017: Nil).

5. REVENUE

Revenue represents gross proceeds from the sale of properties, net of valued-added tax and other sales related taxes; the net invoiced value of goods sold, after trade discounts; gross rental income received and receivable from investment properties and management fee income during the year.

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

	2018	2017
	HK$'000	*HK$'000*
		(Restated)
Sales of properties	**149,102**	25,566
Gross rental income	**26,627**	25,564
Management fee income	**19,609**	9,466
	195,338	60,596

6. FINANCE COSTS

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

	2018	2017
	HK$'000	*HK$'000*
Interest on bank and other loans	**233,438**	262,058
Interest on convertible notes payable	**7,251**	8,153
Less: Amount capitalised in the cost of qualifying assets	**(75,515)**	(117,890)
	165,174	152,321

The capitalisation rates used to determine the amount of borrowing costs eligible for capitalisation for the years ended 31 March 2018 was 8.60% (2017: 10.06%).

7. LOSS BEFORE TAX

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

		2018	2017
		HK$'000	*HK$'000*
			(Restated)
(a)	Staff costs:		
	Salaries, wages and other benefits	**20,865**	20,340
	Contributions to defined contribution retirement plans	**2,645**	2,696
		23,510	23,036
(b)	Other items:		
	Cost of inventories recognised as expenses	**146,852**	27,967
	Loss (gain) on disposal of property, plant and equipment	**45**	(1)
	Depreciation of property, plant and equipment	**2,878**	3,200
	Impairment loss on other receivables	**–**	4,343
	Reversal of provision for compensation	**(545)**	(1,348)
	Write-down of completed properties held for sales	**–**	26,808
	Amortisation of prepaid land lease payments	**24,508**	25,102
	Auditors' remuneration	**1,280**	980
	Direct operating expenses incurred for investment properties that generated rental income during the year	**8,023**	6,861
	Minimum lease payments under operating leases in respect of land and buildings	**1,899**	1,909

8. INCOME TAX EXPENSE

Pursuant to the rules and regulations of Bermuda, the Group is not subject to any income tax in Bermuda.

Under the Law of the People's Republic of China on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries registered in the PRC is 25% (2017: 25%).

No provision for Hong Kong profits tax has been made for the year ended 31 March 2018 as the Group did not generate any assessable profits arising in Hong Kong during the year (2017: Nil).

9. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the following data

	2018	2017
	HK$'000	*HK$'000*
		(Restated)
Loss attributable to owners of the Company	**(391,630)**	(324,554)

	2018	2017
Weighted average number of ordinary shares (basic)	**14,048,679,656**	12,752,098,522

(b) Diluted loss per share

For the years ended 31 March 2018 and 2017, diluted loss per share does not include the effect of the convertible notes since the assumed conversion had an anti-dilutive effect on the basic loss per share.

10. DIVIDENDS

The directors of the Company do not recommend the payment of any dividends in respect of the year ended 31 March 2018 (2017: nil).

11. INVENTORIES

	2018	2017
	HK$'000	*HK$'000*
Finished goods – fashion wears and accessories	**–**	–

12. TRADE RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Rental receivables	**1,288**	960
Rental recognised using the straight-line method	**11,928**	22,183
Total	**13,216**	23,143

The Group does not hold any collateral over its trade receivables.

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

	2018	2017
	HK$'000	*HK$'000*
Within one year	**352**	184
More than one year	**936**	776
	1,288	960

Trade receivables that is not impaired

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

	2018	2017
	HK$'000	*HK$'000*
Neither past due nor impaired	**352**	175
Past due but not impaired		
More than 3 months but less than 12 months past due	**–**	9
More than 12 months past due	**936**	776
	936	785
	1,288	960

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Included in the balance was prepaid construction costs of HK$800,065,000 (2017: Nil) of which HK$736,320,000 were with guarantee provided by certain related parties.

14. 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:

	2018	2017
	HK$'000	*HK$'000*
Within one year	**415,192**	23,115
One to two years	**875**	197,221
Over two years	**56,847**	18,324
	472,914	238,660

The Group has financial risk management policies to ensure that all payables are settled within the credit time frame.

15. ACQUISITION OF A SUBSIDIARY

Ningxia Jinguan

On 28 February 2018, the Group acquired the entire equity interest in Ningxia Jinguan, a company controlled by a substantial shareholder of the Company by the issuance of 3,139,534,884 ordinary shares at completion date. This acquisition has been accounted for using the acquisition method. Ningxia Jinguan is engaged in the property development and management and home furnishing. Ningxia Jinguan was acquired so as to continue the expansion of the Group's property developments.

Consideration transferred	*HK$'000*
Ordinary shares of the Company	244,884

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	HK$'000
Property, plant and equipment	2,000
Investment properties	293,494
Cash and cash equivalents	1,123
Trade receivables	320
Prepayment and other receivables	81,648
Amounts due from related parties	70,193
Properties under development	321,258
Trade payables	(156,362)
Amounts due to related parties	(46,726)
Other payables and accruals	(18,640)
Receipts in advance	(21,943)
Deferred tax liabilities	(50,453)
	475,912

Acquisition-related costs amounting to approximately HK$1,797,000 have been excluded from the consideration transferred and have been recognised as an expense in the current year, within the administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

Excess of fair value of net identifiable assets over the consideration transferred

	HK$'000
Consideration transferred	244,884
Less: net assets acquired	(475,912)
Deemed contribution from shareholders recognised in equity	(231,028)

Net cash inflow on acquisition of Ningxia Jinguan

	HK$'000
Cash consideration paid	–
Less: cash and cash equivalent balances acquired	(1,123)
Net cash inflow arising on acquisition	1,123

EXTRACT FROM INDEPENDENT AUDITORS' REPORT

The auditor's opinion on the Group's financial statements for the year ended 31 March 2018 as follows:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to note 2.1 to the consolidated financial statements which indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

The Group is principally engaged in outlets commercial operation and development and operation of featured commercial properties (such as tourism property, senior care property and wine chateaus), development of high-end residential properties as well as property management.

During the Year, the Group recorded revenue from sales of properties of HK$149,102,000, mainly attributable to the Changsha Outlets Project, which is a comprehensive project comprising the "Globe Outlets" (commercial) and "Outlets Town" (residential) developed by the Group in Changsha, Hunan Province, the People's Republic of China (the "PRC"), and recorded gross rental income and management fee income of HK$26,627,000 and HK$19,609,000, respectively.

As for financing aspect, the Group entered a loan agreement with a related party, 南京金盛國際家居市場經營管理有限公司 in relation to a loan facility in the total principal amount of RMB300,000,000 (equivalent to approximately HK$374,400,000) for a term of 3 years at an interest rate range of 8.5%-9.5% per annum which was secured by the pledge of certain of the Group's assets (the "Other Loan 1"), had been utilised as at 31 March 2018. During the Year, the Group entered into a renewal loan agreement with related parties, JeShing Real Estate Group Company Limited, 南京第一建築工程集團有限公司 and 江蘇裝飾材料有限公司 in relation to a loan facility in the total principal amount of RMB301,800,000 (equivalent to approximately HK$376,646,000) for a term of 15-months at an interest rate range of 5.7%-6.19% per annum which was secured by the pledge of certain of the Group's assets (the "Other Loan 2") had been utilised as at 31 March 2018. During the year, the Group entered a loan agreement with a bank, 華融(中國)投資管理有限公司 in relation to a loan facility in the total principal amount of RMB950,000,000 (equivalent to approximately HK$1,185,600,000) for a term of 3 years at an interest rate range of 8%-10% per annum which was secured by the pledge of certain of the Group's assets (the "Other Loan 3"), had been utilised as at 31 March 2018. During the Year, the Group entered into a revolving loan facility agreement with JeShing Real Estate Group Company Limited*(金盛置業投資集團有限公司), a related party of the Group, in relation to an unsecured loan facility in the total principal amount of RMB300,000,000 (equivalent to approximately HK$374,400,000) for a term of two years at an interest rate of 5% per annum (the "Other Loan 4"), and RMB121,954,000 (equivalent to approximately HK$152,199,000) had been utilised as at 31 March 2018. These helped the Group to replenish cash flow.

Projects overview

Changsha Outlets Project

As the first grand project of the Company, the Changsha Outlets Project pioneered in launching the special "residential + commercial" product mix. The establishment of the commercial supporting system corresponding to the residential capacity has enhanced the value added and the strengths of the project, which demonstrated the Group's great competence as a featured real estate developer. The project covers an area of 1,500 mu, which is to be developed into 500 mu of commercial space and 1,000 mu of residential space respectively. For the residential portion "Outlets Town", the Company makes a brilliant move by capitalising on the indigenous ecology of the wetland park where the project locates. Specially designed as a high-class low-density residential community in Spanish style, the project is surrounded with flowing water designed to nourish residents' minds with quality lifestyle. Developed properties of the project primarily include high-quality detached houses, townhouses, bungalows and high-rise buildings, which outperform other nearby property projects in terms of appearance, quality, comfort and living environment, and are suitable for middle and upper income earners who pursue supreme quality of life.

Completed residential units of Phase 1 and Phase 2 of the Outlets Town have been delivered for use during the Year. As a result, the Company has a low level of completed properties held for sale. As stated in the interim report of the Company for the six months ended 30 September 2017, under the original development plan, the Outlets Town would mainly comprise villas which are not easy to destock, which makes it difficult for the Company to realise cash flow within a short period of time. Apart from that, there were no educational facilities in the original development plan, hence the original development plan could not meet the new policy requirements of the current government for a large community. Thus, under the new development agenda, the management suggests to strategically focus on developing high-rise buildings and bungalows which are more readily realisable, while introducing adequate educational facilities as required by the government. During the Year, the Company actively prepared for the submission and application for government approval in relation to the adjustment of the general development plan of the Outlets Town. On 27 April 2018, the adjustment of the master plan was approved by the Planning and Construction Bureau of Wangcheng Economic and Technological Development Zone. After one month, the Group has successfully obtained the planning permit for the new area development on 30 May 2018. Meanwhile, the Group also reached preliminary intention of cooperation with a local renowned education group. Currently, both parties are in the process of negotiating the specific proposal for the formal cooperation. The management expects to obtain the construction work commencement permit and the pre-sale permit for the new area development in the second half of the year, which will allow the Group to seize opportunities in the sales market and timely finance working capital for the Group with sales proceeds.

During the Year, the Outlets Town achieved outstanding sales performance. Customers made calls or visited us in person to express interests even towards the end of the sales period. The success of the project was attributable to a number of factors, which included but not limited to, the Company's intensive efforts in building market reputation with product quality; the diverse product mix that targets at a wide range of consumers and caters to the consumption needs of different income levels; the outstanding comprehensive strengths of the project due to the auxiliary commercial facilities of Globe Outlets and the educational resources to be invested into; the huge economic growth potential of Changsha, which has been ranked the top 10 of new first-tier cities for three consecutive years and attracted plentiful rigid demands, property investors and home buyers wishing to settle down back to their hometowns; the long-term mechanism imposed by the national and local governments to regulate the steady and healthy development of the real estate market, which offers long-term support to the property market on the government level. In addition, the Group continued to consolidate internal and external resources and launched a series of effective marketing campaigns during the Year, such as the 2nd Outlets Tent Festival, the Whale Island activity, the Third Anniversary of Globe Outlets, Big Sales for Spring Festival, Blind Dating with Ten Thousand Participants and other large-scale events. While promoting sales performance, these activities attracted commercial consumers to visit the Outlets Town and experience the pleasant living environment specially designed for the residents. The Group also maintained good cooperation with major media to release product information through printed, outdoor, radio and We Media advertising platforms and updated customers with the latest marketing events.

On 20 April 2011, the Company established Changsha Richly Field Outlets Property Management Limited*（長沙裕田奧萊物業管理有限公司）as a wholly-owned subsidiary, to provide professional property management services for the Changsha Outlets Project. In order to ensure service quality and enhance service awareness of staff, the Group organised professional training on manners and etiquette, fire safety, operational safety, engineering and repair from time to time. As a result, employees are able to help property owners solve their problems on a timely basis and demonstrate the people-oriented approach of the Group in active fulfilment of social responsibility. The well-established community accompanied by excellent property management service has strengthened the reputation of the Group as an integrated property developer.

During the Year, Globe Outlets, which is the block-type commercial complex in the Changsha Outlets Project with an area of over 90,000 sq.m., broke its sales records successively in the year after building up strengths in the past few years. The sales of our brand partners increased by approximately 30% from the corresponding period last year and the occupancy rate reached approximately 90%. The Globe Outlets is located at Wangcheng District, a new district of Changsha. As compared to the downtown area, there are fewer large-scale commercial projects in Wangcheng District, hence the project is destined to be a pioneer of a new business circle. Patience and long-term investment are requisite to make a success in such a market where the business environment is not so well developed. It is evident that the Company is establishing its own brand awareness and attracting numbers of loyal partners and customers. At the same time, new residential projects nearby have become more appealing to buyers due to increase in commercial value, which in turn increased popularity of the Group's projects and secured purchasing power.

During the Year, the Group continued to focus on business development, marketing and publicity, in an effort to extend the brand influence of Globe Outlets while boosting sales. With respect to business development, the business development team of the Group participated in external learning from time to time to study the success of professional operation teams. Through learning other operators' strengths to enhance our own projects, the team customized business development targets and strategies based on local conditions suitable for our own demands, with the view of offering unique and outstanding products. In addition, through effective market research and systematic analysis on historical sales, the Group combined the spending power analysis of the target customers of the Group to constantly adjust, supplement and optimise the brand portfolio with an aim of maximizing profit with the best brand portfolio. In particular, the Group placed great importance to introducing strategic partners. It sought to attract key brands with cooperative terms that brought mutual benefits, expecting to boost overall sales by contribution of those key brands which was able to secure steady visits. The Group also valued the cooperation after our brand partners settled in. For example, it supported brand owners in staff recruitment, venue leasing and event planning, so that they could launch large-scale promotion campaign during major holidays and festivals or in connection with social hot spots. Through such initiatives, the Group not only established stable and healthy cooperation with brand owners, but also garnered their trust and recommendation for future business solicitation.

Since the commencement of operation in 2014, the Globe Outlets has developed an increasingly strong business atmosphere after 3 years of incubation. During the Year, the Company established cooperation with various new brands. It has enriched the retail product mix through successful negotiation with well-established brands of womenswear, business menswear, casual wear, outdoor clothing and footwear. Meanwhile, the introduction of participation- and experience-based offerings such as chain kindergartens, hypermarkets and gymnasium was given priority to diversify the product portfolio of traditional commercial projects which focused greatly on fashion retail segment and increase customers seeking for experience-emphasized visits, so as to boost popularity of the mall. The Globe Outlets, being the business segment that continuously replenishing cash flow of the Group, is expected to drive the sales of commercial and residential properties and Latitude through promotion activities, thereby strengthening the brand feature of "residential + commercial" of the Group. With respect to marketing, the Group utilised the location and geographical advantages that were incomparable to other commercial projects in a flexible manner. Taking advantages of the unique geographical location, openness and independence of the Globe Outlets, the Group organised a string of large-scale promotional activities highlighting the special features of Globe Outlets such as Outlets Dragon Boat Fun Fair, the 2nd Outlets Tent Festival, the Whale Island activity, the Third Anniversary of Globe Outlets, Big Sales for Spring Festival, Blind Dating with Ten Thousand Participants and tug of war games, through which, the Group offered a unique shopping experience only available in Globe Outlets by the comprehensive integration of internal and external marketing resources.

Qinhuangdao Project

Qinhuangdao Outlets Real Estate Company Limited* (秦皇島奧特萊斯置業有限公司) has become an indirect wholly-owned subsidiary of the Group as a result of the acquisition of King Future Limited. Located in the core area of International Healthy City, Beidaihe New District, Qinhuangdao, the Qinhuangdao Outlets Project is positioned to become a large coastal shopping, tourism and healthcare resort complex with outlets commerce as the major operation, integrated with high-end hot spring resort hotels, high-end hospitals, health preservation and elderly care, cultural and entertainment activities, and recreational resorts ("Qinhuangdao Outlets Project"). During the Year, the conceptual design plan for the Phase 1 of the Qinhuangdao Outlets Project has been adjusted as per the requirements of the local government to comply with the general urban planning as determined for the International Healthy City in which the Project locates. During the Year, the detailed regulatory plan and the detailed construction plan for Phase 1 have been reviewed and authorised by the planning committee of the municipal government. The construction work planning permit for Phase 1 (ABC sections) has been obtained on 6 February 2018 while the construction work commencement permit for Phase 1 (ABC sections) has been obtained on 22 May 2018. Besides, the Company obtained the construction work commencement permit for the exhibition center on 15 November 2017. Pursuant to which, the Company has already commenced the construction of the exhibition center. As at the date of this report, the main part of the exhibition center had been accepted upon inspection and was undergoing professional installation and decoration. The exhibition center is expected to be put into use in June 2018 to attract business investment for Phase 1 of the outlet and launch pre-sale for residential apartments. As all the required procedures for the development have been completed, the Company has commenced the construction of Phase 1 of the project with a planned GFA of approximately 84,130 sq.m.

Yinchuan Project

With the views of further enriching the property portfolio and expanding its geographical coverage, as well as improving the financial position of the Group and enhancing shareholders' return in the long run, the Company has completed the acquisition of the entire equity interest in Ningxia Jinguan Property Investment Co. Ltd.* (寧夏金冠投資置業有限公司) ("Target Company" or "Ningxia Jinguan") from a connected person on 28 February 2018 and since then, Ningxia Jinguan has become a wholly-owned subsidiary of the Company (details of which are disclosed in the circular of the Company dated 30 January 2018 and the announcement of the Company dated 28 February 2018).

Ningxia Jinguan locates in Yinchuan City, Ningxia Hui Autonomous Region and is principally engaged in property development and management and home furnishing. It owns the property named "JeShing European City（金盛歐洲城）" ("Property"), which is located at West of China National Highway 109, DeSheng Industrial Park*（德勝工業園區）, Yinchuan City, Ningxia Hui Autonomous Region. The Property comprises five parcels of land with a total site area of approximately 133,300 sq.m. and a residential and commercial complex which is currently being constructed thereon ("Yinchuan Project"). Yinchuan Project is planned and designed to be a large-scale multipurpose integrated commercial and residential complex comprising department stores, high-end furniture mall, supermarkets, shops, entertainment facilities, service apartments and SOHO apartments. As at the date of this report, the commercial portion of Yinchuan Project had been basically completed with 3 commercial buildings completed between 2012 and 2013, namely 建材樓, 家居樓 and 太平商場; while 2 phases of the residential project "Jin Sheng Yue Jing" has been developed, comprising 6 multi-storey buildings in total.

In respect of commercial portion, benefited from the valuable experience in the construction and decoration materials industry, brand resources and financial support of JeShing Real Estate Group Company Limited*（金盛置業投資集團有限公司）("JeShing"), the former direct controlling group, and favourable policy imposed by the local government, Yinchuan Project has developed to own high-end building materials stores with an area of 40,000 sq.m. and premium furniture stores with an area of 30,000 sq.m., which are principally engaged in trading of building and decoration materials, such as ceramics, sanitary ware, flooring, stairs, doors and windows, cupboard, lamp, wall paper, bedroom, sofas, suites and other furniture. Yinchuan Project has become the new leading commercial landmark of Yinchuan with its cosy environment, convenient public transport access, people-oriented business planning and outstanding business management. In respect of residential portion, "Jin Sheng Yue Jing" project is to be developed in 3 phases with a site area of approximately 120 mu and a planned gross floor area of 221,000 sq.m. The project is connected to Yue Hai Wan Central Business District, Yinchuan through east-west routes, overlooks Yinchuan Lanshang Park and enjoys the view of scarce natural scenery in the city. This project aims at delivering local distinctive scenery and educational resources. The Company has obtained construction work commencement permit and pre-sale permit for 4 high-rise buildings of Phase 1 and 2 high-rise buildings of Phase 2. The delivery of Phase 1 and 2 are expected to take place by the end of 2018 and early April 2019 respectively. As at the date of this report, 4 buildings of Phase 1 has been topped out and is undergoing indoor and outdoor decoration; while 2 high-rise buildings of Phase 2 has been topped out and is undergoing the installation of window frames and interior wall plastering.

Associated Companies

During the Year, the projects managed by the associated companies of the Company also achieved certain progress.

The master plan, planning and design of the demonstration area, chateau design plan and environmental impact assessment of the characteristic villa residence and winery project in Huailai of Hebei have been completed. The project is developed by Huailai Dayi Winery Company Limited*（懷來大一葡萄酒莊園有限公司）, a 50%-owned associated company of the Company. The demonstration area now has access to roads, electricity and water supply and certain landscaping works, and planting and slope wall reconditioning have been completed. In addition, the bidding for the next batch of construction land with a site area of approximately 480 mu is under preparation.

Based on its extensive careful and detailed market research, Globe Outlet Town (Jilin) Limited*（吉林奧特萊斯世界名牌折扣城有限公司）, a 42%-owned associated company of the Company, is of the view that the area, where the project is located, is characterised by significant business homogeneity, taking into account the overall weak economic environment in Northeast China. As such, in order to seek differentiation, the Company plans to develop the project in Shuangyang District, Changchun, Jilin Province into an integrated project combining a theme park and a cultural tourism town under the theme of cultural tourism and the objective of building a desirable place for elderly care ("Jilin Project"). The Jilin Project acquired a land parcel with an area of 443 mu for commercial and residential use in Shuangyang District, Changchun in early 2016. The Company has obtained the official written reply on the soil and water conservation proposal, the official reply on the environmental impact report, and the official reply on project approval in relation to pre-construction procedures for the Jilin Project. In order to commence construction of the Phase 1 of the Jilin Project by late September 2017, all members of Globe Outlet Town (Jilin) Limited worked tremendously hard during the Year. The Reply on the Approval of the Flagship Industrial Park Project of the Central Recreational District (Urban Complex) in Changchun (Phase 1) was obtained from Changchun Development and Reform Commission on 23 August 2017, which marked the completion of project establishment for Phase 1. Besides, the Phase 1 of the Jilin Project obtained the construction land planning permit and construction works planning permit in September 2017 and April 2018 respectively. The commencement permit for Phase 1 of the Jilin Project is expected to be obtained by the end of June this year. As at the date of this report, preliminary works of the Jilin Project such as the construction of surrounding roads and grid and pipeline relocation are underway, while the fencing works and some land levelling works have been completed.

Financial Review

During the Year, the Group recorded a total revenue of HK$195,338,000 as compared to HK$60,596,000 (restated) in the Corresponding Year. As set out in the financial statements, the revenue of the Year was mainly attributable to the sales of the properties of the Changsha Outlets Project in the amount of HK$149,102,000 compared to HK$25,566,000 for the Corresponding Year. Gross rental income of approximately HK$26,627,000 for the Year compared to HK$25,564,000 for the Corresponding Year, from the leasing of the outlet plaza of the Changsha Outlets Project. Management fee income received of approximately HK$19,609,000 for the Year compared to HK$9,466,000 for the Corresponding Year.

The loss attributable to equity holders amounted to HK$391,630,000 as compared to HK$324,554,000 (restated) in the Corresponding Year. The loss per share for the Year was HK2.79 cents as compared to HK2.55 cents (restated) 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

On 29 September 2017, Shanghai Jun Xiang International Trading Company Limited*（上海昀香國際貿易有限公司）("Richly Field (Shanghai)") (a wholly-owned subsidiary of the Company), the Company, JeShing (which is ultimately wholly-owned by Mr. Wang Hua, the controlling shareholder of the Company) and Mr. Wang Hua entered into an equity interest transfer agreement ("Equity Interest Transfer Agreement") pursuant to which JeShing as the vendor agree to sell and Richly Field (Shanghai) as the purchaser agreed to purchase the entire equity interest in Ningxia Jinguan. The principal asset of Ningxia Jinguan is the Property, which is located at West of China National Highway 109, DeSheng Industrial Park*（德勝工業園區）, Yinchuan City, Ningxia Hui Autonomous Region, the PRC. The Property is located in close proximity to Yue Hai Wan Central Business District and Jianfa Dayuecheng Business Centre. The Property comprises five parcels of land with a total site area of approximately 133,332 square metres and a residential and commercial complex which is currently being constructed thereon.

The consideration for the abovementioned acquisition of the entire equity interest in Ningxia Jinguan ("Acquisition") was HK$244,884,000, which was satisfied on a non-cash basis and by the Company allotting and issuing 3,139,534,884 new ordinary shares of the Company ("Consideration Shares") at a price of HK$0.078 per Consideration Share to Stimulate High Investment Limited, being a company wholly owned by Mr. Wang Hua. Completion of the Acquisition took place on 28 February 2018 in accordance with the terms of the Equity Interest Transfer Agreement and accordingly, 3,139,534,884 Shares were duly allotted and issued to Stimulate High on 28 February 2018 at an issue price of HK$0.078 as consideration for the Acquisition. As at the date of the completion of the Acquisition, Ningxia Jinguan has become an indirectly wholly-owned subsidiary of the Company. For further details of the Acquisition, the Target Company and the Property, please refer to the circular of the Company dated 31 January 2018 and the announcements of the Company dated 11 October 2017, 30 October 2017 and 28 February 2018, respectively.

Save as mentioned above, the Group did not have any material acquisitions and disposals of subsidiaries and associated companies during the Year.

Capital Structure

On 29 September 2017, the Company, JeShing and Mr. Wang Hua entered into a loan capitalisation agreement ("Loan Capitalisation Agreement"), pursuant to which JeShing agreed to designate Stimulate High Investment Limited (a company wholly owned by Mr. Wang Hua) to subscribe for and the Company agreed to allot and issue a total of 7,010,533,301 new ordinary shares of the Company ("Capitalisation Shares") at the price of HK$0.078 per Capitalisation Share by way of capitalising the Loan of RMB510,937,173, being all the outstanding principal amount and accrued interest under three revolving loan facility agreements entered into (i) between Richly Field (Beijing) Investment Consulting Company Limited*（裕田幸福城（北京）投資顧問有限公司）(a wholly-owned subsidiary of the Company), ("Richly Field (Beijing)") and JeShing on 22 April 2014, (ii) among Hunan Richly Field Outlets Real Estate Limited*（湖南裕田奧特萊斯置業有限公司）(a wholly-owned subsidiary of the Company) ("Richly Field (Hunan)"), JeShing and Richly Field (Beijing) on 30 March 2017, and (iii) between Richly Field (Hunan) and JeShing on 28 June 2017, respectively, the aggregate amount of which as at the date of the Loan Capitalisation Agreement was RMB510,937,173 ("Loan").

The completion of the Loan Capitalisation took place on 28 February 2018 in accordance with the terms of the Loan Capitalisation Agreement and 7,010,533,301 Shares were duly allotted and issued to Stimulate High Investment Limited on 28 February 2018 at an issue price of HK$0.078 as full and final settlement of the Loan.

For further details of the Loan Capitalisation, please refer to the circular of the Company dated 31 January 2018 and the announcements of the Company dated 11 October 2017, 30 October 2017 and 28 February 2018, respectively.

During the Year, the Company allotted and issued 3,139,534,884 Shares and 7,010,533,301 Shares to Stimulate High Investment Limited (the entire issued share capital of which is owned by Mr. Wang Hua, the controlling shareholders of the Company) at an issue price of HK$0.078, respectively, as the full settlement of the respective consideration payable by the Company under the Equity Interest Transfer Agreement and the Loan Capitalisation Agreement both dated 29 September 2017. Therefore, the issued share capital of the Company has been enlarged from 13,186,619,070 ordinary shares to 23,336,687,255 ordinary shares.

As at 31 March 2018, the audited net assets attributable to owners of the Company amounted to HK$678,823,000 (net liabilities was restated as at 31 March 2017: HK$79,038,000). With the total number of 10,150,068,185 ordinary shares in issue as of 31 March 2018, the audited net assets value per share was HK2.91 cents (net liabilities value per share was restated as at 31 March 2017: HK0.60 cents).

Change in Use of Proceeds from Subscription of New Shares in August 2016

On 1 August 2016, 1,300,000,000 new Shares were allotted and issued to Sino Dynamics Investments Limited, a substantial shareholder of the Company, raising net proceeds of approximately HK$130,000,000 ("Subscription"). The announcement of the Company dated 17 November 2015, the circular of the Company dated 12 January 2016 (the "Circular for Subscription") and the announcement of the Company dated 1 August 2016 are in relation to, among others, the Subscription. As disclosed in the announcement of the Company dated 13 January 2017 (the "January 2017 Announcement"), among others, certain amendments had been made to the convertible note in the aggregate principal amount of HK$130,000,000 issued by the Company on 13 November 2015 to Mr. He Dazhao ("Convertible Note").

As disclosed in the Circular, the Group intended to apply the net proceeds from the Subscription for the redemption of the Convertible Note. As stated in the January 2017 Announcement, the maturity date of the Convertible Note had been extended from 30 April 2016 to 31 March 2017 and the conversion period had been limited to a fixed period from 1 April 2017 to 31 December 2017 in the event that any outstanding principal amount of the Convertible Note was not redeemed by the Company as at 31 March 2017. It has been the intention of the Company to reach an agreement with Mr. He Dazhao (the holder of the Convertible Note) for a further extension of the maturity date of the Convertible Note and thereby enabling the Company to have a longer period of time to redeem the Convertible Note.

As disclosed in the announcement of the Company dated 12 June 2018 ("June 2018 Announcement"), the net proceeds from the Subscription had been fully utilized as at the date thereof, and approximately 46.2% of the abovementioned net proceeds had been applied in the redemption of the Convertible Note and the remaining 53.8% had been utilised as follows:

Actual use	**Amount** *(HK$)* *(approximately)*	**Percentage** *(approximately)*
Paying operational costs and expenses (including cost of sales and administrative and salary expenses)	22,295,375	17.1%
Paying finance costs (including principal amount and interest expenses of a bank loan then due and outstanding)	47,704,625	36.7%
	70,000,000	53.8%

The Board is of the view that the change in the use of proceeds from the Subscription is in the best interests of the Company and its shareholders as a whole for the following reasons:

(a) in view of the Group's long-term relationship with Mr. He (who is a former substantial shareholder of the Company) and the previous instance of successful extension of the Convertible Note from 2016 to 2017, the Directors believe that the Company would have a better chance to obtain the extension of the Convertible Note than to obtain an extension of a bank loan then due and outstanding; and

(b) apart from the pressure to settle such bank loan as described above, the Group also needed cash to fund its operation, such as funds to satisfy its cost of sales in relation to the construction of the property development projects and administrative and salary expenses incurred thereby.

Liquidity and Financial Resources

The Group mainly finances its business operations with its internal resources and loan facilities from banks and financial institutions. As at 31 March 2018, the Group had cash and bank balances of HK$14,848,000 (2017: HK$25,560,000). The Group's current ratio (measured as total current assets to total current liabilities) was 1.31 times (restated in 2017: 0.71 times). The increase in the current ratio was mainly due to the increase in prepayment deposits and other receivables. As at 31 March 2018, the secured and unsecured interest-bearing bank and other borrowings and notes payable/convertible notes payable of the Group amounted to HK$1,522,560,000 (2017: HK$901,120,000) and HK$18,470,000 (2017: HK$23,429,000) and HK$88,114,000 (2017: HK$110,863,000), respectively. The gearing ratio, which is calculated as a percentage of net debt to total equity (capital deficiency), was 240% (restated in 2017: (1,310%)). The improvement was mainly due to the increase of prepayment, deposits and other receivables and issued capital.

Pledge of Assets

As at 31 March 2018, property interest held by the Group with net carrying amount of HK$1,922,292,000 (restated in 2017: HK$1,616,116,000) were pledged to banks for the Group's borrowings. In addition, a bank loan was secured by the Group's entire equity interest in 湖南裕田奧特萊斯置業有限公司 in 2017 and released in 2018.

Foreign Exchange Exposures

As the Group's bank and other borrowings, bank and cash balances, trade receivables, prepayments, deposits, other receivables, trade payables, accruals, other payables, receipts in advance, deferred income and amounts due to related parties were mainly denominated in RMB, the Group had not experienced significant exposure to foreign currency fluctuation.

Capital Commitments

As at 31 March 2018, the Group had commitments contracted, but not provided for of approximately HK$760,698,000 (31 March 2017: HK$7,796,000).

Subsequent Event

Subsequent to the end of the reporting period, the Group obtained an additional loan facility of RMB700,000,000 from JeShing Real Estate Group Company Limited that will not be expiring before 31 March 2019.

Employees and Remuneration Policy

As at 31 March 2018, the Group employed a total of 266 employees (excluding Directors), as compared to 177 employees (excluding Directors) as at 31 March 2017. The Group remunerates its employees based on their performance, working experience and prevailing market parameters. Employee benefits include pension insurance fund, medical insurance coverage, unemployment insurance fund, occupational injury insurance fund, maternity insurance fund, provident fund, mandatory provident fund (for Hong Kong employees).

Prospect and Outlook

Regarding government policy, in view of the housing policy which stipulates that "houses are built to be inhabited, not for speculation", category-based regulations and city-targeted policies were the main tunes in the PRC property market during the Year. The breakthrough strength, frequency, extent and duration of this round of regulation clearly demonstrated the central government's strong determination to regulate the current housing market and accelerate the establishment of a stable, long-term and healthy development mechanism for the property market. In response to the national policies, local governments refined their concerted local policies based on their specific conditions, and actively explored a local policy mechanism in line with the local market conditions. As at the end of December 2017, there was a total of over 100 cities and related authorities (above the county level) releasing regulatory policies on the real estate industry during the year of 2017. According to the statistics, during the year of 2017, over 250 policy releases were recorded and numerous cities made their most frequent policy releases as compared to previous years, which made the year of 2017 as the most intensive one in the history of property market in terms of intensity of policy.

On the one hand, the traditional policies relating to restrictions on property purchase and credit grant have escalated, while innovative policies relating to restrictions on sales, price and change of commercial land use were introduced and updated on a constant basis, which led to the extension of control measures from the first- and second-tier cities to the third- and fourth-tier cities, and the shift of regulated targets from property developers to intermediaries and secondary homeowners. On the other hand, increasingly stringent regulatory measures and financial supervision on property market were implemented to curb the demands arising from short-term speculative investment, which helped stabilise and control the property prices after last year's surge. In addition, the Ministry of Housing and Urban-Rural Development is expected to publish relevant administrative rules regarding the property leasing market, which targets to protect the interests of lessees by legally binding means and defines the rights and obligations of parties to tenancy contracts, regulates property leasing market and speeds up the pace in building a property market secured with multiple sources of supply and protection. The above regulatory policies, emphasis on both house purchasing and rental and promotion of land and population reforms, aim at accelerating the establishment of a long-term market mechanism along with matured policy environment for stable and healthy growth of property market.

With respect to market performance, under the continuous effect of the regulatory policies, the transaction volume of the property market generally decreased in large and medium cities of China, however, the performance gaps among cities widened. Under strict policy regulation, the housing markets in first and second-tier cities began to stabilise. The growth of area sold was decreasing year-on-year and the transaction volume shrank significantly, which suggested that the property market gradually "cooled off". On the contrary, due to the stringent control over the popular cities, investment demand and capital flows were rapidly diverted to some emerging hotspot cities (such as Changsha, Xi'an, Ningbo, Nanning) and third- and fourth-tier cities which became new sales drivers with booming property transactions. Nonetheless, the sales growth in the third-and fourth-tier cities eventually slowed down to a stabilised level due to the further materialization of the city-specific regulatory policies under the central government's request for risk mitigation and destocking. Generally speaking, cities recording property price increase outnumbered those recording decrease. Apart from Nanjing, Hefei, Tianjin, Xiamen, Shijiazhuang and other cities which witnessed the first rally in property price in 2016 and are still experiencing a decline in price, other cities are still on the upward trend and the growth in hotspot cities such as Xi'an and Qingdao are particularly rapid.

Looking forward, China's property policies are expected to maintain their continuity and stability in the near future and the major policies will remain stringent. As a result, the residential property sector will develop in such a way that provides market for the high-end, support for the mid-end and protection for the low-end. In the medium to long term, a long-term mechanism will be gradually constructed and further optimised. At the same time, the short-term regulation will be more aligned with the long-term mechanism. While maintaining the stability of the real estate market, the multi-level housing supply system will be improved, which will also promote the change of housing concept and reinforce the residential use of housing, laying a more solid foundation for the real estate market. Despite the continuous tightening of real estate policies, it is clear that the goal of such initiatives is to maintain the stable and healthy development of the property market and ensure balanced economic development as a whole through the establishment of a long-term mechanism.

During the Year, the Group derived its operating income mainly from the Changsha Outlets Project which is situated in the promising core area of Xiangjiang New District, Changsha, Hunan. As an emerging hotspot city, Changsha has been listed as a new first-tier city for three consecutive years and ranked as the happiest city in the PRC for nine years in a row, which meant it made outstanding performance in five major indicators, namely, concentration of commercial resources, city's pivotability, citizen vitality, variety of lifestyle, and flexibility in the future. The rapid urbanization gave rise to the continuous inflow of population and a steady increase in housing demand, which secured demand for the Group's future development plan in Changsha. Besides, as a second-tier provincial capital city, the local property prices in Changsha are relatively low and there is enormous space for growth. Moreover, a large number of tertiary institutions are located in Changsha, which serves as a major talent pool in China. The municipal government aims at retaining and attracting talents by adopting various preferential property-purchasing policies, thereby drawing numerous non-local students who intend to settle in Hunan and people returning to Hunan to purchase property. Therefore, there could be huge purchasing power potential.

The year 2018 is the year of significant development for the Company where project development is underway with numerous efforts centring around the sales initiatives. In particular, the Changsha Outlets Projects, Qinhuangdao Project and Changchun Project have obtained relevant government approval or planning permits for the new round of development plan. Striving to secure cash flow for the business expansion of the Group, we will actively obtain construction work commencement permit and pre-sale permit and complete preparation for pre-construction procedures, so as to derive significant sales income. Meanwhile, as a well-developed "commercial + residential" complex, the Yinchuan Project, which was acquired at the end of February 2018, has contributed revenue to the Group with its existing resources. Currently, the Yinchuan Project continuously enriches brand resources and optimises investment portfolio. Leveraging the integrated and diversified business model in commercial sector, it drives sales growth in residential sector, so as to grasp the present opportunities of growing sales in second- and third-tier cities.

Specifically, the Company is committed to developing the Changsha Outlets Project into an integrated commercial and residential project providing featured services, with the aims to boost commercial performance with the residential sector and serve the residents with commercial facilities. Both segments will complement each other in procuring mutual development of the project itself and peripheral industry, enhancing the value of the project and further strengthening the reputation of the Group as a featured property developer. As a commercial real estate operator, the Group has made forward-looking arrangements in its business blueprint to cooperate with brands and products selectively to avoid unnecessary upfront investment and post-adjustment arising from improper market positioning, and to reduce waste of capital and enhance capital return. Instead of overdependence on fashion retail like traditional commercial real estate operators, the Globe Outlets puts more emphasis on customer engagement and experience, such as recreation, entertainment, interaction and catering services, which deliver such joy that can only be felt by visiting Globe Outlets in person to create a product mix exclusive to Globe Outlets.

After three years adaption to the market, the Group has strategically introduced various specialty services such as chain kindergarten, gymnasium, hypermarket, famous home furnishing brands, a five-star cinema, a large children's indoor and outdoor park, a high-end indoor trampoline center originating in Australia and fine cuisine catering, to attract customers' visits for casual and other purposes. Meanwhile, benefiting from the convenient transportation facilities around the project and the comfortable shopping environment created by the European-style buildings as well as the caring and quality customer services, the Group managed to attract a large number of merchants and loyal customers, which enabled it to gain valuable experience for developing other featured commercial real estate projects in the future. As for the commercial sector of Changsha Commercial South Portion, Qinhuangdao, Changchun and Yinchuan Projects which are to be developed subsequently, the Group is confident that it can replicate the standardised business models and business resources of Globe Outlets according to the local conditions and accelerate the strategic planning of the Group on a national scale.

In respect of residential projects, uniqueness constitutes our biggest USP (unique selling proposition). The "commercial + residential", "tourism + commercial", "real estate + medical" or "wineries + residential" models embody the efforts of the Group in actively transforming and flexibly promoting the development of new diversified industrial complexes, reflecting the Group's commitment to shape its own brand features in the competitive housing market. To this end, it replaces single product supply with auxiliary services complex and adopts high-end product development to ensure its outstanding product quality. Leveraging on the geographical resources advantages of each project and corresponding supporting policies, the Group focuses on developing the above featured product portfolio and strengthens product competitiveness and bargaining power through enriching complementary resources for the major products, which distinguishes its products from others. The diversified product portfolio presents both a challenge and opportunity to the professional operating capability of the Group. The management believes that, by capitalizing on the Group's extensive industry experience accumulated over years, the industrial background and resources support of the controlling group and the high suitness of products for market demands, the Group's featured residential products will definitely have a bright prospects.

In respect of introduction of new industry, since the Group introduced the idea of indoor trampoline park, numerous trampoline related products of diverse varieties have emerged in the market with varying quality. In terms of investment scale, building size, facilities and equipment, management and operational experience, staff services and brand reputation, the Latitude as introduced by the Group is incomparable since classics are not afraid of being imitated. With Latitude venues opened successively in Beijing, Changsha, Nanjing and Hongqiao, Shanghai, site selection and business negotiations for new venues in Beijing, Hangzhou, Nanjing and Yinchuan are also underway. The novel sport experience is well received by the market with increasing sales revenue, which diversifies the Group's income sources and improves its cash flows.

In addition, as China has a fast-growing aging population while the healthcare real estate sector remains in the early stage of development, there is an increasing demand for healthcare consumption. Community healthcare market is developing and integration of medical services and senior care services is becoming the future development trend. Healthcare premises will extend from traditional large comprehensive hospitals to local and residential communities, providing a broad platform as well as strong support and momentum for the cross-industry development of the real estate-based general healthcare industry. The Company has various high-quality residential projects as well as senior care property projects, which lay a solid foundation for the future model of "real estate + general healthcare". Therefore, the Group will leverage its own competitive advantage to develop the general healthcare industry so as to cater for customers' needs and enhance the brand value of the Group.

Meanwhile, the Group will also keep abreast of the latest market development and make preemptive moves to seize any potential opportunities and seek for potential acquisition targets. It will also actively adjust its business model, thus broadening its income sources to maximise the returns for shareholders.

FINAL DIVIDEND

The Board did not recommend payment of a final dividend for the Year (2017: Nil).

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high standards of corporate governance in the best interest of the shareholders of the Company (the "Shareholders"). The Company has been making an effort to enhance the corporate governance standard of the Company by reference to the code provisions and recommended best practices set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"). During the Year, the Company has applied and complied with all the code provisions set out in the CG Code except for the deviation from code provision A.2.1.

Code provision A.2.1 provides 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, the Company had deviated from code provision A.2.1 because the roles of Chairman of the Board and the Chief Executive Officer of the Company had been vested in the same persons, namely, Mr. Xin Songtao until 27 April 2017, Dr. Wang Yucan since 27 April 2017 and until 21 March 2018 and Mr. Ma Jun since 21 March 2018. The reason for this deviation was that the Board believes that at the current development of the Group, vesting of the two roles in the same person provides the Company with strong and consistent leadership and facilities the planning and execution of the Group's business strategies. The Board will review this structure periodically and will consider steps to separate dual roles of chairman and chief executive as and when appropriate taking into account the prevailing circumstances.

DIRECTOR’S SECURITIES TRANSACTIONS

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

Having made specific enquiries to all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code throughout the Year.

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

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

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, risk management and internal control, and financial reporting matters, in conjunction with the auditors of the Company.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT

This results announcement is published on the Company’s website at www.richlyfieldchina.com and the Stock Exchange’s website at www.hkexnews.hk. The 2018 Annual Report will also be available on both websites and despatched to the Shareholders in due course.

CLOSURE OF THE REGISTER OF MEMBERS

The forthcoming annual general meeting ("AGM") will be held on Tuesday, 28 August 2018.

To ascertain the Shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 22 August 2018 to Tuesday, 28 August 2018, both days inclusive, during which no transfer of Shares will be effected. In order to qualify for the entitlement to attend and vote at the AGM, all transfers of Shares accompanied by the relevant shares certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Tuesday, 21 August 2018.

By Order of the Board
Richly Field China Development Limited
Ma Jun
Chairman and Chief Executive Officer

Hong Kong, 29 June 2018

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Ma Jun (Chairman) and Mr. Chen Wei (Vice President); two non-executive Directors, namely Dr. Wang Yucan and Mr. Li Yi Feng; and three independent non-executive Directors, namely Ms. Hsu Wai Man Helen, Mr. Chau Shing Yim David and Mr. Xu Jinghong.

* *For identification purpose only*