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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 2021

The board (the "Board") of directors (the "Directors") of Richly Field China Development Limited (the "Company") hereby announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2021 (the "Year") together with the comparative figures for the year ended 31 March 2020 (the "Corresponding Year") and selected explanatory notes as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2021

		2021	2020
	NOTES	***HK$'000***	*HK$'000*
Revenue	*4*	**41,168**	181,687
Cost of sales		**(30,456)**	(170,426)
Gross profit		**10,712**	11,261
Loss on revaluation of investment properties		**(89,481)**	(140,551)
Other income, gain and loss		**1,880**	1,207
Selling expenses		**(20,885)**	(11,418)
Administrative expenses		**(74,974)**	(66,921)
Finance costs	*5*	**(259,995)**	(113,913)
Share of results of associates		**–**	(4,390)

	NOTES	2021 HK$'000	2020 HK$'000
Loss before tax	*6*	**(432,743)**	(324,725)
Income tax credit	*7*	**17,061**	29,869
Loss for the year		**(415,682)**	(294,856)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**(46,982)**	(7,794)
Share of other comprehensive expense of associates		**–**	(4,547)
Other comprehensive expense for the year, net of tax		**(46,982)**	(12,341)
Total comprehensive expense for the year		**(462,664)**	(307,197)
		HK$	*HK$*
Loss per share	*8*		
Basic		**(1.78) cents**	(1.26) cents
Diluted		**(1.78) cents**	(1.26) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2021

	NOTES	2021 HK$'000	2020 HK$'000
Non-current assets			
Property, plant and equipment		**26,433**	27,551
Investment properties		**1,339,891**	1,323,909
Right-of-use assets		**578,361**	553,905
Interests in associates		**9,404**	18,414
Financial asset designated at fair value through other comprehensive income ("FVTOCI")		**2,724**	2,724
Goodwill		**118,392**	109,516
		2,075,205	2,036,019
Current assets			
Properties under development		**2,759,814**	2,294,377
Completed properties held for sales		**97,145**	97,589
Inventories		**–**	–
Trade receivables	*10*	**8,062**	8,989
Prepayments, deposits and other receivables		**287,973**	209,990
Cash and cash equivalents		**57,302**	27,107
		3,210,296	2,638,052
Current liabilities			
Trade payables	*11*	**1,171,435**	1,064,654
Other payables and accruals		**932,491**	661,541
Contract liabilities		**922,882**	401,145
Amounts due to related parties		**467,048**	413,968
Interest-bearing bank and other borrowings	*12*	**1,486,468**	324,931
Provisions		**6,846**	6,332
Lease liabilities		**1,338**	2,140
Tax payable		**127,229**	116,227
		5,115,737	2,990,938
Net current liabilities		**(1,905,441)**	(352,886)

	NOTES	**2021**	2020
		HK$'000	*HK$'000*
Total assets less current liabilities		**169,764**	1,683,133
Non-current liabilities			
Deferred income		**65,975**	61,029
Amounts due to related parties		**436,196**	425,199
Interest-bearing bank and other borrowings	*12*	**–**	1,052,854
Lease liabilities		**–**	1,338
Deferred tax liabilities		**52,555**	65,011
		554,726	1,605,431
Net (liabilities) assets		**(384,962)**	77,702
Equity			
Issued capital		**1,166,834**	1,166,834
Reserves		**(1,551,796)**	(1,089,132)
(Deficiency in equity) Total equity		**(384,962)**	77,702

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.

(b) Basis of preparation of the financial statements

These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group").

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These consolidated financial statements are presented in Hong Kong dollars ("HK$"), rounded to the nearest thousand except for per share data. Hong Kong dollar is the Company's functional currency and the Group's presentation currency.

The Group reported net loss of approximately HK$415,682,000. As at 31 March 2021, the Group had net current liabilities of approximately HK$1,905,441,000 and total borrowings, including interest-bearing bank and other borrowings and amounts due to related parties of approximately HK$1,953,516,000 that will be due in the coming twelve months from the end of the reporting period. As at the same date, the Group's cash and cash equivalents amounted to approximately HK$57,302,000.

As at 31 March 2021, the Group breached the terms of certain bank and other borrowings which constituted events of default as stipulated in the relevant loan agreements. As such, the providers of finance (the "Lenders") have the right to demand immediate repayment of the outstanding principal amounted to approximately RMB1,210,700,000 (equivalent to approximately HK$1,432,500,000) as at 31 March 2021 and estimated unpaid interests amounted to approximately RMB268,252,000 (equivalent to approximately HK$317,396,000 as at 31 March 2021). The Group has been discussing with the Lenders for the renewal or extension of repayment terms.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

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 2021 which have taken into account the followings:

(i) the Group's property development projects had shown steady progress and the Group is in the process of accelerating the pre-sales and sales of its properties under development;

(ii) the continuous financial support from related parties, including the unutilised loan facility from a related company beneficially owned by a controlling shareholder of RMB1,000,000,000 that will not be expiring before 31 March 2022 of which approximately RMB940,348,000 remained unutilised as at 31 March 2021;

(iii) the forecasted operating cash flows for the year ending 31 March 2022.

In addition, the Group is also considering various options for obtaining additional financing to the Group, such as new investors and business partners, and the Group had been in active negotiation with potential buyers for the disposal of projects or subsidiaries of the Group. Subsequent to the year end, the Group entered into a memorandum of understanding with an independent third party for the disposal of certain subsidiaries which are the borrowers of the loans that are in default.

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 2021. 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.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for its first time, the Amendments to References to the Conceptual Framework in Hong Kong Financial Reporting Standards ("HKFRSs") and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which are effective for the Group's financial year beginning 1 April 2020:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the Amendments to References to the Conceptual Framework in HKFRSs and the amendments to HKFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs issued but not yet effective

The Group had not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective.

HKFRS 17	Insurance Contracts and related Amendments[5]
Amendments to HKFRS 3	Reference to Conceptual Framework[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[5]
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use[3]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[3]
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020[3]
Amendments to HKFRS 16	COVID-19-Related Rent Concessions[4]
Amendments to HKFRS 16	COVID-19-Related Rent Concessions Beyond 30 June 2021[6]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[5]
Amendments to HKAS 8	Definition of Accounting Estimates[5]

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

[2] *Effective for annual periods beginning on or after a date to be determined*

[3] *Effective for annual periods beginning on or after 1 January 2022*

[4] *Effective for annual periods beginning on or after 1 June 2020*

[5] *Effective for annual periods beginning on or after 1 January 2023*

[6] *Effective for annual periods beginning on or after 1 April 2021*

The directors of the Company anticipate that the application of the new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

3. 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 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 such, 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 4.

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 (2020: Nil).

4. REVENUE

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

	2021	2020
	HK$'000	*HK$'000*
Sales of properties	**11,117**	143,999
Management fee income	**13,513**	16,437
Total revenue from contracts with customers	**24,630**	160,436
Revenue from other source		
Rental income for investment properties under operating lease		
– Lease payments that are fixed or depend on an index or a rate	**7,111**	9,270
– Variable lease payments that do not depend on an index or a rate	**9,427**	11,981
	16,538	21,251
	41,168	181,687
Timing of revenue recognition		
At a point in time	**11,117**	143,999
Over time	**13,513**	16,437
Total revenue from contracts with customers	**24,630**	160,436

5. FINANCE COSTS

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

	2021	2020
	HK$'000	*HK$'000*
Interest on bank and other borrowings	**259,773**	184,748
Interest on notes payable	**–**	13,868
Interest on lease liabilities	**222**	362
Less: Amount capitalised in the cost of qualifying assets	**–**	(85,065)
	259,995	113,913

The capitalisation rates used to determine the amount of borrowing costs eligible for capitalisation for the years ended 31 March 2020 was 8.47%. No capitalisation of borrowing costs for the year ended 31 March 2021.

6. LOSS BEFORE TAX

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

		2021	2020
		HK$'000	*HK$'000*
(a)	Staff costs:		
	Salaries, wages and other benefits	**26,964**	26,176
	Contributions to defined contribution retirement plans	**2,329**	3,002
		29,293	29,178
(b)	Other items:		
	Cost of inventories recognised as expenses#	**8,040**	158,835
	Loss on written-off of property, plant and equipment*	**193**	63
	Depreciation of property, plant and equipment*	**4,779**	3,280
	Depreciation of right-of-use assets*	**18,128**	19,355
	Auditors' remuneration*	**1,250**	1,250
	Direct operating expenses incurred for investment properties that generated rental income during the year#	**6,155**	5,153

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

* *This amount is included in "Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.*

7. INCOME TAX CREDIT

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% (2020: 25%).

No provision for Hong Kong profits tax has been made for the year ended 31 March 2021 as the Group did not generate any assessable profits arising in Hong Kong during the year (2020: Nil).

8. LOSS PER SHARE

(a) Basic loss per share

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

	2021	2020
	HK$'000	*HK$'000*
Loss attributable to owners of the Company	**(415,682)**	(294,856)

	2021	2020
Weighted average number of ordinary shares (basic)	**23,336,687,255**	23,336,687,255

(b) Diluted loss per share

For the year ended 31 March 2021 and 2020, basic loss per share is the same as diluted loss per share as there are no potential ordinary shares outstanding for the year.

9. DIVIDENDS

The directors of the Company do not recommend the payment of any dividends in respect of the year ended 31 March 2021 (2020: Nil).

10. TRADE RECEIVABLES

	2021	2020
	HK$'000	*HK$'000*
Rental receivables	**3,709**	4,509
Rental recognised using the straight-line method	**4,353**	4,480
Total	**8,062**	8,989

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:

	2021	2020
	HK$'000	*HK$'000*
Within one year	**3,709**	4,509

11. TRADE PAYABLES

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

	2021	2020
	HK$'000	*HK$'000*
Within one year	**106,781**	935,264
Over one year	**1,064,654**	129,390
	1,171,435	1,064,654

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

12. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2021		2020	
	Contractual interest	***HK$'000***	Contractual interest	*HK$'000*
Current				
Bank loans – secured *(note a)*	**8%-10%**	**1,113,036**	8%-10%	272,257
Bank loans – unsecured	**6.53%**	**11,827**	6.53%	10,945
Other loans – secured *(note b)*	**11%-11.5%**	**319,464**		–
Other loans – unsecured	**6.4%-36%**	**42,141**	6.4%-36%	41,729
		1,486,468		324,931
Non-current				
Bank loans – secured *(note a)*		**–**	8%-10%	757,339
Other loans – secured *(note b)*		**–**	11%-11.5%	295,515
		–		1,052,854
Analysed into:				
Bank loans repayable based on scheduled repayment dates in loan agreements:				
Within one year		**1,124,863**		283,202
In the second year		**–**		532,782
In the third to fifth years		**–**		224,557
		1,124,863		1,040,541
Other loans repayable based on scheduled repayment dates in loan agreements:				
Within one year		**361,605**		41,729
In the second year		**–**		–
In the third to fifth years		**–**		295,515
		361,605		337,244

(a) As at 31 March 2021, in respect of bank borrowings with a principal amount of RMB940,700,000 (equivalent to approximately HK$1,113,036,000) as at 31 March 2021, the Group breached the repayment terms and pursuant to the terms of the loan agreements, the bank had a discretionary right to demand immediate full repayment of the outstanding principal of RMB940,700,000 together with the interests thereon of approximately RMB223,269,000.

(b) The other loan represented a loan with a principal amount of RMB270,000,000 of which the Group breached the repayment terms and pursuant to the terms of the loan agreements, the lender had a discretionary right to demand immediate full repayment of the outstanding principal of RMB270,000,000 together with the unpaid interest of approximately RMB44,983,000.

EXTRACT FROM INDEPENDENT AUDITORS' REPORT

The auditor's opinion on the Group's financial statements for the year ended 31 March 2021 is as follows:

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the "Basis for Disclaimer of Opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

Multiple Uncertainties Relating to Going Concern

As described in note 2.1 to the consolidated financial statements, the Group reported net loss of approximately HK$415,682,000 for the year ended 31 March 2021 and as at 31 March 2021, the Group had net current liabilities of approximately HK$1,905,441,000, which included principals and interest payables of the Group's certain bank and other borrowings that are in default and therefore the lenders have the right to demand immediate repayment of the entire outstanding balances as at 31 March 2021. Details are set out in notes 2.1 to the consolidated financial statements. As at the same date, the Group's cash and cash equivalents amounted to approximately HK$57,302,000. These conditions, together with other matters as described in note 2.1 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

The directors of the Company have been undertaking a number of measures to improve the Group's liquidity and financial position which are set out in note 2.1 to the consolidated financial statements.

The consolidated financial statements had been prepared on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to multiple uncertainties, including (i) the successful renewal or extension of the repayment terms of the outstanding principals and interests of the bank and other borrowings, (ii) the successful acceleration of pre-sales and sales of properties under development and speeding up the collection of sales proceeds and (iii) continuous financial support from the related parties. Should the Group fail to achieve the above mentioned plans and measures, it might not be able to continue as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in these consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the "Board") of directors (the "Directors") of Richly Field China Development Limited (the "Company") hereby present the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2021 (the "Year" or the "Reporting Period").

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.

Key projects of the Group include 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 the JeShing European City Project which is a comprehensive project comprising "建材樓" (commercial), "家居樓" (commercial) and "太平商場" (commercial) and JinSheng Yue Jing (residential) developed by the Group in Yinchuan, Ningxia Hui Autonomous Region, the PRC, together with the Qinhuangdao Venice-the City of Water Outlets Project which is a comprehensive project developed by the Group in BeiDaiHe new district, Qinhuangdao, Hebei, the PRC.

FINANCIAL REVIEW

During the Year, the Group recorded a total revenue of approximately HK$41,168,000 as compared to approximately HK$181,687,000 for the Corresponding Period, representing a decrease of 77.3%. The decrease in revenue was mainly attributable to the impact of the novel coronavirus disease (COVID-19) pandemic, operations were disrupted for a few months. The Group recognises revenue when construction of properties is completed and the title of properties have been transferred to customers. Management fee income was approximately HK$13,513,000 for the Year as compared to approximately HK$16,437,000 for the Corresponding Period, representing a decrease of 17.8%.

The Group recorded a loss on revaluation of investment properties of approximately HK$89,481,000 for the Year as compared to approximately HK$140,551,000 for the Corresponding Period. The loss attributable to equity holders amounted to approximately HK$415,682,000 as compared to approximately HK$294,856,000 for the Corresponding Period, representing an increase of 41.0%. The loss per share for the Year was HK1.78 cents as compared to HK1.26 cents for the Corresponding Period.

As for financing aspect, regarding the loan agreements with a related party, 南京金盛國際家居市場經營管理有限公司, the total outstanding principal amount was approximately RMB231,792,000 (equivalent to approximately HK$274,256,000) (the "Other Loan 1") as at 31 March 2021 and is due to repay on 31 December 2022. Other Loan 1 is with an interest rate of 9.5% per annum and was secured by the pledge of certain of the Group's assets. Regarding the loan agreement with related parties, JeShing Real Estate Group Company Limited*（金盛置業投資集團有限公司）, 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, the total outstanding principal amount was RMB301,800,000 (equivalent to approximately HK$357,090,000) (the "Other Loan 2") as at 31 March 2021. Other Loan 2 is due in March 2022 with an interest rate range of 5.7%-6.19% per annum and was secured by the pledge of certain of the Group's assets.

The Group entered into an extension loan agreement regarding a revolving loan facility agreement with a related party, 金盛置業投資集團有限公司 in relation to an unsecured loan facility in the total principal amount of RMB1,000,000,000 (equivalent to approximately HK$1,183,200,000) (the "Other Loan 4") at an interest rate of 5% per annum and is due to repay in December 2022. As at 31 March 2021, approximately RMB59,652,000 (equivalent to approximately HK$70,580,000) had been utilised.

In 2017, the Group entered into loan agreements with a bank together with a financial institution in relation to the loan facility in the total outstanding principal amount of RMB940,700,000 (equivalent to approximately HK$1,113,036,000) for a term of 5 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"), which had been utilised as at 31 March 2021. In October 2019, the Group entered into a supplemental agreement, in which the due dates of Other Loan 3 has been extended and the Group has defaulted the repayment amount of RMB248,800,000 (equivalent to approximately HK$294,380,000) (the "First Installment") together with unpaid default interest due on 30 June 2020.

Regarding the loan agreement with a financial institution (the "Hunan Huarong"), the total outstanding principal amount was RMB270,000,000 (equivalent to approximately HK$319,464,000) (the "Other Loan 5") as at 31 March 2021. The interest rate was 11.5% per annum and secured by the pledge of certain of the Group's assets and is due to repay in June 2022. The Group is required to deposit RMB123,000,000 (equivalent to approximately HK$145,534,000) as pledged deposit into a designated bank account by Hunan Huarong (the "Additional Deposit") during the period from 1 July 2019 to 30 June 2020. Regarding Other Loan 3, the Group failed to repay the First Installment and unpaid default interest on 30 June 2020. Regarding Other Loan 5, the Group failed to put in the full amount of Additional Deposit during the period from 1 July 2019 to 30 June 2020. Pursuant to the terms of Other Loan 3 and Other Loan 5, the bank and the financial institutions have a discretionary right to demand immediate full repayment of the outstanding principal of RMB940,700,000 (equivalent to approximately HK$1,113,036,000) and RMB270,000,000 (equivalent to approximately HK$319,464,000) respectively together with any unpaid interest. The Directors have commenced negotiations of the repayment terms of the loans with the relevant providers of finance since then. Up to the date of this report, those negotiations are still in progress and have not been concluded.

Projects Overview

Changsha Outlets Project

Located in Changsha Wangcheng National Economic and Technological Development Zone, Changsha Outlets Project features a special "residential + commercial" product mix in the local market to establish the Group's market recognition as a featured property developer. The project covers an area of approximately 1,500 mu, comprising a residential portion (Outlets Town) and a commercial portion (Globe Outlets), with planned areas of approximately 1,000 mu and 500 mu, respectively.

Residential Project – Outlets Town or Outlets City

Specially designed by the Group as a high-class low-density residential community in Spanish style, Outlets Town offers high-quality detached and semi-detached houses, townhouses, bungalows, mid-rise and high-rise buildings, surrounded by verdant plants along with well-designed streams and bridges, with a super-low plot ratio. It outperforms other nearby property projects in terms of appearance, quality, unit layout and comfort. In particular, the greenery and landscape design of the community highlight the project out of the others, which offers a green space ratio of 40%, creating abundant oxygen by plenty of plants.

During the Reporting Period, the Group continued to focus on developing Section C, which covers a site area of approximately 204 mu, planned to be developed into 37 11-storey buildings and a kindergarten. Currently, pre-sale permits have been obtained for 15 buildings. For the first batch of ten buildings, the construction of main structures has been completed; basement fire control works, indoor fire control and water supply works have been basically completed; construction of stairwell steps has been completed and decoration of external walls has been basically completed except for lacquer finish works; the installation of aluminium alloy window frames, aluminium alloy frames for balcony slide doors, supports for roof-top solar panels, and balcony balustrades has been completed. For the second batch of ten buildings, the capping of main structures has been completed, plastering of interior and external walls has been completed, decoration works of external walls have been completed except for lacquer finish works, and installation of aluminium alloy window frames and balcony balustrades has been completed. Affected by the stringent local regulatory policies on real estate and the epidemic, the further development of Section C of Outlets Town is under immense pressure, but the Group will shoulder its corporate and social responsibilities unwaveringly, continue to negotiate and cooperate with the government, financial institutions and competent peers, and strive to achieve smooth delivery of the sold properties by the end of August of the Year.

Outlets Town is equipped with the renowned nine-year school, Wangcheng Nanya School（望城南雅學校）. During the Reporting Period, with months of hard work by various parties, the secondary school section (including teaching buildings and faculty apartments) were finally put into official use on 30 August 2020 to meet normal teaching and living requirements for almost 1,200 teachers and students. In terms of project construction, the Group has completed the interior and exterior decoration works for two teaching buildings and one complex building for the primary school section during the Reporting Period, and is carrying out fine decoration for these buildings. The canteen was officially put into operation on 1 March of the Year for teachers and students of the school to dine hassle-free. The basement and temporary residential building are all undergoing construction of decoration works. For the gymnasium, the main structure has been completed, pending installation of the grid-structure roof; construction of the main structure of the gymnasium stand has been completed, pending installation of the roof of the rostrum and fine decoration. The decoration of the southern and northern gates, the main structure and decoration of the three walls have been completed; the southern road has been completed and put into use; concrete pouring has been completed for the northern road, pending construction of bituminous pavement. Landscaping and greening works have been completed and put into use for the secondary school section, and landscaping and greening works for the primary school section have also been completed. For the remaining sections, the pipe network of landscaping and greening has been completed as to 30%. In the next stage, the Group will focus on advancing ancillary works in full swing to ensure complete delivery by 30 August of the Year.

Commercial Properties – Globe Outlets

Globe Outlets, the commercial portion of the Changsha Outlets Project with a developed area of nearly 100,000 sq.m. so far, has more than 200 domestically and internationally renowned fashion retail brands settling therein, a large separate indoor trampoline centre with an area of over 5,000 sq.m., an IMAX cinema complex, an art education and training institution with an area of over 5,000 sq.m., HappyNest (a supermarket for imported household products) with an area of over 3,000 sq.m., a cartoon amusement park for children with an area of over 2,000 sq.m., a high-end chain kindergarten with an area of over 3,000 sq.m., an indoor constant temperature swimming pool and children's water park, brand specialty catering, and Internet-famous stores popular among young people. It has become a locally well-known large commercial centre integrating shopping, recreation, entertainment and education.

Since its official opening in 2014, Globe Outlets has attracted loyal patrons with its unique low-density block-type shopping ambiance, quality goods at massive discounts, and a product structure that is constantly adjusted to meet customers' demands. Within a radius of several kilometres, there are numerous residential properties and large enterprises, yet Globe Outlets is the only large commercial complex to be found, which gives it a definite edge. With the successive delivery and occupancy of these properties, Globe Outlets will cover an increasingly expanding potential customer base going forward and offer more diversified products and services for various customer groups to attract customer traffic, promote consumption, and contribute continuous cash flows to the Group.

Qinhuangdao Venice – City of Water Outlets Project

Qinhuangdao Outlets Real Estate Company Limited*（秦皇島奧特萊斯置業有限公司）is a wholly-owned subsidiary of the Company. The project developed by the company in the core area of International Healthy City, Beidaihe New District, Qinhuangdao, is positioned as a large coastal shopping, tourism and healthcare resort complex with outlets business 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 Venice-City of Water Outlets Project").

Qinhuangdao Venice-City of Water Outlets Project covers an area of approximately 1,077 mu, planned to be developed in three phases. Phase 1 of the project covers a total area of approximately 230,000 sq.m., which is planned to be developed, by function, into outlets business (including Latitude Space), a health preservation hotel, resort units and an exhibition centre, along with supporting parking lots and greenery landscape. The Group has successively obtained the construction work planning and commencement permits for Sections A, B, and C of Phase 1 and the exhibition centre, the construction work planning permit for Section D of Phase 1 as well as the pre-sale permits for the first 59 resort units.

As at the end of Reporting Period, the main structure of outlets business, which covers an area of approximately 70,000 sq.m., has completed capping, and many units have completed construction of the secondary structure and inspection of the main structure. The outlets business section (including Latitude Space) has entered the fine decoration stage, and construction of the eastern vehicle ramp has been completed. The construction plan of the health preservation hotel in Section D has been vetted. The exhibition centre has been fully constructed and put into use for sale of Phase 1 resort units and daily office operation. Construction of the entrance and exit of the outdoor plaza, bituminous pavement of the exhibition centre, pedestrian way, small car park and temporary car park and greening works of the site have been completed. A total of 189 resort units with courtyard have been planned in one-storey, two-storey or three-storey duplexes, among which the structures of 129 resort units were capped during the Reporting Period, and plastering of external walls and roof-top tiling have been basically completed for a total of 55 units. The entrance and exit and front view landscape of the project have been built; the concrete structure for the waterscape at the main entrance and relevant reserved and embedded parts have been completed; external wall lacquer and lighting works of the clock tower have been fully completed.

In addition, the planning schemes for Phase 2 and Phase 3 were reviewed and approved by Qinhuangdao Municipal Planning Commission on 8 April 2020. Phase 2 has been ascertained to be developed section by section, which is planned to be developed into multiple four-storey and six-storey bungalows and supporting community facilities. As at the end of Reporting Period, Sections 1 to 5 of Phase 2 of the project have obtained the reply of approval for project initiation, Sections 1 and 2 of Phase 2 has obtained the notice of joint proposal review, and Section 2 has passed the joint proposal review.

In April 2020, a sales kick-off conference was held at the Venice-City of Water Project, with a turnout of over 300 sales elites of the city visiting and studying the project in detail. The conference played a critical role in promoting the brand of the Venice-City of Water Project, raising publicity of the project. In May, the company held large scale warm-up activities for celebration of International Labour Day and Children's Day, and invited prospective customers to participate, marking a new milestone in project marketing. During the Golden Week in October, on the back of the local tourist peak season in Qinhuangdao, prospective customers were once again invited with a view to speeding up flat sales.

Yinchuan Project

The Company held the property named JeShing European City (金盛歐洲城) through Ningxia Jinguan Property Investment Co. Ltd.* (寧夏金冠投資置業有限公司) ("Ningxia Jinguan"), a wholly-owned subsidiary of the Company. JeShing European City comprises five parcels of land with a total site area of approximately 133,300 sq.m. and a residential and commercial complex constructed thereon ("Yinchuan Project").

Yinchuan residential project – Jin Sheng Yue Jing (金盛閱景)

Featured with the supporting commercial facilities, Jin Sheng Yue Jing is a large-scale residential community developed passionately by the Company, which creates a comfortable and convenient living environment on the back of the surrounding resources such as banks, medical institutes, educational institutions, department stores and supermarkets, entertainment facilities and restaurants as well as its own lifestyle amenities and building materials stores. With a site area of approximately 120 mu and a planned gross floor area of approximately 221,000 sq.m., the Jin Sheng Yue Jing project comprises 20 mid to high-rise buildings to be developed in 3 phases. The project has adopted the frame shear wall structure across the board, the beige granite paint for exterior decoration, and the internationally popular Artdeco neoclassic architectural style for the overall appearance, presenting a sense of fashion, solemnity and elegance.

Four buildings under Phase 1 of Jin Sheng Yue Jing have been completed and delivered. Construction of the main structure has been completed for two buildings under Phase 2. During the Reporting Period, the Group focused on development of Phase 3, which has a planned gross floor area of approximately 140,000 sq.m., comprising 14 11/18-storey exquisite mid-rise buildings. In terms of project construction, during the Reporting Period, capping of the main structure of 7 buildings in the eastern portion of Phase 3, namely buildings 5, 6, 13 to 16 and 19, was smoothly completed; and internal wall plastering, external wall insulation, construction of the wall masonry filling and the secondary structure were fully completed, and examinations and inspections of these parts of the works by the five responsible parties and the quality supervision station were passed. The Group expects that the 7 buildings under Phase 3 will be delivered by the end of 2021.

The Group successfully obtained the pre-sale permits for 7 buildings under Phase 3 in July 2020, representing complete acquisition of 14 pre-sale permits for Phase 3 and thus ensuring legal compliance for the rolling sales of the Jin Sheng Yue Jing project. Due to its high cost performance and complete education, medical and other living facilities, sales performance of Phase 3 of Jin Sheng Yue Jing has been maintaining a leading position in the industry, earning the title of Popular Property Project in 2020 by Sina Leju（新浪樂居）. As at the end of 2020, it was still capable of attracting market resources amid the gloomy economy, achieving outstanding sales and proceeds.

Yinchuan Commercial Properties

The Yinchuan Commercial Properties consist of three commercial buildings (namely "建材樓", "家居樓" and "太平商場") and two corridors, collectively known as Jeshing International Home Furnishing Mall • Desheng Square（金盛國際家居•德勝廣場）with a total gross floor area of approximately 95,000 sq.m. It is an integrated commercial complex featuring building materials and furniture stores, department stores, restaurants and supermarkets, with malls offering high-end building materials and upscale household products covering gross floor areas of approximately 40,000 sq.m. and 30,000 sq.m. respectively. The elegant and comfortable commercial environment, easy accessibility by convenient public transportation, bespoke commercial layout plan and premium quality management have made it a new premier commercial landmark in Yinchuan.

In terms of business solicitation, in addition to building materials and household products stores that have been growing from strength to strength in the industry, the Group brought in a large indoor trampoline centre and a boxing gym to the corridors, which invigorated the existing product portfolio, and attracted a wider range of shopping groups with a unique business structure, redefining the traditional image of a shopping mall for building materials and household products by being more inclusive. During the Reporting Period, with its well-established brand influence in the field of household products and building materials, the Group completed business solicitation for the second to fifth floors of the building of 太平商場 in the third quarter of 2020, and with prime geographical location, it successfully attracted 30 household products and building materials players originally operating in Yinchuan International Trade Market（銀川國際商貿城）, giving a further boost to the shopping mall in terms of scale. In October 2020, Curtain City of Jeshing International Home Furnishing Mall（金盛國際家居窗簾城）commenced operations and achieved a letting rate of 100% through business solicitation, becoming the largest curtain wholesale base in the northwest region to date.

In terms of marketing, during the Reporting Period, the Group joined hands with brand partners and hosted a number of large alliance marketing events, such as Stroll, Shop, Save ("能浪會槓更會省"), Star-studded JeShing Grand Opening ("金盛大牌開業"), Summer Sale ("夏不為利"), JeShing's Bargain Price Offerings ("全城比價、金盛更低"), Grand Banquet ("豪門夜宴"), 12.12 Super Sale ("12.12動真格") and JeShing's Grand Event in the Year of the Ox ("牛年大戲，金盛給力"), promising marketing for every month and promotion for every day, which attracted large traffic to the mall and drove significant sales on those dates, and actively encouraged alliance stores to cooperate with enthusiasm.

Meanwhile, as a large enterprise with a strong sense of social responsibility, the Group visited solitary elderly in Languang Village, Helan County in May 2020, and brought them rice, flour, oil and other daily necessities, actively promoting our positive enterprise culture. The Company arranged party members to visit a military base on 1 July 2020 to learn about national development history, and later arranged employees to record videos on the National Day on 1 October to celebrate the birthday of our great motherland. In 2021, to strengthen the physique and solidarity of employees and guide cadres and employees to actively take part in the practice of Drawing a New Picture of Ningxia and Fulfilling the Great Chinese Dream ("建設美麗新寧夏 共圓偉大中國夢") with a healthy body and high morale, Yinchuan Company actively participated in the First Sports Day for Workers of the Helan Industrial Park（賀蘭工業園區第一屆職工運動會）jointly hosted by the local party and the masses affairs office and the trade union in celebration of the 100th anniversary of the party establishment.

Associated Companies

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

Huailai Project

The master plan, demonstration area design plan, chateau design plan and environmental impact assessment of the characteristic villa residential and winery project in Huailai of Hebei Province 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. In the demonstration area, access to roads, electricity and water supply has been in place and certain works regarding landscaping, planting and slope wall reconditioning have been completed. In addition, bidding for a parcel of construction land of approximately 480 mu to be put up for sale is under preparation.

Changchun Project

Globe Outlet Town (Jilin) Limited*（吉林奧特萊斯世界名牌折扣城有限公司）("Jilin Company"), a 42%-owned associated company of the Company, obtained land use rights for a piece of land with an area of 443 mu for commercial and residential purposes in Shuangyang District, Changchun City, Jilin Province in April 2016. In order to seek differentiated development, Jilin Company plans to develop its project in Shuangyang District, Changchun into an integrated project ("Jilin Project") combining a theme park and a cultural tourism town under the theme of cultural tourism and the objective of building a liveable place with elderly care.

An area of approximately 443 mu of the above lot is used for Phase 1 of the Jilin Project. Jilin Company initially developed the C3 residential lot of the land under the promotion name of JeShing Premium（金盛逸品）(later renamed as JeShing Jiuli New City（金盛•九里新城）in April 2020), which covers an area of approximately 74 mu with plot ratio of 1.49 and greening ratio of 30.81%, by planning and building it into a high-end residential community with 12 multi-storey buildings and planned gross floor area of approximately 105,000 sq.m. with hot spring directly accessible to each individual unit. During the Reporting Period, construction of all buildings under Phase 1 of JeShing Jiuli New City was basically completed, and some of the buildings were delivered in January 2021 for owners to move in.

Meanwhile, in view of the popularity of Phase 1 in the market, Jilin Company also took the opportunity and actively developed and promoted Phase 2 of JeShing Jiuli New City, which covers an area of approximately 116.7 mu with plot ratio of 1.58 and greening ratio of 30.55%, by planning and building it into 20 high-end multi-storey and mid-rise buildings with hot spring directly accessible to each individual unit, a kindergarten building, two public buildings and other supporting facilities, with planned gross floor area of approximately 162,000 sq.m. During the Reporting Period, Jilin Company obtained the construction commencement permits for a number of buildings under Phase 2, and a gross floor area of approximately 95,000 sq.m. will be developed initially.

In terms of marketing, at the beginning of the Reporting Period, there were basically no on-site visits to the exhibition hall due to the epidemic. During the period, the online sales office was opened and 360° online flat viewing was launched. Members of the sales team carried out live broadcast for flat sales, promoted the information of the project through online channels, and fully leveraged the use of new media to increase exposure of the project to make up for the problem of few on-site visits. In mid-June 2020, the sales centre on the project site was officially opened to the public, and show flats at delivery standards were opened at the same time, building market influence and customer awareness in the market to a certain extent.

Significant Investments

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

Liquidity and Financial Resources

The Group mainly finances its business operations with its internal resources and loan facilities from banks, financial institutions and related parties. As at 31 March 2021, the Group had cash and bank balances amounted to approximately HK$57,302,000 (2020: HK$27,107,000). The Group's current ratio (measured as total current assets to total current liabilities) was 0.63 times (2020: 0.88 times). The secured and unsecured interest-bearing bank and other borrowings of the Group amounted to approximately HK$1,432,500,000 (2020: HK$1,325,111,000) and approximately HK$53,968,000 (2020: HK$52,674,000), respectively as at 31 March 2021.

Pledge of Assets

As at 31 March 2021, property interest held by the Group with net carrying amount in aggregate of approximately HK$2,186,407,000 (31 March 2020: HK$2,061,241,000) were pledged to banks and financial institutions.

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, contract liabilities and amounts due to related parties were mainly denominated in RMB, the Group had not experienced significant exposure to foreign currency fluctuation.

Commitments

As at 31 March 2021, the Group had capital commitments of construction of properties included under property, plant and equipment and investment properties of approximately HK$571,005,000 (31 March 2020: HK$472,697,000).

Subsequent Event

On 29 June 2021, the Group entered into a non legal binding Memorandum of Understanding with 樂沃居控股集團有限公司 (Lewoju Holding Group Co,. Ltd*) (the "Purchaser") in relation to a possible disposal of 100% equity interest of the Changsha Outlets Project (the "Possible Disposal"). The consideration for the Possible Disposal shall comprise of (i) consideration of RMB1, and (ii) Purchaser to assume all liabilities of the Changsha Outlets Project. In the event that the Possible Disposal materialises, the Possible Disposal is expected to complete on or before 31 December 2021. Details of which are further disclosed in the announcement of the Company published by the Company on the website of The Stock Exchange of Hong Kong Limited on 29 June 2021.

Employees and Remuneration Policy

As at 31 March 2021, the Group employed a total of 233 employees (excluding Directors), as compared to 247 employees (excluding Directors) as at 31 March 2020. 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, housing provident fund and mandatory provident fund (for Hong Kong employees).

Prospect and Outlook

Looking back on the past year, COVID-19 was beyond doubt the talk of the town across the globe, and in just a couple of months ruthlessly and "single-handedly" crippling numerous economies around the world, and subjecting the human race to an unprecedented public health crisis. With disease prevention measures such as lockdown of premises, work suspension, and home isolation in place, the entire world was once mired in a "great lockdown" that gave rise to a host of problems such as economic stagnancy, political upheaval, social division, and regional segmentation.

To date, many western countries are still hard hit by the epidemic. In contrast, the Chinese government has done a good job as its disease prevention and control initiatives have yielded significant strategic results, and effectively facilitating the resumption of normal work and life as well. The national economy maintained a steady recovery momentum. Statistics showed that notwithstanding a year-on-year decline of 6.8% in GDP in the first quarter of 2020, the growth rate turned positive in the second quarter with a year-on-year growth of 3.2%, which further jumped to 4.9% in the third quarter, and the fourth quarter recorded year-on-year GDP growth of 6.5%, beating expectations of 6.2%. Various economic indicators were on an upward trajectory, and China was the only major economy in the world to achieve a positive growth in 2020, with national GDP exceeding RMB100 trillion for the first time.

In terms of industry policy, 2021 is the first year of the 14th Five-Year Plan of the state. The Plan restates that housing is for people to live in, not for speculation. Emphasis is placed on both rental and purchase with differential policies across cities, so as to promote the long-term stable and sound development of the real estate market. It requires to strengthen the basic role of consumption on economic development. As a basic consumer product with the largest consumption, real estate will continue to grow in the future. Meanwhile, the 14th Five-Year Plan encourages the development of new consumption models and new business initiatives, demonstrating that the state encourages innovation. In the real estate field, it mainly involves innovation of new products such as shared residences or long-term rental apartments that can effectively alleviate the pressure on housing. The Plan also advocates switching from purchase management to usage management. For commodities such as flats and automobiles, the state generally encourages to use them instead of acquiring the ownership by purchase, demonstrating that real estate will focus more on the mode of rental housing going forward. In addition, the Plan also promotes the balanced development of finance, real estate and the real economy, and avoid the situation of dominance by real estate.

The Group has focused on the real estate market, strategically rolling out diverse product mixes such as "residential + commercial", "residential + senior care", and "residential + cultural tourism", which boast unique features to forestall declined competitiveness due to homogeneity of products. However, the success of a company also depends very much on its ability to appreciate industry-related policies in advance and make business adjustments and plans in a timely manner to align itself with the policies. The nature of the Group's current products is still focusing on sales. Going forward, in terms of product innovation, it still has to proactively respond to the calls of national policies, and ride on the trends to launch new products such as shared residences or long-term rental apartments with Richly Field features that are encouraged and supported by the state, so as to adopt sales promotion approaches in line with major market trends to ensure revenue.

As a double-edged sword, the epidemic has exposed the Group's weakness in adaptability and resilience in extreme conditions. How to "survive" or even "transcend" before the next "epidemic" hits is an issue that enterprises must ponder on beyond their daily operations. It warrants an imperative long-term reform that will be reflected on various aspects such as product strategy, marketing approach, development model, and financial alerts.

As such, the Group will constantly monitor the latest developments and policies in the market and adjust product strategies in a timely manner to the greatest extent. It will innovate product design with particular focus on enhancing the intelligent delivery system of products to ensure that its products are equipped with comprehensive functions to meet the needs at all levels. Meanwhile, the Group will leverage current popular marketing channels such as live streaming platforms, videos and VR, which boast faster dissemination, wider scope, and more innovative forms, to promote its products, bolster its brand reputation and alleviate the concentration of risks arising from on-site flat viewing and off-line malls.

In addition, the Group will further enhance corporate financial alerts by deploying professional analytical means to conduct analysis and prediction on corporate operating activities and financial activities, so as to identify the Group's exposure to operating and financial risks in its operating and management activities, and to issue alerts before a crisis occurs and urge the management to take effective measures to mitigate relevant risks. Meanwhile, the Group will cease to "stick to conventions" and forsake the traditional mindset of "going at it alone" by enhancing cooperation with financing institutions, governments and other real estate developers to jointly invigorate its various projects.

As described in the Company's annual report for the year ended 31 March 2020, due to the large financing amount at the early stage of the Changsha Outlets Project, financial costs have accumulated over time, and the tightening of the financing environment has made it more difficult for the Company to satisfy its working capital. Coupled with the local government's strong implementation of strict real estate policies, purchasing power and profitability are greatly reduced. Accordingly, in consideration of the above financial alerts, the Group is still persistently and proactively engaging with interested partners to jointly investigate various options for the Changsha Outlets Project, for example, the Group entered into a non legal binding memorandum of understanding with an independent third party for the disposal of the Changsha Outlets Project on 29 June 2021. The Possible Disposal, if materialised, will release the Group from the liabilities of the Changsha Outlets Project. It would therefore enable the Group to rationalise and deploy resources on other areas of operations with the objective of enabling the Group to improve its overall business performance. Provided that any decision will be made in the best interests of the shareholders as a whole.

FINAL DIVIDEND

The Board did not recommend payment of a final dividend for the Year (2020: 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 person (Mr. Li Yi Feng). 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 facilitates 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 officer as and when appropriate taking into account the prevailing circumstances.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to 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 results 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.richlyfieldchinagroup.com and the Stock Exchange's website at www.hkexnews.hk. The 2021 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 Wednesday, 25 August 2021. To ascertain the Shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 19 August 2021 to Wednesday, 25 August 2021, 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 Wednesday, 18 August 2021.

By Order of the Board
Richly Field China Development Limited
Li Yi Feng
Chairman and Chief Executive Officer

Hong Kong, 30 June 2021

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Li Yi Feng (Chairman and Chief Executive Officer) and Mr. Chen Wei (Vice President); and three independent non-executive Directors, namely Ms. Hsu Wai Man Helen, Mr. Wong Chi Hong William and Mr. Xu Jinghong.

* *For identification purpose only*