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)

UNAUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2022

For the reasons explained below under the section headed "Preparation of Unaudited Annual Results", the auditing process for the annual results of Richly Field China Development Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") has not been completed.

The board (the "**Board**") of directors (the "**Directors**") of the Company hereby announce the unaudited consolidated annual results of the Group for the year ended 31 March 2022 (the "**Year**" or "**Reporting Period**") together with the comparative figures for the year ended 31 March 2021 (the "**Corresponding Period**") and selected explanatory notes as follows:

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2022

	NOTES	2022 HK$'000 (Unaudited)	2021 HK$'000 (Audited)
Revenue	4	**641,520**	41,168
Cost of sales		**(603,453)**	(30,456)
Gross profit		**38,067**	10,712
Loss on revaluation of investment properties		**(4,259)**	(89,481)
Other income, gain and loss		**8,067**	1,880
Selling expenses		**(31,613)**	(20,885)
Administrative expenses		**(72,186)**	(74,974)
Finance costs	5	**(326,889)**	(259,995)
Loss before tax	6	**(388,813)**	(432,743)
Income tax credit	7	**459**	17,061
Loss for the year		**(388,354)**	(415,682)
Other comprehensive expense			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**(68,214)**	(46,982)
Other comprehensive expense for the year, net of tax		**(68,214)**	(46,982)
Total comprehensive expense for the year		**(456,568)**	(462,664)
		HK$	*HK$*
Loss per share	8		
Basic		**(1.66) cents**	(1.78) cents
Diluted		**(1.66) cents**	(1.78) cents

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2022

	NOTES	2022 HK$'000 (Unaudited)	2021 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		**1,290**	26,433
Investment properties		**676,116**	1,339,891
Right-of-use assets		**423,935**	578,361
Interests in associates		**6,391**	9,404
Financial asset designated at fair value through other comprehensive income ("**FVTOCI**")		**2,724**	2,724
Goodwill		**123,300**	118,392
		1,233,756	2,075,205
Current assets			
Properties under development		**762,932**	2,759,814
Completed properties held for sales		**62,037**	97,145
Trade receivables	*10*	**9,561**	8,062
Prepayments, deposits and other receivables		**164,016**	287,973
Cash and cash equivalents		**65,981**	57,302
		1,064,527	3,210,296
Assets classified as held for sale	*11*	**2,766,743**	–
		3,831,270	3,210,296

	NOTES	2022 HK$'000 (Unaudited)	2021 HK$'000 (Audited)
Current liabilities			
Trade payables	*12*	**527,023**	1,171,435
Other payables and accruals		**494,050**	932,491
Contract liabilities		**47,265**	922,882
Amounts due to related parties		**485,769**	467,048
Interest-bearing bank and other borrowings		**19,444**	1,486,468
Provisions		**–**	6,846
Lease liability		**251**	1,338
Tax payable		**114,889**	127,229
		1,688,691	5,115,737
Liabilities associated with assets classified as held for sale		**4,075,799**	–
		5,764,490	5,115,737
Net current liabilities		**(1,933,220)**	(1,905,441)
Total assets less current liabilities		**(699,464)**	169,764
Non-current liabilities			
Deferred income		**68,751**	65,975
Amounts due to related parties		**34,052**	436,196
Lease liability		**109**	–
Deferred tax liabilities		**39,154**	52,555
		142,066	554,726
Net liabilities		**(841,530)**	(384,962)
Equity			
Issued capital		**1,166,834**	1,166,834
Reserves		**(2,008,364)**	(1,551,796)
Deficiency in Equity		**(841,530)**	(384,962)

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

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$388,354,000. As at 31 March 2022, the Group had net current liabilities of approximately HK$1,933,220,000. As such, the directors of the Company had given careful consideration to the Group's ability to act as a going concern. As disclosed in note 11 to this announcement, the Group completed the disposal of the entire equity interests in the the Changsha Outlets Project (as defined in note 11). Following the completion of the Disposal, the Group will carve out the financial numbers of the Disposal Group, with net liabilities of approximately HK$1.31 billion based on the numbers as at 31 March 2022. The Group shall achieve net assets position after the disposal based on numbers as at 31 March 2022.

In addition, the directors of the Company have reviewed the Group's cash flow projections covering a period of twelve months from 31 March 2022 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 RMB2,000,000,000, excluding RMB2,000,000,000 facility that is related to the Disposal Group, that will not be expiring before December 2023 of which the whole amount remained unutilised as at 31 March 2022;

(iii) the forecasted operating cash flows for the year ending 31 March 2023.

In addition, the Group is also considering various options for obtaining additional financing to the Group, such as new investors and business partners.

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 2022. 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 AMENDMENTS TO HKFRSs

In the current year, the Group has applied, for its first time, the Amendments to References to the Conceptual Framework in HKFRSs and the following amendments to HKFRSs issued by the HKICPA which are effective for the Group's financial year beginning 1 April 2021:

Amendment to HKFRS 16	COVID-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and position for the current and prior years 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[3]
Amendments to HKFRS 3	Reference to Conceptual Framework[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 1	Classification of Liabilities as Current or Non-current [3]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[3]
Amendments to HKAS 8	Definition of Accounting Estimates[3]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[3]
Amendments to HKAS 16	Property, plant and Equipment: Proceeds before Intended Use[2]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[2]
Amendment to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021[1]
Amendment to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020 cycle[2]

[1] *Effective for annual periods beginning on or after 1 April 2021.*
[2] *Effective for annual periods beginning on or after 1 January 2022.*
[3] *Effective for annual periods beginning on or after 1 January 2023.*
[4] *Effective for annual periods beginning on or after a date to be determined.*

The directors of the Company anticipate that the application of 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 Outlets Project**"), Qinhuangdao of Hebei Province (the "**Qinhuangdao Project**") and Yinchuan City, Ningxia Hui Autonomous Region (the "**Ningxia Project**") in the PRC. The chief executive officer of the Company (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 Outlets 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 (2021: Nil).

4. REVENUE

Disaggregation of revenue from contracts with customers

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

	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Sales of properties	**595,372**	11,117
Management fee income	**14,923**	13,513
Total revenue from contracts with customers	**610,295**	24,630
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	**20,686**	7,111
– Variable lease payments that do not depend on an index or a rate	**10,539**	9,427
	31,225	16,538
	641,520	41,168

	2022	2021
	HK$'000	*HK$'000*
Timing of revenue recognition		
At a point in time	**595,372**	11,117
Over time	**14,923**	13,513
Total revenue from contracts with customers	**610,295**	24,630

5. FINANCE COSTS

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

	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Interest on bank and other borrowings	**366,891**	259,773
Interest on lease liability	**51**	222
Less: Amount capitalised in the cost of qualifying assets	**(40,053)**	–
	326,889	259,995

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation for the year ended 31 March 2022 was 9.22% (2021: N/A).

6. LOSS BEFORE TAX

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

	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
(a) Staff costs:		
Salaries, wages and other benefits	**28,096**	26,964
Contributions to defined contribution retirement plans	**3,774**	2,329
	31,870	29,293

	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
(b) Other items:		
Cost of properties recognised as expenses#	**583,127**	8,040
Loss on written off of property, plant and equipment*	**66**	193
Depreciation of property, plant and equipment*	**2,856**	4,779
Depreciation of right-of-use assets*	**15,699**	18,128
Auditors' remuneration*	**1,250**	1,250
Direct operating expenses incurred for investment properties that generated rental income during the year#	**5,580**	6,155

\# *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% (2021: 25%).

No provision for Hong Kong profits tax has been made for the year ended 31 March 2022 as the Group did not generate any assessable profits arising in Hong Kong during the year (2021: Nil).

8. LOSS PER SHARE

(a) Basic loss per share

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

	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Loss attributable to owners of the Company	**(388,354)**	(415,682)

	2022	2021
	(Unaudited)	(Audited)
Weighted average number of ordinary shares (basic)	**23,336,687,255**	23,336,687,255

(b) Diluted loss per share

For the years ended 31 March 2022 and 2021, 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 2022 (2021: Nil).

10. TRADE RECEIVABLES

	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Rental receivables	**8,979**	3,709
Rental recognised using the straight-line method	**582**	4,353
Total	**9,561**	8,062

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:

	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within one year	**8,979**	3,709
Over one year	**582**	4,353
	9,561	8,062

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The Group recognised lifetime ECL for trade receivables based on a provision matrix grouped by the past due status of these receivables. However, no loss allowance was made on these receivables as the identified impairment loss is immaterial.

11. DISPOSAL GROUP HELD FOR SALE

During the year ended 31 March 2022, the directors of the Company resolved to dispose of the entire equity interests in the Group's subsidiaries, including 湖南裕田奧特萊斯置業有限公司 (Hunan Richly Field Outlets Real Estate Limited*), 長沙裕田奧特萊斯企業管理有限公司 (Changsha Yutian Outlets Business Administration Co Ltd*) and 長沙裕田奧萊物業管理有限公司 (Changsha Yutian Outlets Property Management Co Ltd*) (collectively referred to as the "**Target Companies**" or "**Changsha Outlets Project**"). The assets and liabilities attributable to the business, which are expected to be sold within twelve months, have been classified as a disposal group held for sale and are separately disclosed in the consolidated statement of financial position.

The Group entered into a formal conditional equity transfer agreements with an independent third party to dispose the entire equity interest in the Changsha Outlets Project (the "**Disposal**"). Details of the Disposal are set forth in the Company's announcements on 9 February 2022, 2 March 2022, 17 March 2022 and 14 April 2022.

The major classes of assets include investment properties, properties under development, right-of-use assets and completed properties held for sale. And the major classes of liabilities include interest-bearing bank and other borrowings, trade payables, other payables and accruals, contract liabilities and amount due to related companies.

12. 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:

	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within one year	**269,210**	106,781
Over one year	**257,813**	1,064,654
	527,023	1,171,435

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

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. Key projects of the Group include 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 People's Republic of China (the "**PRC**") (the "**Yinchuan Project**"), and Qinhuangdao Venice. the City of Water Outlets Project which is a comprehensive project developed in Beidaihe New District, Qinhuangdao, Hebei, the PRC (the "**Qinhuangdao Project**").

FINANCIAL REVIEW

Presentation of financial numbers of the Changsha Outlets Project

The Changsha Outlets Project (as defined below) was disposed to an independent third party on 14 April 2022, which is subsequent to the Reporting Period. For the unaudited consolidated statement of profit or loss and other comprehensive income, financial numbers of the Changsha Outlets Project are consolidated into each item accordingly. For the unaudited consolidated statement of financial position, all assets items of the Changsha Outlets Project are aggregated and shown under "assets classified as held for sale", while all liabilities items of the Changsha Outlets Project are aggregated and shown under "liabilities associated with assets classified as held for sale". The Group recorded assets classified as held for sale of approximately HK$2,766,743,000 and liabilities associated with assets classified as held for sale of approximately HK$4,075,799,000 as at 31 March 2022.

During the Year, the Group recorded a total revenue of approximately HK$641,520,000 as compared to approximately HK$41,168,000 for the Corresponding Period, representing an increase of 1,458.3%. The increase in revenue was mainly attributable to the Group has completed and delivered residential buildings to the property owner in the Yinchuan Project. 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$14,923,000 for the Year as compared to approximately HK$13,513,000 for the Corresponding Period, representing an increase of 10.4%. Rental income was approximately HK$31,225,000 for the Year as compared to approximately HK$16,538,000 for the Corresponding Period, representing an increase of 88.8%.

The Group recorded a loss on revaluation of investment properties of approximately HK$4,259,000 for the Year as compared to approximately HK$89,481,000 for the Corresponding Period, representing a decrease of 95.2%. Finance costs amounted to approximately HK$326,889,000 as compared to approximately HK$259,995,000 for the Corresponding Period, representing an increase of 25.7%. Majority of finance costs is related to the Disposal Group. The loss attributable to equity holders for the Year amounted to approximately HK$388,354,000 as compared to approximately HK$415,682,000 for the Corresponding Period, representing a decrease of 6.6%. The loss per share for the Year was HK$1.66 cents as compared to HK$1.78 cents for the Corresponding Period.

As for financing aspect, 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$372,119,000) (the "**Other Loan 1**") as at 31 March 2022. Other Loan 1 is due in March 2023 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.

During the Year, the Group entered into a new 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 RMB2,000,000,000 (equivalent to approximately HK$2,466,000,000) at an interest rate of 5% per annum and is due to repay in December 2023. As at 31 March 2022, the whole amount remained unutilised.

Projects Overview

Disposal of Changsha Outlets Project

As described in the Company's annual report for the year ended 31 March 2021 and interim report for the six months ended 30 September 2021, due to the large financing amount at the early stage of the Changsha Outlets Project, financial costs have accumulated year-over-year, 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 forceful implementation of strict real estate policies, purchasing power and profitability are greatly reduced. As such, continuing to develop the Changsha Outlets Project with a conventional mentality is neither affordable nor beneficial for the Group. Therefore, over the past two years, the Group has been persistently and proactively negotiating and cooperating with the government, financial institutions and potential partners, and jointly explore the future prospects of the Changsha Outlets Project.

Reference is made to the announcement of the Company dated 29 June 2021, on which (after the trading hours), the Group entered into a non-legally binding memorandum of understanding ("**MOU**") with 樂沃居控股集團有限公司 (Lewoju Holding Group Company Limited*) ("**Lewoju**", an independent third party) in relation to the disposal of the Changsha Outlets Project. Pursuant to the MOU, Lewoju was contemplating a possible acquisition of, while 裕田幸福城(北京)投資顧問有限公司 (Richly Field (Beijing) Investment Consulting Co., Ltd.*) and 奧特萊斯世界名牌折扣城控股有限公司 (Globe Outlets City Holdings Limited*) (the "**Potential Sellers**") were contemplating the possible disposal of all the equity interests beneficially held by the Potential Sellers in 湖南裕田奧特萊斯置業有限公司 (Hunan Richly Field Outlets Real Estate Limited*), 長沙裕田奧特萊斯企業管理有限公司 (Changsha Yutian Outlets Business Administration Co Limited*) and 長沙裕田奧萊物業管理有限公司 (Changsha Yutian Outlets Property Management Company Limited*) (collectively the "**Target Companies**" or "**Changsha Outlets Project**") (the "**Disposal**").

During the Reporting Period, the Group continuously communicated with Lewoju, relevant government departments and major creditors on the commercial terms and conditions of the Disposal, sorted out various debt relationships, and prepared subsequent repayment schemes and development plans, in order to precipitate the Disposal. On 9 February 2022, the Potential Sellers, Lewoju and the Target Companies entered into separate equity transfer agreements in relation to the Disposal, pursuant to which the parties have conditionally agreed to sell and acquire the entire equity interests of the Target Companies. For details, please refer to the announcement of the Company dated 9 February 2022.

Subsequently, after several rounds of arm's length negotiations and reciprocal proactive cooperation among the parties to fulfill the conditions precedent to the Disposal, the Disposal was finally completed on 14 April 2022. Upon Completion of the Disposal of the Changsha Project, the Target Companies ceased to be subsidiaries of the Company and their financial information will cease to be consolidated in the financial statements of the Group. For details, please refer to the announcement of the Company dated 14 April 2022.

Qinhuangdao Venice – City of Water Outlets Project

The Company held the Qinhuangdao Project through Qinhuangdao Outlets Real Estate Company Limited*（秦皇島奧特萊斯置業有限公司）, a wholly-owned subsidiary of the Company. The Qinhuangdao Project is 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. The residential and commercial parts of the Qinhuangdao Project aggregate to a total GFA over 500,000 sq.m..

The Qinhuangdao Project signed the land use rights purchase agreements to purchase the land use rights of 1,077 mu in the first quarter of 2012 and started the preparations for the preliminary stage of construction, including fencing and backfill work, in order to prepare for the official kick-off of the construction. It was expected to obtain the land use right certificates on or before the second half in 2013, however, the lands were re-located to be managed under Beidaihe New District, which originally would be managed by Changli County, and it created a delay of the project and the Company only received the land use right certificates in March 2015. As disclosed in the 2014 annual report of the Company, the whole fencing and part of the backfill works for the land parcels have been completed, which basically met the land use requirement for phase 1 construction. Meanwhile, the Qinhuangdao Project was proactively fulfilling the preliminary work of application for land use and construction licenses and permits, including application for permit for the general project plan and design, so as to be prepared for the commencement of phase 1.

During the six months ended 30 September 2017, the planned conceptual design for the phase 1 of the Qinhuangdao Project has been adjusted as per the requirements from the local government to comply with the general urban planning; and the project has experienced a further delay. As at the date of this announcement, 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 (i.e. the whole phase 1 except for the resort units and hotel), the construction work planning permit for section D of phase 1 (i.e. the resort units and hotel) as well as the pre-sales permits for the first 59 duplexes. The delay of phase 1 has also impacted the construction planning on phase 2 and phase 3, and the planning schemes for phase 2 and phase 3 were reviewed and approved by Qinhuangdao Municipal Planning Commission on 8 April 2020. During the year ended 31 March 2021, sections 1 to 5 of phase 2 (i.e. the whole phase 2) 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 of phase 2 has passed the joint proposal review. The planning on phase 2 and phase 3 interlinks with the sales strategies of phase 1, and that explained the slow progress of the sales of phase 1 since obtaining the pre-sales permits in January 2019. After the planning schemes for phase 2 and phase 3 were approved in April 2020, the progress of the Qinhuangdao project was impacted negatively by COVID-19 epidemic and the Default Loans (the Group breached the terms of loan agreements in June 2020 which has negatively impacted on the Group's ability to obtain financial resources).

During the Reporting Period, minimal progress was made in the sales of phase 1 and no progress was made in the phase 2 and phase 3. In terms of project construction, little progress has been made during the Reporting Period. The Group focused on the construction of some peripheral works of the phase 1.

Yinchuan Project

The Company held the Yinchuan Project through Ningxia Jinguan Property Investment Co. Ltd.* (寧夏金冠投資置業有限公司), a wholly-owned subsidiary of the Company. The Yinchuan Project comprises both residential and commercial portions. The residential project, Jin Sheng Yue Jing is a large-scale residential community featured with the supporting commercial facilities. It 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 planned GFA over 200,000 sq.m., the Jin Sheng Yue Jing project residential portion comprises 20 mid to high-rise buildings to be developed in 3 phases, with 4 buildings in phase 1, 2 buildings in phase 2 and 14 buildings in phase 3 respectively. The Yinchuan Project commercial properties consist of three commercial buildings (being phase 1 of the commercial portion) (namely "建材樓", "家居樓" and "太平商場") and two corridors (being phase 2 of the commercial portion), collectively known as Jeshing International Home Furnishing Mall•Desheng Square (金盛國際家居 • 德勝廣場) with a total GFA over 90,000 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.

As at the date of this announcement, the construction work of the commercial portion of the Yinchuan Project (including both the commercial phase 1 and commercial phase 2) has been completed. Phase 1 of the commercial portion represents all three commercial complexes of the Yinchuan Project and was completed in stages in 2012 and 2013. The Group started leasing the commercial complexes of the Yinchuan Project since 2012. Phase 2 of the commercial portion is an expansion project consisting of two corridors which link up the commercial complexes. Phase 2 was completed in 2019. There are 3 blocks of commercial complexes under the Phase 1 commercial portion, 2 blocks are under pledge for the Default Loans of the Target Companies. Among the unpledged portion, portion with a total GFA of approximately 15,655.05 sq.m. was sold to various independent third parties, and the remaining unsold portion was retained by the Group. As at 31 March 2022, approximately 80.67% of total GFA of the commercial properties of the Yinchuan Project owned by the Group were leased to tenants.

For the residential portion (residential area with both residential properties and shops), phase 1 with a GFA of 33,672.00 sq.m. has been completed, and main part of the construction work of phase 2, including the two blocks of residential properties (together with the related shops) under pledge for the Default Loans of the Target Companies, has been completed. Pre-sales permit of phase 2 of the residential portion was obtained in 2017. Phase 3 with a GFA of 150,932.00 sq.m. is completed. Pre-sales permit for phase 3 was obtained in 2019, and the Group has completed the sales of approximately 97% of total GFA of the phase 3 residential properties, representing a total of 764 units out of a total of 784 units up to 31 March 2022. As at 31 March 2022, the Group has completed the delivery of 567 units pre-sold units of phase 3 residential properties.

Among the commercial and residential portions of the Yinchuan Project, commercial properties with a GFA of 44,921 sq.m. and residential properties with a GFA of 45,788 sq.m. were pledged for a loan of the Target Companies. Regarding the pledged properties under commercial phase 1, they represent two blocks out of 3 blocks of the commercial complexes of the Yinchuan Project. The Group is generating and will continue to generate rental income from such pledged properties as long as the pledge is not executed by the lender. The operation of the unpledged portion of the commercial complex does not rely on the operation of the pledged portion of the commercial complexes.

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.

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. The construction of all buildings under Phase 1 of JeShing Jiuli New City was basically completed and partially delivered.

The land for Phase 2 of JeShing Jiuli New City was divided into two parcels, i.e. Parcel A and Parcel B. Jilin Company developed Parcel B first during the Reporting Period. Parcel B covers an area of 7.7824 hectares, with a planned gross floor area of 162,352.66 sq.m., on which hot spring hotel apartments, supporting kindergartens and a total of 1,199 residences will be constructed with plot ratio of 1.58 and greening ratio of 30.55%. Jilin Company plans to build Parcel B into a high-end residential community with 13 multi-storey buildings and planned gross floor area of approximately 105,000 sq.m. with hot spring directly accessible to each individual unit. As of the end of the Reporting Period, the main structure of 11 residential buildings on Parcel B has been completed.

In terms of marketing, Phase 1 of the project has been officially put on sale since delivery, which has notable advantages compared with most pre-sold properties in the market. Moreover, high delivery satisfaction and high standard quality witnessed by customers have greatly improved the brand and market reputation of the project, and the project has steadily entered a smooth sales period. However, since the second half of 2021, affected by developers with nationwide presence represented by Evergrande Real Estate and local developers represented by Dazhong Real Estate as well as other objective factors such as the epidemic, the real estate market in Changchun has gradually shown a significant downward trend, and the overall sales volume of the market has shrunk significantly. Phase 2 of the project rolled out new small apartments in September 2021 to complete the product mix. Once launched, the apartments received high recognition from the market. However, due to the overall downward trend of the market and news about major developers, customers tend to be hesitant with dampened spending impulses. Given the changes in the market, the project adjusted its marketing strategy in an appropriate and timely manner, reduced media advertising, and turned to channels with immediate effect to attract customers.

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 2022, the Group had cash and bank balances amounted to approximately HK$65,981,000 (2021: HK$57,302,000). The Group's current ratio (measured as total current assets to total current liabilities) was 0.63 times (2021: 0.63 times). The secured and unsecured interest-bearing bank and other borrowings of the Group amounted to approximately HK$Nil (2021: HK$1,432,500,000) and approximately HK$19,444,000 (2021: HK$53,968,000), respectively as at 31 March 2022.

Pledge of Assets

As at 31 March 2022, property interest held by the Group with net carrying amount in aggregate of approximately HK$1,294,432,000 (31 March 2021: HK$2,186,407,000) 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 2022, the Group had capital commitments of construction of properties included under property, plant and equipment and investment properties of approximately HK$569,375,000 (31 March 2021: HK$571,005,000).

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES OR ASSOCIATED COMPANIES DURING THE YEAR

Save as disclosed below, the Group had no material acquisition or disposal of subsidiaries, associates and joint ventures during the Year.

Disposal of Changsha Outlets Project

The Disposal of Changsha Outlets Project was completed on 14 April 2022, please refer to "Disposal of Changsha Outlets Project" under Project Review for details.

SUBSEQUENT EVENT

Disposal Transaction

Subsequent to the end of the Reporting Period, the shareholders of the Company (the "**Shareholders**") approved the Disposal of Changsha Outlets Project at a special general meeting of the Company held on 1 April 2022. The Disposal was completed on 14 April 2022.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2022, the Group employed a total of 190 employees (excluding Directors), as compared to 233 employees (excluding Directors) as at 31 March 2021. 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

To date, real estate, though still a pillar industry, has become saturated, and the environment for development is not the one it used to be. First of all, population, as the biggest driver for real estate development, brings less benefits, and the trend towards a negative growth is hardly reversible. Secondly, the urbanisation rate that has been spawning demands for housing over the years is approaching the levels in developed countries, which means there is less leeway left for driving real estate development by urbanisation in the future. Thirdly, regulatory policies in the real estate industry rolled out in 2021 are a game changer. The "three red lines", "two concentrations of loans", "concentrated land supply" and "five restrictions" (restrictions on purchase, loan, price, commercial property, and sale) policies become stricter, which, couple with the reform on real estate tax, constitute the long-term mechanism for regulating the real estate industry. "Housing is for accommodation rather than speculation", a notion mentioned five times at the central meetings on economic development, indicates China's determination to regulate the real estate industry and turn from the virtual economy to the real economy.

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. In the past few years, the Group failed to adapt to industry policies and market development trends in a timely manner, and was not able to effectively convert the land on hand into cashable commodities. Moreover, being a "late-mover" for several times also resulted in significantly lower-than-expected fund usage rate and return, leading to high financial costs. Facing a dilemma caused by a saturated market, downward housing prices, pressure on financing, rising costs and diluted profits, only the property developers fittest to the market will survive.

As described above, the Group disposed of the Changsha Outlets Project on 14 April 2022, and the material default loans involved have been carved out, which was an end but also a new beginning for the Group pressured by heavy financial burden in recent years. Going forward, the Group will continue to develop its principal business, forsake the traditional mindset of "struggling alone", and "partner up with others" by enhancing cooperation with financing institutions, the government departments and other parties from the same or different industries to jointly discuss how we can develop and upgrade the remaining group. Tackling changes with constancy, the Group concentrates on its principal business which it is familiar with, in a bid to create products of high quality. Developing in a new environment, the Group will follow the latest trend in the industry, cater to customers' personalised and extended demands, and create and improve quality products and services that can meet market demands, thereby achieving stable financial position, sound operation and sustainable business, and maximising the value for Shareholders. At the same time, the Group will also consider to explore other business opportunities outside the current principal business scope as long as it creates value to the Shareholders as a whole.

FINAL DIVIDEND

The Board did not recommend payment of a final dividend for the Year (2021: Nil).

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high standards of corporate governance in the best interest of 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 (which has been re-numbered as code provision C.2.1 under the new CG Code that came into effect on 1 January 2022).

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.

PREPARATION OF UNAUDITED ANNUAL RESULTS

Further to the Company's announcement dated 20 June 2022, the Board wishes to inform Shareholders and potential investors of the Company that the publication of the audited annual results of the Group for the year ended 31 March 2022 is delayed as the audit process has been affected by lockdown and quarantine measures imposed by the local governments in the PRC in response to the COVID-19 pandemic, which has caused (i) delays in obtaining the requisite information from and arranging on site auditing works for the Company's subsidiaries in certain regions in the PRC where the Group's major operations are located, especially Qinhuangdao city and Changsha city; and (ii) delays in sending out and receipt of accounts receivable, payable confirmations and bank confirmations etc.. As a result, the financial reporting and audit process of the Group has been adversely affected and the Company is unable to publish the audited annual results of the Group for the Reporting Period, with the agreement of its auditor, on or before 30 June 2022 in accordance with Rule 13.49(1) of the Listing Rules.

The Company has been using its best endeavours to assist the auditor of the Company in completing the audit process. Based on the latest development and recent discussion with the auditor of the Company, and barring unforeseen circumstances, the current expected timetable for the publication of (i) the audited results which shall have been agreed with the Company's auditor; and (ii) the annual report of the Company for the financial year ended 31 March 2022 (the "**2022 Annual Report**") are as follow:

Event	**Expected Date**
Receipt of all accounts receivable & payable confirmations, and bank confirmations etc.	Mid of July 2022
Completion of fieldworks by the Company's auditor.	Mid of July 2022
Completion of review of the audited annual results of the Group for the Reporting Period and the 2022 Annual Report by the audit committee of the Company (the "**Audit Committee**") and the Board. Date of Audit Committee meeting and Board Meeting to approve the audited annual results of the Group for the Reporting Period.	The end of July 2022

Event	Expected Date
Finalisation and publication of the audited annual results of the Group for the Reporting Period and the 2022 Annual Report on the websites of the Stock Exchange and the Company.	The end of July 2022
Despatch of a copy of the 2022 Annual Report to every Shareholder as the printer of the Company needs 7 days for printing and despatch of the 2022 Annual Report.	Early of August 2022

In light of the aforesaid, the Audit Committee has reviewed the unaudited consolidated financial statements of the Group for the year ended 31 March 2022, and reviewed the accounting principles and practices adopted by the Group, and discussed the internal controls and financial reporting matters with Group's management. So far as the information is available, the Audit Committee is of the opinion that these statements have complied with the accounting treatment which had been adopted and the particulars published in accordance with Rule 13.49(3)(i)(c) of the Listing Rules.

The unaudited annual results contained herein have not been agreed with the Company's auditor as the audit process is incomplete and the management is following up with the outstanding audit requests to facilitate completion of audit procedures.

An announcement relating to the audited annual results which shall have been agreed with the auditor are expected to be made no later than 31 July 2022 when the audit process has been completed in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants.

Further announcement(s) will be made by the Company as and when necessary if there is any other material development in the completion of the audit process and the publication of the 2022 Annual Report.

The relevant figures in unaudited annual results of the Group contained herein may differ from its audited annual results for the year ended 31 March 2022, which is currently expected to be published by no later than 31 July 2022. Therefore, Shareholders and potential investors of the Company are advised to exercise due caution when dealing in the securities of the Company and to seek advice from professional or financial advisors if in doubt.

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.

PUBLICATION OF THE UNAUDITED ANNUAL RESULTS ANNOUNCEMENT AND THE 2022 ANNUAL REPORT

This unaudited annual results announcement is published on the Company's website at www.richlyfieldchinagroup.com and the Stock Exchange's website at www.hkexnews.hk. The 2022 Annual Report is expected to be available on both websites by the end of July 2022 and despatched to the Shareholders by early of August 2022.

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

Hong Kong, 30 June 2022

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*