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 2023

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 2023 (the "**Year**" or "**Reporting Period**") together with the comparative figures for the year ended 31 March 2022 (the "**Corresponding Year**") and selected explanatory notes as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2023

	NOTES	**2023** **HK$'000**	2022 *HK$'000*
Revenue	*4*	**51,708**	637,641
Cost of sales		**(36,580)**	(595,952)
Gross profit		**15,128**	41,689
Loss on revaluation of investment properties		**(3,443)**	(16,098)
Gain on disposal of subsidiaries	*12*	**1,512,618**	–
Other income, gain and loss		**7,167**	487
Selling expenses		**(4,185)**	(27,656)
Administrative expenses		**(54,386)**	(72,186)
Finance costs	*5*	**(51,943)**	(332,828)

	NOTES	2023 HK$'000	2022 HK$'000
Profit (loss) before tax	*6*	**1,420,956**	(406,592)
Income tax credit	*7*	**861**	7,708
Profit (loss) for the year		**1,421,817**	(398,884)
Other comprehensive expense			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**(24,520)**	(68,430)
Release of exchange translation reserve upon disposal of subsidiaries		**(69,348)**	–
Other comprehensive expense for the year, net of tax		**(93,868)**	(68,430)
Total comprehensive income (expense) for the year		**1,327,949**	(467,314)
		HK$	*HK$*
Earnings (loss) per share	*8*		
Basic		**6.09 cents**	(1.71) cents
Diluted		**6.09 cents**	(1.71) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	NOTES	**2023** **HK$'000**	2022 HK$'000
Non-current assets			
Property, plant and equipment		**1,036**	1,290
Investment properties		**595,654**	646,524
Right-of-use assets		**378,993**	423,935
Interests in associates		**558**	6,391
Financial asset designated at fair value through other comprehensive income ("**FVTOCI**")		**2,724**	2,724
Goodwill		**114,298**	123,300
		1,093,263	1,204,164
Current assets			
Properties under development		**679,319**	762,932
Completed properties held for sales		**34,893**	62,037
Trade receivables	*10*	**2,604**	9,561
Prepayments, deposits and other receivables		**304,850**	164,016
Cash and cash equivalents		**35,083**	65,981
		1,056,749	1,064,527
Assets classified as disposal group held-for-sale		**–**	2,954,169
		1,056,749	4,018,696

	NOTES	2023 HK$'000	2022 HK$'000
Current liabilities			
Trade payables	*11*	**389,267**	527,023
Other payables and accruals		**431,327**	494,050
Contract liabilities		**48,254**	47,265
Amounts due to related parties		**548,483**	519,818
Amount due to a shareholder		**19,826**	–
Interest-bearing other borrowings		**30,718**	19,444
Lease liability		**109**	251
Tax payable		**100,556**	114,889
		1,568,540	1,722,740
Liabilities classified as disposal group held-for-sale		**–**	4,251,779
		1,568,540	5,974,519
Net current liabilities		**(511,791)**	(1,955,823)
Total assets less current liabilities		**581,472**	(751,659)
Non-current liabilities			
Deferred income		**63,694**	68,751
Lease liability		**–**	109
Deferred tax liabilities		**42,105**	31,757
		105,799	100,617
Net assets (liabilities)		**475,673**	(852,276)
Equity (Deficiency in Equity)			
Issued capital		**1,166,834**	1,166,834
Reserves		**(691,161)**	(2,019,110)
		475,673	(852,276)

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$**"), rounded to the nearest thousand except for per share data. HK$ is the Company's functional currency and the Group's presentation currency.

The Group had a net loss for the Year of approximately HK$90,801,000 (after deducting the one off non-cash gain on disposal of subsidiaries of approximately HK$1,512,618,000) and as at 31 March 2023, the Group had net current liabilities of approximately HK$511,791,000 and total borrowings, including interest-bearing other borrowings, amount due to a shareholder and amounts due to related parties, in aggregate of approximately HK$599,027,000 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$35,083,000.

The above conditions indicate the existence of material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and, therefore the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

In view of the above, the Directors had carefully considered the liquidity of the Group, taking into consideration of the following facts and assumptions:

(i) Completion of the disposal of the Disposal Group

As further detailed in the note 12 of this announcement, the disposal of the Disposal Group was completed on 14 April 2022. Thereafter, the Group would no longer be required to finance the repayment of the liabilities of the Disposal Group.

(ii) Property development projects

The development progress of certain of the Group's property development projects had been significantly delayed or suspended due to the liquidity issues faced by the Group. Subsequent to the end of the Reporting Period, the Group entered into a supplementary agreement with a contractor that the non legally binding framework agreement signed in July 2022 is still valid that the contractor agreed not to demand any repayment from the Group for the construction works it performed towards the Group's property development projects until the value of cumulative certified works reach RMB200,000,000. The Directors of the Company considered that, such arrangement could enable the Group to continue the property development as scheduled and to accelerate the pre-sales of properties under development.

In addition, the Directors of the Company will also consider, if necessary, to dispose of certain of its property development projects and/or to seek other investors/property developers to accelerate the development of the Group's property projects in order to source additional funds to the Group.

(iii) Continuous financial support from related companies

(a) As at 31 March 2023, the Group had a revolving loan facility of RMB2,000,000,000 granted by a company controlled by a controlling shareholder that will expire in December 2023 of which approximately RMB1,990,940,000 remained unutilised as at 31 March 2023.

(b) Subsequent to the Reporting Period, the Group entered into a new loan agreement regarding a revolving loan facility agreement with a company controlled by a controlling shareholder of HK$2,000,000,000 that will start in January 2024 and expire in December 2025.

(c) The Directors of the Company considered that the credit facilities can be utilised in the manner to settle the liabilities of the Group when and as they fall due.

(iv) Expansion of Property Management Business

The Group had made acquisitions of property management companies subsequent to the end of Reporting Period. Property management business is one of the key businesses of the Group, the expansion of the property management business will help to bring in more stable income to the Group in the future.

The Directors of the Company believe that, after taking into account the above plans and measures, as well as the forecasted operating cash flows for the year ending 31 March 2024, the Group will have sufficient working capital to satisfy its present requirements for the year ending 31 March 2024.

Notwithstanding the above, given the volatility of the property sector in Mainland China and the uncertainties to obtain continuous support from the banks, the related companies and the Group's contractors/creditors, the Directors of the Company consider that material uncertainties exist as to whether the Group will be able to achieve its plans and measures as described above.

Should the Group fail to achieve the above mentioned plans and measures, the Group may be unable to operate as a going concern, in which case adjustments might have to be made to the carrying values of the Group's assets to state them at their realisable values, to provide for any further liabilities which might arise and to reclassify its non-current assets and non-current liabilities to current assets and current liabilities, respectively.

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

Changes in accounting policies and disclosures

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 2022:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRS 16	Covid-19 – Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

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

Impacts on application of Amendments to HKFRS 3 Reference to the Conceptual Framework

The Group has applied the amendments to business combinations for which the acquisition date was on or after 1 April 2022. The amendments update a reference in HKFRS 3 Business Combinations so that it refers to the Conceptual Framework for Financial Reporting 2018 issued in June 2018 (the "**Conceptual Framework**") instead of Framework for the Preparation and Presentation of Financial Statements (replaced by the Conceptual Framework for Financial Reporting 2010 issued in October 2010), add a requirement that, for transactions and events within the scope of HKAS 37 Provisions, Contingent Liabilities and Contingent Assets or HK(IFRIC)-Int 21 Levies, an acquirer applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination and add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The application of the amendments in the current year has had no impact on the Group's consolidated financial statements.

Issued but not yet effective HKFRSs

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

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[3]
Amendments to HKAS 1	Non-Current Liabilities with Covenants[3]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]

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

[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 2024.*

Except for the new and amendments to HKFRSs mentioned below, the Directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

HKAS 1 is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group's significant accounting policies. The impacts of application, if any, will be disclosed in the Group's future consolidated financial statements.

Amendments to HKAS 8 Definition of Accounting Estimates

The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty – that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

In addition, the concept of changes in accounting estimates in HKAS 8 is retained with additional clarifications.

The application of the amendments is not expected to have significant impact on the Group's consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

The Group disposed of the Disposal Group in April 2022. Upon the completion of the disposal, over 90% of the Group's revenue, expenses, assets and liabilities are generated from the Group's property development and investment projects in Qinhuangdao City of Hebei Province (the "**Qinhuangdao Project**") and Yinchuan City of Ningxia Province (the "**Yinchuan Project**") in the People's Republic of China (the "**PRC**") (2022: including also the project in Changsha City, Hunan Province (the "**Changsha Project**")). The chief executive officer (the chief operating decision maker) makes decisions about resources allocation and assesses performance of the Group based on the operating results and financial position of the Group as a whole, as the Group's resources are integrated and no other discrete operating segment information is provided to the chief operation decision maker. As much, no segment information is presented.

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

An analysis of the Group's revenue 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 substantially 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 (2022: Nil).

4. REVENUE

(i) Disaggregation of revenue from contracts with customers

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

	2023	2022
	HK$'000	*HK$'000*
Sales of properties	**35,198**	591,493
Management fee income	**5,860**	14,923
Total revenue from contracts with customers	**41,058**	606,416
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	**10,650**	20,686
– Variable lease payments that do not depend on an index or a rate	**–**	10,539
	10,650	31,225
	51,708	637,641

	2023	2022
	HK$'000	*HK$'000*
Timing of revenue recognition		
At a point in time	**35,198**	591,493
Over time	**5,860**	14,923
Total revenue from contracts with customers	**41,058**	606,416

5. FINANCE COSTS

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

	2023	2022
	HK$'000	*HK$'000*
Interest on bank and other borrowings	**51,930**	372,829
Interest on lease liability	**13**	52
Less: Amount capitalised in the cost of qualifying assets	**–**	(40,053)
	51,943	332,828

The capitalisation rates used to determine the amount of borrowing costs eligible for capitalisation for the year ended 31 March 2022 was 9.71%. No borrowing costs were capitalised for the year ended 31 March 2023.

6. PROFIT (LOSS) BEFORE TAX

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

	2023	2022
	HK$'000	*HK$'000*
(a) Staff costs (including directors' emoluments):		
Salaries, wages and other benefits	**16,015**	28,096
Contributions to defined contribution retirement plans	**1,581**	3,774
	17,596	31,870
(b) Other items:		
Cost of properties recognised as expenses#	**29,403**	579,503
Loss on written off of property, plant and equipment*	**–**	203
Depreciation of property, plant and equipment*	**592**	2,197
Depreciation of right-of-use assets*	**14,322**	19,808
Auditor's remuneration*	**880**	1,250
Direct operating expenses incurred for investment properties that generated rental income during the year#	**4,930**	5,580

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% (2022: 25%).

No provision for Hong Kong profits tax has been made for the year ended 31 March 2023 as the Group did not generate any assessable profits arising in Hong Kong during the year (2022: Nil).

8. EARNINGS (LOSS) PER SHARE

(a) Basic earnings (loss) per share

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

	2023	2022
	HK$'000	*HK$'000*
Profit (loss) attributable to owners of the Company	**1,421,817**	(398,884)

	2023	2022
Weighted average number of ordinary shares (basic)	**23,336,687,255**	23,336,687,255

(b) Diluted earnings (loss) per share

For the years ended 31 March 2023 and 2022, basic earnings (loss) per share is the same as diluted earnings (loss) per share as there are no potential ordinary shares outstanding for the year.

9. DIVIDENDS

No dividend was paid or proposed for the ordinary shareholders of the company during the year ended 31 March 2023, nor has any dividend been declared since the end of the Reporting Period (2022: nil).

10. TRADE RECEIVABLES

	2023	2022
	HK$'000	*HK$'000*
Rental receivables	**2,448**	8,979
Rental recognised using the straight-line method	**156**	582
Total	**2,604**	9,561

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:

	2023	2022
	HK$'000	*HK$'000*
Within one year	**2,448**	8,979

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. 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:

	2023	2022
	HK$'000	*HK$'000*
Within one year	**18,339**	144,599
Over one year	**370,928**	382,424
	389,267	527,023

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

12. DISPOSAL OF SUBSIDIARIES

On 9 February 2022, the Group entered into a conditional equity transfer agreements with an independent third party to dispose of the entire equity interest of 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 known as "**Disposal Group**") for an aggregate consideration of RMB3. The disposal of Disposal Group was completed on 14 April 2022.

* *For identification purposes only*

EXTRACT FROM INDEPENDENT AUDITORS' REPORT

The auditor's opinion on the consolidated financial statements of the Group for the year ended 31 March 2023 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 had a net loss for the year ended 31 March 2023 of approximately HK$90,801,000 (after deducting the one off non-cash gain on disposal of subsidiaries of approximately HK$1,512,618,000) and as at 31 March 2023, the Group had net current liabilities of approximately HK$511,791,000 and total borrowings, including interest-bearing other borrowings, amount due to a shareholder and amounts due to related parties, in aggregate of approximately HK$599,027,000 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$35,083,000. 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 various plans and measures to improve the Group's liquidity pressure and the financial position of the Group which are set out in note 2.1 to the consolidated financial statements.

The consolidated financial statements had been prepared by the Directors of the Company on a going concern basis, the validity of which depends on the outcome of those plans and measures, which are subject to multiple uncertainties, including (i) the successful resumption and/or acceleration of property development projects, (ii) continuous financial support from the related parties and, (iii) expansion of property management business.

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 Jin Sheng Yue Jing (residential) developed in Yinchuan, Ningxia Hui Autonomous Region, the People's Republic of China (the "**PRC**"), together with the Qinhuangdao Venice – City of Water Outlets Project which is a comprehensive project in Beidaihe New District, Qinhuangdao, Hebei, the PRC.

FINANCIAL REVIEW

During the Year, the Group recorded a total revenue of approximately HK$51,708,000 as compared to approximately HK$637,641,000 for the Corresponding Year, representing a decrease of 91.9%. The decrease in revenue was mainly attributable to that there was a vast amount of properties in the Yinchuan Project that had been delivered to buyers for the Corresponding Year. Management fee income was approximately HK$5,860,000 for the Year as compared to approximately HK$14,923,000 for the Corresponding Year, representing a decrease of 60.7%. Rental income was approximately HK$10,650,000 for the Year as compared to approximately HK$31,225,000 for the Corresponding Year, representing a decrease of 65.9%.

The Group recorded a loss on revaluation of investment properties of approximately HK$3,443,000 for the Year as compared to approximately HK$16,098,000 for the Corresponding Year, representing a decrease of 78.6%.

Finance costs was approximately HK$51,943,000 for the Year as compared to approximately HK$332,828,000 for the Corresponding Year, representing a decrease of 84.4% due to the disposal of the Disposal Group (as defined below) that had approximately HK$1.5 billion outstanding interest-bearing bank and other borrowings as at 31 March 2022. The profit attributable to equity holders for the Year amounted to approximately HK$1,421,817,000 as compared to a loss of approximately HK$398,884,000 for the Corresponding Year, due to the disposal of the Disposal Group that generated a gain on disposal of approximately HK$1.5 billion. The profit per share for the Year was HK$6.09 cents as compared to HK$1.71 cents loss per share for the Corresponding Year.

As for financing aspect, regarding the loan agreements with related parties, JeShing Real Estate Group Company Limited*（金盛置業投資集團有限公司）(“**JeShing Real Estate**”), Nanjing No. 1 Architecture and Engineering Group Company Limited*（南京第一建築工程集團有限公司）and Jiangsu Decorative Material Co. Ltd*（江蘇裝飾材料有限公司）, the total outstanding principal amount was RMB301,800,000 (equivalent to approximately HK$344,746,000) (collectively the “**Related Party Loan**”) as at 31 March 2023. Related Party Loan was 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.

Related Party Loan was a loan borrowed by the related parties from Huaxia Bank (the “**Huaxia Bank Loan**”) and lent directly to the Qinhuangdao Outlets Real Estate Company Limited*（秦皇島奥特萊斯置業有限公司）, an indirect wholly-owned subsidiary of the Company on the same terms. No further extension agreement had been entered into between Huaxia Bank and the related parties in March 2023. Therefore, the Huaxia Bank Loan was in default from March 2023. Huaxia Bank has the discretionary right to demand related parties of the Company on full payment of the whole principal amount and any unpaid interest. To the best knowledge of the Directors, management of the related parties have commenced negotiations of the repayment terms of the Huaxia Bank Loan with Huaxia Bank since then. Up to the date of this announcement, those negotiations are still in progress and have not been concluded. As the land of the Qinhuangdao Project (as defined below) has been pledged against the Huaxia Bank Loan, Huaxia Bank has the discretionary right to confiscate the land of the Qinhuangdao Project and dispose it for Huaxia Bank Loan repayment if related parties of the Company fail to repay the Huaxia Bank Loan when Huaxia Bank demands immediate full repayment.

In December 2021, the Group entered into a loan agreement regarding a revolving loan facility agreement with a related party, JeShing Real Estate in relation to an unsecured loan facility in the total principal amount of RMB2,000,000,000 (equivalent to approximately HK$2,284,600,000) at an interest rate of 5% per annum and is due to repay in December 2023. As at 31 March 2023, amount of approximately RMB1,990,940,000 (equivalent to approximately HK$2,274,251,000) remained unutilized. In May 2023, the Group entered into a new loan agreement regarding a revolving loan facility agreement with a related party, Jinsheng International Group (BVI) Limited（金盛國際集團（英屬維爾京群島）有限公司） in relation to an unsecured loan facility in the total principal amount of HK$2,000,000,000 at an interest rate of 5% per annum, the revolving loan facility will start in January 2024 and is due to repay in December 2025.

Property Management Business

On 28 March 2023, the Group announced to acquire 100% equity interests in two property management companies, which are Ningxia Guanling Property Service Co., Ltd.*（寧夏冠淩物業服務有限公司）("**Ningxia Guanling**") and Wuhan Yuejing Property Management Co., Ltd.*（武漢閱景物業管理有限公司）("**Wuhan Yuejing**"). The unaudited revenue of Ningxia Guanling and Wuhan Yuejing for the year ended 31 December 2022 were approximately RMB8,330,000 and RMB3,573,000 respectively. Further details refer to the announcement of the Company on 28 March 2023. The acquisition of Ningxia Guanling was completed on 7 April 2023. While the acquisition of Wuhan Yuejing has not been completed up to the date of this announcement. On 15 June 2023, the Group acquired 100% equity interests in Hohhot Pengshengjie Property Management Service Co., Ltd.*（呼和浩特市鵬盛潔物業管理服務有限責任公司）("**Hohhot Pengshengjie**"), Hohhot Pengshengjie is a newly setup company to target the property management market in the Inner Mongolia province, China. These acquisitions will further expand the property management business of the Group as the property development market in China has been facing tough environment.

Projects Overview

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 ("**Qinhuangdao Company**"). The project developed by the Company in the core area of International Healthy City, Beidaihe New District, Qinhuangdao City, 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**" or "**Qinhuangdao 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 163,227 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.

During the Reporting Period, the Group focused on the construction of some minor works of the Phase 1 project. Specifically, the main structure of outlets business has completed capping, and many units have completed construction of the secondary structure and inspection of the main structure. The exhibition centre has been fully constructed and put into use for sale of Phase 1 resort units and daily office operation.

Led by local government agencies, Qinhuangdao Company actively approached all partners, and plans to build the commercial portion of Phase 1 with concerted efforts, so as to align with local industrial positioning, i.e. to build Qinhuangdao into a first-class comprehensive demonstration city for health care and vacation.

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, 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.

Phase 1 and Phase 3 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, only 1 unit of commercial premises in Phase 1 remained unsold and all units of residence of Phase 3 in the central area were sold out.

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) ("**Yinchuan Commercial Properties Project**") with a total gross floor area of 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. 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, a second-hand vehicle market, and a large-scale supermarket introduced by Beijing investors, which invigorated the existing product portfolio, provided property owners of Jin Sheng Yue Jing and surrounding residents with more unique and convenient lifestyle facilities 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, 太平商場 achieved an occupancy rate of 100% and became the largest curtain wholesale base in the northwest region. Gathering merchants of major brands in the northwest, the mall hit a record high in the amount of orders. As shown from the overall data, the three buildings of the entire Yinchuan Commercial Properties Project have gradually unveiled the unique distinction of Yinchuan Commercial Properties to be the northern commercial hub of the city.

During the Reporting Period, Ningxia Jinguan renovated the Building Material Mall, overcame the limitations of the original traffic flow, consolidated the original booths into Class A booths through round-the-clock discussions by the operation team, and introduced premium international and domestic brands including DeRUCCI, CBD and Mlily to settle in, enhancing the strength of furniture brands and attracting more quality high-end customers. During the Reporting Period, the online live broadcast modes of Douyin and WeChat official accounts were tried for the first time, and the Jin Sheng Joyful Lifestyle app was launched to ride on the online shopping trend, with notable results achieved.

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 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.

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 2023, the Group had cash and bank balances amounted to approximately HK$35,083,000 (2022: HK$65,981,000). The Group's current ratio (measured as total current assets to total current liabilities) was 0.67 times (2022: 0.62 times). The unsecured interest-bearing other borrowings of the Group amounted to approximately HK$30,718,000 (2022: HK$19,444,000) as at 31 March 2023.

Pledge of Assets

As at 31 March 2023, property interest held by the Group with net carrying amount in aggregate of approximately HK$1,014,100,000 (31 March 2022: HK$2,090,519,000) were pledged to banks and financial institutions.

Foreign Exchange Exposures

As the Group's 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 2023, the Group had capital commitments of construction of properties included under property, plant and equipment and investment properties of approximately HK$526,430,000 (31 March 2022: HK$569,375,000).

Subsequent Event

On 14 April 2023, (i) King Future Holdings Limited (the "**Seller**"), a wholly-owned subsidiary of the Company, (ii) Heilongjiang Fenglin Investment Company Limited* (the "**Purchaser**"), (iii) Qinhuangdao Arirang, and (iv) Qinhuangdao Company entered into the cooperation agreement, pursuant to which the Purchaser and the Seller have agreed to cooperate to develop the Qinhuangdao Project (the "**Cooperation Agreement**"). Pursuant to the Cooperation Agreement, among other things, the Purchaser has conditionally agreed to purchase and the Seller has conditionally agreed to sell the 30% of the equity interests in Qinhuangdao Company ("**Sale Interests**") (i.e. the Disposal). As part of the arrangement under the Cooperation Agreement, the Seller and Qinhuangdao Arirang have also entered into the equity transfer agreement on the same day to set out the terms of the Disposal (the "**Equity Transfer Agreement**"). Pursuant to the Equity Transfer Agreement, the Seller agreed to transfer the Sale Interests to Qinhuangdao Arirang for a consideration of USD1.2 million in accordance with relevant legal procedures. In addition, in order to ensure the development progress of the Qinhuangdao Project, the Purchaser and Qinhuangdao Arirang will invest RMB300 million in the first installment (this amount will be used as an increase in the share capital corresponding to Qinhuangdao Arirang's shareholding in Qinhuangdao Company and will not be returned by Qinhuangdao Company) to resolve issues that affect the Qinhuangdao Project. Please refer to the announcements of the Company dated 14 April 2023 for details.

On 31 May 2023, the Board announced that the Purchaser and Qinhuangdao Arirang have failed to perform the payment obligation in accordance with the Cooperation Agreement and Equity Transfer Agreement. On 31 May 2023, the Seller served the termination notices to the Purchaser and/or Qinhuangdao Arirang (as the case maybe) to terminate the Cooperation Agreement and Equity Transfer Agreement.

Material Acquisition or Disposal of Subsidiaries or Associated Companies and Joint Ventures

Disposal of Changsha Outlets Project

On 9 February 2022, 裕田幸福城（北京）投資顧問有限公司 (Richly Field (Beijing) Investment Consulting Co., Ltd.*), a direct wholly-owned subsidiary of the Company and 奧特萊斯世界名牌折扣城控股有限公司 (Globe Outlets City Holdings Limited), an indirect wholly-owned subsidiary of the Company ("**Sellers**") entered into the equity transfer agreements with 樂沃居控股集團有限公司 (Lewoju Holding Group Company Limited*) ("**Lewoju**"), pursuant to which, Sellers agreed to dispose and Lewoju agreed to acquire all the equity interests beneficially held by the 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 "**Changsha Outlets Project**" or "**Disposal Group**").

The disposal of Changsha Outlets Project had been completed on 14 April 2022, please refer to the announcement of the Company dated 14 April 2022 for details.

Acquisition of Property Management Companies

On 28 March 2023, Richly Field (Beijing) Investment Consulting Co., Ltd.*, a direct wholly-owned subsidiary of the Company, entered into the equity transfer agreements with each of Ningxia Guanling Real Estate Development Co., Ltd.* and True Gains Limited (the "**Sellers**") to acquire the entire interest in Ningxia Guanling Property Service Co., Ltd.* and Wuhan Yuejing Property Management Co., Ltd.* at a consideration of RMB1,590,000 and RMB1,750,000 respectively.

The entering into of the said equity transfer agreements constituted a connected transaction of the Company under Chapter 14A of the Listing Rules and was exempt from the circular (including independent financial advice) and the shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

Please refer to the announcements of the Company dated 28 March 2023 for details.

Save as disclosed in this announcement, there was no other material acquisition or disposal of subsidiaries, associates and joint ventures during the Year.

Employees and Remuneration Policy

As at 31 March 2023, the Group employed a total of 89 employees (excluding Directors), as compared to 190 employees (excluding Directors) as at 31 March 2022. 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

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 still depends very much on its ability to appreciate industry-related policies in advance and make business adjustments and plans in advance to align itself with the policies.

In the past few years, the Group failed to adapt itself 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. Financial policies support the notion that housing is for accommodation rather than speculation, and will not be relaxed in 2023. Besides, the financing environment will continue to be tightened. To strictly control the flow of capital and turn away from the virtual economy to the real economy, developers must also strictly stick to the bottom-line mindset of "three red lines", deleverage and reduce liabilities.

Even amid the periods severely stricken by the pandemic, the policy orientation of housing for accommodation rather than speculation was never wavered, which will also continue in 2023. On the condition of not compromising the steady and rapid economic growth, the overall regulation of the property market will remain tight. It, therefore, means that housing prices will tend to be stable overall without substantial rise or fall, and the time in which general price rise brings about benefits has become a bygone era.

The above factors, such as high financial costs, tight financing environment, unswerving policy orientation of housing for accommodation rather than speculation, and increasingly rational property buyers due to the rising mortgage interest rate and prolonged lending cycle, undoubtedly pose a great challenge for the Group, whose income sources are relatively simple (i.e., mainly property sales income and rental income). The Group's future development fundamentally hinges on identifying ways to fully use funds and proactively broaden revenue sources, such as property management business which is also one of the key businesses of the Group. The two property management companies' acquisition during the Year will help to bring in more stable income to the Group in the future.

Amid the harsh economic environment, "struggling alone" is no longer realistic, and only "partnering up with others" will allow a slim chance of survival. The attempt to bring in a new investor and partner to the Qinhuangdao Project in April 2023 was one of the ways, despite it was terminated due to unexpected reasons, to bring in additional capital and resources to continue the development of the Qinhuangdao Project. In the future, the Group will continue to enhance cooperation with financing institutions, government agencies and other parties of the same or different industries to activate its various projects with concerted efforts.

FINAL DIVIDEND

The Board did not recommend payment of a final dividend for the Year (2022: 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 Part 2 of 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 C.2.1.

Code provision C.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 C.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.

Code provision F.2.2 provides that the Chairman of the Board should attend the annual general meeting ("**AGM**") and should be made available to answer questions at the AGM.

Mr. Li Yi Feng, the Chairman of the Board, was unable to attend the AGM held on 9 September 2022 due to business trip. But the Chairperson of the audit and remuneration committees of the Company was present to answer shareholders' questions at the AGM.

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 and the Company's external auditor 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 2023 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 AGM will be held on Tuesday, 22 August 2023. To ascertain the Shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 17 August 2023 to Tuesday, 22 August 2023, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m. on Wednesday, 16 August 2023.

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

Hong Kong, 30 June 2023

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*