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RICHLY FIELD

RICHLY FIELD CHINA DEVELOPMENT LIMITED

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

(stock code: 313)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

The board of directors (the "Board") of Richly Field China Development Limited (the "Company") would like to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2009 (the "Period"), together with the comparative figures for the six months ended 30 September 2008 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2009

		Six months ended 30 September	
		2009	2008
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Turnover	*3*	**1,430**	–
Cost of sales		**(1,302)**	–
Gross profit		**128**	–
Other revenue	*3*	**196**	366
Administrative and other operating expenses		**(12,990)**	(9,414)
Loss before taxation	*5*	**(12,666)**	(9,048)
Income tax	*6*	**–**	–

	Notes	Six months ended 30 September 2009 HK$'000 (unaudited)	2008 HK$'000 (unaudited)
Loss for the Period		**(12,666)**	(9,048)
Loss attributable to equity holders of the Company		**(12,666)**	(9,048)
Loss per share	*7*		
– Basic		**(0.15) cents**	(0.28) cents
– Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2009

	Six months ended 30 September 2009 HK$'000 (unaudited)	2008 HK$'000 (unaudited)
Loss for the Period	**(12,666)**	(9,048)
Other comprehensive (loss)/income:		
Exchange differences arising on translation of overseas operations	**(416)**	307
Total comprehensive loss attributable to equity holders of the Company	**(13,082)**	(8,741)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2009

	Notes	30 September 2009 HK$'000 (unaudited)	31 March 2009 HK$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**2,273**	648
Current assets			
Properties under development		**214,781**	85,500
Trade and other receivables	9	**1,593**	993
Cash and bank balances		**363,645**	193,303
		580,019	279,796
Current liabilities			
Trade and other payables	10	**4,251**	2,572
Net current assets		**575,768**	277,224
Net assets		**578,041**	277,872
EQUITY			
Share capital		**444,044**	404,044
Reserves		**133,997**	(126,172)
Total equity		**578,041**	277,872

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2009

1. Basis of preparation

The interim financial statements are unaudited, condensed and have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2. Principal accounting policies

The accounting policies and basis of preparation adopted in the preparation of these condensed consolidated interim financial statements are consistent with those used in the Group's audited financial statements for the year ended 31 March 2009 except for the followings.

Properties under development

During the Period, the Group commenced its business of property development.

Properties under development are stated at the lower of cost and net realisable value. Development cost of property comprises construction costs, depreciation of machinery and equipment, amortisation of land use rights and professional fees incurred during the development period.

New and revised Hong Kong Financial Reporting Standards ("new and revised HKFRSs")

HKFRSs (Amendments)	Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation

HKAS 1 (Revised) has introduced a number of terminology changes, including revised titles for the condensed consolidated financial statements, and has resulted in a number of changes in presentation and disclosure.

HKFRS 8 is a disclosure standard that requires the identification of operation segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The predecessor standard, HKAS 14 "Segment Reporting" required the identification of two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14 (see Note 4).

The adoption of the above new and revised HKFRSs has had no material effect on the reported results and financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the following new standards and revised HKFRSs, that have been issued but are not yet effective in the period covered by these interim condensed consolidated financial statements:

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 39 (Amendment)	Eligible Hedged Items[1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[3]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[3]
HKFRS 3 (Revised)	Business Combinations[1]
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners[1]
HK(IFRIC)-Int 18	Transfers of Assets from Customers[4]

1 Effective for annual periods beginning on or after 1 July 2009
2 Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate
3 Effective for annual periods beginning on or after 1 January 2010
4 Effective for transfer of assets from customers received on or after 1 July 2009

3. Turnover and other revenue

The Group derived income from operation of construction and maintenance work in the People's Republic of China (the "PRC") during the Period and there was no operation during the six months ended 30 September 2008. Turnover and other revenue are analysed as follows:

	Six months ended 30 September	
	2009	2008
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Turnover		
Construction and maintenance income	**1,430**	–
Other revenue		
Interest income	**196**	7
Others	**–**	359
	196	366

4. Segment information

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the Group's board of directors) in order to allocate resources to the segments and to assess their performance. The adoption of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the reportable segments determined in accordance with HKAS 14, nor has the adoption of HKFRS 8 changed the basis of measurement of segment profits or loss.

The following is an analysis of the Group's unaudited revenue and results by operating segment for the period under review:

	Property development	Construction and maintenance	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
Six months ended 30 September 2009			
Segment revenue			
Revenues from external parties	–	1,430	1,430
Segment results	–	128	128
Interest income			196
Depreciation			(119)
Unallocated expenses			(12,871)
Loss before taxation			(12,666)
Six months ended 30 September 2008			
Segment revenue			
Revenues from external parties	–	–	–
Segment results	–	–	–
Interest income			7
Unallocated income			359
Depreciation			(79)
Unallocated expenses			(9,335)
Loss before taxation			(9,048)

Segment results represent the loss of each segment without allocation of central administration costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

The following is an analysis of the Group's unaudited assets by operating segment for the period under review:

	30 September 2009	31 March 2009
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Property development	**287,416**	–
Construction and maintenance	**20,507**	20,803
Unallocated	**274,369**	259,641
	582,292	280,444

5. Loss before taxation

Loss before taxation is arrived at after charging:

	Six months ended 30 September	
	2009	2008
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Depreciation of property, plant and equipment	**119**	79
Impairment loss on other receivables	**–**	1,180

6. Income tax

No provision had been made for Hong Kong profits tax as the Group does not have any assessable profit arising in Hong Kong and the PRC during the Period (six months ended 30 September 2008: Nil).

7. Loss per share

The calculation of the basic loss per share is based on the net loss for the Period of approximately HK$12,666,000 (six months ended 30 September 2008: HK$9,048,000) and the weighted average number of 8,212,021,844 ordinary shares (six months ended 30 September 2008: 3,253,005,450 ordinary shares) in issue during the Period.

No diluted loss per share for the six months ended 30 September 2009 and 2008 is presented as there are no dilutive potential ordinary shares in issue for the Period and the six months ended 30 September 2008.

8. Interim dividend

No payment of interim dividend was recommended for the Period (30 September 2008: Nil).

9. Trade and other receivables

	30 September 2009 *HK$'000* **(unaudited)**	31 March 2009 *HK$'000* (audited)
Deposits, prepayment and other receivables	**1,593**	993

10. Trade and other payables

	30 September 2009 *HK$'000* **(unaudited)**	31 March 2009 *HK$'000* (audited)
Trade payables	**1,260**	–
Accrued charges and other payables	**2,991**	2,572
	4,251	2,572

As at 30 September 2009, the ageing analysis of the trade payables was as follows:

	30 September 2009 *HK$'000* **(unaudited)**	31 March 2009 *HK$'000* (audited)
Current to 60 days	**1,260**	–

11. Post balance sheet event

The Group intends to acquire a land use right relating to a piece of land located in Hunan, the PRC, under public land auction. For further details, please refer to the Company's announcement dated 25 November 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The main business activity of the Company is investment holding. Its main subsidiaries are engaged in the property development, building construction and maintenance industries including building work, design and construction and building maintenance. Their operation are located in the People's Republic of China (the "PRC").

During the Period, the Group expanded further its business scope and explored new opportunities of development. In addition to the operation of construction and maintenance work, the Group sought for opportunities in property development-related investments, and made significant progress.

During the Period, Dickson Construction Engineering (Guang Dong) Limited, a wholly-owned subsidiary of the Company, recorded total revenue from construction work of RMB1,260,000 (equivalent to approximately HK$1,430,000).

On 14 August 2009, 湖南裕田名牌折扣城有限公司, an indirect wholly-owned subsidiary of the Company, won a bid to acquire a piece of land at the consideration of RMB240,000,000 (equivalent to approximately HK$272,180,000). The land has a site area of 406,887 sq.m. and is located at Wangcheng County, Changsha City, Hunan Province (湖南省長沙市望城縣) (the "Previous Land"). As at the date of this announcement, the state-owned construction land use rights transfer contract was entered into and the consideration has been settled in full. According to its planning, the land shall be developed into a low-density residential and commercial district. Since the land is located at Changcha-Zhuzhou-Xiangtan Metropolitan (長株潭城市群) in Mainland China with convenient transportation and vast area for commercial use, the Group intended to develop the commercial area into an outlet for shops of well-known brand names with restaurants and entertainment facilities in similar scale. The Group considered that the commercial area would become a high-end shopping attraction across the Changcha-Zhuzhou-Xiangtan Metropolitan area, and also would enhance the value of the residential development of the project. The Group intended to finance the acquisition and the development of the land by internal resources, borrowings from financial institutions, issue of securities of the Company and other feasible means of financing.

On 25 November 2009, the Board announced that the Group planned to bid at the auction for the land use rights over the land with a net site area of 651,666 sq.m. and the land is located adjacent to the Previous Land. The auction is expected to be held on 14 December 2009. The initial asking price of the listing for bidding (掛牌起始價) is RMB365,303,000 (equivalent to approximately HK$414,620,000). The total consideration for the possible acquisition if the bid is successful may be up to RMB540,000,000, being the maximum price which the Group is willing to consider paying for the land use rights over the land. The Group currently intends to develop the land together with the Previous Land into a low-density residential and commercial area.

On 23 August 2009, the Company, as purchaser, and Wang Yuanxun, as vendor, and Eminent Castle Limited (the "Target Company") entered into a memorandum of understanding in relation to the proposed acquisition. According to the information as provided by the vendor, the vendor, through the Target Company and its subsidiary, legally and beneficially owns 100% equity interests in a company established in the PRC, which is the legal owner of the land use rights over a piece of land located at Nanlihu Development District, Dingan County, Hainan Province, the PRC (中國海南省定安縣南麗湖開發區) with land use categorized as residential for a land area of approximately 690 mu. The Group is optimistic about the prospect of real estate development in Hainan Province, the PRC, and considered that the land has prime geographical location, comfortable surroundings and offers good investment value. The Group will procure the acquisition of the project on a best effort basis.

On 29 September 2009, the Company and 佛山市美的房地產發展有限公司 entered into a letter of intent in relation to strategic alliance in property and land development projects, and forms of joint venture. The Group considered that such strategic alliance would help enhancing the Group's strength in obtaining top quality property development projects.

As mentioned above, from a long-term development perspective, the Group further expanded its sources of profit growth during the Period. The Board considers that by obtaining high quality land resources at reasonable price for development and operation of residential and commercial properties with distinctive features and advantages that meet the market demand, will become a new growth area for the Group. Meanwhile, the Group is committed to forming a vertically-integrated operation that combines property development with construction and maintenance work, so as to enhance the Group's ability to minimize risks and generate profit.

FINANCIAL REVIEW

Results

Turnover for the six months ended 30 September 2009 amounted to approximately HK$1,430,000 and the corresponding period last year was HK$nil. Loss attributable to equity holders for the Period was approximately HK$12,666,000 compared with a loss approximately of HK$9,048,000 for the corresponding period last year. Loss per share for the Period was HK0.15 cents compared with a loss per share of HK0.28 cents for the corresponding period last year. Expenses increased as compared to the corresponding period last year as the Group actively expanded its property development business during the Period.

Liquidity and Capital Resources

On 21 August 2009, Sino Dynamics Investments Limited (the "Vendor"), the Company and the placing agent entered into the placing agreement pursuant to which the Vendor has conditionally agreed to sell, through the placing agent who would place on a best efforts basis, not more than 800,000,000 placing shares at the placing price of HK$0.4 per placing share not less than six placees. On the same date, the Vendor and the Company entered into the subscription agreement pursuant to which the Vendor conditionally agreed to subscribe for such number of new shares as is equal to the number of the placing shares successfully placed by the placing agent at the subscription price of HK$0.4 per subscription share. The placing and the subscription were completed during the Period, and 800,000,000 subscription shares were issued to the Vendor. The net proceeds of approximately HK$313 million was raised for general working capital and/or other possible investments of the Group.

As at 30 September 2009, the Group's net assets amounted to approximately HK$578,041,000 as compared with net assets amounted to approximately HK$277,872,000 at 31 March 2009. As at 30 September 2009, the Group had net current assets of approximately HK$575,768,000 including cash and cash equivalents of approximately HK$363,645,000 as compared with net current assets of approximately HK$277,224,000 including cash and cash equivalents of approximately HK$193,303,000 at 31 March 2009. The Group's gearing ratio measured on the basis of the Group's total borrowings over total equity as at 30 September 2009 was not applicable as the Group has no borrowings (31 March 2009: N/A).

The Group has no significant exposure to foreign currency fluctuation as cash balances, trade receivables and trade payables were denominated in Hong Kong dollars and Renminbi.

Capital Commitment and Contingent Liabilities

As at 30 September 2009, the Group did not have any capital commitment and contingent liabilities (31 March 2009: Nil).

Employees

As at 30 September 2009, the Group employed a total of 39 employees (excluding all directors). The Group remunerates its employees based on their performance, working experience and prevailing market standards. Employee benefits include medical insurance coverage, mandatory provident fund in Hong Kong and state-managed retirement benefit in the PRC.

PROSPECTS

Following the implementation of a series of economic stimulation measures in Mainland China, the Chinese GDP grew 7.7% in the first three quarters of 2009. The Chinese economy has recovered and showed stronger growth momentum, and the overall picture is promising. With the continued implementation of proactive fiscal policies and moderately loose monetary policies, the tertiary industry and the urbanization process in the PRC is deepening, which provides sound conditions for the development of the real estate market and its related industries. With the cost of the existing projects kept in control and improvement in work quality, the Group will, holding the principle of "selecting the best and seizing opportunities", aggressively identify property development projects and other investment opportunities with considerable potential that fit the Group's criteria, so as to reserve resources for the long-term development.

As the global economy has not yet fully shrugged off the shadow of the financial crisis and takes time to completely bounce off the bottom and back on the healthy track, enterprises will face with development opportunities as well as investment risks. The Group has its business rooted in Mainland China, pays attention to risk control and has sustained growth in profit, by adhering to the "residential+ commercial " development mode on the back of its existing land resources, it will create its quality brandname and give full swing to the promotion of standardized operation, so as to lay a solid foundation for the long term development of the Group.

INTERIM DIVIDEND

The Board does not recommend any interim dividend for the six months ended 30 September 2009 (30 September 2008: Nil).

AUDIT COMMITTEE

The Company set up an audit committee (the "Audit Committee") with written terms of reference in compliance with the Listing Rules, for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the Group. The Audit Committee is comprised of three independent non-executive directors, namely, Mr. Chan Chi Yuen (Chairman), Mr. Dai Chang Jiu and Dr. He Chuan. The audit committee is mainly responsible for overseeing the Company's financial reporting system and internal control procedures; making recommendations to the Board in the appointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of such auditors; and reviewing the interim and annual reports and accounts of the Company.

The Group's unaudited consolidated financial statements for the six months ended 30 September 2009 have been reviewed by the Audit Committee.

REMUNERATION COMMITTEE

The remuneration committee (the "Remuneration Committee") was set up and consists of one executive director, Mr. He Guang (Chairman), and three independent non-executive directors, Mr. Chan Chi Yuen, Mr. Dai Chang Jiu and Dr. He Chuan.

The Remuneration Committee is mainly responsible for making recommendations to the Board on the Company's remuneration policy for directors and senior management, and overseeing the remuneration packages of the executive directors and senior management.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the Period, the Company has complied with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix of the Listing Rules, except for the following deviation:

Code Provision A.2.1

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

Mr. He Guang assumes the role of chairman, and there is no other person designated as chief executive officer. The Board believes that this structure helps maintain strong and effective leadership and leads to a highly efficient decision making process. The Board will review this situation periodically.

Code Provision A.4.1

This provision requires the non-executive directors should be appointed for specific terms, subject to re-election at the general meeting of the Company. Currently, all the non-executive directors are not appointed for a specific term but are subject to retirement by rotation and re-election at the forthcoming annual general meeting in accordance with the Company's Bye-Laws. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting that in the CG Code.

COMPLIANCE WITH THE MODEL CODE

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

The Board confirmed that all the directors have complied with the required standard set out in the Model Code throughout the Period.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the Period.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the directors, the percentage of the Company's shares which are in the hands of the public is not less than 25% of the Company's total number of issued shares.

PUBLICATION OF INTERIM RESULTS

This interim results announcement and interim report are available for viewing on the website of Hong Kong Exchange and Clearing Limited (http://www.hkexnews.hk) and on the website of the Company (http://www.equitynet.com.hk/richlyfield).

By Order of the Board
Richly Field China Development Limited
He Guang
Chairman

Hong Kong, 11 December 2009

As at the date of this announcement, the Board comprises Mr. He Guang (Chairman), Mr. Yu Xing Bao and Mr. Wong Kin Fai as executive directors, Mr. Guo Dong as non-executive director and Mr. Chan Chi Yuen, Mr. Dai Chang Jiu and Dr. He Chuan as independent non-executive directors.