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 2011

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 2011 (the "Period"), together with the comparative figures for the six months ended 30 September 2010 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2011

		Six months ended 30 September	
		2011	2010
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Turnover		**–**	–
Cost of sales		**–**	–
Gross profit		**–**	–
Other revenue	*3*	**468**	949
Gain on disposal of subsidiaries	*6*	**443**	6,817
Gain on winding up of a subsidiary	*6*	**–**	1,179
Selling expenses		**(4,939)**	–
Administrative and other operating expenses		**(46,597)**	(29,291)
Finance costs	*4*	**–**	–
Loss before taxation	*6*	**(50,625)**	(20,346)
Income tax	*7*	**–**	–
Loss for the period		**(50,625)**	(20,346)

		Six months ended 30 September	
		2011	2010
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Other comprehensive income:			
Exchange differences arising on translation of overseas operations		**22,079**	4,417
Total comprehensive expenses for the period		**(28,546)**	(15,929)
Loss attributable to:			
Owners of the Company		**(44,319)**	(20,346)
Non-controlling interests		**(6,306)**	–
		(50,625)	(20,346)
Total comprehensive (expenses)/income attributable to:			
Owners of the Company		**(31,871)**	(15,929)
Non-controlling interests		**3,325**	–
		(28,546)	(15,929)
Loss per share			
– Basic	*8*	**(0.5) cents**	(0.23) cents
– Diluted	*8*	**(0.5) cents**	(0.23) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2011

	Notes	30 September 2011 HK$'000 (unaudited)	31 March 2011 HK$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**6,917**	6,619
Investment properties		**464,778**	390,466
Interest in an associate		**22,078**	22,976
		493,773	420,061
Current assets			
Properties under development for sale		**767,313**	629,756
Inventories		**3,491**	–
Trade and other receivables	*10*	**280,370**	218,359
Cash and bank balances		**98,246**	339,587
		1,149,420	1,187,702
Current liabilities			
Trade and other payables	*11*	**359,121**	309,993
Tax payable		**20,197**	20,476
		379,318	330,469
Net current assets		**770,102**	857,233
Total assets less current liabilities		**1,263,875**	1,277,294
Non-current liabilities			
Bank loan, secured	*12*	**367,922**	356,168
Net assets		**895,953**	921,126
EQUITY			
Share capital		**444,044**	444,044
Reserves		**153,829**	181,695
Equity attributable to owners of the Company		**597,873**	625,739
Non-controlling interests		**298,080**	295,387
Total equity		**895,953**	921,126

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

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 2011, except for the adoption of the following new and revised standards and interpretations for the first time for the current period's financial information:

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosure for First-time Adopters
HKAS 24 (Revised)	Related Party Disclosures
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

The adoption of these new and revised standards and interpretations has had no significant impact on the Group for the current or prior accounting periods.

The Group has not early applied the following new and revised standards or interpretations that have been issued but not yet effective.

HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[1]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[1]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statement[4]
HKFRS 11	Joint Arrangements[4]
HKFRS 12	Disclosure of Interests in Other Entities[4]
HKFRS 13	Fair Value Measurement[4]
HKAS 1 (Amendments)	Presentation of Items of the Other Comprehensive Income[3]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[2]
HKAS 19 (revised in 2011)	Employee Benefits[4]
HKAS 27 (revised in 2011)	Separate Financial Statement[4]
HKAS 28 (revised in 2011)	Investments in Associates and Joint Ventures[4]

[1] Effective for annual periods beginning on or after 1 July 2011.
[2] Effective for annual periods beginning on or after 1 January 2012.
[3] Effective for annual periods beginning on or after 1 July 2012.
[4] Effective for annual periods beginning on or after 1 January 2013.

HKFRS 9 "Financial Instruments" introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of financial assets.

The directors of the Company anticipate that the application of the other new or revised standards will have no material impact on the results and the financial position of the Group.

3. Other Revenue

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest income	**468**	138
Exchange gain	**–**	794
Others	**–**	17
	468	949

4. Finance Costs

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on bank borrowings	**11,276**	–
Less: Interest expense capitalised into properties under development for sale	**(10,766)**	–
Less: Interest expense capitalised into investment properties	**(510)**	–
	–	–

The borrowing costs have been capitalised at a rate of 7.1% to 7.59% per annum (2010: Nil).

5. Segment Information

Based on the regular internal financial information reported to the Group's board of directors, being the chief operating decision makers, for their decision about resources allocation to the Group's business components and review of these components' performance, the Group has identified three reportable operating segments as follows:

(i) property development;

(ii) property management; and

(iii) construction and maintenance.

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

	Property development *HK$'000*	Property management *HK$'000*	Construction and maintenance *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Six months ended 30 September 2011					
Segment revenue					
Revenues from external parties	–	–	–	–	–
Inter-segment sales	–	–	–	–	–
	–	–	–	–	–
Segment results	**(17,012)**	**(19,932)**	**(71)**	**–**	**(37,015)**
Interest income					**166**
Other income					**–**
Gain on disposal of subsidiaries					**443**
Unallocated expenses					**(14,219)**
Loss before taxation					**(50,625)**

	Property development	Property management	Construction and maintenance	Elimination	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Six months ended 30 September 2010					
Segment revenue					
Revenues from external parties	–	–	–	–	–
Inter-segment sales	–	–	–	–	–
	–	–	–	–	–
Segment results	–	–	–	–	–
Interest income					138
Other income					811
Gain on disposal of subsidiaries					6,817
Gain on winding up of a subsidiary					1,179
Unallocated expenses					(29,291)
Loss before taxation					(20,346)

Segment results represents the profit/(loss) earned by each segment without allocation of central administration costs including directors' salaries, share of profits of an associate, gain recognised on disposal/winding up of subsidiaries, other income, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The following is an analysis of the Group's unaudited assets and liabilities by reportable segment at the end of the reporting period:

	Property development	Property management	Construction and maintenance	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
As at 30 September 2011				
Assets				
Segment assets	1,468,129	75,446	4,567	1,548,142
Unallocated corporate assets				95,051
				1,643,193
Liabilities				
Segment liabilities	663,302	37,587	25,754	726,643
Unallocated corporate liabilities				20,597
				747,240
As at 31 March 2011				
Assets				
Segment assets	1,347,728	140,109	10,467	1,498,304
Unallocated corporate assets				109,459
				1,607,763
Liabilities				
Segment liabilities	643,097	12,368	30,871	686,336
Unallocated corporate liabilities				301
				686,637

Segment assets exclude deferred tax assets and interest in subsidiaries as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and borrowing as these liabilities are managed on a group basis.

6. Loss before Taxation

Loss before taxation is arrived at after charging/(crediting):

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Staff costs	**16,317**	10,728
Directors' remuneration	**2,987**	3,441
Depreciation of property, plant and equipment	**1,103**	284
Property, plant and equipment written off	**–**	411
Net foreign exchange loss	**1,028**	–
Gain on disposal of subsidiaries *(Note (i))*	**(443)**	(6,817)
Gain on winding up of a subsidiary *(Note (ii))*	**–**	(1,179)
Impairment on amount due from an associate	**901**	–

Note:

(i) On 10 June 2011 and 16 June 2011, share transfer agreements were entered into between the independent third parties (the "Purchaser") and Richly Field (Beijing) Investment Consulting Co., Limited, in respect of the disposal of the entire issued share capital of 銀川奧特萊斯世界名牌折扣城有限公司("銀川奧特萊斯"), at the consideration of RMB6,000,000 (equivalent to approximately HK$7,358,000). At the date of disposal, 銀川奧特萊斯 had not engaged in any business activities.

On 3 August 2010, the Group disposed of a wholly-owned subsidiary, Wealthy Field Development Holdings Limited. For further details, please refer to the Company's announcement dated 3 August 2010 and circular dated 12 August 2010.

On 6 August 2010, the Group disposed the wholly-owned subsidiary, Richly Field Nanchang Holdings Limited.

(ii) The Group's wholly-owned subsidiary, Dickson Construction Engineering (Guang Dong) Limited was wound up on 29 September 2010. For further details, please refer to the Company's announcement dated 12 July 2010.

7. Income Tax

No provision had been made for Hong Kong profits tax and PRC Enterprise income tax as the Group does not have any assessable profit arising in Hong Kong and the PRC respectively during the six months ended 30 September 2011 (six months ended 30 September 2010: Nil).

The Group and the Company had no significant deferred tax assets or liabilities as at 30 September 2011 (31 March 2011: Nil).

8. Loss per Share

The calculation of the basic loss per share is based on the net loss for the six months ended 30 September 2011 of approximately HK$44,319,000 (six months ended 30 September 2010: HK$20,346,000) and the weighted average number of 8,880,874,303 ordinary shares in issue during the both periods.

Basic and diluted loss per share for the six months ended 30 September 2011 and six months ended 30 September 2010 have been presented as equal because the exercise price of the Company's share options was higher than the average market price for the periods and is therefore considered as anti-dilutive.

9. Interim Dividend

No payment of interim dividend was recommended for the six months ended 30 September 2011 (six months ended 30 September 2010: Nil).

10. Trade and Other Receivables

	30 September 2011	31 March 2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade receivables *(Note (i))*	**791**	766
Deposits paid *(Note (ii) and (iii))*	**25,596**	464
Tender guarantee for land bidding *(Note (iv))*	**159,433**	96,403
Prepayment	**277**	6,615
Other receivables *(Note (v))*	**94,273**	114,111
	280,370	218,359

Note:

(i) The balance of trade receivables as at 30 September 2011 and 31 March 2011 represent the RMB645,000 retention money receivables in respect of the construction project, completed during the year ended 31 March 2010, and will be settled in accordance with the terms of the construction contract.

(ii) Included in the deposits paid, RMB11,200,000 (equivalent to approximately HK$13,736,000) represents the land premium paid by 懷來大一葡萄酒莊園有限公司(“懷來大一”) in respect of the acquisition of land use rights in Hebei, the PRC, with land use rights grant contracts signed. Such amount would be transferred to properties under development when the land use rights certificates were obtained.

(iii) During the six months ended 30 September 2011, the Group paid trade deposits of approximately EUR1,048,000 (equivalent to approximately HK$11,555,000) for purchase of goods for resale in the outlets portion of the Changsha Project.

(iv) As at 30 September 2011, two refundable preliminary tender guarantee of RMB120,000,000 (equivalent to approximately HK$147,169,000) and RMB10,000,000 (equivalent to approximately HK$12,264,000) were paid respectively under the normal course of property development business by Qinhuangdao Outlets Real Estate Co., Limited and Globe Outlets Town (Jilin) Limited, wholly owned subsidiaries of the Company, in respect of the Group's proposed bidding of lands located in Qinhuangdao and Jilin, the PRC, under public land auctions.

As at 31 March 2011, included in the refundable preliminary tender guarantee was RMB11,200,000 (equivalent to approximately HK$13,297,000) paid by 懷來大一 for land bidding, and transferred to deposit paid during the six months ended 30 September 2011 as disclosed in Note (ii).

(v) Included in other receivable, RMB10,000,000 (equivalent to approximately HK$12,264,000) and RMB32,178,050 (equivalent to approximately HK$39,463,000) representing two short-term advances to two business partners of the Group who are third parties independent of the Company and connected persons of the Company. They agreed to identify any investment opportunities of property development projects in Hainan and Guangdong, the PRC, for the Group.

The advance of RMB10,000,000 represents the unsettled balance of a RMB40,000,000 advance, of which RMB30,000,000 was repaid within the six months ended 30 September 2011. This advance is unsecured and repayable on or before 7 April 2012. It bears floating rate of interest based on the prevailing lending rate of the People's Bank of China ("PBOC") with 10% spread thereon.

The advance of RMB32,178,050 is unsecured and repayable on or before 3 March 2012. Pursuant to the agreement entered into with the business partner, no interest will be charged provided that the business partner successfully refers suitable property development projects to the Group; otherwise, interest will be charged at a rate not less than the prevailing lending rate of the PBOC.

All the above short-term advances as at 30 September 2011 and 31 March 2011 were neither past due nor impaired.

Also there is other receivable approximately RMB11,567,000 (equivalent to approximately HK$14,185,000) representing the pre-development expenses incurred and the compensation paid for the land expropriation and removal regarding the land acquired by 懷來大一 in Hebei, the PRC.

At the end of the reporting period, the ageing analysis of the trade receivables, net of impairment loss, was as follows:

	30 September 2011	31 March 2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Current to 60 days	**–**	–
60 – 180 days	**–**	–
Over 180 days	**791**	766
Neither past due nor impaired	**791**	766

11. Trade and Other Payables

	30 September 2011	31 March 2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade payables	**20,849**	22,041
Accrued charges and other payables *(Note (i) and (ii))*	**338,272**	287,952
	359,121	309,993

Note:

(i) Included in other payables, there is an amount of RMB218,000,000 (equivalent to approximately HK$267,357,000) representing a construction deposit received from the PRC local government in relation to construction work surrounding the Group's development site in Wangcheng Country, Changsha City, Hunan Province, the PRC.

(ii) As at 30 September 2011, approximately RMB19,350,000 (equivalent to approximately HK$23,731,000) (31 March 2011: RMB3,966,250 (equivalent to approximately HK$4,709,000)) deposits were received from pre-sales of the Group's residential properties and lease of commercial units in Hunan, the PRC, prior to the issuance of the relevant occupation permit/completion certificate by the respective building authorities.

At the end of the reporting period, the ageing analysis of the trade payables was as follows:

	30 September 2011	31 March 2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Current to 60 days	**–**	–
60 – 180 days	**–**	1,858
Over 180 days	**20,849**	20,183
	20,849	22,041

12. Bank Loan, Secured

	30 September 2011 **HK$'000** **(unaudited)**	31 March 2011 *HK$'000* (audited)
Current bank loan – secured	–	–
Non-current bank loan – secured	**367,922**	356,168
	367,922	356,168
Repayable:		
Within one year or on demand	–	–
Over one year but within two years	**98,113**	94,978
Over two years but within five years	**269,809**	261,190
Total bank loan	**367,922**	356,168

The RMB300,000,000 bank loan as at 30 September 2011 and 31 March 2011 was secured by the subsidiary's land use right with a net carrying amount of approximately RMB240,000,000 (equivalent to approximately HK$294,338,000). The bank loan bears interest at rate of 7.59% per annum (2010: 6.45% to 7.32% per annum), and does not contain a repayment on demand clause.

13. Event after the Reporting Period

On 10 October 2011, the Group entered into an agreement with a third party, Vision Far Investments Limited ("Vision Far"), that one new share of Champ Wisdom Limited ("Champ Wisdom") was allotted to Vision Far at the consideration of USD1. As a result of the completion of share subscription by Vision Far in Champ Wisdom, the Group's interests in Champ Wisdom was diluted from 100% to 50%.

The total paid up registered capital of 懷來大一, an wholly-owned subsidiary of Champ Wisdom Holdings Limited (an wholly-owned subsidiary of Champ Wisdom), was then increased from RMB12,000,000 to RMB20,000,000, of which RMB10,000,000 was paid by Vision Far as consideration for the 50% of the registered capital of 懷來大一.

At the date of disposal, Champ Wisdom and Champ Wisdom Holdings Limited had not engaged in any business activities, and 懷來大一 just acquired the land use rights of a land situated in Hebei, the PRC, of which the details for planned development was described in Business Review of this announcement.

Save as disclosed above, there was no other significant event took place subsequent to the end of the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

The Group's indirectly-owned subsidiary Hunan Richly Field Outlets Real Estate Limited had completed the main construction of Phase I of Changsha project during the Period. Currently, 48,170 square meters of area has been granted pre-sale permits for Changsha project, in which contracted area was 2,730 square meters, and Letters of Intention for Purchase have been signed for 4,532 square meters. The commercial portion of Outlets will be developed in two phases. At present, the main construction for Phase I has been completed, and interior decoration work is currently under progress. Marketing was smoothly underway. As at the end of the Period, 60% of the units has been committed. In view of current preparatory status, commercial portion of Phase I is expected to commence business on 1 May 2012. At such time, the value of the Changsha project and its vicinity will be enhanced by the opening of the commercial portion of Outlets, and the Group will be able to generate substantial return from the Changsha project.

During the Period, the Group's wholly-owned subsidiary 懷來大一葡萄酒莊園有限公司 acquired the state-owned land use right of a land situated in Sangyuan Town, Huailai county, Hebei province with an aggregate area of 104,037.82 square meters, at a total consideration of RMB11,780,000. The land will be jointly planned with other land previously leased by the Group. With the geographical advantage of Huailai County which is adjoining Beijing and its resources as "The Hometown of Chinese Grapes" and "The Hometown of Chinese Vintage Wines", the Group plans to develop a complex of villas featured by private vintage wine chateaus which combines leisure, resort, touring, sightseeing and experiencing, and in turn satisfies the demand for commercial occasions and resort designed for high-end consumers in the Beijing circled region and drive the development of the local tourist industry characterized by vintage wine.

On 10 June 2011, the Group entered into an agreement with a third party for market reasons and disposed the entire equity interest in 銀川奧特萊斯世界名牌折扣城有限公司 for a consideration of RMB6,000,000.

FINANCIAL REVIEW

Results

Turnover for the six months ended 30 September 2011 amounted to HK$Nil and the corresponding period last year was HK$Nil. Loss attributable to equity holders for the Period was approximately HK$44,319,000 compared with a loss approximately of HK$20,346,000 for the corresponding period last year. Loss per share for the Period was HK0.5 cents compared with a loss per share of HK0.23 cents for the corresponding period last year.

During the Period, the property development business of the Group has fully commenced, there was a relatively larger increase in staff and other charges for the Period. As at 30 September 2011, loss for the Group increased compared with same period last year.

Liquidity and Capital Resources

As at 30 September 2011, the Group's net assets amounted to approximately HK$895,953,000 as compared with net assets amounted to approximately HK$921,126,000 at 31 March 2011. As at 30 September 2011, the Group had net current assets of approximately HK$770,102,000 including cash and cash equivalents of approximately HK$98,246,000 as compared with net current assets of approximately HK$857,233,000 including cash and cash equivalents of approximately HK$339,587,000 at 31 March 2011. The Group's gearing ratio measured on the basis of the Group's total bank borrowings over total equity as at 30 September 2011 was 41.06% (31 March 2011: 38.67%).

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.

The source of funding of the Group was mainly from its internal resources.

Pledge of Assets

The Group's bank loans amounted to RMB300,000,000 as at 30 September 2011 (31 March 2011: RMB300,000,000), which were secured by part of the land use rights and properties of the Group.

Capital Commitment and Contingent Liabilities

As at 30 September 2011, the Group did not have any capital commitments and contingent liabilities (31 March 2011: Nil).

Employees

As at 30 September 2011, the Group employed a total of 243 employees (excluding directors). The Group remunerates its employees based on their performance, working experience and prevailing market standards. Employee benefits include medical insurance coverage, provident fund and share options.

PROSPECTS AND OUTLOOK

During the Period, the real estate market in Mainland China was under the influence of the "Restrictions on Purchases", "Restrictions on loans" and "Restrictions on Sales" policies. Together with the implementation of the specific regulatory measures throughout the country, the adjustments to the market intensified gradually, leading to a more apparent stagnation in transaction volume particularly the purchases of housing for investment which was obviously suppressed. At the same time, since the beginning of the year 2011, the People's Bank of China raised the base interest rate for deposits and loans in Renminbi for three times and increased the bank deposit reserve requirements for six times. The tightened finance resulted in a distinct suppression to the financing activities of the real estate sector. Under the impact of the volatile market, both the ability and appetite for investment in the real estate sector in Mainland showed a declining trend, while market transactions in land area recorded a sharp decrease. However, the Group is of the view that, with the regulatory policies taking effect, property development and investment opportunities began to arise. The Group will watch closely over the changes in market so as to capitalize on the development opportunities in the sub-urban areas of the second and third tier cities in the country.

The Changsha project currently under development by the Group was not included in the scope of restricted sales in Changsha and the performance of the market in Changsha was among the top of the country for the first three quarters in 2011. The project, however, was not exempted from the impact of regulatory policies and market adjustments. The complicated and fierce market competition was virtually a challenge to enterprises in their management of product positioning, cost performance and marketing strategy. Benefiting from the commercial portion of Outlets, the products of the Changsha project shows its own style. In the course of the subsequent phases of development of the project, the Group will keep abreast of the market in product design, development progress, clients' demand and sales strategy, and duly make prompt adjustments and accurate positioning.

Along with the subsisting contraction in the land premium, the Group will maintain its sharp response to market and follow its principle of prudent expansion to acquire new projects at good timing. Meanwhile, for better promotion of our business development, the Group will actively engage in cooperation in development projects and reasonably strike a balance between risks and return. The Group will also effectively integrate its strength in resources in real estate development in second and third tier cities in China with high potential applying its property development model and operating concept of "Residential project supports commercial project and in turn brings value to real estate", consolidating the Group's overall competitive edge by diversification.

INTERIM DIVIDEND

The Board does not recommend any interim dividend for the six months ended 30 September 2011 (six months ended 30 September 2010: Nil).

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 deviations:

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.

Code Provision E.1.2

This provision requires the chairman of the Board to attend the annual general meeting (the "AGM") and arrange for the chairman of the audit, remuneration and nomination committees (as appropriate) or in the absence of the chairman of such committees, another member of the committee to be available to answer questions at the AGM.

The chairman of the Board had not attended the AGM held on 9 August 2011 as he was engaged in an important business meeting overseas. The said AGM was chaired by an executive director.

DIRECTOR'S SECURITIES TRANSACTIONS

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.

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, Ms. Cho Denise Yee Man (Chairman), Mr. Liu Ming Fang 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 2011 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, Ms. Cho Denise Yee Man, Mr. Liu Ming Fang 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.

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, 25 November 2011

As at the date of this announcement, the Board comprises Mr. He Guang (Chairman) and Mr. Wong Kin Fai as executive directors, Mr. Huang Shao Xiong and Mr. Wang Yuan Xun as non-executive directors, and Ms. Cho Denise Yee Man, Mr. Liu Ming Fang and Dr. He Chuan as independent non-executive directors.