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 PERIOD ENDED 30 SEPTEMBER 2013

The board (the "Board") of directors (the "Directors") of Richly Field China Development Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim financial statement of the Company and its subsidiaries (collectively, the "Group") for the six months period ended 30 September 2013 (the "Reporting Period") together with comparative unaudited figures for the six months period ended 30 September 2012 (the "Corresponding Period") and selected explanatory notes as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months period ended 30 September 2013

		Six months period ended 30 September	
	Notes	**2013** *HK$'000* **(Unaudited)**	2012 *HK$'000* (Unaudited and restated)
REVENUE	*6*	**41,675**	14,433
Cost of sales		**(34,105)**	(14,731)
Gross profit/(loss)		**7,570**	(298)
Gain on disposal of subsidiaries	*6*	**–**	6,446
Other income and gains	*6*	**5,807**	6,941
Selling expenses		**(17,086)**	(1,726)
Administrative expenses		**(41,176)**	(39,009)
Finance costs	*7*	**(22,413)**	(177)
Share of losses of associates		**(3,063)**	(46,061)
LOSS BEFORE TAX	*8*	**(70,361)**	(73,884)
Income tax	*9*	**–**	–
LOSS FOR THE PERIOD		**(70,361)**	(73,884)
Attributable to:			
Owners of the Company	*10*	**(70,361)**	(67,040)
Non-controlling interests		**–**	(6,844)
		(70,361)	(73,884)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(continued)*
For the six months period ended 30 September 2013

		Six months period ended 30 September	
		2013	2012
		HK$'000	*HK$'000*
	Notes	**(Unaudited)**	(Unaudited and restated)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**6,584**	(11,227)
Release of exchange translation reserve upon disposals of subsidiaries		**–**	(1,245)
Share of other comprehensive income of associates		**1,242**	1,904
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**7,826**	(10,568)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(62,535)**	(84,452)
Attributable to:			
Owners of the Company		**(62,535)**	(82,909)
Non-controlling interests		**–**	(1,543)
		(62,535)	(84,452)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*10*		
Basic		**HK(0.79) cents**	HK(0.75) cents
Diluted		**HK(0.79) cents**	HK(0.75) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2013

	Notes	30 September 2013 HK$'000 (Unaudited)	31 March 2013 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**4,833**	4,997
Investment properties	*12*	**470,109**	389,108
Prepaid land lease payments	*13*	**593,217**	592,352
Investments in associates		**43,679**	50,905
Total non-current assets		**1,111,838**	1,037,362
CURRENT ASSETS			
Properties under development	*14*	**845,661**	657,389
Inventories		**5,927**	8,103
Prepayments, deposits and other receivables		**26,820**	26,299
Loan to an associate		**116,424**	103,893
Cash and bank balances		**22,322**	50,301
Total current assets		**1,017,154**	845,985
CURRENT LIABILITIES			
Trade payables	*15*	**237,856**	145,584
Amount due to a contract customer		**92,301**	131,590
Receipts in advance, other payables and accruals		**426,748**	175,467
Interest-bearing bank and other borrowings	*16*	**79,203**	105,712
Provision		**1,096**	855
Tax payable		**7,849**	7,687
Total current liabilities		**845,053**	566,895
NET CURRENT ASSETS		**172,101**	279,090
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,283,939**	1,316,452
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	*16*	**875,694**	846,525
Net assets		**408,245**	469,927
EQUITY			
Equity attributable to owners of the Company			
Share capital	*17*	**444,044**	444,044
Reserves		**(35,799)**	25,883
Total equity		**408,245**	469,927

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2013

1. Corporate Information

Richly Field China Development Limited (the "Company") was incorporated in the Cayman Islands with limited liability and continued as an exempted company under the laws of Bermuda after the change of domicile from the Cayman Islands to Bermuda effective on 11 February 2004. The principal place of business of the Company is located at Unit 1208, 12/F., West Tower, Shun Tak Centre, 168 – 200 Connaught Road, Central, Hong Kong.

During the period, the Company and its subsidiaries (collectively referred to as the "Group") were involved in the following principal activities:

(i) property development;

(ii) property management;

(iii) construction and maintenance; and

(iv) trading of fashion wears and accessories.

2. Basis of Preparation

The interim condensed consolidated financial statements for the six months period ended 30 September 2013 have been prepared in accordance with the applicable provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

As of 30 September 2013, the Group had cash and bank balances of HK$22,322,000 and aggregate outstanding interest-bearing bank and other borrowings of HK$79,203,000 together with aggregate payables of HK$306,632,000, which were due within the next twelve months. The directors of the Company have taken steps to improve the Group's liquidity and solvency position. Subsequent to 30 September 2013, the Group has obtained entrusted loans in the aggregate amount of RMB1,200,000,000 (equivalent to HK$1,513,000,000) (see note 21). Based on the management estimation of the future cash flows of the Group, after taking into account (i) the additional entrusted loans obtained after 30 September 2013; (ii) the subsequent sales of properties up to the date of this announcement, and (iii) a projection of the future sales of properties, the Group is able to generate sufficient funds to meet its financial obligations and when they fall due in the foreseeable future. Accordingly, the interim condensed consolidated financial statements of the Group have been prepared on a going concern basis.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2013 included in the annual report.

3. Significant Accounting Policies

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2013, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA which are effective for the first time for the Group's annual period beginning on or after 1 April 2013.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – *Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

Except as described below, the adoption of these new and revised HKFRSs has had no significant financial effect on these interim condensed consolidated financial statements.

The HKAS 1 Amendments require grouping of items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. The Group's presentation of other comprehensive income in the consolidated financial statements has been modified accordingly.

4. Prior Period Adjustments

In preparing the unaudited interim condensed consolidated financial statements for the six months period ended 30 September 2013, the Company identified errors and omissions in its presentation and disclosures of certain transactions and balances in the previously issued condensed consolidated financial statements for the six months period ended 30 September 2012. Those errors include: (i) prepaid land lease payments incorrectly included in "Investment properties"; (ii) prepaid land lease payments in respect of undeveloped land parcels construction were incorrectly included in "Properties under development" and were not amortised over the respective terms of the land leases, (iii) certain administrative expenses were incorrectly capitalised in "Investment properties" and "Properties under development"; (iv) valuation of share options granted at grant date were not properly estimated in accordance with HKFRS 2 *Share-based Payment*; (v) construction revenue was not recognised in accordance with the percentage of completion method under HKAS 11 *Construction Contracts*; and (vi) share of losses of associates was incorrectly calculated in respect of corporate income tax.

Consequently, the Company's condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, and the condensed consolidated statement of cash flows for the period then ended and certain explanatory notes have been restated to correct those errors.

Effects on the condensed consolidated statement of comprehensive income for the six months period ended 30 September 2012:

	The Group as previously reported *HK$'000*	Error adjustments *HK$'000*	Reclassification adjustments *HK$'000*	The Group as restated *HK$'000*
Revenue	115	14,318	–	14,433
Cost of sales	(115)	(14,616)	–	(14,731)
Other income and gains	10,265	(6,560)	3,236	6,941
Selling expenses	(998)	(728)	–	(1,726)
Administrative expenses	(42,630)	3,623	(2)	(39,009)
Finance costs	–	3,057	(3,234)	(177)
Share of losses of associates	(832)	(45,229)	–	(46,061)
Loss for the period attributable to:				
Owners of the Company	(21,079)	(45,961)	–	(67,040)
Non-controlling interests	(6,670)	(174)	–	(6,844)
	(27,749)	(46,135)	–	(73,884)

5. Operating Segment Information

Over 90% of the Group's revenue, expenses and assets are generated from the Group's property development project in Changsha, Hunan Province, the People's Republic of China (the "PRC") (the "Changsha Project"). The management of the Group makes decisions about resources allocation and assesses performance of the Group based on the operating results from and financial position of these business activities. Accordingly, the directors are of the opinion the Changsha Project in the PRC is a single reportable operating segment of the Group.

An analysis of the Group's revenues from external customers for each group of similar products and services is disclosed in note 6 to the financial statements.

The Group's revenue from external customers is derived solely from its operations in the PRC, and all non-current assets (other than financial assets) of the Group are located in the PRC.

During the period, the Group mainly had transactions with a single external customer (six months period ended 30 September 2012 (Restated): one) which individually contributed over 10% of the Group's total revenue. The revenue generated from the service provided to this customer for the period amounted to HK$40,646,000 (six months period ended 30 September 2012 (Restated): HK$14,316,000).

6. Revenue, Other Income and Gains

An analysis of the Group's revenue, other income and gains is as follows:

	Notes	Six months period ended 30 September 2013 HK$'000 (Unaudited)	2012 HK$'000 (Unaudited and restated)
Revenue			
Construction revenue	*(a)*	**40,646**	14,316
Sales of fashion wears and accessories		**1,029**	117
		41,675	14,433
Other income and gains			
Bank interest income		**283**	24
Other interest income	*(b),(c),(d)*	**5,210**	5,620
Exchange gains, net		**310**	5
Financial guarantee fee income	*(e)*	**–**	626
Others		**4**	666
		5,807	6,941
Gain on disposal of subsidiaries		**–**	6,446

Note:

(a) On 18 March 2010, Hunan Richly Field Outlets Real Estate Limited* (湖南裕田奧特萊斯置業有限公司) ("Hunan Richly Field"), a wholly-owned subsidiary of the Company, and Wangcheng Economic Development Zone Construction and Development Company Limited* (望城經開區建設開發公司) (previously known as Wangcheng Development and Construction Investment Company Limited* (望城縣開發建設投資總公司)) ("Wangcheng Investment"), a state-owned entity, entered into a construction contract (the "Construction Contract"), pursuant to which Wangcheng Investment appointed Hunan Richly Field, as the primary constructor, to provide construction services for some of the infrastructures and supporting facilities surrounding the Changsha Project, which mainly include municipal power facilities project, earth project, drainage and sewer project and gardens landscape project at a cash consideration of RMB251,474,000 (equivalent to HK$310,797,000). Based on the percentage of completion method, the Group recognised construction revenue of HK$40,646,000 (six months period ended 30 September 2012 (Restated): HK$14,316,000) in the condensed consolidated statement of comprehensive income for the six months ended 30 September 2013.

(b) During the six months period ended 30 September 2013, the Group recognised interest income of HK$5,210,000 (six months period ended 30 September 2012 (Restated): HK$5,089,000) in respect of a loan to Qinhuangdao Outlets Real Estate Co., Ltd ("Qinhuangdao Outlets"), an associate of the Company. Further details of the transaction are set out in the Company's announcement dated 6 January 2012 and note 18(a) to the interim condensed consolidated financial statements.

(c) During the six months period ended 30 September 2012, the Group recognised interest income of HK$376,000 from a deposit placed with Qionghai Millennium Investment Co., Ltd* (瓊海千禧投資有限公司) ("Qionghai Investment"), a company owned as to 54.3% by Mr. Leung Ho Hing ("Mr. Leung") (a substantial shareholder of the Company). Details of this transaction are set out in the Company's announcement dated 6 March 2013 and note 18(b)(ii) to the interim condensed consolidated financial statements.

(d) During the six months period ended 30 September 2012, the Group recognised interest income from deposits placed with Guangdong Yangjiang Construction Group Company Limited* (廣東省陽江市建安集團有限公司) ("Yangjiang") and Guangzhou Haizhu Payi Decoration Design Services Department* (廣州市海珠帕藝裝飾設計服務部) ("Payi"), both independent external parties, of HK$4,000 and HK$151,000, respectively.

(e) During the six months period ended 30 September 2012, the Group recognised a financial guarantee fee income of HK$626,000 in respect of the Group's financial assistance provided to Guangzhou Haimozhai Culture Activities Planning Company Limited* (廣州海墨齋文化活動策劃有限公司) ("Haimozhai"), wholly-owned by Mr. Leung, in relation to a financial guarantee provided by Hunan Richly Field for a credit facility granted by Guangzhou Branch of Shanghai Pudong Development Bank ("SPD Bank") to Haimozhai. Further details of the financial assistance are set out in the Company's announcement dated 10 August 2012 and note 18(b)(i) to the interim condensed consolidated financial statements.

* *For identification purposes only*

7. Finance Costs

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

	Six months period ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited and restated)
Interest on bank and other loans wholly repayable within five years	**77,738**	35,017
Less: Interest capitalised	**(55,325)**	(34,840)
	22,413	177

The capitalisation rates used to determine the amount of borrowing costs eligible for capitalisation for the six months periods ended 30 September 2013 and 2012 were 8.0% and 9.5%, respectively.

8. Loss before Tax

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

		Six months period ended 30 September	
		2013	2012
	Note	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited and restated)
Cost of inventories sold#		**332**	55
Cost of services provided#		**28,781**	9,913
Depreciation of property, plant and equipment		**1,112**	898
Depreciation of investment properties#		**2,432**	1,909
Provision for compensation	*19*	**230**	337
Write-down of inventories to net realisable value#		**2,560**	2,854
Amortisation of prepaid land lease payments		**5,897**	6,031
Less: Amount capitalised		**(2,923)**	(2,855)
		2,974	3,176
Minimum lease payments under operating leases in respect of land and buildings		**2,400**	4,443
Employee benefit expense (including directors' remuneration):			
Wages and salaries		**16,863**	15,871
Equity-settled share option expense		**853**	–
Pension scheme contributions		**1,353**	1,472
		19,069	17,343
Exchange losses, net		**–**	859

This amount is included in "Cost of sales" in the condensed consolidated statement of comprehensive income.

9. Income Tax

For the Group's subsidiaries established in the PRC, PRC Enterprise Income Tax is calculated at the rate of 25% (six months period ended 30 September 2012: 25%).

No provision for PRC Enterprise Income Tax and Hong Kong profits tax has been made for the six months period ended 30 September 2013 as the Group did not generate any assessable profits arising in PRC and Hong Kong respectively during the period (six months period ended 30 September 2012: Nil).

10. Loss per Share Attributable to Owners of the Company

The calculation of basic loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the six months period ended 30 September 2013 and 2012 in respect of a dilution as the share options outstanding had no dilutive effect on the basic loss per share amounts presented.

The calculations of basic loss per share are based on:

	Six months period ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited and restated)
Loss		
Loss attributable to ordinary equity holders of the Company, used in the basic loss per share calculation	**(70,361)**	(67,040)

	Number of shares Six months period ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited and restated)
Shares		
Weighted average number of ordinary shares in issue during the period, used in the basic loss per share calculation	**8,880,874,303**	8,880,874,303

11. Interim Dividend

No payment of interim dividend was recommended for the six months period ended 30 September 2013 (six months period ended 30 September 2012: Nil).

12. Investment Properties

	30 September 2013	31 March 2013
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
At beginning of the period/year	**389,108**	246,952
Additions	**78,839**	141,219
Depreciation	**(2,432)**	(3,914)
Exchange realignment	**4,594**	4,851
At end of the period/year	**470,109**	389,108

All of the Group's investment properties are situated in Mainland China.

For disclosure purpose only, at 30 September 2013, the Group's investment properties were valued at HK$712,199,000, included respective prepaid land lease payments which was carried out by Asset Appraisal Limited, an independent firm of professionally qualified valuers, on an open market, existing use basis. The investment properties are leased to third parties under operating leases.

At 30 September 2013, the Group's investment properties with a net carrying amount of HK$228,514,000 (31 March 2013: HK$225,455,000) were pledged to secure certain bank loans of the Group.

13. Prepaid Land Lease Payments

	Note	**30 September 2013** ***HK$'000*** **(Unaudited)**	31 March 2013 *HK$'000* (Audited)
Carrying amount at beginning of the period/year		**604,031**	653,073
Recognised during the period/year		**(5,897)**	(11,851)
Transfer to properties under development	*14*	**–**	(37,186)
Exchange realignment		**6,930**	(5)
Carrying amount at 30 September/31 March		**605,064**	604,031
Current portion		**(11,847)**	(11,679)
Non-current portion		**593,217**	592,352

The Group's leasehold land is situated in Mainland China and is held under medium and long term leases terms:

At 30 September 2013, the Group's leasehold land with a net carrying amount of HK$216,762,000 (31 March 2013: HK$217,590,000) was pledged to secure certain bank loans of the Group.

14. Properties Under Development

	Note	**30 September 2013** ***HK$'000*** **(Unaudited)**	31 March 2013 *HK$'000* (Audited)
At beginning of the period/year		**657,389**	416,610
Additions		**180,544**	198,803
Transfer from prepaid land lease payments	*13*	**–**	37,186
Exchange realignment		**7,728**	4,790
At end of the period/year		**845,661**	657,389

At 30 September 2013, the Group's properties under development with an aggregate carrying amount of HK$171,944,000 (31 March 2013: HK$172,576,000) were pledged to secure for certain bank loans of the Group.

15. 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:

	30 September 2013 *HK$'000* **(Unaudited)**	31 March 2013 *HK$'000* (Audited)
Within one year	**218,372**	78,729
One to two years	**19,484**	66,855
	237,856	145,584

The trade payables are non-interest-bearing and repayable within the normal operating cycle.

16. Interest-bearing Bank and Other Borrowings

	30 September 2013 *HK$'000* **(Unaudited)**	31 March 2013 *HK$'000* (Audited)
Current		
Bank loans-secured	**75,672**	99,728
Other loans-unsecured	**3,531**	5,984
	79,203	105,712
Non-current		
Bank loans-secured	**195,486**	186,990
Other loans-secured	**680,208**	659,535
	875,694	846,525
	954,897	952,237
Analysed into:		
Bank loans repayable:		
Within one year	**75,672**	99,728
In the second year	**126,120**	124,660
In the third to fifth years, inclusive	**69,366**	62,330
Total bank loans	**271,158**	286,718
Other loans payable:		
Within one year	**3,531**	5,984
In the second year	**680,208**	659,535
Total other loans	**683,739**	665,519
	954,897	952,237

Certain bank loans of the Group are secured by certain assets of the Group with net carrying amounts as listed below:

	Notes	**30 September 2013** *HK$'000* **(Unaudited)**	31 March 2013 *HK$'000* (Audited)
Investment properties	*12*	**228,514**	225,455
Prepaid land lease payments	*13*	**216,762**	217,590
Properties under development	*14*	**171,944**	172,576

In addition to the above, as at 30 September 2013, a bank loan of HK$282,509,000 is secured by the Group's entire equity interest in Hunan Richly Field (31 March 2013: HK$279,238,000).

All of the Group's bank and other loans are denominated in RMB.

The bank loans bear interest at rates ranging from 6.1% to 16.1% per annum (six months period ended 30 September 2012: 6.1% to 17.6% per annum), and do not contain a repayment on demand clause.

17. Share Capital

Shares

	30 September 2013 *HK$'000* **(Unaudited)**	31 March 2013 *HK$'000* (Audited)
Authorised:		
20,000,000,000 (At 31 March 2013: 20,000,000,000) ordinary shares of HK$0.05 (At 31 March 2013: HK$0.05) each	**1,000,000**	1,000,000
Issued and fully paid:		
8,880,874,303 (At 31 March 2013: 8,880,874,303) ordinary shares of HK$0.05 (At 31 March 2013: HK$0.05) each	**444,044**	444,044

18. Related Party Transactions

(a) In addition to the transactions disclosed elsewhere in the interim condensed consolidated financial statements, the Group had the following transactions with related parties during the period.

		Six months period ended 30 September	
	Note	**2013** *HK$'000* **(Unaudited)**	2012 *HK$'000* (Unaudited and restated)
An associate:			
Interest income from a loan to Qinhuangdao Outlets	*6(b)*	**5,210**	5,089
A related party:			
Consultancy fee payable to Zhongrong International Trust Company Limited		**–**	1,680

These transactions were conducted on terms and conditions mutually agreed between the parties.

(b) Other transactions with related parties

(i) The Group recognised a financial guarantee fee income of HK$626,000 for the six months period ended 30 September 2012 in respect of the Group's financial assistance provided to Haimozhai. Further details of the financial assistance are set out in the Company's announcement dated 10 August 2012. The guarantee was released in October 2012.

(ii) The Group recognised interest income of HK$376,000 for the six months period ended 30 September 2012 in respect of the deposit placed with Qionghai Investment. Further details of the transaction are set out in the Company's announcement dated 6 March 2013.

(c) Compensation of key management personnel of the Group

	Six months period ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited and restated)
Short term employee benefits paid to key management personnel	**2,186**	3,054

The related party transactions in respect of items (b)(i) and (b)(ii) above also constitute as connected transactions as defined in Chapter 14A of the Listing Rules.

19. Contingent Liabilities

In 2011 and 2012, the Group entered into a number of lease agreements (the "Tenancy Agreements") with its tenants in relation to the lease of certain shop premises developed under the Changsha Project. Pursuant to certain Tenancy Agreements, the shop premises shall be ready for lease during the period from August 2011 to May 2012.

During the year ended 31 March 2012, the PRC government launched a series of adjustment measures and policies to control the property market. These regulatory control measures and policies caused the slowdown in the pre-sale of the properties under development of the Changsha Project, which in turn added pressure on the Group's capital requirement and further resulted in the slowdown in the construction progress of the Changsha Project. As the results of the pre-sale of the properties under development of the Changsha Project was below the expectation of the Group, during the year ended 31 March 2012, the Group made certain adjustments to the original design of the Changsha Project, which included among others, adjustments to the floor design of the certain residential portion, and the allocation of the floor area among the residential portion, the commercial portion and the facilities, to meet the local demand. These adjustments, which required the approval from the local relevant government authorities, also affected the construction progress of the Changsha Project. As the construction of Changsha Project was behind the original schedule, during the year ended 31 March 2012, the Group was not able to deliver the shop premises to a number of tenants according to the agreed timetable set out in the Tenancy Agreements. Pursuant to the Tenancy Agreements, the tenants could terminate the agreements and/or claim against the Group for the delay in the delivery of the shop premises on the basis of loss incurred or the number of days delayed.

The Group has been in discussions with the tenants regarding the delay in the delivery of the shop premises. Some of the tenants have terminated the Tenancy Agreements with the Group with the initial deposits being refunded by the Group. For those tenants who are willing to continue their lease, the Group has been in discussions with them regarding the revised terms of agreements by offering them certain discounts on the leasing fees or a rent-free period as compensation for the delay. As at the date of these financial statements, the Group has not received any claims for compensation from its tenants against the Group, and no estimation can be made on the amount of this potential compensation. With respect to the terms of the Tenancy Agreements, for which the calculation of compensation have been specified, HK$230,000 (six months period ended 30 September 2012: HK$337,000) was recognised as provisions for such compensation as at 30 September 2013.

Save as disclosed above, the Group may be subject to claims for compensation for failure to deliver the shop premises of the Changsha Project and a provision of HK$230,000 (six months period ended 30 September 2012: HK$337,000) was recognised in this respect as at 30 September 2013. While claims for compensation for some of the tenants were based on parameters which cannot be ascertained at this stage (e.g., monthly contingent rental charges over the tenants, which are based on certain percentages of the monthly turnover of the individual outlet shops), no reliable estimation can be made on the amount of the potential compensation payable for this tenants as at 30 September 2013. No claim for compensation has been lodged against the Group up to the date of these financial statements.

20. Commitments

Operating lease commitments

The Group leases certain of its office properties and staff quarters under operating lease arrangements. The leases for the office properties and staff quarters are negotiated for terms of one year.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 September 2013	31 March 2013
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within one year	**2,486**	2,055
In the first to second years, inclusive	**912**	–
	3,398	2,055

Capital commitments

At 30 September 2013 and 31 March 2013, the Group had the following commitments in respect of property development expenditures at the end of the reporting period:

	30 September 2013	31 March 2013
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Contracted, but not provided for	**20,705**	75,867
Authorised, but not contracted for	**2,356,887**	3,115,647
	2,377,592	3,191,514

21. Event after the Reporting Period

Subsequent to the reporting period, the Group entered into three entrusted loan agreements with a bank established in the PRC (the "Entrust Bank") in relation to three entrusted loans with a total amount of RMB1,200,000,000 (equivalent to HK$1,513,000,000) (the "Entrust Loans"). The details of the Entrust Loans are set out below:

(i) On 21 November 2013, the Group and the Entrust Bank entered into the first entrust loan agreement in relation to an entrusted loan of RMB540,000,000 (1st Entrust Loan) pursuant to which, the Entrust Bank was entrusted by a company established in the PRC (the "Lender") which is an independent third party. The 1st Entrust Loan has an initial term of three years and bears interest at 7.96% per annum. The 1st Entrust Loan can be extended for another two years with terms mutually agreed by both parties. Pursuant to the respective entrust loan agreement, the Group agreed to pledge parcels of land in the total area of approximately 404,801 square meters to the Entrust Bank in relation to the 1st Entrust Loan; and

(ii) On 5 December 2013, the Group and the Entrust Bank, which was entrusted by the Lender, entered into another two entrust loan agreements in relation to two tranches of entrust loans each amounted to RMB330,000,000, with a total amount of RMB660,000,000 (the 2nd and 3rd Entrust Loans). Each of the 2nd Entrust Loan and the 3rd Entrust Loan has an initial term of three years and bears interest at 7.96% per annum. The 2nd and the 3rd Entrust Loan can be extended for another two years with terms mutually agreed by both parties. Pursuant to the respective entrust loan agreements, the Group agreed to pledge parcels of land in the total area of approximately 242,318 square meters and commercial properties under the development with construction area of approximately 70,832 square meters to the Entrust Bank in relation to the 2nd and 3rd Entrust Loan.

On 18 December 2013, the Group and the Entrust Bank entered into supplemental entrust loan agreements, pursuant to which, among others, the interest rate of the Entrust Loans will be increased to 11.96% per annum. The tenure of the Entrust Loans will continue to be three years, but the Group's option to extend the tenure of the Entrust Loans will be cancelled. The Group however has a right to apply for the prepayment of the Entrust Loans.

The Entrust Loans are guaranteed by Mr. Leung. In connection thereto, the Company provided counter-guarantee to Mr. Leung relating to the personal guarantee provided by Mr. Leung.

The pledged assets as aforesaid mentioned in the Entrust Loans represented the prepaid land lease payments of the Group with an aggregate net carrying amount of RMB466,122,000 (equivalent to HK$581,068,000) as at 30 September 2013.

Up to the date of these financial statements, successful drawdown of each the 1st Entrust Loan, 2nd Entrust Loan and the 3rd Entrust Loan has been made by the Group.

Further material terms of the Entrust Loans were set out in the Company's announcements dated 25 November 2013, 6 December 2013 and 19 December 2013.

22. Comparative Amounts

As further explained in note 4 to the financial statements, due to the identification of errors and omissions in the presentation and disclosures of certain transactions and balances in the previously issued condensed consolidated financial statements of the Group for the six months period ended 30 September 2012, the presentation of certain items and balances in the financial statements have been restated to correct those errors. Accordingly, certain comparative amounts have been reclassified and restated to conform with the current period's presentation and accounting treatment. The comparative condensed consolidated statement of comprehensive income has been re-presented.

23. Approval of the Unaudited Condensed Consolidated Financial Statements

These unaudited condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 20 December 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in property development, property management, building construction and maintenance and trading of fashion wears and accessories. It typically acquires land and on sells part of its interests to selected developers or financiers in order to optimize the use of the Group's financial and operational resources.

During the Reporting Period, with persistent concerns over the "European debt crisis", China's economic growth was advancing with caution. Accordingly, China's investment growth and export growth receded. However, China's economic growth potential was still strong. Its property market gradually recovered from the adverse effect caused by the tightening measures of "purchase limit", "mortgage limit", "limit on pre-sale" policies and the property market as a whole has shown a slow upward trend. Transaction turnover recorded in key cities rebounded and transaction prices also gradually stabilized. In the Reporting Period, the property sector saw a more remarkable demand shift towards property upgrading, under which integrated development projects became the mainstream industry trend.

The outlet property development project with commercial and residential portions under Hunan Richly Field Real Estate Limited* (湖南裕田奧特萊斯置業有限公司) ("Hunan Richly Field") in Changsha, Hunan Province, the PRC (the "Changsha Project") is the major property development project of the Group.

During the Reporting Period, infrastructure construction for Changsha Project is in progress and model rooms for the residential portion and the greening and landscaping works of the Changsha Project were further improved. Earth and stone construction works for the residential portion A also commenced during the Reporting Period. As at 30 September 2013, the pre-sale permit for the area of 60,782 sq.m. in Changsha Project was obtained. For the commercial portion, the interior and exterior decorations, car parking spaces and greening works were partially completed. The Outlet Plaza has substantially been completed and is open to the public.

Marketing activities for the Changsha Project progressed smoothly. During the Reporting Period, the Group launched several promotion campaigns geared towards the Changsha Project, constantly seeking to optimize the product structure and increase the proportion of marketed products targeted for rigid demand. The direct-sale stores of Nike, Adidas, New Balance etc. have commenced business and recorded promising turnover. The interior decoration work was carried out for "Le Tian" international cinema which has an area of approximately 7,000 sq.m. above with 11 screens. The cinema will carry out its operation in January 2014. In addition, Pizza Hut, Starbucks, KFC automobile shuttle restaurant, The North Face, Puma and Polo gear would commence business one by one.

In addition to the Changsha Project, the Company has investments in property development projects in other cities in the PRC, which include Qinhuangdao and Huailai in Hebei Province and Changchun in Jilin Province.

During the first quarter of 2012, Qinhuangdao Outlets Real Estate Company Limited ("Qinhuangdao Outlets"), a 40%-owned associate of the Company, successfully obtained state-owned construction land use rights for an area of 1,077 mu. The land is located at the Golden Coast of Changli County in Qinhuangdao of Hebei Province, which is opposite to the Forest Sports Park, to the west of the coastal highway and near the Beidaihe Tourist Resort, a traditional tourist destination in Northern China. Leveraging on its geographical advantage, Qinhuangdao Outlets plans to construct a large-scale seaside, self-contained holiday property complex consisting of shopping, tourism, leisure, holiday and residential elements in one. The project is currently undergoing preparations for the preliminary stage of construction, including fencing and backfill work, in order to well prepare for the official kick-off of project construction. This is a comprehensive project which can enhance the popularity of the surrounding projects to a great extent, and therefore it has been one of the key projects in Hebei Province and has become a local landmark urban complex project.

Huailai Dayi Wineries Company Limited* (懷來大一葡萄酒莊園有限公司) ("Huailai Wineries"), a 50%-owned associate of the Company, obtained state-owned construction land use rights for an area of 104,037.82 square meters located in Sangyuan Town, Huailai County, Hebei Province, the PRC during the year of 2012. The parcel of land was jointly planned with another parcel of land obtained via a lease by Huailai Wineries, leveraging on the resources of the homeland of Huailai grape wine and the geographical advantage in its close proximity to Beijing. It is planned to establish a private wine estate with features of grape plantation and wine brewing to fulfill the business, social, as well as travelling and leisure needs of upmarket habitants in the greater Beijing region. In order to better launch the project, Huailai Wineries intends to launch a display area for concept promotion. Electricity and water supply, leveling of road and site of display area and part of the greening and plantation in such display area were completed. During the Reporting Period, the Group devoted energies in the planning of the private wine estate project and the design of the showroom in the demonstration area as well as the transformation works for barren hills and slopes, the grape planting, greening showroom works, etc. in the demonstration area, preparing for construction works.

Globe Outlet Town (Jilin) Limited ("Jilin Outlets"), a 42%-owned associate of the Company, is in the process of bidding parcels of land in the Shuangyang District, Changchun, Jilin, the PRC. As at the end of September 2013, the controlling shareholders of Jilin Outlets have contributed a total US$11,541,000 (equivalent to approximately HK$89,789,000) as the registered capital of Jilin Outlets. In addition, a loan facility of RMB35,000,000 arranged by the controlling shareholder to the Jilin Outlets remains. As at the end of September 2013, Jilin Outlets has deposited a preliminary tender guarantee deposit in the total amount of RMB110,000,000 (equivalent to approximately HK$138,732,000) to the Finance Bureau of Shuangyang District, Changchun in respect of a proposed bidding of certain land parcels located in Shuangyang District, Changchun, Jilin, the PRC. According to information available to the Jilin Outlets, it is expected that the tender process for the first phase of land parcels with the area of 462 mu will be conducted by the local government in the first quarter of 2014.

In the end of 2012, to streamline the Group's operations, the Group passed a resolution to wind up a 50%-owned associate of the Company, Jiangxi Globe Outlets City Co., Ltd* (江西奧特萊斯名牌折扣成有限公司), ("Jiangxi Outlets"). As at the reporting date, the preliminary procedure for the liquidation of Jiangxi Outlets is still underway.

FINANCIAL REVIEW

During the Reporting Period, the Group recorded a total turnover of approximately HK$41,675,000 as compared with approximately HK$14,333,000 in the Corresponding Period. As set out in note 6 to the consolidated financial statements, during the Reporting Period, the Group had not been able to generate any revenue from the sale of the properties, and the turnover of the Reporting Period included the construction revenue of approximately HK$40,646,000 relating to the provision of construction services for some of the infrastructure and supporting facilities surrounding the Changsha Project, which was recognised based on the percentage of completion method in accordance with the relevant accounting policies, and revenue of approximately HK$1,029,000 generated from the sales of fashion wears and accessories.

The loss attributable to equity holders amounted to approximately HK$70,361,000 as compared with approximately HK$67,040,000 in the Corresponding Period. The loss per share for the Reporting Period was approximately HK$0.79 cents as compared with approximately HK$0.75 cents for the Corresponding Period.

SIGNIFICANT INVESTMENTS

The Group did not have any significant investments during the Reporting Period.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The Group did not hare any material acquisitions and disposals of subsidiaries and associated companies during the Reporting Period.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group mainly finances its business operations with its internal resources and loan facilities from banks and financial institutions.

As at 30 September 2013, the Group had cash and bank balance of approximately HK$22 million (31 March 2013: HK$50 million). The Group's current ratio (measured as total current assets to total current liabilities) was 1.2 times (31 March 2013: 1.5 times). The decrease in the current ratio was mainly due to the significant increase in the receipts in advance regarding to the properties sales.

As at 30 September 2013, the secured bank/financial institution and unsecured borrowings of the Group amounted to approximately HK$951,366,000 (31 March 2013: HK$946,253,000) and HK$3,531,000 (31 March 2013: 5,984,000) respectively. The gearing ratio, which is calculated as a percentage of total interest bearing borrowings to total equity, was 233.9% (31 March 2013: 202.6%). The increase in the gearing ratio was mainly due to the increase in interest-bearing bank and other borrowings and the loss incurred in the reporting period. Details of bank loans and other loans repayable of the Group are set out in note 16 to the consolidated financial statements.

Property development is capital intensive. As set out in the Company's announcements dated 25 November 2013, 6 December 2013 and 19 December 2013, on 21 November 2013, 5 December 2013 and 18 December 2013, Hunan Richly Field and the Entrust Bank entered into various entrusted loan agreements, pursuant to which, the Entrust Bank was entrusted by a company established in the PRC, which is a third party independent of the Company and the Company's connected persons (within the meaning under the Listing Rules), lent Hunan Richly Field the entrusted loans in the total amount of RMB1.2 billion (equivalent to approximately HK$1.5 billion). The Group's prepaid land lease payment with a net carrying amount of HK$588 million as at 30 September 2013 was pledged to secure the entrusted loans of the Group. As at the reporting date, the drawdown of the entrust loans in the total amount of RMB1.2 billion (equivalent to approximately HK$1.5 billion) has taken place. The Directors have given and will continue to give careful consideration to the liquidity and performance of the Group and ensure that the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due.

PLEDGE OF ASSETS

As at 30 September 2013, property interest held by the Group with net carrying amount of approximately HK$617 million (31 March 2013: HK$616 million) were pledged to a PRC bank and a financial institution for the Group's borrowings. In addition, as at 30 September 2013, a loan from a financial institution was secured by the Group's entire equity interest in Hunan Richly Field.

FOREIGN EXCHANGE EXPOSURES

As the Group's bank or financial institution borrowings, bank and cash balances and accruals, trade receivables and trade payables were mainly denominated in Renminbi, the Group had not significant exposure to foreign currency fluctuation.

COMMITMENT

On 18 March 2010, Hunan Richly Field and Wangcheng Economic Development Zone Construction and Development Company Limited* (望城經開區建設開發公司) (previously known as Wangcheng Development and Construction Investment Company Limited* (望城縣開發建設投資總公司) ("Wangcheng Investment"), a state-owned entity, entered into a construction contract, pursuant to which Wangcheng Investment appointed Hunan Richly Field as the primary constructor to provide construction services for some of the infrastructure and supporting facilities surrounding the Changsha Project, which mainly include municipal power facilities project, earth project, drainage and sewer project and gardens landscape project at a cash consideration of RMB251,474,000 (equivalent to HK$310,797,000). As set out in note 6 to the consolidated financial statements, based on the percentage of completion method in accordance with adopted accounting policies, the Group recognised a construction revenue of HK$40,646,000 for the Reporting Period.

CONTINGENT LIABILITIES

In 2012 and 2013, the Group entered into a number of lease agreements (the "Tenancy Agreements") with its tenants in relation to the lease of certain shop premises developed under the Changsha Project. Pursuant to certain Tenancy Agreements, the shop premises should be available for occupation during the period from August 2012 to May 2013.

During 2012, the PRC government launched a series of adjustment measures and policies to control the property market. These regulatory control measures and policies had caused a slowdown in the pre-sale of the properties of the Changsha Project, which in turn added pressure on the Group's capital requirements and further resulted in the slowdown in the construction progress of the Changsha Project. As the results, pre-sale of the properties of the Changsha Project was below the Group's expectation. During the year ended 31 March 2012, the Group made certain adjustments to the original design of the Changsha Project to meet the local demand. These adjustments which required the approval from the local relevant government authorities also affected the construction progress of the Changsha Project. As the construction of Changsha Project was behind the original schedule, during the year ended 31 March 2012, the Group was not able to deliver the shop premises to a number of tenants in accordance with the agreed timetable set out in the Tenancy Agreements. Pursuant to the Tenancy Agreements, the tenants could terminate the agreements and/or claim against the Group for the delay in the delivery of the shop premises on the basis of loss incurred or the number of days delayed.

The Group has been in discussions with the tenants regarding the delay in the delivery of the shop premises. Some of the tenants have terminated the Tenancy Agreements with the Group with initial deposits having been refunded by the Group. For those tenants who are willing to continue its lease, the Group has been in discussions with them regarding the revised terms of agreements by offering them certain discount on the leasing fees or rent-free period as compensation for the delay. As at the date of these financial statements, the Group has not received any claims for compensation from its tenants against the Group, and no estimation can be made on the quantum of such potential compensation. With respect to the terms of the Tenancy Agreements, for which calculations of compensation have been specified, a sum of HK$230,000 (six months period ended 30 September 2012: HK$337,000) was recognised as provisions for such compensation as at 30 September 2013.

Save as disclosed above, as at 30 September 2013, the Group did not have any material contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2013, the Group employed a total of 275 employees (excluding Directors) as compared with 243 employees (excluding directors) as at 30 September 2012. The Group remunerates its employees based on their performance, working experience and prevailing market parameters. Employee benefits include medical insurance coverage, provident fund and share options.

PROSPECT AND OUTLOOK

Looking forward, rigid demand will continue to drive the growth of mainstream property projects in core cities in the PRC, where property prices in first-tier and some second-tier cities will face some upward pressure. In addition, the newly launched policy of modern-mode urbanization is expected to bring new development opportunities and challenges to the property market. Although the property sector is a direct beneficiary under the new policy, in the course of promoting modern mode urbanization, it will bring, in addition to housing, relevant ancillary sectors to the region, such as the service, commercial and industrial sectors, etc. Therefore, developers are bound to face higher demands in respect of their planning and professional capabilities. Besides, while the Central Government insists to adopt the property control policies and the scope of pilot property tax charge is expanding, the property sector will continue to accelerate its pace of optimizing, upgrading and innovating developments, making it a trend of launching more remarkable products that are integrated and diversified.

Notwithstanding the general optimism of the property market, with refinancing now in place for the ongoing development of the Changsha Project, the Group will cautiously manage its property portfolio by swiftly reducing its inventory in respond to market changes, and will adjust its development projects to uphold the brand philosophy of "Richly Field Town".

Whilst strengthening its compliance by engaging a compliance adviser and reinforcing its internal control by instituting an internal audit function, the Group will also carefully manage its finances and is in the process of looking for strong strategic investors to fully exploit the asset potentials of the Group.

FINAL DIVIDEND

The Board does not recommend any final dividend for the Reporting Period (30 September 2012: Nil).

CORPORATE GOVERNANCE

Although there were some internal control weaknesses which are being addressed, the Group is committed to maintaining high standards of corporate governance. During the Reporting Period, the Company has applied the principles of and complied with the code provisions ("Code Provisions") of the former Code on Corporate Governance Practices (the "Former Code") and of the new Corporate Governance Code (the "CG Code") effective from 1 April 2012 as set out in Appendix 14 of the Listing Rules The Stock Exchange of Hong Kong Limited (the "Stock Exchange") except for the following deviation:

Code Provision A.2.1

This provision states that the roles of chairman and chief executive officer ("CEO") should be separate 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.

During the Reporting Period, Mr. He Guang assumes the roles of chairman and CEO of the Company. The Board believes that at the Group's development stage, this structure helps to make planning and execution more efficient. The Board will review this situation periodically and will consider steps to separate dual roles of chairman and CEO as and when appropriate.

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.

During the Reporting Period, all the non-executive Directors are not appointed for a specific term but are subject to retirement by rotation and reelection at annual general meetings in accordance with the Company's Bye-Laws and Code Provision A.4.2, and their term of appointment would be of a length of not more than 3 years. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than that required under the CG Code.

Code Provision C.2.6

In accordance with this provision, the issuer without an internal audit function should review the need for one on an annual basis and should disclose the outcome of this review in the Corporate Governance Report.

During the Reporting Period, although the Company has not established a formal mechanism and an internal audit function to monitor the effectiveness of the Group's internal control system, arising from transactions that had not been reported under the Listing Rules, the Company engaged an external, independent professional accounting firm to review all the material transactions as well as the internal control system of the Company.

Code Provision C.3.3

This provision requires that the terms of reference of the audit committee should include at least the duties specified in the CG Code.

It was found that during the Reporting Period, the terms of reference of audit committee of the Company were incomprehensive without the inclusion of minimum specific duties. With the assistance of the externally engaged professional accounting firm, the Company has reviewed and revised all the terms of reference of the Company's committees. The revised terms of references of the Company's committees were published by the Company on 26 November 2013.

Code Provision D.1.1

This provision requires that when the Board delegates aspects of its management and administration functions to the management, it must, at the same time, give clear directions as to the management's powers, in particular, where management should report back and obtain prior board approval before making decisions or entering into any commitments on the issuer's behalf.

During the Reporting Period, the Company did not have sufficient written procedures documenting clear directions as to the delegations of authorities of the Board and as to the management's powers. With the assistance of the externally engaged professional accounting firm, as at the reporting date, the Company has developed written procedures documenting the directions as to the delegations of authorities of the Board.

Code Provision D.1.2

This provision requires that an issuer should formalise the functions reserved to the Board and those delegated to the management. It should review those arrangements periodically to ensure that they remain appropriate to the issuer's needs.

During the Reporting Period, the Company did not have sufficient written procedures documenting clear directions as to the delegations of authorities of the Board and as to the management's powers. With the assistance of the externally engaged professional accounting firm, as at the reporting date, the Company has developed written procedures documenting the directions as to the delegations of authorities of the Board and the relevant procedures will be reviewed periodically by the Board.

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 committees to be available to answer questions at the AGM.

During the Reporting Period, the chairman of the Board did not attend the AGM held on 29 April 2013 as he was engaged in an important business meeting in the PRC. The chairman of the Board delegated an executive Director to chair the aforesaid AGM.

INTERNAL CONTROL

As disclosed in the Company's announcements dated 25 June 2012, 10 August 2012, 6 March 2013, 10 April 2013 and 30 May 2013, 24 June 2013, 28 August 2013, 5 December 2013 and the audited annual results announcement for the year ended 31 March 2013, during the audit work for the year ended 31 March 2012 and the internal control review of the Group, it was discovered that there were four connected transactions (the "Past Connected Transactions") which were conducted without the prior approval of the Board and were not in compliance with the requirements under Chapter 14A of Listing Rules for proper reporting, disclosure by way of announcements/and obtaining independent Shareholders' approval.

In light of the discovery of the Past Connected Transactions, the Company has engaged independent professional internal control consultants to review and assess the adequacy of the corporate governance, financial reporting procedures and internal control environment of the Group, ascertain the circumstances in which the Past Connected Transactions were conducted and assess whether the Past Connected Transactions were isolated incidents.

As at the reporting date, the internal control review and the investigation have been completed. Based on the recommendations of the internal control consultants, the management of the Group has taken steps to address the deficiencies with a view to improving the internal control system of the Group. As at the reporting date, the improved internal procedures and policies have been approved by the Board and adopted by the Group for implementation. The Board will cause a follow-up review on the adequacy of internal control system of the Group before the end of February 2014, and the results of the follow-up review are expected to be completed by the end of March 2014. Further announcement(s) will be made by the Company regarding the results of the follow-up review. The Company has engaged Asian Capital (Corporate Finance) Limited as compliance adviser to continue to support the compliance function of the Group till the publication of its annual results for the year ending 31 March 2015. After completion of the follow-up internal control review, the Company will also institute an internal audit function through the engagement of a professional accounting firm, which will cover the financial periods from 1 April 2014. More details of the internal control deficiencies identified by the internal control consultants and measures which were taken by the Group were set out in the Company's announcement dated 5 December 2013.

Having considered all the factors and the steps taken and to be taken by the Group, the Board and the audit committee of the Company believe that the internal control system of the Company has improved and is sufficient to warrant the resumption of trading in the Shares on the Stock Exchange.

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 confirms that all Directors have complied with the Model Code throughout the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the Reporting Period, the Company and any of its subsidiaries did not purchase, sell or redeem any of the Company's listed shares.

AUDIT COMMITTEE REVIEW

The audit committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and discussed reviewing, internal control and financial reporting matters including the review of the unaudited condensed consolidated financial statements for the six months period ended 30 September 2013.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the Company's website at www.equitynet.com.hk and the Stock Exchange's website at www.hkexnews.hk. The 2013/2014 Interim Annual Report will also be available on both websites and despatched to the shareholders of the Company in due course.

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

Hong Kong, 20 December 2013

As at the date of this announcement, the Board comprises Mr. He Guang (Chairman), Mr. Ma Jun and Wong Kin Fai as executive Directors, Mr. Chen Wei, Mr. Huang Shao Xiong and Mr. Wang Yuan Xun as non-executive Directors, and Mr. Yiu Fai Ming, Mr. Hou Rong Ming, Mr. Lin Qi and Ms. Hsu Wai Man, Helen as independent non-executive Directors.

* *For identification purpose only*