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RICHLY FIELD

RICHLY FIELD CHINA DEVELOPMENT LIMITED

裕 田 中 國 發 展 有 限 公 司

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

(stock code: 313)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

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 results of the Company and its subsidiaries (collectively, the ''Group'') for the six months ended 30 September 2016 (the ''Reporting Period'') together with comparative unaudited figures for the six months ended 30 September 2015 (the ''Corresponding Period'') and selected explanatory notes as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2016

		Six months ended 30 September	
		2016	2015
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
REVENUE	*4*	**17,331**	54,412
Cost of sales		**(22,617)**	(79,933)
Gross loss		**(5,286)**	(25,521)
Other revenue and other net income	*4*	**641**	1,189
Selling expenses		**(8,954)**	(16,506)
Administrative expenses		**(50,881)**	(45,604)
Finance costs	*5*	**(12,320)**	(13,152)
LOSS BEFORE TAX	*6*	**(76,800)**	(99,594)
Income tax	*7*	**–**	–
LOSS FOR THE PERIOD		**(76,800)**	(99,594)

	Notes	Six months ended 30 September	
		2016	2015
		HK$'000	*HK$'000*
		(Unaudited)	(Unaudited)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD			
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(12,325)**	(10,331)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(89,125)**	(109,925)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	*8*		
Basic		**HK(0.62) cents**	HK(1.38) cents
Diluted		**HK(0.62) cents**	HK(1.38) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016

	Notes	30 September 2016 HK$'000 (Unaudited)	31 March 2016 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**34,926**	37,790
Investment properties		**586,133**	618,107
Prepaid land lease payments		**1,109,321**	1,161,490
Interests in associates		**19,368**	25,614
Available-for-sale investment		**2,724**	2,724
Goodwill		**120,085**	120,085
Total non-current assets		**1,872,557**	1,965,810
CURRENT ASSETS			
Properties under development		**994,504**	939,848
Completed properties held for sales		**392,357**	404,729
Trade receivables	*10*	**17,443**	13,415
Prepayments, deposits and other receivables		**108,207**	150,581
Cash and cash equivalents		**29,496**	42,016
Total current assets		**1,542,007**	1,550,589
CURRENT LIABILITIES			
Trade payables	*11*	**208,344**	264,176
Receipts in advance, other payables and accruals		**1,072,289**	1,096,182
Due to related parties		**308,019**	299,550
Interest-bearing bank and other borrowings	*12*	**895,284**	1,322,292
Convertible notes payable		**127,158**	132,710
Provision		**11,588**	8,886
Tax payable		**125,586**	133,326
Total current liabilities		**2,748,268**	3,257,122
NET CURRENT LIABILITIES		**(1,206,261)**	(1,706,533)
TOTAL ASSETS LESS CURRENT LIABILITIES		**666,296**	259,277

	Notes	30 September 2016 HK$'000 (Unaudited)	31 March 2016 HK$'000 (Audited)
NON-CURRENT LIABILITIES			
Due to related parties		**214,749**	225,818
Interest-bearing bank and other borrowings	*12*	**377,488**	–
Deferred tax liability		**8,271**	8,546
TOTAL NON-CURRENT LIABILITIES		**600,508**	234,364
Net assets		**65,788**	24,913
EQUITY			
Issued capital	*13*	**659,331**	594,331
Deficit		**(593,543)**	(569,418)
Total equity		**65,788**	24,913

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 September 2016 have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

As at 30 September 2016, the Group had net current liabilities of HK$1,206,261,000. The Group recorded a consolidated loss of HK$76,800,000 (consolidated loss for the six months ended 30 September 2015: HK$99,594,000) for the six months ended 30 September 2016. The directors of the Company have taken steps to improve the Group's liquidity and solvency position. Based on management estimation of the future cash flows of the Group, after taking into account: (i) a projection of the future sales of residential properties; and (ii) an expected ability and successfully refinance interest-bearing bank and other borrowings when falling due, if necessary, the directors are of the opinion that the Group will be able to generate sufficient funds to meet its financial obligations when they fall due in the foreseeable future. Also, some related companies have agreed to provide adequate funds for the Group to meet its liabilities when they fall due. Accordingly, the interim condensed consolidated financial statements of the Group have been prepared on a going concern basis.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2016 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2017 annual financial statements. Details of these changes in accounting policies are set out in note 2 to the financial statements.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2016 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The interim condensed consolidated financial statements are unaudited, 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 2016 included in the annual report.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following amendments are relevant to the Group:

- Annual Improvements to HKFRSs 2012-2014 Cycle
- Amendments to HKAS 1, Presentation of financial statements: Disclosure initiative

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Annual Improvements to HKFRSs 2012-2014 Cycle

This cycle of annual improvements contains amendments to four standards. Among them, HKAS 34, Interim financial reporting, has been amended to clarify that if an entity discloses the information required by the standard outside the interim financial statements by a cross-reference to the information in another statement of the interim financial report, then users of the interim financial statements should have access to the information incorporated by the cross-reference on the same terms and at the same time. The amendments do not have an impact on the Group's interim condensed consolidated financial statements as the Group does not present the relevant required disclosures outside the interim condensed consolidated financial statements.

Amendments to HKAS 1, Presentation of financial statements: Disclosure initiative

The amendments to HKAS 1 introduce narrow-scope changes to various presentation requirements. The amendments do not have a material impact on the presentation and disclosure of the Group's interim condensed consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

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

An analysis of the Group's revenues from external customers for each group of similar products and services is disclosed in note 4 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.

For the six months ended 30 September 2016 and 2015, the Group had no transaction with external customer which individually contributed over 10% of the Group's total revenue.

4. REVENUE, OTHER REVENUE AND OTHER NET INCOME

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

	Six months ended 30 September	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue		
Sales of properties	**5,042**	42,162
Sales of fashion wears and accessories	**307**	2,830
Rental income	**10,203**	8,415
Management fee income	**1,779**	1,005
	17,331	54,412
Other revenue and other net income		
Bank interest income	**45**	62
Net exchange gain	**19**	139
Others	**577**	988
	641	1,189

5. FINANCE COSTS

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

	Six months ended 30 September 2016 *HK$'000* (Unaudited)	2015 *HK$'000* (Unaudited)
Interest on bank and other borrowings	**89,754**	119,010
Interest on convertible notes payable	**4,448**	–
Total interest expenses on financial liabilities not at fair value through profit or loss	**94,202**	119,010
Less: Amount capitalised in the cost of qualifying assets	**(81,882)**	(105,858)
	12,320	13,152

The capitalisation rates used to determine the amount of borrowing costs eligible for capitalisation for the six months ended 30 September 2016 and 2015 were 8.28% and 7.01% respectively.

6. LOSS BEFORE TAX

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

	Six months ended 30 September 2016 *HK$'000* (Unaudited)	2015 *HK$'000* (Unaudited)
(a) Staff costs:		
Contributions to defined contribution retirement plans	**756**	1,144
Salaries, wages and other benefits	**9,704**	9,614
	10,460	10,758

	Six months ended 30 September	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
(b) Other items:		
Cost of goods sold#	**7,622**	61,387
Cost of services provided#	**618**	873
Depreciation of property, plant and equipment	**1,699**	2,282
Depreciation of investment properties#	**14,900**	18,429
Provision for compensation	**3,036**	2,845
Reversal the write-down of inventories to net realisable value#	**(523)**	(756)
Amortisation of prepaid land lease payments	**12,357**	15,009
Minimum lease payments under operating leases in respect of land and buildings	**1,104**	188

This amount is included in "Cost of sales" in the condensed consolidated statement of profit or loss and other comprehensive income.

7. INCOME TAX

No provision for PRC Enterprise Income Tax and Hong Kong profits tax has been made for the six months ended 30 September 2016 as the Group did not generate any assessable profits arising in PRC and Hong Kong respectively during the period (six months ended 30 September 2015: Nil).

8. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share amounts is based on the loss for the period attributable to owners of the Company and the weighted average number of ordinary shares in issue during the period, calculated as follows:

	Six months ended 30 September	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to owners of the Company, used in the basic loss per share calculation	**(76,800)**	(99,594)

	Number of shares Six months ended 30 September	
	2016	2015
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period, used in the basic loss per share calculation	**12,319,952,403**	7,226,155,036

(b) Diluted loss per share

For the six months ended 30 September 2016, diluted loss per share do not include the effect of the convertible notes since their assumed conversion had an anti-dilutive effect on the basic loss per share.

For the six months ended 30 September 2016 and 2015, the computation of diluted loss per share did not assume the exercise of the Company's outstanding share options as the exercise price of these options were higher than the average market price of shares.

9. INTERIM DIVIDEND

No payment of interim dividend was recommended for the six months ended 30 September 2016 (six months ended 30 September 2015: Nil).

10. TRADE RECEIVABLES

	30 September 2016	31 March 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Rental receivables	**864**	1,005
Rental recognised using the straight-line method	**16,579**	12,410
	17,443	13,415

An aged analysis of the rental receivables as at the end of the reporting period, based on the invoice date, is as follows:

	30 September 2016	31 March 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within one year	**864**	1,005

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

11. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 September 2016	31 March 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within one year	**187,259**	242,418
One to two years	**–**	1,580
Over two years	**21,085**	20,178
	208,344	264,176

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

12. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 September 2016			31 March 2016		
	Contractual interest rate	**Maturity**	***HK$'000*** **(Unaudited)**	Contractual interest rate	Maturity	*HK$'000* (Audited)
Current						
Bank loans – secured	**5.7%-12.0%**	**Nov 2016-Aug 2017**	**853,703**	5.2%-12.0%	May 2016-Dec 2016	1,297,330
Bank loans – unsecured	**6.0%**	**Jun 2017**	**20,907**	6.6%	Jun 2016	21,602
Other loans – secured	**10.0%**	**Jul 2017**	**17,422**	–	–	–
Other loans – unsecured	**6.4%**	**On demand**	**3,252**	5.5%-6.4%	On demand	3,360
			895,284			1,322,292
Non-current						
Bank loans – secured	**5.7%**	**Nov 2017-May 2018**	**46,460**	–	–	–
Other loans – secured	**11.0%**	**Jan 2018-Jul 2019**	**331,028**	–	–	–
			377,488			–
			1,272,772			1,322,292

Analysed into:		
Bank loans repayable:		
Within one year	**874,610**	1,318,932
In the second year	**46,460**	–
	921,070	1,318,932
Other loans repayable:		
Within one year	**20,674**	3,360
In the second year	**52,268**	–
In the third to fifth years, inclusive	**278,760**	–
	351,702	3,360
	1,272,772	1,322,292

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

	30 September 2016	31 March 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Investment properties	**102,403**	109,688
Prepaid land lease payments	**941,613**	973,515
Properties under development	**24,574**	25,435
Competed properties held for sales	**41,883**	43,350
	1,110,473	1,151,988

13. SHARE CAPITAL

Shares

	30 September 2016		31 March 2016	
	No. of shares	**Amount**	No. of shares	Amount
		HK$'000		*HK$'000*
		(Unaudited)		(Audited)
Authorised:				
Ordinary shares of HK$0.05 each	**20,000,000,000**	**1,000,000**	20,000,000,000	1,000,000

	30 September 2016		31 March 2016	
	No. of shares	**Amount**	No. of shares	Amount
		HK$'000		*HK$'000*
		(Unaudited)		(Audited)
Issued and fully paid:				
Ordinary shares of HK$0.05 each				
At 1 April	**11,886,619,070**	**594,331**	8,914,964,303	445,748
Shares issued under open offer *(note (a))*	**–**	**–**	2,971,654,767	148,583
Issue of new shares on subscription *(note (b))*	**1,300,000,000**	**65,000**	–	–
At 30 September/31 March	**13,186,619,070**	**659,331**	11,886,619,070	594,331

Note:

(a) The Company allotted and issued 2,971,654,767 offer shares under the open offer fully underwritten by the underwriter on the basis of one offer share for every three existing shares held on the record date ("Open Offer"). Details of the results of Open Offer were set out in the Company's announcements dated 21 July 2015 and 10 August 2015, respectively.

(b) On 17 November 2015, the Company and Sino Dynamics Investments Limited (the "Subscriber"), a substantial shareholder, entered into a share subscription agreement pursuant to which the Company agreed to issue and the Subscriber agreed to subscribe for 1,300,000,000 shares at a price of HK$0.1 per share (the "Subscription"). The Subscription was completed on 1 August 2016 and total proceeds of HK$130,000,000 was received by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the commercial operation of outlets as well as the development and operation of featured commercial properties (such as tourism property, senior care property and wine chateaus) and the development of high-end residential properties.

During the Reporting Period, the Group recorded revenue of HK$5,042,000 from the sales of properties, which was mainly attributable to the delivery of certain shops and Phase 1 of the residential property at its Factory Outlet Center and Outlets Town located in Changsha, Hunan Province, the People's Republic of China (the "PRC") (the "Changsha Outlets Project") and recorded gross rental income of HK$10,203,000.

As for financing, Richly Field (Beijing) Investment Consulting Company Limited, a subsidiary of the Company, entered into a revolving loan facility agreement with JeShing Real Estate Group Company Limited, a related company of the Group, in April 2014 in relation to a loan facility in the total principal amount of RMB300,000,000 (equivalent to approximately HK$348,450,000) for a term of three years at an interest rate of 5% per annum (the "Other Loan 1"). In September 2016, Qinhuangdao Outlets Real Estate Co., Limited (the "Qinhuangdao Outlets"), a subsidiary of the Company, entered into a loan agreement with related parties, JeShing Real Estate Group Company Limited, 南京第一建築工程集團有限公司 and 江蘇裝飾材料有限公司 in relation to a renewal loan facility in the total principal amount of RMB301,800,000 (equivalent to approximately HK$350,541,000) for a term of one year at an interest rate of 6.6% per annum which was secured by the pledge of certain of the Group's assets (the "Other Loan 2"). In April 2016, Hunan Richly Field Outlets Real Estate Ltd (the "Hunan Richly Field"), a subsidiary of the Company, entered into a loan transfer agreement with a third party financial institution, 中國華融資產管理股份有限公司 in relation to a loan facility in the total principal amount of RMB300,000,000 (equivalent to approximately HK$348,450,000) for a term of 3-years at a rate of 10%–11% per annum which was secured by the pledge of certain of the Group's assets (the "Other Loan 3").This helped the Group replenish cash flow as well as reduce overall financing cost. As at 30 September 2016, total HK$873,990,000 of the Other Loan l, Other Loan 2 and Other Loan 3 were utilized, and the remaining facilities may be successively withdrawn in the future within the loan term depending on the cash flow conditions of the Group.

The Changsha Outlets Project is a commercial and residential property project developed by Hunan Richly Field Outlets Real Estate Limited ("Hunan Richly Field"), a wholly-owned subsidiary of the Company. The official sale of Outlets Town, a residential property project, was launched after a sales permit was granted in November 2014. During the Reporting Period, Residential Phase 1 and the street-side shops thereof were successively delivered; 483 bungalows and small high-rise houses of Residential Phase 2 were almost sold out, representing the commencement of final sales thereof. As the principal and decoration works on Residential Phase 2 were completed and the outdoor landscaping began to take shape, this project is expected to be delivered by the end of this year. In addition, Residential Phase 2 project has also been rated as high-quality structural engineering in Changsha, while blocks No. 2, 7 and 12 in the north district of the Commercial Property were also completed following inspection and acceptance during the Reporting Period. Moreover, the block-type commercial complex of the Project, with an area of approximately 90,000 square meters, officially commenced full operation during the National Day Golden Week in 2014, and attracted hundreds of thousands of visitors during the seven-day holiday. During the Reporting Period, the Group continued to focus on investment attraction and marketing publicity. With respect to investment attraction, through effective market research combined with the consumption analysis of the target customers of the Group, the Company endeavored to introduce more brands that catered for local consumer demand on the most favourable commercial terms. To increase competitiveness, the Group entered into cooperation with a number of retail groups such as E-Land, Basic House and Bestseller respectively. With respect to marketing, through the combination of the prevailing hot events and interesting innovation, a number of marketing activities were launched, such as the Olympic Games Never Stop, Cool Summer, Second Anniversary Celebration for opening, European Cup and Trunk Flea Market, to build a truly shopping complex mall in Hunan area integrating with shopping, recreation, entertainment and catering services to enhance the overall brand awareness and reputation of Globe Outlets.

Qinhuangdao Outlets Real Estate Company Limited is an indirect wholly-owned subsidiary of the Group through the acquisition of King Future Limited. Located in the core area of International Healthy City, Beidaihe New District, Qinhuangdao, the Qinhuangdao Outlets Project is a large-scale coastal shopping and tourism resort complex property proposed to primarily feature the outlets business supplemented by South Korea's plastic and aesthetic surgery services, health preservation and seniors' care, traditional Chinese medicine research and recreational resort hotels. During the Reporting Period, the concept design for the planning of the Qinhuangdao Outlets Project had been reviewed by the local government, pending for grant of the relevant government approvals during the year. Construction of this

Project is expected to start early next year. Pre-construction basic works such as access to water supply, electricity and roads as well as land levelling had been completed; a regulatory detailed plan and a detailed construction plan for Phase 1 had been recognised by the competent authorities of Beidaihe New District, and it is in the process of further detailing and submitting the plan for approval. Pre-construction procedures such as official replies on the water and soil conservation proposal and on environmental impact report had been completed. Construction of Phase 1 of the Project with an area of 150,000 square meters will commence immediately upon approval of the planning proposal.

During the Reporting Period, certain progress was also made in respect of projects under our associated companies.

The master plan, display area design plan, chateaus single plan and environmental impact assessment of featured villa residential properties and winery project in Huailai, Hebei, developed by Huailai Dayi Wineries Company Limited, a 50%-owned associated company of the Company, have been completed. Infrastructure for utility services is in place for the display area and some of the works on landscaping, planting and slope wall repairs have been completed. Preparation regarding to listing for sale of a parcel of construction land of approximately 480 mu is also in progress.

Globe Outlet Town (Jilin) Limited, a 42%-owned associated company of the Company, will develop a comprehensive project in Shuangyang District, Changchun, Jilin Province. In addition to the key operation of outlet mall, the project also intends to diversify itself with theme parks and tourism resort hotels ("Jilin Outlets Project"). A piece of land with an area of 443 mu for commercial and residential purposes in Shuangyang District, Changchun City, was granted for the project in early 2016. Besides, the Company has currently obtained official replies on consent of the soil and water conservation proposal, the environmental impact report and review comments on the energy conservation assessment report and official reply on the approval of special projects in relation to pre-construction procedures of this project. Construction of auxiliary works for the land is underway. In addition, we are accelerating planning design for this project as a whole, and further elaborating the detailed construction planning for phase 1 thereof. The Company is expected to receive relevant approval from the planning authorities by the end of 2016, and the construction of a 180,000 sq. m. commercial property under this project is predicted to commence in full swing in April 2017. Investment attraction and client retention related activities are expected to start in the second half of 2017.

The prospering online shopping trend in China has, to a certain extent, adversely affected performance of some traditional commerce and trade circulation companies. To deal with this situation, the Group has taken a forward looking move in its business planning by shifting the business focus of commercial properties from over-reliance upon fashion retail business as a tradition to leisure, entertainment and catering-related activities emphasizing on customers' participation and experience in its outlets centers. The leisure, entertainment and catering segment under Changsha Outlets Project highlighting with Letian Cinema, Sunshine Adventure Park, the Health Management Center, a KTV and Latitude Trampoline Centre as well as certain Chinese and Western restaurants such as Pizza Hut, Jiongbaba Seafood and Haichi Haihe Buffet have driven increase of visitors seeking for casual and other purposes, which in turn enabled us to record an average passenger flow of 30,000 on week days and 50,000 on weekends. Moreover, the Group endeavors to become an example of a business model realizing interaction between online and physical store operations, by means of operating Internet outlets malls and online appointment for physical consumption, etc. The successful opening of the Factory Outlet Center in Changsha has helped the Group gather substantial business partner resources, and accumulate valuable experiences for our follow-up development of Qinhuangdao Outlets Project as well as development of other projects.

FINANCIAL REVIEW

During the Reporting Period, the Group recorded total revenue of HK$17,331,000 as compared to HK$54,412,000 for the Corresponding Period. As set out in note 4 to the financial statements, the revenue for the Reporting Period mainly attributable to the sales of the properties under the Changsha Outlets Project amounted to HK$5,042,000 compared to HK$42,162,000 for the Corresponding Period. Sales of fashion wears and accessories also recorded revenue of HK$307,000 for the Reporting Period compared to HK$2,830,000 for the Corresponding Period. Rental income from the leasing of the outlet plaza of the Changsha Outlets Project was HK$10,203,000 for the Reporting Period compared to HK$8,415,000 for the Corresponding Period. Income from the management fees received from the tenants and residents of Changsha Outlets Project amounted to HK$1,779,000 for the Reporting Period compared to HK$1,005,000 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 have any material acquisitions and disposals of subsidiaries and associated companies during the Reporting Period.

CAPITAL STRUCTURE

During the Reporting Period, the Company and Sino Dynamics Investments Limited, a company indirectly wholly-owned by Mr. Du Wei and a substantial shareholder of the Company, subscribed an aggregate of 1,300,000,000 shares at HKD0.10 per subscription share and thus the issued share capital of the Company enlarged from 11,886,619,070 ordinary shares to 13,186,619,070 ordinary shares.

As at 30 September 2016, the unaudited net assets attributable to owners of the Company amounted to HK$65,788,000 (31 March 2016: HK$24,913,000), representing an increase of 164% as compared with the same as of 31 March 2016. With the total number of 13,186,619,070 ordinary shares in issue as of 30 September 2016, the unaudited net assets value per share was HK$0.50 cents (31 March 2016: HK$0.21 cents.)

LIQUIDITY AND FINANCIAL RESOURCES

The Group mainly finances its business operations with its internal resources and loan facilities from banks and a financial institution. As at 30 September 2016, the Group had cash and bank balances of HK$29,496,000 (31 March 2016: HK$42,016,000). The Group's current ratio (measured as total current assets to total current liabilities) was 0.56 times (31 March 2016: 0.48 times). The increase in the current ratio was mainly due to the decrease in interest-bearing bank and other borrowings in current portion. As at 30 September 2016, the secured and unsecured interest-bearing bank and other borrowings and convertible notes payable of the Group amounted to HK$1,248,613,000 (31 March 2016: HK$1,297,330,000) and HK$24,159,000 (31 March 2016: HK$24,962,000) and HK$127,158,000 (31 March 2016: HK$132,710,000), respectively. The gearing ratio, which is calculated as a percentage of net debt to total equity, was 2,128% (31 March 2016: 5,840%). The decrease in the gearing ratio was main due to the subscription of new shares.

PLEDGE OF ASSETS

As at 30 September 2016, property interest held by the Group with net carrying amount of HK$1,110,473,000 (31 March 2016: HK$1,151,988,000) were pledged to PRC banks and a financial institution for the Group's borrowings. In addition, as at 30 September 2016, a bank loan was secured by the Group's entire equity interest in Hunan Richly Field.

FOREIGN EXCHANGE EXPOSURES

As the Group's bank and other borrowings, bank and cash balances, trade receivables, trade payables, accruals, other payables and amounts due to related parties were mainly denominated in RMB, the Group had not experienced significant exposure to foreign currency fluctuation.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2016, the Group employed a total of 188 employees (excluding Directors), as compared to 206 employees (excluding Directors) as at 31 March 2016. 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

The two major factors affecting the Chinese real estate market are the government's monetary policy and administrative controls over the real estate market. Under the prevailing negative-to-low interest rate environment around the globe, the Chinese government is expected to continue to adopt a loose monetary policy considering the slowdown in GDP growth such that it is not likely to carry out a credit squeeze. It is also not likely to implement a more loose monetary policy taking into account the pressure from devaluation of Renminbi. We anticipate that the Chinese government will take more stringent administrative controls in the second half of the year to keep the housing prices stabilized in the first-tier and the key second-tier cities so as to stimulate the real estate market demand in the second– and third-tier cities, which is conducive to reducing housing inventory in these cities.

Blessed by the government's lax monetary policy and the bullish real estate market in the first- and second-tier cities in the first half of the year, there was a rise in both the volume and price of the residential property sales under Changsha Outlets Project. The local government is negotiating with the Group about increasing more landscape and educational auxiliary facilities to the Project in an attempt to develop the project into a local landmark complex project. The Group will seize this opportunity to try to increase the plot ratio of the project through negotiations to generate more sales revenue for the Group.

China's GDP grew by 6.7% year-on-year in the first half of 2016. Compared with other countries around the world, it was not easy for China to maintain steady economic growth. China is anticipated to continue the structural transformation of its economy, under which economic growth will be more dependent on consumption, accelerating the transition to consumer-oriented economy.

Globe Factory Outlet Center is a truly international eco-friendly shopping park that has been designed by absorbing the quintessence of European and American outlets, providing a good combination of shopping, leisure, entertainment, tourism and vacation. Sales have been booming since the commencement of the operation of the Globe Factory Outlet Center on 1 October 2014. As at 30 September 2016, over 180 shops and nearly 200 brands started operation under the Changsha Project. Its main businesses and categories include world-renowned brands discount stores, both male and female clothing and ornaments of the first-line and second-line domestic brands, cosmetic products, sports and leisure products, children's playground, IMAX cinema and specialty catering. The Group managed to meet the general demand from domestic consumers by delivering a shopping experience that features "big brands, low prices, a comprehensive range of offerings and good environment", through introducing such brands as would be more popular by consumers based on our analysis of the sales performance of the existing stores under this project. In particular, we have delivered double-digit growth in sales revenue as compared to the corresponding period of previous year.

Moreover, the specialty Catering and Gourmet Street within the Project with an area of approximately 10,000 square meters commenced full operation on 1 October this year. In relation to the indoor trampoline centre directly introduced from Australia, in addition to Beijing Centre which has officially commenced operation in late March of this year and achieved impressive success, Changsha Centre with an area of approximately 5,000 square meters has also entered the final stage of decoration and is expected to welcome the grant opening by the end of this year. The Group truly believes that all of these will enhance the overall market recognition and reputation of the project and thus create a higher return as a result.

During the Reporting Period, design and planning have been already carried out for Changsha Outlets Commercial Phase 2 with a planned gross floor area of approximately 350,000 square meters. The project will mainly feature high-end premium shopping malls, dining and entertainment facilities and one-stop wedding parks as its principal commercial offerings. The project will become a business district highlighting shopping experiences with a considerable influence in Central China.

With respect to Qinhuangdao Outlets Project, after taking into account the fact that the land around the project is primarily for medical and health as well as for education and scientific research purposes, and the benefit from the specific hot spring resources, quality ecological environment and favourable geographic conditions in the planned area, the Company intends to develop the Project into a complex that primarily features the outlets business integrating with South Korea's plastic and aesthetic surgery services, health preservation and senior care, traditional Chinese medicine research and recreational resort hotels as a whole. The Changchun Project will be designed to construct into a complex that primarily emphasizes consumers' shopping experience integrating with shopping, entertainment, leisure, tourism, vocation, cultural consumption, health preservation and theme parks. The Company aims to develop Changchun Project into a one that is different from traditional business and complementary to those business developments in Changchun and the surrounding areas thereof. In general, the Project, as a leader in terms of business concept, targets to become a large business flagship that delivers a totally new outlets lifestyle in Changchun.

The total investment for Qinhuangdao Outlets Project and Jilin Outlets Project is expected to exceed RMB6 billion, and the total investment in Changsha Outlets Project is estimated to be RMB5 billion. The Company will roll out the above investments in the coming 3 to 6 years and accelerate the collection of property sales proceeds through progressive development. Therefore, the Company does not expect any significant pressure from the demand for capital. In addition, the Group will continue to expand financing channels and is actively seeking fund raising possibilities in Hong Kong's capital market. Moreover, a higher receivable turnover arising from an enriched portfolio of available-for-sale inventories will ensure the availability of sufficient capital for the Group's sustainable development.

In addition, the Group is actively keeping a close track of the development of the emerging industries in the mainland market, such as the senior care, healthcare, sports and fitness, electronic sports, gaming and animation as well as virtual reality industries. In the future, the Group will continue to seize every opportunity to identify any possibility of acquiring any potential and favourable projects, modify its business form further and increase the Group's revenue sources for seeking a higher return for its shareholders.

INTERIM DIVIDEND

The Board did not recommend any interim dividend for the Reporting Period (30 September 2015: Nil).

CORPORATE GOVERNANCE

The Board is committed to maintaining high standards of corporate governance in the best interest of the shareholders of the Company (the "Shareholders"). The Company has been making an effort to enhance the corporate governance standard of the Company by reference to the code provisions and recommended best practices set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"). During the Reporting Period, the Company has applied and complied with all the code provisions set out in the CG Code, except for the following deviation:

Code provision A.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

During the Reporting Period, Mr. Xin Songtao assumed the roles of both chairman and chief executive 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 chief executive as and when appropriate.

INTERNAL CONTROL

The Board has the overall responsibility for reviewing the effectiveness of internal control systems of the Group. The Board is committed to implementing an effective and sound internal control system to safeguard the interest of the Shareholders and the Group's assets. The Board has delegated to the management the implementation of the system of internal control and review of all relevant financial, operational, compliance controls and risk management functions within the established framework.

During the Reporting Period, the Board, through the audit committee of the Company, has conducted a review of the effectiveness of the internal control systems of the Group.

DIRECTOR'S SECURITIES TRANSACTIONS

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

Having made specific enquiries to all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code throughout the Reporting Period.

The Board comprises two executive Directors, namely Mr. Xin Songtao (Chairman) and Mr. Ma Jun; two non-executive Director, namely Mr. Li Yi Feng and Mr. Chen Wei; and three independent non-executive Directors, namely Ms. Hsu Wai Man Helen, Mr. Chau Shing Yim David and Mr. Xu Jinghong.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY ’S LISTED SECURITIES

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

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 ended 30 September 2016.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the Company’s website at www. richlyfieldchina. com and the Stock Exchange’s website at www.hkexnews.hk. The 2016/2017 Interim 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
Xin Songtao
Chairman

Hong Kong, 25 November 2016

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Xin Songtao (Chairman) and Mr. Ma Jun; two non-executive Directors, namely Mr. Li Yi Feng and Mr. Chen Wei; and three independent non-executive Directors, namely Ms. Hsu Wai Man Helen, Mr. Chau Shing Yim David and Mr. Xu Jinghong.