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 2017

The board (the ''Board'') of directors (the ''Directors'') of Richly Field China Development Limited (the ''Company'') presents the unaudited condensed consolidated interim financial results of the Company and its subsidiaries (collectively, the ''Group'') for the six months ended 30 September 2017 (the ''Reporting Period'') together with comparative unaudited figures for the six months ended 30 September 2016 (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 2017

		Six months ended 30 September	
		2017	2016
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**99,987**	17,331
Cost of sales		**(90,441)**	(22,617)
Gross profit/(loss)		**9,546**	(5,286)
Other income and gain	*3*	**130**	641
Selling expenses		**(2,048)**	(8,954)
Administrative expenses		**(39,020)**	(50,881)
Finance costs	*4*	**(114,126)**	(12,320)
Loss before tax	*5*	**(145,518)**	(76,800)
Income tax expense	*6*	**–**	–
Loss for the period		**(145,518)**	(76,800)

		Six months ended 30 September	
		2017	2016
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**11,892**	(12,325)
Total comprehensive loss for the period		**(133,626)**	(89,125)
Loss per share attributable to owners of the Company			
Basic	*7*	**HK(1.10) cents**	HK(0.62) cents
Diluted	*7*	**HK(1.10) cents**	HK(0.62) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

	Notes	30 September 2017 HK$'000 (Unaudited)	31 March 2017 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		**33,448**	32,394
Investment properties		**568,217**	557,303
Prepaid land lease payments		**1,037,226**	1,062,250
Interests in associates		**41,498**	–
Available-for-sales investment		**2,724**	2,724
Goodwill		**117,763**	112,710
		1,800,876	1,767,381
Current assets			
Properties under development		**417,475**	934,896
Completed properties held for sale		**894,014**	431,547
Inventory		**–**	–
Trade receivables	*9*	**31,712**	23,143
Prepayments, deposits and other receivables		**827,535**	72,344
Cash and cash equivalents		**20,735**	25,560
		2,191,471	1,487,490
Current liabilities			
Trade payables	*10*	**198,993**	238,660
Receipts in advance, other payables and accruals		**964,695**	1,036,065
Amounts due to related parties		**516,777**	392,134
Interest-bearing bank and other borrowings		**70,379**	169,861
Convertible notes payable		**104,656**	110,863
Provision		**7,350**	7,035
Tax payable		**127,988**	121,270
		1,990,838	2,075,888
Net current assets/(liabilities)		**200,633**	(588,398)
Total assets less current liabilities		**2,001,509**	1,178,983

	Notes	30 September 2017 HK$'000 (Unaudited)	31 March 2017 HK$'000 (Audited)
Non-current liabilities			
Amounts due to related parties		**856,828**	546,859
Interest-bearing bank and other borrowings		**1,400,511**	754,688
Deferred tax liability		**8,381**	8,021
		2,265,720	1,309,568
Net liabilities		**(264,211)**	(130,585)
Equity			
Share capital	*11*	**659,331**	659,331
Reserves		**(923,542)**	(789,916)
Capital deficiency		**(264,211)**	(130,585)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 September 2017

1. BASIS OF PREPARATION

The condensed consolidated interim financial information of the Group for the six months ended 30 September 2017 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

These condensed consolidated interim financial information are presented in Hong Kong dollars ("HK$"), rounded to the nearest thousand except for per share data. Hong Kong dollar is the Company's functional and the Group's presentation currency.

As at 30 September 2017, the Group had a capital deficiency of HK$264,211,000 and recorded a consolidated loss for the period ended 30 September 2017 of HK$145,518,000.

The directors of the Company have taken steps to improve the Group's liquidity and solvency position. The directors of the Company are of the opinion that the Group will have sufficient funds to meet its financial obligations when they fall due in the foreseeable future taking into account the followings:

(i) the continuous financial support from related parties including the granting of a discretionary right to the Group to determine the timing and methods of repayment, such as by way of loan capitalisation or settlement by cash or other assets, in relation to the amount due to it of HK$245,820,000 (which is currently classified as non-current liability as at 30 September 2017);

(ii) the expected refinancing of interest-bearing bank and other borrowings when they fall due;

(iii) the extension of the repayment terms of amounts due to related parties as at 30 September 2017 in aggregate of HK$245,820,000 beyond 30 September 2018;

(iv) on 29 September 2017, the Company entered into a loan capitalisation agreement (the "Loan Capitalisation Agreement") with JeShing Real Estate Group Company Limited ("JeShing") and Mr. Wang. Pursuant to the Loan Capitalisation Agreement, JeShing has conditionally agreed to designate Stimulate High Investment Limited to subscribe for and the Company has conditionally agreed to allot and issue a total of 7,010,533,301 Capitalisation Shares (representing approximately 53.16% of the existing issued share capital and approximately 34.71% of the enlarged issued share capital of the Company) at the price of HK$0.086 per Capitalisation Share by way of capitalising the Loan of RMB510,937,173 in which it is the aggregated amount of HK$245,820,000 included in point (i); and

(v) the forecasted operating cash outflows and budgeted construction costs for the year ending 30 September 2018.

Accordingly, the directors of the Company had prepared the condensed consolidated interim financial information of the Group on a going concern basis.

The validity of the going concern assumption on which the condensed consolidated interim financial information are prepared is dependent on the successful and favourable outcomes of the steps being taken by the directors of the Company as described above.

Should the going concern assumption be inappropriate, adjustments may need to be realised at the amounts other than which they are currently recorded in the condensed consolidated interim financial information of the financial position. In addition, the Group may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The operating cycle of the Group's property development business is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Due to the nature of such business, the normal operating cycle is longer than 12 months. The Group's current assets include properties under development which will be sold, consumed or realised as part of the normal operating cycle for the property development business even when they are not expected to be realised within 12 months after the end of the reporting period.

2. 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 3 to the condensed consolidated interim financial information.

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 2017 and 2016, the Group had no transaction with external customer which individually contributed over 10% of the Group's total revenue.

3. REVENUE, OTHER INCOME AND GAIN

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

	Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Sales of properties	**77,622**	5,042
Sales of fashion wears and accessories	**148**	307
Rental income	**9,517**	10,203
Management fee income	**12,700**	1,779
	99,987	17,331
Other income and gain		
Bank interest income	**126**	45
Net exchange gain/(loss)	**(25)**	19
Others	**29**	577
	130	641

4. FINANCE COSTS

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

	Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	**121,803**	89,754
Interest on convertible notes payable	**3,793**	4,448
Total interest expenses on financial liabilities not at fair value through profit or loss	**125,596**	94,202
Less: Amount capitalised in the cost of qualifying assets	**(11,470)**	(81,882)
	114,126	12,320

The capitalisation rates used to determine the amount of borrowing costs eligible for capitalisation for the six months ended 30 September 2017 and 2016 were 3.23% and 8.28%, respectively.

5. LOSS BEFORE TAX

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

		Six months ended 30 September	
		2017	2016
		HK$'000	*HK$'000*
		(Unaudited)	(Unaudited)
(a)	Staff costs:		
	Contributions to defined contribution retirement plans	**626**	756
	Salaries, wages and other benefits	**9,534**	9,704
		10,160	10,460
(b)	Other items:		
	Cost of goods sold	**72,323**	7,622
	Cost of services provided	**4,252**	618
	Depreciation of property, plant and equipment	**486**	1,699
	Depreciation of investment properties	**13,922**	14,900
	Reversal of the write-down of inventories to net realisable value	**(56)**	(523)
	Amortisation of prepaid land lease payments	**14,345**	12,357
	Minimum lease payments under operating leases in respect of land and buildings	**932**	1,104

6. INCOME TAX EXPENSE

No provision for PRC Enterprise Income Tax and Hong Kong profits tax has been made for the six months ended 30 September 2017 as the Group did not generate any assessable profits arising in PRC and Hong Kong respectively during the period (six months ended 30 September 2016: Nil).

7. 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	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss attributable to equity holders of the Company, used in the basic loss per share calculation	**(145,518)**	(76,800)
Weighted average number of ordinary shares in issue during the period, used in the basic loss per share calculation	**13,186,619,070**	12,319,952,403

(b) Diluted loss per share

For the six months ended 30 September 2017 and 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.

8. INTERIM DIVIDEND

No payment of interim dividend was recommended for the six months ended 30 September 2017 (six months ended 30 September 2016: Nil).

9. TRADE RECEIVABLES

	30 September 2017	31 March 2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Rental receivables	**4,058**	960
Rental recognised using the straight-line method	**27,654**	22,183
	31,712	23,143

The Group does not hold any collateral over its trade receivables.

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

	30 September 2017	31 March 2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within one year	**4,025**	184
More than one year	**33**	776
	4,058	960

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

10. 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 2017	31 March 2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within one year	**17,363**	23,115
One to two years	**162,494**	197,221
Over two years	**19,136**	18,324
	198,993	238,660

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

11. SHARE CAPITAL

	30 September 2017		**31 March 2017**	
	No. of shares	**Amount**	No. of shares	Amount
		HK$'000		*HK$'000*
Authorised				
Ordinary shares of HK$0.05 each	**20,000,000,000**	**1,000,000**	20,000,000,000	1,000,000
Issued and fully paid				
At 1 April (audited)	**13,186,619,070**	**659,331**	11,886,619,070	594,331
Issuance of new shares *(note)*	**–**	**–**	1,300,000,000	65,000
At 30 September (unaudited)/ 31 March (audited)	**13,186,619,070**	**659,331**	13,186,619,070	659,331

Note:

During the year ended 31 March 2017, the Company issued 1,300,000,000 ordinary shares of HK$0.05 each at HK$0.1 per share, raising HK$130,000,000 with no transaction costs.

All the shares issued rank pari passu with the existing shares in all respects.

12. SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

As required by the local government under the Notice Relating to Issue of the Planning and Construction Management Rules (Trial) for Middle and Primary Schools and Kindergartens in Wangcheng District of Changsha (關於印發《長沙市望城區中小學校幼兒園規劃建設管理辦法(試行)的通知》), a residential community with residents of 4,000 shall be equipped with adequate primary school and kindergarten, and a nine-year compulsory middle school in case of 8,000 residents or above. Taking into account the total investment size to be developed for the Outlets Town and that the original development plan did not involve corresponding plan for education facilities, the Company has adjusted the original development plan and submitted the new development planning (the "New Development Plan") to the competent authorities, which is subject to their review and final approval, to comply with the aforesaid requirements.

The Board has passed a resolution on 15 November 2017 in relation to approval of the demolishment of certain villa products in progress and development of high-rise buildings instead on the original parcel of land under the New Development Plan. As at the date hereof, the demolishment is underway.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

During the Reporting Period, the Group recorded revenue from sales of properties of HK$77,622,000, mainly attributable to delivery of Phases 1 and 2 of the residential portion of the Changsha Outlets Project, which is a comprehensive project comprising "Globe Outlets" (commercial) and "Outlets Town" (residential) developed by the Group in Changsha, Hunan Province, the People's Republic of China (the "PRC"), and recorded gross rental income and management fee income of HK$9,517,000 and HK$12,700,000, respectively.

As for financing, Hunan Richly Field Outlets Real Estate Ltd (the "Hunan Richly Field"), a subsidiary of the Company, entered into two loan agreements with a bank, 華融湘江銀行股份有限公司 as at 11 April 2017, in relation to a loan facility in the total principal amount of RMB950,000,000 (equivalent to approximately HK$1,118,055,000) for a term of 5-years at a rate of 8%-10% per annum which was secured by the pledge of certain of the Group's assets, it has been fully utilised as at 30 September 2017.

The Changsha Outlets Project is an integrated commercial and residential property project developed by Hunan Richly Field Outlets Real Estate Limited ("Hunan Richly Field"), a wholly-owned subsidiary of the Company, in Changsha, Hunan Province. The Changsha Outlets Project covers an area of approximately 1,500 mu, which is to be developed into commercial and residential portions with site areas of 500 mu and 1,000 mu, respectively. The Project not only satisfies the growing housing demand arising from accelerating urbanization, but also provides commercial supporting services corresponding to the residential capacity, which manifests the robust strength of the Group as a featured property developer. In "Outlets Town", the residential segment of the Project, the Company smartly capitalizes on the indigenous ecological wetland park in which it is located to build a Spanish-style low-density high-end residential community where inhabitants therein are able to purify their soul by virtue of the flowing water running through the Project. Since the official sale of Outlets Town begun upon the sales permit was granted in November 2014, the housing offerings (mainly including high-quality detached houses, townhouses, bungalows and high-rise buildings) of

Phases 1 and 2 of the residential project developed by the Company have been successively delivered for use during the Reporting Period. In addition, Phase 2 of the residential project was rated as high-quality structural engineering in Changsha by virtue of its excellent quality.

During the Reporting Period, the Company recorded satisfactory revenue from sales of properties, attributable to numerous factors, including the introduction of a long-term mechanism regulating the stable and healthy development of the property market by the national and local governments, consumer optimism about the outlook of the property market, the rising enthusiasm of consumers in first- and second-tier cities for property purchase back in their homelands, relevant supporting policies as well as the consolidation of our image as a professional property developer. Meanwhile, the Company continued to carry out a series of effective promotional activities during the Reporting Period by flexible utilisation of the extensive commercial resources in the Changsha Outlets Project, such as the Second Outlets Tent Festival and the Whale Island activity, aiming at boosting commercial sales and attracting commercial consumers to visit Outlets Town where they could experience the elaborately designed livable environment. Furthermore, the Company continued to collaborate well with major media to communicate our product information via print media, outdoor platforms, radio and We Media platforms from time to time to keep the customers posted on our latest marketing activities.

With the gradual delivery of the Phases 1 and 2 of Outlets Town during the Reporting Period, the Company, as an integrated property services supplier, also provides quality and reliable property management services. We have set up an exclusive team, which is responsible for collecting the needs of the property owners and reporting the same to the department in charge thereof in a timely manner, to help the property owners solve their problems and hence demonstrate our people-oriented mentality and high degree of social responsibility. By building such a full-featured community and offering high-quality property management services, the Company has reinforced its reputation as a high-end property developer.

Moreover, during the Reporting Period, the sales of the north portion of the block-type commercial complex of the Changsha Outlets Project, with an area of over 90,000 square meters, hit record highs, and recorded an increase of nearly 30% over the same period last year whereas the occupancy rate reached approximately 90%. Faced with the upsurge of the emerging commercial complex nearby, the Company transformed pressure into power by brainstorming, actively adjusting our business strategies and highlighting our differentiated services in an attempt to attract quality brands to become our commercial tenants based on win-win cooperation model, and ultimately benefit our loyal consumers.

During the Reporting Period, the Group continued to focus on investment attraction and marketing publicity, in an effort to extend the overall brand influence of Globe Outlets while boosting sales. With respect to investment attraction, the Company strived to introduce more brands that cater for local consumers' demands with the most preferential commercial terms through effective market research and systematic analysis of information about previous sales, combined with affordability analysis of the target customers of the Group. Meanwhile, we reinforced our cooperation with brands who have become our commercial tenants by providing them with convenience and strategies in respect of recruitment, venue booking, event planning and so on, fully supporting them to conduct large-scale promotional activities on major festivals and holidays or at social hotspots. These moves not only facilitated a solid and healthy cooperation relationship between the Group and the brands, but also enabled the Group to gain trust and recommendation from the brands, and thus making the prospect of investment attraction more optimistic. During the Reporting Period, the Company leveraged the increasingly matured business atmosphere to successfully sign up an assortment of merchants representing a wide range of brands, such as women's wear, business men's wear, casual wear, outdoor and footwear brands, so as to enrich the product mix. In particular, the introduction of participation- and experience-based offerings such as chain kindergartens and large-scale supermarkets were accorded priority to break the normal image of traditional commercial complex focusing merely on fashion retail. With respect to marketing, through combination of the then social hot topics with interesting innovations, the Company drew on the open and unique area of the Project to host a string of large-scale promotional activities such as Outlets Dragon Boat Fun Fair, the Second Outlets Tent Festival and the Whale Island activity, enabling it to offer an unique shopping experience only available in Globe Outlets. Meanwhile, the Company vigorously integrated the existing marketing resources of the Changsha Outlets Project to drive up the overall sales of Outlets Town, Globe Outlets and Latitude in a cost-effective way.

In terms of business development strategies, the Group gives top priority to highlighting its uniqueness and standing out from numerous competitors amid the growing popularity of online shopping and the rise of surrounding commercial complexes. As a commercial real estate operator, the Group has made foresighted arrangements in its business blueprint to purposively select such brands and products as suitable for cooperation to avoid unnecessary upfront investment and post-adjustment arising from improper market positioning, and to reduce the adverse impact of online shopping and peer competition on its performance. Instead of heavily relying on fashion retail like traditional commercial real estate operators, the Group puts more emphasis on experience consumption such as recreation, entertainment, interaction and catering services in the Changsha Globe Outlets Shopping Park to create a product mix exclusive to Globe Outlets. Specifically, the Group has introduced various specialty services such as chain kindergarten, hypermarket, famous home furnishing brands, a five-star cinema, a large children's indoor and outdoor park, a high-end indoor trampoline center originating in Australia and fine cuisines, to attract customers' visits for casual and other purposes. Meanwhile, by virtue of the convenient transportation facilities around the project and the comfortable shopping environment created by the European-style buildings as well as the considerate and quality customer services, the Group managed to attract a large number of merchants and loyal customers, which enabled the Group to gain valuable experience for developing other featured commercial real estate projects in future. The Company is committed to developing the Changsha Outlets Project into a truly comprehensive shopping park in Hunan integrating shopping, recreation, entertainment and catering services, in a drive to enhance the overall brand awareness and reputation of Globe Outlets.

Qinhuangdao Outlets Real Estate Company Limited has become an indirect wholly-owned subsidiary of the Group since the acquisition of King Future Limited. Located in the core area of International Healthy City, Beidaihe New District, Qinhuangdao, the Qinhuangdao Outlets Project is positioned to become a large coastal shopping and tourism resort complex with outlets commerce as the major operation integrated with high-end hot spring resort hotels, health preservation and elderly care, cultural activities, entertainment and recreational resorts. During the Reporting Period, the planned conceptual design for the phase 1 of the Qinhuangdao Outlets Project has been adjusted as per the requirements from the local government to comply with the general urban planning as determined for the International Healthy City in which the Project locates. Currently, the detailed regulatory plan and the detailed construction plan for phase 1 have been reviewed and authorised by the planning committee of the municipal government, and the Company is in its best efforts to secure the construction work planning permit and commencement permit for phase 1 by the end of this year. Besides, the Company obtained the construction work commencement permit for the exhibition center on 15 November 2017, pursuant to which, the Company has already commenced development of the exhibition center. In addition, preconstruction basic works such as access to water supply, electricity and roads as well as land levelling have been completed. Preconstruction procedures such as obtaining official replies on the water and soil conservation proposal and the environmental impact report have been completed. Once the aforesaid two permits are materialised by the end of this year, phase 1 of the project with a planned GFA of approximately 150,408 square meters will commence construction immediately.

During the Reporting Period, the projects managed by our associated companies also achieved certain progress.

The master plan, demonstration area design plan, chateau design plan and environmental impact assessment of the characteristic villa residential and winery project in Huailai of Hebei have been completed. The project is developed by Huailai Dayi Winery Company Limited, a 50%-owned associated company of the Company. In the demonstration area, access to roads, electricity and water supply has been in place and certain works regarding landscaping, planting and slope wall reconditioning have been completed. In addition, bidding for a parcel of construction land of approximately 480 mu to be listed for sale is under preparation.

Globe Outlet Town (Jilin) Limited, a 42%-owned associated company of the Company, based on its extensive careful and detailed market research, finds out that the local commercial complexes are heavily homogeneous in the context of the overall weak economic environment in Northeast China. As such, in order to seek differentiation, the Company plans to develop the project in Shuangyang District, Changchun, Jilin Province into an integrated project ("Jilin Project") combining a theme park and a cultural tourism town under the theme of cultural tourism and the objective of building a livable place with elderly care. The Jilin Project acquired a land parcel with an area of 443 mu for commercial and residential use in Shuangyang District, Changchun in early 2016. The Company has obtained official written reply on the soil and water conservation proposal, the environmental impact report, and official reply on project approval in relation to pre-construction procedures for the Jilin Project. In order to commence construction of the Phase 1 of the Jilin Project by late September this year, all members of Globe Outlet Town (Jilin) Limited worked tremendously hard during the Reporting Period. The Reply on the Approval of the Flagship Industrial Park Project of the Central Recreational District (Urban Complex) in Changchun (Phase 1) was obtained from Changchun Development and Reform Commission on 23 August 2017, representing official project approval for the phase 1 of Jilin Project. Besides, Jilin Project has successfully passed the energy conversation review, and the Company is endeavoring to obtain relevant construction works planning permit and commencement permit for phase 1 of the Jilin Project by the end of this year. At present, preliminary works of the Jilin Project such as surrounding road construction and grid and pipeline relocation are underway, with the fencing works and some land leveling works having been completed.

FINANCIAL REVIEW

During the Reporting Period, the Group recorded a total revenue of HK$99,987,000 as compared to HK$17,331,000 in the Corresponding Period. As set out in the condensed consolidated interim financial information, the revenue of the Period was mainly attributable to the sales of the properties of the Changsha Outlets Project in the amount of HK$77,622,000 compared to HK$5,042,000 for the Corresponding Period. Sales of the fashion wears and accessories also recorded revenue in the amount of HK$148,000 for the Period compared to HK$307,000 for the Corresponding Period. Gross rental income of approximately HK$9,517,000 for the Period compared to HK$10,203,000 for the Corresponding Period, from the leasing of the outlet plaza of the Changsha Outlets Project. Management fee income received of approximately HK$12,700,000 for the Period compared to HK$1,779,000 for the Corresponding Period.

The loss attributable to equity holders amounted to HK$145,518,000 as compared to HK$76,800,000 in the Corresponding Period. The loss per share for the Period was HK1.10 cents as compared to HK0.62 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 have any material acquisitions and disposals of subsidiaries and associated companies during the Reporting Period.

CAPITAL STRUCTURE

As at and for the period ended of 30 September 2017, the total number of issued shares of the Company remained unchange at 13,186,619,070.

LIQUIDITY AND FINANCIAL RESOURCES

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

As at 30 September 2017, the Group had cash and bank balances of HK$20,735,000 (31 March 2017: HK$25,560,000). The Group’s current ratio (measured as total current assets to total current liabilities) was 1.10 times (31 March 2017: 0.72 times). The increase in the current ratio was mainly due to the increase in prepayment, deposits and other receivables and decrease in interest-bearing bank and other borrowings.

As at 30 September 2017, the secured and unsecured interest-bearing bank and other borrowings and convertible notes payable of the Group amounted to HK$1,453,472,000 (31 March 2017: HK$901,120,000) and HK$17,418,000 (31 March 2017: HK$23,429,000) and HK$104,656,000 (31 March 2017: HK$110,863,000), respectively. Gearing ratios are not presented as the Group had capital deficiency as at 30 September 2017.

PLEDGE OF ASSETS

As at 30 September 2017, property interest held by the Group with net carrying amount of HK$1,017,661,000 (31 March 2017: HK$1,404,129,000) were pledged to certain PRC banks and other financial institution for the Group's borrowings. As at 31 March 2017, a bank loan was secured by the Group's entire equity interest in 湖南裕田奧特萊斯置業有限公司 and the charge was released during the Reporting Period.

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.

COMMITMENT

On 29 September 2017, the Group entered into the Equity Interest Transfer Agreement with JeShing Real Estate Group Company Limited (the "JeShing") and Mr. Wang Hua. Pursuant to the Equity Interest Transfer Agreement, the Group has conditionally agreed to purchase and JeShing has conditionally agreed to sell the entire equity interest in 寧夏金冠投資置業有限公司 in consideration for the Company to allot and issue a total of 3,139,534,884 Consideration Shares (representing approximately 23.81% of the existing issued share capital and approximately 19.23% of the enlarged issued share capital of the Company) at the price of HK$0.086 per Consideration Share to Stimulate High Investment Limited (as designated by JeShing).

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2017, the Group employed a total of 186 employees (excluding Directors), as compared to 177 employees (excluding Directors) as at 31 March 2017. The Group remunerates its employees based on their performance, working experience and prevailing market parameters. Employee benefits include pension insurance fund, medical insurance coverage, unemployment insurance fund, occupational injury insurance fund, maternity insurance fund, provident fund, Mandatory Provident Fund (for Hong Kong employees) and share options.

PROSPECT AND OUTLOOK

In the first half of 2017, category-based regulations and city-targeted policies are the major indicators, in terms of policy, of the property market in mainland China in the context of the emphasized residential nature of properties. The strength and frequency of this round of regulation clearly demonstrated the central government's determination to regulate the current housing market. In response to the national policies, municipal governments refined their concerted local policies based on their specific conditions, and further regulated the transaction subject and qualifications in the property market. On the one hand, the traditional policies relating to restriction in property purchase and credit grant have been escalated, while innovative policies relating to sales restriction are being introduced and updated on a constant basis, which leads to expansion of the affected regions from the first- and second-tier cities to the surrounding third- and forth-tier cities. In particular, the city clusters of Beijing-Tianjin-Hebei, Yangtze River Delta and Pearl River Delta as well as major cities in Central and Western China were affected more or less. On the other hand, increasingly reinforced regulatory measures and financial supervision on property market were implemented to curb the short-term speculative investment demands. In addition, the central government has released administrative rules regarding regulation of property purchase and leasing market, targeting to accelerate development of a housing system catering for both purchase and leasing needs. Besides, numerous efforts have been also made to deepen land and population reforms. All of these are specially arranged by the government to establish stable and healthy development conditions for property market in the long run.

With respect to market performance, property transaction volume remained stable in general, but the specific performance diverged among domestic cities. The housing markets in first- and second-tier cities saw continuous decline in sales growth amidst tightening policies, and gradually "cooled off" mainly due to a sharp contraction of new supply and shrinking sales volume resulting from lower inventory in various regions and the strict four-restriction policy. On the contrary, due to the stringent control over the popular cities, investment demand and capital flows were rapidly diverted to some emerging hotspot cities (such as Changsha, Xi'an, Ningbo, Nanning) and third-and fourth-tier cities that functioned as new sales drivers with booming property transactions. However, the sales growth in the third-and fourth-tier cities eventually slowed to a stabilized level in the second quarter in the wake of implementation of more city-specific regulatory policies with a view to further mitigating the risks and destocking.

Property projects in Changsha drew a strong sales response on the back of the supportive policies nationwide in the second half of last year. It was frequent to see homebuyers lining up day and night merely for getting a chance to buy their desired properties, and certain properties were even sold out on the first day of their launch, which meant that it was not easy for homebuyers to get what they want. During the first half of 2017, to follow the regulatory policies issued by the central government, the Changsha municipal government released certain buy- and credit-restriction policies on 18 March and escalated the new buy-restriction policies on 20 May this year based on the local market conditions, marking that Changsha begun to implement the four-restriction policies in property market. Generally, the new policy's ultimate goal was to step up regulation of the residential market to prevent Changsha's property prices from soaring without effective regulation and ensure stability in the volume and prices of residential sales, so that a stable and orderly residential market environment in Changsha can be maintained. Benefitting from the booming market maintained due to force of inertia, and the extensive extension of the aforementioned investment demands and capital flow from the popular first- and second-tier cities due to the suppressing four-restriction policies, the property transaction price in Changsha's residential market was enabled to maintain a month-on-month growth of nearly 20% during the first five months this year.

Looking forward, given the real estate industry is highly related to all walks of life and can boost the development of various sectors due to its business nature, in the long run, the industry will definitely benefit from the supportive measures of the government, and will retain its position as a pillar industry in the PRC over the coming 15 to 20 years. Despite the continuous tightening of real estate policies, it is clear that the goal of such initiatives is not to pull down prices but to curb the property bubbles. The government strives to establish a long-term mechanism to maintain a stable and healthy development of the property market and ensure a balanced overall economic development. In addition, as the PRC's urbanization rate remains relatively low, the ever-growing urban population in future will continuingly drive the demand-side growth of the property market.

The urbanization rate of the region where the Group's Changsha project is located remains low, and the local government is seeking to increase the rate to 89% by 2025, which in turn will secure persistent demand conducive to the long-term development of the property market in Changsha. Besides, as a second-tier provincial capital city, Changsha's property prices are relatively low and, therefore, hold enormous potential for moving upward. Moreover, Changsha, cluster of an array of tertiary institutions, serves as a major talent contributor in China. The municipal government spares no effort in retaining and attracting talents by adopting various preferential property-purchasing policies, which have also drawn numerous non-local students intending to settle down in Hunan, or people native in Hunan hoping to move back to their hometown to purchase property. Therefore, the potential purchasing power on the local property market cannot be overlooked.

Currently, the Group derives its operating income mainly from the Changsha Outlets Project which is situated in the prime location of Xiangjiang New District of Hunan Province with immense development potential. Seizing great opportunities from the planned construction of the new district, the Company is committed to developing the Changsha Outlets Project into an integrated commercial and residential project providing featured services, with an aim to boost commercial activities by tapping into the residential advantages, while serving the residents with commercial facilities. Despite of the tough rivals from online shopping, Globe Outlets stands up to the challenges by focusing on participation- and experience-based services, delivering such joy that can only be felt through visiting Globe Outlets in person. Despite the fierce peer competition from its neighboring commercial complexes, Globe Outlets strives to overcome difficulties by proactively attracting customers through differentiated services, with an aim to take the leadership in outlets operation in Hunan province. So far, more than 200 brands have become commercial tenants of Globe Outlets, with the brand mix being optimized continuously during the operation. The business types and categories mainly include discount stores of globally famous brands, domestic first- and second-tier men's and women's apparel, cosmetics boutiques, sports and leisure businesses, children's amusement parks, IMAX cinemas, specialty restaurants, kindergarten chains and hypermarkets.

With respect to the residential segment, new development agenda will kick off for the Outlets Town since the developed products have been delivered successively. Under the original development plan of the Outlets Town, the products would be mainly comprised of villas which are not easy to destock and thus makes it difficult for the Company to realize cash flow within a short time of period. Therefore, the management suggests to strategically focus on offering of high-rise buildings, which are more capable of being realized, for the new round of development. Meanwhile, as disclosed above, the local government has required that residential communities with relatively large size shall be equipped with adequate education facilities. Accordingly, the Board resolved to demolish certain villa products in progress and develop high-rise buildings instead on the parcel of land, mainly due to that the high-rise buildings to be developed are not only catering for market demands, but are also in accord with the position of the project as an provider of high-end low-density products. Besides, the Company is thereby enabled to enjoy greater saleable area, and the incremental profit from this adjustment as calculated based on reasonable figures is satisfying to a great extent. Continuous upgrade of the educational and supporting facilities is in no doubt to enhance the value of our residential products, which in turn drives our project development positively, provides enlarging customer base for the commercial section and thus creates a beneficial operation cycle for the entire project.

In addition, since the introduction of the concept of indoor trampoline park by the Group, numerous trampoline related products of diverse varieties have emerged into the market with uncertain quality. In terms of investment scale, building size, facilities and equipment, management and operational experience, staff services and brand reputation, Latitude Trampoline Centers are incomparable since classics are not afraid of being. Latitude Trampoline Centers in Beijing, Changsha and Nanjing have come into operation successively, and currently Hongqiao Latitude Trampoline Center in Shanghai is under construction, which is expected to open for business at the end of the year. Moreover, site selection and business negotiations for new Latitude Trampoline Centers in Beijing, Hangzhou and Nanjing are also underway. In March 2017, Latitude Trampoline Center debuted in Changsha with a total area of nearly 5,000 square meters, which indeed scaled up the income streams and diversified the commercial features of the Changsha Outlets Project. The novel sport experience activities offered by Latitude are well received by the market with increasing sales revenue, which are expected to diversify the Group's income sources and improve its cash flows.

Furthermore, the Group also pays close attention to market updates to stay in tune with the needs of local consumers. Looking forward, the Group will continue to capture optimal opportunities by exploring potential acquisition targets and actively adjusting its business pattern, thus broadening its income sources to maximize the returns for shareholders.

INTERIM DIVIDEND

The Board did not recommend any interim dividend for the Reporting Period (30 September 2016: 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, Dr. Wang Yucan 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 is well aware of its responsibility to maintain high standards of internal control systems and to review the effectiveness of such systems during the process of implementation. The systems are intended to provide a reasonable but not absolute assurance regarding operational effectiveness and efficiency, reliability of financial reports and compliance with laws and regulations, with the aim of managing rather than eliminating risks associated with failure to meet business objectives.

The Board is fully responsible for assessing and determining the nature and extent of the risks to which the Company is willing to assume in achieving its strategic objectives, and establishing and maintaining appropriate and effective internal control systems.

The Audit Committee assists the Board in leading the management and supervising the design, implementation and monitoring of the internal control systems. Subject to the authority of the Board, the Audit Committee may seek external legal, financial or other independent professional advice at the expense of the Company if necessary (subject to prior discussion with the Board on the relevant expenses).

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 Dr. Wang Yucan (Chairman) and Mr. Ma Jun (Deputy Chairman); 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.

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 interim financial information for the six months ended 30 September 2017.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the Company's website at www.richlyfieldchinagroup.com and the Stock Exchange's website at www.hkexnews.hk. The 2017/2018 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
Wang Yucan
Chairman

Hong Kong, 28 November 2017

As at the date of this announcement, the Board comprises two executive Directors, namely Dr. Wang Yucan (Chairman) and Mr. Ma Jun (Deputy Chairman); 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.