



RICHLY FIELD

# Richly Field China Development Limited

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

**(Stock Code: 313)**

Interim Report 2009



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**Board of Directors****Executive Directors**

HE Guang (*Chairman*)

YU Xing Bao

WONG Kin Fai

**Non-executive Director**

GUO Dong

**Independent Non-executive Directors**

CHAN Chi Yuen

DAI Chang Jiu

HE Chuan

**Audit Committee**

CHAN Chi Yuen (*Chairman*)

DAI Chang Jiu

HE Chuan

**Remuneration Committee**

HE Guang (*Chairman*)

CHAN Chi Yuen

DAI Chang Jiu

HE Chuan

**Company Secretary**

LEE Pui Shan

**Auditors**

Pan-China (H.K.) CPA Limited

**Legal Advisers**

*Bermuda Law*

Appleby

*Hong Kong Law*

Iu, Lai & Li Solicitors & Notaries

**Principal Registrar**

Appleby Management (Bermuda) Limited

Argyle House

41 a Cedar Avenue

Hamilton HM12

Bermuda

**Hong Kong Share Registrar and Transfer Office**

Tricor Secretaries Limited

26/F, Tesbury Centre

28 Queen's Road East

Hong Kong

**Registered Office**

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

**Principal Place of Business**

Unit 1208, 12/F

West Tower, Shun Tak Centre

168-200 Connaught Road Central

Hong Kong

**Principal Bankers**

The Bank of East Asia, Limited

China Construction Bank Corporation

China Merchants Bank

Industrial and Commercial Bank of China

Bank of China

**Website**

<http://www.equitynet.com.hk/richlyfield>

**Stock Code**

313

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

## Business Review

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

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

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

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

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

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

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

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

## Financial Review

### Results

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

### Liquidity and Capital Resources

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

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

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

## Capital Commitment and Contingent Liabilities

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

## Employees

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

## Prospects

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

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

## Interim Dividend

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

**To the Board of Directors of  
Richly Field China Development Limited**

*(incorporated in Cayman Islands and continued in Bermuda with limited liability)*

## **Introduction**

We have reviewed the interim financial information set out on pages 9 to 23, which comprises the condensed consolidated statement of financial position of Richly Field China Development Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as at 30 September 2009 and the related condensed consolidated income statement, condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The directors of the Company are responsible for the preparation and fair presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## **Scope of Review**

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (“HKSRE 2410”) issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

**Pan-China (H.K.) CPA Limited**

Certified Public Accountants

Hong Kong, 11 December 2009

**Fung Pui Cheung**

Practising Certificate Number P00755

# Condensed Consolidated Income Statement

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For the six months ended 30 September 2009

	Notes	Six months ended	
		30 September	
		2009	2008
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Turnover	3	1,430	–
Cost of sales		(1,302)	–
Gross profit		128	–
Other revenue	3	196	366
Administrative and other operating expenses		(12,990)	(9,414)
Loss before taxation	5	(12,666)	(9,048)
Income tax	6	–	–
Loss for the Period		(12,666)	(9,048)
Loss attributable to equity holders of the Company		(12,666)	(9,048)
Loss per share	7		
– Basic		(0.15) cents	(0.28) cents
– Diluted		N/A	N/A

# Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2009

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

# Condensed Consolidated Statement of Financial Position

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As at 30 September 2009

		<b>30 September</b>	31 March
	Notes	<b>2009</b>	2009
		<b>HK\$'000</b>	HK\$'000
		<b>(unaudited)</b>	(audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	<b>2,273</b>	648
<b>Current assets</b>			
Properties under development	10	<b>214,781</b>	85,500
Trade and other receivables	11	<b>1,593</b>	993
Cash and bank balances		<b>363,645</b>	193,303
		<b>580,019</b>	279,796
<b>Current liabilities</b>			
Trade and other payables	12	<b>4,251</b>	2,572
<b>Net current assets</b>		<b>575,768</b>	277,224
<b>Net assets</b>		<b>578,041</b>	277,872
<b>EQUITY</b>			
Share capital	13	<b>444,044</b>	404,044
Reserves		<b>133,997</b>	(126,172)
<b>Total equity</b>		<b>578,041</b>	277,872

# Condensed Consolidated Statement of Changes in Equity

	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Capital redemption reserve HK\$'000	Translation reserve HK\$'000	Merger reserve HK\$'000	Reorganisation reserve HK\$'000	Accumulated losses HK\$'000	Total equity HK\$'000
At 1 April 2008 (audited)	16,544	142,131	69,476	109	475	1,650	-	(770,386)	(540,001)
Issue of new shares									
by way of subscription	300,000	-	-	-	-	-	-	-	300,000
Issue of new shares by way of placing	87,500	(2,625)	-	-	-	-	-	-	84,875
Transfer to reorganisation reserve	-	-	-	-	-	(1,650)	450,748	-	449,098
Total comprehensive income for the Period	-	-	-	-	307	-	-	(9,048)	(8,741)
At 30 September 2008	404,044	139,506	69,476	109	782	-	450,748	(779,434)	285,231
At 1 April 2009 (audited)	404,044	139,506	69,476	109	1,180	-	450,748	(787,191)	277,872
Issue of new shares by way of placing	40,000	273,251	-	-	-	-	-	-	313,251
Total comprehensive income for the Period	-	-	-	-	(416)	-	-	(12,666)	(13,082)
At 30 September 2009	444,044	412,757	69,476	109	764	-	450,748	(799,857)	578,041

The share premium represents the difference between the nominal amount of share capital and amounts received on issue of shares.

The contributed surplus represents the surplus arising on reduction of paid up capital during the year ended 31 March 2004.

The reorganisation reserve represents the carrying amount of net liabilities of subsidiaries, net of expenses, being disposed of under the schemes of arrangement under section 166 of the Hong Kong Companies Ordinance (Cap 32 of the Laws of Hong Kong) and section 99 of the Companies Act 1981 of Bermuda (as amended time to time). Both schemes of arrangement were sanctioned by the High Court of Hong Kong and the Supreme Court of Bermuda on 27 May 2008 and 13 June 2008 respectively.

# Condensed Consolidated Statement of Cash Flows

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*For the six months ended 30 September 2009*

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2009</b>	2008
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Net cash outflow from operating activities	<b>(141,359)</b>	(88,778)
Net cash outflow from investing activities	<b>(1,550)</b>	(128,097)
Net cash inflow from financing activities	<b>313,251</b>	384,875
Increase in cash and cash equivalents	<b>170,342</b>	168,000
Cash and cash equivalents at 1 April	<b>193,303</b>	40,323
Cash and cash equivalents at 30 September	<b>363,645</b>	208,323
Analysis of balances of cash and cash equivalents:		
Cash and bank balances	<b>363,645</b>	208,323

## 1. Basis of preparation

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

## 2. Principal accounting policies

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

### Properties under development

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

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

### New and revised Hong Kong Financial Reporting Standards (“new and revised HKFRSs”)

HKFRSs (Amendments)	Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation

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

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

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



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

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

1 Effective for annual periods beginning on or after 1 July 2009

2 Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate

3 Effective for annual periods beginning on or after 1 January 2010

4 Effective for transfer of assets from customers received on or after 1 July 2009

### 3. Turnover and other revenue

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

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

### 4. Segment information

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

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

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

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

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

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

## 5. Loss before taxation

Loss before taxation is arrived at after charging:

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

## 6. Income tax

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

## 7. Loss per share

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

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

## 8. Interim dividend

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

## 9. Property, plant and equipment

No impairment losses were recognised in respect of property, plant and equipment for both periods. During the Period, additions to property, plant and equipment amounted to approximately HK\$1,746,000 (six months ended 30 September 2008: approximately HK\$269,000) and there is no disposal of any property, plant and equipment (six months ended 30 September 2008: Nil).

## 10. Properties under development

On 14 August 2009, the Group won a bid to acquire the land use rights over a piece of land located in Hunan, the PRC, at the consideration of RMB240,000,000 (equivalent to approximately HK\$272,180,000).

Properties under development represent the acquisition deposit, design fee and other development expenses incurred as at 30 September 2009. The tender guarantee of RMB75,000,000 (approximately HK\$85,500,000) recognised under trade and other receivables as at 31 March 2009 was reclassified to conform with current period's presentation.

The Group had entered into a state-owned construction land use right transfer contract.

**11. Trade and other receivables**

	<b>30 September 2009 HK\$'000 (unaudited)</b>	31 March 2009 HK\$'000 (audited)
Deposits, prepayment and other receivables	<b>1,593</b>	993

**12. Trade and other payables**

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

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

	<b>30 September 2009 HK\$'000 (unaudited)</b>	31 March 2009 HK\$'000 (audited)
Current to 60 days	<b>1,260</b>	–

### 13. Share capital

	No. of shares '000	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.05 each		
At 31 March 2009 and 30 September 2009	20,000,000	1,000,000
Issued and fully paid:		
Ordinary shares of HK\$0.05 each		
At 1 April 2009	8,080,874	404,044
Issue of new ordinary shares by way of placing ( <i>Note</i> )	800,000	40,000
At 30 September 2009	8,880,874	444,044

*Note:*

During the Period, 800,000,000 new ordinary shares were issued upon completion of the placing exercise at HK\$0.4 per share. The total proceeds of approximately HK\$313,251,000 were raised. For further details, please refer to the Company's announcement dated 21 August 2009.

### 14. Commitments

Operating lease commitments

At 30 September 2009, the total future minimum lease payments under non-cancellable operating leases in respect of premises are analysed as follows:

	30 September 2009 HK\$'000 (unaudited)	31 March 2009 HK\$'000 (audited)
Within one year	1,046	3,189
After one year but within five years	874	892
	1,920	4,081

## **15. Post balance sheet event**

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



## Directors' and Chief Executives' Interests in Shares, Underlying Shares and Debentures

As at 30 September 2009, the interests of the directors, the chief executives and their associates, in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies, were as follows:

### Long positions

Ordinary shares of HK\$0.05 each of the Company

Name of director	Capacity	Number of issued ordinary shares held/ interested	Percentage of the issued share capital of the Company
He Guang (Note 1)	Held by controlled corporation	1,440,000,000	16.21%
Yu Xing Bao (Note 2)	Held by controlled corporation	700,000,000	7.88%
Wong Kin Fai (Note 3)	Held by his spouse	30,000	Less than 0.01%

Note:

- 1) Sino Dynamics Investments Limited, which is the registered holder of 1,440,000,000 shares, is wholly owned by Mr. He Guang. Mr. He Guang is deemed to be interested in 1,440,000,000 shares under the SFO.
- 2) Reward Ever Limited, which is the registered holder of 700,000,000 shares, is wholly owned by Mr. Yu Xing Bao. Mr. Yu Xing Bao is deemed to be interested in 700,000,000 shares under the SFO.
- 3) Mr. Wong Kin Fai is deemed to be interested in 30,000 shares held by his spouse under the SFO.

Save as disclosed above, none of the directors, the chief executive and their associates, had any interests or short positions in any share, underlying share or debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies as at 30 September 2009.

### **Substantial Shareholders**

As at 30 September 2009, other than the interests of certain directors as disclosed under the section headed "Directors' and chief executives' interests in shares, underlying shares and debentures" above, the interests and short positions of persons in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or substantial shareholders as recorded in the register of substantial shareholder required to be kept by the Company under Section 336 of the SFO were as follow:

## Long positions

Ordinary shares of HK\$0.05 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held/ interested	Percentage of the issued share capital of the Company
Sino Dynamics Investments Limited (Note 1)	Registered owner	1,440,000,000	16.21%
Reward Ever Limited (Note 2)	Registered owner	700,000,000	7.88%
Liao Chang (Note 3)	Registered owner and held by controlled corporation	2,820,000,000	31.75%
Kenton Investments Limited (Note 3)	Registered owner	1,920,000,000	21.62%
City Focus Holdings Limited (Note 3)	Registered owner	740,000,000	8.33%
Zhang Wei (Note 4)	Registered owner and held by controlled corporation	800,000,000	9.01%
Primestar Group Holdings Limited (Note 4)	Registered owner	500,000,000	5.63%

Note:

- 1) Sino Dynamics Investments Limited, which is the registered holder of 1,440,000,000 shares, is wholly owned by Mr. He Guang, an executive director of the Company.
- 2) Reward Ever Limited, which is the registered holder of 700,000,000 shares, is wholly owned by Mr. Yu Xing Bao, an executive director of the Company.
- 3) Mr. Liao Chang is interested and deemed to be interested in an aggregate of 2,820,000,000 shares. These shares are held in the following capacities:
  - i) 160,000,000 shares are held in his personal name;
  - ii) 1,920,000,000 shares are held by Kenton Investments Limited which is a company wholly-owned by Mr. Liao Chang; and

- iii) 740,000,000 shares are held by City Focus Holdings Limited which is a company wholly-owned by Mr. Liao Chang.
- 4) Ms. Zhang Wei is interested and deemed to be interested in an aggregate of 800,000,000 shares. These shares are held in the following capacities:
  - i) 300,000,000 shares are held in her personal name; and
  - ii) 500,000,000 shares are held by Primestar Group Holdings Limited which is a company wholly-owned by Ms. Zhang Wei.

Save as disclosed above, as at 30 September 2009, no person (other than the directors of the Company) who had an interest or short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

### **Directors' Interest in Contracts of Significance and Connected Party Transactions**

Save as disclosed below, having made all reasonable enquiries and based on the available books and records, the Board was not aware of any material interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Period.

On 22 January 2008, the Company, the liquidators and Richly Field Group Limited (the "Investor") entered into the convertible notes subscription agreement (the "CN Subscription Agreement"), pursuant to which the Investor has irrevocably agreed to subscribe or otherwise procure parties not being connected persons of the Company to subscribe for the convertible notes in an aggregate amount of not more than HK\$225 million at any time during the exercise period from 23 July 2008 to 22 July 2009 upon the receipt of the exercise notice.

Pursuant to the terms of the CN Subscription Agreement, the Company had the sole discretion to serve the exercise notice to the Investor during the exercise period. Upon receipt of the exercise notice, the Investor would take up or procure other note subscriber(s) to take up the convertible notes, which would be issued at its face value. If no exercise notice was served during the exercise period, the CN Subscription Agreement would lapse at the expiration of the exercise period.

On 22 July 2009, the Company announced that no exercise notice has been served during the exercise period and the CN Subscription Agreement has lapsed on 22 July 2009.

The Investor was wholly-owned subsidiary of Sino Dynamics Investments Limited which was wholly and beneficially owned by Mr. He Guang, an executive director of the Company. The Investor was a connected person of the Company under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the non-exercise of the option by the Company to request the Investor to subscribe for the convertible notes (the “Option”) constituted a connected transaction for the Company under Chapter 14A of the Listing Rules. The non-exercise of the Option is subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

On 16 September 2009, the independent shareholders approved the confirmation and ratification in respect of the non-exercise of the Option at the special general meeting. The details were disclosed in the announcements of the Company dated 12 February 2008, 22 July 2009, 18 August 2009 and the circulars of the Company dated 31 March 2008 and 31 August 2009.

### **Directors’ Interests in Competing Business**

As at the date of this report, none of the directors, the shareholders of the Company and their respective associates had any interest in a business which causes or may cause a significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

### **Management Contracts**

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Period.

## Compliance with the Code on Corporate Governance Practices

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

### Code Provision A.2.1

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

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

### Code Provision A.4.1

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

## Director’s Securities Transactions

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

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

### **Purchase, Sale or Redemption of Securities**

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

### **Sufficiency of Public Float**

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

### **Audit Committee**

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

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

## Remuneration Committee

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

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

## Changes of Information of Directors

Since the end of 31 March 2009, Mr. Chan Chi Yuen was appointed as an independent non-executive director of China Grand Forestry Green Resources Limited (stock code: 910) with effect from 18 September 2009. He resigned as an executive director of Kong Sun Holdings Limited (stock code: 295) with effect from 30 November 2009.

Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## Publication of Interim Results and Interim Report

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



**Board of Directors**

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

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

Hong Kong, 11 December 2009