RICHLY FIELD

Richly Field China Development Limited

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

(Stock Code: 313)

INTERIM REPORT

2011

CONTENTS

CORPORATE INFORMATION

Board of Directors

Executive Directors
HE Guang *(Chairman)*
WONG Kin Fai

Non-executive Directors
HUANG Shao Xiong
WANG Yuan Xun

Independent Non-executive Directors
CHO Denise Yee Man
LIU Ming Fang
HE Chuan

Audit Committee

CHO Denise Yee Man *(Chairman)*
LIU Ming Fang
HE Chuan

Remuneration Committee

HE Guang *(Chairman)*
CHO Denise Yee Man
LIU Ming Fang
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
41a 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

DEVELOPMENT AND INVESTMENT PROPERTIES – UNDER DEVELOPMENT

Number	Item Name	Location	Type of Property	Attributable Interest	Site Area	Gross Floor Area (included underground) *(Sq. m)* *(Note)*	Expected Completion Date	Lease Term
1	Wang Gua [2009] No. 6	Wangcheng County, Tengfei Village, Maqiaohe Village, Dongma Shequ	Residential, Commercial	50.75%	698.05 mu (465,363 sq. m) Net site area 610.3 mu	209,134.62		
1.1			Commercial Phase 7 Phase 8		450.96 mu (300,652.6 sq. m)	168,100 78,100 90,000	 April 2012 November 2012	Medium-term
1.2			Residential Phase 4 Phase 6		159.35 mu (106,234.4 sq. m)	41,034.62 4,708.19 36,326.43	 December 2015 June 2018	N/A
2	Wang Gua [2009] No. 16	Wangcheng County, Tengfei Village, Maqiaohe Village, Dongma Shequ	Residential, Commercial	50.75%	1,042.77 mu (695,179 sq.m) Net site area 977.5 mu	934,654.85		
2.1			Commercial Phase 7		50.09 mu (33,393.3 sq. m)	9,830.64 9,830.64	 April 2012	Medium-term
2.2			Residential Phase 1 Phase 2 Phase 3 Phase 4 Phase 5 Phase 6		927.41 mu (618,272.6 sq. m)	924,824.21 100,348.81 130,009.56 297,883.03 76,789.79 267,622.60 52,170.42	 July 2012 November 2012 August 2015 December 2015 January 2018 June 2018	N/A
3	Huailai Vintage	Huailai County, Sangyuan Town, Zhangguanying Village, Xinxiang Ling Village Northwest	Commercial	100%	156.21 mu (104,037.82 sq.m)	104,037.82	April 2014	Medium-term

Note: Due to the change of plan, the gross floor area figure disclosed for the Period was different from the last corresponding period.

The board of directors (the "Board") of Richly Field China Development Limited (the "Company") would like to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2011 (the "Period"), together with the comparative figures for the six months ended 30 September 2010.

BUSINESS REVIEW

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

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

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

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

FINANCIAL REVIEW

Results

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

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

Liquidity and Capital Resources

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

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

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

Pledge of Assets

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

Capital Commitment and Contingent Liabilities

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

Employees

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

PROSPECTS AND OUTLOOK

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

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

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

INTERIM DIVIDEND

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

The Company adopted a share option scheme on 2 November 2009 (the "Scheme"). The following are the principal terms of the Scheme:

1. Purpose of the Scheme

The purpose of the Scheme is to provide an incentive for the eligible participants to work with commitment towards enhancing the value of the Company and its shares for the benefit of the shareholders and the operation and long-term development of the Group.

2. Participants of the Scheme

Eligible participants of the Scheme include (i) any executive director, senior management personnel or employee (whether full time or part time) of the Company, any subsidiary or any invested entity which the Company or any subsidiary holds any equity interest (the "Invested Equity"); and (ii) any non-executive directors (including independent non-executive directors) of the Company, any subsidiary or any Invested Entity.

3. Total number of shares available for issue under the Scheme

The total number of shares in respect of which share options may be granted under the Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue as at the date upon which the Scheme takes effect in accordance with its terms ("Scheme Mandate").

The Company may seek approval by the shareholders in general meeting for refreshing the Scheme Mandate provided that the total number of shares in respect of which share options may be granted under the Scheme and any other share option schemes of the Company under the Scheme Mandate as refreshed must not exceed 10% of the total number of shares in issue as at the date of the shareholders' approval.

The limit on the number of shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Scheme and any other share option schemes of the Company must not exceed 30% of the shares in issue from time to time. No share options may be granted if such grant will result in this 30 per cent. limit being exceeded.

As at the date of this report, a total of 179,850,000 shares (representing approximately 2.03% of shares in issue) maybe issued by the Company if all share options which were granted under the Scheme have been exercised.

4. Maximum entitlement of each participant under the Scheme

The maximum number of shares issued and to be issued upon exercise of share options granted under the Scheme and any other share option schemes of the Company to any eligible participants (including cancelled, exercised and outstanding share options), in any 12-month period up to the date of offer must not exceed 1% of the shares in issue. Any further grant of share options in excess of the above limit shall be subject to shareholders' approval.

5. Period within which the shares must be taken up under a share option

The Board may in its absolute discretion determine the period, save that such period shall not be more than 10 years commencing on the date of offer.

6. Minimum period for which a share option must be held before it can be exercised

The Board may in its absolute discretion determine the minimum period for which a share option must be held before it can be exercised.

7. Acceptance of the Share Option

The offer of a share option made pursuant to the Scheme may be accepted within 20 business days from the date of offer and the amount payable on acceptance of the share option is HK$1.

8. Basis for determining the Exercise Price

The exercise price shall be determined by the Board and shall be at least the higher of:

(i) the closing price of the shares on the date of offer;

(ii) the average of the closing prices of the shares for the five business days immediately preceding the date of offer; and

(iii) the nominal value of a share.

9. Duration of the Scheme

The Scheme is valid until 1 November 2019.

10. Movement of Share Options

	Number of Share Options											
											Closing Price of Shares	
Eligible participants	At 1 April 2011	Granted during the Period	Exercised during the Period	Cancelled during the Period	Lapsed during the Period	At 30 September 2011	Date of offer	Vesting period	Exercise period	Exercise price	Before date of grant	Before date of exercise
Directors												
He Guang	34,500,000	–	–	–	–	34,500,000	22 December 2009	Note	Note	HK$0.428	HK$0.415	–
Wong Kin Fai	25,500,000	–	–	–	–	25,500,000	22 December 2009	Note	Note	HK$0.428	HK$0.415	–
Employees												
In aggregate	132,950,000	–	–	–	13,100,000	119,850,000	22 December 2009	Note	Note	HK$0.428	HK$0.415	–
Total	192,950,000	–	–	–	13,100,000	179,850,000						

Notes:

The vesting of the share options is conditional on the Performance Target (as defined below) during the following period in the following manner:

1. the first 25% of the share options granted will fully vest on the date of results announcement for the year ending 31 March 2011 provided that the associated Performance Target is met and the exercise period for this tranche is from the date of results announcement for the year ending 31 March 2011 to 21 December 2015;

2. the second 25% of the share options granted will fully vest on the date of results announcement for the year ending 31 March 2012 provided that the associated Performance Target is met and the exercise period for this tranche is from the date of results announcement for the year ending 31 March 2012 to 21 December 2015;

3. the third 25% of the share options granted will fully vest on the date of results announcement for the year ending 31 March 2013 provided that the associated Performance Target is met and the exercise period for this tranche is from the date of results announcement for the year ending 31 March 2013 to 21 December 2015; and

4. the final 25% of the share options granted will fully vest on the date of results announcement for the year ending 31 March 2014 provided that the associated Performance Target is met and the exercise period for this tranche is from the date of results announcement for the year ending 31 March 2014 to 21 December 2015.

The vesting of the share options is subject to the achievement of the rate of return on equity of the Group of not less than 12% ("Performance Target") for each of the financial years ending 31 March 2011, 2012, 2013 and 2014 respectively based on the reported figures as contained in the annual report of the Group for the relevant financial year. If the Performance Target is met in a particular financial year, the share options associated with that financial year will vest and can be exercised. If the Performance Target is not met in a particular financial year, the share options associated with that financial year will lapse automatically.

11. Valuation of Share Options

The fair value of each share option granted was estimated on the date of offer using the Black-Scholes option pricing model with the following assumptions:

Date of offer	:	22 December 2009
Share price at date of offer	:	HK$0.425
Exercise price	:	HK$0.428
Risk-free interest rate	:	0.314% – 1.635%
Expected dividend	:	Nil
Expected volatility	:	71.55% – 87.35%
Expected life (year)	:	1.52 to 4.52

Based on the above assumptions, the computed fair value of each share option was approximately within the range from HK$0.13 to HK$0.19. The Black-Scholes option pricing model requires input of highly subjective assumptions, including the expected stock price volatility. Any changes in the subjective input assumptions may materially affect the estimation of the fair value of a share option.

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 15 to 37, 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 2011 and the related 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 Main Board Listing 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 statements does not present fairly, in all material respects, the financial position of the Group as at 30 September 2011, and of its financial performance and its cash flows for the six-month period then ended in accordance with HKAS 34.

Pan-China (H.K.) CPA Limited
Certified Public Accountants
Hong Kong, 25 November 2011

Fung Pui Cheung
Practising Certificate Number P00755

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2011

	Notes	**Six months ended 30 September 2011 HK$'000 (unaudited)**	Six months ended 30 September 2010 HK$'000 (unaudited)
Turnover		**–**	–
Cost of sales		**–**	–
Gross profit		**–**	–
Other revenue	*3*	**468**	949
Gain on disposal of subsidiaries	*6*	**443**	6,817
Gain on winding up of a subsidiary	*6*	**–**	1,179
Selling expenses		**(4,939)**	–
Administrative and other operating expenses		**(46,597)**	(29,291)
Finance costs	*4*	**–**	–
Loss before taxation	*6*	**(50,625)**	(20,346)
Income tax	*7*	**–**	–
Loss for the period		**(50,625)**	(20,346)
Other comprehensive income:			
Exchange differences arising on translation of overseas operations		**22,079**	4,417
Total comprehensive expenses for the period		**(28,546)**	(15,929)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2011

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2011

	Notes	30 September 2011 HK$'000 (unaudited)	31 March 2011 HK$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*10*	**6,917**	6,619
Investment properties	*11*	**464,778**	390,466
Interest in an associate		**22,078**	22,976
		493,773	420,061
Current assets			
Properties under development for sale	*12*	**767,313**	629,756
Inventories	*13*	**3,491**	–
Trade and other receivables	*14*	**280,370**	218,359
Cash and bank balances		**98,246**	339,587
		1,149,420	1,187,702
Current liabilities			
Trade and other payables	*15*	**359,121**	309,993
Tax payable		**20,197**	20,476
		379,318	330,469
Net current assets		**770,102**	857,233
Total assets less current liabilities		**1,263,875**	1,277,294
Non-current liabilities			
Bank loan, secured	*16*	**367,922**	356,168
Net assets		**895,953**	921,126
EQUITY			
Share capital	*17*	**444,044**	444,044
Reserves		**153,829**	181,695
Equity attributable to owners of the Company		**597,873**	625,739
Non-controlling interests		**298,080**	295,387
Total equity		**895,953**	921,126

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company											
	Share capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000	Capital redemption reserve HK$'000	Translation reserve HK$'000	Share option reserve HK$'000	Reorganisation reserve HK$'000	Other reserve HK$'000	Accumulated losses HK$'000	Sub–total HK$'000	Non–controlling interest HK$'000	Total equity HK$'000
At 1 April 2010 (audited)	444,044	412,757	69,476	109	1,410	4,673	450,748	–	(819,281)	563,936	–	563,936
Loss for the period	–	–	–	–	–	–	–	–	(20,346)	(20,346)	–	(20,346)
Exchange differences arising on translation of overseas operations	–	–	–	–	4,417	–	–	–	–	4,417	–	4,417
Total comprehensive expenses for the period	–	–	–	–	4,417	–	–	–	(20,346)	(15,929)	–	(15,929)
Release upon winding up of a subsidiary	–	–	–	–	–	–	2,144	–	(2,144)	–	–	–
Transfer of share option reserve upon the lapse of share option	–	–	–	–	–	(1,455)	–	–	1,455	–	–	–
Recognition of equity settled share–based payment expenses	–	–	–	–	–	5,887	–	–	–	5,887	–	5,887
	–	–	–	–	–	4,432	2,144	–	(689)	5,887	–	5,887
At 30 September 2010	444,044	412,757	69,476	109	5,827	9,105	452,892	–	(840,316)	553,894	–	553,894
At 1 April 2011 (audited)	444,044	412,757	69,476	109	11,446	14,806	452,892	–	(779,791)	625,739	295,387	921,126
Loss for the period	–	–	–	–	–	–	–	–	(44,319)	(44,319)	(6,306)	(50,625)
Exchange differences arising on translation of overseas operations	–	–	–	–	12,448	–	–	–	–	12,448	9,631	22,079
Total comprehensive income for the period	–	–	–	–	12,448	–	–		(44,319)	(31,871)	3,325	(28,546)
Release upon disposal of a subsidiary	–	–	–	–	(89)	–	–	–	–	(89)	–	(89)
Transfer of share option reserve upon the lapse of share option	–	–	–	–	–	(1,005)	–	–	1,005	–	–	–
Recognition of equity settled share–based payment expenses	–	–	–	–	–	4,428	–	–	–	4,428	–	4,428
Acquisition of additional interests in a subsidiary	–	–	–	–	–	–	–	(334)	–	(334)	(632)	(966)
	–	–	–	–	(89)	3,423	–	(334)	1,005	4,005	(632)	3,373
At 30 September 2011	444,044	412,757	69,476	109	23,805	18,229	452,892	(334)	(823,105)	597,873	298,080	895,953

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

The contributed surplus reserve 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 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.

Other reserve represents the difference between the consideration paid to obtain additional 28% non-controlling interest in Quality Depot Limited ("Quality Depot") and its carrying amount of the net assets on the date of the acquisition. The excess of the fair value of the consideration over the carrying amount of the net assets acquired has been debited directly to equity. Further details are given in Note 18.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2011

	Six months ended 30 September	
	2011	2010
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Net cash outflow from operating activities	**(179,138)**	(232,589)
Net cash (outflow)/inflow from investing activities	**(61,699)**	5,391
Net cash inflow from financing activities	**–**	81,320
Decrease in cash and cash equivalents	**(240,837)**	(145,878)
Cash and cash equivalents at 1 April	**339,587**	244,057
Effect of foreign exchange rate changes	**(504)**	(384)
Cash and cash equivalents at 30 September	**98,246**	97,795
Analysis of balances of cash and cash equivalents:		
Cash and bank balances	**98,246**	97,795

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies and basis of preparation adopted in the preparation of these condensed consolidated interim financial statements are consistent with those used in the Group's audited financial statements for the year ended 31 March 2011, except for the adoption of the following new and revised standards and interpretations for the first time for the current period's financial information:

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

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

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

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

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

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

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

3. OTHER REVENUE

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

4. FINANCE COSTS

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

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

5. SEGMENT INFORMATION

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

(i) property development;
(ii) property management; and
(iii) construction and maintenance.

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

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

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

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

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

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

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

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

6. LOSS BEFORE TAXATION

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

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

Note:

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

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

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

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

7. INCOME TAX

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

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

8. LOSS PER SHARE

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

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

9. INTERIM DIVIDEND

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

10. PROPERTY, PLANT AND EQUIPMENT

	30 September 2011 HK$'000 (unaudited)	31 March 2011 HK$'000 (audited)
At beginning of the period/year	**6,619**	4,624
Additions	**1,570**	6,454
Depreciation	**(1,103)**	(1,075)
Written off	**–**	(411)
Eliminated on disposal/winding up of subsidiaries	**(359)**	(3,223)
Exchange adjustments	**190**	250
At end of the period/year	**6,917**	6,619

11. INVESTMENT PROPERTIES

	30 September 2011 HK$'000 (unaudited)	31 March 2011 HK$'000 (audited)
At beginning of the period/year	**390,466**	–
Transferred from properties under development for sale *(Note 12)*	**–**	390,466
Additions	**61,311**	–
Exchange adjustments	**13,001**	–
At end of the period/year	**464,778**	390,466
Land and properties located in the PRC		
Medium-term lease	**464,778**	390,466

No depreciation was provided for the six months ended 30 September 2011 as the investment properties were still under construction (2010: Nil).

According to the Property Valuation Reports issued by Asset Appraisal Limited, which is independent qualified valuer in Hong Kong, on 17 November 2011, the Group's investment properties and properties under development for sale were valued by reference to comparable properties of similar size, character and location.

The fair value of the Group's investment properties and the land use right where they are located as at 30 September 2011 is RMB600,950,000 (equivalent to approximately HK$737,009,000). No impairment loss was provided for the six months ended 30 September 2011 and 2010.

12. PRPOERTIES UNDER DEVELOPMENT FOR SALE

Properties under development for sale represent the acquisition costs of land use rights, design fee, aggregate cost of development, other direct expenses, an appropriate proportion of overheads and borrowing cost capitalised incurred up to 30 September 2011 in respect of the Group's property development projects in Hunan, the PRC.

	30 September 2011 HK$'000 (unaudited)	31 March 2011 HK$'000 (audited)
At beginning of the period/year	**629,756**	733,334
Additions	**116,693**	250,297
Transferred to investment properties under construction *(Note 11)*	–	(390,466)
Eliminated on disposal of subsidiaries	–	(955)
Exchange adjustments	**20,864**	37,546
At end of the period/year	**767,313**	629,756
Land and properties located in the PRC: Medium-term lease	**767,313**	629,756

As at 30 September 2011, land use right of properties under development with the carrying amount of RMB240,000,000 (equivalent to approximately HK$294,338,000) was pledged to a bank to secure an interest-bearing bank loan granted to a subsidiary of the Group as disclosed in Note 16.

13. INVENTORIES

At the date of the report, the main construction of Phase I of the Group's property development projects in Changsha, Hunan, the PRC ("Changsha Project") had been completed.

Inventories represent fashion clothes and handbags held for resale when the outlets portion of the Changsha Project commences business, and are stated at the lower of cost and net realisable value. Cost is calculated on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

14. TRADE AND OTHER RECEIVABLES

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

Note:

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

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

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

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

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

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

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

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

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

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

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

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

15. TRADE AND OTHER PAYABLES

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

Note:

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

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

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

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

16. BANK LOAN, SECURED

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

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

17. SHARE CAPITAL

	No. of shares	Amount
	'000	HK$'000
Authorised:		
Ordinary shares of HK$0.05 each		
At 31 March 2011 and 30 September 2011	20,000,000	1,000,000
Issued and fully paid:		
Ordinary shares of HK$0.05 each		
At 31 March 2011 and at 30 September 2011	8,880,874	444,044

18. ACQUISITION OF ADDITIONAL INTEREST IN A SUBSIDIARY

On 1 April 2011, Chuang Yu Holdings Limited ("Chuang Yu"), a wholly-owned subsidiary of the Group, acquired the remaining 28% equity interests in Quality Depot from its non-controlling equity holders, at a consideration of HK$966,000. Subsequent to the acquisition, Quality Depot became a wholly-owned subsidiary of Chuang Yu.

The carrying amount of the non-controlling interests in Quality Depot on the date of acquisition was approximately HK$632,000, which was recognised by Chuang Yu as a decrease in non-controlling interests, and the excess of the fair value of the consideration over the carrying amount of the net assets acquired, which was approximately HK$334,000, has been debited directly to equity attributable to the shareholders of the Company.

19. COMMITMENTS

Operating lease commitments

At the end of the reporting period, the total future minimum lease payments under non-cancelable operating leases in respect of premises are analysed as follows:

	30 September 2011 HK$'000 (unaudited)	31 March 2011 HK$'000 (audited)
Within one year	**1,803**	3,223
After one year but within five years	**455**	861
	2,258	4,084

Leases are negotiated for one to two years and the rentals are fixed during the relevant lease periods.

Capital commitments

At 30 September 2011 and 31 March 2011, the Group and the Company did not have any capital commitment.

20. EVENT AFTER THE REPORTING PERIOD

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

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

At the date of disposal, Champ Wisdom and Champ Wisdom Holdings Limited had not engaged in any business activities, and 懷來大一 just acquired the land use rights of a land situated in Hebei, the PRC, of which the details for planned development was described in Business Review on page 5 of this report.

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

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2011, 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	Number of unlisted underlying shares interested *(Note 4)*	Approximate Aggregate Percentage of the issued share capital of the Company
He Guang *(Note 1)*	Held by controlled corporation and personal interest	1,440,000,000	34,500,000	16.60%
Wong Kin Fai *(Note 2)*	Held by his spouse and personal interest	30,000	25,500,000	0.29%
Wang Yuan Xun *(Note 3)*	Held by his spouse	7,950,000	–	0.09%

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) Mr. Wong Kin Fai is deemed to be interested in 30,000 shares held by his spouse under the SFO.

3) Mr. Wang Yuan Xun is deemed to be interested in 7,950,000 shares held by his spouse under the SFO.

4) Unlisted underlying shares are share options granted to the directors pursuant to the share option scheme of the Company and details of which are set out on pages 9 to 12 of this report.

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 2011.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2011, 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 follows:

Long positions

Ordinary shares of HK$0.05 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares and unlisted underlying shares held/ interested	Approximate Percentage of the issued share capital of the Company
Sino Dynamics Investments Ltd *(Note)*	Registered owner	1,440,000,000	16.21%
Leung Ho Hing	Registered owner	2,340,000,000	26.35%

Notes: 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.

Save as disclosed above, as at 30 September 2011, 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

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.

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 deviations:

Code Provision A.2.1

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

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

Code Provision A.4.1

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

Code Provision E.1.2

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

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

DIRECTOR'S SECURITIES TRANSACTIONS

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

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

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

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, Ms. Cho Denise Yee Man (Chairman), Mr. Liu Ming Fang and Dr. He Chuan. The audit committee is mainly responsible for overseeing the Company's financial reporting system and internal control procedures; making recommendations to the Board in the appointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of such auditors; and reviewing the interim and annual reports and accounts of the Company.

The Group's unaudited consolidated financial statements for the six months ended 30 September 2011 have been reviewed by the Audit Committee.

REMUNERATION COMMITTEE

The remuneration committee (the "Remuneration Committee") was set up and consists of one executive director, Mr. He Guang (Chairman), and three independent non-executive directors, Ms. Cho Denise Yee Man, Mr. Liu Ming Fang and Dr. He Chuan.

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

DIRECTORS' REMUNERATION

The monthly director's remuneration for Mr. He Guang, Mr. Wong Kin Fai and Mr. Huang Shao Xiong was revised to HK$120,000, HK$66,000 and HK$15,000 respectively with effect from 1 July 2011. The monthly director's remuneration for each of Mr. Wang Yuan Xun, Ms. Cho Denise Yee Man, Mr. Liu Ming Fang and Dr. He Chuan was revised to HK$14,000 with effect from 1 July 2011. The monthly housing allowance was offered to Mr. He Guang at HK$30,000 with effect from 1 August 2011.

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) and Mr. Wong Kin Fai as executive directors, Mr. Huang Shao Xiong and Mr. Wang Yuan Xun as non-executive directors, and Ms. Cho Denise Yee Man, Mr. Liu Ming Fang and Dr. He Chuan as independent non-executive directors.

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

Hong Kong, 25 November 2011