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**RICHLY FIELD**  
**RICHLY FIELD CHINA DEVELOPMENT LIMITED**  
*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*  
**(stock code: 313)**

**MATTER RELATING TO THE SUSPENSION OF TRADING  
AND  
CHANGE IN DIRECTORSHIP**

**MATTER RELATING TO THE SUSPENSION OF TRADING IN THE SHARES OF RICHLY  
FIELD CHINA DEVELOPMENT LIMITED**

The board (the “Board”) of directors (the “Directors”) of Richly Field China Development Limited (the “Company”, and together with its subsidiaries, the “Group”) announces that in the afternoon of 24 April 2012, it was informed that Mr. He Guang (“Mr. He”), the Chairman of the Company and an executive Director, was arrested by the Commercial Crime Bureau of the Hong Kong Police (“CCB”) in connection with an investigation into a suspected offence in relation to knowingly publishing a written statement or account of a company about its affairs, which is or maybe misleading, false or deceptive in a material particular under Section 21 of the Theft Ordinance (the “Investigation”). Mr. He has been released on bail and has not been charged. The Company was also required to provide certain financial information and documents of the Group to CCB in relation to the Investigation. Save as disclosed above, the Company is not aware of any other employees, directors or related parties of the Company having been requested to assist the Investigation.

Based on information currently available, the Board believes that the Investigation relates to CCB’s suspicion that there was certain mistakes in the disclosure in the section headed “Management Discussion and Analysis” in the first paragraph on page 7 of the Company’s annual report for the year ended 31 March 2009, in relation to a construction project located at Nanli Lake, Dingan County in Hainan Province (海南省定安縣南麗湖), the PRC.

## SPECIAL COMMITTEE

In order to handle the Company's matters which may arise from and relate to the Investigation, the Company has set up a special committee (the "Special Committee") on 25 April 2012. The Special Committee is chaired by Mr. Huang Shao Xiong and comprises all of the non-executive Directors, namely Mr. Huang Shao Xiong and Mr. Wang Yuan Xun. Dr. He Chuan ("Dr. He"), the only remaining independent non-executive Director at the time the Special Committee was established, was also appointed as a member of the Special Committee. As set out in the paragraph headed "Resignation of Independent Non-executive Directors" below, Dr. He resigned as a member of the Special Committee with effect from 11 June 2012. The Special Committee is set up to:

- (a) closely monitor and assess the impact on the financial condition and operations of the Company and its subsidiaries (together the "Group") caused by the Investigation;
- (b) advise on the Company's timely disclosure, investor relations and regulatory compliance; and
- (c) propose recommendations to the Board concerning the actions to be taken by the Company in connection with the Investigation.

As set out in the paragraph headed "Appointment of Independent Non-executive Directors" below, Mr. Yiu was appointed as an independent non-executive Director with effect from 2 May 2012 and Mr. Hou and Mr. Lin were appointed as independent non-executive Directors with effect from 11 June 2012. Mr. Yiu, Mr. Hou and Mr. Lin were all further appointed as members of the Special Committee. The Company believes that the Special Committee would enable the Board to respond efficiently and enhance communications and transparency to the market with respect to the Investigation.

In connection thereof, the Company has engaged external auditors, Graham H. Y. Chan & Co. (the "Independent Auditors"), who are independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange of Hong Kong Limited ("Stock Exchange")), to assist the Special Committee in carrying out the relevant investigation.

Further announcement(s) will be made by the Company as regards the Investigation as and when appropriate pursuant to the requirements under the Listing Rules.

The Board, the audit committee of the Company (the "Audit Committee") and the Special Committee believe that at present, no actual or potential conflict exists between Mr. He in assisting the Investigation and in his acting as the Company's Chairman and executive Directors, by virtue of the following safeguards and considerations:

- (a) it was resolved by the Board that Mr. He shall abstain from voting in respect of any matters relating to the Investigation;
- (b) no charges have been laid against Mr. He for any offence in respect of the Investigation; and

(c) the Board, the Audit Committee and the Special Committee confirm that the Company, if requested by the CCB, will co-operate with the Investigation.

## **RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

The Board announces that, on 25 April 2012, the Company received a letter from Mr. Liu Ming Fang (“Mr. Liu”) tendering his resignation as an independent non-executive Director, a member of the Audit Committee, a member of the remuneration committee (the “Remuneration Committee”) and a member of the nomination committee (the “Nomination Committee”) of the Company with effect from 25 April 2012 so that he can spend more time on his personal business pursuits.

The Board announces that, on 11 June 2012, the Company received a letter from Dr. He tendering his resignation as an independent non-executive Director, a member of the Audit Committee, a chairman and member of the Remuneration Committee, a member of the Nomination Committee, and a member of the Special Committee with effect from 11 June 2012 due to his health problem.

Mr. Liu and Dr. He have confirmed that there is no disagreement between him and the Board and, save as disclosed above, there is no matter relating to their resignation that needs to be brought to the attention of the shareholders of the Company.

The Board would like to express its gratitude to Mr. Liu and Dr. He for their valuable contributions to the Company during the tenure of their service.

## **APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

The Board is pleased to announce that Mr. Yiu Fai Ming (“Mr. Yiu”) has been appointed as an independent non-executive Director with effect from 2 May 2012 to fill the vacancy arising from the resignation of Ms. Cho Denise Yee Man on 20 March 2012. Mr. Yiu is also appointed as the chairman and a member of the Audit Committee, a member of the Remuneration Committee and a member of the Nomination Committee.

The Board is also pleased to announce that Mr. Hou Rong Ming (“Mr. Hou”) and Mr. Lin Qi (“Mr. Lin”) have been appointed as independent non-executive Directors, members of the Audit Committee, members of the Remuneration Committee and members of the Nomination Committee with effect from 11 June 2012. Mr. Hou was further appointed as a chairman of the Remuneration Committee to replace Dr. He with effect from 11 June 2012.

Mr. Yiu, Mr. Hou and Mr. Lin are further appointed as members of the Special Committee to handle the Company’s abovementioned matter.

Mr. Yiu, aged 57, currently is an executive director of King Jet Investment Services Limited, a company engaged in the provision of business and investment advisory services to corporate clients. Mr. Yiu holds a master degree in business administration from the Open University of Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and Chartered Institute of Management Accountants, UK, an associate member of the Institute of Chartered Accountants in England and Wales and a member of the Taxation Institute of Hong Kong. Mr. Yiu has over 30 years of extensive working experience initially in accounting and auditing via serving in Price Waterhouse (now known as PricewaterhouseCoopers), and subsequently in financial management in both industrial and commercial sector (including privately-owned and listed companies in varied industries in Hong Kong). Besides, Mr. Yiu was an independent non-executive director of Asia Resources Holdings Limited (stock code: 899), a company listed in Hong Kong, during the period of December 2008 to August 2011.

Mr. Hou, aged 42, graduated from China Finance College (currently known as Central University of Finance and Economics) with outstanding academic performance in 1992. Mr. Hou was qualified as a PRC certified public accountant and obtained four qualifications to engage in consultant of investment in securities, brokerage, listing and underwriting of shares and funds. Mr. Hou is currently the deputy head of the capital operation department of GuangHong Assets Management Co, Ltd (one of the three largest state-owned assets management companies under State-owned Assets Supervision and Administration Commission, the People's Government of Guangdong Province), and the deputy general manager of 廣東廣弘投資有限公司 (Guangdong Guanghong Investment Company Limited\*) and 廣東廣弘創業投資有限公司 (Guangdong Guanghong Venture Investment Company Limited\*) respectively.

Mr. Lin, aged 43, obtained his bachelor degree in corporate management from Sun Yat-sen University in 1991. Mr. Lin also obtained the professional qualification as PRC economist. Mr. Lin has over 20 years working experience in financial and investment management. He was first engaged in the management work regarding foreign exchange trading and loan business at one of the four largest state-owned commercial banks in the PRC for 13 years, and later involved in the management and control of corporate operational risk at certain large enterprises. He is currently the managing director of Phaeton Investment Consultant Co Ltd, which is principally engaged in the provision of investment consultant services for institutional clients.

There is no service agreement of a fixed term between the Company, Mr. Yiu, Mr. Hou and Mr. Lin. The appointments of Mr. Yiu, Mr. Hou and Mr. Lin are subject to retirement by rotation and re-election in accordance with the bye-laws of the Company. The emolument of each of Mr. Yiu, Mr. Hou and Mr. Lin is HK\$14,000 per month, which was determined by the Board with reference to their duties and responsibilities with the Company, the Company's performance and the prevailing market conditions.

Save as disclosed herein, Mr. Yiu, Mr. Hou and Mr. Lin do not (i) hold any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance; (ii) have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company; (iii) hold any other position with the Company or its subsidiaries; and (iv) hold any directorship in any other public listed company during the three years preceding the date of this announcement.

Save as disclosed herein, there is no information in relation to Mr. Yiu, Mr. Hou and Mr. Lin that is required to be disclosed pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules, nor are there other matters in relation to their appointments that need to be brought to the attention of the shareholders of the Company.

Following the appointments of Mr. Hou and Mr. Lin, the Company is in compliance with Rule 3.10(1) and 3.21 of the Listing Rules on the Stock Exchange respectively.

The Board would like to welcome Mr. Yiu, Mr. Hou and Mr. Lin for joining the Company as independent non-executive Directors.

## **CONTINUE SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect from 3:10 p.m. on 24 April 2012, and it will remain suspended pending the release of further announcement(s) by the Company.

By Order of the Board  
**Richly Field China Development Limited**  
**Wong Kin Fai**  
*Executive Director*

Hong Kong, 13 June 2012

*As at the date of this announcement, 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 Mr. Yiu Fai Ming, Mr. Hou Rong Ming and Mr. Lin Qi as independent non-executive Directors.*

\* *for identification purposes only*