RICHLY FIELD

Richly Field China Development Limited

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

(Stock Code: 313)

annual report 2012

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

YIU Fai Ming (appointed on 2 May 2012)
HOU Rong Ming
(appointed on 11 June 2012)
LIN Qi (appointed on 11 June 2012)
CHO Denise Yee Man
(resigned on 20 March 2012)
LIU Ming Fang
(resigned on 25 April 2012)
HE Chuan (resigned on 11 June 2012)

Audit Committee

YIU Fai Ming *(Chairman)*
HOU Rong Ming
LIN Qi

Remuneration Committee

HOU Rong Ming *(Chairman)*
HE Guang
YIU Fai Ming
LIN Qi

Nomination Committee

HE Guang *(Chairman)*
WANG Yuan Xun
YIU Fai Ming
HOU Rong Ming
LIN Qi

Company Secretary

LO Yuen Mei

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
Canon's Court
22 Victoria Street
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 *(approximately)*	Gross Floor Area (included underground) *(approximately Sq. m)*	Expected Completion Date	Lease Term
1	Changsha Outlets	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		450.96 mu	168,100		Medium-term
			Phase 7		(300,652.6 sq. m)	78,100	completed	
			Phase 8			90,000	January 2014	
1.2			Residential		159.35 mu	41,034.62		N/A
			Phase 4		(106,234.4 sq. m)	4,708.19	June 2017	
			Phase 6			36,326.43	February 2020	
2	Changsha Outlets	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		50.09 mu	9,830.64		Medium-term
			Phase 1		(33,393.3 sq. m)	9,830.64	completed	
2.2			Residential		927.41 mu	924,824.21		N/A
			Phase 1		(618,272.6 sq. m)	100,348.81	December 2012	
			Phase 2			130,009.56	September 2014	
			Phase 3			297,883.03	October 2016	
			Phase 4			76,789.79	June 2017	
			Phase 5			267,622.60	September 2019	
			Phase 6			52,170.42	February 2020	
3	Huailai Wineries	Huailai County, Sangyuan Town, Zhangguanying Village, Xiaxiang Ling Village Northwest	Industrial (small private wine estate)	50%	156.06 mu (104,037.82 sq. m)	104,037.82	April 2014	Medium-term
4	Qinhuangdao	Central Golden Coast, Changli County, Beidaihe, Qinhuangdao Municipality	Residential, Commercial	40%	1,077 mu (717,955.03 sq.m)	502,600	December 2017	Medium-term

The board (the "Board") of directors (the "Directors") of Richly Field China Development Limited (the "Company") would like to announce the audited consolidated final results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2012 (the "Year"), together with the comparative figures for the year ended 31 March 2011.

BUSINESS REVIEW

The main business activity of the Company is investment holding. Its main subsidiaries are in the property development, property management, building construction and maintenance industry including building work, design, construction and building maintenance and the trading of fashion wears and accessories. Their operations are principally located in the PRC.

During the Year, the property market of China was at the stage of severe regulation and control. Under the strict and effective administrative control such as restrictions on multiple purchase, mortgage loan provision and price, the effects of regulation and control on the property market surfaced. The growth rate of property investment in China, area of sale and sale of commodity housing declined drastically compared with the corresponding period in the last year. For the property market in Changsha, which is the focused region of the Group, while the effect of the macroeconomic regulation and control started to surface, consumers and developers adopted the wait-and-see approach, which resulted in the drop in both supply and demand. The accumulated transaction volume showed a declining trend since September 2011, while the rate of decline increased month by month, however the selling price continued with a downward trend, yet the falling rate was gradually slowing down in the later half of the year.

The regulatory control measures launched by the PRC government had caused the slowdown in property sales of the Group, which in turn had added pressure on the Group's capital requirement and further resulted in the slowdown in the construction progress of the Changsha Project. However, during the Year, the main structural work for the "Richlyfield • Outlets Town" Residential Phase 1 was completed. The area that obtained the pre-sale permit was 48,170 m^2 and contracted area was 3,759.20 m^2. The main construction for both the "Outlets Shopping Plaza" North Zone, Commercial Phase 7, and "Outlets Town Shops", Commercial Phase 1, were also completed. Investment invitation activity is now underway. To promote investment invitation performance as well as to attract more tenants into both the "Outlets Shopping Plaza" and "Outlets Town Shops", the Group has engaged Horizon Group Properties L.P., a reputable US outlet operator, to provide professional service and advice on outlet business settings for the Group; and, coupled with this arrangement, the Group has imported from overseas branded fashion wears and accessories for sales in the outlet shops on a trial basis until all shops are leased out. Sales of these fashion wears and accessories to customers amounted to approximately HK$289,000 for the year ended 31 March 2012. The Group will consider diversifying into this business when circumstances are appealing to the Group. Up till now, Nike first opened its shop in "Outlets Shopping Plaza" North Zone on 1 May 2012, and satisfactory sale result was achieved on the first day. Brands such as Nero Giardini, Marina Militare, Gekko, Navigare, Adidas, New Balance, Zoteno, Dicos, Pizza Hut, Starbucks, KFC and 湖南樂田國際影城 (Hunan Letian International Theatre*) will join in succession later. Among them, 湖南樂田國際影城 (Hunan Letian International Theatre*) will become the theater of highest standard in Hunan. It is expected that, in the future, other international first-tier luxury brands will also be present in "Outlets Shopping Plaza" in Changsha. The outlet business at the "Outlets Shopping Plaza" will gradually nurture the market, bringing not only a continued and stable rental income source for the Group, but also at the same time accumulating and enhancing the popularity and value of the residential project.

ASSOCIATES

Huailai Wineries

During the Year, the Company and Vision Far Investments Limited ("Vision Far") entered into an agreement (the "Subscription Agreement") on 10 October 2011, pursuant to which one new share of Champ Wisdom Limited ("Champ Wisdom") was allotted to Vision Far at the consideration of US$1. As at the date of the Subscription Agreement, Champ Wisdom was a wholly-owned subsidiary of the Company with one share being issued and fully-paid. Champ Wisdom owns the entire issued share capital of Champ Wisdom Holdings Limited, which in turn owns entire equity interest in Huailai Dayi Wineries Company Limited* (懷來大一葡萄酒莊園有限公司) ("Huailia Wineries"). Huailai Wineries was a company incorporated in the PRC as a wholly-foreign-owned enterprise with total registered capital of HK$20,000,000, among which HK$12,000,000 had been fully-paid up as at the date of the Subscription Agreement. After completion of the Subscription Agreement, Huailai Wineries was indirectly owned as to 50% by the Company and indirectly owned as to 50% by Vision Far. Accordingly, Huailai Wineries became an associate of the Company after completion of the Subscription Agreement. Pursuant to the Subscription Agreement, Vision Far has paid the Company HK$10,000,000 for the amount of 50% of the paid registered capital of Huailai Wineries already being paid by the Company. In addition, Vision Far provided the Company with a loan in the amount of HK$10,000,000 with interest rate of 15% per annum payable at the end of December for each year but without a fixed term for the repayment for the principal amount HK$10,000,000.

Vision Far is a third party independent of the Company and its connected persons. As the relevant pertengage ratios in respect of the entering into the Subscription Agreement are less than 5%, the entering into Subscription Agreement does not constitute a notifiable transaction as defined under Rule 14.04 (7) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

During the Year, Huailai Wineries obtained state-owned land use rights with an area totaling 104,037.82 m^2 located in Sangyuan Town, Huailai County of Hebei Province, the PRC. Such parcel of land was jointly planned with another piece of land obtained by lease by Huailai Wineries, leveraging on the resources of the homeland of Huailai grape wine and the geographical advantage in its close proximity to Beijing. It is planned to establish a private wine estate with features of grape plantation and wine-brewing so as to fulfill the business and social, as well as travelling and leisure need of the high-end people in the region surrounding Beijing. In order to better launch the project, Huailai Wineries intends to launch a display area for the purpose of concept promotion. Currently, electricity and water supply, leveling of road and site of display area and part of the greening and plantation in such display area are completed.

Qinhuangdao Outlets

During the Year, as set out in the Company's announcement dated 6 January 2012, King Future Limited ("King Future"), the Company and Sky Speed Holdings Limited ("Sky Speed") entered into a subscription agreement, pursuant to which the Company and Sky Speed subscribed three and six new shares issued by King Future at the consideration of US$3 and US$6 respectively. As a result, Sky Speed and the Company owns 60% and 40% issued share capital of King Future respectively. King Future owns the entire issued share capital of King Future Holdings Limited, which in turn owns the entire equity interest in Qinhuangdao Outlets Real Estate Company Limited ("Qinhuangdao Outlets"). Accordingly King Future becomes an associate of the Company.

Qinhuangdao Outlets successfully obtained state-owned construction land use rights of 1,077 mu during the first quarter of 2012. Such project is located at the Golden Coast of Changli County in Qinhuangdao Municipality of Hebei Province, which is opposite to the Forest Sports Park, to the west of the coastal highway and near the Beidaihe Tourist Resort, a traditional tourist destination in Northern China. It is intended for the project to leverage on its geographical advantage and construct a large-scale seaside self-contained holiday complex consisting shopping, tourism, leisure, holiday and residential elements in one. The planning and design are underway.

CONNECTED TRANSACTIONS

Disposal of Yinchuan Outlets

As set out in the Company's announcement dated 25 June 2012, Richly Field (Beijing) Investment Consulting Co. Ltd. ("Richly Field Beijing") and 中城聯合投資集團有限公司 (Zhongcheng Lianhe Investment Group Limited*) (the "First Purchaser") and 廣州奧特萊斯名牌折扣城有限公司 (Guangzhou Outlets World Brands Discount City Company Limited*) (the "Second Purchaser", together with the First Purchaser, the "Purchasers") entered into the first equity interest transfer agreement ("First Equity Transfer Agreement") and second equity interest transfer agreement ("Second Equity Transfer Agreement") on 10 June 2011 and 16 June 2011 respectively in relation to the disposal of the entire equity interest in Yinchuan Outlets (the "Sale Equity Interest"). The total consideration for the disposal of the Sale Equity Interest is RMB6,000,000 (equivalent to approximately HK$7,358,000), with each of the First Purchaser and Second Purchaser paying RMB3,000,000 (equivalent to approximately HK$3,679,000) respectively to Richly Field Beijing within ten days for the respective date of the First Equity Transfer Agreement and the Second Equity Transfer Agreement.

As at the date of this report, Richly Field Beijing had received the consideration of RMB6,000,000 (equivalent to approximately HK$7,358,000) for the disposal of the Sale Equity Interest plus the late payment interest in the amount of RMB608,400 (equivalent to approximately HK$749,000) charged to the Purchasers pursuant to the terms of the First Equity Transfer Agreement and the Second Equity Transfer Agreement.

Yinchuan Outlets is a company incorporated in the PRC on 10 March 2011 with limited liability. The Company through Richly Field Beijing indirectly held 100% equity interest in Yinchuan Outlets before the Equity Interest Transfer Agreements.

The total registered capital of Yinchuan was RMB6 million, which was fully paid up as at 31 May 2011. The Group set up Yinchuan Outlets as a project company intended to develop an outlets project in Yinchuan. However, after relevant market research and feasibility studies, it was considered pre-mature to develop such project in Yinchuan. Therefore, the management of Richly Field Beijing decided to dispose of the entire equity interest of Yinchuan Outlets to avoid any further operating costs/expenses and to deploy the Group's resources to other opportunities. Yinchuan Outlets had not engaged in any business activities, and as such it did not record any turnover and/or profit before entering into the First Agreement and Second Agreement.

Zhongcheng Lianhe Investment Group Limited as the First Purchaser is a company incorporated in the PRC with limited liability, and it is principally engaged in investment business. Guangzhou Outlets World Brands Discount City Company Limited as the Second Purchaser is a company incorporated in the PRC with limited liability and it is principally engaged in wholesale, retail, provision of convention and exhibition services, property management, management consulting, etc.. Mr. Leung Ho Hing ("Mr. Leung"), a substantial shareholder of the Company (the "Shareholder"), held 50% of the equity interest in the Second Purchaser.

As Mr. Leung, a substantial Shareholder, held 50% of equity interest in the Second Purchaser, the Second Purchaser was a connected person of the Company as defined in Chapter 14A of the Listing Rules, and the entering into the Second Equity Interest Transfer Agreement constitutes a connected transaction under Rule 14A.13 (1) of the Listing Rules.

As the relevant percentage ratios of the Company in respect of the entering into the Second Equity Interest Transfer Agreement are less than 5%, the disposal of the Sale Equity Interest is subject to the reporting and announcement requirements and exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Entrusted Mortgage Guarantee Contract

As announced by the Company on 10 August 2012, on 16 December 2011, Hunan Richly Field Outlets Real Estate Limited ("Hunan Richly Field"), a non-wholly-owned subsidiary of the Company, entered into the entrusted mortgage guarantee contract (the "Entrusted Mortgage Guarantee Contract") with Guangzhou Haimozhai Culture Activities Planning Company Limited* (廣州海墨齋文化活動策劃有限公司) (the "Borrower"), and the guarantee contract (the "Guarantee Contract") and the mortgage contract (the "Mortgage Contract") with Shanghai Pudong Development Bank, Guangzhou Branch (the "SPD Bank") as the lender respectively. Pursuant to the Entrusted Mortgage Guarantee Contract, the Guarantee Contract and the Mortgage Contract, Hunan Richly Field provided the guarantee with maximum amount of RMB22,230,000 (the "Guarantee") and the mortgage of a parcel of land (the "Land") with an area of approximately 69,448.8 square meters located in Changsha, the PRC to the SPD Bank for the credit facility (the "Credit Facility") granted by the SPD bank to the Borrower in the amount of RMB20,000,000 with the term of one year from 8 December 2011 to 8 December 2012. Pursuant to the Entrusted Mortgage Guarantee Contract, the Borrower shall pay Hunan Richly Field total guarantee fee in the amount of RMB1,000,000, among which, RMB500,000 has been paid in July 2012 by the Borrower, which is about 6 months from the date of the drawdown of the loans/facilities under the Credit Facility, and the balance of RMB500,000 shall be payable on the date of the repayment of the such loans/facilities under the Credit Facility by the Borrower.

The Borrower is a company incorporated in the PRC in April 2006 with paid-up registered capital of RMB20,000,000, and is indirectly wholly-owned by Mr. Leung, a substantial Shareholder, and his associate. Therefore, the Borrower is a connected person of the Company as defined in Chapter 14A of the Listing Rules, and the entering into the Entrusted Mortgage Guarantee Contract, the Guarantee Contract and the Mortgage Contract constitutes a connected transaction under Rule 14A.13 (1) of the Listing Rules.

In addition to the Guarantee Contract, Mr. Leung and the SPD Bank also entered into a guarantee contract dated 16 December 2011, pursuant to which Mr. Leung provided a maximum personal guarantee in the amount of RMB22,230,000 in relation to the Credit Facility. Subsequently, on 19 January 2012, the Borrower and the SPD Bank entered into the working capital loan agreement where the SPD Bank provided the working capital loan of RMB20,000,000 with the term of one year to the Borrower with an annual interest rate of 9.184%.

According to the development progress of the Changsha Project, the Land would not be developed in the short term. As such, the management of Hunan Richly Field considered that the entering into the Entrusted Mortgage Guarantee Contract, the Guarantee Contract and Mortgage Contract was one of the ways to best utilise the assets of the Group to generate additional income. In addition, Mr. Leung also provided a personal guarantee to the SPD Bank in relation to the Credit Facility. As at the end of October 2012, the Guarantee and the Land which was mortgaged for the Credit Facility had been released.

As the Borrower is indirectly wholly-owned by Mr. Leung and his associate, and Mr. Leung is a substantial Shareholder, the Borrower is a connected person of the Company as defined in Chapter 14A of the Listing Rules, and the entering into the Entrusted Mortgage Guarantee Contract, the Guarantee Contract and the Mortgage Contract constitutes a connected transaction under Rule 14A.13 (1) of the Listing Rules.

As the relevant percentage ratios of the Company in respect of the entering into the Entrusted Mortgage Guarantee Contract, the Guarantee Contract and the Mortgage Contract are less than 5%, the entering into the Entrusted Mortgage Guarantee Contract, the Guarantee Contract and the Mortgage Contract is subject to the reporting and announcement requirements and exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Qionghai Agreement

As set out in the Company's announcement dated 6 March 2013, on 4 March 2011, Richly Field Beijing and Qionghai Millennium Investment Co., Ltd. ("Qionghai Investment") entered into an agreement (the "Qionghai Agreement"), pursuant to which, Richly Field Beijing would place the amount of RMB32,178,050 with Qionghai Investment for a term of one year commencing from 4 March 2011 to 3 March 2012. During the tenure of the Qionghai Agreement, Qionghai Investment would identify and refer suitable residential and commercial property development projects in Hainan, the PRC, to the Group. If, during the tenure of the Qionghai Agreement, Qionghai Investment could successfully identify a property project resulting in the Group entering into a land acquisition agreement or a project development agreement with the land owner(s) or the relevant local government department(s) for property development in Hainan, the relevant deposit or expenses could be paid by Qionghai Investment in a timely manner on behalf of the Group to the land owner(s) or the relevant government department(s) or relevant parties out of the RMB32,178,050 of funds. In the event that Qionghai Investment failed to identify and refer suitable property development project to the Group during the tenure of the Qionghai Agreement, Qionghai Investment would repay the principal amount of RMB32,178,050 plus relevant interest at a rate no less than the prevailing lending rate of the PBOC to Richly Field Beijing at the end of term of the Qionghai Agreement.

Qionghai Investment is a company incorporated Hainan, the PRC, with paid-up registered capital of RMB10,000,000. It is principally engaged in the provision of marketing planning services, business information services and venue leasing services and investment management. At the time of entering into the Agreement, Qionghai Investment was indirectly owned as to 54.3% by Mr. Leung and as to 45.7% by a third party independent of the Company and its connected persons. The management of Richly Field Beijing understood that Qionghai Investment had resources and good relationship with local government or land owner(s) in respect of certain property development projects in Hainan. With the launch of the concept to develop the southern island of Hainan into an international tourism island, during the second half of 2010 the management of Richly Field Beijing contacted Qionghai Investment with the intention to seek suitable property development projects in Hainan by taking advantage of Qionghai Investment's local resources and network in Hainan. In February 2011, Qionghai Investment identified two potential property development projects in Hainan (the "Potential Projects") for Richly Field Beijing's consideration.

Based on the proposal provided by Qionghai Investment, a total sum of approximately RMB35,000,000 as an initial preparation deposit was required for locating of approximately 1,000 mu land located in an area designated for tourism development in Dalu Town (大路鎮), Qionghai, Hainan, for one of the Potential Projects. According to initial plan, it was proposed that this property project would include resort hotel(s), commercial property, residential property, medical rehabilitation facilities, retirement home, eco-tourism resort. The required initial preparation deposit included approximately RMB30,000,000 for the initial deposit for the land transfer fees to be paid to the local land owner(s), approximately RMB2,820,000 for the crop compensation allowance and approximately RMB2,200,000 for other operation expenses. After having considered the proposal of Qionghai Investment and the prospects of the projects, the management of Richly Field Beijing decided to provide the aforesaid initial preparation deposit to Qionghai Investment (but excluding the required sum in the amount of RMB2,821,950 for the crop operations allowance which was considered not necessary at that stage). Subsequently, on 4 March 2011 Richly Field Beijing and Qionghai Investment entered into the Qionghai Agreement, pursuant to which Richly Field Beijing provided the initial preparation deposit in the amount of RMB32,178,050 to Qionghai Investment.

The Qionghai Agreement was entered into with the expectation that Qionghai Investment acted as an agent for the Group would be able to identify and refer one of the Potential Projects for the Group within the period of one year by taking advantage of its local resources and network in Hainan. The initial preparation deposit provided to Qionghai Investment was meant to facilitate Qionghai Investment to secure projects and illustrate availability of funds, and was intended to be applied towards one of the Potential Projects if the Group is minded to invest. The Group was not aware if Qionghai Investment had provided similar services to other companies.

In September 2011, Globe Outlets City Holdings Limited, a wholly-owned subsidiary of the Company, and development partners entered into a framework agreement (the "Framework Agreement") regarding the joint development of one of the Potential Projects. However, as at the end of February 2012, there had been no material progress regarding this project since entering into the Framework Agreement. On 27 February 2012, Richly Field Beijing requested Qionghai Investment to repay the outstanding sum of the initial preparation deposit in the amount of RMB30,678,050 plus relevant interest pursuant to the terms of the Qionghai Agreement. It was agreed by both parties that the repayment date would be extended to the end of May 2012. As at the end of May 2012, Qionghai Investment had repaid the principal amount of RMB32,178,050 plus relevant interest of approximately RMB2,574,000 to Richly Field Beijing. The interest rate charged for the principal amount of RMB32,178,050 is around 6% which is no less than the prevailing lending rate of the POBC. As Qionghai Investment had not been able to successfully refer the relevant property development project to the Group, no fee has ever been paid or payable by the Group to Qionghai Investment.

As Qionghai Investment was indirectly owned as to 54.3% by Mr. Leung, a substantial Shareholder, Qionghai Investment was a connected person of the Company as at the date of the Qionghai Agreement as defined in Chapter 14A of the Listing Rules, and the entering into of the Qionghai Agreement constitutes a connected transaction under Rule 14A.13 (1) of the Listing Rules.

As all the relevant percentage ratios of the Company in respect of the entering into of the Agreement are less than 5%, the entering into of the Qionghai Agreement should be subject to the reporting and announcement requirements but exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Ratifications of the connected transactions

During the audit of the Company's financial statements for the year ended 31 March 2012, it was found that the aforesaid transactions constituted connected transactions for the Company under Rule 14A.13 (1) of the Listing Rules.

As the Company did not publish an announcements when entering into, the Second Equity Interest Transfer Agreement, the Entrusted Mortgage Guarantee Contract, the Guarantee Contract and the Mortgage Contract, and the Qionghai Agreement, the Company did not comply with the requirements under Chapter 14A of the Listing Rules. The Company published the relevant announcements on 25 June 2012, 10 August 2012 and 6 March 2013 respectively. As announced, the Board (including all independent non-executive Directors) also ratified and confirmed that the entering into of each of the above transactions was fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In light of the above transactions, the Company has engaged external independent auditors to review the adequacy of the Company's corporate governance and internal controls and procedures. Further announcement(s) will be made by the Company as and when appropriate.

GOING CONCERN BASIS

During the Year, the Group incurred losses of approximately HK$100,377,000. As at 31 March 2012, Hunan Richly Field had an outstanding interest-bearing loan in the amount of RMB300,000,000 (equivalent to approximately HK$373,740,000), among which, RMB70,000,000 (equivalent to HK$87,206,000) would be due for the repayment by Hunan Richly Field to a PRC bank (the "PRC Bank") in November 2012.

The Group had been in negotiation with a financial institution (the "Financial Institution") regarding proposed loan arrangement in a total amount of RMB320,000,000 (equivalent to approximately HK$398,656,000) (the "Loan Arrangement"). On 8 November 2012, Hunan Richly Field, the PRC Bank and the Financial Institution entered into a debt assignment agreement, pursuant to which, the debt in the amount of RMB70,000,000 (equivalent to HK$87,206,000) due from Hunan Richly Field to the PRC Bank was assigned to the Financial Institution at a total consideration of RMB70,000,000 (the "Debt Assignment"). On the even date, Hunan Richly Field and the Financial Institution entered into a debt restructuring agreement, pursuant to which Hunan Richly Field shall repay the principal debt in the amount of RMB70,000,000 to the Financial Institution within two years, and during which Hunan Richly Field shall also pay an interest to the Financial Institution at the interest rate of 15% per annum on the principal amount of RMB70,000,000. The land use rights pledged to the PRC Bank was released by the PRC bank and other land use rights in a total area of approximately 103,782 square meters under Hunan Richly Field were pledged to the Financial Institution.

Apart from the Debt Assignment, on 19 November 2012, a company incorporated in the PRC (the "Lender"), which is an independent third party of the Company and its connected persons, a PRC bank (the "Entrust Bank") and Hunan Richly Field entered into an entrust loan agreement (委托貸款合同) (the "Entrust Loan Agreement"). Pursuant to the Entrust Loan Agreement, the Lender agreed to entrust the Entrust Bank to lend an amount of RMB250,000,000 (the "Entrust Loan") to Hunan Richly Field. The Entrust Loan has a term of two years and bears interest of 10% per annum. On the even date, pursuant to the Entrust Loan Agreement, Hunan Richly Field and the Entrust Bank entered into a loan agreement (the "Loan Agreement") in relation to the Entrust Loan. Land use rights for a total area of approximately 336,000 square meters under Hunan Richly Field were pledged to the Entrust Bank for the Entrust Loan. In addition, as part of the Loan Arrangement, pursuant to the Entrust Loan Agreement, the Financial Institution issued an undertaking letter to the Entrust Bank undertaking that in the event that Hunan Richly Field cannot repay the Entrust Loan and the relevant interest or any event of default occurs pursuant to the terms of the Loan Agreement, the Financial Institution would acquire the defaulted Entrust Loan from the Entrust Bank. The proceeds under the Entrust Loan will provide the Group with additional funds to repay its current bank debts, trade payable and to provide additional working capital for the Group.

Save for the land already pledged in connection with the Debt Assignment and the Entrust Loan, the book value (at cost) of the portion of the land of the Group, which is available for further pledging, was approximately RMB184,316,000 (equivalent to approximately HK$228,552,000) as at 30 November 2012 with total area of approximately 306,000 square meters. Based on the strong net assets value of the Group, the measures taken to-date by the Board, the expectation on the success of the Group's future operation and the continued support from its bankers and other financial institutions, the Board is of the view that the Group will have sufficient working capital to meet its financial obligations as they fall due in the next twelve months from the end of the reporting period. Accordingly, it is appropriate to prepare the consolidated financial statements on a going concern basis, notwithstanding the Group's tight cash flow position as at 31 March 2012.

FINANCIAL REVIEW

Results

Turnover for the Year amounted to approximately HK$289,000 and the corresponding last year was HK$nil. Loss attributable to owners of the Company for the Year was approximately HK$78,493,000 compared with a profit of approximately of HK$33,617,000 for the corresponding last year. Loss per share for the Year was HK$0.9 cents compared with a earnings per share of HK$0.4 cents for the corresponding last year.

During the Year, the Group did not recognize any revenue from construction work and property development which were in progress. The revenue for the Year came from a new segment revenue which accumulated to HK$289,000 that represented the sales of fashion wears and accessories.

Although construction of the Changsha Project was behind the original schedule, during the Year, the main structure work of certain parts of the Changsha Project was completed, and the Group had started the promotion programs and sales of the Changsha Project. Accordingly, during the Year, the Group has recruited additional staff for the marketing, administrative and other supporting work for the Changsha Project. As set out in Note 11 headed "(Loss)/Profit before taxation" in the consolidated financial statements of the Company for the Year, mainly due to the substantial increase in the number of employees and the marketing activities, the staff costs and corresponding other administrative expenses/costs such as office expenses, traveling expenses of the Group, etc, increased substantially as well for the Year. In addition, an impairment loss on interest in certain associates in the amount of HK$13,079,000 was made for the Year. As such, the administrative and operating expenses increased to approximately HK$110,448,000 for the Year compared with approximately HK$52,036,000 incurred for the year ended 31 March 2011.

Liquidity and Capital Resources

As at 31 March 2012, the Group's net assets amounted to approximately HK$859,588,000 as compared with net assets amounted to approximately HK$921,126,000 as at 31 March 2011. As at 31 March 2012, the Group had net current assets of approximately HK$552,116,000 including cash and cash equivalents of approximately HK$29,452,000 as compared with net current assets of approximately HK$851,534,000 including cash and cash equivalents of approximately HK$339,587,000 as at 31 March 2011. The Group's gearing ratio measured on the basis of the Group's total bank borrowings over the total equity as at 31 March 2012 was 43.48% (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 and the bank loans.

Commitments

As at 31 March 2012, the Group had property development expenditure contracted but not yet incurred and provided for in the amount of HK$215,766,000.

Contingent Liabilities

As set out in Note 29 headed "Provision" to the consolidated financial statements of the Company in this report, the construction of Changsha Project was behind the original schedule, during the Year, the Group was not able to deliver the shop premises to a number of tenants according to the agreed timetable set out in the Tenancy Agreements or the Cooperation Agreements. Pursuant to the Tenancy Agreements and the Cooperation Agreements, the tenants could terminate the agreements and/or claim against the Group for the delay in the delivery of the shop premises on the basis of loss incurred or the number of days delayed.

The Group has been in discussions with the tenants regarding the delay in the delivery of the shop premises. Some of the tenants have terminated the Tenancy Agreements and/or the Cooperation Agreements with the Group with initial deposits being refunded by the Group. For those tenants who are willing to continue to lease or cooperate with the Group, the Group has been in discussions with them regarding the revised terms of agreements by offering them certain discount on the leasing fees or rent free period as compensation for the delay. As at the end of the reporting period, the Group has not received any claims for compensation from its tenants against the Group, and no estimation can be made on the quantum of such potential compensation. With respect to the terms of the Tenancy Agreements and the Cooperation Agreements, for which the calculation of compensation have been specified, HK$325,000 was recognised as provisions for such potential claims as at 31 March 2012.

In addition, as disclosed in Note 27 to the consolidated financial statements of the Company in this report, as at 31 March 2012, Hunan Richly Field provided the Financial Guarantee with a maximum amount of RMB22,230,000 (equivalent to approximately HK$27,694,000) to a bank in respect of banking facilities granted to the Haimozhai. As at the end of October 2012, the Guarantee has been released.

Save as disclosed above, as at 31 March 2012, the Group and the Company did not have any material contingent liabilities.

Employees

Due to business developments, as at 31 March 2012, the Group employed a total of 230 employees (excluding Directors) compared with 125 employees (excluding Directors) as at 31 March 2011. 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.

PROSPECT AND OUTLOOK

In 2011, the regulatory and controlling policy for the property market in China continued to be strengthened, while the measures were further refined. The efforts in administrative means such as restrictions on multiple purchase, mortgage loan provision and price were reinforced, while there are follow-up economic measures such as new taxes and duties and tax rate and so on; ancillary measures for funding and land of affordable housing etc. were put into operation successively. The monetary policy in the first half of the year continued to tighten, the effects of the regulations and control gradually surface, the supply volume of residential land declined and there was a significant drop in transaction price. The floor price of residential land dropped significantly, the land premium rate has continued down to historic lows. The rate of decline in the transaction volume and average price for residential housing in major cities continued to expand.

Against this background, the property in Changsha developed by the Group is being affected as well. Although it is not located at the areas at which the purchase is restricted in Changsha, the mortgage loan restriction policy and the wait-and-see attitude in the market is unfavorable for the sale of the properties developed in the first phase. Hence, the Group assessed the situation and paid more attention to the development and operation of "Outlets Shopping Plaza" during the period awaiting the recovery of residential housing sales. The Outlets Plaza with a construction area of approximately 100,000 m^2 for the first phrase will introduce more brands with their entry in the Outlet Plaza. With the day-by-day expansion in the market nurtured by outlet business, the popularity and the value of the surrounding properties will be enhanced and the residential products of Outlets Town will capture the market.

In 2012, the PRC government insisted that there will be no waiver in the general direction of the regulation and control over the property market, yet the pre-set fine-tuning in monetary policy will ease the pressures of regulation and control. In the medium to long run, the overall tightness in land resources will not be reversed, the continued advance in the process of urbanization will provide a booming demand, and the real estate industry will face a better room for development. The Group will seize the opportunity and meet the challenges as well as continue to adhere to the ideology of "supporting commercial by residential housing and enhancing real estate by commercial". We will also expand our development layout across the country on a steady, practical and strengthened cooperation approach in order to create the greatest long term and stable value for our shareholders.

FINAL DIVIDEND

The Board does not recommend any final dividend for the Year (31 March 2011: Nil).

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of the subsidiaries are set out in Note 45 to the consolidated financial statements of the Company in this report.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated income statement of the Company on page 55 of this report.

There will not be a payment of a final dividend for the Year. (31 March 2011: Nil)

PLEDGE OF ASSETS

Details are set out in Note 40 to the consolidated financial statements of the Company in this report.

CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

Details are set out in Note 41 and Note 42 to the consolidated financial statements of the Company in this report.

SHARE CAPITAL

Details of the authorised and issued share capital of the Company are set out in Note 30 to the consolidated financial statements of the Company in this report.

RESERVES

Details of the movements in the reserves of the Group and the Company during the Year are set out in the consolidated statement of changes in equity on page 58 and page 59 and in Note 31 to the consolidated financial statements of the Company in this report respectively.

The Company had no distributable reserve as at 31 March 2012 (2011: Nil)

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of revenue attributable to the Group's five largest customers was less than 30% of the Group's total revenue for the Year.

The percentage of purchases cost for the year ended 31 March 2012 attributable to the Group's major suppliers are as follows:

–	the largest supplier	55%
–	five largest suppliers combined	90%

None of the Directors, their associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 166 of this report. This summary does not form part of the audited financial statements.

DIRECTORS

The Directors during the Year and up to the date of this report were:

Executive Directors:
HE Guang
WONG Kin Fai

Non-executive Directors:
HUANG Shao Xiong
WANG Yuan Xun

Independent Non-executive Directors:
YIU Fai Ming *(appointed on 2 May 2012)*
HOU Rong Ming *(appointed on 11 June 2012)*
LIN Qi *(appointed on 11 June 2012)*
CHO Denise Yee Man *(resigned on 20 March 2012)*
LIU Ming Fang *(resigned on 25 April 2012)*
HE Chuan *(resigned on 11 June 2012)*

Pursuant to Bye-Law 99, Mr. Huang Shao Xiong and Mr. Wang Yuan Xun will retire by rotation at the forthcoming annual general meeting and, being eligible, will be offering themselves for re-election.

Pursuant to Bye-Law 102(B), Mr. Yiu Fai Ming, Mr. Hou Rong Ming and Mr. Lin Qi will retire by rotation at the forthcoming annual general meeting and, being eligible, will be offering themselves for re-election.

The term of office of each non-executive Director is not specific but subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the Bye-Laws of the Company.

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

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

As at 31 March 2012, 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 of Hong Kong Limited (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 spouset 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 page 47 to page 51 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 shares, underlying shares 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 31 March 2012.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2012, other than the interests of certain directors as disclosed under the section headed "Directors' and chief executives' interests in shares and underlying shares" above, the interests and short positions of persons in the shares and underlying shares 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%

Note: 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 31 March 2012, no person (other than the directors of the Company) who had an interest or short position in the shares or underlying shares 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' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

To the best knowledge of the Board, at no time during the Year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any directors or their respective spouse or minor children, or were any such rights exercised by them, or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

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 is 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 Year.

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.

RELATED PARTY TRANSACTIONS

Details of the related party transactions are set out in Note 34 to the consolidated financial statements of the Company in this report.

MANAGEMENT CONTRACTS

The Board is not aware of any contract during the Year entered into with the management and administration of the whole or any substantial part of the business of the Company.

RETIREMENT BENEFIT SCHEMES

Details of the retirement benefit schemes are set out in Note 33 to the consolidated financial statements of the Company in this report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the Year, the Company and any of its subsidiaries did not purchase, sell or redeem any of the Company's listed shares.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws or the laws of Bermuda, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to the existing Shareholders.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules during the Year and up to the date of this report.

EVENTS AFTER THE REPORTING DATE

Details of the significant events after the reporting date of the Group are set out in Note 46 to the consolidated financial statements of the Company in this report.

AUDITORS

The consolidated financial statements of the Company for the Year were audited by Pan-China (H.K.) CPA Limited. A resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

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. Due to the delay in the publication of the financial results for the year ended 31 March 2012, as at the date of this report, the Company is still in the process of preparing interim results for the six months ended 30 September 2012. In addition, the Company has engaged external independent auditors to review the adequacy of the Company's corporate governance and internal control procedures, and such internal control review has not been completed as at the date of this report. Therefore, trading in shares of the Company on the Stock Exchange will continue to be suspended, and further announcement(s) will be made by the Company as and when appropriate.

On behalf of the Board

He Guang
Chairman

Hong Kong, 14 March 2013

CORPORATE GOVERNANCE PRACTICES

Hong Kong Exchanges and Clearing Limited (the "HKEx") revised the Corporate Governance Code (the "CG Code") effective from 1 April 2012. The HKEx encouraged companies whose shares are listed on the Stock Exchange to adopt the revised CG Code at an earlier date than 1 April 2012.

The Board is committed to aim for high standards of corporate governance and is responsible for corporate governance practices within the Group. Recognising problems in the immediate past, the Board aims to build and effectively operate an efficient and transparent corporate governance system by focusing on three concepts, namely fulfilling management accountability, achieving management transparency, and pursuing high business ethics. This is intended to promote sustained growth while earning support from stakeholders. Through external advisors, the Board is reviewing the corporate governance duties and function to be performed by each member of the Board and different committees, by establishing written corporate governance policies. Besides, in discharging its responsibilities to ensure that the Company complies with revised CG code, the Board has set up several committees, namely, audit committee, remuneration committee and nomination committee, by establishing terms of reference and theirs duties, responsibilities and powers. These will also be reviewed.

The Board confirms that the Company was in compliance with the former CG Code throughout the Year and the revised CG Code since 1 January 2012, except for the following deviations:

Code Provision A.1.7

This provision requires that if a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter shall be dealt by physical board meeting rather than a written resolution. Independent non-executive directors, who, and whose associates, have no material interest in the transaction should be present at that board meeting.

As set out in paragraphs headed "Connected transactions" under the section headed "Management Discussion and Analysis" above, the transactions contemplated under the Second Agreement, Entrusted Mortgage Guarantee Contract, the Guarantee Contract and the Mortgage Contract with the SPD Bank; and the Advance Agreement constituted connected transactions which should be subject to reporting, announcement but exempted from the independent shareholders' approval requirement pursuant to Rule 14A.13(1) of the Listing Rules. However, the Company failed to report and announce the aforesaid agreements and contracts in time, and thus is in breach of the Listing Rules.

The Company published the relevant announcements on 25 June 2012, 10 August 2012 and 6 March 2013 respectively. The Board (including all independent non-executive directors) has ratified and confirmed that the entering into of each of the above transactions was fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company has engaged external independent auditors to review the adequacy of the Company's corporate governance and internal control procedures. Further actions and measures will be taken by the Company in this regard.

Code Provision A.2.1

This provision states that the roles of chairman and chief executive officer should be separate 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 of the Company, and there is no other person designated as chief executive officer of the Company. The Board believes that this structure helps to maintain strong and effective leadership and leads to a highly efficient decision making process. The Board will continue to review this situation periodically and, if the Company is able to identify a suitable candidate, will appoint such person to become the chief executive officer of the Company when appropriate.

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 subsequent annual general meetings in accordance with the Company's Bye-Laws and Code Provision A.4.2, and have their term of appointment would be of a length of not more than 3 years. 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 that in the CG Code.

Code Provision C.1.3

In preparing the consolidated financial statements, the Board has carefully considered the future liquidity of the Group in light of the fact that the Group incurred losses of approximately HK$100,377,000, and as at 31 March 2012, Hunan Richly Field has an outstanding interest-bearing loan in the amount of RMB300,000,000 (equivalent to approximately HK$373,740,000), among which, RMB70,000,000 (equivalent to HK$87,206,000) would be due for the repayment by Hunan Richly Field to the PRC Bank in November 2012.

As set out in Note 3 headed "Basis of presentation" in the consolidated financial statements and the paragraphs headed "Going concern basis" in the "Business Review" section in this report, in addition to a debt restructuring agreement entered into between Hunan Richly Field and the Financial Institution regarding the assignment of the loan in the amount of RMB70,000,000 from the PRC Bank to the Financial Institution, Hunan Richly Field also entered into the Loan Agreement with the Entrust Bank in relation to the Entrust Loan in the amount of RMB250,000,000. The proceeds under the Entrust Loan will provide the Group with additional funds to repay its current bank debts, trade payable and to provide additional working capital for the Group.

Save for the land already pledged in connection with the Debt Assignment and the Entrust Loan, the book value (at cost) of the portion of the land of the Group, which is available for further pledging, was approximately RMB184,316,000 (equivalent to approximately HK$228,552,000) as at 30 November 2012 with total area of approximately 306,000 square meters. Based on the strong net assets value of the Group, the measures taken to-date by the Board, the expectation on the success of the Group's future operation and the continued support from its bankers, the Board is of the view that the Group will have sufficient working capital to meet its financial obligations as they fall due in the next twelve months from the end of the reporting period. Accordingly, it is appropriate to prepare the consolidated financial statements on a going concern basis, notwithstanding the Group's tight cash flow position as at 31 March 2012.

Code Provision D.1.1

This provision requires that when the board delegates aspects of its management and administration functions to management, it must, as the same time, give clear directions as to the management's powers, in particular, where management should report back and obtain prior board approval before making decisions or entering into any commitments on the issuer's behalf.

At present, the Company has no sufficient written procedures documenting the clear directions as to the delegations of authorities of the Board as to the management's powers, and where management should report back and obtain prior Board approval before making decisions or entering into any commitments on the Company's behalf.

The Company has engaged external independent auditors to review and adequacy of the Company's corporate governance and internal control procedures. Further actions and measures will be taken by the Company in this regard.

Code Provision D.1.2

This provision requires that an issuer should formalize the functions reserved to the board and those delegated to management. It should review those arrangements periodically to ensure that they remain appropriate to the issuer's needs.

Currently, the Company has no sufficient written procedures to formalize the functions reserved to the Board and those delegated to the management.

The Company has engaged external independent auditors to review the adequacy of the Company's corporate governance and internal control procedures. Further actions and measures will be taken by the Company in this regard.

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, the chairman of the audit, remuneration and nomination committees did not attend the AGM held on 9 August 2011 as they were engaged in an important business meeting overseas. The said AGM was chaired by an executive director.

Non-compliance with Rules 13.46(2), 13.48(1), 13.49(1) and 13.49(6) of the Listing Rules

Pursuant to Rule 13.49(1) of the Listing Rules, the Company is required to publish its preliminary results in respect of financial year ended 31 March 2012 (the "2012 Annual Results") no later than three months after the end of the financial year, i.e. 30 June 2012. Pursuant to Rule 13.49(6) of the Listing Rules, the company is required to publish its preliminary results in respect of six months ended 30 September 2012 no later than two months after the end of the six-month period, i.e. 30 November 2012.

Pursuant to Rule 13.46(2) of the Listing Rules, the Company is required to dispatch to every Shareholders and other holder of its listed securities its annual report not more than four months after the end of the financial year ended 31 March 2012, i.e. 31 July 2012. Pursuant to Rule 13.48(1) of the Listing Rules, the Company is required to dispatch to every Shareholders and other holder of its listed securities its interim report not more than three months after the end of the six-month period, i.e. 31 December 2012.

However, mainly due to (i) the disagreements between the Company and its auditors on the valuation of certain inventories; (ii) lack of sufficient audit evidence of a loan due by an associate of the Company; and (iii) the auditors' reservation about the sufficiency of the Company's cash flow and ability to operate on a going concern basis, the Company was unable to publish the 2012 Annual Results and to dispatch its annual report for the year ended 31 March 2012 within the prescribed time limit set out in the relevant Listing Rules. Due to the delay in publication of the 2012 Annual Results, the publication of the Company's interim results for the six months ended 30 September 2012 and the dispatch the Company's interim report for the six months ended 30 September 2012 are delayed. The Board acknowledges that the delay in the publication of this announcement constitutes non-compliance with Rules 13.46(2), 13.48(1), 13.49(1) and 13.49(6) of the Listing Rules.

Non-Compliance with independent non-executive directors' minimum number

Ms. Cho Denise Yee Man ("Mr. Cho") tendered her resignation as an independent non-executive director, chairman and a member of the audit committee, a member of the remuneration committee and a member of the nomination committee of the Company with effect from 20 March 2012.

Mr. Liu Ming Fong ("Mr. Liu") tendered his resignation as an independent non-executive director, a member of the audit committee, remuneration committee and nomination committee of the Company with effect from 25 April 2012.

Following the resignations of Ms. Cho and Mr. Liu, the number of the independent non-executive directors and the audit committee members of the Company fell below the minimum number required under Rules 3.10(1) and 3.21 of the Listing Rules.

As announced by the Company on 13 June 2012, Mr. Yiu Fai Ming and Mr. Hou Rong Ming and Mr. Lin Qi were appointed as the independent non-executive Directors. Following their appointments, the Company is in compliance with Rule 3.10(1) and 3.21 of the Listing Rules.

BOARD OF DIRECTORS

Composition

As at the date of this report, the Board comprises of seven Directors including two executive Directors, two non-executive Directors, and three independent non-executive Directors.

The Board is responsible for the leadership and control of the Company and oversees the Company's businesses, investment and strategic decisions and performance. In addition, the Board has also delegated various responsibilities to the board committees. Further details of these board committees are set out in this report.

Executive Directors:
HE Guang
WONG Kin Fai

Non-executive Directors:
HUANG Shao Xiong
WANG Yuan Xun

Independent Non-executive Directors:
YIU Fai Ming
HOU Rong Ming
LIN Qi

The Board members have no financial, business, family or other material/relevant relationships with each other. The biographical information of the directors are set out on page 44 to page 46 of this report.

Chairman

The chairman of the Company takes the lead in formulating overall strategies and policies of the Company; ensures the effective performance by the Board of its functions, including compliance with good corporate governance practices and encourages and facilitates active contribution of directors in Board activities. He also ensures that all directors are properly briefed on issues arising at Board meetings and have received adequate, complete and reliable information in a timely manner with the assistance of the company secretary.

Executive Directors

The executive Directors are responsible for running the Company and executing the strategies adopted by the Board. They lead the Company's management team in accordance with the directions set by the Board and are responsible for ensuring that proper internal control system is in place and the Company's business conforms to applicable laws and regulations.

Non-executive Directors and independent non-executive Directors

The non-executive Directors and the independent non-executive Directors serve the important function of ensuring and monitoring an effective corporate governance framework. Their participation provides adequate checks and balances to safeguard the interests of the Company and its shareholders as a whole. The Board currently consists of three independent non-executive Directors and one of them has appropriate professional qualifications or accounting or related financial management expertise. The Company has received from each of the independent non-executive Directors a confirmation of independence for the Year pursuant to Rule 3.13 of the Listing Rules.

On this basis, the Board considers all such Directors to be independent.

Board Meetings and General Meetings

During the Year, the Board held 17 regular/special Board meetings, one AGM and one special general meeting (the "SGM"). The attendance of each member at the Board meetings and general meetings is set out below:

Name	Meetings Attended/Held		
	Board	**AGM**	**SGM**
Executive Directors:			
He Guang *(Chairman)*	17/17	0/1	0/1
Wong Kin Fai	16/17	1/1	1/1
Non-executive Directors:			
Huang Shao Xiong	16/17	0/1	0/1
Wang Yuan Xun	14/17	0/1	0/1
Independent Non-executive Directors:			
Cho Denise Yee Man (resigned on 20 March 2012)	16/16	0/1	0/1
Liu Ming Fang (resigned on 25 April 2012)	17/17	0/1	0/1
He Chuan (resigned on 11 June 2012)	14/17	0/1	0/1

Board minutes are kept by the company secretary and are open for inspection by the Directors. Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the company secretary, and has the liberty to seek external professional advice if so required.

DIRECTORS RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Company's financial statements for each financial period and to ensure that the financial statements are in accordance with statutory requirements and applicable accounting standards. The Board also ensures the timely publication of the financial statements. The Directors, having made appropriate enquiries, confirm that they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the auditors of the Company regarding their responsibilities on the financial statements is set out in the Independent Auditors' Report on page 52 to page 54 of this report.

TRAINING FOR DIRECTORS

Each newly appointed Director receives comprehensive, formal induction to ensure that he/she has appropriate understanding of the business and his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

The continuous professional development is provided to all Directors at the Company's expense to develop and refresh their knowledge and skills to assist them to discharge their duties. This is to ensure that their contribution to the Board remains informed and relevant. Since 1 January 2012, all Directors satisfied the revised CG code on directors' training by either attending seminars, attending in-house briefings or reading material relevant to the Director's duties and responsibilities.

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 confirms that all Directors have complied with the Model Code throughout the Year.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the Listing Rules. 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.

During the Year, the Audit Committee comprised three independent non-executive Directors, namely Ms. Cho Denise Yee Man (Chairman), Mr. Liu Ming Fang and Mr. He Chuan. Following their resignations during March to June 2012, new members were appointed to the Audit Committee. Currently, the Audit Committee comprises three independent non-executive Directors, namely, Mr. Yiu Fai Ming (Chairman), Mr. Hou Rong Ming and Mr. Lin Qi.

The consolidated financial statements of the Company for the Year have been reviewed by the Audit Committee, who is of the opinion that such statements comply with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

The Audit Committee held three meetings during the Year. Details of attendance are set out below:

Name	**Meetings attended/Held**
Cho Denise Yee Man *(Chairman)* (resigned on 20 March 2012)	3/3
Liu Ming Fang (resigned on 25 April 2012)	3/3
He Chuan (resigned on 11 June 2012)	3/3

REMUNERATION COMMITTEE

The Company has established a remuneration committee (the "Remuneration Committee") with written terms of reference in compliance with the Listing Rules. 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.

During the Year, the Remuneration Committee comprised one executive Director, Mr. He Guang, and three independent non-executive Directors, namely Ms. Cho Denise Yee Man, Mr. Liu Ming Fang and Mr. He Chuan (Chairman). Following resignations of the three independent non-executive Directors during March to June 2012, new members were appointed to the Remuneration Committee. Currently, the Remuneration Committee comprises one executive Director, Mr. He Guang, and three independent non-executive Directors, namely, Mr. Yiu Fai Ming, Mr. Hou Rong Ming (Chairman), and Mr. Lin Qi.

During the Year, the Remuneration Committee held four meetings to discuss about the remuneration package of Directors and senior management. Details of attendance are set out below:

Name	Meetings attended/Held
Executive Director:	
He Guang	4/4
Independent Non-executive Directors:	
He Chuan *(Chairman)* (resigned on 11 June 2012)	4/4
Cho Denise Yee Man (resigned on 20 March 2012)	4/4
Liu Ming Fang (resigned on 25 April 2012)	4/4

In order to comply with the revised CG Code, Mr. He Guang ceased to be the chairman of the Remuneration Committee and remained as a member of the Remuneration Committee, and Dr. He Chuan has been appointed as chairman of the Remuneration Committee with effect from 1 January 2012.

NOMINATION COMMITTEE

The Company has established a nomination committee (the "Nomination Committee") with written terms of reference in compliance with the Listing Rules. The Nomination Committee is mainly responsible for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board, making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, identifying individuals suitably qualified to become member of the Board and making recommendations to the Board on the selection of individuals nominated for directorships, assessing the independence of independent non-executive directors, and making recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors.

During the Year, the Nomination Committee comprised one executive Director, Mr. He Guang, one non-executive Director, Mr. Wang Yuan Xun, and three independent non-executive Directors, namely, Ms. Cho Denise Yee Man, Mr. Liu Ming Fang and Mr. He Chuan. Following resignations of the three independent non-executive Directors during March to June 2012, new members were appointed to the Nomination Committee. Currently, the Nomination Committee comprises one executive Director, Mr. He Guang (Chairman), one non-executive Director, Mr. Wang Yuan Xun, and three independent non-executive Directors, namely, Mr. Yiu Fai Ming, Mr. Hou Rong Ming, and Mr. Lin Qi.

During the Year, the Nomination Committee held one meeting to review the structure, size and composition of the Board. Details of attendance are set out below:

Name	Meetings attended/Held
Executive Director:	
He Guang *(Chairman)*	1/1
Non-executive Director:	
Wang Yuan Xun	1/1
Independent Non-executive Directors:	
Cho Denise Yee Man (resigned on 20 March 2012)	0/1
Liu Ming Fang (resigned on 25 April 2012)	1/1
He Chuan (resigned on 11 June 2012)	0/1

INTERNAL CONTROL

The Board has overall responsibilities for maintaining sound and effective internal control system of the Company. The Board has delegated to the management for the implementation of such systems of internal controls as well as the review of relevant financial, operational and compliance controls and risk management procedures. The Audit Committee was established for conducting a review of the internal control of the Company which cover the material controls including financial, operational and compliance controls and risk management functions.

As set out in pages 7 to 13 in this report under the section headed "Management Discussion and Analysis", in light of the transactions, the Company has engaged external independent auditors to review the adequacy of the Company's corporate governance and internal control and procedures. Further announcement(s) will be made by the Company in this regard.

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.

AUDITORS' REMUNERATION

During the Year, the remuneration in respect of audit and non-audit services provided by the Company's auditors is set out below:

Services rendered	Fee paid/payable *HK$'000*
Audit services	900
Non-audit services	400

The nature of non-audit services provided by the Company's auditors was the independent review of the interim results of the Group as at 30 September 2011 during the Year.

INVESTOR RELATIONS

During the Year, the Company has proactively enhanced its corporate transparency and communications with its shareholders and the investment community through its mandatory interim and final reports announcements. Through the timely distribution of press releases, the Company has also kept the public abreast of its latest developments.

COMMUNICATION WITH SHAREHOLDERS

The annual general meeting provides a useful forum for shareholders to exchange views with the Board. The Chairman as well as Chairman of the Audit, Remuneration and Nomination Committees and members of these committees are pleased to answer shareholders' questions. Separate resolutions are proposed at general meetings on each substantially separate issue, including the election of individual directors. All the announcements and circulars are published on the Company's website (http://www.equitynet.com.hk/richlyfield) and on the website of the Stock Exchange (http://www.hkexnews.hk).

SHAREHOLDERS' RIGHTS

The way in which Shareholders of the Company can convene a special general meeting of the Shareholders ("SGM")

The Directors notwithstanding anything in its Bye-laws shall, on the requisition of Shareholder(s) holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit of the requisition that carries the right of voting at general meetings of the Company, forthwith proceed duly to convene a SGM of the Company.

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the company secretary at the Company's principal place of business in Hong Kong at Unit 1208, 12/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong, and may consist of several documents in like form each signed by one or more requisitionists.

The request will be verified with the Company's share registrars and upon their confirmation that the request is proper and in order, the company secretary will ask the Board to include the resolution in the agenda for the SGM.

If the Board does not within 21 days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

The procedures for sending enquiries to the Board

The enquiries must be in writing with contact information of the requisitionists and deposited at the company secretary at the Company's principal place of business at Unit 1208, 12/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.

The procedures for making proposals at Shareholders' Meetings

To put forward proposals at AGM or SGM, the Shareholders should submit a written notice of those proposals with their detailed contact information to the company secretary at the Company's principal place of business at Unit 1208, 12/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong. The request will be verified with the Company's share registrars and upon their confirmation that the request is proper and in order, the company secretary will ask the Board to include the resolution in the agenda for the general meeting.

The notice period to be given to all the Shareholders for consideration of the proposal raised by the Shareholders concerned at AGM or SGM varies according to the nature of the proposal, as follows:

- At least 14 clear days' notice (the notice period must include 10 business days and excludes the date of the notice and the date of the meeting) in writing if the proposal constitutes an ordinary resolution of the Company

- At least 21 clear days' notice (the notice period must include 20 business days and excludes the date of the notice and the date of the meeting) in writing if the proposal constitutes a special resolution of the Company in SGM or an ordinary resolution of the Company in AGM

The procedures that Shareholders can use to propose a person for election as a Director

Other than a retiring director, any person who is not recommended by the Board shall not be eligible to be elected as a director at any general meeting, unless notice in writing of the intention to propose that person for election as a director and notice in writing by that person of his willingness to be elected including that person's biographical details as required by rule 13.51(2) of the Listing Rules, shall have been lodged at the company secretary at the Company's principal place of business at Unit 1208, 12/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong at least 7 days before the date of the general meeting. The period for lodgment of the notices required under the provisions of the Bye-laws of the Company will commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting. If the notice is received less than 10 clear business days prior to the date of such general meeting, the Company will need to consider the adjournment of such general meeting in order to allow Shareholders 14 days' notice (the notice period must include 10 clear business days) of the proposal.

SIGNIFICANT CHANGES IN THE COMPANY'S BYE-LAWS

During the Year, in order to bring the Bye-laws of the Company up to date and in line with the current revised requirements under the Listing Rules with effect from 1 January 2012, the special resolution for amendments to the Bye-laws was passed by the Shareholders at the SGM dated 6 January 2012.

The key proposed amendments to the Bye-laws include (1) to bring the Bye-laws in line with the current revised requirements of the Listing Rules, in particular but not limited to Code on Corporate Governance Practices set out in Appendix 14 of the Listing Rules; and (2) other house-keeping improvements to the Bye-laws.

The major amendments include the following:

- to state that a physical board meeting should be held to discuss resolutions on a material matter where a director or substantial shareholder has a conflict of interest rather than a written board resolution;

- to remove 5% threshold for voting on a resolution in which a director has an interest;

- to allow the chairman at a general meeting to exempt procedural and administrative matters from voting by poll; and

- to require shareholder approval at a general meeting of any proposal to appoint an auditor and to remove an auditor before the end of its term of office.

EXECUTIVE DIRECTORS

Mr. HE Guang ("Mr. He")

Mr. He, aged 54, was appointed as an executive director of the Company on 23 July 2008. Mr. He was an executive director and vice-president of Beijing Capital Land Limited (HKEX stock code: 2868) from December 2002 to December 2008. In the past, Mr. He was responsible for project management in the New Rank Group in Hong Kong since 1998. During the period from late 1996 to 1998, Mr. He worked as a senior engineer for C.M. Wong Associates Limited in Hong Kong, which is a firm of consulting engineers specializing in structural and geo-technical engineering projects. Mr. He has also worked as a senior architect and engineer for TCL Construction Development Limited in Canada from May 1996 to December 1996 and was responsible for designing several development projects in Canada and in Hong Kong. Prior to his position at Beijing Capital Land Limited, Mr. He also served as a member of the senior management of Beijing Rongjin Real Estate Development Company Limited, a PRC property development company. Mr. He has over 25 years of experience in architectural engineering and obtained his doctorate in civil engineering from the University of Montreal, Canada in 1996.

Mr. WONG Kin Fai ("Mr. Wong")

Mr. Wong, aged 44, was appointed as an executive director of the Company on 23 July 2008. Mr. Wong is a qualified cost engineer practising in quantity surveying and project management. He has over 15 years of experience in the construction industry and is principally engaged in the provision of consultancy services to construction projects in Hong Kong and the PRC. Mr. Wong obtained a master of science degree in engineering business management from the University of Warwick in 1993 and a postgraduate diploma in quantity surveying from the University of Hong Kong in 1997. Mr. Wong is an accredited Quantity Surveyor with the Academy of Experts (England).

NON-EXECUTIVE DIRECTORS

Mr. HUANG Shao Xiong ("Mr. Huang")

Mr. Huang, aged 49, was appointed as a non-executive director of the Company on 13 August 2010. Mr. Huang holds a master of business administration degree from Murdoch University, Western Australia and a postgraduate certificate in financial management. Mr. Huang worked as an audit team leader in the inland revenue department of Guangzhou, People's Republic of China for about 11 years and then pursued his career in the investment and property development industry since 1994. Mr. Huang is currently the general manger of Guangzhou XiangNeng Investment Group Company Limited and Guangzhou ZhongQingXinZhou Property Development Company Limited.

Mr. WANG Yuan Xun ("Mr. Wang")

Mr. Wang, aged 67, was appointed as a non-executive director of the Company on 13 August 2010. Mr. Wang holds a bachelor degree from the University of International Business & Economics Beijing and the Shanghai Foreign Trade Institute and a master degree from the University of Regina. Prior to joining the Company, Mr. Wang worked as a general manager for The Asia Pacific Group (Canada) in Vancouver and a special project manager in cooperation with Beijing Capital Group Limited. Mr. Wang served in a managerial position with CCG Trade & Development Corporation, KaiLi Machinery Imp/Exp Corporation and World Golden Bridge Investment Group. Mr. Wang has extensive experience in management.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. YIU Fai Ming ("Mr. Yiu")

Mr. Yiu, aged 57, was appointed as an independent non-executive director of the Company on 2 May 2012. Mr. Yiu currently is the 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. Mr. Yiu 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 extensive working experience initially in accounting and auditing via serving in Price Waterhouse (now known as PricewaterhouseCoopers) and subsequently in financial management in both the 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 (HKEX stock code: 899) during the period of December 2008 to August 2011.

Mr. HOU Rong Ming ("Mr. Hou")

Mr. Hou, aged 42, was appointed as an independent non-executive director of the Company on 11 June 2012. Mr. Hou 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 and 廣東廣弘創業投資有限公司 respectively.

Mr. LIN Qi ("Mr. Lin")

Mr. Lin, aged 44, was appointed as an independent non-executive director of the Company on 11 June 2012. Mr. Lin 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 stated-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.

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 86,212,500 shares (representing approximately 0.97% of shares in issue) maybe issued by the Company if all share options which were granted under the Scheme have been exercised.

As at 31 March 2012, 38,687,500 share options were exercisable (2011: Nil).

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 Year	Exercised during the Year	Cancelled during the Year	Lapsed during the Year	At 31 March 2012	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	–	–	–	38,200,000	94,750,000	22 December 2009	Note	Note	HK$0.428	HK$0.415	–
Total	192,950,000	–	–	–	38,200,000	154,750,000						

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 were vested on the date of results announcement for the year ending 31 March 2011 in which Performance Target was 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 were lapsed on the date of results announcement for the year ending 31 March 2012 in which Performance Target was not met;

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.

The share options outstanding as at 31 March 2012 had a weighted average remaining contractual life of 2.7 years (2011: 2.98 years).

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 SHAREHOLDERS OF
RICHLY FIELD CHINA DEVELOPMENT LIMITED
(incorporated in the Cayman Islands and continued in Bermuda with limited liability)

We have audited the consolidated financial statements of Richly Field China Development Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 55 to 165, which comprise the consolidated and company statements of financial position as at 31 March 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company ("Directors") are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of the report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2012, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to Note 3 to the consolidated financial statements which indicates that the Group (i) incurred losses of approximately HK$100,377,000 for the year ended 31 March 2012; and (ii) had an outstanding interest-bearing loan due to a bank in the amount of RMB300,000,000 (equivalent to approximately HK$373,740,000), among which, RMB70,000,000 (equivalent to HK$87,206,000) was due for the repayment in November 2012. The Group subsequently did not have adequate liquid funds on hand to meet the repayment obligation, and a debt assignment was only completed in November 2012. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern as at 31 March 2012.

As explained in Note 3 to the consolidated financial statements, a new entrust loan of RMB250,000,000 (equivalent to approximately HK$300,000,000) was obtained by the Group in November 2012, and the consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the success of the Group's future operations to enable the Group to meet its financial obligations as and when they fall due for the foreseeable future. The consolidated financial statements do not include any adjustments that would result from the failure to operate as a going concern. We consider that adequate disclosures have been made.

PAN-CHINA (H.K.) CPA LIMITED
Certified Public Accountants
Lee Ping Kai
Practising Certificate Number: P02976

20/F., Hong Kong Trade Centre,
161-167 Des Voeux Road Central,
Central, Hong Kong,
Hong Kong S.A.R., China
14 March 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2012

	Notes	2012	2011
		HK$'000	*HK$'000*
Turnover	7	**289**	–
Cost of sales		**(197)**	–
Gross profit		**92**	–
Other revenue	8	**18,492**	177,946
Gain on disposal of subsidiaries		**7,219**	6,481
Gain on winding up of a subsidiary		**–**	1,179
Share of results of the associates		**(9,872)**	–
Selling expenses		**(5,860)**	(2,882)
Administrative and other operating expenses	11	**(110,448)**	(52,036)
Finance costs	9	**–**	–
(Loss)/profit before taxation	11	**(100,377)**	130,688
Income tax	12	**–**	(36,454)
(Loss)/profit for the year		**(100,377)**	94,234
Other comprehensive income:			
Exchange differences arising on translation of overseas operations		**34,623**	19,312
Total comprehensive (expenses)/income for the year		**(65,754)**	113,546
(Loss)/profit attributable to:			
Owners of the Company		**(78,493)**	33,617
Non-controlling interests		**(21,884)**	60,617
		(100,377)	94,234
Total comprehensive (expenses)/income attributable to:			
Owners of the Company		**(58,170)**	43,664
Non-controlling interests		**(7,584)**	69,882
		(65,754)	113,546
(Loss)/earnings per share attributable to the owners of the Company			
– Basic	15	**(0.9) cents**	0.4 cents
– Diluted	15	**(0.9) cents**	0.4 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2012

	Notes	2012 *HK$'000*	2011 *HK$'000* (Restated)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	16	**5,626**	6,619
Investment properties	17	**554,746**	396,165
Interests in associates	18	**33,634**	22,976
		594,006	425,760
Current assets			
Properties under development for sale	20	**855,557**	641,865
Inventories	21	**14,475**	–
Trade and other receivables	22	**56,980**	180,156
Amount due from an associate	18	**89,590**	–
Amounts due from related companies	23	**47,322**	38,203
Cash and bank balances		**29,452**	339,587
		1,093,376	1,199,811
Current liabilities			
Trade and other payables	24	**425,301**	309,993
Amounts due to related companies	25	**7,936**	17,808
Bank loan, secured	26	**87,206**	–
Financial guarantee obligation	27	**882**	–
Tax payable		**19,610**	20,476
Provision	29	**325**	–
		541,260	348,277
Net current assets		**552,116**	851,534
Total assets less current liabilities		**1,146,122**	1,277,294
Non-current liabilities			
Bank loan, secured	26	**286,534**	356,168
Net assets		**859,588**	921,126
EQUITY			
Share capital	30	**444,044**	444,044
Reserves		**128,373**	181,695
Equity attributable to owners of the Company		**572,417**	625,739
Non-controlling interests		**287,171**	295,387
Total equity		**859,588**	921,126

The consolidated financial statements on pages 55 to 165 were approved and authorised for issue by the Board on 14 March 2013 and are signed on its behalf by:

He Guang	**Wong Kin Fai**
Executive Director	*Executive Director*

The accompanying notes form an integral part of these consolidated financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2012

	Notes	2012	2011
		HK$'000	*HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	16	**227**	319
Interests in subsidiaries	19	**464,344**	443,406
		464,571	443,725
Current assets			
Trade and other receivables	22	**918**	867
Amounts due from associates	18	**49,999**	22,976
Cash and bank balances		**9,362**	89,248
		60,279	113,091
Current liabilities			
Trade and other payables	24	**940**	300
Net current assets		**59,339**	112,791
Net assets		**523,910**	556,516
EQUITY			
Share capital	30	**444,044**	444,044
Reserves	31	**79,866**	112,472
Total equity		**523,910**	556,516

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company											
	Share capital	Share premium	Contributed surplus	Capital redemption reserve	Translation reserve	Share option reserve	Reorganisation reserve	Other reserve	Accumulated losses	Sub-total	Non-Controlling interest	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2010	444,044	412,757	69,476	109	1,410	4,673	450,748	–	(819,281)	563,936	–	563,936
Profit for the year	–	–	–	–	–	–	–	–	33,617	33,617	60,617	94,234
Exchange differences arising on translation of overseas operations	–	–	–	–	10,047	–	–	–	–	10,047	9,265	19,312
Total comprehensive income for the year	–	–	–	–	10,047	–	–	–	33,617	43,664	69,882	113,546
Release upon winding up of a subsidiary	–	–	–	–	–	–	2,144	–	(2,144)	–	–	–
Transfer of share option reserve upon the lapse of share option	–	–	–	–	–	(1,550)	–	–	1,550	–	–	–
Recognition of equity settled share-based payment expenses	–	–	–	–	–	11,683	–	–	–	11,683	–	11,683
Non-controlling interest arising from deemed disposal of a subsidiary	–	–	–	–	(11)	–	–	–	6,467	6,456	225,505	231,961
At 31 March 2011 and 1 April 2011	444,044	412,757	69,476	109	11,446	14,806	452,892	–	(779,791)	625,739	295,387	921,126
Loss for the year	–	–	–	–	–	–	–	–	(78,493)	(78,493)	(21,884)	(100,377)
Exchange differences arising on translation of overseas operations	–	–	–	–	20,323	–	–	–	–	20,323	14,300	34,623
Total comprehensive income for the year	–	–	–	–	20,323	–	–	–	(78,493)	(58,170)	(7,584)	(65,754)
Release upon disposal of a subsidiary	–	–	–	–	(2,203)	–	–	–	–	(2,203)	–	(2,203)
Transfer of share option reserve upon the lapse of share option	–	–	–	–	–	(3,549)	–	–	3,549	–	–	–
Recognition of equity settled share-based payment expenses	–	–	–	–	–	7,385	–	–	–	7,385	–	7,385
Acquisition of additional interests in a subsidiary	–	–	–	–	–	–	–	(334)	–	(334)	(632)	(966)
At 31 March 2012	444,044	412,757	69,476	109	29,566	18,642	452,892	(334)	(854,735)	572,417	287,171	859,588

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 36 to the consolidated financial statements.

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2012

	2012	2011
	HK$'000	*HK$'000*
		(Restated)
Operating activities		
(Loss)/profit before taxation	**(100,377)**	130,688
Adjustments for:		
Depreciation of properties, plant and equipment	**1,996**	1,075
Impairment loss on interests in associates	**13,079**	445
Impairment loss on property, plant and equipment	**–**	411
Impairment loss on inventories	**4,825**	–
Equity settled share-based payment	**7,385**	11,683
Deferred income to other revenue	**–**	(85,310)
Interest income	**(551)**	(250)
Provision for compensation	**325**	–
Gain on disposal of subsidiaries	**(7,219)**	(6,481)
Gain on winding up of a subsidiary	**–**	(1,179)
Share of post-acquisition losses and reserves of associates	**8,319**	–
Operating (loss)/profit before changes in working capital	**(72,218)**	51,082
Increase in trade and other receivables	**(59,461)**	(232,922)
Increase/(decrease) in trade and other payables	**354,004**	(53,730)
Increase in amounts due from related companies	**(9,119)**	(38,203)
Increase in amounts due from associates	**(121,646)**	–
Increase in inventories	**(19,300)**	–
(Decrease)/increase in amounts due to related companies	**(9,872)**	17,808
Increase in financial guarantee obligation	**882**	–
Increase in properties under development	**(181,903)**	(268,105)
Net cash used in operating activities	**(118,633)**	(524,070)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2012

	Notes	2012 *HK$'000*	2011 *HK$'000*
Cash flow from investing activities			
Interest received		**551**	250
Payments to acquire property, plant and equipment		**(1,824)**	(6,442)
Construction cost for investment properties		**(138,864)**	–
Proceeds from registered capital contributed by non-controlling interest of a subsidiary		**–**	231,000
Net cash (outflow)/inflow from disposal of subsidiaries	38	**(50,887)**	53,359
Net cash outflow from acquisition of a subsidiary	37	**–**	(632)
Net cash (used in)/generated from investing activities		**(191,024)**	277,535
Cash flow from financing activities			
Proceeds from new borrowing		**–**	414,253
Repayment of bank loan		**–**	(58,085)
Net cash generated from financing activities		**–**	356,168
Net (decrease)/increase in cash and cash equivalents		**(309,657)**	109,633
Cash and cash equivalents at beginning of year		**339,587**	244,057
Effect of foreign exchange rate changes		**(478)**	(14,103)
Cash and cash equivalents at end of year		**29,452**	339,587
Analysis of balances of cash and cash equivalents			
Cash and bank balances		**29,452**	339,587

The accompanying notes form an integral part of these consolidated financial statements.

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which include Hong Kong Accounting Standards ("HKASs") and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The financial statements have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value.

2. RESTATEMENT OF FINANCIAL STATEMENTS

(a) In preparing the consolidated financial statements for the year ended 31 March 2012, the directors of the Company (the "Directors") had identified that the Company omitted to account for in its consolidated financial statements for the year ended 31 March 2011 a consultancy fee payable of RMB15,000,000 (equivalent to approximately HK$17,808,000) to Zhongrong International Trust Company Limited ("Zhongrong Trust"), which directly holds 49.25% interest in Hunan Richly Field Outlets Real Estate Limited ("Hunan Richly Field"), an indirectly non-wholly owned subsidiary of the Company, since December 2010 and up to the reporting date.

On 18 October 2010, Hunan Richly Field and Zhongrong Trust entered into a consultancy service agreement (the "Consultancy Agreement"). Zhongrong Trust, which was incorporated in the People's Republic of China ("PRC") in 1987, is a financial institution authorised by China Banking Regulatory Commission. It is principally engaging in (i) managing capital trust, chattel trust, real estate trust, securities trust and other property trust; (ii) initiating investment fund and fund management companies; (iii) advising on corporate restructuring, mergers and acquisitions or project financing, private banking and other financial advisory services; (iv) underwriting the approved securities; (v) undertaking credit attestation and survey; (vi) provision of custody services; (vii) managing self-owned capital through bank deposit, inter-bank loans, finance leasing and other way of investment; (viii) provision of guarantee service; (ix) managing inter-bank lending and borrowing; and (x) other approved activities.

2. RESTATEMENT OF FINANCIAL STATEMENTS (CONTINUED)

(a) (continued)

Pursuant to the Consultancy Agreement, Zhongrong Trust provided consultancy services (including financial advice on the development and construction, analysis on the funding market and design of development plan) for 世界名牌折扣店華中旗艦中心產業服務園 (Industry Service Center of World Brands Discount Flagship Mall in Central China*), a property development project in Changsha, Hunan Province, the PRC, during the year ended 31 March 2011. The total consideration for the consultancy services was RMB20,000,000 (equivalent to approximately HK$23,745,000), which was based on scope of services to be provided and determined after arm's length negotiations between Hunan Richly Field and Zhongrong Trust. Pursuant to the Consultancy Agreement, RMB5,000,000 (equivalent to approximately HK$5,812,000) of the consultancy fee would be paid on or before 21 February 2011 and the remaining RMB15,000,000 (equivalent to approximately HK$17,808,000) would be paid on or before 21 November 2011. The payment term was revised by a supplemental agreement pursuant to which RMB5,000,000 (equivalent to approximately HK$5,812,000) would be paid on or before 21 February 2011, RMB13,630,000 (equivalent to approximately HK$16,980,000) would be paid on or before 21 November 2011 and the remaining fee of RMB1,370,000 (equivalent to approximately HK$1,707,000) would be paid on or before 30 June 2012.

The Directors considered that with reference to applicable accounting standards, the consultancy fee of RMB20,000,000 (equivalent to approximately HK$23,745,000) should be capitalised as it was directly attributable to the construction of the Group's investment properties and properties under development for sale.

2. RESTATEMENT OF FINANCIAL STATEMENTS (CONTINUED)

(a) (continued)

During the year ended 31 March 2011, the consultancy fee of RMB5,000,000 (equivalent to approximately HK$5,812,000) was paid and capitalised to the Group's investment properties and properties under development for sale for the year ended 31 March 2011. Zhongrong Trust became a substantial shareholder of Hunan Richly Field by a subscription of additional registered capital of Hunan Richly Field in December 2010. Details of the transaction were set out in the Company's announcement dated 10 November 2010. The consultancy services were provided and completed before December 2010. Zhongrong Trust did not become a shareholder of Hunan Richly Field until thereafter. As such, the consultancy fee arrangement was not a related party transaction. However, it was mistakenly disclosed as a related party transaction in Note 28 to the Company's consolidated financial statements for the year ended 31 March 2011.

The remaining consultancy fee payable of RMB15,000,000 (equivalent to approximately HK$17,808,000), which should have been capitalised to investment properties and properties under development for sale for the year ended 31 March 2011, was not recorded in the books of the Group for the year ended 31 March 2011 as this transaction had been mistakenly booked on cash basis, rather than accrual basis, upon subsequent payments of the consultancy fees. Consequently, the Company's consolidated statements of financial position as at 31 March 2011 and disclosure for related party transactions for the year ended 31 March 2011 have been restated to correct the error.

2. RESTATEMENT OF FINANCIAL STATEMENTS (CONTINUED)

(b) As set out in the Company's announcement dated 6 March 2013, on 4 March 2011, Richly Field (Beijing) Investment Consulting Co. Ltd. ("Richly Field Beijing") and Qionghai Millennium Investment Co. Ltd. ("Qionghai Investment") entered into the Qionghai Agreement, pursuant to which, Richly Field Beijing placed the amount of RMB32,178,050 (equivalent to approximately HK$38,203,000) with Qionghai Investment for a term of one year commencing from 4 March 2011 to 3 March 2012.

Qionghai Investment is a company incorporated Hainan, the PRC, with paid-up registered capital of RMB10,000,000. It is principally engaged in the provision of marketing planning services, business information services and venue leasing services and investment management. At the time of entering into the Qionghai Agreement, Qionghai Investment was indirectly owned as to 54.3% by Mr. Leung Ho Hing ("Mr. Leung"), a substantial shareholder of the Company (the "Shareholder"), and as to 45.7% by a third party independent of the Company and its connected persons.

The management of Richly Field Beijing understood that Qionghai Investment had resources and good relationship with local government or land owner(s) in respect of certain property development projects in Hainan. With the launch of the concept to develop the southern island of Hainan into an international tourism island, during the second half of 2010 the management of Richly Field Beijing contacted Qionghai Investment with the intention to seek suitable property development projects in Hainan. In February 2011, Qionghai Investment identified two potential property development projects in Hainan (the "Potential Projects") for Richly Field Beijing's consideration.

2. RESTATEMENT OF FINANCIAL STATEMENTS (CONTINUED)

(b) (continued)

Based on the proposal provided by Qionghai Investment, a total sum of approximately RMB35,000,000 as an initial preparation deposit was required for locating of approximately 1,000 mu land located in an area designated for tourism development in Dalu Town（大路鎮）, Qionghai City, Hainan Province, for one of the Potential Projects. According to the initial plan, it was proposed that this property project would include resort hotel(s), commercial property, residential property, medical rehabilitation facilities, retirement home, eco-tourism resort. The required initial preparation deposit included approximately RMB30,000,000 for the initial deposit for the land transfer fees to be paid to the local land owner(s), approximately RMB2,820,000 for the crop compensation allowance and approximately RMB2,200,000 for other operation expenses. After having considered the proposal of Qionghai Investment and the prospects of the project, the management of Richly Field Beijing decided to provide the initial preparation deposit to Qionghai Investment (but excluding the required sum in the amount of RMB2,821,950 for the crop operations allowance which was considered not necessary at that stage).

Subsequently, on 4 March 2011, with the expectation that Qionghai Investment acted as an agent for the Group would be able to identify and refer one of the Potential Projects for the Group within the period of one year by taking advantage of its local resources and network in Hainan, Richly Field Beijing and Qionghai Investment entered into the Qionghai Agreement, pursuant to which Richly Field Beijing provided the initial preparation deposit in the amount of RMB32,178,050 (equivalent to approximately HK$38,203,000) to Qionghai Investment. The Group was not aware if Qionghai Investment had provided similar services to other companies.

2. RESTATEMENT OF FINANCIAL STATEMENTS (CONTINUED)

(b) (continued)

During the tenure of the Qionghai Agreement, Qionghai Investment would identify and refer suitable residential and commercial property development projects in Hainan, the PRC, to the Group. If, during the tenure of the Qionghai Agreement, Qionghai Investment could successfully identify a property project resulting in the Group entering into a land acquisition agreement or a project development agreement with the land owner(s) or the relevant local government department(s) for property development in Hainan, the relevant deposit or expenses could be paid by Qionghai Investment in a timely manner on behalf of the Group to the land owner(s) or the relevant government department(s) or relevant parties out of the RMB32,178,050 of funds. In the event that Qionghai Investment failed to identify and refer suitable property project to the Group during the tenure of the Qionghai Agreement, Qionghai Investment would repay the principal amount of RMB32,178,050 plus relevant interest at a rate no less than the prevailing lending rate of the People's Bank of China ("PBOC") to Richly Field Beijing at the end of term of the Qionghai Agreement.

In September 2011, Globe Outlets City Holdings Limited ("Globe Outlets"), a wholly-owned subsidiary of the Company, and development partners entered into a framework agreement (the "Framework Agreement") regarding the joint development of one of the Potential Projects. However, as at the end of February 2012, there had been no material progress regarding this project since entering into the Framework Agreement. On 27 February 2012, Richly Field Beijing requested Qionghai Investment to repay the outstanding sum of the initial preparation deposit in the amount of RMB30,678,050 plus relevant interest pursuant to the terms of the Qionghai Agreement. It was agreed by both parties that the repayment date would be extended to the end of May 2012. As at the end of May 2012, Qionghai Investment had repaid the principal amount of RMB32,178,050 plus relevant interest of approximately RMB2,574,000 to Richly Field Beijing. The interest rate charged for the principal amount of RMB32,178,050 is around 6% which is no less than the prevailing lending rate of the POBC. As Qionghai Investment had not been able to successfully refer the relevant property development project to the Group, no fee has ever been paid or payable by the Group to Qionghai Investment.

2. RESTATEMENT OF FINANCIAL STATEMENTS (CONTINUED)

(b) (continued)

As Qionghai Investment was indirectly owned as to 54.3% by Mr. Leung, a substantial Shareholder, Qionghai Investment was a connected person of the Company as at the date of the Qionghai Agreement as defined in Chapter 14A of the Listing Rules, and the entering into of the Qionghai Agreement constitutes a connected transaction under Rule 14A.13 (1) of the Listing Rules. As all the relevant percentage ratios of the Company in respect of the entering into of the Agreement are less than 5%, the entering into of the Agreement should be subject to the reporting and announcement requirements but exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the Company did not publish an announcement when entering into the Qionghai Agreement, the Company did not comply with the requirements under Chapter 14A of the Listing Rules. As set out in the Company's announcement dated 6 March 2013, the Board (including all independent non-executive Directors) has ratified and confirmed that the entering into the Qionghai Agreement was fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Details regarding the Qionghai Agreement were set out in the Company's announcement dated 6 March 2013.

2. RESTATEMENT OF FINANCIAL STATEMENTS (CONTINUED)

(b) (continued)

During the audit of the Company's financial statements for the year ended 31 March 2011, the search of the director/shareholder list and other registration details of companies in Hainan area was restricted by the local government authority, as such no shareholder information of Qinghai Investment was provided by Richly Field Beijing to the auditors of the Company, and during the audit fieldwork, the working staff of the Group orally confirmed with the Company's auditors that they had disclosed to the auditors all the related party transactions that they were aware of, and this initial preparation deposit was not regarded as an connected or related transaction. Similarly, the then Board confirmed to the auditors that it had disclosed to the auditors the identity of the Group's related parties relationship and transactions of which it was aware of, and this initial preparation deposit was not regarded as a connected or related party transaction. Therefore, the initial preparation deposit in the amount of RMB32,178,050 (equivalent to approximately HK$38,203,000) provided to Qionghai Investment was recognised and classified as trade and other receivables in the Company's consolidated financial statements for the year ended 31 March 2011. The details were also stated in the Company's interim financial statements for the six months ended 30 September 2011 (note (v) in note 10 headed "Trade and other receivables" in page 12 of 2011/2012 Interim Results and note (v) in note 14 headed "Trade and other receivables" in page 32 of 2011/2012 Interim Report).

During the audit of the Company's financial statements for the year ended 31 March 2012, it was discovered that the ultimate major shareholder of Qionghai Investment as at the date of Qionghai Agreement was Mr. Leung, a substantial Shareholder. Accordingly, there were misstatements in the Company's consolidated financial statements for the year ended 31 March 2011, and prior year adjustments and restatement shall be made in the Company's consolidated financial statements for the year ended 31 March 2011 regarding the reclassification of "Other receivables" to "Amount due from a related company".

2. RESTATEMENT OF FINANCIAL STATEMENTS (CONTINUED)

(b) (continued)

RMB1,500,000 (equivalent to approximately HK$1,869,000) was repaid by Qionghai Investment to Richly Field Beijing during the year ended 31 March 2012 and the remaining balance of RMB30,678,050 (equivalent to approximately HK$38,219,000), which was recognised as amount due from a related company in the Company's consolidated financial statements for the year ended 31 March 2012, was repaid by Qionghai Investment in May 2012. Interest income of approximately RMB2,268,000 (equivalent to approximately HK$2,826,000) was recognised for this placement during the year ended 31 March 2012 and fully settled in May 2012.

The following tables reflect the effects of the restatement for each financial statement line item affected in respect of the two above mentioned errors for the year ended 31 March 2011. The adjustments do not have any impact on the financial statements at the beginning of the earliest prior period presented, which is 1 April 2010.

Consolidated Statement of Financial Position

	As at 31 March 2011		
	As previously reported	**Adjustment**	**As restated**
	HK$'000	*HK$'000*	*HK$'000*
Non-current assets			
Investment properties	390,466	5,699	396,165
Current assets			
Properties under development for sale	629,756	12,109	641,865
Trade and other receivables	218,359	(38,203)	180,156
Amount due from a related company	–	38,203	38,203
Current liabilities			
Amount due to a related company	–	17,808	17,808

2. RESTATEMENT OF FINANCIAL STATEMENTS (CONTINUED)

Consolidated Statement of Cash Flows

	For the year ended 31 March 2011		
	As previously reported	Adjustment	As restated
	HK$'000	*HK$'000*	*HK$'000*
Increase in trade and other receivables	(271,125)	38,203	(232,922)
Increase in amount due from a related company	–	(38,203)	(38,203)
Increase in amount due to a related company	–	17,808	17,808
Increase in properties under development and investment properties	(250,297)	(17,808)	(268,105)

Related party transactions

		For the year ended 31 March 2011		
Name of the related party	Nature of transaction	As previously reported	Adjustment	As restated
		HK$'000	*HK$'000*	*HK$'000*
Zhongrong Trust	Consultancy fee	5,812	(5,812)	–

The above mentioned two errors did not affect the figures presented in the Company's consolidated statement of comprehensive income and consolidated statement of changes in equity for the year ended 31 March 2011.

3. BASIS OF PRESENTATION

During the year ended 31 March 2012, the Group incurred losses of approximately HK$100,377,000. As at 31 March 2012, Hunan Richly Field had an outstanding interest-bearing loan in the amount of RMB300,000,000 (equivalent to approximately HK$373,740,000), among which, RMB70,000,000 (equivalent to HK$87,206,000) would be due for the repayment by Hunan Richly Field to a PRC bank (the "PRC Bank") in November 2012.

The Group had been in negotiation with a financial institution (the "Financial Institution") regarding proposed loan arrangement in a total amount of RMB320,000,000 (equivalent to approximately HK$398,656,000) (the "Loan Arrangement"). On 8 November 2012, Hunan Richly Field, the PRC Bank and the Financial Institution entered into a debt assignment agreement, pursuant to which, the debt in the amount of RMB70,000,000 (equivalent to HK$87,206,000) due from Hunan Richly Field to the PRC Bank was assigned to the Financial Institution at a total consideration of RMB70,000,000 (the "Debt Assignment"). On the even date, Hunan Richly Field and the Financial Institution entered into a debt restructuring agreement, pursuant to which Hunan Richly Field shall repay the principal debt in the amount of RMB70,000,000 to the Financial Institution within two years, and during which Hunan Richly Field shall also pay an interest to the Financial Institution at the interest rate of 15% per annum on the principal amount of RMB70,000,000. The land use rights pledged to the PRC Bank was released by the PRC bank, and other land use rights for a total area of approximately 103,782 square meters under Hunan Richly Field were pledged to the Financial Institution.

3. BASIS OF PRESENTATION (CONTINUED)

Apart from the Debt Assignment, on 19 November 2012, a company incorporated in the PRC (the "Lender"), which is an independent third party of the Company and its connected persons, a PRC bank (the "Entrust Bank") and Hunan Richly Field entered into an entrust loan agreement (委托貸款合同) (the "Entrust Loan Agreement"). Pursuant to the Entrust Loan Agreement, the Lender agreed to entrust the Entrust Bank to lend an amount of RMB250,000,000 (the "Entrust Loan") to Hunan Richly Field. The Entrust Loan has a term of two years and bears interest of 10% per annum. On the even date, pursuant to the Entrust Loan Agreement, Hunan Richly Field and the Entrust Bank entered into a loan agreement (the "Loan Agreement") in relation to the Entrust Loan. Land use rights for a total area of approximately 336,000 square meters under Hunan Richly Field were pledged to the Entrust Bank for the Entrust Loan. In addition, as part of the Loan Arrangement, pursuant to the Entrust Loan Agreement, the Financial Institution issued an undertaking letter to the Entrust Bank undertaking that in the event that Hunan Richly Field cannot repay the Entrust Loan and the relevant interest or any event of default occurs pursuant to the terms of the Loan Agreement, the Financial Institution would acquire the defaulted Entrust Loan from the Entrust Bank. The proceeds under the Entrust Loan will provide the Group with additional funds to repay its current bank debts, trade payables and to provide additional working capital for the Group.

Save for the land already pledged in connection with the Debt Assignment and the Entrust Loan, the book value (at cost) of the portion of the land of the Group, which is available for pledging, is approximately RMB184,316,000 (equivalent to approximately HK$228,552,000) as at 30 November 2012 with total area of approximately 306,000 square meters. In view of the strong net assets value of the Group and the measures taken to-date and on the basis of the continued support from its bankers, the Board is of the view that the Group will have sufficient working capital to meet its financial obligations as they fall due in the next twelve months from the end of the reporting date. Accordingly, it is appropriate to prepare the consolidated financial statements on a going concern basis, notwithstanding the Group's tight cash flow position as at 31 March 2012.

4. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied for the first time a number of new standards, amendment and interpretations ("new HKFRSs") issued by HKICPA, which are or have become effective.

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

The adoption of these new and revised HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods.

The Group has not early applied the following new and revised standards, amendments 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 1 (Amendments)	Government Loans[4]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[1]

4. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities[4]
HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[6]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[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 Other Comprehensive Income[3]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[2]
HKAS 19 (Revised)	Employee Benefits[4]
HKAS 27 (Revised)	Separate Financial Statements[4]
HKAS 28 (Revised)	Investments in Associates and Joint Ventures[4]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[5]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[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.
5 Effective for annual periods beginning on or after 1 January 2014.
6 Effective for annual periods beginning on or after 1 January 2015.

4. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

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 anticipate that the application of the other new or revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

5. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs, issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

A summary of the significant accounting policies adopted by the Group is set out below.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

(b) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Business combinations (continued)

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Noncurrent Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or another measurement basis required by another Standard.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Business combinations (continued)

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Business combinations (continued)

Changes in the value of the previously held equity interest recognised in other comprehensive income and accumulated in equity before the acquisition date are reclassified to profit or loss when the Group obtains control over the acquiree.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

(c) Goodwill

Goodwill arising on an acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition. Goodwill arising on an acquisition of an associate or a jointly controlled entity represents the excess of the cost of acquisition over the Group's share of the relevant associate's or jointly controlled entity's net assets at the date of acquisition.

Capitalised goodwill is presented separately in the consolidated statement of financial position and is carried at cost less any accumulated impairment losses.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Goodwill (continued)

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of a subsidiary, an associate or a jointly controlled entity, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

(d) Subsidiaries and non-controlling interests

A subsidiary is an entity controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Non-controlling interests (previously known as “minority interests”) represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary’s net identifiable assets.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Subsidiaries and non-controlling interests (continued)

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

(e) Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Investments in associates (continued)

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting except when the investment is classified as held for sale, in which case it is accounted for in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associates, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Investments in associates (continued)

Where a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets, other than properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The principal annual rates are as follows:

Leasehold improvements	25%
Office equipment	15%-33⅓%
Furniture and fixtures	15%-20%
Motor vehicle	20%

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated income statement in year in which the item is derecognised.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Properties under development for sale

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

(h) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation of investment properties is calculated using the straight line method to allocate their costs over their estimated useful lives, and is provided upon the completion of the construction.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group or the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Interest in leasehold land is amortised over the lease term on a straight-line basis.

(l) Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Hong Kong dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Foreign currencies (continued)

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period in which they arise, except for exchange differences arising on a monetary item forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of nonmonetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Hong Kong dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case, the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are included in the translation reserve as a separate component of equity. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Foreign currencies (continued)

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate prevailing at the end of the reporting period. Exchange differences arising are included in the translation reserve.

(m) Employee benefits

(i) Short Term Employee Benefits and Contributions to Defined Contribution Retirement Plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Termination Benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Employee benefits (continued)

(iii) Equity-settled share-based payment transactions

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period with a corresponding increase in equity (share option reserve).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates, if any, is recognised in profit or loss, with a corresponding adjustment to share option reserve. At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

(n) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sales of properties

Revenue from sales of properties is recognised when the risks and rewards of properties are transferred to the purchasers, which is when the construction of relevant properties has been completed and the properties have been delivered to the purchasers and collectability of related receivables is reasonably assured. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the consolidated statement of financial position under current liabilities.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Revenue recognition (continued)

(ii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iii) Sale of goods

Revenue from sales of goods is recognised when goods are delivered and title has been passed.

(iv) Interest income

Interest income is accrued on a time-apportioned basis by reference to the principal outstanding using the effective interest rate method.

(v) Financial guarantee fee income

Financial guarantee fee income is recognised over the life of the guarantee on a time-apportioned basis.

(o) Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Government grants (continued)

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants related to depreciable assets are recognised as deferred income in the consolidated financial statement of financial position and transferred to profit or loss over the useful lives of the related assets. Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(p) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Taxation (continued)

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(q) Impairment of assets other than goodwill

At the end of each reporting period, the management reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the management estimates the recoverable amount of the cash-generating unit to which the asset belongs.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Impairment of assets other than goodwill (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under other standard, in which case the impairment loss is treated as revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under other standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

Impairment losses recognised in an interim financial report prepared in compliance with HKAS 34 Interim Financial Reporting are not reversed at the end of the financial year to which the interim period relates even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of that financial year.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group or the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

All the Group's financial assets are classified into loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial instruments (continued)

(i) Financial assets (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss ("FVTPL").

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. Objective evidence of impairment could include:

– significant financial difficulty of the issuer or counterparty; or

– breach of contract, such as a default or delinquency in interest or principal payments; or

– it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or

– the disappearance of an active market for that financial asset because of financial difficulties.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial instruments (continued)

(i) Financial assets (continued)

Impairment of financial assets (continued)

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial instruments (continued)

(ii) Financial liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtors fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at the higher of:

– the amount of the obligation under the contract, as determined in accordance with HKAS 37 Provision, Contingent Liabilities and Contingent Assets; and

– the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Other financial liabilities including trade and other payables and bank loans are subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis other than financial liabilities classified as at FVTPL.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial instruments (continued)

(iii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Consideration paid to reacquire the Company's own equity instruments are deducted from equity. No gain or loss is recognised in profit or loss.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial instruments (continued)

Derecognition (continued)

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(t) Provisions and contingent liabilities

Provisions are recognised when the Group or the Company has a present obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Present obligation is disclosed as a contingent liability where it is not probable that an outflow of economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured reliably. Possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as a contingent liability unless the probability of outflow of economic benefits is remote.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Related parties

A party is considered to be related to the Group if:

(i) The party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;

(ii) The Group and the party are subject to common control;

(iii) The party is an associate of the Group or a joint venture in which the Group is a venturer;

(iv) The party is a member of key management personnel of the Group or the Group's parent, or a close family member or such an individual, or is an entity under the control, joint control or significant influence or such individuals;

(v) The party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

(vi) The party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(v) Construction contracts

Contract revenue comprises the agreed contract amount and appropriate amounts from variation orders, claims, and incentive payments. Contract costs incurred comprise direct materials, the costs of subcontracting, direct labour, and an appropriate proportion of variable and fixed construction overheads.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Construction contracts (continued)

Revenue from fixed price construction contracts is recognised on the percentage of completion method, measured by reference to the proportion of costs incurred to date to the estimated total cost of the relevant contract.

Revenue from cost plus construction contracts is recognised on the percentage of completion method, by reference to the recoverable costs incurred during the period plus the related fee earned, measured by the proportion of costs incurred to date to the estimated total cost of the relevant contract.

Provision is made for foreseeable losses as soon as they are anticipated by management.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers.

Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

(w) Contracts for services

Contract revenue on the rendering of services comprises the agreed contract amount. Costs of rendering services comprise labour and other costs of personnel directly engaged in providing the services and attributable overheads.

Revenue from the rendering of services is recognised based on the percentage of completion of the transaction, provided that the revenue, the costs incurred and the estimated costs to completion can be measured reliably. The percentage of completion is established by reference to the costs incurred to date as compared to the total costs to be incurred under the transaction.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Contracts for services (continued)

Provision is made for foreseeable losses as soon as they are anticipated by management.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers.

Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

(x) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-marker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Directors that makes strategic decisions.

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Impairment of assets

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the management has to exercise judgment in the area of asset impairment, particularly in assessing: (i) whether an event has occurred that may affect that asset value or such event affecting the asset value has not been in existence; (ii) whether the carrying value of an asset can be supported by net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate.

Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

(b) Net realisable value of inventories

Net realisable value of inventories is the estimated selling prices in the ordinary course of business, less estimated selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of changes in economic conditions in places where the Group operates and changes in customer taste and competitor actions in response to changes in market conditions. Management reassesses these estimates at each financial report date.

As at 31 March 2012, the carrying amounts of merchandise stock for resale disclosed in Note 21 to the consolidated financial statements are subject to the review of net realisable value.

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

(c) Share-based payment expenses

The fair value of the share options granted to the Directors, employees and consultants determined at the date of grant of the respective share options is expensed over the vesting period, with a corresponding adjustment to the Group's option reserve. In assessing the fair value of the share options, the generally accepted option pricing models were used to calculate the fair value of the share options. The option pricing models require the input of subjective assumptions, including the expected dividend yield and expected life of options. Any changes in these assumptions can significantly affect the estimate of the fair value of the share options.

(d) Financial guarantee liabilities

The determination of the financial guarantee liabilities involves management's estimation. The Group assesses the probability and magnitude of the outflow of resources embodying economic benefits will be required to settle the obligations and if the expectation differs from the original estimate, such a difference may impact the carrying amount of the financial guarantee liabilities as at 31 March 2012.

7. TURNOVER

	2012	2011
	HK$'000	*HK$'000*
Sales of fashion wears and accessories	**289**	–

8. OTHER REVENUE

	2012	2011
	HK$'000	*HK$'000*
Interest income on:		
Bank deposits	**551**	250
Other loan and receivables (Note (i))	**10,559**	–
Total interest income	**11,110**	250
Government grant (Note (ii))	**–**	174,347
Exchange gain	**5,724**	3,321
Financial guarantee fee income (Note 27)	**359**	–
Late payment interest income (Note (iii))	**626**	–
Others	**673**	28
	18,492	177,946

(a) Included in other loan and receivables, HK$2,668,000 and HK$961,000 represent the interest charged to 廣東省陽江市建安集團有限公司 (Guangdong Yangjiang Construction Group Company Limited*) ("Yangjiang") and 廣州市海珠帕藝裝飾設計服務部 (Guangzhou Haizhu Payi Decoration Design Services Department*) ("Payi") as at 31 March 2012 for a placement of RMB40,000,000 and RMB30,840,000 to them respectively.

On 8 October 2010, Richly Field Beijing and Yangjiang entered into an agreement (the "Yangjiang Agreement"), pursuant to which Richly Field Beijing placed an amount of RMB40,000,000 (equivalent to approximately HK$49,832,000) with Yangjiang for a term of one and half years (i.e. the period commencing from 8 October 2010 to 7 April 2012). During the tenure of the Yangjiang Agreement, Yangjiang would identify and refer suitable residential or commercial property development projects in Guangdong to the Group. The investment return of the project referred by Yangjiang should be no less than 15% based on calculations agreed by the Group. Within one year from the date of the said placement, i.e. 7 October 2011, Yangjiang would provide the Group with the feasibility study report and calculations of the investment returns (the "Feasibility Report") for potential property development projects in Guangdong. If by the end of the aforesaid period, Yangjiang failed to provide the Feasibility Report to the Group or the Feasibility Report provided by Yangjiang failed to meet the requirements of the Group, Richly Field Beijing would have the right to demand Yangjiang for the repayment of the amount of RMB40,000,000 plus the relevant interests (with an interest rate which would be 10% higher than the prevailing lending rate of the PBOC) to Richly Field Beijing.

8. OTHER REVENUE (CONTINUED)

Note (i):

Separately, on 30 November 2010, Richly Field Beijing and Payi entered into an agreement (the "Payi Agreement"), pursuant to which Richly Field Beijing placed a total amount of RMB30,840,000 (equivalent to approximately HK$38,420,000) with Payi for a term of two years (i.e., the period commencing from 30 November 2010 to 29 November 2012), among which, RMB4,200,000 (equivalent to approximately HK$5,232,000) was paid upon the signing of the Payi Agreement and RMB26,640,000 (equivalent to approximately HK$33,188,000) was paid on 24 November 2011. During the tenure of the Payi Agreement, Payi would identify and refer suitable residential or commercial property development projects in Guangdong to the Group. At the end of the term of the Payi Agreement, failing any successful referral, Payi would repay the principal amount of RMB30,840,000 (equivalent to approximately HK$38,420,000) plus relevant interest (with interest rate being the prevailing lending rate of the PBOC) to Richly Field Beijing.

Yangjiang is a comprehensive construction enterprise incorporated in the PRC with register capital of RMB75,000,000, and it holds first grade contract qualification for building construction, municipal project, decoration project, earth work, and third contract qualification for curtain wall project, foundation work and urban landscaping work. Payi is a company incorporated in the PRC which is principally engaged in renovation, decoration and design projects. Based on sites visits and communications, the management of Richly Field Beijing understood that both Yangjiang and Payi possessed sufficient knowledge and had local connections in respect of certain potential property development projects in Guangdong. The Yangjiang Agreement and the Payi Agreement were entered into with the expectation that Yangjiang and Payi acted as an agent for the Group could identify and refer certain property development projects to the Group within the defined period. The Group was not aware if Yangjiang or Payi had provided similar services to other companies.

Based on the proposals provided by Yangjaing and Payi, initial preparation deposits (such as initial deposits, fees and costs for the composing of design plan, the preparing of survey, geologic, environmental and valuation reports, and other expenses, etc.) were required for locating certain potential projects. After having considered the proposals and prospects of these potential property development projects, the Group provided the respective initial preparation deposit to Yangjiang and Payi, which were intended for facilitating them to secure the potential projects for the Group within the respective agreed period and illustrating the availability of funds. Yangjiang and Payi had regularly reported to the Group regarding the progress of these potential property projects. If the Group was able to enter into a land acquisition agreement or a project development agreement with the respective land owner(s) or the relevant government department(s), the relevant initial deposits, fees and expenses could be paid by Yangjiang and Payi as an agent for the Group in a timely manner to the respective land owner(s) or the relevant government department(s) or the relevant parties, using the initial preparation deposits provided by the Group. As there was no material progress regarding the potential projects by the end of respective agreed period as set out in the Yangjiang Agreement and Payi Agreement, and due to the internal funding needs of the Group, at the request of Richly Field Beijing, Yangjiang and Payi had repaid Richly Field Beijing all the initial preparation deposits together with the relevant interest as set out in the Yangjiang Agreement and Payi Agreement by the end of May 2012. As Yangjiang and Payi had not been able to successfully refer the relevant property development projects to the Group, no fee has ever been paid or payable by the Group to Yanjiang and Payi.

8. OTHER REVENUE (CONTINUED)

Note (i): (continued)

Based on the information available, the Group understands that there is no any relationship between Yangjiang and Payi. Both Yangjiang and Payi are third parties independent of the Company and its connected persons. As the relevant percentage ratios in respect of the entering into the Yangjiang Agreement and Payi Agreement are less than 5%, the entering into the Yangjiang Agreement and Payi Agreement do not constitute notifiable transactions as defined under Rule 14.04 (7) of the Listing Rules.

(b) Included in the other loan and receivables, approximately HK$2,789,000 represents the interest charged to Qionghai Investment as at 31 March 2012 for the placement made by Richly Field Beijing to Qionghai Investment.

As set out in Note 2 (b) to the consolidated financial statements of the Company, on 4 March 2011, with the expectation that Qionghai Investment acted as an agent for the Group to identify and refer one of the Potential Projects for the Group within the period of one year by taking advantage of its local resources and network in Hainan, Richly Field Beijing and Qionghai Investment entered into the Qionghai Agreement, pursuant to which Richly Field Beijing placed RMB32,178,050 (equivalent to approximately HK$38,203,000) with Qionghai Investment. In the event that Qionghai Investment failed to identify and refer suitable property project to the Group during the tenure of the Qionghai Agreement, Qionghai Investment would repay the principal amount of RMB32,178,050 plus relevant interest at a rate no less than the prevailing lending rate of the PBOC to Richly Field Beijing at the end of term of the Qionghai Agreement.

(c) Included in the other loan and receivables, HK$4,141,000 represents the interest charged to Qinhuangdao Outlets Real Estate Co., Limited ("Qinhuandao Outlets") as at 31 March 2012 for the loan facility provided by Richly Field Beijing.

As set out in the Company's announcement dated 6 January 2012, on 6 January 2012, a subscription agreement (the "Subscription Agreement") entered into between King Future Limited (which was then a wholly-owned subsidiary of the Company) ("King Future"), the Company and Sky Speed Holdings Limited ("Sky Speed") (both as the subscribers) in relation to the subscription of new shares issued by King Future. As a result of completion of the Subscription Agreement, Qinhuangdao Outlets became an indirectly 40%-owned associate of the Company in January 2012. The transactions contemplated under the Subscription Agreement constituted a deemed disposal of King Future for the Company, which was subject to the notification and announcement requirements based on the applicable percentage ratios pursuant to the Listing Rules.

As at the date of the Subscription Agreement, Richly Field Beijing had provided an interest-free loan facility in the amount of approximately RMB99,343,000 to Qinhuangdao Outlets. On 6 January 2012, which is the same date of the Subscription Agreement, Richly Field Beijing entered into a loan agreement with Qinhuangdao Outlets, pursuant to which, subject to the completion of the Subscription Agreement taking place, Richly Field Beijing would continue to provide such loan facility (the "Loan Facility") and the tenure of the Loan Facility would be one year from the completion date of the Subscription Agreement (i.e. on or before 5 January 2013) with annual interest rate of 20%.

8. OTHER REVENUE (CONTINUED)

Note (i): (continued)

As the Loan Facility provided by Richly Field Beijing to Qinhuangdao Outlets would remain in place after the completion of the Subscription Agreement, such provision of the Loan Facility constituted a financial assistance by the Company pursuant to the Listing Rules. Based on the applicable percentage ratios calculated in accordance with Chapter 14 of the Listing Rules, such financial assistance constituted a discloseable transaction for the Company under Rule 14.06 of the Listing Rules, and therefore, it is subject to the notification and announcement requirements under the Listing Rules.

Details of the transactions were set out in the Company's announcement dated 6 January 2012.

Note (ii):

During the year ended 31 March 2010, Hunan Richly Field was granted by 湖南望城經濟開發區管理委員會 (Hunan Wangcheng Economic Development Zone Management Committee*) (the "Committee") a government fiscal subsidy of RMB150,000,000 (equivalent to approximately HK$174,347,000) (the "Government Grant"), of which RMB75,000,000 was received in November 2009 and the remaining balance of RMB75,000,000 was received in November 2010.

The Government Grant was treated as deferred income for the year ended 31 March 2010, which would be released to the consolidated statement of comprehensive income in accordance with the development progress of the property development project in Changsha (the "Changsha Project").

Before the reporting date of the annual report for the year ended 31 March 2011, Hunan Richly Field obtained a supplemental document (the "Supplemental Clarification") from the Committee dated 17 June 2011, which clarified the nature. The Supplemental Clarification explicitly stated that the government fiscal subsidy in the amount of RMB150,000,000 (a) is an incentive award to Hunan Richly Field as an encouragement for the purpose of encouraging Hunan Richly Field to situate in the Development Zone; (b) has no strings attached, and is one-off in nature and non-refundable; (c) is provided without additional cost to be incurred by Hunan Richly Field, and Hunan Richly Field is not obliged to any special payments and has no responsibilities or obligations relating to such government fiscal subsidy; and (d) is paid according to the fiscal budget (財政支出預算) the Development Zone, and is neither related to the development progress of the Changsha Project, nor changeable or refundable irrespective of the construction progress or the commercial operation results of the Changsha Project.

Having considered the nature and conditions of the Government Grant as lately clarified by the Committee, the Government Grant of RMB150,000,000 was recognised as other revenue for the year ended 31 March 2011.

8. OTHER REVENUE (CONTINUED)

Note (iii):

RMB509,400 (equivalent to approximately HK$626,000) represents late payment interest charged to the two purchasers in relation to the disposal of the entire equity interest in 銀川奧特萊斯世界名牌折扣城有限公司 (Yinchuan Outlets World Brand Discount City Company Limited*) ("Yinchuan Outlets") during the year ended 31 March 2012.

As set out in the Company's announcement dated 25 June 2012, Richly Field Beijing and 中城聯合投資集團有限公司 (Zhongcheng Lianhe Investment Group Limited*) (the "First Purchaser") and 廣州奧特萊斯名牌折扣城有限公司 (Guangzhou Outlets World Brands Discount City Company Limited*) (the "Guangzhou Outlets" or the "Second Purchaser", together with the First Purchaser, the "Purchasers") entered into the first equity interest transfer agreement ("First Equity Transfer Agreement") and second equity interest transfer agreement ("Second Equity Transfer Agreement", together with the First Equity Interest Transfer Agreement, the "Equity Transfer Agreements") on 10 June 2011 and 16 June 2011 respectively in relation to the disposal of the entire equity interest in Yinchuan Outlets (the "Sale Equity Interest").

The total consideration for the Sale Equity Interest is RMB6,000,000 (equivalent to approximately HK$7,358,000), with each of the Purchasers paying RMB3,000,000 (equivalent to approximately HK$3,679,000) respectively to Richly Field Beijing.

The Second Purchaser is owned as to 50% by Mr. Leung, a substantial Shareholder, and as to 50% by a third party independent of the Company and its connected persons. Therefore, the Second Purchaser was a connected person of the Company as defined in Chapter 14A of the Listing Rules and the entering into the Second Equity Transfer Agreement constituted a connected transaction under Rule 14A.13 (1) of the Listing Rules.

Details of the transactions were set out in the Company's announcement dated 25 June 2012.

Pursuant to the terms of the Equity Transfer Agreements, each of the Purchasers shall pay the respective consideration within ten days from the respective date of the Equity Transfer Agreements, and if the Purchasers could not pay the respective consideration on time as stipulated in the Equity Transfer Agreements, Richly Field Beijing would charge the Purchasers a default interest at an interest rate of 0.03% per day on the outstanding amount. Given Richly Field Beijing only received the consideration of RMB6,000,000 (equivalent to approximately HK$7,358,000) for the disposal of the Sale Equity Interest from the Purchasers on 25 May 2012, the late payment interest of RMB306,900 (equivalent to approximately HK$378,000) and RMB301,500 (equivalent to approximately HK$371,000) were charged to the First Purchaser and the Second Purchaser respectively, of which an aggregate amount of RMB509,400 (equivalent to approximately HK626,000) was recognised as other revenue for the year ended 31 March 2012.

9. FINANCE COSTS

	2012	2011
	HK$'000	*HK$'000*
Interest on bank borrowings	**28,389**	16,026
Less: Interest expense capitalised into properties under development for sale	**(14,958)**	(6,641)
Less: Interest expense capitalised into investment properties	**(13,431)**	(9,385)
	–	–

The borrowing costs have been capitalised at a rate of 7.10% to 7.59% per annum (2011: 6.56% to 7.32%).

10. SEGMENT INFORMATION

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

- property development;
- property management;
- construction and maintenance; and
- trading of fashion wears and accessories.

10. SEGMENT INFORMATION (CONTINUED)

(i) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment.

	Property development HK$'000	Property management HK$'000	Construction and maintenance HK$'000	Trading of fashion wears and accessories HK$'000	Inter-segment elimination HK$'000	Total HK$'000
For the year ended 31 March 2012						
Segment revenue						
Revenues from external parties	–	–	–	289	–	289
Inter-segment sales	–	–	–	9,474	(9,474)	–
	–	–	–	9,763	(9,474)	289
Segment results	(23,899)	(35,015)	(355)	(1,531)	–	(60,800)
Interest income						170
Other income						7,381
Gain on disposal of a subsidiary						443
Gain on deemed disposal of subsidiaries						6,776
Share of results of the associates						(9,872)
Impairment on interests in associates						(13,079)
Unallocated expenses						(31,396)
Loss before taxation						(100,377)

10. SEGMENT INFORMATION (CONTINUED)

(i) Segment revenue and results (continued)

	Property development HK$'000	Property management HK$'000	Construction and maintenance HK$'000	Trading of fashion wears and accessories HK$'000	Inter-segment elimination HK$'000	Total HK$'000
For the year ended 31 March 2011						
Segment revenue						
Revenues from external parties	–	–	–	–	–	–
Inter-segment sales	–	15,947	–	–	(15,947)	–
	–	15,947	–	–	(15,947)	–
Segment results	156,605	2,848	(4,818)	–	–	154,635
Interest income						250
Other income						3,658
Gain on disposal of subsidiaries						6,481
Gain on winding up of a subsidiary						1,179
Unallocated expenses						(35,515)
Profit before taxation						130,688

Inter-segment sales are charged at terms determined and agreed by both parties.

Segment results represent the profit/(loss) earned by each segment without allocation of central administration costs including directors' remuneration, share of losses of associates, impairment on interests in associates, gain recognised on disposal/winding up of subsidiaries and income tax expense. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance.

10. SEGMENT INFORMATION (CONTINUED)

(ii) Information about major customers

There was no revenue from a single customer that contributed over 10% of the total sales of the Group during the year ended 31 March 2012 (2011: Nil).

(iii) Geographical information

The Group's revenue from external customers by location of operations and information about its non-current assets (excluding interests in associates) by location of assets are set out below:

	Revenue from external customers for the year ended 31 March		Non-current assets As at 31 March	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
PRC	**289**	–	**560,140**	402,465
Hong Kong	**–**	–	**232**	319
	289	–	**560,372**	402,784

10. SEGMENT INFORMATION (CONTINUED)

(iv) Segment assets and liabilities

The following is an analysis of the Group's 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$'000*	Trading of fashion wears and accessories *HK$'000*	Total *HK$'000*
As at 31 March 2012					
Assets					
Segment assets	1,443,934	92,909	1,118	14,573	1,552,534
Unallocated corporate assets					134,848
					1,687,382
Liabilities					
Segment liabilities	771,166	32,792	22,677	–	826,635
Unallocated corporate liabilities					1,159
					827,794

10. SEGMENT INFORMATION (CONTINUED)

(iv) Segment assets and liabilities (continued)

	Property development *HK$'000* (Restated)	Property management *HK$'000*	Construction and maintenance *HK$'000*	Trading of fashion wears and accessories *HK$'000*	Total *HK$'000* (Restated)
As at 31 March 2011					
Assets					
Segment assets	1,365,536	140,109	10,467	–	1,516,112
Unallocated corporate assets					109,459
					1,625,571
Liabilities					
Segment liabilities	660,905	12,368	30,871	–	704,144
Unallocated corporate liabilities					301
					704,445

Segment assets exclude interests in subsidiaries and interests in associates as these assets are managed on a group basis.

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

10. SEGMENT INFORMATION (CONTINUED)

(v) Other segment information

	Property development	Property management	Construction and maintenance	Trading of fashion wears and accessories	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 31 March 2012						
Other information						
Capital expenditure	**858**	**505**	**–**	**–**	**461**	**1,824**
Depreciation of property, plant and equipment	**725**	**1,004**	**67**	**1**	**199**	**1,996**
Impairment loss on inventories	**–**	**–**	**–**	**4,825**	**–**	**4,825**

	Property development	Property management	Construction and maintenance	Trading of fashion wears and accessories	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 31 March 2011						
Other information						
Capital expenditure	1,475	3,350	–	–	1,629	6,454
Depreciation of property, plant and equipment	421	354	58	–	242	1,075
Impairment loss on property, plant and equipment	–	–	411	–	–	411

Segment capital expenditure represents the total cost incurred during the year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one year.

11. (LOSS)/PROFIT BEFORE TAXATION

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

	2012 HK$'000	2011 HK$'000
Cost of inventories sold	**197**	–
Gain on disposal of subsidiaries	**(7,219)**	(6,481)
Gain on winding up of a subsidiary	**–**	(1,179)
Administrative and operating expenses (Note)	**110,448**	52,036

Note:

	2012 HK$'000	2011 HK$'000
Administrative and operating expenses:		
Advertising	**3,392**	674
Auditors' remuneration		
– audit services	**900**	300
– non-audit services	**400**	302
Bank charges	**318**	62
Building management fee	**118**	227
Consultancy fees	**1,587**	790
Depreciation on property, plant and equipment	**1,996**	1,075
Entertainment	**5,616**	3,801
Impairment loss on interests in associates (a)	**13,079**	445
Impairment loss on inventories	**4,825**	–
Impairment loss on property, plant and equipment	**–**	411
Legal and professional fees	**3,654**	3,357
Office expenses	**9,664**	3,833
Operating lease payments	**4,425**	2,212
Provision for compensation	**325**	–
Repair and maintenance	**301**	135
Staff cost including directors' emoluments (b)		
– salaries and other benefits	**30,656**	13,342
– equity settled share-based payments	**7,385**	11,683
– retirement scheme contributions	**4,804**	1,699
	42,845	26,724
Sundry expenses	**3,193**	998
Traveling expenses	**13,810**	6,690
	110,448	52,036

11. (LOSS)/PROFIT BEFORE TAXATION (CONTINUED)

Note: (continued)

(a) The Directors have assessed the recoverable amount of the interests in associates. As the associates incurred substantial continuing operating losses and did not generate positive cash flows, with reference to the recoverable amounts of the underlying assets and liabilities of the associates, an impairment loss of HK$13,079,000 (2011: HK$445,000) was provided for the year ended 31 March 2012.

(b) During the year ended 31 March 2012, although construction of the Changsha Project was behind the original schedule, the main structure work of certain parts of the Changsha Project was completed, and the Group had started the promotion programs and sales of the Changsha Project. Accordingly, the Group has recruited additional staff for the marketing, administrative and other supporting work for the Changsha Project during the year ended 31 March 2012. Total number of employees of the Group increased to 230 as at 31 March 2012 compared with 125 as at 31 March 2011 (excluding Directors). Mainly due to the substantial increase in the number of employees and the marketing activities, the staff costs and corresponding other administrative expenses/costs such as office expenses, traveling expenses of the Group, etc, increased substantially as well for the year ended 31 March 2012.

12. INCOME TAX

	2012	2011
	HK$'000	*HK$'000*
PRC enterprise income tax	–	36,454

For the Group's subsidiaries established in the PRC, PRC enterprise income tax is calculated at the rate of 25% (2011: 25%); none of them had any taxation charge in the PRC for the year ended 31 March 2012.

The PRC enterprise income tax for the year ended 31 March 2011 was mainly attributed by the RMB150,000,000 (equivalent to approximately HK$174,374,000) government grant received by the Group.

No provision had been made for Hong Kong profits tax as the Group does not have any assessable profits arising in Hong Kong for the current year (2011: Nil).

12. INCOME TAX (CONTINUED)

The tax charge for the year can be reconciled to the (loss)/profit before taxation reflected in the consolidated statement of comprehensive income statement as follows:

	2012	2011
	HK$'000	*HK$'000*
(Loss)/profit before taxation	**(100,377)**	130,688

	2012	2011
	HK$'000	*HK$'000*
Notional tax charge on (loss)/profit before tax, calculated at the tax rates applicable to profit in the jurisdictions concerned	**(21,903)**	33,356
Tax effect of non-taxable income	**(1,204)**	(105)
Tax effect on tax losses not recognised	**14,762**	3,003
Effect of utilisation of tax losses previously not recognised	**–**	(4,176)
Over-provision in prior year	**–**	(1,027)
Tax effect of non-deductible expenses	**8,345**	5,403
Income tax for the year	**–**	36,454

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(i) Directors' emoluments

The emoluments paid or payable to each of the 7 Directors (2011: 11 Directors) were as follows:

	Fees		Salaries and other benefits		Retirement schemes contributions		Equity settled share-based payment		Total	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	201
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Executive directors										
He Guang	**1,620**	1,300	**240**	–	**12**	12	**1,646**	2,089	**3,518**	3,401
Wong Kin Fai	**961**	894	**–**	–	**12**	12	**1,217**	1,544	**2,190**	2,450
Yu Xing Bao (resigned on 14 July 2010)	**–**	345	**–**	–	**–**	–	**–**	–	**–**	345
Non-executive directors										
Huang Shao Xiong (appointed on 13 August 2010)	**188**	94	**–**	–	**–**	–	**–**	–	**188**	94
Wang Yuan Xun (appointed on 13 August 2010)	**178**	94	**–**	–	**–**	–	**–**	–	**178**	94
Guo Dong (resigned on 14 July 2010)	**–**	43	**–**	–	**–**	–	**–**	–	**–**	43
Independent non-executive directors										
He Chuan	**177**	150	**–**	–	**–**	–	**–**	–	**177**	150
Liu Ming Fang (appointed on 13 August 2010 and resigned on 25 April 2012)	**177**	94	**–**	–	**–**	–	**–**	–	**177**	94
Cho Denise Yee Man (appointed on 13 August 2010 and resigned on 20 March 2012)	**177**	94	**–**	–	**–**	–	**–**	–	**177**	94
Chan Chi Yuen (resigned on 13 August 2010)	**–**	62	**–**	–	**–**	–	**–**	–	**–**	62
Dai Chang Jiu (resigned on 13 August 2010)	**–**	56	**–**	–	**–**	–	**–**	–	**–**	56
	3,478	3,226	**240**	–	**24**	24	**2,863**	3,633	**6,605**	6,883

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (CONTINUED)

(ii) Two (2011: two) of the five individuals with the highest emoluments in the Group were Directors of the Company. The emoluments of the three (2011: three) non-director individuals with the highest emolument are as follows:

	2012	2011
	HK$'000	*HK$'000*
Salaries and other benefits	**3,432**	2,374
Retirement scheme contributions	**12**	20
	3,444	2,394

The emoluments of those three (2011: three) non-director individuals with the highest emoluments are within the following bands:

	Number of individuals	
	2012	2011
Nil to HK$1,000,000	**1**	3
HK$1,000,001 to HK$1,500,000	**2**	–

14. DIVIDEND

No dividend has been paid or proposed for the year (2011: Nil).

15. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The calculations of the basic (loss)/earnings per share are based on the following data:

	2012	2011
	HK$'000	*HK$'000*
(Loss)/earnings for the year attributable to the equity holders of the Company	**(78,493)**	33,617
Number of shares	***'000***	*'000*
Weighted average number of ordinary shares used in the calculation of basic (loss)/earnings per share	**8,880,874**	8,880,874

Basic and diluted (loss)/earnings per share for the year ended 31 March 2012 and 2011 have been presented as equal because the exercise price of the Company's share options was higher than the average market price for the year and is therefore considered as anti-dilutive.

16. PROPERTY, PLANT AND EQUIPMENT

The Group

	Leasehold improvements *HK$'000*	Office equipment *HK$'000*	Furniture and fixtures *HK$'000*	Motor vehicle *HK$'000*	Total *HK$'000*
Cost:					
At 1 April 2010	1,308	1,122	97	2,848	5,375
Additions	303	1,916	7	4,228	6,454
Derecognised on disposal/ winding up of subsidiaries	(1,307)	(784)	(56)	(2,078)	(4,225)
Exchange adjustments	–	16	–	235	251
At 31 March 2011 and 1 April 2011	304	2,270	48	5,233	7,855
Additions	214	477	377	756	1,824
Derecognised on disposal of subsidiaries	–	(81)	(53)	(1,109)	(1,243)
Exchange adjustments	18	233	38	91	380
At 31 March 2012	536	2,899	410	4,971	8,816
Accumulated depreciation:					
At 1 April 2010	381	90	24	256	751
Provided for the year	50	276	16	733	1,075
Impairment loss	411	–	–	–	411
Eliminated on disposal/ winding up of subsidiaries	(767)	(147)	(21)	(67)	(1,002)
Exchange adjustments	(24)	5	(1)	21	1
At 31 March 2011 and 1 April 2011	51	224	18	943	1,236
Provided for the year	147	618	61	1,170	1,996
Eliminated on disposal of subsidiaries	–	(16)	(5)	(99)	(120)
Exchange adjustments	4	99	2	(27)	78
At 31March 2012	202	925	76	1,987	3,190
Carrying amount:					
At 31 March 2012	334	1,974	334	2,984	5,626
At 31 March 2011	253	2,046	30	4,290	6,619

The Directors considered the net carrying amounts of property, plant and equipment at 31 March 2012 were not significantly different from their fair value at that date.

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Company

	Office equipment HK$'000	Furniture and fixtures HK$'000	Motor vehicle HK$'000	Total HK$'000
Cost:				
At 1 April 2010	42	41	360	443
Additions	16	8	–	24
At 31 March 2011 and 1 April 2011	58	49	360	467
Additions	9	–	–	9
Disposal	(8)	–	–	(8)
At 31 March 2012	59	49	360	468
Accumulated depreciation:				
At 1 April 2010	8	9	39	56
Provided for the year	11	9	72	92
At 31 March 2011 and 1 April 2011	19	18	111	148
Provided for the year	12	11	72	95
Eliminated on disposal	(2)	–	–	(2)
At 31 March 2012	29	29	183	241
Carrying amount:				
At 31 March 2012	30	20	177	227
At 31 March 2011	39	31	249	319

The Directors considered the net carrying amounts of property, plant and equipment at 31 March 2012 were not significantly different from their fair value at that date.

17. INVESTMENT PROPERTIES

	2012	2011
	HK$'000	*HK$'000*
		(Restated)
At beginning of the year	**396,165**	–
Transferred from properties under development for sale (Note 20)	–	396,165
Additions	**138,864**	–
Exchange adjustments	**19,717**	–
At end of the year	**554,746**	396,165
Land and properties located in the PRC:		
Medium-term lease	**554,746**	396,165

The Group's Changsha Project includes residential and commercial portions, namely, "Richlyfield. Outlets Town (裕田 • 奥特萊斯小鎮)" and "Globe Outlets (環球奥特萊斯)" respectively. Investment properties represent the commercial portion of the Changsha Project, which is the outlet shopping centre held for rental purpose. As set out in Note 29 headed "Provision" to the consolidated financial statements of the Company, as the construction of Changsha Project was behind the original schedule, as at 31 March 2012, the Group was not able to deliver the shop premises to certain tenants according to the agreed timetable set out in the relevant agreements.

According to the Group's accounting policies, investment properties are stated at costs less accumulated depreciation and accumulated impairment losses, if any. Investment properties in the amount of HK$554,746,000 represents the costs of the investment properties of the Group less accumulated depreciation and accumulated impairment losses. No depreciation and impairment losses were provided for the year ended 31 March 2012 as the investment properties were still under the construction (2011: Nil).

17. INVESTMENT PROPERTIES (CONTINUED)

For disclosure purpose only, according to the Property Valuation Report issued by Asset Appraisal Limited, which is an independent qualified valuer in Hong Kong, on 14 March 2013, the Group's investment properties were valued by reference to comparable properties of similar size, character and location, and the fair value of the Group's investment properties and the land use rights of the lands where they were located as at 31 March 2012 was approximately RMB510,200,000 (equivalent to approximately HK$636,015,000).

18. INTERESTS IN ASSOCIATES

	The Group		The Company	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Cost of investment in associates, unlisted	**–**	–	**–**	–
Share of post acquisition losses and reserves	**(8,319)**	–	**–**	–
Amounts due from associates	**145,067**	23,421	**54,773**	23,421
	136,748	23,421	**54,773**	23,421
Less: Amount due from an associate – current portion	**(89,590)**	–	**–**	–
Impairment loss	**(13,524)**	(445)	**(4,774)**	(445)
	33,634	22,976	**49,999**	22,976

Movement in impairment loss

	The Group		The Company	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
At beginning of the year	**445**	–	**445**	–
Impairment loss for the year	**13,079**	445	**4,329**	445
At end of the year	**13,524**	445	**4,774**	445

18. INTERESTS IN ASSOCIATES (CONTINUED)

Note:

As set out in Note 8(i)(c) to the consolidated financial statements of the Company, Richly Field Beijing continued to provide the Loan Facility to Qinhuangdao Outlets after completion of the Subscription Agreement. Included in amounts due from associates, RMB71,914,000 (equivalent to approximately HK$89,590,000) represents the outstanding amount of the Loan Facilities as at 31 March 2012 provided by Richly Field Beijing to Qinhuangdao Outlets. As the amount will be due within one year from the end of the reporting period, it was classified as current asset.

The remaining amounts due from associates mainly represent HK$31,227,000 and HK$23,425,000 advances made from the Company to King Future Holdings Limited ("King Future") and Cosmos View Holdings Limited ("Cosmos View") respectively. The advances were made by the Company to King Future and Cosmos View when King Future and Cosmos View were still the wholly-owned subsidiaries of the Company, and were used by King Future and Cosmos View (through its wholly-owned subsidiary, Richly Field Nanchang Holding Limited), as the paid-up registered capital of their respective subsidiary in the PRC, namely Qinhuandao Outlets and 江西奧特萊斯名牌折扣城有限公司 (Jiangxi Outlets Brand Discount City Company Limited*). Subsequently, as set out in Note 8(i)(c) to the consolidated financial statements of the Company and the Company's announcement dated 1 November 2010, King Future, Cosmos View and their respective subsidiaries became associates of the Company in January 2012 and November 2010 respectively. The amounts due from the associates are unsecured, interest-free and have no fixed terms of repayment.

18. INTERESTS IN ASSOCIATES (CONTINUED)

Particulars of the associates as at 31 March 2012 were as follows:

Name of associate	Place of incorporation	Place of operation	Issued and fully paid share capital	Proportion of ownership interest held by the Company Directly	Proportion of ownership interest held by the Company Indirectly	Principal activities
Champ Wisdom Limited	British Virgin Islands ("BVI")	Hong Kong	US$2	50%	–	Investment holding
Champ Wisdom Holdings Limited	Hong Kong	Hong Kong	HK$1	–	50%	Investment holding
Cosmos View Holdings Limited	BVI	Hong Kong	US$100	50%	–	Investment holding
King Future Limited	BVI	Hong Kong	US$10	40%	–	Investment holding
King Future Holdings Limited	Hong Kong	Hong Kong	HK$1	–	40%	Investment holding
Richly Field Nanchang Holdings Limited	Hong Kong	Hong Kong	HK$1	–	50%	Investment holding
Qinhuangdao Outlets Real Estate Co., Limited	The PRC	The PRC	US$4,000,000	–	40%	Properties development
江西奧特萊斯名牌折扣城有限公司 (Jiangxi Outlets Brand Discount City Company Limited*)	The PRC	The PRC	US$6,000,000	–	50%	Properties development
懷來大一葡萄酒莊園有限公司 (Huailai Dayi Wineries Company Limited*)	The PRC	The PRC	HK$20,000,000	–	50%	Properties development

18. INTERESTS IN ASSOCIATES (CONTINUED)

Particulars of the associates as at 31 March 2011 were as follows:

Name of associate	Place of incorporation	Place of operation	Issued and fully paid share capital	Proportion of ownership interest held by the Company Directly	Proportion of ownership interest held by the Company Indirectly	Principal activities
Cosmos View Holdings Limited	BVI	Hong Kong	US$100	50%	–	Investment holding
Richly Field Nanchang Holdings Limited	Hong Kong	Hong Kong	HK$1	–	50%	Investment holding
江西奥特莱斯名牌折扣城有限公司 (Jiangxi Outlets Brand Discount City Company Limited*)	The PRC	The PRC	US$6,000,000	–	50%	Properties development

Summarised financial information in respect of the Group's associates are set out below:

	2012	2011
	HK$'000	*HK$'000*
As at 31 March		
Total assets	**762,247**	45,959
Total liabilities	**(790,249)**	(46,848)
Net liabilities	**(28,002)**	(889)
Year ended 31 March		
Total revenue	**15**	–
Total loss for the year	**(24,792)**	(1,191)
The Group's share of results of the associates	**(9,872)**	–

18. INTERESTS IN ASSOCIATES (CONTINUED)

The Group has not recognised losses of approximately HK$2,137,000 (2011: HK$595,500) and HK$2,137,000 (2011: HK$595,500) for the year and cumulatively respectively for the Group's associates.

Included in the total liabilities, RMB367,696,947 (equivalent to approximately HK$458,077,000) represents the deposit received from Finance Bureau of Changli County, Qinhuangdao, Hebei Province (河北省秦皇島市昌黎縣財政局) in relation to a construction project. The construction contract has not been finalised at the end of the reporting period.

19. INTERESTS IN SUBSIDIARIES

	The Company	
	2012	2011
	HK$'000	*HK$'000*
Unlisted shares, at cost	**15,000**	20,000
Amounts due from subsidiaries	**462,928**	433,406
	477,928	453,406
Less: Impairment loss	**(13,584)**	(10,000)
	464,344	443,406

The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

20. PROPERTIES UNDER DEVELOPMENT FOR SALE

Properties under development for sale represent the residential portion of the Changsha Project, which are low-density residential units held for sale.

Properties under development for sale include the acquisition costs of land use rights, design fee, aggregate cost of development, other direct expenses, an appropriate proportion of overheads and borrowing cost incurred and capitalised up to 31 March 2012 in respect of the residential portion of the Group's Changsha Project.

20. PROPERTIES UNDER DEVELOPMENT FOR SALE (CONTINUED)

	2012	2011
	HK$'000	*HK$'000*
		(Restated)
At beginning of the year	**641,865**	733,334
Additions	**181,903**	268,105
Transferred to investment properties under construction (Note 17)	**–**	(396,165)
Eliminated on disposal of subsidiaries	**–**	(955)
Exchange adjustments	**31,789**	37,546
At end of the year	**855,557**	641,865
Land and properties located in the PRC:		
Long-term lease	**855,557**	641,865

21. INVENTORIES

Inventories represent fashion wears and accessories 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 first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

With reference to a valuation carried out by Asset Appraisal Limited, an independent qualified professional valuer, as at 31 March 2012, as the inventories of fashion wears and accessories may be outdated or obsoleted due to improper storage conditions; the amount indicated in the valuation report prepared by the valuer may not be realiseable; unforeseeable promotional expenses may be incurred to reduce the recoverable amount from sales; and there may be further delay in launching the sale of these inventories in the retail shops of Changsha Project, the Directors reassessed the net realisable value of the inventories, and are of the view that the inventories should be subject to a general provision to write down the total cost value of the inventories of approximately HK$19,300,000 by making a 25% provision for each financial year starting from the year ended 31 March 2012. Accordingly, a 25% provision (approximately HK$4,825,000) was made against the cost of the unsold inventories as at 31 March 2012.

21. INVENTORIES (CONTINUED)

For illustration purpose only, according to a valuation carried out by Asset Appraisal Limited by using the market approach with reference to the transaction prices, or price information of similar assets on the market, the fair value of the inventories less costs to sell at 31 March 2012 has been arrived at RMB13,070,169 (equivalent to approximately HK$16,290,000).

The cost of inventories recognised as expenses and included in the cost of sales amounted to approximately HK$197,000 (2011: Nil).

22. TRADE AND OTHER RECEIVABLES

	The Group		**The Company**	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		
Trade receivables (Note (i))	**804**	766	**–**	–
Deposit paid	**723**	464	**212**	212
Tender guarantee for a land bidding (Note (ii))	**12,458**	96,403	**–**	–
Prepayment	**730**	6,615	**702**	655
Other receivables (Note (iii))	**42,265**	75,908	**4**	–
	56,980	180,156	**918**	867

22. TRADE AND OTHER RECEIVABLES (CONTINUED)

Note (i):

The balances of trade receivables as at 31 March 2012 and 31 March 2011 represent a warranty money retained by an Employer (發包方) in respect of a construction work completed by a subsidiary of the Company during the year ended 31 March 2010. The amount will be refunded to the subsidiary of the Company after the expiry of the warranty periods between 2 to 5 years in accordance with the terms of the relevant construction contract.

Note (ii):

The balance as at 31 March 2012, represents a refundable preliminary tender guarantee deposit (the "Deposit") of RMB10,000,000 (equivalent to approximately HK$12,458,000) paid to Finance Bureau of Shuangyang District, Changchun (長春市雙陽區財政局) under the normal course of property development business by Globe Outlets Town (Jilin) Limited ("Jilin Outlets"), a wholly owned subsidiary of the Company, in respect of the Group's proposed bidding of lands located in Shuangyang District, Changchun, Jilin, the PRC, in accordance with the requirements for a public land auction. It is expected that the public land auction will be held in the first half of 2013. In the event that Jilin Outlets can successfully acquire the land through the public land auction, the Deposit will be paid as part of the land transfer fees to the land owner/local government land authority. Otherwise, the Deposit will be refunded to Jilin Outlets.

The balance as at 31 March 2011 represents the three refundable preliminary tender guarantee deposits of RMB11,200,000 (equivalent to approximately HK$13,297,000), RMB60,000,000 (equivalent to approximately HK$71,234,000) and RMB10,000,000 (equivalent to approximately HK$11,872,000) which were paid respectively under the normal course of property development business by 懷來大一葡萄酒莊園有限公司 (Huailai Dayi Wineries Company Limited*) ("Huailai Wineries"), Qinhuangdao Outlets and Jilin Outlets, wholly owned subsidiaries of the Company as at 31 March 2011, in respect of the Group's proposed bidding of lands located in Hebei, Qinhuangdao and Jilin, the PRC, under public land auctions. During the year ended 31 March 2012, Huailai Wineries had successfully obtained state-owned land use rights with an area of approximately 104,037.82 square meters.

During the year ended 31 March 2012, Huailai Wineries and Qinhuangdao Outlets ceased to be subsidiaries of the Company but remained as associates of the Company as at 31 March 2012.

22. TRADE AND OTHER RECEIVABLES (CONTINUED)

Note (iii):

(a) As set out in Note 8(i)(a) to the consolidated financial statements of the Company, with the expectation that Yangjiang and Payi acted as an agent of the Group could identify and refer suitable property development projects to the Group within a respective period, Richly Field Beijing entered into the Yangjiang Agreement and the Payi Agreement respectively with Yangjiang and Payi. Based on the proposals provided by Yangjaing and Payi, initial preparation deposits in the amount of RMB40,000,000 (equivalent to approximately HK$49,832,000) and RMB30,840,000 (equivalent to approximately HK$38,420,000) was provided to Yangjiang and Payi respectively.

Included in other receivables, RMB10,000,000 (equivalent to approximately HK$12,458,000) and RMB11,840,000 (equivalent to approximately HK$14,750,000) represent the unsettled balance of two placements made to Yangjiang and Payi respectively.

The balance of RMB10,000,000 (equivalent to approximately HK$12,458,000) represents the unsettled balance of a RMB40,000,000 (equivalent to approximately HK$49,832,000) placement to Yangjiang, of which RMB30,000,000 (equivalent to approximately HK$37,374,000) was repaid during the year ended 31 March 2012. The RMB10,000,000 (equivalent to approximately HK$12,458,000) principal together with the RMB2,169,918 (equivalent to approximately HK$2,703,000) interest receivable as at 31 March 2012 has been fully settled by the end of May 2012.

The balance of RMB11,840,000 (equivalent to approximately HK$14,750,000) represents the unsettled balance of a RMB30,840,000 (equivalent to approximately HK$38,420,000) placement to Payi, of which RMB19,000,000 (equivalent to approximately HK$23,670,000) was repaid during the year ended 31 March 2012. The RMB11,840,000 (equivalent to approximately HK$14,750,000) principal together with the RMB782,039 (equivalent to approximately HK$974,000) interest receivable as at 31 March 2012 has been fully settled by the end of May 2012.

(b) As set out in Note 8 (iii) to the consolidated financial statements of the Company, Richly Field Beijing and the Purchasers entered into the Equity Interest Transfer Agreements, the Group disposed of the Sale Equity Interest to the Purchasers at the total consideration of RMB6,000,000 (equivalent to approximately HK$7,358,000), with each of the Purchasers paying RMB3,000,000 (equivalent to approximately HK$3,679,000) respectively to Richly Field Beijing.

Included in other receivables, RMB3,000,000 (equivalent to approximately HK$3,737,000) represents the receivables from the First Purchaser in relation to the disposal of the Sale Equity Interest as at 31 March 2012.

23. AMOUNTS DUE FROM RELATED COMPANIES

	2012	2011
	HK$'000	*HK$'000*
		(Restated)
瓊海千禧投資有限公司 (“Qionghai Investment”) (Note (i))	41,044	38,203
廣州奧特萊斯名牌折扣城有限公司 (“Guangzhou Outlets”) (Note (ii))	4,051	–
廣州海墨齋文化活動策劃有限公司 (“Haimozhai”) (Note (iii))	1,246	–
Gekko Japan Co., Limited (“Gekko”) (Note (iv))	981	–
	47,322	38,203

Note (i):

As set out in Note 2 (b) to the consolidated financial statements of the Company, on 4 March 2011, with the expectation that Qionghai Investment acted as an agent for the Group would be able to identify and refer one of the Potential Projects for the Group within the period of one year by taking advantage of its local resources and network in Hainan, Richly Field Beijing and Qionghai Investment entered into the Qionghai Agreement, pursuant to which Richly Field Beijing placed RMB32,178,050 (equivalent to approximately HK$38,203,000) with Qionghai Investment. Qionghai Investment was indirectly owned as to 54.3% by Mr. Leung, a substantial Shareholder.

At the request of Richly Field Beijing RMB1,500,000 (equivalent to approximately HK$1,869,000) of the placement was repaid by Qionghai Investment during the year ended 31 March 2012. The amount of RMB30,678,000 (equivalent to approximately HK$38,219,000) represents the unpaid balance of amount placed with Qionghai Investment. With RMB2,268,000 (equivalent to approximately HK$2,825,000) interest receivable from Qionghai Investment, total amount unpaid by Qionghai Investment is RMB32,946,000 (equivalent to approximately HK$41,044,000) as at 31 March 2012. As at the end of May 2012, Qionghai Investment had repaid the outstanding amount to Richly Field Beijing.

Note (ii):

As set out in Note 8 (iii) to the consolidated financial statements of the Company, Richly Field Beijing and the Purchasers entered into the Equity Interest Transfer Agreements, the Group disposed of the Sale Equity Interest to the Purchasers at the total consideration of RMB6,000,000 (equivalent to approximately HK$7,358,000), with each of the Purchasers paying RMB3,000,000 (equivalent to approximately HK$3,679,000) respectively to Richly Field Beijing. Guangzhou Outlets as the Second Purchaser is owned as to 50% by Mr. Leung, a substantial Shareholer.

HK$4,051,000 represents the RMB3,000,000 (equivalent to approximately HK$3,737,000) consideration and the RMB252,000 (equivalent to approximately HK$314,000) late payment interest receivable from Guangzhou Outlets in relation to the disposal of the Sale Equity Interest.

23. AMOUNTS DUE FROM RELATED COMPANIES

Note (iii):

HK$1,246,000 represents the RMB1,000,000 financial guarantee fee charged to Haimozhai in relation to a financial guarantee provided by Hunan Richly Field for a credit facility granted by a bank in the PRC to Haimozhai.

As announced by the Company on 10 August 2012, on 16 December 2011, Hunan Richly Field entered into the entrusted mortgage guarantee contract (the "Entrusted Mortgage Guarantee Contract") with Haimozhai (the "Borrower"), and the guarantee contract (the "Guarantee Contract") and the mortgage contract (the "Mortgage Contract") with Shanghai Pudong Development Bank, Guangzhou Branch (the "SPD Bank") as the lender respectively.

Pursuant to the Entrusted Mortgage Guarantee Contract, the Guarantee Contract and the Mortgage Contract, Hunan Richly Field provided the guarantee with a maximum amount of RMB22,230,000 (the "Guarantee") and the mortgage of a parcel of land (the "Land") with an area of approximately 69,448.8 square meters located in Changsha, the PRC to the SPD Bank for the credit facility (the "Credit Facility") granted by the SPD bank to the Borrower in the amount of RMB20,000,000 with the term of one year from 8 December 2011 to 8 December 2012.

Pursuant to the Entrusted Mortgage Guarantee Contract, the Borrower shall pay Hunan Richly Field a total guarantee fee in the amount of RMB1,000,000, among which, RMB500,000 has been paid in July 2012 by the Borrower, which is about 6 months from the date of the drawdown of the loans/facilities under the Credit Facility, and the balance of RMB500,000 shall be payable on the date of the repayment of the such loans/facilities under the Credit Facility by the Borrower.

The Borrower is a company incorporated in the PRC in April 2006 with paid-up registered capital of RMB20,000,000, and is indirectly wholly-owned by Mr. Leung, a substantial Shareholder, and his associate. Therefore, the Borrower is a connected person of the Company as defined in Chapter 14A of the Listing Rules, and the entering into the Entrusted Mortgage Guarantee Contract, the Guarantee Contract and the Mortgage Contract constitutes a connected transaction under Rule 14A.13 (1) of the Listing Rules.

Details regarding the transactions were set out in the Company's announcement dated 10 August 2012.

As at the end of October 2012, the Guarantee and the Land which was mortgaged for the Credit Facility had been released.

Note (iv):

The balance represents the deposit paid to Gekko in relation to the purchase of fashion wears and accessories from Gekko. Mr. Hasegawa Yuji is the common director of Gekko and 裕田株式會社 (Richly Field Kabuskiki Kaisha*), a wholly-owned subsidiary of the Company.

24. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Trade payable (Note (i))	**21,179**	22,041	**–**	–
Accrued charges (Note (ii))	**73,965**	1,191	**940**	300
Deposit received (Note (iii))	**301,426**	264,799	**–**	–
Other payables (Note (iv))	**28,731**	21,962	**–**	–
	425,301	309,993	**940**	300

Note (i):

In 2009, having been engaged by an Employer (發包方) as a contractor (承包方) for a construction work in Hainan, the PRC (the "Hainan Project"), a wholly-owned subsidiary of the Company entered into a sub-contracting agreement with a sub-contractor, which is a third party independent of the Company and its connected persons, for the same project. The Hainan Project was completed in the financial year ended 31 March 2010. As the Employer did not provide the relevant project data to the Group and the sub-contractor, as at 31 March 2012, the Group and the sub-contractor could not complete the project settlement (工程結算) for the Hainan Project. Trade payable in the amount of approximately HK$21,179,000 represents the amount payable by the Group to the sub-contractor as a result of completion of the Hainan Project. At present, the Group is still in discussion with the Employer and the sub-contractor regarding the project settlement for the Hainan Project.

As at the reporting date, the ageing analysis of the trade payables was as follows:

	2012	2011
	HK$'000	*HK$'000*
Current to 60 days	–	–
60 – 180 days	–	1,858
Over 180 days	**21,179**	20,183
	21,179	22,041

24. TRADE AND OTHER PAYABLES (CONTINUED)

Note (ii):

Accrued charges as at 31 March 2012 mainly represent accrued construction costs for the Changsha Project of approximately RMB55,288,000 (equivalent to approximately HK$68,878,000). Approximately RMB1,928,000 (equivalent to approximately HK$2,402,000) accrued consultancy fee expenses for the Changsha Project and HK$900,000 accrued audit fee were also included in accrued charges.

Note (iii):

Hunan Richly Field is the developer of the Changsha Project. The local government has placed a great importance on and been supportive to the Changsha Project. To match the Group's project concept and the time frame for the Changsha Project, in 2010, Hunan Richly Field and 望城縣開發建設投資總公司 (Wangcheng Development and Construction Investment Company Limited*) ("Wangcheng Investment", and now renamed as 望城經開區建設開發公司 (Wangcheng Economic Development Zone Construction and Development Company Limited*)), a government investment entity and a third party independent of the Company and its connected persons, entered into a construction contract (the "Construction Contract"), pursuant to which Wangcheng Investment appointed Hunan Richly Field as the construction agent for some of the infrastructures and supporting facilities surrounding the Changsha Project, which mainly include municipal power facilities project (市政供電配套工程), earth project (土方工程), drainage and sewer project (排水管渠工程), gardens landscape project (園林景觀工程). The total estimated contract investment sum for the infrastructure construction work is RMB251,474,200 (equivalent to approximately HK$313,287,000).

Included in the deposit received, RMB218,000,000 (equivalent to approximately HK$271,584,000) represents the amount received from Wangcheng Investment under the Construction Contract. As the infrastructure construction work for the Changsha Project was still at an early stage as at 31 March 2012, the amount was recognised as deposit received under trade and other payables. The deposit received will be recognised as the revenue of the Group in the coming years when the attributable contract costs can be clearly and reasonably identified and reliably measured according to the construction progress of the infrastructure for Changsha Project, based on the percentage of completion method.

Included in the deposit received, RMB23,150,000 (equivalent to approximately HK$28,840,000) (2011: RMB3,966,250 (equivalent to approximately HK$4,709,000)) represents the deposits received from pre-sales of the residential properties and lease of commercial units of the Changsha Project prior to the obtaining the relevant occupation permits/completion certificates issued by respective local government authorities as at 31 March 2012.

Note (iv):

Included in other payables, (a) approximately HK$11,337,000 (equivalent to RMB9,100,000) represents an advance made by an individual, an independent third party of the Company and its connected persons, to a wholly-owned subsidiary of the Company as at 31 March 2012; (b) approximately HK$6,229,000 (equivalent to RMB5,000,000) represents an advance made by Wangcheng Investment to 長沙裕田奧特萊斯物業管理有限公司 (Changsha Richly Field Outlets Property Management Company Limited*), a wholly-owned subsidiary of the Company; and (c) approximately HK$6,229,000 (equivalent to RMB5,000,000) represents an advance made by a business customer, an independent third party of the Company and its connected persons, to Hunan Richly Field. The above three advances are all for the capital for the construction of the Changsha Project, which are interest-free, unsecured and have no fixed terms of repayment.

25. AMOUNTS DUE TO RELATED COMPANIES

	2012	2011
	HK$'000	*HK$'000*
		(Restated)
Zhongrong Trust (Note (i))	**1,707**	17,808
Qingdao Outlets Town Holding Limited ("Qingdao Outlets") (Note (ii))	**6,229**	–
	7,936	17,808

Note (i):

As set out in Note 2(a) to the consolidated financial statements of the Company, in October 2010, Hunan Richly Field and Zhongrong Trust entered into the Consultancy Agreement, pursuant to which, Zhongrong Trust provided consultancy services for a property development project of the Group in Changsha for a total consideration of RMB20,000,000 (equivalent to approximately HK$23,745,000). As set out in the Company's announcement dated 10 November 2010, Zhongrong Trust became a substantial shareholder of Hunan Richly Field by a subscription of additional registered capital of Hunan Richly Field in December 2010.

The amount represents the outstanding balance of the RMB20,000,000 consultancy fee payable to Zhongrong Trust as at 31 March 2012.

Note (ii):

On 23 March 2012, Richly Field Beijing and Qingdao Outlets entered into an agreement (the "Qingdao Agreement"), pursuant to which Qingdao Outlets provided Richly Field Beijing with an advance in the amount of RMB5,000,000 (equivalent to approximately HK$6,229,000), which is interest-free, unsecured and repayable on 24 May 2012. The amount of approximately HK$6,229,000 represents the outstanding balance of the advance payable to Qingdao Outlets as at 31 March 2012. Richly Field Beijing has fully repaid the advance to Qingdao Outlets on 24 May 2012.

As Qingdao Outlets is indirectly owned by Mr. Leung, a substantial Shareholder, the entering into the Qingdao Agreement constituted a connected transaction for the Company under the Listing Rules. As the advance by Qingdao Outlets to Richly Field Beijing is interest-free, and no security over the assets of the Group was granted in respect of the advance, the entering into the Qingdao Agreement is exempted from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.65 of the Listing Rules.

26. BANK LOAN, SECURED

	2012	2011
	HK$'000	*HK$'000*
Current bank loan – secured	**87,206**	–
Non-current bank loan – secured	**286,534**	356,168
	373,740	356,168
Repayable:		
Within one year or on demand	**87,206**	–
Over one year but within two years	**99,664**	94,978
Over two years but within five years	**186,870**	261,190
Total bank loan	**373,740**	356,168

As at 31 March 2012, the bank loan was secured by a subsidiary's land use rights and properties under development with a net carrying amount of approximately RMB512,029,000 (equivalent to approximately HK$638,112,000). The bank loan bears interest at rates ranging from 7.10% to 7.59% per annum (2011: 6.45% to 7.32%), and does not contain a repayment on demand clause.

27. FINANCIAL GUARANTEE OBLIGATION

As set out in Note 23 (Note (iii)) to the consolidated financial statements of the Company, during the year ended 31 March 2012, pursuant to the Entrusted Mortgage Guarantee Contract, the Guarantee Contract and the Mortgage Contract, Hunan Richly Field provided the Guarantee with a maximum amount of RMB22,230,000 and the mortgage of the Land with an area of approximately 69,448.8 square meters located in Changsha, the PRC to the SPD Bank for the Credit Facility granted by the SPD bank to the Borrower in the amount of RMB20,000,000 with the term of one year from 8 December 2011 to 8 December 2012. As at the end of October 2012, the Guarantee and the Land which was mortgaged for the Credit Facility had been released.

Details of the transactions are set out in the Company's announcement dated 10 August 2012.

28. DEFERRED TAXATION

The Group and the Company had no significant deferred tax assets or liabilities as at 31 March 2012 and 2011.

At 31 March 2012, the Group had unused tax losses in the PRC of approximately HK$16,880,000 (2011: HK$2,118,000) available for offsetting against future profits of the PRC subsidiaries which will be expired in 5 years. No deferred tax asset in respect of such losses has been recognised due to the unpredictability of future profit streams.

29. PROVISION

In 2011 and 2012, the Group entered into a number of lease agreements (the "Tenancy Agreements") and joint operations agreements (聯營合同) (the "Cooperation Agreements") with its tenants in relation to the lease/and jointly operating of the shops developed under the Changsha Project. Pursuant to certain Tenancy Agreements, the Group would deliver the shop premises to the respective tenants during the period from August 2011 to May 2012. Pursuant to the Cooperation Agreements, the cooperation between the Group and the respective tenants would commence during the period from December 2011 to May 2012. During the year ended 31 March 2012, the PRC government launched a series of adjustment measures and policies to control the property market. These regulatory control measures and policies had caused the slowdown in the sales of property the Group, which in turn had added pressure on the Group's capital requirement and further resulted in the slowdown in the construction progress of the Changsha Project. As the results of the trial sale of the residential property of the Changsha Project was below the expectation of the Group, during the year ended 31 March 2012, the Group made certain adjustments to the original design of the Changsha Project, which include among others, adjustments to the floor design of the certain residential portion, and the allocation of the floor area among the residential portion, the commercial portion and the facilities, to meet the local demand. These adjustments which required the approval from the local relevant government authorities had also affected the construction progress of the Changsha Project. As the construction of Changsha Project was behind the original schedule, during the year ended 31 March 2012, the Group was not able to deliver the shop premises to a number of tenants according to the agreed timetable set out in the Tenancy Agreements or the Cooperation Agreements. Pursuant to the Tenancy Agreements and the Cooperation Agreements, the tenants could terminate the agreements and/or claim against the Group for the delay in the delivery of the shop premises on the basis of loss incurred or the number of days delayed.

29. PROVISION (CONTINUED)

The Group has been in discussions with the tenants regarding the delay in the delivery of the shop premises. Some of the tenants have terminated the Tenancy Agreements and/or the Cooperation Agreements with the Group with the initial deposits being refunded by the Group. For those tenants who are willing to continue to lease or cooperate with the Group, the Group has been in discussions with them regarding the revised terms of agreements by offering them certain discount on the leasing fees or rent free period as compensation for the delay. As at the end of the reporting period, the Group has not received any claims for compensation from its tenants against the Group, and no estimation can be made on the quantum of such potential compensation. With respect to the terms of the Tenancy Agreements and the Cooperation Agreements, for which the calculation of compensation have been specified, HK$325,000 was recognised as provisions for such compensation as at 31 March 2012.

30. SHARE CAPITAL

	Number of shares	Amount
	'000	*HK$'000*
Authorised:		
Ordinary shares of HK$0.05 each		
At 1 April 2010, 31 March 2011 and 31 March 2012	20,000,000	1,000,000
Issued and fully paid:		
Ordinary shares of HK$0.05 each		
At 1 April 2010, 31 March 2011 and 31 March 2012	8,880,874	444,044

31. RESERVES

The Company

	Share premium	Contributed surplus	Capital redemption reserve	Share option reserve	Reorganisation reserve	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2010	412,757	69,476	109	4,673	287,004	(642,553)	131,466
Transfer of share option reserve upon the lapse of share option	–	–	–	(1,550)	–	1,550	–
Recognition of equity settled share-based payment expenses (Note 32)	–	–	–	11,683	–	–	11,683
Loss for the year	–	–	–	–	–	(30,677)	(30,677)
At 31 March 2011 and 1 April 2011	412,757	69,476	109	14,806	287,004	(671,680)	112,472
Transfer of share option reserve upon the lapse of share option	–	–	–	7,385	–	–	7,385
Recognition of equity settled share-based payment expenses (Note 32)	–	–	–	(3,549)	–	3,549	–
Loss for the year	–	–	–	–	–	(39,991)	(39,991)
At 31 March 2012	412,757	69,476	109	18,642	287,004	(708,122)	79,866

32. SHARE OPTION SCHEME

A share option scheme was approved and adopted by the shareholders of the Company at the extraordinary general meeting held on 21 January 2010 (the "Share Option Scheme"). During the year ended 31 March 2012, there was no share options exercised or cancelled, and 38,200,000 (2011: 90,250,000) share options were lapsed. Details of the Share Option Scheme are set out on pages 47 to 51 of this report.

33. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme (the “MPF Scheme”) for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make monthly contributions not exceeding HK$1,250 or 5% of the relevant payroll costs, whichever is the lower, to the scheme. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme.

The employees of the Group’s subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the local government. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

34. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Key management personnel represents the Directors and their remunerations are set out in Note 13 to the consolidated financial statements.

In addition to the transactions and balances detailed elsewhere in the consolidated financial statements, during the year, the Group had entered into transactions with related parties which, in opinion of the Directors, were carried out on normal commercial terms and in the ordinary course of the Group’s business, as shown below:

Name of the related party	**Nature of transaction**	**2012** ***HK$’000***	2011 *HK$’000* (Restated)
Zhongrong Trust	Consultancy fee expenses	**1,082**	–

35. OPERATING LEASE

The Group and the Company as lessee

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:

	The Group		The Company	
	2012	2011	**2012**	201
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Within one year	**2,332**	3,223	**1,020**	743
After one year but within five years	**–**	861	**–**	743
	2,332	4,084	**1,020**	1,486

Leases are negotiated for one to two years (2011: one to two years) and the rentals are fixed during the relevant lease periods.

36. 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.

37. ACQUISITION OF A SUBSIDIARY

On 1 November 2010, the Company entered into an agreement with third parties independent of the Company and its connected persons to acquire 100% interest of Cosmos View, together with the shareholder's loan, at the consideration of HK$46,842,640. Details of the transaction were disclosed in the announcement of the Company dated 1 November 2010.

	2011
	HK$'000
The assets acquired and liabilities recognised at the date of acquisition:	
Property, plant and equipment	12
Other receivables	11,712
Bank balances and cash	46,211
Other payables	(58,607)
	(672)

Goodwill arising on acquisition (Note 38):

	2011
	HK$'000
Consideration paid in cash	46,843
Less: Fair value of identifiable net liabilities acquired	672
Less: Shareholder loan acquired	(46,843)
	672

Net cash outflow on acquisition of Cosmos View:

	2012
	HK$'000
Consideration paid in cash	**46,843**
Less: Cash and cash equivalent balances acquired	**(46,211)**
	632

38. DISPOSAL OF SUBSIDIARIES

For the year ended 31 March 2012

(i) Disposal of the entire equity interest in Yinchuan Outlets

As set out in the Company's announcement dated 25 June 2012 and Note 8 (iii) to the consolidated financial statements, Richly Field Beijing and the Purchasers entered into the Equity Transfer Agreements on 10 June 2011 and 16 June 2011 respectively in relation to the disposal of the Sale Equity Interest.

The total consideration for the Sale Equity Interest is RMB6,000,000 (equivalent to approximately HK$7,358,000), with each of the Purchasers paying RMB3,000,000 (equivalent to approximately HK$3,679,000) respectively to Richly Field Beijing.

The Second Purchaser is owned as to 50% by Mr. Leung, a substantial Shareholder, and as to 50% by a third party independent of the Company and its connected persons. Therefore, the Second Purchaser was a connected person of the Company as defined in Chapter 14A of the Listing Rules and the entering into the Second Equity Transfer Agreement constituted a connected transaction under Rule 14A.13 (1) of the Listing Rules.

Details of the transactions were set out in the Company's announcement dated 25 June 2012.

(ii) Deemed disposal of 50% interest in Champ Wisdom Limited

On 10 October 2011, the Company entered into an agreement with a third party, Vision Far Investments Limited ("Vision Far"), that one new share of Champ Wisdom Limited ("Champ Wisdom"), a wholly-owned subsidiary of the Company, was allotted to Vision Far at the consideration of US$1. As a result of the completion of share subscription by Vision Far in Champ Wisdom, the Group's interest in Champ Wisdom was diluted from 100% to 50%. Accordingly Champ Wisdom became an associate of the Company.

38. DISPOSAL OF SUBSIDIARIES (CONTINUED)

For the year ended 31 March 2012 (continued)

The total paid up registered capital of Huailai Dayi Wineries Company Limited* (懷來大一葡萄酒莊園有限公司) ("Huailai Wineries"), an wholly-owned subsidiary of Champ Wisdom Holdings Limited (an wholly-owned subsidiary of Champ Wisdom), was then increased from HK$12,000,000 to HK$20,000,000, of which HK$10,000,000 was paid by Vision Far as consideration for the 50% of the registered capital of Huailai Wineries.

At the date of disposal, Champ Wisdom and Champ Wisdom Holdings Limited had not engaged in any business activities. During the year ended 31 March 2012, Huailai Wineries obtained state-owned land use rights of a land situated in Hebei, the PRC. Details of development plan are set out in paragraphs headed "Business Review" under "Management Discussion and Analysis" section on pages 5 and 6 in this report.

(iii) Deemed disposal of 60% interest in King Future Limited

As set out in Note 8(i)(c), on 6 January 2012, the Company, King Future and Sky Speed entered into the Subscription Agreement, pursuant to which three and six new shares of King Future, a wholly-owned subsidiary of the Company at that time, were allotted to the Company and Sky Speed at the consideration of US$3 and US$6 respectively. After completion of the Subscription Agreement, the Group's interest in King Future was diluted from 100% to 40%. Accordingly King Future became an associate of the Company.

Pursuant to the Subscription Agreement, Sky Speed agreed to provide US$12,000,000 (equivalent to approximately HK$93,600,000) to King Future, which would then pay through King Future Holding Limited (a wholly-owned subsidiary of King Future) to Qinhuangdao Outlets as its deemed share of registered capital of Qinhuangdao Outlets.

At the date of the disposal, King Future and King Future Holdings Limited had not engaged in any business activities, and Qinhuangdao Outlets planned to develop an outlet shopping park with residential properties in Qinhuangdao, the PRC. Details of the transaction were disclosed in the announcement of the Company dated 6 January 2012.

38. DISPOSAL OF SUBSIDIARIES (CONTINUED)

For the year ended 31 March 2012 (continued)

The aggregate amounts of net assets and liabilities of Yinchuan Outlets, Champ Wisdom and King Future at the date of disposal were as follows:

	Yinchuan Outlets *HK$'000*	Champ Wisdom *HK$'000*	King Future *HK$'000*	Total *HK$'000*
Net assets disposed of:				
Property, plant and equipment	359	495	269	1,123
Trade and other receivables	232	28,812	152,627	181,671
Bank balances and cash	6,499	1,512	50,089	58,100
Trade and other payables	(231)	(33,712)	(204,753)	(238,696)
Tax payable	–	(1)	–	(1)
	6,859	(2,894)	(1,768)	2,197
Translation reserve released upon disposal	(89)	(661)	(1,453)	(2,203)
Gain on disposal of subsidiaries	443	3,555	3,221	7,219
Total consideration	7,213	–	–	7,213
Net cash inflow/(outflow) on disposal:				
Cash consideration received	7,213	–	–	7,213
Less: cash and cash equivalent balances disposed of	(6,499)	(1,512)	(50,089)	(58,100)
	714	(1,512)	(50,089)	(50,887)

38. DISPOSAL OF SUBSIDIARIES (CONTINUED)

For the year ended 31 March 2011

(i) On 3 August 2010, a conditional agreement was entered into between the Company and Wise Action Holdings Limited, a third party independent of the Company and its connected persons, in respect of the disposal of the entire issued share capital and the shareholder's loan of Wealthy Field Development Holdings Limited and its fellow subsidiaries (the "Wealthy Field Group") at the consideration of US$45,000,000 (equivalent to HK$351,000,000). At the date of the disposal, the Wealthy Field Group had not engaged in any business activities. Details of the transaction were disclosed in the Company's announcement dated 3 August 2010 and circular dated 12 August 2010.

(ii) On 6 August 2010, the Company disposed of Richly Field Nanchang Holdings Limited ("Nanchang"), to a third party independent of the Company and its connected persons.

(iii) On 15 November 2010, the Company entered into an agreement and a deed with Marvel Victory Limited, a third party independent of the Company and its connected persons, in respect of the dispose of 50% of interest of Cosmos View Holdings Limited and the assignment of 50% of the shareholder's loan, at the consideration of US$3,002,732.34 (equivalent to approximately HK$23,422,000). Details of the transaction were disclosed in the announcement of the Company dated 15 November 2010.

(iv) On 10 November 2010, an indirect wholly-owned subsidiary of the Company, Globe Outlets City Holding Limited ("Globe Outlets"), entered into a joint venture agreement with Zhongrong Trust, a third party independent of the Company and its connected persons. Pursuant to the joint venture agreement, the total registered capital of Hunan Richly Field, a subsidiary of Globe Outlets, would be increased from HK$238,000,000 to HK$469,000,000, and Zhongrong Trust conditionally agreed to subscribe for additional registered capital of HK$231,000,000 at a cash consideration of RMB200,000,000 (equivalent to approximately HK$231,000,000), which constituted a deemed disposal of the Group's interest in Hunan Richly Field. Details of the transaction were disclosed in the Company's announcement dated 10 November 2010 and the circular dated 26 November 2010.

38. DISPOSAL OF SUBSIDIARIES (CONTINUED)

For the year ended 31 March 2011 (continued)

The aggregate amounts of net assets and liabilities of Wealthy Field, Nanchang and Cosmos View at the date of disposal were as follows:

	Wealthy Field	Nanchang	Cosmos View	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Net assets disposed of:				
Property, plant and equipment	3,159	–	12	3,171
Goodwill (Note 37)	–	–	672	672
Trade and other receivables	68,175	–	11,712	79,887
Property under development	955	–	–	955
Bank balances and cash	274,874	8	46,211	321,093
Trade and other payables	(38)	–	(11,764)	(11,802)
Tax payable	(8)	–	–	(8)
	347,117	8	46,843	393,968
Translation reserve released upon disposal	(2,912)	–	–	(2,912)
Gain/(loss) on disposal of subsidiaries	6,795	22	(336)	6,481
Fair value of 50% retained interest in Cosmos View	–	–	(23,085)	(23,085)
Total consideration	351,000	30	23,422	374,452
Net cash inflow/(outflow) on disposal:				
Cash consideration received	351,000	30	23,422	374,452
Less: cash and cash equivalent balances disposed of	(274,874)	(8)	(46,211)	(321,093)
	76,126	22	(22,789)	53,359

39. WINDING UP OF A SUBSIDIARY

Dickson Construction Engineering (Guangdong) Limited ("DCEL"), a wholly owned subsidiary of the Group, was wound up during the year ended 31 March 2011. The details were disclosed in the announcement of the Company dated 12 July 2010.

The aggregate amounts of net assets and liabilities of DCEL at the date of winding up were as follows:

	2011 *HK$'000*
Net liabilities disposed of:	
Property, plant and equipment	52
Other receivables	16
Accruals and other payables	(402)
Net liabilities at the date of disposal	(334)
Translation reserve released upon disposal	(845)
Gain on winding up of a subsidiary	(1,179)

40. PLEDGE OF ASSETS

As at 31 March 2012, properties under development and land use rights of a portion of the Group's land in Hunan, the PRC, with the carrying amount of approximately RMB512,029,000 (equivalent to approximately HK$638,112,000) (2011: RMB240,000,000) were pledged to a bank to secure an interest-bearing bank loan granted to a subsidiary of the Group as disclosed in Note 26 to the consolidated financial statements.

And as set out in Note 23(iii), Hunan Richly Field provided the mortgage of the Land in Hunan, the PRC, with the carrying amount of approximately RMB48,640,000 (equivalent to approximately HK$60,596,000) to the SPD Bank for the Credit Facility granted by the SPD Bank to the Borrower. This mortgage of the Land has been released as at the date of this report.

41. CONTINGENT LIABILITIES

Save as disclosed in Note 29, the Group may subject to claims for compensation for failure to deliver the shop premises of the Changsha Project and HK$325,000 provision was recognisd in this respect. While claims for compensation for some of the tenants were based on parameters which cannot be ascertained at this stage (e.g. monthly contingent rental charges over the tenants, which are based on certain percentages of the monthly turnover of the individual outlet shops), no reliable estimation can be made on the quantum of the potential compensation payable for such tenants as at 31 March 2012. No claim for compensation has been lodged against the Group as at the reporting date.

In addition, as disclosed in Note 27, as at 31 March 2012, the Group provided the Financial Guarantee to the extent of RMB22,230,000 (equivalent to approximately HK$27,694,000) to a bank in respect of banking facilities granted to the Borrower. As at the date of this report, the Financial Guarantee has been released.

As at 31 March 2011, the Group and the Company did not have any material contingent liabilities.

42. CAPITAL COMMITMENTS

At 31 March 2012, the Group had property development expenditure contracted but not yet incurred and provided for in the amount of HK$215,766,000.

43. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the Group's financial assets and financial liabilities as recognised at 31 March 2012 and 2011 are categorised as follows:

	2012	2011
	HK$'000	*HK$'000*
		(Restated)
Financial assets		
Loans and receivables		
(including cash and bank balances)	**265,297**	580,922
Financial liabilities		
Financial liabilities measured at amortised cost	**806,977**	683,969
Financial guarantee obligation	**882**	–

44. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

(a) Financial risk management

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The Directors and management meet periodically to analyse and formulate strategies to manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner. Generally, the Group introduces conservative strategies on its risk management. As the Group's exposure to these risks is kept to a minimum, the Group has not used any derivatives or other instruments for hedging purposes. The Group does not enter into any trade derivative financial instruments for speculative purposes.

The Group's major financial instruments include cash and bank deposits, trade and other receivables, trade and other payables and bank borrowing. Details of these financial instruments are disclosed in respective notes. The main risks associated with these financial instruments and the policies on how to mitigate these risks are set out below:

(i) Credit Risk

As at 31 March 2012, the maximum exposure to credit risk by the Group and the Company which will cause a financial loss due to failure to discharge an obligation by the counterparties and financial guarantees provided is arising from:

– the carrying amounts of the recognised financial assets as stated in the consolidated and Company statement of financial position; and

– the amount of contingent liabilities in relation to financial guarantee issued by the Company as disclosed in Note 27 to the consolidated financial statements.

It is the Group's policy that all borrowers are subject to credit verification procedures. A provision for impairment would be made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. No other financial assets carry a significant exposure to credit risk.

44. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management (continued)

(ii) Currency Risk

The functional currencies of the subsidiaries are RMB that the primary economic environment in which the subsidiaries operate is the PRC, and most of the transactions were settled in RMB. The Group has no significant exposure to any specific foreign currency other than RMB, and it currently does not have a foreign currency hedging policy. However, the Directors continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The Group's exposures to foreign currencies risk are considered insignificant by the Directors and therefore no sensitivity analysis has been presented.

(iii) Liquidity Risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings. The Group has no covenants with banks for the banking facilities granted.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

44. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management (continued)

(iii) Liquidity Risk (continued)

The amounts included below for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates different to those estimates of interest rates determined at the end of the reporting period.

	Effective interest rate	On demand or within 3 months	3 months to 1 year	1-5 years	Total undiscounted cash flows	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2012						
Trade and other payable	**–**	**425,058**	**–**	**243**	**425,301**	**425,301**
Amounts due to related companies	**–**	**7,936**	**–**	**–**	**7,936**	**7,936**
Bank borrowing	**7.59**	**–**	**91,887**	**341,862**	**433,749**	**373,740**
Financial guarantee obligation	**–**	**310**	**572**	**–**	**882**	**882**
		433,304	**92,459**	**342,105**	**867,868**	**807,859**
	%	*HK$'000*	*HK$'000* (Restated)	*HK$'000* (Restated)	*HK$'000* (Restated)	*HK$'000* (Restated)
At 31 March 2011						
Trade and other payable	–	287,952	1,858	20,183	309,993	309,993
Amounts due to related company	–	–	16,182	1,626	17,808	17,808
Bank borrowing	7.315	–	–	454,659	454,659	356,168
		287,952	18,040	476,468	782,460	683,969

The amount included above for financial guarantee contract is the maximum amount the Company could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is not probable that the Borrower would default repayment of the bank borrowing.

44. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management (continued)

(iv) Fair Value of Financial Instruments

The fair value of financial assets and financial liabilities (including derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as inputs. For an optionbased derivative, the fair value is estimated using option pricing model (for example, Black-Scholes Model).

The Directors consider that all the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate their fair values.

(b) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, introduce strategic investors, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the net debt-to-equity ratio. This ratio is calculated as debt divided by total equity. Debt represents total borrowings as shown in the consolidated statement of financial position. Total equity represents the equity as shown in the consolidated statement of financial position.

44. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (CONTINUED)

(b) Capital risk management (continued)

The Group's strategy was unchanged from 2011 and was to maintain the net debt-to-equity ratio at a low level. The net debt-to-equity ratios at 31 March 2012 and 2011 are as follows:

	2012	2011
	HK$'000	*HK$'000*
Total debt	**373,740**	356,168
Total equity	**859,588**	921,126
Net debt-to-equity ratio	**43.5%**	38.7%

45. PARTICULARS OF SUBSIDIARIES

Particulars of the Company's principal subsidiaries at 31 March 2012 were as follows:

Name of subsidiary	Place of incorporation/ operation	Forms of legal entity	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the company Directly	Indirectly	Principal activities
Chuang Yao Limited	BVI	International business company	US$1	100%	–	Investment holding
Chuang Yao Holdings Limited	Hong Kong	Limited liability company	HK$1	–	100%	Investment holding
Chuang Yu Holdings Limited	Hong Kong	Limited liability company	HK$1	100%	–	Investment holding
Globe Outlets City Limited	BVI	International business company	US$1	100%	–	Investment holding

45. PARTICULARS OF SUBSIDIARIES (CONTINUED)

Name of subsidiary	Place of incorporation/ operation	Forms of legal entity	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the company Directly	Indirectly	Principal activities
Globe Outlets City Holdings Limited	Hong Kong	Limited liability company	HK$1	–	100%	Investment holding
Globe Outlets Town (Jilin) Limited	The PRC	Wholly foreign owned enterprise	US$4,000,000	–	100%	Properties development
Hunan Richly Field Outlets Real Estate Limited	The PRC	Sino foreign owned enterprise	HK$469,000,000	–	50.75%	Properties development
Jiangxi Richly Town Construction Projects Co., Limited	The PRC	Wholly foreign owned enterprise	HK$10,000,000	–	100%	Building contractors
Mile Gain Limited	BVI	International business company	US$1	100%	–	Investment holding
Million Harmony Limited	BVI	International business company	US$1	100%	–	Investment holding
Million Harmony Holdings Limited	Hong Kong	Limited liability company	HK$1	–	100%	Investment holding
Pilot Will Limited	BVI	International business company	US$1	100%	–	Investment holding
Pilot Will Holdings Limited	Hong Kong	Limited liability company	HK$1	–	100%	Investment holding

45. PARTICULARS OF SUBSIDIARIES (CONTINUED)

Name of subsidiary	Place of incorporation/ operation	Forms of legal entity	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the company Directly	Indirectly	Principal activities
Profuse Gain Limited	BVI	International business company	US$1	100%	–	Investment holding
Profuse Gain Holdings Limited	Hong Kong	Limited liability company	HK$1	–	100%	Investment holding
Quality Depot Limited	BVI	International business company	US$100	–	100%	Investment holding
Richly Field (Beijing) Investment Consulting Co., Limited	The PRC	Wholly foreign owned enterprise	HK$15,000,000	100%	–	Property management
Richly Field Hainan Holdings Limited	Hong Kong	Limited liability company	HK$1	100%	–	Investment holding
北京裕田城投資管理有限公司	The PRC	Limited liability company	RMB1,000,000	–	100%	Property management
長沙裕田奧特萊斯企業管理有限公司	The PRC	Limited liability company	RMB1,000,000	–	50.75%	Property management
長沙裕田奧萊物業管理有限公司	The PRC	Limited liability company	RMB500,000	–	100%	Property management
裕田株式會社	Japan	Limited liability company	JPY3,000,000	–	100%	Sourcing

None of the subsidiaries had any debt securities outstanding during the year or at the end of the reporting period.

46. EVENTS AFTER THE REPORTING PERIOD

(a) On 12 July 2012, the Company, Xenoton Investment Limited ("Xenoton") and Favour Brightness Development Limited ("Favour") entered into a share transfer agreement (the "Share Transfer Agreement"). Pursuant to the Share Transfer Agreement, the Company procured Chuang Yao Limited ("Chuang Yao"), a wholly-owned subsidiary of the Company, to issue additional 199 new shares of Chuang Yao to the Company, after which, the Company transferred 99 shares, representing 49.5% of the enlarged issued share capital of Chuang Yao, and 17 shares, representing 8.5% of the enlarged issued share capital of Chuang Yao, to Xenoton and Favour respectively at the consideration of US$1 for each of the shares of Chuang Yao. In addition, pursuant to the Share Transfer Agreement, the shareholder loan in the amount of US$1,984,098 (equivalent to approximately HK$15,476,000), representing approximately 49.5% of the shareholder loans, and US$340,704 (equivalent to approximately HK$2,657,000), representing approximately 8.5% of the shareholder loans, due to the Company by Chuang Yao have also been assigned to Xenoton and Favour respectively. The total consideration paid by Xenoton and Favour in cash for the shares of Chuang Yao and the shareholder loans is US$1,984,197 (equivalent to approximately HK$15,477,000) and US$340,721 (equivalent to approximately HK$2,658,000) respectively.

As at the date of the Share Transfer Agreement, Chuang Yao was a wholly-owned subsidiary of the Company with one share being issued and fully-paid. Chuang Yao owns the entire issued share capital of Chuang Yao Holdings Limited, which in turn owns the entire equity interest in Jilin Outlets. Jilin Outlets was a company incorporated in the PRC as a wholly-foreign-owned enterprise with registered capital of USD20,000,000 (equivalent to approximately HK$156,000,000), among which USD4,000,000 (equivalent to approximately HK$31,200,000) had been fully paid up as at the date of the Share Transfer Agreement. Jilin Outlets intended to develop commercial and residential property projects in Changchun, the PRC, with the concept of "World Brands Discount Outlets", and as at the date of the Share Transfer Agreement, Jilin Outlets had paid RMB10,000,000 (equivalent to approximately HK$12,458,000) as the deposit to the local government. After completion of the Share Transfer Agreement, Chuang Yao was owned as to 42% by the Company, 49.5% by Xenoton and 8.5% by Favour respectively.

46. EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

Both Xenoton and Favour are third parties independent of the Company and its connected persons. As the relevant percentage ratios in respect of the entering into the Share Transfer Agreement is less than 5%, the entering into Share Transfer Agreement is not a notifiable transaction as defined under Rule 14.04 (7) of the Listing Rules.

(b) As set out in Note 8 (Note (i) (c)) to the consolidated financial statements of the Company, Richly Field Beijing continued to provide the Loan Facility to Qinhuangdao Outlets for a term of one year with an annual interest rate of 20%, which constituted a financial assistance under the Listing Rules. The Loan Facility has become due and payable since 5 January 2013. As at 5 January 2013, the outstanding principal of the Loan Facility and the relevant interest were in the total amount of approximately RMB82,300,000. As present, the Group is still in discussions with Qinhuangdao Outlets and Sky Speed (being the controlling shareholder of Qinhuangdao Outlets) regarding the outstanding Loan Facility.

Save as disclosed above, there are no other significant events subsequent to 31 March 2012.

* *For identification purpose only*

FIVE YEARS SUMMARY

The summarised consolidated results, assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements of the Group, are set out below:

Results

	For the year ended 31 March				
	2008	2009	2010	2011	**2012**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Turnover	11,037	3,351	25,843	–	**289**
Profit/(loss) attributable to:					
– Owners of the Company	24,890	(16,805)	(32,090)	33,617	**(78,493)**
– Non-controlling interests	–	–	–	60,617	**(21,884)**
	24,890	(16,805)	(32,090)	94,234	**(100,377)**

Assets and Liabilities

	At 31 March				
	2008	2009	2010	2011	**2012**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
				(Restated)	
Total assets	43,021	280,444	1,015,480	1,625,571	**1,687,382**
Total liabilities	(583,022)	(2,572)	(451,544)	(704,445)	**(827,794)**
	(540,001)	277,872	563,936	921,126	**859,588**
Equity attributable to:					
– Owners of the Company	(540,001)	277,872	563,936	625,739	**572,417**
– Non-controlling interests	–	–	–	295,387	**287,171**
	(540,001)	277,872	563,936	921,126	**859,588**