RICHLY FIELD

RICHLY FIELD CHINA DEVELOPMENT LIMITED

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

(Stock Code: 313)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

The board (the "Board") of directors (the "Directors") of Richly Field China Development Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim financial results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 September 2014 (the "Reporting Period") together with comparative unaudited figures for the six months ended 30 September 2013 (the "Corresponding Period") and selected explanatory notes as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 September 2014

		Six months ended 30 September	
		2014	2013
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
REVENUE	*5*	**36,069**	41,675
Cost of sales		**(33,286)**	(34,105)
Gross profit		**2,783**	7,570
Other income and gains	*5*	**5,600**	5,807
Gain on step acquisition of a subsidiary	*21*	**10,742**	–
Selling expenses		**(11,751)**	(17,086)
Administrative expenses		**(46,143)**	(41,176)
Finance costs	*6*	**(1,386)**	(22,413)
Share of results of associates		**67,761**	(3,063)
PROFIT/(LOSS) BEFORE TAX	*7*	**27,606**	(70,361)
Income tax	*8*	**–**	–
PROFIT/(LOSS) FOR THE PERIOD		**27,606**	(70,361)

	Notes	Six months ended 30 September 2014 HK$'000 (Unaudited)	2013 HK$'000 (Unaudited)
Attributable to:			
Owners of the Company	9	**27,606**	(70,361)
Non-controlling interests		**–**	–
		27,606	(70,361)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**222**	6,584
Share of other comprehensive income/(loss) of associates		**(1,524)**	1,242
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**(1,302)**	7,826
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**26,304**	(62,535)
Attributable to:			
Owners of the Company		**26,304**	(62,535)
Non-controlling interests		**–**	–
		26,304	(62,535)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	9		
Basic		**HK0.31 cents**	HK(0.79) cents
Diluted		**HK0.31 cents**	HK(0.79) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2014

	Notes	30 September 2014 HK$'000 (Unaudited)	31 March 2014 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**6,683**	4,383
Deposit for land		**857,956**	–
Investment properties	*11*	**717,019**	491,027
Prepaid land lease payments	*12*	**545,209**	588,754
Investments in associates		**20,680**	31,737
Goodwill	*21*	**191,856**	–
Total non-current assets		**2,339,403**	1,115,901
CURRENT ASSETS			
Properties under development	*13*	**1,119,878**	885,451
Inventories		**4,024**	5,510
Trade receivables	*14*	**16,339**	–
Prepayments, deposits and other receivables		**29,913**	27,769
Loan to an associate		**–**	122,943
Cash and cash equivalents		**70,931**	270,533
Total current assets		**1,241,085**	1,312,206
CURRENT LIABILITIES			
Trade payables	*15*	**286,868**	257,969
Receipts in advance, other payables and accruals		**553,984**	335,496
Deferred income		**466,447**	–
Due to related parties		**253,746**	19,107
Interest-bearing bank and other borrowings	*16*	**199,096**	198,986
Provision		**2,039**	1,691
Tax payable		**177,623**	9,302
Total current liabilities		**1,939,803**	822,551

	Notes	30 September 2014 HK$'000 (Unaudited)	31 March 2014 HK$'000 (Audited)
NET CURRENT (LIABILITIES)/ASSETS		**(698,718)**	489,655
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,640,685**	1,605,556
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	*16*	**1,324,785**	1,324,945
Deferred tax liability		**8,985**	–
Total non-current liabilities		**1,333,770**	1,324,945
Net assets		**306,915**	280,611
EQUITY			
Equity attributable to owners of the Company			
Share capital	*17*	**445,748**	445,748
Deficit		**(138,833)**	(165,137)
Total equity		**306,915**	280,611

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2014

1. CORPORATE INFORMATION

Richly Field China Development Limited (the "Company") was incorporated in the Cayman Islands with limited liability and continued as an exempted company under the laws of Bermuda after the change of domicile from the Cayman Islands to Bermuda effective on 11 February 2004. The principal place of business of the Company is located at Suite 506, ICBC Tower, 3 Garden Road, Central, Hong Kong. During the period, the Company and its subsidiaries (collectively referred to as the "Group") were involved in the following principal activities: (i) property development; (ii) property management; (iii) building construction and maintenance; and (iv) trading of fashion wears and accessories.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 September 2014 have been prepared in accordance with the applicable provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standard ("HKAS") 34 "*Interim Financial Reporting*" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

As at 30 September 2014, the Group had cash and bank balances of HK$70,931,000 and aggregate outstanding interest-bearing bank and other borrowings of HK$1,523,881,000 together with aggregate payables of HK$991,002,000. The Group recorded a consolidated profit of HK$27,606,000 (consolidated loss for the six months ended 30 September 2013: HK$70,361,000) for the six months ended 30 September 2014. The directors of the Company have taken steps to improve the Group's liquidity and solvency position. Based on management estimation of the future cash flows of the Group, after taking into account (i) a projection of the future sales of residential properties; (ii) the additional other loan facility of RMB300 million (equivalent to approximately HK$378,510,000) obtained during the six months ended 30 September 2014 and (iii) the expected ability and successfully refinance interest-bearing bank and other borrowings when falling due, if necessary, the directors are of the opinion that the Group will be able to generate sufficient funds to meet its financial obligations when they fall due in the foreseeable future. Accordingly, the interim condensed consolidated financial statements of the Group have been prepared on a going concern basis.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2014 included in the annual report.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2014, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA which are effective for the first time for the Group's annual period beginning on or after 1 April 2014.

HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – *Investment Entities*
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*
HKAS 39 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*
HK(IFRIC)-Int 21	*Levies*

Other than as further explained below regarding the impact of amendments to HKAS 39, HKFRS 10, and HKAS 32, the adoption of the new and revised HKFRSs has had no significant financial effect on these interim financial statements.

The principal effects of adopting these new and revised HKASs and HKFRSs are as follows:

(a) HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on impairment of financial assets continues to apply. The previous mandatory effective date of HKFRS 9 was removed by the HKICPA in December 2013 and a mandatory effective date will be determined after the entire replacement of HKAS 39 is completed. However, the standard is available for application now. The Group will quantify the effect in conjunction with other phases, when the final standard including all phases is issued.

(b) Amendments to HKFRS 10 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss in accordance with HKFRS 9 rather than consolidate them. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. The Group expects that these amendments will not have any impact on the Group as the Company is not an investment entity as defined in HKFRS 10.

(c) The HKAS 32 Amendments clarify the meaning of "currently has a legally enforceable right to set off" for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in HKAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 April 2014.

4. OPERATING SEGMENT INFORMATION

Over 90% of the Group's revenue, expenses and assets are generated from the Group's property development project in Changsha of Hunan Province (the "Changsha Project") and Qinhuangdao of Hebei Province (the "Qinhuangdao Project"), in the People's Republic of China (the "PRC"). The management of the Group makes decisions about resources allocation and assesses performance of the Group based on the operating results from and financial position of these business activities. Accordingly, the directors are of the opinion the Changsha Project and Qinhuangdao Project in the PRC is a single reportable operating segment of the Group.

An analysis of the Group's revenues from external customers for each group of similar products and services is disclosed in note 5 to the condensed consolidated financial statements.

The Group's revenue from external customers is derived solely from its operations in the PRC, and all non-current assets (other than financial assets) of the Group are located in the PRC.

For the six months ended 30 September 2014, the Group had no transactions with a single external customer which individually contributed over 10% of the Group's total revenue. For the six months ended 30 September 2013, the revenue generated from the service provided to one customer for the period amounted to HK$40,646,000.

5. REVENUE, OTHER INCOME AND GAINS

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

	Notes	Six months ended 30 September 2014 HK$'000 (Unaudited)	2013 HK$'000 (Unaudited)
Revenue			
Construction revenue	*(a)*	**–**	40,646
Sales of properties	*(b)*	**34,884**	–
Sales of fashion wears and accessories		**675**	1,029
Rental income		**478**	–
Management fee income		**32**	–
		36,069	41,675
Other income and gains			
Bank interest income		**322**	283
Other interest income	*(c)*	**4,253**	5,210
Exchange gains, net		**–**	310
Others		**1,025**	4
		5,600	5,807

Notes:

(a) On 18 March 2010, Hunan Richly Field Outlets Real Estate Limited* (湖南裕田奧特萊斯置業有限公司) ("Hunan Richly Field"), a wholly-owned subsidiary of the Company, and Wangcheng Economic Development Zone Construction and Development Company Limited* (望城經開區建設開發公司) (previously known as Wangcheng Development and Construction Investment Company Limited* (望城縣開發建設投資總公司)) ("Wangcheng Investment"), a state-owned entity, entered into a construction contract (the "Construction Contract"), pursuant to which Wangcheng Investment appointed Hunan Richly Field, as the primary constructor, to provide construction services for some of the infrastructures and supporting facilities surrounding the Changsha Project, which mainly include municipal power facilities project, earth project, drainage and sewer project and gardens landscape project at a cash consideration of RMB251,474,000 (equivalent to approximately HK$310,797,000). Based on the percentage of completion method, the Group recognised construction revenue of HK$40,646,000 during the six months ended 30 September 2013 in the condensed consolidated statement of comprehensive income. As at 31 March 2014, the project was fully completed.

(b) During the six months ended 30 September 2014, the Group recognised revenue from sales of properties of HK$34,884,000 in respect of the units sold in Residential Phase 1 of the Changsha Outlets Project.

(c) During the six months ended 30 September 2014, the Group recognised interest income of HK$4,253,000 (six months ended 30 September 2013: HK$5,210,000) in respect of a loan to Qinhuangdao Outlets Real Estate Co., Ltd ("Qinhuangdao Outlets"), a wholly-owned subsidiary of the Company from the change of an associate with effective from 1 September 2014. Further details of the transaction are set out in the Company's announcement dated 24 June 2014, 29 August 2014 and 1 September 2014 and note 18(a)(i) and 21 to the condensed consolidated financial statements.

* *For identification purposes only*

6. FINANCE COSTS

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

	Six months ended 30 September 2014	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on bank and other loans wholly repayable within five years	**93,908**	77,738
Less: Interest capitalised	**(92,522)**	(55,325)
	1,386	22,413

The capitalisation rates used to determine the amount of borrowing costs eligible for capitalisation for the six months ended 30 September 2014 and 2013 were 6.38% and 8.0%, respectively.

7. PROFIT/(LOSS) BEFORE TAX

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

	Six months ended 30 September	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Cost of goods sold#	**26,221**	332
Cost of services provided#	**447**	28,781
Depreciation of property, plant and equipment	**1,254**	1,112
Depreciation of investment properties#	**5,441**	2,432
Provision for compensation	**346**	230
Write-down of inventories to net realisable value#	**1,177**	2,560
Amortisation of prepaid land lease payments	**5,908**	5,897
Less: Amount capitalised	**(3,244)**	(2,923)
	2,664	2,974
Minimum lease payments under operating leases in respect of land and buildings	**104**	2,400
Employee benefit expense (including directors' remuneration):		
Wages and salaries	**14,449**	16,863
Equity-settled share option expense	**–**	853
Pension scheme contributions	**1,103**	1,353
	15,552	19,069
Exchange losses, net	**12**	–

This amount is included in "Cost of sales" in the condensed consolidated statement of comprehensive income.

8. INCOME TAX

For the Group's subsidiaries established in the PRC, PRC Enterprise Income Tax is calculated at the rate of 25% (six months ended 30 September 2013: 25%).

No provision for PRC Enterprise Income Tax and Hong Kong profits tax has been made for the six months ended 30 September 2014 as the Group did not generate any assessable profits arising in PRC and Hong Kong respectively during the period (six months ended 30 September 2013: Nil).

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

The calculation of basic earnings/(loss) per share amounts is based on the earnings/(loss) for the period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares in issue during the period.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the six months ended 30 September 2014 and 2013 in respect of a dilution as the share options outstanding had no dilutive effect on the basic earnings/(loss) per share amounts presented.

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

	Six months ended 30 September	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings/(Loss)		
Earnings/(Loss) attributable to ordinary equity holders of the Company, used in the basic earnings/(loss) per share calculation	**27,606**	(70,361)

	Number of shares Six months ended 30 September	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period, used in the basic earnings/(loss) per share calculation	**8,889,933,837**	8,880,874,303

10. INTERIM DIVIDEND

No payment of interim dividend was recommended for the six months ended 30 September 2014 (six months ended 30 September 2013: Nil).

11. INVESTMENT PROPERTIES

	Group		
	Completed	**Under construction**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
At 1 April 2013	40,470	348,638	389,108
Additions	–	101,829	101,829
Transfer	79,373	(79,373)	–
Depreciation provided during the year	(7,117)	–	(7,117)
Exchange realignment	889	6,318	7,207
At 31 March 2014 and at 1 April 2014	113,615	377,412	491,027
Additions	–	231,120	231,120
Transfer	17,349	(17,349)	–
Depreciation provided during the period	(5,441)	–	(5,441)
Exchange realignment	67	246	313
At 30 September 2014	125,590	591,429	717,019

All of the Group's investment properties are situated in Mainland China.

For disclosure purpose only, at 30 September 2014, the Group's investment properties were valued at RMB638,600,000 (equivalent to approximately HK$805,722,000) which was carried out by Avista Valuation Advisory Limited, an independent firm of professionally qualified valuers, on an open market, existing use basis. The investment properties are leased to third parties under operating leases.

At 30 September 2014, the Group's investment properties with a net carrying amount of HK$115,348,000 (31 March 2014: HK$117,361,000) were pledged to secure certain bank loans of the Group.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	30 September 2014	31 March 2014
	HK$'000	*HK$'000*
Recurring fair value measurement for:		
Significant unobservable inputs (Level 3)		
Commercial properties	**805,722**	607,730

During the six months ended 30 September 2014 and the year ended 31 March 2014, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

As the investment properties are measured initially at cost less accumulated depreciation and provision for any impairment in value, there is no movement of fair value measurements categorised within Level 3 of the fair value hierarchy.

Below is a summary of the valuation technique used and the key input to the valuation of investment properties:

	Valuation technique	**Significant unobservable input**
Commercial properties	Income capitalisation approach	Estimated rental value

The Group has determined that the highest and best use of the industrial properties at the measurement date would be to convert those properties for residential purposes. For strategic reasons, the properties are not being used in this manner.

12. PREPAID LAND LEASE PAYMENTS

	Note	**30 September 2014** *HK$'000* **(Unaudited)**	31 March 2014 *HK$'000* (Audited)
At beginning of the period/year		**600,568**	604,031
Recognised during the period/year		**(5,908)**	(11,744)
Transfer to properties under development	*13*	**(37,950)**	–
Exchange realignment		**319**	8,281
At end of the period/year		**557,029**	600,568
Current portion		**(11,820)**	(11,814)
Non-current portion		**545,209**	588,754

The Group's leasehold land is situated in Mainland China and is held under medium and long term leases terms.

At 30 September 2014, the Group's leasehold land with a net carrying amount of HK$319,017,000 (31 March 2014: HK$324,586,000) was pledged to secure certain bank loans of the Group.

13. PROPERTIES UNDER DEVELOPMENT

	Note	30 September 2014 HK$'000 (Unaudited)	31 March 2014 HK$'000 (Audited)
At beginning of the period/year		**885,451**	657,389
Additions		**193,454**	216,708
Transfer from prepaid land lease payments	12	**37,950**	–
Exchange realignment		**3,023**	11,354
At end of the period/year		**1,119,878**	885,451

At 30 September 2014, the Group's properties under development with an aggregate carrying amount of HK$72,333,000 (31 March 2014: HK$73,597,000) were pledged to secure for certain bank loans of the Group.

14. TRADE RECEIVABLES

Trade receivables mainly arise from sales of properties. The credit period is generally one month, extending up to six months for major customers. An aged analysis of trade receivables based on revenue recognition date is as follows:

	30 September 2014 HK$'000 (Unaudited)	31 March 2014 HK$'000 (Audited)
Within three months	**16,339**	–

15. TRADE PAYABLES

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

	30 September 2014 HK$'000 (Unaudited)	31 March 2014 HK$'000 (Audited)
Within one year	**198,413**	177,179
One to two years	**67,949**	60,496
Over two years	**20,506**	20,294
	286,868	257,969

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

16. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 September 2014 HK$'000 (Unaudited)	31 March 2014 HK$'000 (Audited)
Current		
Bank loans-secured	**195,563**	195,455
Other loans-unsecured	**3,533**	3,531
	199,096	198,986
Non-current		
Bank loans-secured	**1,324,785**	1,324,945
	1,523,881	1,523,931
Analysed into:		
Bank loans repayable:		
Within one year	**195,563**	195,455
In the second year	**315,425**	316,145
In the third to fifth years, inclusive	**1,009,360**	1,008,800
Total bank loans	**1,520,348**	1,520,400
Other loans payable:		
Within one year	**3,533**	3,531
In the second year	**–**	–
Total other loans	**3,533**	3,531
	1,523,881	1,523,931

Certain bank loans of the Group are secured by certain lands of the Group with net carrying amounts as listed below:

	Notes	**30 September 2014** *HK$'000* **(Unaudited)**	31 March 2014 *HK$'000* (Audited)
Investment properties	*11*	**115,348**	117,361
Prepaid land lease payments	*12*	**319,017**	324,586
Properties under development	*13*	**72,333**	73,597

In addition to the above, as at 30 September 2014, a bank loan of RMB1,200,000,000 (equivalent to approximately HK$1,514,040,000) is secured by the Group's entire equity interest in Hunan Richly Field (31 March 2014: HK$1,513,200,000).

The loans are guaranteed by Leung Ho Hing ("Mr. Leung"), a former substantial shareholder and now an independent third party. In connection thereto, the Company provided a counter-guarantee to Mr. Leung.

All of the Group's bank and other loans are denominated in RMB.

The bank loans bear interest at rates ranging from 6.4% to 11.96% per annum (six months ended 30 September 2013: 6.1% to 16.1% per annum), and do not contain a repayment on demand clause.

Fair Value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair value:

Liabilities for which fair values are disclosed

	30 September 2014 *HK$'000*	31 March 2014 *HK$'000*
Fair value measurement using significant unobservable inputs – Level 3		
Interest-bearing bank and other borrowings	**1,325,759**	1,389,998

The fair values of the interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms credit risk and remaining maturities.

The Group did not have any financial assets measured at fair value as at 30 September 2014 and 31 March 2014.

During the six months ended 30 September 2014 and the year ended 31 March 2014, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial liabilities.

17. SHARE CAPITAL

Shares

	30 September 2014 *HK$'000* **(Unaudited)**	31 March 2014 *HK$'000* (Audited)
Authorised:		
20,000,000,000 (At 31 March 2014: 20,000,000,000) ordinary shares of HK$0.05 (At 31 March 2014: HK$0.05) each	**1,000,000**	1,000,000
Issued and fully paid:		
8,914,964,303 (At 31 March 2014: 8,914,964,303) ordinary shares of HK$0.05 (At 31 March 2014: HK$0.05) each	**445,748**	445,748

18. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions with related parties during the period.

(i) During the six months ended 30 September 2014, the Group recognised interest income of HK$4,253,000 (six months ended 30 September 2013: HK$5,210,000) in respect of a loan to Qinhuangdao Outlets.

(ii) On 4 April 2014, the Group and a related party, JeShing Real Estate Group Company Limited (the "JeShing"), a company established in the PRC with limited liability, entered an agreement of a 3-years loan facility of RMB300,000,000 (equivalent to approximately HK$378,510,000) at 5% per annum. As at 30 September 2014, the Group had an outstanding balance due to amounting HK$52,651,000.

During the six months ended 30 September 2014, the Group recognised finance cost of HK$290,000 in respect of a loan to JeShing.

(iii) On 8 August 2014, the Group and a related party, Mr. He Da Zhao, a former substantial shareholder entered an agreement of a loan with HK$200,000,000 at 5% per annum, which was guaranteed by another substantial shareholder Mr. Wang Hua. As at 30 September 2014, the Group had an outstanding balance due to amounting HK$201,095,000 will be repaid before 21 August 2015.

During the six months ended 30 September 2014, the Group recognised finance cost of HK$1,096,000 in respect of a loan to a former substantial shareholder.

(b) Compensation of key management personnel of the Group

	Six months ended 30 September 2014 HK$'000 (Unaudited)	2013 HK$'000 (Unaudited)
Short term employee benefits paid to key management personnel	**1,409**	2,186

The related party transactions in respect of items (a)(i) and (a)(ii) above also constitute as connected transactions as defined in Chapter 14A of the Listing Rules.

19. CONTINGENT LIABILITIES

(a) Compensation to tenants

From 2011 and 2012, the Group entered into a number of lease agreements (the "Tenancy Agreements") with its tenants in relation to the lease of certain shop premises developed under the Changsha Project. Pursuant to certain Tenancy Agreements, the shop premises shall be ready for lease during the period from August 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 caused the slowdown in the pre-sale of the properties under development of the Changsha Project, which in turn 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 pre-sale of the properties under development 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 included 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, 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. Pursuant to the Tenancy 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 with the Group with the initial deposits being refunded by the Group. For those tenants who are willing to continue their lease, the Group has been in discussions with them regarding the revised terms of agreements by offering them certain discounts on the leasing fees or a rent free period as compensation for the delay. As at the date of this announcement, the Group has not received any claims for compensation from its tenants against the Group, and no estimation can be made on the amount of this potential compensation. With respect to the terms of the Tenancy Agreements, for which the calculation of compensation have been specified, HK$346,000 (six months ended 30 September 2013: HK$230,000) was recognised as provisions for such compensation as at 30 September 2014.

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 amount of the potential compensation payable for this tenants as at 30 September 2014. No claim for compensation has been lodged against the Group up to the date of these condensed consolidated financial statements.

(b) Delay in the completion of the construction work of the land

Qinhuangdao Outlets has entered into four State-owned Construction Land Use Rights Sale Contracts (the "Land Use Rights Sale Contracts") with Changli Land Bureau in relation to the acquisitions of the four parcels land on Golden Costal Road, Changli County, Qinhuangdao City, Hebei Province, the PRC, with site areas of 717,955 square meters (the "Land") on 2 February 2012.

Qinhuangdao Outlets has contingent liabilities as it may subject to possible penalty in relation to the delay in the completion of the construction work of the Land. Pursuant to the Land Use Rights Sale Contracts, the construction work for the site area of 1,247.5 square meters shall be commenced on or before 13 October 2012 and completed by 13 October 2013, and total site areas of 716,709.33 square meters shall be commenced on or before 13 October 2012 and completed by 13 October 2014. Any delay in the completion of the construction work without prior approval shall be subject to a daily penalty charged at a rate of the 0.1% on the land premium. As at 30 September 2014, the estimated quantifiable maximum penalty relating to the site area of 1,247.5 square meters of the Land was approximately RMB322,000 (equivalent to approximately HK$407,000) payable to Changli Land Bureau. The possible penalty in relation to the delay in the completion of the construction work for the site of 716,709.33 square meters of the Land was unable to be determined as at 30 September 2014. However, the Directors are of the opinion that the crystallisation of such penalty is not probable and will not be demanded.

20. COMMITMENTS

Operating lease commitments

The Group leases certain of its office properties and staff quarters under operating lease arrangements. The leases for the office properties and staff quarters are negotiated for terms of one year.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 September 2014 *HK$'000* **(Unaudited)**	31 March 2014 *HK$'000* (Audited)
Within one year	**15**	26

Capital commitments

At 30 September 2014 and 31 March 2014, the Group had the following commitments in respect of property development expenditures at the end of the reporting period:

	30 September 2014 *HK$'000* **(Unaudited)**	31 March 2014 *HK$'000* (Audited)
Contracted, but not provided for	**467,489**	142,095
Authorised, but not contracted for	**2,065,969**	2,802,971
	2,533,458	2,945,066

21. BUSINESS COMBINATION

King Future Limited – Step acquisition from an associate to a subsidiary

Pursuant to a sale and purchase agreement entered into between the Company and the other shareholders of Rueyuan Holding Company Limited (the "First Vendor") and Ever Dynamic Limited (the "Second Vendor") (collectively, "the Vendors") on 22 April 2014, the remaining 60% issued share capital of King Future Limited (the "King Future"), a company incorporated in British Virgin Island, a then associate of the Company, was acquired by the Group from the Vendors (the "Acquisition").

Immediately before the completion of the Acquisition, King Future then had 2 subsidiaries, namely (1) King Future Holdings Limited (the "King Future (HK)"), a directly wholly-owned subsidiary of King Future incorporated with limited liability in Hong Kong, and (2) Qinhuangdao Outlets Real Estate Co., Limited (the "Qinhuangdao Outlets"), an indirectly wholly-owned subsidiary of King Future incorporated with limited liability in the PRC.

The consideration of the Acquisition made by the Group to the Vendors comprised of (1) transfer the Group's 60% equity interest in King Future to the Vendors at a cash consideration of HK$20,000,000; and (2) execution of the deed of assignment entered into amongst Qinhuangdao Outlet, Beijing Shangboya Investment Consulting Company Limited (the "Beijing Shangboya") and the Group pursuant to which Beijing Shangboya agreed to transfer and assign the Debt (including the principal amount of RMB101,000,000 (equivalent to approximately HK$126,967,000) and the accrued interest of RMB53,009,000 (equivalent to approximately HK$66,638,000) to the Group at RMB154,009,000 (equivalent to approximately HK$193,605,000).

Upon the completion of the above transaction, King Future, the former 40% associate of the Company became the wholly-owned subsidiary of the Company.

The Acquisition was completed on 1 September 2014 (the "Completion Date"). In accordance with HKFRSs, the Group continued to share the results of King Future and its subsidiaries under the equity method of accounting during the period from 1 April 2014 to the Completion Date.

The fair value of the Group's effective equity interest in King Future and its subsidiaries (collectively the "Existing Shareholding") as at the Completion Date was HK$17,927,000 and the carrying amount of the Group's interest in the Existing Shareholding was HK$7,185,000. The aggregate difference between the fair value and the carrying amount of the Existing Shareholding as at the Completion Date of HK$10,742,000 has been recognised in the condensed consolidated income statement of the Company as gain on step acquisition of a subsidiary.

The fair value of the Existing Shareholding at the Completion Dated formed part of the acquisition cost and was included in the calculation of goodwill in relation to the Acquisition in accordance with HKFRS 3 (Revised) Business Combinations ("HKFRS 3R"). Upon completion of the Acquisition, the Company has recognised a goodwill of HK$191,856,000.

The fair value of the identifiable assets and liabilities as at the Completion Date were as follows:

	HK$'000
Deposit for land	854,828
Property, plant and equipment	150
Prepayments, deposits and other receivables	5,862
Cash and cash equivalents	90
Other payables and accruals	(183)
Amounts due to group companies, net	(170,758)
Deferred income	(468,517)
Tax payable	(167,702)
Deferred tax liability	(8,952)
Total identifiable net assets at fair value	44,818
Goodwill	191,856
Total consideration	236,674
Satisfied by:	
Debt assignment	193,605
Cash	25,142
Fair value of Existing Shareholding	17,927
Total	236,674

An analysis of the cash flows in respect of the Acquisition is as follows:

	HK$'000
Cash consideration paid	(218,747)
Cash and cash equivalents acquired	90

No contingent consideration arrangements or contingent liabilities were identified upon step acquisition.

Since the Acquisition, King Future and its subsidiaries have not contributed any to the Group's turnover and loss of HK$1,533,000 included in the condensed consolidated statement of comprehensive income for the six months ended 30 September 2014.

Had the combination taken place at the beginning of the period, the turnover of the Group and the loss of the Group for the six months ended 30 September 2014 would have been nil and HK$1,533,000, respectively.

In accordance with HKFRS 3R, the amounts recorded for the Acquisition are provisional and are subject to adjustments during the measurement period if new information is obtained about facts and circumstances that existed as of the Completion Date and, if known, would have affected the measurement of the amounts recognised as of that date.

22. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the Group and the Placing Agent ("Placing Agent") entered into the Placing Agreement ("Placing Agreement"), pursuant to which the Placing Agent had agreed to procure placees who are and whose ultimate beneficial owner(s), if applicable, are Independent Third Parties on a best effort basis to subscribe for the Bond ("Bonds") in an aggregate principal amount of up to HK$200,000,000 within the placing period on 31 August 2014. Pursuant to the Placing Agreement, the placing period thereunder shall be a period of 90 days from the date of the Placing Agreement i.e. 31 August 2014, or such longer period as mutually agreed by the Group and the Placing Agent in writing.

On 7 November 2014, the Group executed a supplemental instrument in relation to the instrument constituting the Bonds and entered into a Supplemental Placing Agreement (the "Supplemental Placing Agreement") with the Placing Agent.

Please refer to the respective announcements for the details of the Bonds.

23. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These unaudited condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 28 November 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in property development, property management, building construction and maintenance and trading of fashion wears and accessories. The property development projects of the Group mainly include outlet operation model based and featured commercial properties (such as tourism property, senior care property and wine chateaus) and high-end residential properties.

During the Reporting Period, the Group recorded revenue from sales of property of approximately HK$34,884,000, mainly attributable to delivery of part of the shops and Phase 1 of residential property of its Outlets Shopping Mall and Outlets Town located in Changsha, Hunan Province, the PRC (the "Changsha Outlets Project"). As infrastructure construction of the Changsha Outlets Project was completed prior to the Reporting Period, there was a decline in relevant revenue of approximately HK$40,646,000 during the Reporting Period compared to the corresponding period.

As for financing aspect, Richly Field (Beijing) Investment Consulting Co., Ltd., a subsidiary of the Company, entered into a reviving loan facility agreement with JeShing Real Estate Group Company Limited (金盛置業投資集團有限公司) in April 2014 in relation to a loan facility in the total principal amount of RMB300,000,000 (equivalent to approximately HK$378,510,000) for a term of three years at an interest rate of 5% per annum. It helped the Group to replenish cash flow and reduce overall finance cost. As at the end of the Reporting Period, the utilised balance of the loan was RMB41,500,000 (equivalent to approximately HK$52,361,000) and the remaining facility may be successively withdrawn in the future within the loan term depending on cash flow conditions of the Group.

The Changsha Outlets Project is a commercial and residential property project developed by Hunan Richly Field Outlets Real Estate Limited*(湖南裕田奧特萊斯置業有限公司) ("Hunan Richly Field"), a wholly-owned subsidiary of the Company. During the Reporting Period, the project was gradually mature and being improved. Besides successive delivery of the street-side shops of Residential Phase 1 and Residential Phase 1, efforts were also enhanced to speed up construction of Residential Phase 2, and the sales permit of which was already obtained in November 2014 and the official sale of which will be kicked off soon which will enrich sales structure and boost sales progress of the Group. In addition, the project's block-type commercial complex, with area of approximately 90,000 square meters, had started official operation during the National Day Golden Week in 2014, being visited by hundreds of thousands of people during the seven-day holiday. As at the date of this announcement, more than 160 stores were opened, involving middle-and high-end fashion wears, sports and leisure products, leather products and catering stores. Meanwhile, it is well equipped with IMAX cinema, children's playground, supermarkets, outdoor exploration zone and bus stations, making it the biggest shopping, leisure and entertainment center in the local area. This will also give a strong boost to the residential sales in the future and further replenish cash flow of the Group.

During the Reporting Period, the Group completed acquisition of 60% equity interest in Qinhuangdao Outlets Real Estate Co., Ltd ("Qinhuangdao Outlets") held by the partner-companies, thus making Qinhuangdao Outlets its wholly-owned subsidiary and gaining 100% control over the property development project. Located on Golden Costal, Changli County, Qinhuangdao City, Hebei Province, and adjacent to North China's tourism resort, the Beidaihe Beach Resort, Qinhuangdao Outlets project (the "Qinhuangdao Outlets Project") is planned to cover 1,800 mu, and Phase I of which, covering 1,077 mu, has been granted the state-owned construction land use rights. Based on its geographical and environmental advantages, Qinhuangdao Outlets Project is planned to build into a large costal complex property featuring functions of shopping, tourism, leisure, vacation and living. So far, construction works for fences, earthwork backfilling, electricity installation have been partially completed, and design of the display center has been finished in an effort to prepare for the official kickoff of the project.

During the Reporting Period, progress was made in respect of projects under the associate companies of the Company.

The master plan and display area design plan of Hebei Huailai winery project developed by Huailai Dayi Wineries Company Limited (懷來大一葡萄酒莊園有限公司), a 50%-owned associate of the Company, has been completed. Infrastructure for utility services is in place for the display area and works has been partially completed regarding landscaping, planting and slope repairs. Preparation regarding listing for sale of 480 mu of construction land has been in progress.

Jilin Outlets World Brands Discount City Company Limited (吉林奧特萊斯世界名牌折扣城有限公司), a 42%-owned associate of the Company will develop a comprehensive project in Shuangyang District, Changchun City, Jilin Province featuring outlet malls, combining theme parks and resort hotels for tourists ("Jilin Outlets Project"). Market positioning, design plan, tendering and municipal research and assessment works for the project has been completed during the Reporting Period. The Group is working with the government to proceed with the assignment of the 462 mu of state-owned land use right for the project.

The prospering online shopping trend has to certain extent affected the performance of some traditional commerce and trade distribution companies. In response, the Group has adopted a forward looking move in its business planning by shifting the focus from fashion retail to leisure, entertainment and catering-related customer experience activities in its Outlets Shopping Mall. Leisure or other service zones, such as high-end IMAX cinema, wholesale-store style KTV, entertainment-related interaction with children, Chinese and western-style catering, outdoor health experiences, waterside leisure bars, financial self-service areas can be found in the Group's Outlets Shopping Mall, which accounted for nearly half of the overall business areas and brought more customers to visit for fun or other purposes. Meanwhile, the Group plans to set itself as an example of a business model combining online and physical store interactive operations through the launch of online Outlets Shopping Mall, and online reservation for consumption at physical stores. The successful opening of the Outlets Shopping Mall in Changsha has helped the Group gather a large clientele of business owners, and accumulate valuable experiences for follow-up development and development of other projects, including the Qinhuangdao Outlets Project.

FINANCIAL REVIEW

During the Reporting Period, the Group recorded a total revenue of approximately HK$36,069,000 as compared with approximately HK$41,675,000 in the Corresponding Period. The revenue of the Reporting Period was mainly attributable to the sales of properties of approximately HK$34,884,000 in respect of the units sold in Residential Phase 1 of the Changsha Outlets Projects. Compared with nil for the Corresponding Period. Sale of fashion wears and accessories also recorded revenue in the amount of approximately HK$675,000 for the Reporting Period compared with approximately HK$1,029,000 for the Corresponding Period. Rental income of approximately HK$478,000 was also recorded from the leasing of the Outlets Plaza of the Changsha Outlets Project compared with nil for the Corresponding Period.

The profit attributable to equity holders amounted to approximately HK$27,606,000 as compared with a loss of approximately HK$70,361,000 in the Corresponding Period. The earnings per share for the Reporting Period was approximately HK0.31 cents as compared with a loss of approximately HK0.79 cents for the Corresponding Period.

SIGNIFICANT INVESTMENTS

The Group did not have any significant investments during the Reporting Period.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

As disclosed in the Company's circular dated 24 June 2014, the Group acquired the remaining 60% issued share capital of King Future Limited, further details are set out in note 21 to the condensed consolidate financial statements.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

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

As at 30 September 2014, the Group had cash and bank balance of approximately HK$70,931,000 (31 March 2014: HK$270,533,000). The Group's current ratio (measured as total current assets to total current liabilities) was 0.64 times (31 March 2014: 1.60 times). The decrease in the current ratio was mainly due to the increase of (i) deferred income of approximately HK$466,447,000, (ii) tax payable of approximately HK$168,321,000 and (iii) due to related parties of HK$234,639,000.

As at 30 September 2014, the secured bank and unsecured borrowings of the Group amounted to approximately HK$1,520,348,000 (31 March 2014: HK$1,520,400,000) and HK$3,533,000 (31 March 2014: HK$3,531,000), respectively. The gearing ratio, which is calculated as a percentage of total interest bearing borrowings to total equity, was 497% (31 March 2014: 543%). The decrease in the gearing ratio was mainly due to the increase in total equity as at 30 September 2014. Details of bank loans and other loans repayable of the Group are set out in note 16 to the condensed consolidated financial statements.

PLEDGE OF ASSETS

As at 30 September 2014, property interest held by the Group with net carrying amount of approximately HK$506,698,000 (31 March 2014: HK$515,544,000) were pledged to PRC banks for the Group's borrowings.

FOREIGN EXCHANGE EXPOSURES

As the Group's bank and other borrowings, bank and cash balances, trade receivables, trade payables, accruals, other payables and amounts due to related parties were mainly denominated in Renminbi, the Group had not significant exposure to foreign currency fluctuation.

COMMITMENT

As at 30 September 2014, the Group, as lessee, had total future minimum lease payments under non-cancellable operating leases amounting to approximately HK$15,000 (31 March 2014: HK$26,000).

As at 30 September 2014, the Group had capital commitments contracted, but not provided for and authorised, but not contracted for in respect of property development expenditures of HK$467,489,000 (31 March 2014: HK$142,095,000) and HK$2,065,969,000 (31 March 2014: HK$2,802,971,000), respectively.

CONTINGENT LIABILITIES

(a) Other than the provision, the Group may be subject to claims for compensation for failure to deliver the shop premises of the Changsha Outlets Project and a provision of HK$346,000 (30 September 2013: HK$230,000) was recognised in this respect as at 30 September 2014. 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 amount of the potential compensation payable for these tenants as at 30 September 2014. No claim for compensation has been lodged against the Group up to the date of the financial statements.

(b) The Company has entered into two State-owned Construction Land Use Rights Sale Contracts (the "Land Use Rights Sale Contracts") with the Wangcheng Land Bureau in relation to the acquisitions of the land parcel with site areas of 406,887 square meters and 651,666 square meters (the "Land") on 28 October 2009 and 19 January 2010, respectively. Pursuant to the Land Use Rights Sale Contracts, the construction works for the Land (the "Changsha Outlets Projects") shall be completed on or before 20 August 2012 and 31 December 2012, respectively and subject to a daily penalty of 0.1%, payable to the Wangcheng Land Bureau, calculated based on the purchase consideration of the Land in respect of delay in completion of the construction (the "Penalty"). On 15 March 2014, the Company agreed with Hunan Wangcheng Economic Development Zone Management Committee (湖南望城經濟開發區管委會) and Changsha Municipal Land and Resources Economic Development Zone of Wangcheng Bureau Land and Resources Centre (長沙市望城區國土資源局經開區國土資源中心所) (collectively referred to the "relevant PRC authorities"), which are responsible for supervision of the Changsha Outlets Project and supervision of the Land, respectively, and the relevant PRC authorities agreed with the Company that, if the occupancy rate of Phase I of Changsha Outlets Project reached 75% by the end of June 2014 and the construction of Phase 2 of Changsha Outlets Project has commenced by the end of December 2014, the relevant PRC authorities shall not request the Company to pay the Penalty.

    As of 30 September 2014, as the aforesaid conditions were met. Therefore, the Directors are confident that the aforesaid conditions and the penalty will not be payable as the Group has not been informed or received any notice regarding the Penalty. The management of the Group will continue the communication with the relevant PRC authorities to report on the Group's current situation. Apart from the aforesaid, with respect to this matter, the Directors are not aware of any other penalties which would require a provision or disclosure as contingent liabilities at the reporting date.

(c) Qinhuangdao Outlets has entered into four State-owned Construction Land Use Rights Sale Contracts (the "Land Use Rights Sale Contracts") with Changli Land Bureau in relation to the acquisitions of the four parcels land on Golden Costal Road, Changli County, Qinhuangdao City, Hebei Province, the PRC, with site areas of 717,955 square meters (the "Land") on 2 February 2012.

Qinhuangdao Outlets has contingent liabilities as it may subject to possible penalty in relation to the delay in the completion of the construction work of the Land. Pursuant to the Land Use Rights Sale Contracts, the construction work for the site area of 1,247.5 square meters shall be commenced on or before 13 October 2012 and completed by 13 October 2013, and total site areas of 716,709.33 square meters shall be commenced on or before 13 October 2012 and completed by 13 October 2014. Any delay in the completion of the construction work without prior approval shall be subject to a daily penalty charged at a rate of the 0.1% on the land premium. As at 30 September 2014, the estimated quantifiable maximum penalty relating to the site area of 1,247.5 square meters of the Land was approximately RMB322,000 (equivalent to approximately HK$407,000) payable to Changli Land Bureau. The possible penalty in relation to the delay in the completion of the construction work for the site of 716,709.33 square meters of the Land was unable to be determined as at 30 September 2014. However, the Directors are of the opinion that the crystallisation of such penalty is not probable and will not be demanded.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2014, the Group employed a total of 311 employees (excluding Directors) as compared with 275 employees (excluding Directors) as at 30 September 2013. The Group remunerates its employees based on their performance, working experience and prevailing market parameters. Employee benefits include medical insurance coverage, provident fund and share options.

PROSPECT AND OUTLOOK

The golden age of China's real estate industry has already gone, and it has now entered into a "silver age" after a nearly 20-year rapid development. Being an industry that is relatively vulnerable to the country's macro policies, the real estate industry has been in a recession, especially since the second half of last year.

In the opinion of the Group, the real estate industry, despite its current downturn, has an economic and political impact that cannot be ignored, and the ultimate goal of the country's regulation is to promote a healthy development of the real estate industry instead of curbing its development. Therefore, the real estate industry will remain a pillar industry in the coming 15 or 20 years from a long-term prospect, and urbanization will serve as a major driver to the sustainable development. The pursuit for a high-quality lifestyle will continue to support development of housing for improvement, upscale property and property with characteristics. Getting products closer to the market would surely lead to a step ahead.

Being a real estate developer, the Group has adopted the "silver age" by developing the right products, reaching out to the right clients, attending to details, expanding market and extending the industrial chain. This is also the long-term development target of the Group.

The Group's business model is characterized by commercial property and property with characteristics, including Globe Outlets Shopping Mall and low-density and high-quality residential property, tourism property, senior care property and wine chateaus, etc..

Globe Outlets Shopping Mall is a true international eco-friendly shopping park that has been designed by absorbing the quintessence of European and American outlets, providing a good combination of shopping, leisure, entertainment, tourism and vacation. Its main businesses and categories include the world-renowned discount stores, clothing and ornaments for men and women from China's first-line and second-line brands, cosmetic products, jewelries, sports and leisure products, children's playground, IMAX cinema, European and American-style streets, catering from various countries. Each project covers an area of up to more than hundred thousand square meters, creating a shopping environment that is different from the traditional shopping and exudes a vivid air of European and American style in terms of architecture styles and shopping environment for modern people. Outlets have become a brand new lifestyle, whose vitality lies in the beautiful landscapes, rich availability of luxury brands, low-profile luxury, affordable prices, refreshing air, delicious food and pleasant experiences. This has also demonstrated the vitality of Globe Outlets Shopping Mall.

While enhancing the business level, the Group is also working on the improvement of building construction and quality of housing units being delivered. The Group has taken many measures to further enhance the commercial operation and property management standards of the companies within the Group, such as expanding Wi-Fi coverage, providing free shuffle facilities and setting up online forums for property owners. Therefore, the Group is of the view that it has taken a lead amid transformation of the real estate industry. Meanwhile, its early possession of large-area land parcels has laid an unparalleled foundation for the development of these properties with characteristics, an advantage that is desired by general real estate developers are uncomparable.

With accommodative policies in relation to the real estate industry along with the supporting financial policies being recently rolled out by the Central Government, domestic economic growth is expected to be stablized, and shifted from focusing on growth pace to balancing quality development. As a result, the domestic real estate transaction volume has recently increased, and the Group will seize this opportunity to speed up business growth by improving the product mix to achieve faster sales and payment collection, and enhancing the asset turnover efficiency.

To ensure the competitive edges of the Group, the Company completed acquisition of the remaining 60% interest in the Qinhuangdao Outlets Project in September 2014 and has paid a deposit of RMB145 million for the panel land in Changchun for the Jilin Outlets Project. Both projects will be developed as complex projects based on Globe Outlets Shopping Mall. The total investment for the Qinhuangdao Outlets Project and the Jilin Outlets Project is expected to exceed RMB6 billion, and the total investment in Changsha Outlets Project is estimated to be RMB5 billion. The Company will roll out the above investments in the coming 3 to 6 years and accelerate collection of property sales proceeds through progressive development. Therefore, the Company does not expect any significant pressure for capital. In addition, the Group will continue to expand financing channels and is actively seeking fund raising possibilities in Hong Kong's capital market. Moreover, a higher receivable turnover arising from an enriched portfolio of available-for-sale inventories will provide a good capital guarantee to the Group's sustainable development.

In addition, the sufficient land reserve of the Group accumulated in the past has laid a sound foundation for the Group to flexibly adapt to market changes. The Group will also continue to seek opportunities to acquire more lands.

INTERIM DIVIDEND

The Board does not recommend any interim dividend for the Reporting Period (30 September 2013: Nil).

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance. During the Reporting Period, the Company has applied the principles of and complied with the code provisions ("Code Provisions") of the former Code on Corporate Governance Practices (the "Former Code") and of the new Corporate Governance Code (the "CG Code") effective from 1 April 2012 as set out in Appendix 14 of the Rules Governing the Listing of Securities or The Stock Exchange of Hong Kong Limited (the "Stock Exchange") except for the following deviation:

Code Provision A.2.1

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

During the Reporting Period, Mr. Ma Jun assumes the roles of chairman and chief executive of the Company. The Board believes that at the Group's development stage, this structure helps to make planning and execution more efficient. The Board will review this situation periodically and will consider steps to separate dual roles of chairman and chief executive as and when appropriate.

INTERNAL CONTROL

As set out in the Company's announcement dated 20 December 2013, the Company engaged an external independent professional accounting firm (the "Internal Control Consultants") to conduct an internal control review. The Board, at the recommendations of the Internal Control Consultants, approved the improved internal procedures and policies for the Group to implement.

As set out in the Company's announcement dated 4 June 2014, according to the follow-up review report issued by the Internal Control Consultants, the Internal Control Consultants consider that the Group possesses adequate internal control and financial reporting systems to meet the obligations under the Listing Rules. The audit committee of the Company agrees with the findings of the Internal Control Consultants.

The Company will retain an external professional accounting firm to conduct regular internal review for the Company and review results will be reported directly to the audit committee of the Company.

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 Reporting Period.

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

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

AUDIT COMMITTEE REVIEW

The audit committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and discussed reviewing, internal control and financial reporting matters including the review of the unaudited condensed consolidated financial statements for the six months ended 30 September 2014.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the Company's website at www.equitynet.com.hk and the Stock Exchange's website at www.hkexnews.hk. The 2014/2015 Interim Report will also be available on both websites and despatched to the shareholders of the Company in due course.

By Order of the Board
Richly Field China Development Limited
Ma Jun
Chairman

Hong Kong, 28 November 2014

As at the date of this announcement, the Board comprises Mr. Ma Jun (Chairman), Mr. Xin Songtao and Li Yi Feng as executive Directors, Mr. Chen Wei as a non-executive Director, and Ms. Hsu Wai Man, Helen, Mr. Chau Shing Yim David and Mr. Xu Jinghong as independent non-executive Directors.

* *For identification purpose only*