RICHLY FIELD

RICHLY FIELD CHINA DEVELOPMENT LIMITED
裕田中國發展有限公司

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

(Stock Code: 313)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

The board (the "Board") of directors (the "Directors") of Richly Field China Development Limited (the "Company") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six-month period ended 30 September 2022 (the "Reporting Period"), together with the unaudited comparative figures for the six-month period ended 30 September 2021 (the "Corresponding Period").

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2022

	Notes	**Six months ended 30 September 2022** *HK$'000* **(Unaudited)**	2021 *HK$'000* (Unaudited)
Revenue	*4*	**34,431**	12,273
Cost of sales		**(31,236)**	(11,345)
Gross profit		**3,195**	928
Loss on revaluation of investment properties		**(6,491)**	(22,593)
Gain on disposal of subsidiaries	*13*	**1,512,618**	–
Other income and gain		**6,949**	2,810
Selling expenses		**(1,866)**	(4,008)
Administrative expenses		**(23,707)**	(42,029)
Finance costs	*5*	**(25,379)**	(119,690)
Profit (loss) before tax	*6*	**1,465,319**	(184,582)
Income tax credit	*7*	**1,623**	5,648
Profit (loss) for the period		**1,466,942**	(178,934)

	Notes	Six months ended 30 September **2022** **HK$'000** **(Unaudited)**	2021 *HK$'000* (Unaudited)
Other comprehensive (expenses) income			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(31,966)**	2,195
Release of translation reserve upon disposal of subsidiaries		**(69,348)**	–
Other comprehensive (expenses) income for the period, net of tax		**(101,314)**	2,195
Total comprehensive income (expenses) for the period		**1,365,628**	(176,739)
		HK$	*HK$*
Profit (loss) per share			
Basic	*8*	**6.29 cents**	(0.77) cents
Diluted	*8*	**6.29 cents**	(0.77) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2022

	Notes	30 September 2022 HK$'000 (Unaudited)	31 March 2022 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		**875**	1,290
Investment properties		**573,637**	646,524
Right-of-use assets		**373,528**	423,935
Interests in associates		**6,391**	6,391
Financial assets designated at fair value through other comprehensive income ("FVTOCI")		**2,724**	2,724
Goodwill		**110,636**	123,300
		1,067,791	1,204,164
Current assets			
Properties under development		**732,367**	762,932
Completed properties held for sale		**33,775**	62,037
Trade receivables	*10*	**3,895**	9,561
Prepayments, deposits and other receivables		**292,889**	164,016
Cash and cash equivalents		**44,583**	65,981
		1,107,509	1,064,527
Assets classified as disposal group held-for-sale		**–**	2,954,169
		1,107,509	4,018,696

	Notes	30 September 2022 HK$'000 (Unaudited)	31 March 2022 HK$'000 (Audited)
Current liabilities			
Trade payables	*11*	**475,307**	527,023
Other payables and accruals		**425,812**	494,050
Contract liabilities		**41,037**	47,265
Amounts due to related parties		**505,874**	519,818
Interest-bearing bank and other borrowings		**17,437**	19,444
Lease liability		**236**	251
Tax payable		**95,860**	114,889
		1,561,563	1,722,740
Liabilities classified as disposal group held-for-sale		**–**	4,251,779
		1,561,563	5,974,519
Net current liabilities		**(454,054)**	(1,955,823)
Total assets less current liabilities		**613,737**	(751,659)
Non-current liabilities			
Deferred income		**61,653**	68,751
Lease liabilities		**–**	109
Deferred tax liabilities		**38,732**	31,757
		100,385	100,617
Net assets (liabilities)		**513,352**	(852,276)
Equity			
Share capital	*12*	**1,166,834**	1,166,834
Reserves		**(653,482)**	(2,019,110)
Total equity (deficiency in equity)		**513,352**	(852,276)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

1. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six months ended 30 September 2022 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with 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 2022, the Group had net current liabilities of approximately HK$454,054,000 and total borrowings, including interest-bearing bank and other borrowings and amounts due to related parties in aggregate of approximately HK$523,311,000 that will be due in the coming twelve months from the end of the reporting period. As at the same date, the Group's cash and cash equivalents amounted to approximately HK$44,583,000.

In view of the above, the directors of the Company have reviewed the Group's cash flow projections covering a period of twelve months from 30 September 2022 which have taken into account the followings:

(i) Property development projects

The development progress of certain of the Group's property development projects had been significantly delayed or suspended due to the liquidity issues faced by the Group. During the reporting period, the Group entered into a framework agreement with a contractor who agreed not to demand any repayment from the Group for the construction works it performed towards the Group's property development project until the value of cumulative certified works reach RMB200,000,000. The directors of the Company considered that such arrangement could enable the Group to continue the property development as scheduled and to accelerate the pre-sales of properties under development.

In addition, the directors of the Company shall also consider, if necessary, to dispose of certain of its property development projects and/or to seek other investors/property developers to accelerate the development of the Group's property projects in order to source additional funds to the Group.

(ii) Continuous financial support from related companies

(a) As at 30 September 2022, the Group had unutilised credit facilities of RMB2,000,000,000 granted by a company controlled by a controlling shareholder that will expire in December 2023. The directors of the Company considered that the credit facilities can be utilised in the manner to settle the liabilities of the Group when and as they fall due.

(b) As at 30 September 2022, the Group had amount due to related companies of approximately HK$505,874,000, comprising mainly an entrusted loan with a principal of approximately HK$333,700,000 and related interest thereon. The directors of the Company believe that the related companies will renew the loan to the Group upon maturity.

The directors of the Company believe that, taking into account the above plans and measures, the Group will have sufficient working capital to satisfy its present requirements at least up to 30 September 2023.

Notwithstanding the above, given the volatility of the property sector in Mainland China and the uncertainties to obtain continuous support from the banks, the related companies and the Group's contractors/creditors, the directors of the Company consider that material uncertainties exist as to whether the Group will be able to achieve its plans and measures as described above.

Should the Group fail to achieve the above mentioned plans and measures, the Group may be unable to operate as a going concern, in which case adjustments might have to be made to the carrying values of the Group's assets to state them at their realisable values, to provide for any further liabilities which might arise and to reclassify its non-current assets and non-current liabilities to current assets and current liabilities, respectively.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for the investment properties and financial assets at fair value through other comprehensive income. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The accounting policies used in 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 2022 except as described below.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") ("new and revised HKFRSs") issued by the HKICPA which are effective for the Group's financial year beginning 1 April 2022.

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual improvements to HKFRSs 2018-2020 cycle

The directors of the Company consider that, the application of the new and revised HKFRSs in the current interim period has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

As further detailed in note 13, the Group disposed of the Disposal Group in April 2022. Upon the completion of the disposal, over 90% of the Group's revenue, expenses, assets and liabilities are generated from the Group's property development and investment projects in Qinhuangdao of Hebei Province (the "Qinhuangdao Project") and Ningxia, Yinchuan City (the "Ningxia Project") in the People's Republic of China (the "PRC") (30 September 2022: including also the project in Changsha, Hunan Province (the "Changsha Project")). The chief executive officer (the chief operating decision maker) makes decisions about resources allocation and assesses performance of the Group based on the operating results and financial position of the Group as a whole, as the Group's resources are integrated and no other discrete operating segment information is provided to the chief operation decision maker. As much, no segment information is presented.

Accordingly, the chief executive officer is of the opinion that the Changsha Project, Qinhuangdao Project and Ningxia 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 4.

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 substantially located in the PRC.

For the six months ended 30 September 2022 and 2021, the Group had no transaction with external customer which individually contributed over 10% of the Group's total revenue.

4. REVENUE, OTHER INCOME AND GAIN

An analysis of the Group's revenue is as follows:

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Type of good and service under HKFRS 15		
– Sales of properties	**26,182**	–
– Management fee income	**3,292**	6,039
Total revenue from contracts with customers	**29,474**	6,039
Revenue from other source		
– Rental income	**4,957**	6,234
	34,431	12,273

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
– At a point in time	**26,182**	–
– Over time	**3,292**	6,039
	29,474	6,039

5. FINANCE COSTS

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

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	**25,371**	159,703
Interest expense on lease liabilities	**8**	40
	25,379	159,743
Less: Amount capitalised in the cost of qualifying assets	**–**	(40,053)
	25,379	119,690

The capitalisation rates used to determine the amount of borrowing costs eligible for capitalisation for the six months ended 30 September 2021 was 9.41%. No borrowing costs were capitalised for the six months ended 30 September 2022.

6. PROFIT (LOSS) BEFORE TAX

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

		Six months ended 30 September	
		2022	2021
		HK$'000	*HK$'000*
		(Unaudited)	(Unaudited)
(a)	Staff costs:		
	Salaries, wages and other benefits	**8,852**	13,102
	Contributions to defined contribution retirement plans	**736**	1,833
		9,588	14,935
(b)	Other items:		
	Cost of inventories recognised as expenses	**23,082**	–
	Depreciation of property, plant and equipment	**307**	1,353
	Depreciation of right-of-use assets	**7,052**	10,346
	Direct operating expenses incurred for investment properties that generated rental income during the period	**1,914**	1,785

7. INCOME TAX CREDIT

No provision for PRC Enterprise Income Tax and Hong Kong Profits Tax have been made for the six months ended 30 September 2022 as the Group did not generate any assessable profits arising in PRC and Hong Kong respectively during the period (six months ended 30 September 2021: Nil).

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Deferred tax	**1,623**	5,648

8. PROFIT (LOSS) PER SHARE

(a) Basic profit (loss) per share

The calculation of basic loss per share amounts is based on the loss for the period attributable to owners of the Company and the weighted average number of ordinary shares in issue during the period, calculated as follows:

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit (loss) attributable to equity holders of the Company, used in the basic loss per share calculation	**1,466,942**	(178,934)
Weighted average number of ordinary shares in issue during the period, used in the basic loss per share calculation	**23,336,687,255**	23,336,687,255

(b) Diluted profit (loss) per share

For the six months ended 30 September 2022 and 2021, diluted profit (loss) per share is same as basic profit (loss) per share as the Company has no potential ordinary shares outstanding during both periods.

9. INTERIM DIVIDEND

No payment of interim dividend was recommended for the six months ended 30 September 2022 (six months ended 30 September 2021: Nil).

10. TRADE RECEIVABLES

	30 September 2022	31 March 2022
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Rental receivables	**3,895**	8,979
Rental recognised using the straight-line method	**–**	582
	3,895	9,561

The Group does not hold any collateral over its trade receivables.

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

	30 September 2022	31 March 2022
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within one year	**3,550**	8,979
Over one year	**345**	–
	3,895	8,979

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

11. 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 2022	31 March 2022
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within one year	**69,085**	144,599
Over one year	**406,222**	382,424
	475,307	527,023

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

12. SHARE CAPITAL

	30 September 2022		31 March 2022	
	No. of shares	**Amount**	No. of shares	Amount
		HK$'000		*HK$'000*
Authorised:				
Ordinary shares of HK$0.05 each				
At 30 September 2022 (unaudited)/ 31 March 2022 (audited)	**40,000,000,000**	**2,000,000**	40,000,000,000	2,000,000
Issued and fully paid:				
Ordinary shares of HK$0.05 each				
At 30 September 2022 (unaudited)/ 31 March 2022 (audited)	**23,336,687,255**	**1,166,834**	23,336,687,255	1,166,834

13. DISPOSAL OF SUBSIDIARIES

On 9 February 2022, the Group entered into a conditional equity transfer agreements with an independent third party to dispose of the entire equity interest of 湖南裕田奧特萊斯置業有限公司 (Hunan Richly Field Outlets Real Estate Limited), 長沙裕田奧特萊斯企業管理有限公司 (Changsha Yutian Outlets Business Administration Co Ltd) and 長沙裕田奧萊物業管理有限公司 (Changsha Yutian Outlets Property Management Co Ltd) (collectively known as "Disposal Group") for an aggregate consideration of RMB3. The disposal of Disposal Group was completed on 14 April 2022. The assets and liabilities of the Disposal Group at the date of disposal are as follows:

	14 April 2022 *HK$'000* (Unaudited)
Assets	
Property, plant and equipment	24,246
Investment properties	731,540
Right-of-use assets	158,659
Properties under development	1,877,849
Completed properties held for sales	95,872
Trade receivables	4,785
Prepayments, deposits and other receivables	39,517
Cash and cash equivalents	8,721
Total assets disposed of	2,941,189
Liabilities	
Trade payables	(886,025)
Other payables and accruals	(762,825)
Contract liabilities	(513,181)
Amounts due to related parties	(561,905)
Amounts due to remaining group	(145,063)
Interest-bearing bank and other borrowings – repayable on demand	(1,505,022)
Provisions	(7,117)
Deferred tax liabilities	(3,321)
Total liabilities disposed of	(4,384,459)
Net liabilities disposed of	(1,443,270)
Gain on disposal of the Disposal Group:	
Consideration received	–
Net liabilities disposed of	1,443,270
Cumulative exchange difference in respect of net assets of subsidiaries reclassified from equity to profit or loss	69,348
	1,512,618

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in outlets commercial operation and development and operation of featured commercial properties (such as tourism property, senior care property and wine chateaus), development of high-end residential properties as well as property management.

Key projects of the Group include JeShing European City Project which is a comprehensive project comprising "建材樓" (commercial), "家居樓" (commercial) and "太平商場" (commercial) and Jin Sheng Yue Jing (residential) developed in Yinchuan, Ningxia Hui Autonomous Region, the People's Republic of China (the "PRC"), together with the Qinhuangdao Venice – City of Water Outlets Project which is a comprehensive project developed in Beidaihe New District, Qinhuangdao, Hebei, the PRC.

FINANCIAL REVIEW

During the Reporting Period, the Group recorded a total revenue of approximately HK$34,431,000 as compared to approximately HK$12,273,000 for the Corresponding Period, representing an increase of 180.5%. The increase in revenue was mainly attributable to the Group has completed and delivered residential buildings to the property owner in the Yinchuan Project (defined as below).

The Group recorded a loss on revaluation of investment properties of approximately HK$6,491,000 for the Reporting Period as compared to approximately HK$22,593,000 for the Corresponding Period, representing a decrease of 71.3%. Finance costs was approximately HK$25,379,000 for the Reporting Period as compared to approximately HK$119,690,000 for the Corresponding Period, representing a decrease of 78.8% due to the disposal of the Disposal Group that had approximately HK$1.5 billion outstanding interest-bearing bank and other loans as at 31 March 2022. The profit attributable to equity holders amounted to approximately HK$1,466,942,000 as compared to loss of approximately HK$178,934,000 for the Corresponding Period, due to the disposal of the Disposal Group that generated a gain on disposal of approximately HK$1.5 billion. The profit per share for the Reporting Period was HK6.29 cents as compared to HK0.77 cents loss per share for the Corresponding Period.

As for financing aspect, regarding the loan agreement with related parties, JeShing Real Estate Group Company Limited*（金盛置業投資集團有限公司）(“JeShing Real Estate”), Nanjing No. 1 Architecture and Engineering Group Company Limited*（南京第一建築工程集團有限公司）and Jiangsu Decorative Material Co. Ltd*（江蘇裝飾材料有限公司）, the total outstanding principal amount was RMB301,800,000 (equivalent to approximately HK$333,700,000) (the “Other Loan 1”) as at 30 September 2022. Other Loan 1 is due in March 2023 with an interest rate range of 5.7%-6.19% per annum and was secured by the pledge of certain of the Group’s assets.

In December 2021, the Group entered into a new loan agreement regarding a revolving loan facility agreement with a related party, JeShing Real Estate in relation to an unsecured loan facility in the total principal amount of RMB2,000,000,000 (equivalent to approximately HK$2,211,400,000) at an interest rate of 5% per annum and is due to repay in December 2023. As at 30 September 2022, the whole amount remained unutilised.

Projects Overview

Qinhuangdao Venice – City of Water Outlets Project

Qinhuangdao Outlets Real Estate Company Limited*（秦皇島奧特萊斯置業有限公司）is a wholly-owned subsidiary of the Company. The project developed by the Company in the core area of International Healthy City, Beidaihe New District, Qinhuangdao, is positioned as a large coastal shopping, tourism and healthcare resort complex with outlets business as the major operation, integrated with high-end hot spring resort hotels, high-end hospitals, health preservation and elderly care, cultural and entertainment activities, and recreational resorts ("Qinhuangdao Venice – City of Water Outlets Project").

Qinhuangdao Venice – City of Water Outlets Project covers an area of approximately 1,077 mu, planned to be developed in three phases. Phase 1 of the project covers a total area of approximately 163,227 sq.m., which is planned to be developed, by function, into outlets business (including Latitude Space), a health preservation hotel, resort units and an exhibition centre, along with supporting parking lots and greenery landscape. The Group has successively obtained the construction work planning and commencement permits for Sections A, B, and C of Phase 1 and the exhibition centre, the construction work planning permit for Section D of Phase 1 as well as the pre-sale permits for the first 59 resort units.

During the Reporting Period, the Group focused on the construction of some minor works of the Phase 1 project. Specifically, the main structure of outlets business has completed capping, and many units have completed construction of the secondary structure and inspection of the main structure. The exhibition centre has been fully constructed and put into use for sale of Phase 1 resort units and daily office operation.

During the Reporting Period, led by local government agencies, Qinhuangdao Company actively approached all partners, and plans to build the commercial portion of Phase 1 with concerted efforts, so as to align with local industrial positioning, i.e. to build Qinhuangdao into a first-class comprehensive demonstration city for health care and vacation.

Yinchuan Project

The Company held the property named JeShing European City（金盛歐洲城）through Ningxia Jinguan Property Investment Co. Ltd.*（寧夏金冠投資置業有限公司）("Ningxia Jinguan"), a wholly-owned subsidiary of the Company. JeShing European City comprises five parcels of land with a total site area of approximately 133,300 sq.m. and a residential and commercial complex constructed thereon ("Yinchuan Project").

Yinchuan residential project – Jin Sheng Yue Jing（金盛閱景）

Featured with the supporting commercial facilities, Jin Sheng Yue Jing is a large-scale residential community developed passionately by the Company, which creates a comfortable and convenient living environment on the back of the surrounding resources such as banks, medical institutes, educational institutions, department stores and supermarkets, entertainment facilities and restaurants as well as its own lifestyle amenities and building materials stores. With a site area of approximately 120 mu, the Jin Sheng Yue Jing project comprises 20 mid– to high-rise buildings to be developed in 3 phases. The project has adopted the frame shear wall structure across the board, the beige granite paint for exterior decoration, and the internationally popular Artdeco neoclassic architectural style for the overall appearance, presenting a sense of fashion, solemnity and elegance.

The Phase 1 and Phase 3 of Jin Sheng Yue Jing have been completed and delivered. Construction of the main structure has been completed for two buildings under Phase 2. During the Reporting Period, there remained only 2 units of commercial premises in Phase 1 and 4 units of residence of Phase 3 in the central area remained unsold.

Yinchuan Commercial Properties

The Yinchuan Commercial Properties consist of three commercial buildings (namely "建材樓", "家居樓" and "太平商場") and two corridors, collectively known as Jeshing International Home Furnishing Mall • Desheng Square (金盛國際家居•德勝廣場) ("Yinchuan Commercial Properties Project") with a total gross floor area of over 90,000 sq.m. It is an integrated commercial complex featuring building materials and furniture stores, department stores, restaurants and supermarkets, with malls offering high-end building materials and upscale household products. The elegant and comfortable commercial environment, easy accessibility by convenient public transportation, bespoke commercial layout plan and premium quality management have made it a new premier commercial landmark in Yinchuan.

In terms of business solicitation, in addition to building materials and household products stores that have been growing from strength to strength in the industry, the Group brought in a large indoor trampoline centre, a second-hand vehicle market, and a large-scale supermarket introduced by Beijing investors, which invigorated the existing product portfolio, provided property owners of Jin Sheng Yue Jing and surrounding residents with more unique and convenient lifestyle facilities and attracted a wider range of shopping groups with a unique business structure, redefining the traditional image of a shopping mall for building materials and household products by being more inclusive. During the Reporting Period, with its well-established brand influence in the field of household products and building materials, the Group accomplished the occupancy rate of its malls was over 95.36%. As shown from the overall data, the three buildings of the entire Yinchuan Commercial Properties Project have gradually unveiled the unique distinct of Yinchuan Commercial Properties to be the northern commercial hub of the city.

During the Reporting Period, Ningxia Jinguan renovated the Building Material Mall, overcame the limitations of the original traffic flow, consolidated the original booths into Class A booths through round-the-clock discussions by the operation team, and introduced premium international and domestic brands including DeRUCCI, CBD and Mlily to settle in, enhancing the strength of furniture brands and attracting more quality high-end customers. During the Reporting Period, the online live broadcast modes of Douyin and WeChat official accounts were tried for the first time, and the Jin Sheng Joyful Lifestyle app was launched to ride on the online shopping trend, with notable results achieved.

Associated Companies

During the Reporting Period, the projects managed by the associated companies of the Company also achieved certain progress.

Huailai Project

The master plan, demonstration area design plan, chateau design plan and environmental impact assessment of the characteristic villa residential and winery project in Huailai of Hebei Province have been completed. The project is developed by Huailai Dayi Winery Company Limited*（懷來大一葡萄酒莊園有限公司）, a 50%-owned associated company of the Company. In the demonstration area, access to roads, electricity and water supply has been in place and certain works regarding landscaping, planting and slope wall reconditioning have been completed.

Changchun Project

Globe Outlet Town (Jilin) Limited*（吉林奥特萊斯世界名牌折扣城有限公司）("Jilin Company"), a 42%-owned associated company of the Company, obtained land use rights for a piece of land with an area of 443 mu for commercial and residential purposes in Shuangyang District, Changchun City, Jilin Province in April 2016. In order to seek differentiated development, Jilin Company plans to develop its project in Shuangyang District, Changchun into an integrated project combining a theme park and a cultural tourism town under the theme of cultural tourism and the objective of building a liveable place with elderly care.

SIGNIFICANT INVESTMENTS

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

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Save as disclosed below, the Group had no material acquisition or disposal of subsidiaries and associated companies during the Reporting Period.

Disposal of Changsha Outlets Project

On 9 February 2022, 裕田幸福城(北京)投資顧問有限公司 (Richly Field (Beijing) Investment Consulting Co., Ltd.*), a direct wholly-owned subsidiary of the Company and 奧特萊斯世界名牌折扣城控股有限公司 (Globe Outlets City Holdings Limited), an indirect wholly-owned subsidiary of the Company ("Sellers") entered into the equity transfer agreements with 樂沃居控股集團有限公司 (Lewoju Holding Group Company Limited*) ("Lewoju"), pursuant to which, Sellers agreed to dispose and Lewoju agreed to acquire all the equity interests beneficially held by the Sellers in 湖南裕田奧特萊斯置業有限公司 (Hunan Richly Field Outlets Real Estate Limited*), 長沙裕田奧特萊斯企業管理有限公司 (Changsha Yutian Outlets Business Administration Co Limited*) and 長沙裕田奧萊物業管理有限公司 (Changsha Yutian Outlets Property Management Company Limited*) (collectively the "Changsha Outlets Project").

The disposal of Changsha Outlets Project had been completed on 14 April 2022, please refer to the announcement of the Company dated 14 April 2022 for details.

LIQUIDITY AND FINANCIAL RESOURCES

The Group mainly finances its business operations with its internal resources and loan facilities from banks, financial institutions and related parties. As at 30 September 2022, the Group had cash and bank balances amounted to approximately HK$44,583,000 (31 March 2022: HK$65,981,000). The Group's current ratio (measured as total current assets to total current liabilities) was 0.71 times (31 March 2022: 0.62 times). The total secured and unsecured interest-bearing bank and other borrowings of the Group amounted to approximately HK$17,437,000 (31 March 2022: HK$19,444,000) as at 30 September 2022.

PLEDGE OF ASSETS

As at 30 September 2022, property interest held by the Group with net carrying amount in aggregate of approximately HK$984,113,000 (31 March 2022: HK$2,090,519,000) were pledged to banks and financial institutions.

With reference to the circular of the Company dated 17 March 2022 regarding the disposal of the Disposal Group, the loans of the Disposal Group were secured by certain of the Group's assets even after the completion of the disposal. The pledged assets relate to one of the Default Loans of the Disposal Group and consist of properties of the Yinchuan Project, including residential and commercial buildings (the "Pledged Assets"). As at 30 September 2022, the net book values of the Pledged Assets amounted to approximately HK$283 million.

Subsequent to the completion of the Disposal, supplementary loan agreement has been made between the Disposal Group and the financier of the Default Loans (the "Financier") that the charge of the Pledged Assets could be released on a condition that 50% of any sales proceed shall be used to repay the Default Loans on behalf of the Disposal Group (i.e. it becomes a receivable from the Disposal Group for the Group's perspective) while 50% of any sales proceed shall be kept by Ningxia Jianguan. As the Pledged Assets were securities of the loans of the Disposal Group that were already under default, therefore technically the Financier has the right to liquidate the Pledged Assets and keep 100% of the sale proceeds for loan repayment.

Up to the date of this announcement, no unit under the Pledged Assets has been sold.

FOREIGN EXCHANGE EXPOSURES

As the Group's bank and other borrowings, bank and cash balances, trade receivables, prepayments, deposits, other receivables, trade payables, accruals, other payables, receipts in advance, contract liabilities and amounts due to related parties were mainly denominated in RMB, the Group had not experienced significant exposure to foreign currency fluctuation.

COMMITMENTS

As at 30 September 2022, the Group had capital commitments of construction of properties included under property, plant and equipment and investment properties of approximately HK$510,973,000 (31 March 2022: HK$569,375,000).

SUBSEQUENT EVENT

On 27 October 2022, 寧夏回族自治區銀川市中級人民法院 (Ningxia Hui Autonomous Region Yinchuan City Intermediate People's Court*) issued a court decision (the "Court Decision") that Ningxia Jinguan is required to settle a construction payment of approximately RMB21,454,000 and related interest expense of approximately RMB2,817,000 (collectively the "Settlement Amount") to 中陽建設集團有限公司 (Zhongyang Construction Group Co., Ltd.*, the "Zhongyang Construction") within 10 days from the Court Decision. Zhongyang Construction is the main contractor of the Yinchuan Project. The Court Decision was related to the construction cost of the Pledged Assets mentioned under the "Pledge of Assets" above which was under dispute between Ningxia Jianguan and Zhongyang Construction. The Settlement Amount has been accrued as liabilities as at 30 September 2022.

Apart from the Court Decision, there was no significant events taking place subsequent to 30 September 2022 and up to the date of this announcement.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2022, the Group employed a total of 85 employees (excluding Directors), as compared with 190 employees (excluding Directors) as at 31 March 2022. The Group remunerates its employees based on their performance, working experience and prevailing market parameters. Employee benefits include pension insurance fund, medical insurance coverage, unemployment insurance fund, occupational injury insurance fund, maternity insurance fund, housing provident fund and mandatory provident fund (for Hong Kong employees).

INTERIM DIVIDEND

The Board did not recommend any interim dividend for the Reporting Period (30 September 2021: Nil).

PROSPECT AND OUTLOOK

The Group has focused on the real estate market, strategically rolling out diverse product mixes such as "residential + commercial", "residential + senior care", and "residential + cultural tourism", which boast unique features to forestall declined competitiveness due to homogeneity of products. However, the success of a company still depends very much on its ability to appreciate industry-related policies in advance and make business adjustments and plans in advance to align itself with the policies.

In the past few years, the Group failed to adapt itself to industry policies and market development trends in a timely manner, and was not able to effectively convert the land on hand into cashable commodities. Moreover, being a "late-mover" for several times also resulted in significantly lower-than-expected fund usage rate and return, leading to high financial costs. Financial policies support the notion that housing is for accommodation rather than speculation, and will not be relaxed in the second half of 2022. Besides, the financing environment will continue to be tightened. To strictly control the flow of capital and turn away from the virtual economy to the real economy, developers must also strictly stick to the bottom-line mindset of "three red lines", deleverage and reduce liabilities.

Even amid the periods severely stricken by the pandemic, the policy orientation of housing for accommodation rather than speculation was never wavered, which will also continue in the second half of 2022. On the condition of not compromising the steady and rapid economic growth, the overall regulation of the property market will remain tight. It, therefore, means that housing prices will tend to be stable overall without substantial rise or fall, and the time in which general price rise brings about benefits has become a bygone era.

The above factors, such as high financial costs, tight financing environment, unswerving policy orientation of housing for accommodation rather than speculation, and increasingly rational property buyers due to the rising mortgage interest rate and prolonged lending cycle, undoubtedly pose a great challenge for the Group, whose income sources are relatively simple (i.e., mainly property sales income and rental income). The Group's future development fundamentally hinges on identifying ways to fully use funds and proactively broaden revenue sources.

Amid the harsh economic environment, "struggling alone" is no longer realistic, and only "partnering up with others" will allow a slim chance of survival. In the future, the Group will enhance cooperation with financing institutions, government agencies and other parties of the same or different industries to activate its various projects with concerted efforts.

CORPORATE GOVERNANCE

The Board is committed to maintaining high standards of corporate governance in the best interest of the shareholders of the Company (the "Shareholders"). The Company has been making an effort to enhance the corporate governance standard of the Company by reference to the code provisions and recommended best practices set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"). During the Reporting Period, the Company has applied and complied with all the code provisions set out in the CG Code, except for the following deviation:

Code provision C.2.1 provides 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.

During the Reporting Period, the Company had deviated from code provision C.2.1 because the roles of Chairman of the Board and the Chief Executive Officer of the Company had been vested in the same person, namely, Mr. Li Yi Feng. The reason for this deviation was that the Board believes that at the current development of the Group, vesting of the two roles in the same person provides the Company with strong and consistent leadership and facilitates the planning and execution of the Group's business strategies. The Board will review this structure periodically and will consider steps to separate dual roles of chairman and chief executive officer as and when appropriate taking into account the prevailing circumstances.

INTERNAL CONTROL

The Board is well aware of its responsibility to maintain high standards of internal control systems and to review the effectiveness of such systems during the process of implementation. The systems are intended to provide a reasonable but not absolute assurance regarding operational effectiveness and efficiency, reliability of financial reports and compliance with laws and regulations, with the aim of managing rather than eliminating risks associated with failure to meet business objectives.

The Board is fully responsible for assessing and determining the nature and extent of the risks to which the Company is willing to assume in achieving its strategic objectives, and establishing and maintaining appropriate and effective internal control systems.

The audit committee of the Company (the "Audit Committee") assists the Board in leading the management and supervising the design, implementation and monitoring of the internal control systems. Subject to the authority of the Board, the Audit Committee may seek external legal, financial or other independent professional advice at the expense of the Company if necessary (subject to prior discussion with the Board on the relevant expenses).

DIRECTORS' SECURITIES TRANSACTIONS

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

Having made specific enquiries to all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code throughout the Reporting Period.

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

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

AUDIT COMMITTEE REVIEW

The Audit Committee 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 interim financial information for the six months ended 30 September 2022.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the Company's website at www.richlyfieldchinagroup.com and the Stock Exchange's website at www.hkexnews.hk. The 2022/2023 Interim Report will also be available on both websites and despatched to the Shareholders in due course.

By Order of the Board
Richly Field China Development Limited
Li Yi Feng
Chairman and Chief Executive Officer

Hong Kong, 30 November 2022

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Li Yi Feng (Chairman and Chief Executive Officer) and Mr. Chen Wei (Vice President); and three independent non-executive Directors, namely Ms. Hsu Wai Man Helen, Mr. Wong Chi Hong William and Mr. Xu Jinghong.

* *For identification purpose only*