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 2024

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 2024 (the "Reporting Period"), together with the unaudited comparative figures for the six-month period ended 30 September 2023 (the "Corresponding Period").

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

		Six months ended 30 September	
		2024	2023
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**20,736**	15,112
Cost of sales		**(9,561)**	(8,663)
Gross profit		**11,175**	6,449
Other income and gain		**369**	566
Loss on revaluation of investment properties		**(14,334)**	(41,015)
Impairment loss under expected credit loss model on other receivables, net		**(5,440)**	–
Selling expenses		**(5,252)**	(2,787)
Administrative expenses		**(20,411)**	(25,813)
Finance costs	*5*	**(16,463)**	(1,161)

		Six months ended 30 September	
		2024	2023
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Loss before tax	*6*	**(50,356)**	(63,761)
Income tax credit	*7*	**1,846**	10,230
Loss for the period		**(48,510)**	(53,531)
Other comprehensive (expense) income			
Item that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(376)**	25,406
Total comprehensive expense for the period		**(48,886)**	(28,125)
Loss for the period attributable to:			
– Owners of the Company		**(48,009)**	(53,531)
– Non-controlling interests		**(501)**	–
		(48,510)	(53,531)
Total comprehensive expense attributable to:			
– Owners of the Company		**(48,384)**	(28,125)
– Non-controlling interests		**(502)**	–
		(48,886)	(28,125)
Loss per share			
Basic	*8*	**(0.21) HK cents**	(0.23) HK cents
Diluted		**(0.21) HK cents**	(0.23) HK cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2024

	Notes	30 September 2024 HK$'000 (Unaudited)	31 March 2024 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		**752**	737
Investment properties		**501,678**	513,305
Right-of-use assets		**358,751**	364,130
Interests in associates		**–**	–
Financial asset designated at FVTOCI		**800**	800
Prepayment, deposits and other receivables		**76,124**	76,124
Deferred tax assets		**23**	10
Goodwill		**106,048**	105,458
		1,044,176	1,060,564
Current assets			
Properties under development		**705,023**	714,506
Completed properties held for sales		**26,222**	1,613
Trade receivables	*10*	**1,658**	1,255
Prepayments, deposits and other receivables		**174,664**	176,545
Restricted bank deposits		**9,101**	12,470
Cash and cash equivalents		**15,142**	17,685
		931,810	924,074
Current liabilities			
Trade payables	*11*	**381,385**	383,733
Other payables and accruals		**89,309**	96,919
Contract liabilities		**131,112**	91,240
Amounts due to related parties		**562,062**	546,843
Amount due to a shareholder		**20,472**	26,468
Other borrowings		**36,182**	35,990
Lease liabilities		**1,227**	1,320
Tax payable		**97,949**	96,693
		1,319,698	1,279,206
Net current liabilities		**(387,888)**	(355,132)
Total assets less current liabilities		**656,288**	705,432

	Notes	30 September 2024 HK$'000 (Unaudited)	31 March 2024 HK$'000 (Audited)
Non-current liabilities			
Deferred income		**413,284**	411,085
Lease liabilities		**9,515**	10,069
Deferred tax liabilities		**36,983**	38,886
		459,782	460,040
Net assets		**196,506**	245,392
Equity			
Issued capital	*12*	**1,166,834**	1,166,834
Reserves		**(969,826)**	(921,442)
Equity attributable to owners of the Company		**197,008**	245,392
Non-controlling interests		**(502)**	–
Total equity		**196,506**	245,392

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

1. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six months ended 30 September 2024 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 2024, the Group had net current liabilities of approximately HK$387,888,000 and total borrowings, including interest-bearing other borrowings, amounts due to related parties and a shareholder in aggregate of approximately HK$618,716,000 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$15,142,000 and restricted bank deposits amounted to approximately HK$9,101,000.

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 2024 which have taken into account the followings:

(i) Property development projects

The development progress of certain property projects, particularly the Qinhuangdao Project (defined in note 3), has been significantly delayed or suspended due to unfavorable market conditions and liquidity constraints. However, the recent removal of the purchase restriction order and phasing out the lower limit of the interest rate for first-time personal housing loans by the government of Qinhuangdao city in April and May 2024, respectively, is expected to increase housing demand and attract more interest from the potential investors for the project. In addition, the Management is in discussions with various potential investors, and all of them are conducting due diligence on the Qinhuangdao Project. Based on the current progress of the negotiations with the potential investors, the Company expects to restart the Qinhuangdao Project by 31 March 2025. Upon restarting the project, the Management expects to recognise pre-sale proceeds and revenue from the Qinhuangdao Project by the years ending 31 March 2026. Additionally, in July 2022, the Group entered into an agreement with a contractor, wherein the contractor agreed not to demand any repayment from the Group for the construction works performed on the Group's property development projects until the value of cumulative certified works reaches RMB200,000,000. This arrangement remains valid as a supplementary agreement was entered into during the year ended 31 March 2024. The directors of the Company believe that this agreement will help the Group to resolve the liquidity difficulties.

(ii) Continuous financial support from related companies

a. As at 30 September 2024, the Group had a revolving loan facility of RMB2,000,000,000 granted by a company controlled by a controlling shareholder that will expire in December 2025 of which the full amount remained unutilised as at 30 September 2024.

b. 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.

(iii) Expansion of Property Management Business

The Group had completed the acquisitions of three property management companies. The expansion of the Property Management Business will help to bring in more stable income to the Group in the future. This strategic expansion in the business of property management has generated revenue of approximately HK$14.6 million for the six months ended 30 September 2024, representing an increase of approximately 47.5% compared to the six months ended 30 September 2023. The Management expects that the revenue to be generated from the business of property management will increase, given that the three acquired subsidiaries will have full year contribution to the Group for the year ending 31 March 2025.

(iv) Other financing options

The Group will continue to identify and negotiate with various financial institutions and identify various options for financing the Group's working capital and commitments in the foreseeable future, such as new investors and business partners.

(v) Possible disposal of non-core businesses and assets

In addition, the directors of the Company will 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.

(vi) Cost control

The Group will continue to take appropriate measures to control administrative costs.

The directors of the Company believe that, after 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 2025.

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 investment properties and financial assets at fair value through other comprehensive income, which are stated at fair value. 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 2024 except as described below.

In the current interim period, the Group has applied, for the first time, the following amendments ("new and revised HKFRSs") issued by the HKICPA which are effective for the Group's financial year beginning 1 April 2024.

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan That Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

The Group has two major property development and investment projects, namely the project in Qinhuangdao City of Hebei Province (the "Qinhuangdao Project") and Yinchuan City of Ningxia Province (the "Yinchuan Project") in the PRC. During the six months ended 30 September 2024, the Group also operates the property management business in Yinchuan City, Wuhan City and Hohhot City in the PRC. 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 such, no segment information is presented.

Accordingly, the chief executive officer is of the opinion that the property development projects, property investment and provision of property management services in the PRC is a single reportable operating segment of the Group.

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 and deferred tax assets) of the Group are substantially located in the PRC.

For the six months ended 30 September 2024 and 2023, the Group had no transactions with external customer which individually contributed over 10% to the Group's total revenue.

4. REVENUE

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

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Type of goods and service under HKFRS 15		
– Sales of properties	**949**	2,315
– Management fee income	**14,583**	9,889
– Car parking fee income	**1,012**	–
Total revenue from contracts with customers	**16,544**	12,204
Revenue from other source		
– Rental income	**4,192**	2,908
	20,736	15,112
Timing of revenue recognition		
– At a point in time	**1,961**	2,315
– Over time	**14,583**	9,889
Total revenue from contracts with customers	**16,544**	12,204

5. FINANCE COSTS

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

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on other borrowings	**6,457**	1,157
Interest on amounts due to related parties	**9,809**	–
Interest expense on lease liabilities	**197**	4
	16,463	1,161

No borrowing costs were capitalised for the period ended 30 September 2024 and 2023.

During the six months ended 30 September 2023, the Group had made a reversal of approximately HK$9,889,000 in finance costs previously recognised. This reversal was directly attributed to a court decision that has been concluded in relation to the legal proceedings.

6. LOSS BEFORE TAX

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

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
(a) Staff costs:		
Salaries, wages and other benefits	**8,776**	9,226
Contributions to defined contribution retirement plans	**1,431**	1,046
	10,207	10,272
(b) Other items:		
Cost of inventories recognised as expenses	**1,115**	2,376
Depreciation of property, plant and equipment	**138**	268
Depreciation of right-of-use assets	**7,306**	6,761
Direct operating expenses incurred for investment properties that generated rental income during the period	**1,893**	2,061

7. INCOME TAX CREDIT

The amount of income tax credited to the condensed consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
The taxation (charge) credit comprises:		
Current tax:		
PRC Enterprise Income Tax	**(134)**	–
Deferred tax credit	**1,980**	10,230
Taxation credit for the period	**1,846**	10,230

8. LOSS PER SHARE

(a) Basic 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 number of ordinary shares in issue during the period, calculated as follows:

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company, used in the basic loss per share calculation	**(48,009)**	(53,531)
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 loss per share

For the six months ended 30 September 2024 and 2023, diluted loss per share is same as basic 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 2024 (six months ended 30 September 2023: Nil).

10. TRADE RECEIVABLES

	30 September 2024	31 March 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Lease receivables	**3,477**	3,074
Less: Impairment allowance for ECL	**(1,819)**	(1,819)
	1,658	1,255

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 2024	31 March 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within one year	**1,658**	1,255

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 2024	31 March 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within one year	**22,923**	1,346
Over one year	**358,462**	382,387
	381,385	383,733

According to court decisions of legal proceedings against the Group from constructors, at 30 September 2024, the Group is required to settle construction payment of approximately HK$235,781,000 (31 March 2024: HK$234,527,000) to the constructors. Among the payables to the constructors, construction payable with amount of approximately HK$211,991,000 (31 March 2024: HK$210,863,000) included penalty interest of approximately HK$43,743,000 (31 March 2024: HK$38,321,000). The penalty interest has been accrued as interest payables included in other payables and accruals as at 30 September 2024. The penalty interest rate ranging from 3.5% to 4.25%.

12. SHARE CAPITAL

	30 September 2024		31 March 2024	
	No. of shares	**Amount**	No. of shares	Amount
		HK$'000		*HK$'000*
Authorised:				
Ordinary shares of HK$0.05 each				
At 30 September 2024 (unaudited)/ 31 March 2024 (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 2024 (unaudited)/ 31 March 2024 (audited)	**23,336,687,255**	**1,166,834**	23,336,687,255	1,166,834

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. The Group also operates property management business in Yinchuan city, Wuhan city and Hohhot city in the PRC.

FINANCIAL REVIEW

During the Reporting Period, the Group recorded a total revenue of approximately HK$20,736,000 as compared to approximately HK$15,112,000 for the Corresponding Period, representing an increase of 37.2%. The increase in revenue was mainly attributable to the increase of property management fee income. Revenue from sales of properties was approximately HK$949,000 for the Reporting Period as compared to approximately HK$2,315,000 for the Corresponding Period, representing a decrease of 59.0%. Management fee income was approximately HK$14,583,000 for the Reporting Period as compared to approximately HK$9,889,000 for the Corresponding Period, representing an increase of 47.5% due to the completion of acquisition of three property management companies during the Corresponding Period that the financial contribution was not for the whole Corresponding Period. Rental income was approximately HK$4,192,000 for the Reporting Period as compared to approximately HK$2,908,000 for the Corresponding Period, representing an increase of 44.2%.

The Group recorded a loss on revaluation of investment properties of approximately HK$14,334,000 for the Reporting Period as compared to approximately HK$41,015,000 for the Corresponding Period, representing a decrease of 65.1%.

Finance costs was approximately HK$16,463,000 for the Reporting Period as compared to approximately HK$1,161,000 for the Corresponding Period, representing an increase of 1,318.0% due to the reversal of approximately HK$9,889,000 in finance costs previously recognized for the Corresponding Period. Impairment loss under expected credit loss model on other receivables was approximately HK$5,440,000 for the Reporting Period, the amount mainly represented impairment loss on receivables due from external parties. The loss attributable to equity holders for the Reporting Period amounted to approximately HK$48,510,000 as compared to approximately HK$53,531,000 for the Corresponding Period. The loss per share for the Reporting Period was 0.21 HK cents as compared to 0.23 HK cents for the Corresponding Period.

As for financing aspect, regarding the loan agreements 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$334,666,000) (collectively the “Related Party Loan”) as at 30 September 2024. Related Party Loan was 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.

Related Party Loan was a loan borrowed by the related parties from Huaxia Bank (the “Huaxia Bank Loan”) and lent directly to the Qinhuangdao Outlets Real Estate Company Limited*（秦皇島奧特萊斯置業有限公司）, an indirect wholly-owned subsidiary of the Company on the same terms. No further extension agreement had been entered into between Huaxia Bank and the related parties in March 2023. Therefore, the Huaxia Bank Loan was in default from March 2023. Huaxia Bank has the discretionary right to demand related parties of the Company on full payment of the whole principal amount and any unpaid interest. To the best knowledge of the Directors, management of the related parties have commenced negotiations of the repayment terms of the Huaxia Bank Loan with Huaxia Bank since then. Up to the date of this announcement, those negotiations are still in progress and have not been concluded. As the land of the Qinhuangdao Project (as defined below) has been pledged against the Huaxia Bank Loan, Huaxia Bank has the discretionary right to confiscate the land of the Qinhuangdao Project and dispose it for Huaxia Bank Loan repayment if related parties of the Company fail to repay the Huaxia Bank Loan when Huaxia Bank demands immediate full repayment.

In December 2021, the Group entered into a 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$2,217,800,000) at an interest rate of 5% per annum and was due to repay in December 2023. As at 30 September 2024, outstanding amount of approximately RMB9,060,000 (equivalent to approximately HK$10,047,000) was fall due. In May 2023, the Group entered into a new loan agreement regarding a revolving loan facility agreement with a related party, Jinsheng International Group (BVI) Limited（金盛國際集團（英屬維爾京群島）有限公司） in relation to an unsecured loan facility in the total principal amount of HK$2,000,000,000 (the "New Revolving Loan") at an interest rate of 5% per annum, the revolving loan facility starts in January 2024 and is due to repay in December 2025. As at 30 September 2024, the Group has not utilized any of the New Revolving Loan.

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 City, 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, led by local government agencies, project company actively approached all partners, and plans to resume the construction of Phase 1 with concerted efforts, so as to align with local industrial positioning, i.e. to build Qinhuangdao Project into a first-class comprehensive demonstration city for health care and vacation. If progressing well, the parties will cooperate based on the principle of "complementary advantages, mutual support, long-term cooperation and common development", through the combination of government promotion in accordance with law and market operation.

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.

During the Reporting Period, the construction of the main structure of Phase 2 of Jin Sheng Yue Jing has been completed. In terms of construction progress, for block 17 and block 18, the construction has been materially completed and expects to commence delivery on or before 31 January 2025.

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.

As of 30 September 2024, Yinchuan Commercial Properties Project achieved an occupancy rate of approximately 95% and became one of the largest curtain wholesale base in the northwest region. Gathering merchants of major brands in the northwest, the mall hit a record high in the amount of orders. As shown from the overall data, the three buildings of the entire Yinchuan Commercial Properties Project have gradually unveiled its unique distinction to be the northern commercial hub of the city.

Property Management Business

Yinchuan Project

The Group conducts the property management business through Ningxia Jinguan, Ningxia Chengze Huaxia Marketing Co., Ltd.* (寧夏盛澤華夏市場管理有限公司) ("Chengze Huaxia") and Ningxia Guanling Property Service Co., Ltd.* (寧夏冠凌物業服務有限公司) ("Ningxia Guanling"). The companies manage both commercial property and residential area, which the total property management area was approximately 551,800 sq.m. as of 30 September 2024. The companies are actively expanding the property management business in Yinchuan city.

Hohhot Project

Hohhot Pengshengjie Property Management Service Co., Ltd.*（呼和浩特市鵬盛潔物業管理服務有限責任公司）（“Hohhot Pengshengjie”) currently manages part of a commercial property. The commercial property, with gross floor area of 83,192 sq.m., is an integrated commercial complex featuring building materials and furniture stores. The total property management area of Hohhot Pengshengjie was approximately 32,303 sq.m. as of 30 September 2024. Hohhot Pengshengjie is actively expanding the property management business within the commercial property.

Wuhan Project

Wuhan Yuejing Property Management Co., Ltd.*（武漢閱景物業管理有限公司）（“Wuhan Yuejing”) currently manages a commercial property and residential area. The total property management area of Wuhan Yuejing was approximately 79,770 sq.m. as of 30 September 2024. Wuhan Yuejing is actively expanding the property management business in Wuhan city.

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* (吉林奧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.

LIQUIDITY AND FINANCIAL RESOURCES

The Group mainly finances its business operations with its internal resources and loan facilities from banks, financial institutions, related parties and a shareholder. As at 30 September 2024, the Group had cash and cash equivalents amounted to approximately HK$15,142,000 (31 March 2024: HK$17,685,000) and restricted bank deposits amounted to approximately HK$9,101,000 (31 March 2024: HK$12,470,000). The Group's current ratio (measured as total current assets to total current liabilities) was 0.71 times as at 30 September 2024 (31 March 2024: 0.72 times). The other borrowings of the Group amounted to approximately HK$36,182,000 as at 30 September 2024 (31 March 2024: HK$35,990,000).

PLEDGE OF ASSETS

As at 30 September 2024, property interest held by the Group with net carrying amount in aggregate of approximately HK$897,328,000 (31 March 2024: HK$918,242,000) were pledged to banks and financial institutions.

FOREIGN EXCHANGE EXPOSURES

As the Group's other borrowings, cash and cash equivalents, restricted bank deposits, trade receivables, prepayments, deposits and other receivables, trade payables, other payables and accruals, 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 2024, the Group had capital commitments of construction of properties included under property, plant and equipment and investment properties of approximately HK$55,403,000 (31 March 2024: HK$63,676,000).

SUBSEQUENT EVENT

The Group had no significant event taking place subsequent to 30 September 2024 and up to the date of this announcement.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The Group had no material acquisitions and disposals of subsidiaries and associated companies during the Reporting Period.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2024, the Group employed a total of 154 employees (excluding Directors), as compared with 143 employees (excluding Directors) as at 31 March 2024. 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).

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. To strictly control the flow of capital and turn away from the virtual economy to the real economy, developers must also deleverage and reduce liabilities.

The above factors 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.

As the economy of China is facing uncertainties, the Group has been actively to explore opportunities outside of China. South East Asia region is a region with high growth potential and young population, which exists opportunities.

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.

INTERIM DIVIDEND

The Board did not recommend any interim dividend for the Reporting Period (30 September 2023: Nil).

CORPORATE GOVERNANCE PRACTICES

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 Part 2 of 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 deviation from code provision C.2.1.

Code provision C.2.1 provides 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, 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 (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 as 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 SHARES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE REVIEW

The Audit Committee of the Company has reviewed with the management the Group's consolidated financial results for the Reporting Period, including the accounting principles and practices adopted by the Group and discussed risk management and internal control and financial reporting matters.

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 2024/2025 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, 29 November 2024

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*