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鈞濠集團有限公司\*

**GRAND FIELD GROUP HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 115)**

## **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015**

The board (the “Board”) of directors (the “Directors”) of Grand Field Group Holdings Limited (the “Company”) hereby announces the consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2015, together with the comparative figures for year 2014 are as follows:

### **CONSOLIDATED INCOME STATEMENT**

*For the year ended 31 December 2015*

	<i>Notes</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Revenue</b>	3	<b>3,843</b>	3,368
Cost of revenue		<u>(1,946)</u>	<u>(823)</u>
<b>Gross profit</b>		<b>1,897</b>	2,545
Other revenue	3	<b>198</b>	1,337
Other gains and losses	3	<b>1,259,908</b>	(858)
Selling and distribution costs		<b>(254)</b>	(517)
Administrative expenses		<u>(34,228)</u>	<u>(60,776)</u>
<b>Profit/(loss) from operations</b>		<b>1,227,521</b>	(58,269)
Finance cost	4	<b>(2,117)</b>	(6,091)
Gain on settlement of convertible bonds		<b>632</b>	–
Fair value loss of derivative instruments		<u>–</u>	<u>(4,769)</u>

\* *For identification purpose only*

		2015	2014
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Profit/(loss) before tax</b>		<b>1,226,036</b>	(69,129)
Income tax expense	5	<u>(303,500)</u>	<u>–</u>
<b>Profit/(loss) for the year</b>	7	<u><b>922,536</b></u>	<u>(69,129)</u>
<b>Attributable to:</b>			
Owners of the Company		<b>457,920</b>	(65,855)
Non-controlling interests		<u><b>464,616</b></u>	<u>(3,274)</u>
		<u><b>922,536</b></u>	<u>(69,129)</u>
<b>Earnings/(loss) per share</b>			
	8		
Basic ( <i>HK cents per share</i> )		<u><b>50.68</b></u>	<u>(8.89)</u>
Diluted ( <i>HK cents per share</i> )		<u><b>50.68</b></u>	<u>(8.89)</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	<i>Note</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Profit/(loss) for the year</b>	7	<u>922,536</u>	<u>(69,129)</u>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		<u>(62,929)</u>	<u>(149)</u>
<b>Total comprehensive income/(loss) for the year</b>		<u><b>859,607</b></u>	<u><b>(69,278)</b></u>
<b>Attributable to:</b>			
Owners of the Company		424,338	(65,961)
Non-controlling interests		<u>435,269</u>	<u>(3,317)</u>
		<u><b>859,607</b></u>	<u><b>(69,278)</b></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2015*

	<i>Notes</i>	<b>2015</b>	2014
		<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>15,855</b>	1,220
Investment properties	9	<b>1,404,349</b>	46,000
Prepaid premium for land leases		<b>13,648</b>	316,509
Properties for sale under development		<b>597</b>	18,790
Derivative instruments		–	251
Deferred tax assets		<b>7,821</b>	–
		<hr/> <b>1,442,270</b>	<hr/> 382,770
<b>Current assets</b>			
Inventories		<b>3,567</b>	909
Properties for sale under development		<b>126,432</b>	–
Properties for sale		<b>31,092</b>	32,958
Other receivables, deposits and prepayments		<b>11,449</b>	14,428
Amount due from a director		<b>145</b>	118
Tax recoverable		<b>91</b>	97
Cash and cash equivalents		<b>11,625</b>	9,274
		<hr/> <b>184,401</b>	<hr/> 57,784
<b>Current liabilities</b>			
Trade and other payables	10	<b>37,838</b>	39,586
Interest-bearing borrowings	11	<b>5,443</b>	5,634
Obligation under finance lease due within one year		<b>178</b>	170
Amounts due to directors		<b>261</b>	261
Tax payable		<b>316</b>	242
		<hr/> <b>44,036</b>	<hr/> 45,893
<b>Net current assets</b>		<hr/> <b>140,365</b>	<hr/> 11,891
<b>Total assets less current liabilities</b>		<hr/> <b>1,582,635</b>	<hr/> 394,661

		2015	2014
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Non-current liabilities</b>			
Obligation under finance lease due after one year		<b>61</b>	239
Convertible bonds		–	31,632
Deferred tax liabilities		<b>302,143</b>	4,113
		<u><b>302,204</b></u>	<u>35,984</u>
<b>NET ASSETS</b>		<u><b>1,280,431</b></u>	<u>358,677</u>
<b>Capital and reserves</b>			
Share capital	<i>14</i>	<b>95,707</b>	76,589
Reserves		<b>581,217</b>	114,650
		<u><b>676,924</b></u>	<u>191,239</u>
<b>Equity attributable to owners of the Company</b>		<b>676,924</b>	191,239
<b>Non-controlling interests</b>		<b>603,507</b>	167,438
		<u><b>1,280,431</b></u>	<u>358,677</u>
<b>TOTAL EQUITY</b>		<u><b>1,280,431</b></u>	<u>358,677</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2015*

## 1. GENERAL INFORMATION

Grand Field Group Holdings Limited (the “Company”) is a company incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company in Hong Kong is located at Unit 1004B, 10th Floor, Tower 5, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are investment holding, property development, property investment and general trading.

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 January 2015. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current year and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

### 3. REVENUE, OTHER REVENUE AND OTHER GAINS AND LOSSES

The principal activities of the Group are property development, property investment and general trading.

Revenue represents the aggregate of net amounts received and receivable for completed properties held for sale and goods sold by the Group to outside customers and property rental income for the years ended, and is analysed as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Revenue</b>		
Sales of properties	–	–
Property rental	2,129	2,474
General trading	1,714	894
	<u>3,843</u>	<u>3,368</u>
<b>Other revenue</b>		
Interest income on bank deposits	20	1,154
Net foreign exchange gain	164	33
Sundry income	14	150
	<u>198</u>	<u>1,337</u>
<b>Other gains and losses</b>		
Fair value gain/(loss) on investment properties	1,259,950	(862)
Reversal of impairment loss on loan receivables	–	4
Loss on disposal of property, plant and equipment	(42)	–
	<u>1,259,908</u>	<u>(858)</u>

### 4. FINANCE COST

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest expenses on borrowings wholly repayable within five years		
– convertible notes	347	4,534
– other borrowings	1,755	1,534
Interest on finance lease	15	23
	<u>2,117</u>	<u>6,091</u>

## 5. INCOME TAX EXPENSE

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Deferred tax	<u><u>303,500</u></u>	<u><u>–</u></u>

Hong Kong profits tax is calculated at 16.5% (2014: 16.5%) of the estimated assessable profits for the year. Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of subsidiaries of the Company in the PRC is 25% for both years. No provision for Hong Kong Profits Tax and PRC Tax is required since the Group has no assessable profit for the year.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

The reconciliation between the income tax and profit before tax multiplied by the Hong Kong profits tax rate is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Profit/(loss) before tax	<u>1,226,036</u>	<u>(69,129)</u>
Notional tax credit on loss before income tax, calculated at the rates applicable to profits in the countries concerned	308,853	(12,333)
Effect of different tax calculation basis for the PRC property development projects operated by the Hong Kong subsidiaries	(84)	(4)
Tax effect on non-deductible expenses	2,328	10,705
Tax effect on non-taxable income	(3,473)	(2)
Tax effect of utilisation of tax losses not previously recognised	(4,980)	–
Tax effect on tax losses not recognised	<u>856</u>	<u>1,634</u>
	<u><u>303,500</u></u>	<u><u>–</u></u>



## 6. SEGMENT REPORTING

Information reported to the executive directors and senior management, being the chief operating decision maker, the purposes of resource allocation and assessment of segment performance focus on types of goods or services delivered or provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reporting segments of the Group. Specifically, the Group's reportable operating segments under HKFRS 8 are: (i) property development, (ii) property investment, (iii) general trading.

### (a) Segment revenue and results

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

	General trading		Property development		Property investment		Total	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
<b>Revenue</b>								
External sales	<u>1,714</u>	<u>894</u>	<u>-</u>	<u>-</u>	<u>2,129</u>	<u>2,474</u>	<u>3,843</u>	<u>3,368</u>
Segment result	(135)	175	-	-	1,261,982	1,509	1,261,847	1,684
Interest income on bank deposits							20	1,154
Unallocated income and gains, net							178	186
Unallocated expenses							<u>(34,524)</u>	<u>(61,293)</u>
Loss from operations							1,227,521	(58,269)
Finance costs							(2,117)	(6,091)
Gain on settlement of convertible bonds							632	-
Fair value loss of derivative instruments							<u>-</u>	<u>(4,769)</u>
Profit/(loss) before tax							1,226,036	(69,129)
Income tax expense							<u>(303,500)</u>	<u>-</u>
Profit/(loss) for the year							<u>922,536</u>	<u>(69,129)</u>

Segment result represents the (loss from) profit earned from each segment without allocation of certain items, mainly comprising interest income on bank deposits, loss on disposal of property, plant and equipment, depreciation, central administration costs, directors' and chief executives' salaries, finance costs, gain on settlement of convertible bonds and fair value loss of derivative instruments. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

(b) **Segment assets and liabilities**

	General trading		Property development		Property investment		Total	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Segment assets	3,567	909	179,590	368,257	1,404,349	46,000	1,587,506	415,166
Unallocated assets							39,165	25,388
							<u>1,626,671</u>	<u>440,554</u>
Segment liabilities	-	(92)	(1,256)	(1,196)	(302,143)	(4,113)	(303,399)	(5,401)
Unallocated liabilities							(42,841)	(76,476)
							<u>(346,240)</u>	<u>(81,877)</u>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than unallocated assets (mainly comprising property, plant and equipment, other receivables, deposits and prepayments, amount due from a director and cash and cash equivalents); and
- all liabilities are allocated to operating segments other than unallocated liabilities (mainly comprising certain other payables, interest-bearing borrowings, obligation under finance lease, amount(s) due to directors/a related party and dividend payable).

(c) **Other segment information**

	General trading		Property development		Property investment		Total	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
<b>Amounts included in the measure of segment profit or loss or segment assets:</b>								
Amortisation of prepaid premium for land leases	-	-	(9,120)	(6,552)	-	-	(9,120)	(6,552)
Reversal of impairment loss on loan receivables	-	-	-	4	-	-	-	4
Fair value gain/(loss) on investment properties	-	-	-	-	1,259,950	(862)	1,259,950	(862)
<b>Unallocated:</b>								
Depreciation	-	-	-	-	-	-	(2,818)	(381)
Capital expenditure	-	-	-	-	-	-	3,206	133
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,206</u>	<u>133</u>

**(d) Geographic information**

Since the Group principally operates in the PRC with revenue and results derived mainly from its operations in the PRC and assets are located in the PRC, no geographical information is used by the chief operating decision maker for further evaluated.

**(e) Information about major customers**

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Property investment		
Customer A	349 <sup>1</sup>	353
Customer B	337 <sup>1</sup>	454
Customer C	<u>349<sup>1</sup></u>	<u>530</u>
	<u>1,035</u>	<u>807</u>
General trading		
Customer D	788	–
Customer E	<u>576</u>	–
	<u>1,364</u>	–
	<u><u>2,399</u></u>	<u><u>807</u></u>

<sup>1</sup> Revenue from these customers did not exceed 10% of total revenue in the respective years. These amounts were shown for comparative purpose.

## 7. PROFIT/(LOSS) FOR THE YEAR

The Group's profit/(loss) for the year is stated after charging/(crediting) the following:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Cost of sales	1,946	823
Amortisation of prepaid premium for land leases	9,120	6,552
Depreciation	2,818	381
Staff costs (including Directors' remuneration):		
– salaries, bonuses and allowances	6,379	6,013
– equity-settled share option arrangements	–	7,963
– retirement benefits scheme contributions	306	207
	6,685	14,183
Provision for legal costs	–	20,000
Auditor's remuneration	742	690
Net foreign exchange gain	(164)	(33)
Operating lease charges on land and buildings	757	1,064
	<u>757</u>	<u>1,064</u>

## 8. EARNINGS/(LOSS) PER SHARE

### Basic earnings/(loss) per share

Basic earnings (2014: loss) per share is calculated based on the profit (2014: loss) for the year attributable to owners of the Company of approximately HK\$457,920,000 (2014: HK\$65,855,000) and on the weighted average number of approximately 903,490,000 ordinary shares in issue during the year (2014: 740,805,000). The weighted average number of ordinary shares for the years ended 31 December 2014 for the purpose of calculating the basic loss per share has been adjusted and restated respectively resulting from the share consolidation and open offer of the Company (Note 14) during the year ended 31 December 2014.

### Diluted earnings/(loss) per share

No diluted earnings per share for the year ended 31 December 2015 are presented as the Company did not have any dilutive potential ordinary shares during the year.

No diluted loss per share for the year ended 31 December 2014 are presented as the effects of all convertible notes and share options are anti-dilutive for the year.

## 9. INVESTMENT PROPERTIES

	<b>Under development</b>	<b>Completed</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Fair value</b>			
At 1 January 2014	–	47,000	47,000
Fair value loss on investment properties	–	(862)	(862)
Exchange differences	–	(138)	(138)
	<u>–</u>	<u>(138)</u>	<u>(138)</u>
At 31 December 2014 and 1 January 2015	–	46,000	46,000
Transfer to property, plant and equipment	–	(15,020)	(15,020)
Transfer from prepaid premium for land leases	177,272	–	177,272
Fair value gain on investment properties	1,246,687	13,263	1,259,950
Exchange differences	(61,210)	(2,643)	(63,853)
	<u>(61,210)</u>	<u>(2,643)</u>	<u>(63,853)</u>
At 31 December 2015	<u>1,362,749</u>	<u>41,600</u>	<u>1,404,349</u>

The fair value of the Group's investment properties ("Properties") at 31 December 2015 and 2014 has been arrived at on the basis of a valuation carried out on that date by Messrs. Roma Appraisals Limited, an independent qualified professional valuers not connected with the Group. Roma Appraisals Limited has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The Group's Properties have been valued by using market comparison and residual value approach, which conforms to Hong Kong Institute of Surveyors Valuation Standards on Properties.

## 10. TRADE AND OTHER PAYABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade payables to building contractors	1,159	1,192
Accrued salaries and other operating expenses	6,909	9,702
Deposits received from the sale of properties	8,233	5,958
Rental deposits received from investment properties	36	1,306
Amounts payable on return of properties	6,091	6,817
Provision for compensation of a legal case	10,154	9,959
Other payables	5,256	4,652
	<u>37,838</u>	<u>39,586</u>

An ageing analysis of trade payables presented based on the invoice date at the end of reporting period is set out as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Over 360 days past due	<u>1,159</u>	<u>1,192</u>

## 11. INTEREST-BEARING BORROWINGS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Loans from independent third parties payable within 1 year or on demand – secured	<u>5,443</u>	<u>5,634</u>

At 31 December 2015 and 2014, loan with principal amount of RMB4,500,000 (equivalent to approximately HK\$5,443,000 (2014: HK\$5,634,000) from an independent third party is secured by the completed properties held for sale of the Group's wholly owned subsidiary. Interest is charged at 1.5% per month and repayable within 1 year from the drawdown date in the year 2014 and extended for 1 year during 2015.

The borrowings bear interest at fixed rates of 1.5% per month (2014: 1.5% per month).

## 12. COMMITMENTS

(a) The Group had the following material commitments at the end of the reporting period:

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Contracted but not provided for:		
Capital contribution to PRC companies	<u><b>193,436</b></u>	<u>205,273</u>

(b) As lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases are payable which fall due as follows:

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within one year	<b>604</b>	604
In the second to fifth years inclusive	<u><b>225</b></u>	<u>829</u>
	<u><b>829</b></u>	<u>1,433</u>

The Group leases two office premises under operating leases. The leases typically run for an initial period of 3 years (2014: 3 years), at the end of which period all terms are negotiated. None of the lease includes contingent rentals.

(c) **As lessor**

Property rental income earned during the year was approximately HK\$2,129,000 (2014: HK\$2,474,000).

At the end of the reporting period, the Group had contracted with tenants for the following minimum lease payments:

	<b>2015</b>	2014
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Within one year	<b>1,021</b>	1,010
In the second to fifth years inclusive	<b>2,496</b>	998
	<b><u>3,517</u></b>	<u>2,008</u>

The Group leases its investment properties (Note 9) under operating lease arrangements which run for an initial period of one to seven years (2014: one to seven years), with an option to renew the lease terms at the expiry date or at dates as mutually agreed between the Group and the respective tenants. The properties are expected to generate rental yields of 5.14% (2014: 2.1%) on an ongoing basis.

**13. DIVIDENDS**

The Directors do not recommend the payment of any dividend in respect of the years ended 31 December 2015 (2014: Nil).



## 14. SHARE CAPITAL

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Authorised:		
5,000,000,000 Ordinary shares of HK\$0.1 each (2014: 5,000,000,000 Ordinary shares of HK\$0.1 each)	<u>500,000</u>	<u>500,000</u>
Issued and fully paid:		
957,068,327 Ordinary shares of HK\$0.1 each (2014: 765,893,601 Ordinary shares of HK\$0.1 each)	<u>95,707</u>	<u>76,589</u>

A summary of the movements in the issued share capital of the Company is as follows:

	Number of shares '000	Amount <i>HK\$'000</i>
At 1 January 2014	2,538,068	50,761
Open offer ( <i>Note (i)</i> )	1,269,034	25,381
Capital reorganisation ( <i>Note (ii)</i> )	(3,045,681)	–
Issue of shares for professional fee ( <i>Note (iii)</i> )	<u>4,473</u>	<u>447</u>
As at 31 December 2014	765,894	76,589
Issue of new shares ( <i>Note (iv)</i> )	58,680	5,868
Issue of shares for professional fee ( <i>Note (iii)</i> )	16,025	1,603
Issue of shares for settlement of convertible bonds	85,185	8,519
Issue of shares for settlement of borrowings ( <i>Note (v)</i> )	23,461	2,346
Equity-settled share option arrangements ( <i>Note (vi)</i> )	<u>7,824</u>	<u>782</u>
	<u>957,069</u>	<u>95,707</u>

*Note:*

### (i) Open offer

Completion of the open offer took place on 10 March 2014 pursuant to which 1,269,034,139 offer shares were issued under the open offer on the basis of one offer share for every two shares held by the qualifying shareholders at the subscription price of HK\$0.04 per offer share with par value of HK\$0.02 each. Accordingly, the Company's issued share capital was increased by approximately HK\$25,381,000 and its share premium account was increased by approximately HK\$22,630,000, net of the transaction costs related to the open offer by approximately HK\$2,751,000.

- (ii) There was a capital reorganisation of the Company effected on 9 April 2014 which comprised the following:

**Share Consolidation**

The share consolidation was implemented to consolidate every 5 issued and unissued shares of par value of HK\$0.02 each into 1 share (“Consolidated Share”) of par value of HK\$0.10 each.

**Capital Increase**

The authorised share capital of the Company was increased from HK\$100,000,000 divided into 1,000,000,000 Consolidated Shares of par value of HK\$0.10 each to HK\$500,000,000 divided into 5,000,000,000 Consolidated Shares of par value of HK\$0.10 each.

- (iii) **Issue of shares for professional fee**

On 29 April 2014, the Company issued and allotted 4,473,118 Remuneration Shares as to Mr. Wong Vai Nang, sole proprietor of Simon Ho & Co., Solicitors. The premium on the issue of shares amounting to approximately HK\$1,879,000 was credited to the Company’s share premium account.

On 30 January 2015 and 22 July 2015, the Company issued and allotted 9,310,076 and 6,714,754 ordinary shares of HK\$0.1 each as to Mr. Wong Vai Nang, sole proprietor of Simon Ho & Co., Solicitors for settlement of the fee for legal advisory services provided. The premium on the issue of shares amounting to approximately HK\$3,425,000 was credited to the Company’s share premium account.

- (iv) **Issue of new shares**

On 26 May 2015, the Company issued and allotted 58,680,000 ordinary shares of HK\$0.01 each to the subscribers at a price of HK\$0.38 per share and the premium on the issue of shares, amounting to approximately HK\$16,430,000 was credited to the Company’s share premium account.

- (v) **Issue of shares for settlement of borrowings**

On 22 July 2015, the Company issued and allotted 23,461,177 shares as to settle the borrowing of the Company. The premium on the issue of shares amounting to approximately HK\$4,671,000 was credited to the Company’s share premium account.

**(vi) Equity-settled share option arrangements**

During the six months ended 30 June 2015, the Company issued 7,823,534 ordinary shares of HK\$0.10 each for cash at a price of HK\$0.47 per share, for a total amount of approximately HK\$3,677,000, pursuant to the exercise of the Company's share option.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

**15. LITIGATIONS AND CONTINGENT LIABILITIES**

- (i) An Originating Summons was issued on 4 June, 2008 under High Court Miscellaneous Proceedings No.1059 of 2008 ("HCMP 1059/2008") by Mr. Tsang Wai Lun, Wayland ("Tsang"), a former director and shareholder of the Company, as the plaintiff and the Company as the defendant under section 168BC of the Companies Ordinance (the old Cap.32 of the Law of Hong Kong), details of which please refer to Paragraph 34(i) of the Company's Annual Report 2013.
- (ii) Pursuant to the statutory leave granted under H.C.M.P. 1059/2008, Tsang suing as a shareholder for and on behalf of the Company as the plaintiff issued a writ of summons against the aforesaid 8 then directors as 1st to 8th defendants in the High Court of Hong Kong on 18 March 2009 under High Court No.771 of 2009 ("the Action"). The title of the plaintiff was subsequently amended as the name of the Company by a court order dated 29 March, 2011.

In brief, the case was in relation to the alleged breaches by the 8 then directors (comprising the then board of directors of the Company) of their fiduciary duties and duties of care owed to the Company as directors in respect of certain resolutions and transactions and the Company claimed against the aforesaid 8 then directors for damages, etc.

Before the conclusion of the trial, the Company reached settlement with 3rd, 4th, 5th, 6th and 8th Defendant. The hearing of the Action was completed on 24 October, 2012 and Judgment was delivered on 17th June, 2014 in which, all the claims by the Company were dismissed and costs be granted to the 1st, 2nd and 7th Defendant with certificate of two counsel ("the Judgment").

For details of the case please refer to Paragraph 34(ii) of the Company's Annual Report 2013.

After the Judgment, the Company had been claimed by Tsang for re-imburement of the legal costs pre-paid by Tsang in respect of HCMP 1059/2008 and the Action. According to the independent legal advices sought by the Company, the Company has reimbursed Tsang for the said legal costs.

Furthermore, the Company has to bear the legal costs of the 1st, 2nd and 7th Defendant in the Action.

In the opinion of the Directors, the legal costs incurred in the Action and HCMP which the Company has to bear are estimated to be HK\$20 million and provision thereof has been made accordingly. Please refer to the Profit Warning of the Company made on 29th July, 2014.

\* Upon the application of the Company, the court granted an order as amended on 5th June, 2014 for prohibition of disposal of the shares of the Company by Hong Kong Zhongxing Group Co., Limited (“HKZX”) and/or Li Yi, the sole shareholder thereof to the amount of HK\$40,000,000. The said Injunction order was discharged by the Court on 12th November, 2014.

\*\* Pursuant to the leave granted by High Court on 23rd August, 2013, the Company has instituted an originating summons against Huang Binghuang and/or Li Yi for contempt of court as a result of their alleged breach of the Injunctions orders granted under the Action. This originating Summons has yet to be tried. In the opinion of the Directors, has no material impact on the operation of the Group since neither does Huang Binghuang nor Li Yi hold any office in the Group. The Directors cannot reliably measure the financial impact until the conclusion of these proceedings.

(iii) Having sought legal advice, the Company has lodged an appeal to the Court of Appeal on 11th July, 2014 against the Judgment under CACV 140/2014 (“the Appeal”). The Appeal was heard on 9th December, 2015 and was dismissed on 20th January, 2016 and 1st Defendant’s costs of the Appeal and the 7th Defendant’s costs up to the date of the Company’s withdrawal of the Appeal against the 7th Defendant be paid by the Company and there being no order as to costs between the Company and the 2nd Defendant.

The costs orders against the Company in the Action and the Appeal respectively are still subject to taxation and the Company’s own costs in the Action had been wholly settled and the amount of the Company’s own costs in the Appeal is estimated at less than HK\$3 million. The Directors after having sought legal advice opine that the said costs orders and the outstanding own costs will have no material impact on the financial position and since none of the Defendants are in the management of the Company, the Directors opine that the Action and the Appeal will have no material impact on the operations of the Group.

- (iv) In 2006, the Group's wholly owned subsidiary, Shing Fat Hong Limited ("Shing Fat Hong"), signed a tenancy agreement with a karaoke operator for a ten-year period, whereby Shing Fat Hong was required to renovate and combine two entire floors of its commercial properties in Dongguan. The karaoke operator failed to apply for an operating license due to non-compliance of the building structure with fire safety regulations. Since 2007, the tenant initiated several legal proceedings against Shing Fat Hong in Local PRC courts for validation of the tenancy agreement and for compensation of decoration fees and other economic losses of RMB4,500,000. However, Shing Fat Hong appealed and further sued the tenant in local PRC courts for compensation of renovation and restoration of the properties, loss of rental income and other economic losses of RMB2,056,000. In 2009, Shing Fat Hong has lost in a court case to claim against the tenant for compensation of restoration of the properties but Shing Fat Hong appealed to the Intermediate People's Court of Dongguan City, Guangdong Province. On 10th April, 2013, the Intermediate People's Court of Dongguan City, Guangdong Province issued a civil judgment, under which such cases were ordered to remand back to the Third People's Court of Dongguan City, Guangdong Province for retrial. On 8th January, 2016, the Third People's Court of Dongguan City, Guangdong Province had delivered judgments but the parties have lodge relevant appeals and still pending hearing. Therefore, legal proceedings between Shing Fat Hong and the tenant are still ongoing.

In the opinion of the Directors, these proceedings will have no material impact on the operations of the Group. The Directors cannot reliably measure the financial impact of the said proceedings until the conclusion thereof.

- (v) On 5th December, 2013, an originating summons was instituted by HKZX, a then substantial shareholder of the Company as plaintiff and the Company as defendant under High Court Miscellaneous Proceedings No.3278 of 2013 in which the said plaintiff seeks leave from the High Court under section 168BC of the Companies Ordinance (the old Cap.32 of the Law of Hong Kong) to claim on behalf of the Company against Tsang Wai Lun Wayland and Kwok Wai Man Nancy (hereinafter collectively referred to as "Tsangs"), the former Chairman and executive directors of the Company respectively for their alleged breach of fiduciary duties and claims costs to be paid by the Company on an indemnity basis.

After hearing of the said Originating Summons, upon the Company's undertaking to pursue the High Court Action No.HCA2471/2008, details of which are prescribed in paragraph (ix) hereinafter and to keep the plaintiff informed of the progress thereof, the Court ordered that the originating summons be adjourned sine die with liberty to apply. By an order dated 20th November, 2014, the Company should pay the costs of the said originating summons to HKZX, the amount of which had been agreed and paid by the Company.

- (vi) On 14th January, 2014, the Company as plaintiff has instituted a Writ of Summons under High Court Action HCA 85/2014 against 1st Defendant Li Yi, the then sole shareholder of HKZX, 2nd Defendant, Huang Binghuang, a former executive director of the Company and 3rd Defendant the HKZX. Please refer to Paragraph 33(ix) of the Company's 2014 Annual Report for details thereof.

The writ of summons had been served upon HKZX on 15th January, 2014. The Defence and the Reply thereto have been filed by the HKZX and the Company respectively. The Company is seeking legal advice as to whether or not to proceed with this action after the dismissal of the Appeal.

As the 2nd Defendant has resigned from the Company and the 1st and 3rd Defendant have not been involved in the Company's management, the Directors are of the opinion that the said action will have no material impact on the operations of the Group. The Directors cannot reliably measure the financial impact of the said writ of summons until the conclusion thereof.

- (vii) The Case no.(2013) Shen Luo Fa Min Er Chu Zi Di No.602(2013) under which Shenzhen City Yizhou Hotel Management Co., Limited ("Shenzhen YiZhou") as plaintiff initiated proceedings against, among others, four companies, namely GF Land Development (Shenzhen), Hong Kong Grand Field Group Limited, Shenzhen City Liangzi Jingshun Investment Management Co., Limited ("Shenzhen Liangzi"), and Huilai County Haoyuan Industrial Co., Limited for the alleged jeopardizing the plaintiff's right. This case was heard and judgment was delivered on 10th July, 2014 in favour of the Defendants. However, the plaintiff appealed but the appeal was dismissed on 16th February, 2016.

The Directors are of the opinion that the case has no material impact on the operations of the group but are unable to assess the impact on the financial position of the Group relating to this case.

- (viii) A summons was issued and filed with Lo Hu Court against GF Land Development (Shenzhen) in which Shenzhen YiZhou as plaintiff claims against GF Land Development (Shenzhen) as defendant for a total sum of RMB13,380,000 and interest. By a civil judgment of Lo Hu Court dated 21st October, 2014, it was ordered, inter alia, that the interest of GF Land Development (Shenzhen) in Shenzhen Land was distrained up to the amount of RMB12,717,600 pending the outcome of the Summons. The substantial issues of this summons have not been tried yet.

By a civil judgment of Lo Hu Court dated 5th December, 2014 the Shenzhen Land formerly distrained had been released after the provision of the properties owned by Shing Fat Hong as guaranty. The amount to be distrained remains RMB12,717,600 pending the outcome of the Summons. After the said release, the registered title of the Shenzhen Land has been successfully transferred into Shenzhen Zongke.

In the opinion of the Directors, the summons has no material impact on the operations of the Group. However, the Directors cannot reliably measure the financial impact of the summons until the summons has been finally concluded.

- (ix) Pursuant to Order granted in HCMP 3278/2013 as mentioned in paragraph (v) hereinbefore, the Company instructed Counsel to amend the statement of claim of High Court Action No.HCA2471/2008 which was instituted in 2008 by the Company as Plaintiff against its former executive directors and current substantial shareholders Mr. Tsang Wai Lun Wayland and Madam Kwok Wai Man Nancy as 1st and 2nd Defendants and discontinued the claims against the remaining Defendants. The 1st and 2nd Defendants have filed their defence and the Company has filed its Reply. The said Action is still in progress.

In the opinion of the Directors, this High Court Action will have no material impact on the operations of the Group as Tsangs have resigned from the Company and they have given undertakings not to be involved in the management of the Company. The Directors are of the opinion that this Action shall have no financial impact upon the Company at this stage.

- (x) (a) On 19th February, 2014 the Company received a writ of summons (the “China Writ of Summons”) issued and filed with the Luo Hu People’s Court, Shenzhen City, PRC (“the Court”) by SZ Computer (“the Plaintiff”) claiming against GF Land Development (Shenzhen) (the “1st Defendant”), a wholly-owned subsidiary of GF Group, GF Group (the 2nd Defendant”) and a Shenzhen City Liangzi Jingshun Investment Management Co., Ltd. (“Shenzhen Liangzi”) (the 3rd Defendant”), (the 1st, 2nd and 3rd Defendants are hereinafter collectively referred to as “the Defendants”) and an Independent Third Party for repayment of a sum of RMB5,000,000 plus accrued interest calculated up to 2nd December, 2013 for RMB3,500,000 and costs. For details please refer to paragraph 33 (xii)(a) of the Company’s Annual Report 2014.

The Writ of Summons was heard and the Plaintiff’s claims were dismissed by the judgment dated 30th October, 2014. However, the Plaintiff appealed against the said judgment and the appeal has been heard on 4th November, 2015 but judgment thereof has not been delivered.

- (b) In order to protect the interest of the Company and Shareholders as a whole, the Group has consulted its Hong Kong legal adviser and was advised, as an alternative, GF Group instituted legal proceedings under H.C.A. 294/2014 against HKZX as the recipient of the Repaid Sum for recovery of the same and interest accrued thereon and costs (“the Hong Kong Writ of Summons”). The hearing date of the Hong Kong Writ of Summons has not been fixed.

In the opinion of the Directors, the China Writ of Summons and the Hong Kong Writ of Summons will have no material impact on the operations of the Group. However, the Directors cannot reliably measure the financial impact of the said China and Hong Kong Writ of Summons until its final judgment shall have been delivered.

- (xi) Under the case no.(2015) Shen Long Fa Xing Chu Zi Di No.143, HKZX initiated an administrative action to Shenzhen Longgang District People’s Court against Shenzhen Real Estate Ownership Registration Centre with Grand Field Group Limited and Grand Field Land Development (Shenzhen) Company Limited as the third parties in these proceedings. By a judgment dated 30th December, 2015, HKZX’s claims were dismissed.

In the opinion of the Directors, the said proceedings have no material impact on the operations of the Group.

- (xii) Under the case No.(2014) Shen Luo Fa Min Er Chu Zi De No.5103, Shenzhen YiZhou as the plaintiff claims against Grand Field Land Development (Shenzhen) Company Limited (“GF Land”) as the defendant for the right of replacement of Shenzhen Liangzi to claim against GF Land for the sum allegedly owed to Shenzhen Liangzi by GF Land in order to satisfy a judgment granted by a Court in China in favour of Shenzhen YiZhou as the plaintiff therein against Shenzhen Liangzi as the defendant therein which ordered Shenzhen Liangzi to pay Shenzhen YiZhou a sum of RMB10,280,000.00. This action has been tried on 23rd November, 2015 and the judgment thereof has yet to be delivered.

In the opinion of the Directors, the said proceedings have no material impact on the operations of the Group.

- (xiii) Under the case no.(2015) Shen Long Fa Xing Chu Zi Di No. 238, Shenzhen Liangzi initiated an administrative action to Shenzhen Longgang District People’s Court against Shenzhen Real Estate Ownership Registration Centre with Grand Field Group Limited and Grand Field Land Development (Shenzhen) Company Limited as the third parties in these proceedings. These proceedings were tried and by the Administrative Judgment dated 23rd February, 2016 Shenzhen Liangzi’s claims were dismissed.

In the opinion of the Directors, the said proceedings have no material impact on the operations of the Group.

- (xiv) Under the case no.(2015) Shen Long Fa Xing Chu Zi Di No. 239, Shenzhen Liangzi initiated an administrative action to Shenzhen Longgang District People’s Court against Shenzhen Real Estate Ownership Registration Centre with Grand Field Group Limited, Grand Field Land Development (Shenzhen) Company Limited and Shenzhen Zhongke as the third parties in these proceedings. These proceedings were tried and by the Administrative Judgment dated 23rd February, 2016 Shenzhen Liangzi’s claims were dismissed.

In the opinion of the Directors, the said proceedings have no material impact on the operations of the Group.

Save as disclosed above, in the opinion of the Directors, the aforesaid legal proceedings will have no material impact on the financial position and operations of the Group.



## **EXTRACT OF THE INDEPENDENT AUDITOR’S REPORT**

An extract of the independent auditor’s report is shown as follows:

### **Opinion**

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **FINANCIAL RESULTS**

For the year ended 31 December 2015, the revenue of the Company and its subsidiaries (the “Group”) increased by 14% to approximately HK\$3,843,000 (2014: HK\$3,368,000).

During the year, the Group reported a net profit of approximately HK\$922,536,000, representing a turnaround performance from a net loss of approximately HK\$69,129,000 last year. It was mainly attributable to fair value gains of approximately HK\$1,259,950,000 on investment properties.

Net profit attributable to Owners of the Company was approximately HK\$457,920,000 for the year ended 31 December 2015, a turnaround from last year’s loss of approximately HK\$65,855,000.

### **BUSINESS REVIEW AND PROSPECT**

In 2015 we started a new venture in the trading and distribution of New Zealand milk powder and dairy and meat products. This investment reflects our long-term commitment to continue bringing in quality business to the Company’s portfolio. The intention is clear: the Board has been working hard to steadily develop the Group into a diversified enterprise with property development as its core business, and other cash-flow investment as its supporting businesses.

In addition, as a socially responsible corporate citizen, the Group has decided to adopt the principle of clean building in our Buji project. Clean building is an eco-construction approach that aims to respect our environment without compromising our future generations while offering maximum comfort to occupants. By adopting the architectural and urban-planning techniques that prioritise natural light and promote the use of renewable energy, the Group is moving towards the direction of a balanced solution between construction and a sustainable environment by observing relevant construction legislation.

Looking forward, the Board will focus on strengthening its main business (i.e. real estate) and put special emphasis on promoting sales growth on our acquired venture. The Company is committed to bring quality products to the market, produce sound financial results for investors, and create value-added benefits to the community.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2015, the Group's cash and cash equivalents were approximately HK\$11,625,000 (2014: HK\$9,274,000) of which most were denominated in Hong Kong Dollar ("HK\$") and Renminbi ("RMB").

The Group had total current assets of approximately HK\$184,401,000 (2014: HK\$57,784,000), and total current liabilities of approximately HK\$44,036,000 (2014: HK\$45,893,000). The Group recorded total assets of approximately HK\$1,626,671,000 (2014: HK\$440,554,000). At 31 December 2015, the Group's total interest-bearing borrowings amounted to approximately HK\$5,443,000 (2014: HK\$5,634,000), of which HK\$5,443,000 was repayable within 1 year (2014: HK\$5,634,000).

At 31 December 2015, the percentage of the Group's interest-bearing borrowings denominated in HK\$ and RMB was 0% and 100% (2014: 0% and 100%) respectively and such borrowings carried interest rate at fixed rates of 1.5% per month (2014: 1.5% per month).

The gearing ratio for 31 December 2015, which was defined to be current liabilities over shareholders' equity, was 7% (2014: 24%).

## **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES**

The Group's major operations are located in the PRC and the main operational currencies are HK\$ and RMB. There was no material exchange rate appreciation of RMB against HK\$ in 2015, and there is no adverse movement of such trend foreseen by the Group. Therefore, it is not necessary for the Group to make any foreign currency hedging arrangement to minimise the foreign exchange risk and exposure.

## **CAPITAL STRUCTURE**

As at 31 December 2015, the Company's issued share capital is HK\$95,706,832.70 and the number of its issued ordinary shares is 957,068,327 shares of HK\$0.10 each in issue.

Details of the movements in share capital of the Company are set out in Note 14.

## **CHARGE ON GROUP ASSETS**

At 31 December 2015, the Group has pledged the properties for sale with the carrying amounts of approximately HK\$4,655,000 of its wholly-owned subsidiary for a loan with principal amount of RMB4,500,000 (equivalent to approximately HK\$5,634,000) from an independent third party, details are set out in Note 11.

## **MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT**

The Company did not have any other material acquisitions, disposal and significant investment of subsidiaries and affiliated companies during the year ended 31 December 2015.

## **CONTINGENT LIABILITIES**

The Group's contingent liabilities are disclosed in Note 15.

## **SEGMENT INFORMATION**

The details of the segment information of the Group are set out in Note 6.

## EMPLOYEES

As of the end of 2015, the Group employed 51 employees (2014: 25) and had 8 Directors (2014: 8). The total costs (staff salary & director emolument) for the year amounted to approximately HK\$6,685,000 (2014: HK\$14,183,000). The Group's emolument policies are formulated such that the emoluments are made by reference to the performance of individual employees and will be reviewed every year. Apart from basic salary and statutory provident fund scheme, employees will also be offered bonus based on the results of the Group and their individual performance.

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

During the year ended 31 December 2015, the Company totally issued 191,174,726 new shares, the details are as follows:–

<b>Nature</b>	<b>No. of Shares</b>
Exercised share option ( <i>Note 1</i> )	7,823,534
Remuneration shares ( <i>Note 2</i> )	16,024,830
Settlement shares ( <i>Note 3</i> )	108,646,362
Subscription shares ( <i>Note 4</i> )	<u>58,680,000</u>
Total:	<u><u>191,174,726</u></u>

### Notes:

1. The exercise price was HK\$0.470.
2. On 21 January 2015, the Company entered into the settlement agreement, pursuant to which the legal adviser has agreed with the Company to settle the outstanding professional fees of HK\$2,308,899 by the issuance and allotment of 9,310,076 remuneration shares to Mr. Wong Vai Nang ("Mr. Wong"), the sole proprietor of the Legal Adviser at an issue price of HK\$0.248 per remuneration share.

On 14 July 2015, the Company also entered into another settlement agreement with the legal adviser, pursuant to which the Company has agreed with the legal adviser to settle the outstanding professional fees of HK\$2,048,000 by the issuance and allotment of 6,714,754 remuneration shares to Mr. Wong at an issue price of approximately HK\$0.305 per remuneration share.

3. On 11 February 2015, 85,185,185 settlement shares has been successfully allotted and issued to Thrive Season for partial repurchase of the convertible bonds in the principal amount of HK\$23,000,000.

On 14 July 2015, the Company and Thrive Season entered into the loan settlement agreement, pursuant to which Thrive Season has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 23,461,177 settlement shares at the issue price of approximately HK\$0.305 per settlement share for full repayment of the final indebted amount due from Thrive Season on and subject to the terms and conditions of the loan settlement agreement.

4. On 13 May 2015, the Company entered into the subscription agreements on the same terms with each of the subscribers, Mr. Wang Dustin Daqing and Mr. Li Bing (the “Subscribers”), pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 58,680,000 subscription shares at the subscription price of HK\$0.380 per subscription share.

Save as disclose above, during the year ended 31 December 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

## **DIVIDENDS**

The Directors do not recommend the payment of final dividend in respect of the year ended 31 December 2015 (2014: nil). No interim dividend was declared for the six months ended 30 June 2015 (2014: nil).

## **CORPORATE GOVERNANCE**

The Company is committed to the establishment of good corporate governance practices and procedures. The Company has complied with all the code provisions as set out in the Corporate Governance Code and Corporate Governance Report to the Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) (the “CG Code”) during the year ended 31 December 2015 except for the following deviations:

According to the code provision A.2.1 of the CG Code, the roles of the chairman of the Company (the “Chairman”) and the chief executive officer of the Company (the “CEO”) should be separate and should not be performed by the same individual.

During the year ended 31 December 2015, the role of the Chairman is performed by Mr. Ma Xuemian but the office of the CEO is vacated. However, the Board will keep reviewing the current structure of the Board from time to time and should candidate with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the post as appropriate.

## **SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement and consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2015 as set out in the preliminary announcement have been agreed by the Group's auditors, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2015. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

## **AUDIT COMMITTEE**

The audit committee of the Company (the "Audit Committee") has reviewed with the management of the Group the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the audited financial statements for the year ended 31 December 2015, with external auditor. There were no disagreements from the auditor of the Company or the Audit Committee in respect of the accounting policies adopted by the Company.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement is published on the Company's website (<http://www.gfghl.com>) and the Stock Exchange's website (<http://www.hkex.com.hk>). The 2015 Annual Report containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and available on the same websites in due course.

By order of the Board  
**Grand Field Group Holdings Limited**  
**Ma Xuemian**  
*Chairman*

Hong Kong, 30 March 2016

*As at the date of this announcement, the board of Directors comprises four executive Directors, namely, Mr. Ma Xuemian, Mr. Kwok Siu Bun, Ms. Chow Kwai Wa, Anne and Ms. Kwok Siu Wa, Alison; one non-executive Director, namely, Ms. Tsang Tsz Tung Debbie (with Mr. Kwok Siu Bun as alternative); and three independent non-executive Directors, namely, Mr. Hui Pui Wai, Kimber, Mr. Liu Chaodong and Ms. Chui Wai Hung.*