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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 2016

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 2016, together with the comparative figures for year 2015 are as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2016

	<i>Notes</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Revenue	<i>3</i>	6,257	3,843
Cost of revenue		(4,189)	(1,946)
Gross profit		2,068	1,897
Other revenue	<i>3</i>	632	198
Other gains and losses	<i>3</i>	150,371	1,259,908
Selling and distribution costs		(850)	(254)
Administrative expenses		(41,509)	(34,228)
Profit from operations		110,712	1,227,521
Finance cost	<i>4</i>	(2,006)	(2,117)
Gain on settlement of convertible bonds		–	632

* *For identification purpose only*

	<i>Notes</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Profit before tax		108,706	1,226,036
Income tax expense	<i>5</i>	<u>(37,534)</u>	<u>(303,500)</u>
Profit for the year	<i>7</i>	<u>71,172</u>	<u>922,536</u>
Attributable to:			
Owners of the Company		19,166	457,920
Non-controlling interests		<u>52,006</u>	<u>464,616</u>
		<u>71,172</u>	<u>922,536</u>
Earnings per share	<i>8</i>		
Basic (<i>HK cents per share</i>)		<u>1.97</u>	<u>50.68</u>
Diluted (<i>HK cents per share</i>)		<u>1.97</u>	<u>50.68</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Notes	2016 HK\$'000	2015 HK\$'000
Profit for the year	7	<u>71,172</u>	<u>922,536</u>
Other comprehensive loss:			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		<u>(92,348)</u>	<u>(62,929)</u>
Total comprehensive (loss)/income for the year		<u><u>(21,176)</u></u>	<u><u>859,607</u></u>
Attributable to:			
Owners of the Company		(29,604)	424,338
Non-controlling interests		<u>8,428</u>	<u>435,269</u>
		<u><u>(21,176)</u></u>	<u><u>859,607</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	<i>Notes</i>	2016 HK\$'000	2015 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		13,844	15,855
Investment properties	<i>9</i>	1,472,252	1,404,349
Prepaid premium for land leases		12,392	13,648
Properties for sale under development		556	597
Deferred tax assets		7,414	7,821
		1,506,458	1,442,270
Current assets			
Inventories		501	3,567
Properties for sale under development		118,655	126,432
Properties for sale		28,361	31,092
Other receivables, deposits and prepayments		13,250	11,449
Amount due from a director		81	145
Tax recoverable		85	91
Cash and cash equivalents		13,439	11,625
		174,372	184,401
Current liabilities			
Trade and other payables	<i>10</i>	55,294	37,838
Interest-bearing borrowings	<i>11</i>	10,913	5,443
Obligation under finance lease due within one year		61	178
Amounts due to directors		824	261
Amount due to a shareholder		111	–
Tax payable		217	316
		67,420	44,036
Net current assets		106,952	140,365
Total assets less current liabilities		1,613,410	1,582,635

	<i>Notes</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Non-current liabilities			
Obligation under finance lease due after one year		–	61
Deferred tax liabilities		<u>317,163</u>	<u>302,143</u>
		<u>317,163</u>	<u>302,204</u>
NET ASSETS		<u>1,296,247</u>	<u>1,280,431</u>
Capital and reserves			
Share capital	<i>14</i>	<u>103,285</u>	95,707
Reserves		<u>581,027</u>	<u>581,217</u>
Equity attributable to owners of the Company		684,312	676,924
Non-controlling interests		<u>611,935</u>	<u>603,507</u>
TOTAL EQUITY		<u>1,296,247</u>	<u>1,280,431</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2016

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 property management.

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 2016. 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:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Revenue		
Sales of properties	1,412	–
Property rental	1,809	2,129
General trading	3,036	1,714
	<u>6,257</u>	<u>3,843</u>
Other revenue		
Interest income on bank deposits	28	20
Net foreign exchange gain	600	164
Sundry income	4	14
	<u>632</u>	<u>198</u>
Other gains and losses		
Fair value gain on investment properties	150,371	1,259,950
Loss on disposal of property, plant and equipment	–	(42)
	<u>150,371</u>	<u>1,259,908</u>

4. FINANCE COST

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Interest expenses on borrowings wholly repayable within five years		
– convertible notes	–	347
– other borrowings	1,999	1,755
Interest on finance lease	<u>7</u>	<u>15</u>
	<u>2,006</u>	<u>2,117</u>

5. INCOME TAX EXPENSE

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Current tax		
Enterprise Income Tax in the PRC	2	–
Land Appreciation Tax in the PRC	77	–
Deferred tax	<u>37,455</u>	<u>303,500</u>
	<u>37,534</u>	<u>303,500</u>

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.

Under a notice issued on 6 September 2010 by Local Tax Bureau of Longgang District, Shenzhen, PRC Land Appreciation Tax for a subsidiary incorporated in Shenzhen, the PRC, in which property development projects in Shenzhen, is calculated at rates ranging from 5% to 10% (2015: 5% to 10%) of the sales revenue on the respective property development projects.

No provision for Hong Kong Profits Tax is required since the Group’s income neither arises, nor is derived, from Hong Kong in both years. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

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:

	2016	2015
	HK\$'000	HK\$'000
Profit before tax	<u>108,706</u>	<u>1,226,036</u>
Notional tax credit on loss before income tax, calculated at the rates applicable to profits in the countries concerned	30,138	308,853
Effect of different tax calculation basis for the PRC property development projects operated by the Hong Kong subsidiaries	(10)	(84)
Tax effect on non-deductible expenses	46	2,328
Tax effect on non-taxable income	–	(3,473)
Tax effect of utilisation of tax losses not previously recognised	–	(4,980)
Tax effect on tax losses not recognised	7,283	856
Land Appreciation Tax	<u>77</u>	<u>–</u>
	<u>37,534</u>	<u>303,500</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	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Revenue								
External sales	<u>3,036</u>	<u>1,714</u>	<u>1,412</u>	<u>–</u>	<u>1,809</u>	<u>2,129</u>	<u>6,257</u>	<u>3,843</u>
Segment result	(386)	(135)	659	–	152,165	1,261,982	152,438	1,261,847
Interest income on bank deposits							28	20
Unallocated income and gains, net							604	178
Unallocated expenses							<u>(42,358)</u>	<u>(34,524)</u>
Profit from operations							110,712	1,227,521
Finance costs							<u>(2,006)</u>	<u>(2,117)</u>
Gain on settlement of convertible bonds							<u>–</u>	<u>632</u>
Profit before tax							108,706	1,226,036
Income tax expense							<u>(37,534)</u>	<u>(303,500)</u>
Profit for the year							<u>71,172</u>	<u>922,536</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 and gain on settlement of convertible bonds. 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	
	2016	2015	2016	2015	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	501	3,567	167,377	179,590	1,472,252	1,404,349	1,640,130	1,587,506
Unallocated assets							40,700	39,165
							<u>1,680,830</u>	<u>1,626,671</u>
Segment liabilities	-	-	(181)	(1,256)	(317,163)	(302,143)	(317,344)	(303,399)
Unallocated liabilities							<u>(67,239)</u>	<u>(42,841)</u>
							<u>(384,583)</u>	<u>(346,240)</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 trade and other payables, interest-bearing borrowings, obligation under finance lease, amount(s) due to directors and a shareholder).

(c) **Other segment information**

	General trading		Property development		Property investment		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Amounts included in the measure of segment profit or loss or segment assets:								
Amortisation of prepaid premium for land leases	-	-	(334)	(9,120)	-	-	(334)	(9,120)
Fair value gain on investment properties	-	-	-	-	150,371	1,259,950	150,371	1,259,950
Unallocated:								
Depreciation	-	-	-	-	-	-	(1,161)	(2,818)
Capital expenditure	-	-	-	-	-	-	180	3,206
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>180</u>	<u>3,206</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:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Property investment		
Customer A	452	349
Customer B	– ¹	337
Customer C	– ¹	349
	<u>452</u>	<u>1,035</u>
General trading		
Customer D	1,574	–
Customer E	876	–
Customer F	383	–
Customer G	– ¹	788
Customer H	– ¹	576
	<u>2,833</u>	<u>1,364</u>
Property development		
Customer I	420	–
	<u>420</u>	<u>–</u>
	<u><u>3,705</u></u>	<u><u>2,399</u></u>

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

7. PROFIT FOR THE YEAR

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Cost of sales	4,189	1,946
Amortisation of prepaid premium for land leases	334	9,120
Depreciation	1,161	2,818
Staff costs (including Directors' remuneration):		
– salaries, bonuses and allowances	6,479	6,379
– equity-settled share option arrangements	19,070	–
– retirement benefits scheme contributions	276	306
	25,825	6,685
Auditor's remuneration	535	742
Net foreign exchange gain	(600)	(164)
Operating lease charges on land and buildings	811	757
	<u>811</u>	<u>757</u>

8. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated based on the profit for the year attributable to owners of the Company of approximately HK\$19,166,000 (2015: HK\$457,920,000) and on the weighted average number of approximately 970,984,000 ordinary shares (2015: 903,490,000) in issue during the year.

Diluted earnings per share

The calculation of diluted earnings per share is based on the profit for the year attributable to owners of the Company of approximately HK\$19,166,000 (2015: HK\$457,920,000) and on the weighted average number of approximately 972,586,000 ordinary shares (2015: 903,490,000), calculated as follows:

	2016	2015
Weighted average number of ordinary shares at end of the year	970,984,000	903,490,000
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	1,602,000	–
Weighted average number of ordinary shares (diluted) at end of the year	<u>972,586,000</u>	<u>903,490,000</u>

9. INVESTMENT PROPERTIES

	Under development	Completed	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Fair value			
At 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>1,362,749</u>	<u>41,600</u>	<u>1,404,349</u>
At 31 December 2015 and 1 January 2016	1,362,749	41,600	1,404,349
Additions	21,285	–	21,285
Fair value gain on investment properties	150,371	–	150,371
Exchange differences	(100,893)	(2,860)	(103,753)
	<u>1,433,512</u>	<u>38,740</u>	<u>1,472,252</u>
At 31 December 2016	<u>1,433,512</u>	<u>38,740</u>	<u>1,472,252</u>

The fair value of the Group's investment properties ("Properties") at 31 December 2016 and 2015 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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade payables to building contractors	4,853	1,159
Accrued salaries and other operating expenses	7,905	6,909
Accrued interest expense	324	–
Deposits received from the sale of properties	7,180	8,233
Rental deposits received from investment properties	33	36
Amounts payable on return of properties	5,672	6,091
Provision for compensation of a legal case	8,809	10,154
Other payables	20,518	5,256
	<u>55,294</u>	<u>37,838</u>

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Within 360 days past due	3,118	–
Over 360 days past due	1,735	1,159
	<u>4,853</u>	<u>1,159</u>

11. INTEREST-BEARING BORROWINGS

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Loans from independent third parties payable within 1 year or on demand		
– secured	7,413	5,443
– unsecured	3,500	–
	<u>10,913</u>	<u>5,443</u>

At 31 December 2016 and 2015, loan with principal amounts of RMB4,170,000 (equivalent to approximately HK\$4,643,000 (2015: HK\$5,443,000)) and RMB2,500,000 (equivalent to approximately HK\$2,770,000 (2015: nil)) from independent third parties are secured by the completed properties held for sale of the Group's wholly owned subsidiary and personal guarantee by a director respectively, Interest is charged at 1.5% per month and 2.5% per month (2015: 1.5% per month) and repayable within 1 year from the drawdown date in the year 2016.

The unsecured borrowings bear interest at 10% per annum (2015: nil).

12. COMMITMENTS

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Contracted but not provided for:		
Investment properties under development and properties for sale under development	1,068,137	–
Capital contribution to PRC companies	180,144	193,436
	<u>1,248,281</u>	<u>193,436</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:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Within one year	484	604
In the second to fifth years inclusive	529	225
	<u>1,013</u>	<u>829</u>

The Group leases four office premises under operating leases. The leases typically run for an initial period of one to five years (2015: 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\$1,809,000 (2015: HK\$2,129,000).

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

	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	1,811	1,021
In the second to fifth years inclusive	5,896	2,496
Over fifth years	4,471	–
	<u>12,178</u>	<u>3,517</u>

The Group leases its investment properties under operating lease arrangements which run for an initial period of one to twelve years (2015: 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 2.69% (2015: 5.14%) on an ongoing basis.

13. DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the years ended 31 December 2016 (2015:Nil).

14. SHARE CAPITAL

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Authorised:		
5,000,000,000 Ordinary shares of HK\$0.1 each (2015: 5,000,000,000 Ordinary shares of HK\$0.1 each)	<u>500,000</u>	<u>500,000</u>
Issued and fully paid:		
1,032,849,097 Ordinary shares of HK\$0.1 each (2015: 957,068,327 Ordinary shares of HK\$0.1 each)	<u>103,285</u>	<u>95,707</u>

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

	Number of shares <i>'000</i>	Amount <i>HK\$'000</i>
At 1 January 2015	765,894	76,589
Issue of new shares (<i>Note (i)</i>)	58,680	5,868
Issue of shares for professional fee (<i>Note(ii)</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 (iii)</i>)	23,461	2,346
Equity-settled share option arrangements (<i>Note (iv)</i>)	<u>7,824</u>	<u>782</u>
As at 31 December 2015	957,069	95,707
Issue of new shares (<i>Note (i)</i>)	62,952	6,295
Issue of shares for professional fee (<i>Note(ii)</i>)	<u>12,828</u>	<u>1,283</u>
As at 31 December 2016	<u>1,032,849</u>	<u>103,285</u>

Notes:

(i) Issue of new shares

On 30 November 2016, the Company issued and allotted 62,952,645 ordinary shares of HK\$0.01 each to the subscribers at a price of HK\$0.2154 per share and the premium on the issue of shares, amounting to approximately HK\$7,265,000 was credited to the Company's share premium account.

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.

(ii) Issue of shares for professional fee

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 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.

On 6 May 2016, the Company issued and allotted 12,828,125 ordinary shares of HK\$0.1 each 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 the above mentioned number of shares amounting to approximately HK\$3,079,000 was credited to the Company's share premium account.

(iii) 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.

(iv) Equity-settled share option arrangements

In year 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 17 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 have 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 have 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 29 July 2014.

By the Consent Order dated 12 January 2017, the Company have reached a settlement with the Defendants in respect of the amount of their costs. Therefore, the Action has been fully and final settled.

* Upon the application of the Company, the court granted an order as amended on 5 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 12 November 2014.

** Pursuant to the leave granted by High Court on 23 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. The said originating summons have been settled out of Court by the Company and the 2nd Defendant with no order as to costs and the claim against 1st Defendant has been discontinued. In the opinion of the Directors, has no material impact on the operation of the Group nor does it have any financial impact on the Company.

- (iii) Having sought legal advice, the Company has lodged an appeal against the Judgment to the Court of Appeal on 11th July, 2014 under CACV 140/2014 (“the Appeal”). The Appeal was heard on 9 December 2015 and was dismissed on 20 January 2016 and 1st Defendant’s costs of the Appeal be paid by the Company and the 7th Defendant’s costs up to the date of the Company’s withdrawal of the Appeal 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 and their own costs in the Appeal respectively have been fully and finally settled. The Directors opine that the said costs orders and its own costs will have no material impact on the financial position and 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 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 has 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 has appealed to and sue 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 10 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 8 January 2016, the Third People’s Court of Dongguan City, Guangdong Province had delivered judgments but the parties have lodge relevant appeals and the respective appeals had been dismissed.
- (v) On 5 December 2013, an originating summons instituted by HKZX, a substantial shareholder of the Company as plaintiff and the Company as defendant under High Court Miscellaneous Proceedings No.3278 of 2013 was instituted. 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 there of, the Court ordered that the originating summons be adjourned sine die with liberty to apply. By an order dated 20 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 14 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 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 has been served upon the said Hongkong Zhongxing Group Co. Limited on 15 January 2014. The Defence and the Reply thereto have been filed by the HKZX and the Company respectively. Having sought legal opinion the Company decided not to proceed with this action after the dismissal of the Appeal and this Action was by consent of 3rd Defendant discontinued with no order as to costs. The claim against the 1st and 2nd Defendants had been discontinued.

The Directors are of the opinion that the said action will have no material impact on the operations of the Company nor does it have any financial impact on the Company.

- (vii) The Case no.(2013) Shen Luo Fa Min Er Chu Zi Di No.602(2013) under which Shenzhen Yizhou Hotel Management Co., Limited 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, and Huilai County Haoyuan Industrial Co., Limited for the alleged jeopardizing the plaintiff's right. This case was heard and judgment was delivered on 10 July 2014 in favour of the Defendants. However, the plaintiff appealed but the appeal was dismissed on 16 February 2016.

The Directors are of the opinion that the case has no material impact on the operations of the group nor does it have any impact on the financial position of the Group relating to this case.

- (viii) A summons was issued and filed with Luo Hu Court against GF Land Development (Shenzhen) in which Shenzhen City YiZhou Hotel Management Company Limited 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 Luo Hu Court dated 21 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 Luo Hu Court dated 5 December 2014 the Shenzhen Land formerly distrained had been released after the provision of the properties owned by Shing Fat Hong Limited, a subsidiary of the Company 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 iv) hereinbefore, the Company has 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. Having sought independent advices from Counsel, the Company has reach a settlement with the 1st and 2nd Defendants by withdrawing the claims against the 1st and 2nd Defendants with no order as to costs.

In the opinion of the Directors, this High Court Action will have no material impact on the operations of the Group and financial impact upon the Company.

- (x) (a) On 19 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. (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 2 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 30 October 2014. However, the Plaintiff appealed against the said judgment and the appeal has been dismissed.

- (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 Re-paid Sum for recovery of the same and interest accrued thereon and costs (“the Hong Kong Writ of Summons”). Since the China Writ of Summons stated in paragraph (a) was concluded, there is no point to continue this action. Therefore, the Company has reached a settlement with the Defendant to discontinue the action with no order as to costs.

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 and no financial impact on the Company.

- (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 30 December 2015, HKZX’s claims were dismissed and its appeal were also dismissed.

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

- (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. This claim by the plaintiff has been dismissed on 3 March 2017.

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 23 February 2016 Shenzhen Liangzi’s claims were dismissed. Shenzhen Liangzi appealed and it was ordered by the Shenzhen City Intermediate People’s Court that the said decision was dismissed and that there being a re-trial by the said Longgang Court. There has not been a trial date re-fixed.

In the opinion of the Directors, the said proceedings have no material impact on the operations of the Group and the Directors cannot reasonable measure the financial impact on the Company before the conclusion of the said Proceedings.

- (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 Zongke as the third parties in these proceedings. These proceedings were tried and by the Administrative Judgment dated 23 February 2016 Shenzhen Liangzi's claims were dismissed. Shenzhen Liangzi appealed and it was ordered by the Shenzhen City Intermediate People's Court that the said decision was dismissed and that there being a re-trial by the said Longgang Court. There has not been a trial date re-fixed and the Directors cannot reasonably measure the financial impact of the Company before the conclusion of the said action.

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

- (xv) On 19 April 2016, the Company received a civil writ of summons issued at the Intermediate People's Court of Shenzhen City, P.R.C., in which, Shenzhen City Liangzi Jingshun Investment Management Co., Limited ("Liangzi") as plaintiff claims against Shenzhen Hongteng Technology Company Limited (formerly known as Shenzhen Grand Field Computer Software Development Limited ("Grand Field Computer")), Shenzhen Zongke, Grand Field Group Limited, Grand Field Land Development (Shenzhen), Guangdong Province Hongling Group Company Limited as defendants and Shenzhen Real Estate Ownership Registration Centre and Shenzhen City Urban Planning, Land and Resources Commission of Shenzhen Municipality as third parties for, inter alia, confirmation that the part of the Shenzhen Land now under the name of Grand Field Computer belongs to the old Grand Field Computer which was registered on 8 December 1998 of which the plaintiff alleged holding a total 11% of its shareholdings. There is no trial date fixed yet.

The Company has sought legal opinion from its legal advisor in China and was advised that the said writ of summons only affected the interest of the Grand Field Computer which is an independent third party to the Company and therefore does not affect the Company's interest in Shenzhen Land in all aspects and that notwithstanding any outstanding litigations against the relevant party, the development of and the erection on the Shenzhen Land will not be affected and can still be carried out without any obstruction.

- (xvi) Under the case No.(2016) Yuet 0391 Min Chu No.2252, Shenzhen YiZhou as the plaintiff claims against Grand Field Land Development (Shenzhen) Company Limited ("GF Land") as the defendant for the Shareholders' liability. There has not been any trial date fixed yet.

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

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.

FINANCIAL RESULTS

For the year ended 31 December 2016, the revenue of the Company and its subsidiaries (the “Group”) increased by 63% to approximately HK\$6,257,000 (2015: HK\$3,843,000).

During the year, the Group reported a net profit of approximately HK\$71,172,000, representing a decrease of HK\$851,364,000 from approximately HK\$922,536,000 last year. It was mainly attributed to substantial fair value gains from certain investment properties last year and lesser fair value gains on investment properties during the year under review.

Due to the aforesaid reason, the net profit attributable to Owners of the Company was reduced from HK\$457,920,000 in 2015 to approximately HK\$19,166,000 in 2016.

BUSINESS REVIEW AND PROSPECT

Shenzhen’s property market continued to gain momentum in 2016 with average prices for new and second-hand homes hitting historical high. For the Group, this means further opportunities in presales with a potential of higher sales volume. Having the Shenzhen Buji ZongKe YunDuan project obtained all the required development licenses in April 2016, the construction work is now in full swing, of which 70% of the works of excavation works and 90% of the foundation works have been completed, with the project itself expected to be officially introduced to the market in less than two years after. As more new residential projects are expected to be launched in the near future, we are hoping this will push up market sentiment and bring a positive effect to the housing market by increasing the number of transactions. With home prices still expected to soar in most Chinese cities, the completion of the Buji project will greatly enhance the Group’s cash flow and profitability.

While part of our project is planned to be sold for some quick cash turnover, we also plan to build and hold on some commercial space for long-term leasing income and also as an investment to our own work, and therefore bringing value to our shareholders. At present, since our land reserve is limited to the Shenzhen Buji project, the Group is actively seeking to expand the business to different provinces and other second-tier cities in China for better bargains on land and other real estate assets. We believe an expected income growth in 2017 and an overall low gearing ratio will continue to benefit the Company.

In addition, the Company has been involved in trading business including milk-related products, frozen meats, etc. under G & H, a joint-venture company of the Company (“JV”). The turnover of last year was over RMB3 million. JV has also opened its branches in China and New Zealand to strengthen its sales network.

The Company has also disposed of certain properties in China for more than RMB1 million in 2016.

Furthermore, one of the company’s wholly owned subsidiary has on 16th December 2016 contracted with an independent third party to sell 90% of the Group’s interest in a property project in China, namely 東莞市樟木頭鎮莞樟西路 for a sum of RMB51,750,000 (“the sale of Property Project”).

Besides, we are continuing our effort to mergers and acquisition deals as a way to expand into new markets and gain additional revenue streams apart from the real estate development. At the time when we witness a slowdown in the macro market, successful M&A deals offer companies the opportunities to sustainable growth. By bringing in additional product lines and expanding into new markets, these possible deals would allow our company to grow without having to build out the entire new portion of the business on our own. Business integration is a top of mind concern for us in the years to come.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2016, the Group’s cash and cash equivalents were approximately HK\$13,439,000 (2015: HK\$11,625,000) of which most were denominated in Hong Kong Dollar (“HK\$”) and Renminbi (“RMB”).

The Group had total current assets of approximately HK\$174,372,000 (2015: HK\$184,401,000), and total current liabilities of approximately HK\$67,420,000 (2015: HK\$44,036,000). The Group recorded total assets of approximately HK\$1,680,830,000 (2015: HK\$1,626,671,000). At 31 December 2016, the Group’s total interest-bearing borrowings amounted to approximately HK\$10,913,000 (2015: HK\$5,443,000), of which HK\$10,913,000 was repayable within 1 year (2015: HK\$5,443,000).

At 31 December 2016, all interest-bearing borrowings of the Group are denominated in RMB with principal amount of RMB9,820,000 (equivalent to approximately HK\$10,913,000) (2015: HK\$5,443,000) and such borrowings carried interest at fixed rates of from 1.5% to 2.5% per month and 10% per annum (2015: 1.5% per month).

The gearing ratio for 31 December 2016, which was defined to be current liabilities over shareholders' equity, was 10% (2015: 7%).

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. The Group currently does not have a foreign currency hedging policy in respect of foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

CAPITAL STRUCTURE

As at 31 December 2016, the Company's issued share capital is approximately HK\$103,285,000 and the number of its issued ordinary shares is 1,032,849,097 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 2016, the Group has pledged certain properties held for sale with the carrying amounts of approximately HK\$4,335,000 of its wholly-owned subsidiary for a loan with principal amount of RMB4,170,000 (equivalent to approximately HK\$4,634,000 from an independent third party, details are set out in note 11 to the consolidated financial statements.

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 2016.

CONTINGENT LIABILITIES

The Group's contingent liabilities are disclosed in note 15 to the consolidated financial statements.

SEGMENT INFORMATION

The details of the segment information of the Group are set out in note 6 to the consolidated financial statements.

EMPLOYEES

As of the end of 2016, the Group employed 45 employees (2015: 51) and had 8 Directors (2015: 8). The total staff costs (including directors' remuneration) for the year amounted to approximately HK\$25,825,000 (2015: HK\$6,685,000). The current year's staff cost included cost for equity-settled share option arrangement of approximately HK\$19,070,000. 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.

USE OF PROCEEDS FROM THE PLACING OF NEW SHARES UNDER GENERAL MANDATE

During the year ended 31 December 2016, the Company totally issued 75,780,770 new shares, the details are as follows:–

Nature	No. of shares
Remuneration shares (<i>Note 1</i>)	12,828,125
Subscription shares (<i>Note 2</i>)	<u>62,952,645</u>
Total:	<u><u>75,780,770</u></u>

Notes:

1. On 26 April 2016, the Company entered into the agreement, pursuant to which the legal adviser of the Company, Simon Ho & Co., had agreed with the Company to settle the outstanding professional fees of HK\$4,105,000 by the issuance and allotment of 12,828,125 remuneration shares to Mr. Wong Vai Nang, the sole proprietor of the legal adviser of the Company at an issue price of HK\$0.320 per remuneration share. The remuneration shares have been issued and allotted on 6 May 2016. Details were set out in the announcements of the Company dated 26 April 2016 and 6 May 2016.
2. On 21 November 2016, the Company entered into the subscription agreements with Ms. Yuan Guo Ying and Mr. Lin Xin Hua (the “Subscribers”) respectively pursuant to which the Company has conditionally agreed to allot and issue, and each of the Subscribers has conditionally agreed to subscribe for, an aggregate of 62,952,645 subscription shares at the subscription price of HK\$0.2154 per subscription share. The allotment of new shares was completed on 30 November 2016. The net proceeds from the subscriptions of approximately HK\$13,560,000 were allocated as general working capital of the Group. Details were set out in the announcements of the Company dated 21 November 2016 and 30 November 2016.

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

During the year ended 31 December 2016, 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 2016 (2015: nil). No interim dividend was declared for the six months ended 30 June 2016 (2015: 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 2016 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 2016, 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 2016 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 2016. 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, risk management, internal control and financial reporting matters including the review of the audited financial statements for the year ended 31 December 2016, 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 2016 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, 28 March 2017

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.