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鈞豪集團有限公司\*

**GRAND FIELD GROUP HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 115)**

## **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018**

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 2018, together with the comparative figures for year 2017 are as follows:

### **CONSOLIDATED INCOME STATEMENT**

*For the year ended 31 December 2018*

	<i>Notes</i>	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
<b>Revenue</b>	<i>3</i>	<b>68,019</b>	178,575
Cost of revenue		<u>(14,856)</u>	<u>(169,868)</u>
<b>Gross profit</b>		<b>53,163</b>	8,707
Interest revenue		<b>303</b>	37
Other revenue		<b>171</b>	17
Other gains and losses		<b>503,600</b>	330,988
Selling and distribution costs		<b>(1,901)</b>	(461)
Administrative expenses		<u>(66,818)</u>	<u>(28,230)</u>
<b>Profit from operations</b>		<b>488,518</b>	311,058
Finance costs	<i>4</i>	<b>(2,290)</b>	(6,111)
Fair value (loss)/gain on convertible bonds through profit or loss		<u>(9,586)</u>	<u>3,567</u>

\* *For identification purpose only*

	<i>Notes</i>	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
<b>Profit before tax</b>		<b>476,642</b>	308,514
Income tax expense	<i>5</i>	<u>(123,920)</u>	<u>(76,552)</u>
<b>Profit for the year</b>	<i>7</i>	<u><b>352,722</b></u>	<u>231,962</u>
<b>Attributable to:</b>			
Owners of the Company		<b>193,255</b>	127,979
Non-controlling interests		<u><b>159,467</b></u>	<u>103,983</u>
		<u><b>352,722</b></u>	<u>231,962</u>
			(Restated)
<b>Earnings per share</b>	<i>8</i>		
Basic ( <i>HK cents per share</i> )		<u><b>9.95</b></u>	<u>9.37</u>
Diluted ( <i>HK cents per share</i> )		<u><b>8.28</b></u>	<u>6.97</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Notes	2018 HK\$'000	2017 HK\$'000
<b>Profit for the year</b>	7	<u>352,722</u>	<u>231,962</u>
<b>Other comprehensive income/(loss)</b>			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		<u>(119,254)</u>	<u>125,608</u>
<b>Total comprehensive income for the year</b>		<u><b>233,468</b></u>	<u><b>357,570</b></u>
<b>Attributable to:</b>			
Owners of the Company		<u>124,821</u>	<u>200,776</u>
Non-controlling interests		<u>108,647</u>	<u>156,794</u>
		<u><b>233,468</b></u>	<u><b>357,570</b></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2018*

	<i>Notes</i>	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>15,966</b>	14,832
Investment properties	9	<b>3,270,812</b>	2,266,233
Prepaid premium for land leases		<b>5,268</b>	13,627
Intangible asset		<b>14,009</b>	15,626
Deferred tax assets		<b>17,179</b>	11,150
Goodwill		<b>36,773</b>	36,773
		<hr/> <b>3,360,007</b>	<hr/> 2,358,241
<b>Current assets</b>			
Trade receivables		<b>2,288</b>	4,134
Properties for sale under development		<b>592,595</b>	142,781
Properties for sale		<b>28,970</b>	32,342
Other receivables, deposits and prepayments		<b>49,389</b>	65,249
Amounts due from a director		<b>150</b>	522
Tax recoverable		<b>87</b>	91
Cash and cash equivalents		<b>127,652</b>	5,902
		<hr/> <b>801,131</b>	<hr/> 251,021
<b>Current liabilities</b>			
Trade and other payables	10	<b>299,915</b>	141,092
Interest-bearing borrowings	11	<b>506,894</b>	48,420
Convertible bonds		–	133,433
Amounts due to directors		<b>883</b>	859
Amount due to a shareholder		<b>113</b>	120
Tax payable		<b>5,133</b>	206
		<hr/> <b>812,938</b>	<hr/> 324,130
<b>Net current liabilities</b>		<hr/> <b>(11,807)</b>	<hr/> (73,109)
<b>Total assets less current liabilities</b>		<hr/> <b>3,348,200</b>	<hr/> 2,285,132

	<i>Notes</i>	<b>2018</b> <b><i>HK\$'000</i></b>	2017 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Deferred tax liabilities		<b>565,311</b>	470,418
Interest-bearing borrowings	<i>11</i>	<b>505,012</b>	–
		<u><b>1,070,323</b></u>	<u>470,418</u>
<b>NET ASSETS</b>		<u><b>2,277,877</b></u>	<u>1,814,714</u>
<b>Capital and reserves</b>			
Share capital	<i>14</i>	<b>244,955</b>	151,905
Reserves		<b>993,638</b>	848,678
		<u><b>1,238,593</b></u>	<u>1,000,583</u>
<b>Equity attributable to owners of the Company</b>		<u><b>1,238,593</b></u>	<u>1,000,583</u>
<b>Non-controlling interests</b>		<u><b>1,039,284</b></u>	<u>814,131</u>
<b>TOTAL EQUITY</b>		<u><b>2,277,877</b></u>	<u>1,814,714</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2018*

## 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 and property investment.

## 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 (the “HKICPA”) that are relevant to its operations and effective for its accounting year beginning on 1 January 2018. 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

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

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

	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Sales of properties	<b>64,530</b>	174,834
General trading	—	70
	<hr/>	<hr/>
Revenue from contracts with customers	<b>64,530</b>	174,904
Property rental income	<b>3,489</b>	3,671
	<hr/>	<hr/>
Total revenue	<b><u>68,019</u></b>	<b><u>178,575</u></b>

The major services are properties selling and the revenue is recognised at a point in time.

#### **Sales of properties**

The Group develops and sells properties. Sales are recognised when control of the property has transferred, being when the customer obtains the physical possession or the legal title of the property and the Group has present right to payment and the collection of the consideration is probable.

Sales are normally made with credit terms of 30 days. Deposits are required. Deposits received are recognised as contract liabilities.

#### 4. FINANCE COSTS

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Interest expenses on borrowings wholly repayable within five years		
– Interest expenses on loans from third parties	23,050	6,111
– Interest expenses on loan from a shareholder	600	–
– Interest expenses on bank loan	<u>19,184</u>	<u>–</u>
Total finance costs	42,834	6,111
Amount capitalised	<u>(40,544)</u>	<u>–</u>
Finance costs expensed	<u><u>2,290</u></u>	<u><u>6,111</u></u>

#### 5. INCOME TAX EXPENSE

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Current tax		
– Enterprise Income Tax in the PRC	5,163	27
Deferred tax	<u>118,757</u>	<u>76,525</u>
	<u><u>123,920</u></u>	<u><u>76,552</u></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 the 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% (2017: 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 taxable 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.



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

	<b>2018</b>	2017
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Profit before tax	<u>476,642</u>	<u>308,514</u>
Notional tax credit on loss before income tax, calculated at the rates applicable to profits in the countries concerned	<b>117,028</b>	76,365
Effect of different tax calculation basis for the PRC property development projects operated by the Hong Kong subsidiaries	<b>(3,362)</b>	(116)
Tax effect on non-deductible expenses	<b>6,945</b>	25
Tax effect on non-taxable income	<b>(1)</b>	(6)
Tax effect on tax losses not recognised	<u>3,310</u>	<u>284</u>
	<u><b>123,920</b></u>	<u>76,552</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, and (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	
	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
<b>Revenue</b>								
External sales	<u>-</u>	<u>70</u>	<u>64,530</u>	<u>174,834</u>	<u>3,489</u>	<u>3,671</u>	<u>68,019</u>	<u>178,575</u>
Segment result	-	(450)	49,674	5,496	507,064	334,671	556,738	339,717
Interest revenue							303	37
Unallocated income and gains, net							171	6
Unallocated expenses							<u>(68,694)</u>	<u>(28,702)</u>
Profit from operations							488,518	311,058
Finance costs							<u>(2,290)</u>	<u>(6,111)</u>
Fair value (loss)/gain on convertible bonds through profit or loss							<u>(9,586)</u>	<u>3,567</u>
Profit before tax							476,642	308,514
Income tax expense							<u>(123,920)</u>	<u>(76,552)</u>
Profit for the year							<u>352,722</u>	<u>231,962</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the profit earned/(loss incurred) 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 fair value (loss)/gain on convertible bonds through profit or loss. 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	
	2018	2017	2018	2017	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	-	-	643,558	193,176	3,270,812	2,266,233	3,914,370	2,459,409
Unallocated assets							246,768	149,853
							<u>4,161,138</u>	<u>2,609,262</u>
Segment liabilities	-	-	(161)	(171)	(565,311)	(470,418)	(565,472)	(470,589)
Unallocated liabilities							<u>(1,317,789)</u>	<u>(323,959)</u>
							<u>(1,883,261)</u>	<u>(794,548)</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, amount(s) due to directors and a shareholder).

(c) **Other segment information**

	General trading		Property development		Property investment		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Amounts included in the measure of segment profit or loss or segment assets:</b>								
Amortisation of prepaid premium for land leases	-	-	(149)	(345)	-	-	(149)	(345)
Fair value gain on investment properties	-	-	-	-	503,575	330,540	503,575	330,540
Loss on disposal of property, plant and equipment	-	-	(10)	(12)	-	-	(10)	(12)
Capital expenditure	<u>-</u>	<u>-</u>	<u>113</u>	<u>616</u>	<u>644,873</u>	<u>113,863</u>	<u>644,986</u>	<u>114,479</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.

**7. PROFIT FOR THE YEAR**

The Group's profit for the year is stated after charging the following:

	<b>2018</b>	2017
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Cost of sales	<b>14,856</b>	169,868
Amortisation of prepaid premium for land leases	<b>149</b>	345
Amortisation of intangible assets	<b>814</b>	792
Depreciation	<b>567</b>	257
Staff costs (including Directors' remuneration):		
– salaries, bonuses and allowances	<b>8,568</b>	7,076
– retirement benefits scheme contributions	<b>390</b>	321
	<b>8,958</b>	7,397
Auditor's remuneration	<b>500</b>	490
Net foreign exchange loss	<b>3,229</b>	263
Operating lease charges on land and buildings	<b>773</b>	885

**8. EARNINGS PER SHARE**

**Basic earnings per share**

Basic earnings per share is calculated based on the profit for the year attributable to the owners of the Company of approximately HK\$193,255,000 (2017: HK\$127,979,000) and on the weighted average number of approximately 1,942,474,000 ordinary shares (2017: 1,366,072,000 (restated)) 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 the owners of the Company of approximately HK\$202,841,000 (2017: HK\$124,412,000) and on the weighted average number of approximately 2,450,042,000 ordinary shares (2017: 1,785,661,000 (restated)), calculated as follows:

	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
<b>Earnings</b>		
Earnings for the purpose of calculating basic earnings per share	<b>193,255</b>	127,979
Fair value loss/(gain) on conversion of convertible bonds through profit or loss	<u>9,586</u>	<u>(3,567)</u>
Earnings for the purpose of calculating diluted earnings per share	<u><b>202,841</b></u>	<u>124,412</u>
	<b>2018</b> <i>'000</i>	2017 <i>'000</i> (Restated)
<b>Number of shares</b>		
Weighted average number of ordinary shares	<b>1,942,474</b>	1,366,072
Effect of deemed issue of shares upon conversion of the convertible bonds	<u>507,568</u>	<u>419,589</u>
Weighted average number of ordinary shares (diluted)	<u><b>2,450,042</b></u>	<u>1,785,661</u>

## 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 2017	1,433,512	38,740	1,472,252
Additions	113,863	–	113,863
Acquisition of subsidiaries	221,930	–	221,930
Transfer	(230,795)	230,795	–
Disposal of completed investment properties	–	(12,717)	(12,717)
Fair value gain on investment properties	290,622	39,918	330,540
Exchange differences	121,239	19,126	140,365
	<hr/>	<hr/>	<hr/>
At 31 December 2017 and 1 January 2018	1,950,371	315,862	2,266,233
Additions	628,884	15,989	644,873
Fair value gain on investment properties	480,576	22,999	503,575
Exchange differences	(125,899)	(17,970)	(143,869)
	<hr/>	<hr/>	<hr/>
At 31 December 2018	<u>2,933,932</u>	<u>336,880</u>	<u>3,270,812</u>

The fair value of the Group's investment properties at 31 December 2018 has been arrived at on the basis of a valuation carried out on that date by Ravia Global Appraisal Advisory Limited (2017: Ravia Global Appraisal Advisory Limited), an independent qualified professional valuers not connected with the Group. Ravia Global Appraisal Advisory Limited has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The Group's investment 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

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Trade payables to building contractors	1,733	2,102
Accruals of cost for contract works	149,618	–
Deferred income	25,479	28,420
Accrued salaries and other operating expenses	14,555	15,189
Accrued interest expense	10,914	901
Contract liabilities	4,988	41,241
Rental deposits received from investment properties	34	36
Amounts payable on return of properties	5,791	6,120
Other payables	86,803	47,083
	<u>299,915</u>	<u>141,092</u>

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

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Within 360 days past due	503	874
Over 360 days past due	1,230	1,228
	<u>1,733</u>	<u>2,102</u>

## 11. INTEREST-BEARING BORROWINGS

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Loans from independent third parties payable within one year		
– secured ( <i>Note (i)</i> )	4,824	7,118
– unsecured ( <i>Note (ii)</i> )	<u>174,580</u>	<u>41,302</u>
	179,404	48,420
Loan from a shareholder payable within one year		
– unsecured ( <i>Note (iii)</i> )	112,320	–
Secured bank loan payable ( <i>Note (iv)</i> )		
– within one year ( <i>Note (v)</i> )	215,170	–
– in the second to fifth years inclusive ( <i>Note (v)</i> )	<u>505,012</u>	<u>–</u>
	<u><u>1,011,906</u></u>	<u><u>48,420</u></u>

- (i) At 31 December 2018 and 2017, loan with principal amounts of RMB4,020,000 (2017: RMB4,080,000) (equivalent to approximately HK\$4,824,000 (2017: HK\$4,896,000)) and nil (2017: RMB2,000,000) (equivalent to approximately nil (2017: HK\$2,222,000)) respectively, from an independent third parties are secured by the 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 (2017: 1.5% to 2.5% per month) and repayable within 1 year from the drawdown date in the year 2018.
- (ii) The unsecured borrowings bear interest at 10% to 25% per annum (2017: 10% per annum).
- (iii) At 31 December 2018, loan with principal amount of HK\$112,320,000 is carry forward from the outstanding principal amount of the convertible bonds which is unsecured, bearing an annual interest rate of 3%.



- (iv) At 31 December 2018, loan with principal amounts of RMB650,000,000 (equivalent to approximately HK\$737,454,000) from a bank which is bearing interest rate at 7% per annum with fixed repayment terms. The interest expenses are calculated using the effective interest method by applying the effective rate at 8.8% per annum. The loan was secured by:
- a) a piece of land situated in Shenzhen owned by 深圳棕科置業有限公司 (“深圳棕科”);
  - b) 50% of the share capital of 深圳棕科 owned by the Group;
  - c) 49.5% of the share capital of 深圳棕科 owned by a non-controlling interests shareholder; and
  - d) unlimited personal guarantees (the “Personal Guarantees”) from Mr. Tsang Wai Lun Wayland and Ms. Kwok Wai Man Nancy, (the “Personal Guarantors”) who are the parents of Mr. Tsang Yee (a substantial shareholder of the Company), Ms. Tsang Tsz Tung Debbie (a non-executive director of the Company) and Ms. Tsang Tsz Nok Aleen (a substantial shareholder of the Company). In respect of the Personal Guarantees, the Company has provided counter guarantee to the Personal Guarantors up to 50% of the obligations of the said bank loan.
- (v) 深圳棕科 is required to repay a minimum of RMB200,000,000 in the year 2019. Should the sales proceed from the sale of properties of 深圳棕科 exceeded 20% of the total expected sales proceed of the 深圳棕科 properties, 深圳棕科 is required to pay 60% of its sales proceed in the year 2019 if this amount so calculated is higher than RMB200,000,000.

Interest-bearing borrowings amounted to HK\$899,586,000 (2017: HK\$48,420,000) and HK\$112,320,000 (2017: Nil) are denominated in RMB and HKD respectively.

## 12. COMMITMENTS

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

	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Contracted but not provided for:		
Investment properties under development	<b>373,111</b>	647,853
Capital contribution to a PRC subsidiary	<b>108,232</b>	194,344
	<u><b>481,343</b></u>	<u>842,197</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>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Within one year	<b>632</b>	897
In the second to fifth years inclusive	<b>211</b>	1,219
	<u><b>843</b></u>	<u>2,116</u>

The Group leases three (2017: four) office premises under operating leases. The leases typically run for an initial period of one to five years (2017: one to five 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\$3,489,000 (2017: HK\$3,671,000).

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

	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Within one year	<b>1,905</b>	1,643
In the second to fifth years inclusive	<b>5,940</b>	5,545
Over fifth years	<b>2,705</b>	2,748
	<b>10,550</b>	9,936

The Group leases its investment properties (Note 9) under operating lease arrangements which run for an initial period of one to twelve years (2017: one to twelve 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 1.1% (2017: 1.16%) on an ongoing basis.

**13. DIVIDENDS**

The Directors do not recommend the payment of any dividend in respect of the year ended 31 December 2018 (2017:Nil).

## 14. SHARE CAPITAL

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Authorised:		
5,000,000,000 Ordinary shares of HK\$0.1 each (2017: 5,000,000,000 Ordinary shares of HK\$0.1 each)	<u>500,000</u>	<u>500,000</u>
Issued and fully paid:		
2,449,554,132 Ordinary shares of HK\$0.1 each (2017: 1,519,046,088 Ordinary shares of HK\$0.1 each)	<u>244,955</u>	<u>151,905</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 2017	1,032,849	103,285
Placing of shares ( <i>Note (i)</i> )	248,651	24,865
Issue of shares for settlement of professional fee ( <i>Note(ii)</i> )	27,546	2,755
Issue of share for the Acquisition ( <i>Note(iii)</i> )	<u>210,000</u>	<u>21,000</u>
As at 31 December 2017	1,519,046	151,905
Placing of shares ( <i>Note (i)</i> )	113,990	11,399
Open offer ( <i>Note (iv)</i> )	<u>816,518</u>	<u>81,651</u>
As at 31 December 2018	<u>2,449,554</u>	<u>244,955</u>

*Notes:*

### (i) Placing of shares

On 19 January 2017 and 21 August 2017, the Company issued and allotted 90,468,877 and 158,181,818 ordinary shares of HK\$0.1 each to the subscribers at a price of HK\$0.27 and HK\$0.22 per share and the premium on the issue of shares, amounting to approximately HK\$15,380,000 and HK\$18,982,000 were credited to the Company's share premium account respectively.

On 13 March 2018, the Company issued and allotted 113,990,000 ordinary shares of HK\$0.1 each to the subscribers at a price of HK\$0.170 per share. The premium on the issue of shares amounting to approximately HK\$7,562,000, after net of share issue expenses of approximately HK\$417,000, were credited to the Company's share premium account.

**(ii) Issue of shares for settlement of professional fee**

On 19 January 2017 and 9 May 2017, the Company issued and allotted 12,962,963 and 14,583,333 ordinary shares 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 the above mentioned number of shares amounting to approximately HK\$4,163,000 was credited to the Company's share premium account.

**(iii) Issue of shares for the Acquisition**

On 28 April 2017, the Company issued and allotted 210,000,000 shares as to settle part of the consideration for the Acquisition. The premium on the issue for shares amounting to approximately HK\$28,350,000 was credited to the Company's share premium account.

**(iv) Open offer**

Completion of the open offer took place on 14 August 2018 pursuant to which 816,518,044 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\$0.12 per offer share with par value of HK\$0.10 each. Accordingly, the Company's issued share capital was increased by approximately HK\$81,651,000 and its share premium account was increased by approximately HK\$12,577,000, net of the transaction costs related to the open offer by approximately HK\$3,754,000.

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

Save as disclosed below, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any material litigation or claims and, so far as the Directors were aware, no material litigation or claims were pending or threatened by or against any companies of the Group:

- i) An Originating Summons was issued and filed with the High Court of Hong Kong on 11th August, 2017 pursuant to Section 732 and 733 of the Companies Ordinance, Cap. 622 of the Laws of Hong Kong by the plaintiff, Fourseasons Hong Kong Trading Limited, a shareholder of the Company claiming against the Company as the defendant for leave to bring legal proceedings on behalf of the Company against Tsang Wai Lun Wayland and Kwok Wai Man Nancy, the former executive directors of the Company, Kwok Siu Bun, Kwok Siu Wa Alison, Tsang Tsz Tung Debbie, Ma Xuemian, Chow Kwai Wa Anne, Hui Pui Wai Kimber, Liu Chaodong, the Directors of the Company, Chui Wai Hung, the former independent non-executive directors of the Company, Surplus Full Development Limited (a BVI company) and Intra Asia Limited, both now are the subsidiaries of the Company and the interested parties in the Xuzhou property project and for costs of the proceedings.

The Company upon legal advice opposes the plaintiff's application and has filed its affirmation in opposition and the Plaintiff has paid into Court security for costs of the Defendants. The trial date of these proceedings has not been 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 reasonably measure the financial impact of the Company before the conclusion of the said proceedings.

- ii) A writ was issued under the case no.(2018) Su 0302 Min Chu No.599, Hsu Zhou Chiang Chu Constructions Limited as Plaintiff claims against Xuzhou Guojin Property Development Limited ("Guojin"), a subsidiary company wholly owned by the Company as Defendant for an alleged outstanding sum for RMB20,000,000 being unpaid constructions fee. The Plaintiff's application for withdrawal of the said claims with costs being born by the Plaintiff has been upheld by the Court and therefore, Guojin has no liabilities in respect of this case.

In the opinion of the Directors, these proceedings will have no material impact on the operations of the Group nor have any financial impact upon the Company.

- iii) Under the request of Notice of Assistance of Execution of Properties of the case no.(2017) Su 0303 Zhi No. 3267, Guojin Property Development Limited (“Guojin”) a subsidiary company wholly owned by the Company should withhold all payment of the outstanding constructions fee due to Hsu Zhou Chiang Chu Constructions Limited (“Chiang Chu”) and pay to the Court to settle the outstanding fee by Chiang Chu to its creditor(s) up to the amount of RMB5,190,000.

According to the Agreement between the Company and the vendor(s) of the Xuzhou property project (“Xuzhou Project”) dated 24th February, 2017, all outstanding constructions fee and the accrued interest thereon should be borne by the vendors thereof. Therefore, the Company would have no liabilities in this case in any event.

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

- iv) Under the case no.(2019) Yue 0303 Min Chu No.722, a subsidiary of the Company 深圳棕科 claims against Shenzhen City You Fu Investment Development Limited for damages arising from a loan agreement. The trial date has been fixed on 11th April, 2019.

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

- v) Under the case no.(2019) Yue 0307 Min Chu no.722, the 3rd Owners’ Committee of Shenzhen City Long Gong District Buji De Fu Garden Claims against Grandfield Property Development (Shenzhen) Limited, a subsidiary of the Company in respect of the dispute over the common areas issues. The case has been heard on 20th March, 2019 but the judgment thereof has not been delivered by the Court yet.

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

- vi) Under the case no.(2019) Yue 0307 Min Chu no.819, the 3rd Owners' Committee of Shenzhen City Long Gong District Buji De Fu Garden Claims against Grandfield Property Development (Shenzhen) as 1st Defendant and the Shenzhen City Longgong District Accommodation and Constructions Bureau as 2nd Defendant in respect of the dispute on the common areas issues. The case has been heard on 25th March, 2019 but the judgment thereof has not been delivered by the Court yet.

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

- vii) Under the case no. (2017) Yue 1973 Min Chu no.5565, an individual Chen huan Chi claims against Dongguan City Zhangmutou Properties Development Limited, Ka Fong company Limited and Grandfield Group Limited, the latter two being the subsidiaries of the Company for the dispute over the constructions agreements. The trial has been concluded on 15th October, 2018 but the judgment has not been delivered yet.

In the opinion of the Directors, the said case has no material impact on the operations of the Group. However, the Directors cannot reasonably measure the financial impact of the Company before the conclusion of the said 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.



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FINANCIAL RESULTS**

For the year ended 31 December 2018 (the “Year”), the revenue of the Group decreased from last year of approximately HK\$178,575,000 to approximately HK\$68,019,000. The revenue for the Year was mainly attributed to the disposal of 90% of the property development right in a parcel of land.

During the Year, the Group reported a net profit of approximately HK\$352,722,000, an increase by approximately HK\$120,760,000 from last year of approximately HK\$231,962,000. The increase was mainly attributed to a further fair value gain recorded on investment properties of Shenzhen Buji Zongke YunDuan project. Due to the aforesaid reason, the net profit attributable to owners of the Company for the Year was increased by approximately 51% to approximately HK\$193,255,000.

### **BUSINESS REVIEW AND PROSPECT**

In the past few years, the property market in Shenzhen has been overheated. On 31 July 2018, Shenzhen new real estate policy, along with the Sino-US trade war, leading to a clouded outlook for the property and investment market as a whole. Nevertheless, the Group has full confidence in the Shenzhen Buji Zongke YunDuan project. This project has superior geographical location, high-end products and is cost-effective. The construction project is progressing well. The residential part has officially obtained the pre-sale certificate at the end of December 2018 and formally launched out in early 2019. The market reaction at this stage is quite well. Residential sales can bring back the Group’s funds, while the commercial part will be able to generate long-term and sustained cash flow and profits in the future.

Apart from Shenzhen, the Xuzhou property project (the “Xuzhou Project”) acquired by the Group has been completed and filed with due procedures, and has obtained the property ownership certificate. The Xuzhou Project cannot only make some deployment in the Guangdong-Hong Kong-Macao Greater Bay Area, but also decentralize property market risks for the Group. It is expected to commence operation at the end of 2019. With excellent geographical location, the Xuzhou Project is expected to provide long-term and stable cash flow income for the Group in the future, and diversify the Group’s investment properties.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2018, the Group's cash and cash equivalents were approximately HK\$127,652,000 (31 December 2017: approximately HK\$5,902,000) of which most were denominated in Hong Kong Dollar ("HK\$") and Renminbi ("RMB").

As at 31 December 2018, the Group had total current assets of approximately HK\$801,131,000 (31 December 2017: approximately HK\$251,021,000), and total current liabilities of approximately HK\$812,938,000 (31 December 2017: approximately HK\$324,130,000). The Group recorded total assets of approximately HK\$4,161,138,000 (31 December 2017: approximately HK\$2,609,262,000). At 31 December 2018, the Group's total interest-bearing borrowings amounted to approximately HK\$1,011,906,000 (31 December 2017: approximately HK\$48,420,000), of which approximately HK\$506,894,000 was repayable within 1 year (31 December 2017: approximately HK\$48,420,000).

As at 31 December 2018, interest-bearing borrowings of the Group amounted to approximately HK\$899,586,000 (31 December 2017: approximately HK\$48,420,000) are denominated in RMB and such borrowings carried interest at fixed rates of 1.5% per month and 10% to 25% per annum (2017: 1.5% to 2.5% per month and 10% per annum).

Balance of approximately HK\$112,320,000 (31 December 2017: nil) is denominated in HK\$, and such borrowing carried interest at a fixed rate of 3% per annum (31 December 2017: nil).

The gearing ratio as at 31 December 2018, which was defined to be current liabilities over shareholders' equity, was approximately 66% (31 December 2017: approximately 32%).

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

The Group's major operations are located in the People's Republic of China ("PRC") and the main operational currencies are HK\$ and RMB. There has been no significant change in the Group's policy in terms of exchange rate exposure. The Group is exposed to foreign currency risk due to the exchange rate fluctuation of RMB against HK\$. Moderate fluctuation of RMB against HK\$ was expected. The Group considered the foreign currency risk exposure is acceptable. However, management of the Group will monitor foreign exposure closely and consider the use of hedging instruments when necessary.

As at 31 December 2018, the Group has no material liability denominated in other foreign currencies other than RMB. There was also no hedging transaction contracted for by the Group during the Year.

## CAPITAL STRUCTURE

As at 31 December 2018, the Company's issued share capital is HK\$244,955,413 and the total number of its issued ordinary shares is 2,449,554,132 shares of HK\$0.10 each in issue.

Details of the movements in share capital of the Company are set out in note 14 to the consolidated financial statements.

## CAPITAL COMMITMENTS

The Group had the following material commitments as at 31 December 2018:

	<b>2018</b>	2017
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Contracted but not provided for:		
Investment properties under development	<b>373,111</b>	647,853
Capital contribution to a PRC subsidiary	<b>108,232</b>	194,344
	<b><u>481,343</u></b>	<u>842,197</u>

## CHARGE ON GROUP ASSETS

As at 31 December 2018, the Group has pledged certain properties held for sale with the carrying amounts of approximately HK\$4,426,000 (31 December 2017: approximately HK\$4,677,000) of its wholly-owned subsidiary for certain interest-bearing borrowings with principal amount of approximately RMB4,020,000 (equivalent to approximately HK\$4,824,000 (31 December 2017: approximately HK\$4,896,000)) from an independent third party.

As at 31 December 2018, the land situated in Shenzhen owned by Shenzhen Zongke Real Estate Co., Ltd ("Shenzhen Zongke") has pledged for a bank loan with principal amounts of RMB650,000,000 (equivalent to approximately HK\$737,454,000 (2017: nil)).

## MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT AND FUTURE PLANS FOR MATERIAL INVESTMENTS

The Company did not have any other material acquisitions, disposal and significant investment of subsidiaries and affiliated companies during the Year.

In 2019, the Company will continue to make intensive efforts to expand its existing business and explore other business opportunities and try to seek opportunities actively to promote diversified business development. The Company will be continuing its effort in mergers and acquisitions deals as a way to expand into new markets and gain additional revenue streams apart from the real estate development. Bearing any further unforeseen material adverse external developments, the Company will continue to adhere to these principles in 2019 and is cautiously optimistic about the Group's further prospects.

## USE OF PROCEEDS FROM THE PLACING OF NEW SHARES AND OPEN OFFER

During the Year, the Company totally issued 930,508,044 new shares, the details are as follows:

<b>Nature</b>	<b>No. of shares</b>
Placing of shares ( <i>Note 1</i> )	113,990,000
Open offer ( <i>Note 2</i> )	<u>816,518,044</u>
Total:	<u><u>930,508,044</u></u>

### Notes:

1. On 13 March 2018, 113,990,000 new ordinary shares of the Company (the "Placing Shares") have been successfully placed by Taijin Securities and Futures Limited to not less than six placees who are not connected persons of the Company at the placing price of HK\$0.170 per Placing Share in accordance with the terms and conditions of the placing agreement. The aggregate nominal value of the Placing Shares was HK\$11,399,000. The net proceeds from the placing were approximately HK\$18,964,000. As a result, the net price per Placing Share was approximately HK\$0.166. The closing price was HK\$0.196 per share as quoted on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of the placing agreement.

The Directors consider that the placing will provide additional funding for the Company to further develop existing real estate projects on hand and maintain the Group's working capital requirement while broadening the capital base of the Company. The Directors consider that the terms of the placing agreement are fair and reasonable and the entering into of the placing agreement is in the interest of the Company and its shareholders as a whole.

Details were set out in the Company's announcements dated 13 February 2018 and 13 March 2018.

2. The Company raised approximately HK\$97,862,000 before expenses by way of open offer. The basis of the open offer was one (1) offer share for every two (2) existing shares held on the 20 July 2018. The number of offer shares was 816,518,044 new ordinary shares of the Company (the "Offer Shares"). The subscription price was HK\$0.120 per Offer Share and the net price per Offer Share would be approximately HK\$0.116. The open offer has been completed on 13 August 2018. President Securities (Hong Kong) Limited, the underwriter, has underwritten 622,419,013 Offer Shares.

In view of (i) the tight capital commitment schedule of Shenzhen Zongke which is a company established under the laws of the PRC with limited liability and it is indirectly owed as to 50% by the Company and 50% by other independent shareholders (the "Other Zongke Shareholders") as at 27 June 2018 and the Other Zongke Shareholders have satisfied majority of their respective capital commitment; (ii) the insufficient internal resources available from the Company to fully satisfy its capital commitment in Shenzhen Zongke; and (iii) the progress of the property development project of Shenzhen Zongke is satisfactory and such prompt injection of capital into Shenzhen Zongke by the Group would boost up the overall progress of the property development project of Shenzhen Zongke, the Directors are of the view that the fund raising through the open offer is in the interests of the Company and its shareholders as a whole.

Details were set out in the Company's announcements dated 27 June 2018, 11 July 2018, 13 August 2018 and the Company's prospectus dated 23 July 2018.

Up to the date of this announcement, the proceeds from the placing of shares and the open offer were used for payment of the Company's general and administrative expenses and development of the Group's real estate project in Shenzhen with major items detailed below:

	<b>Placing of shares completed on 13 March 2018 HK\$ (Approximately)</b>	<b>Open offer completed on 13 August 2018 HK\$ (Approximately)</b>
Net proceeds	18,961,000	94,228,000
<b>Use of net proceeds</b>		
Capital injection into a subsidiary, Shenzhen Zongke	–	60,000,000
Partial redemption of convertible bonds	–	24,680,000
Settlement of accrued interest expense of convertible bonds	–	5,326,000
General administrative expenses of the Company	500,000	4,222,000
Legal and professional fees of the Company	1,500,000	–
Settlement of finance costs of borrowings in relation to Shenzhen Zongke project	3,000,000	–
Construction cost of building main structure and drainage system of Shenzhen Zongke project	12,361,000	–
Town plan design cost of Shenzhen Zongke project	1,600,000	–

## **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 AND REMUNERATION POLICY**

As at 31 December 2018, the Group employed 77 employees (2017: 61) and had 8 Directors (2017: 8). The total staff costs (including Directors' remuneration) for the Year amounted to approximately HK\$8,958,000 (2017: approximately HK\$7,397,000). No equity-settled share option arrangement was included in staff cost for the Year (2017: nil). 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, 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 (2017: nil). No interim dividend was declared for the six months ended 30 June 2018 (2017: nil).

## **TREASURY POLICIES**

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained an appropriate liquidity position throughout the year of 2018. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial condition of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements from time to time.

## **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 to the Rules Governing the Listing of Securities on the Stock Exchange (the "CG Code") (the "Listing Rules") during the Year except for the following deviation:

### **Code Provision A.2.1**

According to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual.

During the Year, the role of the chairman of the Company (the "Chairman") is performed by Mr. Ma Xuemian but the office of the chief executive 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.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding securities transactions by Directors on terms as set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry to all Directors, the Company was not aware of any non-compliance with the required standard in the Model Code for dealing in securities of the Company throughout the Year.



## **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 as set out in the preliminary announcement have been agreed by the Group's auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. 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, 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.

## **EVENT AFTER THE REPORTING PERIOD**

On 16 November 2018 (after trading hours of the Stock Exchange), the Company entered into the subscription agreement with the Mr. Tsang Wai Lun Wayland and Ms. Tsang Tsz Nok Aleen (collectively, the "Subscribers"), pursuant to which, the Subscribers have conditionally agreed to subscribe and the Company has conditionally agreed to issue the new convertible bonds in the principal amount of HK\$112,320,000. The subscription amount payable by the Subscribers under the subscription agreement shall be satisfied by discharging the payment obligation of the Company on the indebted amount.

The new convertible bonds carries the right to convert into the conversion shares at the conversion price of HK\$0.123 per conversion share (subject to adjustments). Assuming the conversion rights are exercised in full at the conversion price, 913,170,731 conversion shares will be allotted and issued to Ms. Tsang Tsz Nok Aleen.

All the conditions precedent to the subscription agreement have been fulfilled and completion took place on 22 February 2019. Accordingly, the new convertible bonds in the principal amount of HK\$112,320,000 were issued in accordance with the terms and conditions of the subscription agreement.

Details were set out in the announcements of the Company dated 16 November 2018, 22 January 2019, 14 February 2019 and 22 February 2019 and the circular of the Company dated 25 January 2019.

Save as otherwise disclosed, the Group does not have any material subsequent event after the Year and up to the date of this announcement.

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

This announcement is published on the Company's website (<http://www.gfghl.com>) and the Stock Exchange's website (<http://www.hkex.com.hk>). The annual report for the Year 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 2019

*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 alternate); and three independent non-executive Directors, namely, Mr. Hui Pui Wai Kimber, Mr. Liu Chaodong and Mr. Wong Sze Lok.*