鈞濠集團有限公司*

GRAND FIELD GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 115)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2018

The board of directors (the "Directors") (the "Board") of Grand Field Group Holdings Limited (the "Company") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2018 and the comparative figures as set out below:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the period ended 30 June 2018

		Six months ended 30 June	
		2018	2017
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**1,149**	1,095
Cost of revenue		**(6)**	(5)
Gross profit		**1,143**	1,090
Other revenue		**29**	23
Other gains and losses		**–**	17
Selling and distribution costs		**(68)**	(276)
Administrative expenses		**(10,763)**	(11,678)

* *For identification purpose only*

		Six months ended 30 June	
		2018	2017
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Loss from operations		**(9,659)**	(10,824)
Finance cost		**(817)**	(846)
Fair value (loss)/gain on convertible bonds		**(5,130)**	5,058
Loss before tax		**(15,606)**	(6,612)
Income tax credit	*5*	**2,406**	433
Loss for the period	*6*	**(13,200)**	(6,179)
Attributable to:			
Owners of the Company		**(12,478)**	(5,276)
Non-controlling interests		**(722)**	(903)
		(13,200)	(6,179)
Loss per share			
Basic *(HK cents per share)*	*7*	**(0.79)**	(0.44)
Diluted *(HK cents per share)*	*7*	**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 30 June 2018

		Six months ended 30 June	
		2018	2017
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Loss for the period	*6*	**(13,200)**	(6,179)
Other comprehensive income/(loss):			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**(22,191)**	76,148
Total comprehensive (loss)/income for the period		**(35,391)**	69,969
Attributable to:			
Owners of the Company		**(25,360)**	36,520
Non-controlling interests		**(10,031)**	33,449
		(35,391)	69,969

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Notes	30 June 2018 HK$'000 (Unaudited)	31 December 2017 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment	*9*	**14,589**	14,832
Investment properties		**2,339,817**	2,266,233
Prepaid premium for land leases		**13,411**	13,627
Properties for sale under development		**474**	480
Intangible assets		**14,635**	15,626
Deferred tax assets		**13,136**	11,150
Goodwill		**36,773**	36,773
		2,432,835	2,358,721
Current assets			
Trade receivables		**49**	4,134
Properties for sale under development		**252,640**	142,301
Properties for sale		**31,960**	32,342
Other receivables, deposits and prepayments		**62,571**	65,249
Amount due from a director		**481**	522
Tax recoverable		**90**	91
Cash and cash equivalents		**19,488**	5,902
		367,279	250,541
Current liabilities			
Trade and other payables	*10*	**222,816**	141,092
Interest-bearing borrowings		**47,816**	48,420
Convertible bonds		**138,563**	133,433
Amounts due to directors		**687**	859
Amount due to a shareholder		**119**	120
Tax payable		**204**	206
		410,205	324,130

	Notes	30 June 2018 HK$'000 (Unaudited)	31 December 2017 HK$'000 (Audited)
Net current liabilities		**(42,926)**	(73,589)
Total assets less current liabilities		**2,389,909**	2,285,132
Non-current liabilities			
Deferred tax liabilities		**464,830**	470,418
NET ASSETS		**1,925,079**	1,814,714
Capital and reserves			
Share capital	*11*	**163,304**	151,905
Reserves		**830,883**	848,678
Equity attributable to owners of the Company		**994,187**	1,000,583
Non-controlling interests		**930,892**	814,131
TOTAL EQUITY		**1,925,079**	1,814,714

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 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, property investment and general trading.

2. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed financial statements should be read in conjunction with the 2017 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2017 except as stated below.

(a) Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Group are classified as financial assets at amortised cost.

Financial assets at amortised cost

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

– the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

– the contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

(b) Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument ("lifetime expected credit losses") for trade receivables, contract assets and lease receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables, contract assets and lease receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

(c) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

– the customer simultaneously receives and consumes the benefits provided by the Group's performance;

– the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

– the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by 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 period 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.

4. SEGMENT REPORTING

The Group's geographical market is at PRC only. The major services are properties letting and the revenue is recognised at a point in time.

(a) Segment revenue and results

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

Six months ended 30 June

	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*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)
Revenue								
External sales	**–**	1	**–**	–	**1,149**	1,094	**1,149**	1,095
Segment result	**–**	–	**–**	–	**1,143**	1,090	**1,143**	1,090
Unallocated income and gains, net							**29**	40
Unallocated expenses							**(10,831)**	(11,954)
Loss from operations							**(9,659)**	(10,824)
Finance costs							**(817)**	(846)
Fair value (loss)/gain on convertible bond							**(5,130)**	5,058
Loss before tax							**(15,606)**	(6,612)
Income tax credit							**2,406**	433
Loss for the period							**(13,200)**	(6,179)

(b) Segment assets and liabilities

	General trading		Property development		Property investment		Total	
	30 June	31 December	**30 June**	31 December	**30 June**	31 December	**30 June**	31 December
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(audited)	**(unaudited)**	(audited)	**(unaudited)**	(audited)	**(unaudited)**	(audited)
Segment assets	**–**	–	**311,621**	193,176	**2,339,817**	2,266,233	**2,651,438**	2,459,409
Segment liabilities	**–**	–	**(169)**	(171)	**(464,830)**	(470,418)	**(464,999)**	(470,589)

5. INCOME TAX CREDIT

	Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Current tax		
Income tax expenses	**–**	(26)
Deferred tax	**2,406**	459
	2,406	433

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

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% (six months ended 30 June 2017: 5% to 10%) of the sales revenue on the respective property development projects.

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the Group's income neither arises, nor is derived, from Hong Kong in both interim periods. 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.

6. LOSS FOR THE PERIOD

The Group's loss for the period is stated after charging the following:

	Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Amortisation of prepaid premium for land leases	**185**	206
Amortisation of intangible assets	**844**	–
Depreciation	**90**	193
Staff costs (including Directors' remuneration):		
– salaries, bonuses and allowances	**3,424**	3,020
– retirement benefits scheme contributions	**207**	124
	3,631	3,144
Operating lease charges on land and buildings	**454**	434

7. LOSS PER SHARE

Basic loss per share

Basic loss per share is calculated based on the loss for the period attributable to owners of the Company for the six months ended 30 June 2018 of approximately HK$12,478,000 (six months ended 30 June 2017: HK$5,276,000) and on the weighted average number of approximately 1,588,322,000 ordinary shares in issue during the six months ended 30 June 2018 (six months ended 30 June 2017: 1,204,519,000 ordinary shares).

Diluted loss per share

Diluted loss per share is not presented as there was no dilutive potential ordinary shares during the six months ended 30 June 2017 and 30 June 2018.

8. DIVIDENDS

No dividend was paid, declared or proposed during the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2018, property, plant and equipment approximately of HK$14,000 was acquired by the Group (during six months ended 30 June 2017: HK$139,000).

10. TRADE AND OTHER PAYABLES

	30 June 2018	31 December 2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables to building contractors	**85,674**	2,102
Deferred income	**28,095**	28,420
Accrued salaries and other operating expenses	**14,242**	15,189
Accrued interest expense	**1,138**	901
Contract liabilities	**39,218**	41,241
Rental deposits received from investment properties	**36**	36
Amounts payable on return of properties	**6,050**	6,120
Other payables	**48,363**	47,083
	222,816	141,092

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

	30 June 2018	31 December 2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 360 days past due	**84,457**	874
Over 360 days past due	**1,217**	1,228
	85,674	2,102

11. SHARE CAPITAL

	30 June 2018	31 December 2017
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Authorised:		
5,000,000,000 Ordinary shares of HK$0.1 each (31 December 2017: 5,000,000,000 Ordinary shares of HK$0.1 each)	**500,000**	500,000
Issued and fully paid:		
1,633,036,088 Ordinary shares of HK$0.1 each (31 December 2017: 1,519,046,088 Ordinary shares of HK$0.1 each)	**163,304**	151,905

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

	Number of shares	**Amount**
	'000	*HK$'000*
As at 1 January 2017	1,032,849	103,285
Placing of shares *(Note (i))*	248,651	24,865
Issue of shares for settlement of professional fee *(Note(ii))*	27,546	2,755
Issue of share for the Acquisition *(Note(iii))*	210,000	21,000
As at 31 December 2017	1,519,046	151,905
Placing of shares *(Note (i))*	113,990	11,399
As at 30 June 2018	1,633,036	163,304

Note:

(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$7,565,000, after net of share issue expenses of approximately HK$414,000, 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 of 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. Please refer to Note (36(a)) of the 2017 annual report for more information.

12. 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 and for costs of the proceedings.

   The Company upon legal advice opposes the plaintiff's application and has filed its affirmation in opposition. 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, a subsidiary company wholly owned by the Company as Defendant for an alleged outstanding sum for RMB20,000,000 being unpaid constructions fee. Pursuant to the Property Distraint (retention) Notice by the People's Court of Gu Liu District of Hsu Zhou City, total 52 units of Jin Gong Wan Plaza situate at Gu Liu District, Hsu Zhou City have been retained by the said court by way of distraint.

The hearing date of the substantial issues of the said proceedings has not yet fixed. According to the Agreement between the Company and the vendor(s) of Xuzhou Property dated 24th February, 2017, all outstanding constructions fee and the accrued interest thereon should be born by the vendors thereof no matter what the results of the trial of the said writ are.

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

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.

13. Events after the reporting period

On 27 June 2018, the Company proposed to raise not less than approximately HK$97,980,000 before expenses by issuing not less than 816,518,044 Offer Shares to Qualifying Shareholders on the basis of one Offer Share for every two existing Shares held on the Record Date. All relevant procedures of issuing of Offer Shares had been completed before the report date. Detail information please refer to the Company's announcements published on 27 June 2018, 11 July 2018, 13 August 2018 and the Company's prospectus dated 23 July 2018.

EXTRACT OF INDEPENDENT AUDITOR'S REVIEW REPORT

The following is an extract of the Independent Auditor's Report on Review of Condensed Consolidated Financial Statements of the Group for the six months ended 30 June 2018:

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Business Review and Prospect

The Company has been benefited from the thriving economy of the People's Republic of the China (the "PRC"). Shenzhen's property market continues to gain momentum in the second half of 2018 with average prices for new and second-hand properties hitting historical high. For the Group, this means further opportunities in presales with a potential of higher sales volume. The Shenzhen Zongke Yunduan Building Project has obtained all the required development licenses in April 2016 and the construction works hereof are now in full swing. The said construction works are estimated to complete in first quarter of 2020. Shenzhen Zongke will apply for pre-sale permit as soon as the construction works complete up to the 22th storey. It can be expected that it will greatly enhance the Group's cash flow and profitability.

While part of our projects 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 Zongke Yunduan Building 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.

In 2017, the Company has also expanded its business operation out of Guangdong Province into another province. As of 30 June 2018, the Company acquired Xuzhou Property Project, which, has been entirely completed and apart from the commercial tower thereof have been sold out, the Group has retained one commercial tower for renting out for the use of arcade, hotel or other commercial uses. It will greatly enhance the Group's cash flow and profitability.

As aforesaid, we believe an expected growth in the second half of the year of 2018.

Besides, we are continuing our effort to mergers and acquisitions (the "M & A") 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 will offer the Group the opportunities for sustainable growth. By bringing in additional product lines and expanding into new markets, these possible deals would allow the Group to grow without having to build out the entire new portion of the business on our own. Business integration is a top of priority for us in the years to come.

2. Financial Review

During the six months ended 30 June 2018 (the "Reporting Period"), the Group's revenue amounted to approximately HK$1,149,000, representing a 5% increase when compared with that of the same period last year. The Group's revenue were mainly generated from properties rental income.

During the Reporting Period, the Group recorded a loss attributable to owners of the Company of approximately HK$12,478,000 (six months ended 30 June 2017: HK$5,276,000), representing an increase of HK$7,202,000 when compared with that of the same period last year. The increase in loss was mainly due to the fair value loss on convertible bonds of approximately HK$5,130,000 (six months ended 30 June 2017: fair value gain of approximately HK$5,058,000) incurred during the Reporting Period.

3. Liquidity and Financial Resources

As at 30 June 2018, the Group's cash and cash equivalents were approximately HK$19,488,000 (31 December 2017: HK$5,902,000) of which most were denominated in Hong Kong dollar ("HK$") and Renminbi ("RMB").

As at 30 June 2018, the Group recorded total current assets of approximately HK$367,279,000 (31 December 2017: HK$250,541,000) and total current liabilities of approximately HK$410,205,000 (31 December 2017: HK$324,130,000). As at 30 June 2018, the Group recorded total assets of approximately HK$2,800,114,000 (31 December 2017: HK$2,609,262,000) and the Group's total interest-bearing borrowings amounted to approximately HK$47,816,000 (31 December 2017: HK$48,420,000), all of them are repayable within one year.

As at 30 June 2018, all of the Group's borrowings were denominated in HK$ and RMB with principal amount of approximately RMB40,345,000 (equivalent to approximately HK$47,816,000) (31 December 2017: HK$48,420,000) and such borrowings carried interest rates ranging from 1.5% per month to 2.5% per month and 10% per annum (31 December 2017: 1.5% to 2.5% per month and 10% per annum).

As at 30 June 2018, the Group's gearing ratio was defined to be current liabilities over shareholders' equity, was approximately 41% (31 December 2017: 32%).

4. Placing of New Shares

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 on the date of the placing agreement.

The Directors considered that the placing provided additional funding for the Company to further develop existing real estate projects on hand and maintained the Group's working capital requirement while broadening the capital base of the Company. The Directors considered that the terms of the placing agreement were fair and reasonable and the entering into of the placing agreement was in the interest of the Company and the shareholders of the Company as a whole.

The net proceeds, after deducting related placing commission, professional fees and all related expenses, arising from the placing amounted to approximately HK$18,964,000. The company has utilized most of the net proceeds as to approximately HK$10,364,000, HK$2,000,000, HK$1,600,000, and HK$3,000,000 in respect of costs on constructing the main structure, on building drainage system, on town plan design, and finance costs in relation to the Shenzhen Zongke Yunduan Building Project. The company has further utilized the remaining net proceeds as to approximately HK$1,500,000 and HK$500,000 in respect of legal & professional fees, and general administrative expense.

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

5. Share Capital

	Number of shares	**Amount**
		HK$'000
Authorised:		
Ordinary shares of HK$0.10 each		
At the end of Reporting Period	5,000,000,000	500,000
Issued and fully paid:		
Ordinary shares of HK$0.10 each		
At the end of Reporting Period	1,633,036,088	163,304

6. Exchange Risk

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.

7. Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained an appropriate liquidity position throughout the Reporting Period. 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.

8. Charge on Group Assets

At 30 June 2018, the Group has pledged the completed properties held for sale with the carrying amounts of approximately HK$4,624,000 (31 December 2017: HK$4,677,000) of its wholly-owned subsidiary for a loan with principal amount of RMB4,238,000 (equivalent to approximately HK$5,023,000) (31 December 2017: HK$4,896,000) from an independent third party.

9. Segment Information

The details of segment information are set out in note 4 of notes to the condensed consolidated financial statements of this results announcement.

10. Capital Commitment

The Group had the following material commitments as at 30 June 2018:

	30 June 2018 *HK$'000* **(Unaudited)**	31 December 2017 *HK$'000* (Audited)
Contracted but not provided for:		
Investment properties under development and properties for sale under development	483,849	647,853
Capital contribution to a PRC company	192,119	194,344
	675,968	842,197

11. Employees

As at 30 June 2018, the Group employed 54 employees (as at 30 June 2017: 49) and appointed 8 Directors (as at 30 June 2017: 8) and the related staff costs amounted to approximately HK$3,631,000 (six months ended 30 June 2017: HK$3,144,000) representing a 15% increase when compared with that of the same period last year. The increased actually in staff costs was mainly due to no equity-settled share option arrangements made during the Reporting Period. 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 discretionary bonus based on the results of the Group and their individual performance.

12. Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, and Future Plans for Material Investments or Capital Assets

Save as otherwise disclosed, there were neither significant investments held as at 30 June 2018 nor material acquisitions and disposals of subsidiaries during the Reporting Period. There is no plan for material investments or capital assets as at the date of this results announcement.

13. Contingent Liabilities

The Group did not have any material contingent liabilities as at 30 June 2018 (31 December 2017: Nil).

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Reporting Period (six months ended 30 June 2017: Nil).

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

Neither the Company nor any of its subsidiaries has repurchased, sold, redeemed or cancelled any of the Company's listed securities during the Reporting Period.

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 "Listing Rules") (the "CG Code") during the Reporting Period except for the deviations as disclosed below:

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 of the Company should be separate and should not be performed by the same individual.

During the Reporting Period, the role of the chairman of the Company was performed by Mr. Ma Xuemian but the office of the chief executive officer of the Company has been 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 the Model Code for Securities Transactions by Directors of Listed Issuers (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 during the Reporting Period.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established on 4 August 1999 with written terms of reference with the requirement stipulated in the CG Code. The latest terms of reference of the Audit Committee were adopted on 31 December 2015 and are available on the Stock Exchange's and the Company's websites.

As at 30 June 2018, the Audit Committee comprised three independent non-executive Directors, namely Ms. Chui Wai Hung (chairman of the Audit Committee), Mr. Hui Pui Wai Kimber and Mr. Liu Chaodong. After Ms. Chui Wai Hung's resignation, Mr. Wong Sze Lok, an independent non-executive Director, has been appointed as the chairman of Audit Committee on 12 July 2018.

Its primary duties are to monitor integrity of the annual report and accounts and half-year report of the Company and to review significant reporting judgements contained in such reports; to review the Group's financial and accounting policies and practices; to review the Group's financial control, the internal audit function, internal control and risk management system of the Group with particular regard to their effectiveness; to make recommendations to the Board where the monitoring activities of the Audit Committee reveal cause for concern or scope for improvement and to make recommendation to the Board on the appointment, re-appointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of such auditors.

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and has discussed the financial reporting matters including the review of the unaudited interim financial results for the six months ended 30 June 2018.

EVENTS AFTER THE REPORTING PERIOD

(i) On 12 July 2018, Ms. Chui Wai Hung has tendered her resignation as an independent non-executive Director, and ceased to be the chairman of the Audit Committee and the member of the nomination committee, remuneration committee and corporate governance committee of the Company and Mr. Wong Sze Lok has been appointed as an independent non-executive Director and the chairman of the Audit Committee, member of the nomination committee, remuneration committee and corporate governance committee of the Company.

(ii) The Company raised approximately HK$97,980,000 million 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 offer shares. The subscription price was HK$0.120 per offer share. The open offer has been completed on 13 August 2018. President Securities (Hong Kong) Limited, the underwriter, has underwritten 622,419,013 offer shares.

The net proceeds from the open offer after deducting all relevant expenses were approximately HK$94,700,000. The Company intended to apply the net proceeds from the open offer as to (i) approximately HK$60,000,000 partial settlement of the committed capital injection into Shenzhen Zongke Real Estate Co., Ltd. by the Group; (ii) approximately HK$30,000,000 will be reserved for partial redemption of the convertible bonds when they fall due; and (iii) the rest of the net proceeds for general working capital of the Company.

As a result of the open offer, adjustments to the exercise prices and number of the shares of the Company falling to be issued upon exercise of the outstanding share options in accordance with the terms and conditions of the Share Option Scheme and the old share option scheme. Pursuant to the terms and conditions of the convertible bonds, as a result of the open offer, the conversion price of the convertible bonds has been adjusted from HK$0.226 per conversion share to HK$0.222 per conversion share. The maximum number of conversion shares to be allotted and issued upon the exercise of conversion rights attached to the outstanding convertible bonds has increased from 606,194,690 shares to 617,117,117 shares.

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.

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

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This 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 interim report containing all the information required by the Listing Rules will be dispatched to the shareholders 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 August 2018

As at the date of this announcement, the Board 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.