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 2009

The board of directors (the "Board") of Grand Field Group Holdings Limited hereby announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2009, together with the comparative figures for year 2008 are as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2009 (Expressed in Hong Kong dollars)

	Note	**2009**	2008
		HK$'000	*HK$'000*
CONTINUING OPERATIONS:			
Revenues	*3*	**4,623**	5,133
Cost of revenue		**(861)**	(2,260)
Gross profit		**3,762**	2,873
Other revenue and income	*3*	**2,460**	1,035
Distribution costs		**(666)**	(285)
Administrative expenses		**(49,163)**	(49,184)
Fair value gain/(loss) on investment properties	*9*	**3,946**	(22,241)
Impairment loss on amount due from a director		**–**	(227)
Impairment loss on amount due from a related party		**(1,160)**	–
Reversal of impairment loss/(impairment loss) on completed properties held for sale		**362**	(244)
Impairment loss on mortgage loan receivables	*11(b)*	**(160)**	(544)
Impairment loss on other receivables, deposits and prepayments		**(15,301)**	(4,927)
Impairment loss on properties under development	*10*	**–**	(26,733)
Impairment loss on goodwill	*12*	**(997)**	–

* *For identification purposes only*

	Note	**2009** **HK$'000**	2008 HK$'000
Loss from operations		**(56,917)**	(100,477)
Finance costs	*5(c)*	**(851)**	(1,062)
Loss before taxation	*5*	**(57,768)**	(101,539)
Income tax credit	*6*	**849**	3,447
Loss for the year from continuing operations		**(56,919)**	(98,092)
DISCONTINUED OPERATION:			
Profit for the year from discontinued operation	*7*	**–**	6,437
Loss for the year		**(56,919)**	(91,655)
Attributable to:			
Equity shareholders of the Company		**(56,919)**	(91,655)
Loss per share (basic and diluted)	*8*		
– from continuing operations		**(2.26 cents)**	(3.90 cents)
– from discontinued operation	*7(b)*	**–**	0.26 cents
		(2.26 cents)	(3.64 cents)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009 (Expressed in Hong Kong dollars)

	Note	**2009** *HK$'000*	2008 *HK$'000*
Loss for the year		**(56,919)**	(91,655)
Other comprehensive income			
Exchange differences on translation of financial statements of overseas subsidiaries		**–**	23,854
Total comprehensive loss for the year		**(56,919)**	(67,801)
Attributable to:			
Equity shareholders of the Company		**(56,919)**	(67,801)

CONSOLIDATED BALANCE SHEET

As at 31 December 2009 (Expressed in Hong Kong dollars)

	Note	2009 *HK$'000*	2008 *HK$'000*
Non-current assets			
Property, plant and equipment		**19,699**	20,613
Investment properties	*9*	**68,465**	73,858
Prepaid premium for land leases		**180,634**	186,082
Properties under development	*10*	**12,469**	12,469
Mortgage loan receivables due after one year	*11*	**1,474**	2,756
Goodwill	*12*	**–**	–
Pledged bank deposits		**–**	27,996
Restricted cash		**1,101**	1,388
Other non-current assets		**–**	14,773
		283,842	339,935
Current assets			
Completed properties held for sale		**16,131**	16,425
Mortgage loan receivables	*11*	**1,014**	1,770
Trade and other receivables	*13*	**11,697**	41,365
Tax recoverable	*16(a)*	**459**	–
Cash and cash equivalents		**808**	9,392
		30,109	68,952
Current liabilities			
Trade and other payables	*14*	**24,631**	14,461
Interest-bearing borrowings	*15*	**1,141**	48,613
Tax payable	*16(a)*	**4,103**	3,721
Dividend payable		**42**	42
		29,917	66,837
Net current assets		**192**	2,115
Total assets less current liabilities		**284,034**	342,050
Non-current liabilities			
Deferred tax liabilities	*16(b)*	**2,013**	3,110
NET ASSETS		**282,021**	338,940
CAPITAL AND RESERVES	*18*		
Share capital		**50,336**	50,336
Reserves		**231,685**	288,604
TOTAL EQUITY		**282,021**	338,940

Notes:

1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure requirements of the Rules governing the Listing of Securities on the Main Board of the Stock Exchange (the "Listing Rules"). A summary of the significant accounting policies adopted by the Group and the Company is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group and the Company for the current and prior accounting periods reflected in these financial statements.

The financial statements have been prepared on a going concern basis. This may not be appropriate in view of the significant consolidated accumulated losses at 31 December 2009. During the year ended 31 December 2009, the Group suffered an operating loss of HK$56,919,000 and the Group's cash and cash equivalents decreased from HK$9,392,000 as at 31 December 2008 to HK$808,000 as at 31 December 2009. These conditions indicate the existence of material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore that it may be unable to realize its assets and discharge its liabilities in the normal course of business. Nevertheless, the directors are of the opinion that the Group will be able to finance its future working capital and financial requirements given that:

(i) The Group has been actively seeking prospective investor; and

(ii) The Group will obtain loan financing from financial institutions where appropriate.

In the opinion of the directors, in light of the measures taken to date and on the basis of the above-mentioned major assumptions, the Group will have sufficient working capital to finance and maintain operations in the foreseeable future. Accordingly, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued one new HKFRS, a number of amendments to HKFRSs and new Interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's and the Company's financial statements:

- HKFRS 8, Operating segments
- HKAS 1 (revised 2007), Presentation of financial statements
- Amendments to HKFRS 7, Financial instruments: Disclosures – improving disclosures about financial instruments
- Improvements to HKFRSs (2008)
- Amendments to HKAS 27, Consolidated and separate financial statements – cost of an investment in a subsidiary, jointly controlled entity or associate
- HKAS 23 (revised 2007), Borrowing costs
- Amendments to HKFRS 2, Share-based payment – vesting conditions and cancellations
- HK(IFRIC) 15, Agreements for the construction of real estate

Except for HKAS 1 (revised 2007) as described below, the adoption of these new and revised HKFRSs has no material impact on the Group's or the Company's financial statements.

As a result of the adoption of HKAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

3 REVENUES

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

Turnover represents the aggregate of net amounts received and receivable for completed properties held for sale sold by the Group to outside customers, property rental income and property management services rendered for the years ended, less sales return of properties sold, and is analysed as follows:

	2009	2008
	HK$'000	*HK$'000*
Revenues		
Sales of properties held for sale	**1,147**	1,826
Property rental	**1,828**	2,071
Property management services	**1,648**	1,236
Turnover	**4,623**	5,133
Other revenue and income		
Interest income on bank deposits	**581**	486
Interest income on loan receivables	**–**	114
Gain on disposal of property, plant and equipment, net	**–**	239
Gain on disposal of investment properties	**1,627**	–
Penalty income	**90**	93
Sundry income	**162**	103
	2,460	1,035
Total revenues and turnover	**7,083**	6,168

4 SEGMENT REPORTING

In a manner consistent with the way in which information is reported internally to the executive directors and senior management for the purposes of resource allocation and performance assessment, the Group has identified three reportable segments on a divisional basis: (i) property development, (ii) property rental and (iii) property management.

(a) *Segment results assets and liabilities*

Information regarding the Group's reportable segments for the year ended 31 December 2009 is set out below:

	Property development *HK$'000*	Property rental *HK$'000*	Property management *HK$'000*	Consolidated *HK$'000*
Revenue from external customers	**1,147**	**1,828**	**1,648**	**4,623**
Segment result	**(11,375)**	**7,948**	**(7,298)**	**(10,725)**
Unallocated income and gains, net				**437**
Unallocated expenses				**(46,629)**
Loss from operations				**(56,917)**
Finance costs				**(851)**
Loss before taxation				**(57,768)**
Income tax credit				**849**
Loss for the year				**(56,919)**
Segment assets	**237,548**	**69,601**	**640**	**307,789**
Unallocated assets				**6,162**
Total assets				**313,951**
Segment liabilities	**15,657**	**200**	**–**	**15,857**
Unallocated liabilities				**16,073**
Total liabilities				**31,930**
Other segment information:				
Depreciation	**1,941**	**–**	**–**	**1,941**
Amortisation of prepaid premium for land leases	**5,561**	**–**	**–**	**5,561**
Reversal of impairment loss on completed properties held for sale	**(362)**	**–**	**–**	**(362)**
Impairment loss on goodwill	**997**	**–**	**–**	**997**
Impairment loss on mortgage loan receivables	**160**	**–**	**–**	**160**
Impairment loss on other receivables, deposits and prepayments	**6,438**	**–**	**8,863**	**15,301**
Fair value (gain) on investment properties	**–**	**(3,946)**	**–**	**(3,946)**
Gain an disposal of investment properties	**–**	**(1,627)**	**–**	**(1,627)**
Capital expenditure	**843**	**–**	**–**	**843**

Information regarding the Group's reportable segments for the year ended 31 December 2008 is set out below:

	Continuing operations				Discontinued operation	
	Property development *HK$'000*	**Property rental** *HK$'000*	**Property management** *HK$'000*	**Total** *HK$'000*	**Carnival operation** *HK$'000*	**Consolidated** *HK$'000*
Revenue from external customers	1,826	2,071	1,236	5,133	–	5,133
Segment result	(36,155)	(20,170)	1,194	(55,131)	6,437	(48,694)
Unallocated income and gains, net				984	–	984
Unallocated expenses				(46,330)	–	(46,330)
Loss from operations				(100,477)	6,437	(94,040)
Finance costs				(1,062)	–	(1,062)
Loss before taxation				(101,539)	6,437	(95,102)
Income tax credit				3,447	–	3,447
Loss for the year				(98,092)	6,437	(91,655)
Segment assets	216,146	74,994	9,503	300,643	–	300,643
Unallocated assets				108,244	–	108,244
Total assets				408,887	–	408,887
Segment liabilities	14,391	159	284	14,834	–	14,834
Unallocated liabilities				55,113	–	55,113
Total liabilities				69,947	–	69,947
Other segment information:						
Depreciation	1,815	–	–	1,815	–	1,815
Amortisation of prepaid premium for land leases	5,770	–	–	5,770	–	5,770
Impairment loss on amount due from a director	227	–	–	227	–	227
Impairment loss on completed properties held for sale	244	–	–	244	–	244
Impairment loss on mortgage loan receivables	544	–	–	544	–	544
Impairment loss on other receivables, deposits and prepayments	4,927	–	–	4,927	–	4,927
Impairment loss on properties under development	26,733	–	–	26,733	–	26,733
Fair value loss on investment properties	–	22,241	–	22,241	–	22,241
(Gain) on deconsolidation of a subsidiary	–	–	–	–	(6,437)	(6,437)
Capital expenditure	11	–	–	11	–	11

(b) Geographical segments

The Group principally operates in the People's Republic of China ("PRC") with revenue and results derived mainly from its operations in the PRC. No geographical segment information is presented as the Group's assets and liabilities are substantially located in the PRC.

5 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

		2009	2008
		HK$'000	*HK$'000*
(a)	Staff costs (including directors' emoluments):		
	Salaries, wages and other benefits	**8,338**	7,604
	Contributions to defined contribution retirement plans	**81**	107
	Equity-settled share-based payment expenses	**–**	13,190
		8,419	20,901
(b)	Other items:		
	Amortisation of prepaid premium for land leases	**5,561**	5,770
	Auditor's remuneration	**1,055**	1,355
	Business tax and other levies (included in cost of completed properties sold)	**28**	99
	Cost of completed properties sold	**684**	2,181
	Depreciation	**1,941**	1,815
	Fair value (gain)/loss on investment properties	**(3,946)**	22,241
	Impairment loss on goodwill	**997**	–
	Impairment loss on amount due from a director	**–**	227
	Impairment loss on amount due from a related party	**1,160**	–
	(Reversal of impairment loss)/impairment loss on completed properties held for sale	**(362)**	244
	Impairment loss on mortgage loan receivables	**160**	544
	Impairment loss on other receivables, deposits and prepayments	**15,301**	4,927
	Impairment loss on properties under development	**–**	26,733
	Gain on disposal of property, plant and equipment, net	**–**	(239)
	Gain on disposal of investment properties	**(1,627)**	–
	Net foreign exchange losses	**2,029**	1,368
	Provision for litigation settlement	**6,559**	–
	Rental charges under operating leases for office premises	**1,899**	2,395

	2009	2008
	HK$'000	*HK$'000*

(c) Finance costs:

Interest on interest-bearing borrowings		
– wholly repayable within five years	**851**	1,062

No borrowing costs have been capitalised during the two financial years.

6 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

	2009	2008
	HK$'000	*HK$'000*
Current tax		
Enterprise Income Tax in the PRC	**9**	55
Land Appreciation Tax in the PRC	**239**	49
Deferred tax		
Origination of temporary differences *(note 16(b))*	**(1,097)**	(3,551)
	(849)	(3,447)

PRC Enterprise Income Tax for the subsidiaries incorporated in the PRC is calculated at 25% of the estimated assessable profit for the year (2008: 25%).

PRC Enterprise Income Tax for the subsidiaries incorporated in Hong Kong which have property development investments in the PRC is calculated at 3% (2008: 3%) of the sales revenue on the respective property development projects.

PRC Land Appreciation Tax is levied at progressive rates ranging from 30% to 60% on the appreciation of the land value, being the proceeds of sales of properties less deductible expenditure including amortisation of land use rights, borrowing costs and all property development expenditures.

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

(b) *Reconciliation between tax credit and accounting loss at applicable tax rates:*

	2009	2008
	HK$'000	*HK$'000*
Loss before taxation		
Continuing operations	**(57,768)**	(101,539)
Discontinued operation	**–**	6,437
	(57,768)	(95,102)
Notional tax credit on loss before taxation	**(10,948)**	(18,110)
Effect of different tax calculation basis for the PRC property development projects operated by the Hong Kong subsidiaries	**320**	7,978
Tax effect on non-deductible expenses	**9,639**	8,670
Tax effect on non-taxable income	**(145)**	(2,119)
Tax effect on tax losses not recognised	**46**	85
Land Appreciation Tax	**239**	49
Actual tax credit	**(849)**	(3,447)

7 DISCONTINUED OPERATION

In November 2006, the Group acquired a 78% interest in a Hong Kong company, All Right Holdings Limited ("All Right"), to operate a carnival project in Shenzhen. The carnival was originally scheduled to launch in Christmas 2006 throughout the Lunar Chinese New Year. Due to the failure to obtain approval from the local government in late 2006 for the operating licence, the project did not take place and was rescheduled to commence at Easter 2007. The rescheduling of the carnival resulted in an impairment loss of HK$5,000,000, upon the directors' reassessment of its estimated cash flows, the Group set aside for the project in the financial year 2006.

In April 2007, the Group unfortunately failed to obtain the operating licence from the local government for the carnival in that the project came into a complete failure. No revenue or cash flow was generated from the project. The directors of the Company have written off all prepaid expenses and deposits relating to the carnival and; consequently made an additional impairment loss of HK$8,605,000 in the income statement for the year ended 31 December 2007. The directors had discontinued carnival operation and put the subsidiary into liquidation.

(a) The combined results of the deconsolidation of discontinued operation, included in the consolidated income statement are as follows:

	2009	2008
	HK\$'000	*HK\$'000*
Turnover	**–**	–
Profit before taxation	**–**	–
Income tax	**–**	–
Profit after taxation	**–**	–
Gain on deconsolidation of a subsidiary *(note 7(c))*	**–**	6,437
Profit for the year from discontinued operation	**–**	6,437

(b) *Earnings per share from the discontinued operation*

	2009	2008
	HK$	*HK$*
Basic and diluted from the discontinued operation	**–**	0.26 cents

(c) *Gain on deconsolidation of a subsidiary*

With a court order to wind up All Right issued on 15 October 2008, the Group deconsolidated all liabilities of All Right, recognising a gain of HK$6,437,000 in the consolidated income statement.

8 LOSS PER SHARE

Basic loss per share is calculated based on the loss attributable to equity shareholders of approximately HK$56,919,000 (2008: HK$91,655,000) and on the weighted average number of 2,516,810,000 (2008: 2,516,810,000) shares in issue during the year.

Diluted loss per share is not presented as there are no diluting events during the years ended 31 December 2008 and 2009.

9 INVESTMENT PROPERTIES

	The Group	
	2009	2008
	HK$'000	*HK$'000*
At 1 January	**73,858**	90,391
Exchange differences	**–**	5,364
Transfer from completed properties held for sale	**–**	344
Fair value gain/(loss) on investment properties	**3,946**	(22,241)
Disposals	**(9,339)**	–
At 31 December	**68,465**	73,858

Investment properties of the Group were revalued as at 31 December 2009 and 2008 on an open market value basis calculated using the Comparison Approach assuming sales in their existing states with the benefit of vacant possession and by reference to comparable sales/rental evidence as available in the relevant markets. The valuations were carried out by an independent firm of surveyors, BMI Appraisals Limited, who have among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued.

All of the investment properties are situated in the PRC and held on long term leases.

The carrying amounts of investment properties approximate their fair values.

10 PROPERTIES UNDER DEVELOPMENT

	The Group	
	2009	2008
	HK$'000	*HK$'000*
Development and incidental costs	**31,791**	31,791
Interest capitalised	**7,411**	7,411
	39,202	39,202
Less: Provision for impairment loss *(note 10(c))*	**(26,733)**	(26,733)
	12,469	12,469

The carrying amounts of properties under development are analysed as below:

	The Group	
	2009	2008
	HK$'000	*HK$'000*
Property development projects with co-operative partner *(note 10(b))*	**–**	–
Property development project on its own	**12,469**	12,469
	12,469	12,469

(a) The balance represents the costs incurred by the Group on the properties under construction in the PRC.

(b) Under the contracts of property development projects entered into between the Group and the co-operative partner, the co-operative partner was responsible for making available the land use rights of the construction sites while the Group was responsible for the construction of these properties.

(c) A provision for impairment of properties under development, in an aggregate amount of HK$26,733,000, was made as at 31 December 2009 as, in the opinion of the directors, the piling and foundation works for which development costs were incurred were no longer useful for contemporary building development.

11 MORTGAGE LOAN RECEIVABLES

	The Group	
	2009	2008
	HK$'000	*HK$'000*
Total loan receivables *(note 11(a))*	**10,817**	12,695
Less: Provision for impairment loss *(note 11(b))*	**(8,329)**	(8,169)
	2,488	4,526
Less: Current portion classified as current assets	**(1,014)**	(1,770)
Balance due after one year	**1,474**	2,756

Mortgage loan receivables represent the interest-free loans provided by the Group to the purchasers of properties which are repayable by instalments as stipulated in the loan agreement. The loans are secured by the purchasers' properties. Pursuant to the terms of the sale and purchase agreements, upon default in installment payments by purchasers, the Group is entitled to take over the legal title and possession of the related properties.

All of the mortgage loan receivables are denominated in Renminbi.

The carrying amounts of the current portions and non-current portions of mortgage loan receivables approximate their fair values. The fair value is determined based on cash flows discounted using the bank borrowings rate of 5.310% per annum (2008: 5.913% per annum).

(a) Maturity analysis

	The Group	
	2009	2008
	HK$'000	*HK$'000*
Total mortgage loans are receivable as below:		
Within one year	**2,723**	3,553
In more than one year but less than five years	**8,094**	9,142
	10,817	12,695

(b) Impairment of mortgage loan receivables

The movement in the provision for impairment loss during the year, including discounting effect, both specific and collective loss components, is as follows:

	The Group	
	2009	2008
	HK$'000	*HK$'000*
At 1 January	**8,169**	7,520
Exchange differences	**–**	105
Impairment loss recognised	**160**	544
At 31 December	**8,329**	8,169

(c) Mortgage loan receivables that are not impaired

An analysis of mortgage loan receivables that are neither individually nor collectively considered to be impaired is as follows:

	The Group	
	2009	2008
	HK$'000	*HK$'000*
Full performing under credit terms, impaired as discounted	**2,488**	4,526
Past due and impaired	**–**	–
	2,488	4,526

12 GOODWILL

	The Group
	HK$'000
Cost	
Additions and at 31 December 2009	997
Accumulated impairment losses	
Provision for the year and at 31 December 2009	997
Carrying value	
At 31 December 2009	–

13 TRADE AND OTHER RECEIVABLES

	The Group	
	2009	2008
	HK$'000	*HK$'000*
Trade receivables *(note 13(b))*	**720**	412
Other receivables	**7,908**	3,652
Amount receivable on sale of leasehold property *(note 13(c))*	**–**	4,965
Loan receivables *(note 13(d))*	**–**	7,966
Deposit for purchase of property *(note 13(e))*	**568**	5,682
Deposit for development project *(note 13(f))*	**–**	6,818
Deposit for purchase of companies *(note 13(g))*	**–**	1,295
Security deposit for property management services	**228**	–
Security deposits for construction projects	**–**	5,682
Retainer money on accounts with solicitors for legal cases	**–**	1,200
Other deposits and prepayments	**2,273**	3,693
	11,697	41,365

All of the trade and other receivables are expected to be recovered or recognised as expenses within one year. The carrying amounts of trade and other receivables approximate their fair values.

(a) Currency analysis

The carrying amounts of trade and other receivables are denominated in the following currencies:

	The Group	
	2009	2008
	HK$'000	*HK$'000*
Hong Kong dollars	**781**	6,932
Renminbi	**10,916**	34,433
	11,697	41,365

(b) ***Ageing analysis***

An ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	The Group	
	2009	2008
	HK$'000	*HK$'000*
Current, neither past due nor impaired	**720**	412

(c) In 2008, the Group disposed of its leasehold land and buildings in Hong Kong and furniture and fixture attached thereto, at a consideration of HK$5,050,000, recognising a gain of HK$300,000 in the consolidated income statement.

The amount receivable represented the net proceeds from disposal of the property being held in trust by the Group's solicitors. The amount has been fully received in cash in 2009.

(d) In 2008, the Group entered into an agreement with Shenzhen Zhong Cheng Construction Engineering Company Limited ("Zhong Cheng") to grant unsecured loans and charge interest rates ranging from 18% to 30% per annum. The loans have been fully repaid in 2009.

(e) Pursuant to a memorandum entered into with 深圳市寶瀾投資股份有限公司(深圳市寶瀾) dated 1 December 2008, the Group's wholly owned subsidiary, Yuan Cheng Real Estate (Shenzhen) Limited ("Yuan Cheng"), made a deposit of RMB5,000,000 (equivalent to HK$5,682,000) with 深圳市寶瀾 in connection with a possible property project "華僑新苑" in Shenzhen developed by 深圳市寶瀾. The memorandum sets out a 1-year period, during which Yuan Cheng has an option to purchase the property at a consideration of RMB89,871,700 (equivalent to HK$102,127,000) or to be reimbursed the deposit should Yuan Cheng not proceed with the property purchase.

Yuen Cheng has not further proceeded the property purchase and part of the deposit of RMB300,000 (equivalent to HK$341,000) has been refunded in cash to the Group in 2009. Subsequent to the balance sheet date, another part of the deposit of RMB500,000 (equivalent to HK$568,000) has been refunded in cash to the Group. In the opinion of the directors, the recoverability of the remaining amount of RMB4,200,000 is uncertain and an allowance of impairment loss of RMB4,200,000 (equivalent to HK$4,773,000) has been made against this deposit in 2009.

(f) Pursuant to a letter of intent entered into with 深圳市東海怡景投資有限公司（東海怡景）dated 1 December 2008, Metro China Investment Limited ("Metro China"), a subsidiary of the Company, made a deposit of RMB6,000,000 (equivalent to HK$6,818,000) with 東海怡景 to explore the development of a land owned by 東海怡景 and is specified for tourism projects. The letter of intent sets out a 240-day period, during which Metro China has an option to participate in the development project through acquisition of the shares of 東海怡景 or to be reimbursed the deposit should Metro China not proceed with the acquisition. The project was cancelled and the deposit was fully refunded in cash to the Group in 2009.

(g) On 17 October 2008, China Max Group Limited, a wholly owned subsidiary of the Company, made a deposit of RMB1,140,000 (equivalent to HK$1,295,000) for a motor vehicle with registration licenses both in Hong Kong and Shenzhen, through acquisition of a Hong Kong company and a PRC company. The acquisition was completed in 2009 and the deposit was recognised as cost of investments in subsidiaries in 2009.

14 TRADE AND OTHER PAYABLES

	The Group	
	2009	2008
	HK$'000	*HK$'000*
Trade payables to building contractors	**985**	985
Accrued salaries and other expenses	**8,718**	2,843
Deposits received on sale of properties	**867**	872
Rental deposits received on investment properties	**234**	186
Receipts in advance	**139**	284
Amount payable on returned properties	**6,653**	6,653
Provision for litigation settlement	**5,389**	–
Other payables	**1,646**	2,638
	24,631	14,461

All of the trade and other payables are expected to be settled or recognised as an income within one year. The carrying amounts of trade and other payables approximate their fair values.

(a) *Ageing analysis*

	The Group	
	2009	2008
	HK$'000	*HK$'000*
Current to 90 days	**–**	–
91 to 180 days	**–**	–
181 to 360 days	**–**	–
Over 360 days	**985**	985
	985	985

(b) *Currency analysis*

The carrying amounts of trade and other payables are denominated in the following currencies:

	The Group	
	2009	2008
	HK$'000	*HK$'000*
Hong Kong dollars	**9,162**	3,383
Renminbi	**15,469**	11,078
	24,631	14,461

15 INTEREST-BEARING BORROWINGS

At 31 December 2009, the interest-bearing borrowings were repayable as follows:

	The Group		The Company	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Within 1 year or on demand				
– Bank loans, secured *(note 15(a))*	**–**	23,000	**–**	–
– Loans from third party *(note 15(b))*	**1,141**	24,501	**–**	–
– Bank overdrafts	**–**	1,112	**–**	1,112
	1,141	48,613	**–**	1,112

(a) At 31 December 2008, the bank loans were secured by the Group's bank deposits. The loans were fully repaid in 2009.

(b) At 31 December 2009, loans from third party were unsecured, interest-bearing at the weighted average effective interest rate of 5.5% (2008: 2%) per annum and repayable within 1 year.

(c) The carrying amounts of interest-bearing borrowings are denominated in the following currencies:

	The Group		**The Company**	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong dollars	**–**	1,112	**–**	1,112
Renminbi	**1,141**	47,501	**–**	–
	1,141	48,613	**–**	1,112

16 INCOME TAX IN THE CONSOLIDATED BALANCE SHEET

(a) Current taxation in the consolidated balance sheet represents:

	The Group	
	2009	2008
	HK$'000	*HK$'000*
Enterprise Income Tax payable in the PRC	**531**	617
Land Appreciation Tax payable in the PRC	**3,113**	3,104
	3,644	3,721

Reconciliation to the consolidated balance sheet:

	The Group	
	2009	2008
	HK$'000	*HK$'000*
Tax recoverable	**(459)**	–
Tax payable	**4,103**	3,721
	3,644	3,721

(b) Deferred tax assets and liabilities recognised:

The Group

The components of deferred tax liabilities recognised in the consolidated balance sheet and the movements during the year are as follows:

	Revaluation of investment properties	
	2009	2008
	HK$'000	*HK$'000*
Deferred tax arising from:		
At 1 January	**3,110**	6,272
Exchange differences	**–**	389
Credit to the consolidated income statement	**(1,097)**	(3,551)
At 31 December	**2,013**	3,110

(c) Deferred tax assets not recognised:

The Group has not recognised deferred tax assets in respect of cumulative tax losses of approximately HK$42,332 (2008: HK$28,392) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The unrecognised tax losses will expire during 2010 to 2014 (2008: 2009 to 2013).

17 DIVIDENDS

The directors do not recommend the payment of any dividends in respect of the year ended 31 December 2009 (2008: HK$nil).

18 SHARE CAPITAL

	2009		2008	
	No. of shares		No. of shares	
	('000)	***HK$'000***	*('000)*	*HK$'000*
Authorised:				
Ordinary shares of HK$0.02 each	**5,000,000**	**100,000**	5,000,000	100,000
Ordinary shares, issued and fully paid:				
At 1 January and 31 December	**2,516,810**	**50,336**	2,516,810	50,336

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.

19 CONTINGENT LIABILITIES

(a) Litigation

(i) Legal proceedings by Mr. Tsang Wai Lun, Wayland and associates

1. On 6 June 2008, the Company was served with a writ of summons ("Originating Summons") by Mr. Tsang Wai Lun, Wayland, a former director and shareholder of the Company, alleging that in a transaction entered into in March 2008 by Yuan Cheng with Dongguan City Hua Jia Fu Industry and Trading Limited and Dongguan City Min Tai Industry and Investment Limited in provision of property management and consultancy services for a shopping plaza located in Tang Xia Town, Dongguan at an annual fee of RMB1,450,000 (equivalent to HK$1,648,000) for a term of 2 years, a refundable security deposit of RMB8,000,000 (equivalent HK$9,091,000) which Yuan Cheng made with Hua Jia Fu, was abused or mishandled.

On 25 February 2009, the Originating Summons was revised and issued by Mr. Tsang in the name of the Company in accordance with section 168BC of the Hong Kong Companies Ordinance against the then directors, Mr. Chu King Fai, Mr. Huang Bing Huang, Mr. Au Kwok Chuen Vincent, Mr. Hwang Ho Tyan, Mr. Zhao Juqun, Mr. Yang Biao, Dr. Wong Yun Kuen and Mr. Mok King Tong and the Company, alleging that the then directors had breached their fiduciary duties in relation to (i) the passing of the following resolutions of the Board, (aa) the resolution passed on or about 14 January 2008 to approve the remittance of HK$50,000,000 to Yuan Cheng, (bb) the resolution passed on or about 27 May 2008 to sanction the acquisition of the Yangzhou Project from Min Tai Development at HK$88,000,000 with an up-front payment of HK$5,000,000 paid out of funds of Yuan Cheng, (cc) the resolution passed on or about 15 March 2008 to sanction the entry of management services agreement by Yuan Cheng with Dongguan City Hua Jia Fu Industry and Trading Limited and Dongguan City Min Tai Industry and Investment Limited, which involved an upfront payment of RMB8,000,000 (equivalent to HK$9,091,000) by Yuan Cheng, (dd) the resolution passed on 27 May 2008 to sanction the entry of a cooperation framework agreement by Yuan Cheng with Zhong Cheng which involved an up-front payment of RMB5,000,000 (equivalent to HK$5,682,000); (ii) the transfer of HK$50,000,000 to Yuan Cheng and to put the said HK$50,000,000 under the control of Yuan Cheng; (iii) the delivery of the financial documents of Yuan Cheng, including cheque books, chops and seals, bank cards, keys to safe deposit boxes to Madam Cheng Lai Yin; (iv) the failure and/or refusal to conduct any proper inquiry or due diligence into the proposed acquisition of the Yangzhou Project and/or the entire share capital of Min Tai Development; (v) the entering into of the placing agreement dated 14 July 2008 whereby the Company conditionally agreed to place 100,000,000 shares in the Company at the price of HK$0.16 per share in order to finance the proposed acquisition of the Yangzhou Project; (vi) the failure to cause Yuan Cheng and/or the Company to recover the earnest money in the amount of HK$5,000,000 from Min Tai Development in accordance with the letter of intent dated 23 June 2008 within 10 days after the Yangzhou Project fell through on 30 September 2008; (vii) the payment of the amount of RMB8,000,000 (equivalent to HK$9,091,000) by Yuan Cheng to Dongguan City Hua Jia Fu Industry and Trading Limited; (viii) the failure and/or refusal to conduct any or any proper inquiry into the terms of the Cooperation Framework Agreement and the payment of RMB5,000,000 (equivalent to HK$5,682,000) deposit on 23 June 2008 pursuant to the Cooperation Framework Agreement; (ix) the payment of the sums of RMB10,000,000 (equivalent to HK$11,364,000) and RMB7,000,000 (equivalent to HK$7,955,000) by Yuan Cheng to Zhong Cheng on or about 15 July 2008 and 29 August 2008 respectively; (x) the transfer of sums totaling RMB33,100,000 (equivalent to HK$37,614,000) between Yuan Cheng and Shenzhen Hua Ke Nano-Technology Development Company Limited from 30 April 2008 to 23 June 2008; and (xi) the passing of the resolutions on 15 and 20 November 2008 sanctioning Grand Field Property Development (Shenzhen)

Company Limited ("Grand Field Shenzhen"), a wholly owned subsidiary of the Group, to borrow up to RMB50,000,000 (equivalent to HK$56,818,000) to repay a loan owed to Yuan Cheng and to use the balance as operation capital of the Company. On the basis of these allegations, Mr. Tsang sought, inter alia, (i) a declaration that the decisions of the then directors to pass the Resolutions purportedly as board resolutions of the Company was not made bona fide in the interest of the Company; (ii) an order that the Resolutions be set aside, further or alternatively, a declaration that the Resolutions are invalid, null and void and of no legal effect; (iii) damages and/or equitable compensation, interest, costs and further and/or other relief; (iv) restitution of payments received directly or indirectly by the then directors, or any of them in breach of their fiduciary duties; (v) an account and/or inquiry of all payments, profits made and/or benefits received directly or indirectly as a result of their breaches of their fiduciary duties and an order for payment of all sums and delivery up of all assets found due upon the said inquiry or taking of the said account; and (vi) an injunction against the then directors restraining each of them from continuing as the Company's directors and/or exercising the powers as director. No judgment has been made as at the date of these financial statements. In the opinion of the directors, the defendant directors have either resigned or re-designated as non-executive directors and the aforesaid legal proceedings will have no material impact on the financial position and operations of the Group.

2. On 10 August 2008, a writ of summons was issued by Mr. Tsang against the Company in relation to the resolutions passed in the Annual General Meeting held on 18 June 2008 and in a Special General Meeting held on 25 June 2008. Mr. Tsang sought, inter alias, (i) an order to set aside the resolutions passed at the Annual General Meeting held on 18 June 2008 to grant general mandate for allotment and issue of 20% new share, and repurchase of 10% shares, and a declaration of the resolutions being invalid and null and void and of no legal effect; and (ii) an order to set aside the resolutions passed at a Special General Meeting held on 25 June 2008 in favour of election of Mr. Zhao Yang, Mr. Zhao Juqun, Mr. Yang Biao and Mr. Mok King Tong, and against the election of Mr. Huang Dennis Chong, Mr. Lim Francis, Mr. David Chiping Chow, Mr. Wong Ching Wan as directors of the Company, and a declaration of the resolutions being invalid and null and void and of no legal effect. No judgment has been made as at the date of this interim financial report. In the opinion of the directors, the defendant directors have either resigned or re-designated as non-executive directors and the aforesaid legal proceedings will have no material impact on the financial position and operations of the Group.

3. On 26 August 2008, the Company received a writ of summons by Mr. Tsang against the Company, its subsidiaries, Grand Field Group Holdings (BVI) Limited, Grand Field Group Limited ("Grand Field-HK"), Ms. Chen Yu, Mr. Hui Zhihua and Mr. Wen Li. Mr. Tsang sought, inter alias, (i) an order to set aside the resolutions dated 28 April 2008 to appoint Ms. Chen Yu, and Mr. Hui Zhihua as directors of Grand Field-HK and declare the resolutions invalid and null and void and of no legal effect; (ii) an order to set aside the resolutions dated 16 July 2008 for appointment of Ms. Chen Yu, Mr. Hui Zhihua and Mr. Wen Li as directors of Grand Field-HK and for ratification and confirmation of the acts and documents one by them, and a declaration that the resolutions are invalid and null and void and of no legal effect; and (iii) damages and/or equitable compensation, interest, costs and further and/or other relief. No judgment has been made as at the date of these financial statements. In the opinion of the directors, the defendant directors have either resigned or re-designated as non-executive directors and the aforesaid legal proceedings will have no material impact on the financial position and operations of the Group.

On 10 February, 26 February, 25 March 2009, the Company issued announcements in relation to these legal proceedings.

(ii) Unpaid property management fees

On 13 October 2008, a lawsuit was filed against Grand Field Shenzhen, for the unpaid property management fees and accrued interest in an aggregate amount of RMB4,508,000 (equivalent to HK$5,123,000) in relation to the entire car park lots in Telford Garden in Shenzhen in the Shenzhen Lung Gang People's Court.

Subsequent to the balance sheet date, on 20 January 2010, a settlement has been reached with the plaintiff through mediation, in that Grand Field Shenzhen shall pay a sum of RMB4,231,816 (equivalent to HK$4,809,000) by 12 equal monthly installments within 12 months from the effective date of the mediation. The amount of HK$4,809,000 has been accrued in the financial statements in 2009.

(iii) Legal proceedings by a tenant

Back in 2006, the Group's wholly owned subsidiary, Shing Fat Hong Limited ("Shing Fat Hong"), signed a tenancy agreement with a karaoke operator for a ten-year period, whereby Shing Fat Hong was required to renovate and combine two entire floors of its commercial properties in Dongguan. The karaoke operator failed to apply for an operating license due to non-compliance of the building structure with fire safety regulations. Since 2007, the tenant 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 (equivalent to HK$5,114,000). However, Shing Fat Hong has appealed to, and sued the tenant, in local PRC courts for compensation of renovation and restoration of the properties, loss of rental income and other economic losses of RMB2,056,000 (equivalent to HK$2,336,000). In 2009, Shing Fat Hong has lost in a court case to claim against the tenant for compensation of restoration of the properties. Other legal proceedings between Shing Fat Hong and the tenant are still ongoing.

(b) Sales return of properties sold

In the previous years, the Group had provided mortgage loans to purchasers of the Group's properties, which were interest free and repayable by monthly installments in 5 years. Upon default in mortgage payments by these purchasers, the Group shall reach agreement through negotiations with the defaulted purchasers and take over the possession of the relevant properties. In the two financial years of FY2009 and FY2008, there was no property returned to the Group. At 31 December 2009, there were 254 (2008: 246) properties under which mortgage loans were not yet repaid, with an aggregate contractual sales value of HK$59,039,000 (2008: HK$58,436,000) and the corresponding cost of sales amounting to HK$40,099,000 (2008: HK$39,110,000). In the absence of any reliable information on the probability of loan defaults and property returns, the directors of the Company are unable to estimate the amount of any specific provision against these properties sold in the previous years.

(c) Possible repossession of leasehold land

The Group holds a parcel of leasehold land in Shenzhen with a prepaid premium for land leases amounting to HK$167,682,000 as at 31 December 2009 which may be repossessed by the local government due to lack of development on the land site.

The group is in the process of assessing whether any appropriate measures could be taken to avoid the repossession, but is unable to ascertain the likelihood of the repossession or whether any liability or penalty would arise in relation to the possible repossession for the time being.

FINANCIAL RESULTS

For the year ended 31 December 2009, the Group's revenue decreased by 9.9% to approximately HK$4,623,000. The decrease in revenue for the year ended 31 December 2009 was due to the lack of new properties for sale.

During the year, the Group reported a loss attributable to equity shareholders of the Company of approximately HK$56,919,000, which was lower than last year's net loss of approximately HK$91,655,000.

The loss of the Group for the year ended 31 December 2009 was mainly attributable to impairment losses on amount due from a related party, other receivables, deposits and prepayments and goodwill.

BUSINESS REVIEW

The uncertainty over the composition of the Board and the various legal actions initiated by one faction of the Board against the other created an overhang on the Company for much of 2009. This became a major barrier to normal business operations which, together with the dwindling inventory of sale-able flats, caused revenues for 2009 to decline.

However, subsequent to the High Court judgment handed down on 12 August 2009, the Board's composition began to gain clarity. This, coupled with the subsequent resignation of the then 3 independent non-executive directors and the re-election of board members by the shareholders at the Annual General Meeting in November 2009, the composition of the Board was finally settled (the "New Board") and is now largely composed of like minded members.

One of the first items that the New Board acted on was to initiate an independent investigation by an internationally recognized firm of accountants into the possible misuse of HK$50 million of company funds that was remitted into the Company's PRC subsidiary in early 2008. We anticipate that a full report to be made available in the coming months. We will then make the necessary announcement to the public.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2009, the Group's cash and bank deposits were approximately HK$808,000 (2008: HK$9,392,000) and the percentage of cash and cash equivalent denominated in Hong Kong Dollar ("HKD") and Renminbi ("RMB") was 38% and 62% respectively (2008: 18.7% and 81.3%).

The Group had total current assets of approximately HK$30,109,000 (2008: HK$68,952,000), and total current liabilities of approximately HK$29,917,000 (2008: HK$66,837,000). The Group recorded total assets of approximately HK$313,951,000 (2008: HK$408,887,000) and total bank loans and borrowings of approximately HK$1,141,000 (2008: HK$48,613,000). As at 31 December 2009, the Group's total interest-bearing borrowings amounted to approximately HK$1,141,000 (2008: HK$48,613,000), of which HK$1,141,000 was repayable within 1 year (2008: HK$48,613,000), nil was repayable from 1-2 years (2008: Nil) and nil was repayable from 2-5 years (2008: Nil).

As at 31 December 2009, the percentage of the Group's interest-bearing borrowings denominated in HKD and RMB was 0% and 100% (2008: 0% and 100%) respectively and such borrowings carried interest rates ranged from 5.52% to 5.70% (2008: 5.93% to 12.60%).

The gearing ratio for 31 December 2009, which was defined to be total interest-bearing borrowings over shareholders' equity, was 10% (2008: 18%).

The Group's major operations are located in the PRC and the main operational currencies are HKD and RMB. There was no exchange rate appreciation of RMB against HKD in 2009, and there is no adverse movement of such trend foreseen by the Group. Therefore, it is not necessary for the Group to make any foreign currency hedging arrangement to minimise the foreign exchange risk and exposure.

CHARGE OF ASSETS

Pledged bank deposits as at 31 December 2009 of the Group amounted to approximately HK$nil (2008: HK$27,996,000), which were used as a security for the bank loans made available to the Group.

CAPITAL STRUCTURE

At 31 December 2009, the Company's issued share capital is HK$50,336,200 with 2,516,810,000 shares of HK$0.02 each in issue.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT

On 17 October 2008, the Group entered into an agreement to acquire a 100% equity interest in Sharp Gain Limited, which holds a wholly owned subsidiary, 豐盛發貿易(深圳)有限公司, at a cash consideration of RMB1,030,000 (equivalent to HK$1,170,000). The consideration was paid in 2008. The acquisition was completed on 16 July 2009. Sharp Gain Limited has a motor vehicle with registration licenses both in Hong Kong and Shenzhen.

Save as disclosed above, the Company did not have any other material acquisitions, disposal and significant investment of subsidiaries and affiliated companies during the year ended 31 December 2009.

CONTINGENT LIABILITIES

The Group's contingent liabilities are disclosed in note 19 to this announcement.

EMPLOYEES

As of end of 2009, the Group employed 43 employees (2008: 50) and appointed 9 directors (2008:15). The total costs (staff salary & director emolument) for the year amounted to approximately HK$8,419,000 (2008: HK$20,834,000). The significant decrease of total costs for 2009 as no share options were granted during the year (2008: HK$13,193,000). 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.

PROSPECT

Owing to the impact of international and domestic financial situation in the recent years, coupled with the imperfect management of the Group at its preliminary stage, the Group did not achieve great progress in its business. Since the beginning of 2009, the Board has undergone significant adjustments. Not only have the new members of the Board needed to deal with the numerous problems piling up in the past, they also need to endeavour to develop the property business in Mainland China. At the same time, the Group also need to pay close attention to the quality medium and small property projects in the second and third tier cities. We believe, with the works progressing along, the Group's management will shift its work focus to business expansion and corporate governance of the Company. At present, the development plan of land parcel Phase III at Defu, Buji, Shenzhen has become a priority investment project. With the smooth progress of such project, we believe it will bring considerable income to the Group and lead the Group to enter into a new development stage. With the continuous improvement in cash flow, the Group will also focus on the investment and development of medium and small property projects with development potential in the second and third tier cities in Mainland China, and expand those businesses like property management, materials supply, commercial property management during the course of development. The above expansion will lay a solid foundation for the Group's future development. The Group will make a fresh start by taking a steady and enduring approach going forward and will strive to deliver results to reward our investors for their trust and support.

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

During the year ended 31 December 2009, neither the Company nor any of its subsidiaries purchased, sold, redeemed or cancelled any of the Company's listed securities.

DIVIDENDS

At the Board meeting held on 29 April 2010, the directors do not recommend the payment of any dividends in respect of the year ended 31 December 2009 (2008: Nil).

CORPORATE GOVERNANCE

The Group has complied with most of the code provisions on Corporate Governance Practices as set out in Appendix 14 Code on Corporate Governance ("Code") of the Listing Rules throughout the year ended 31 December 2009, except for the deviations from provisions A.2.1 and A.4.1 of the Code which are explained in the relevant paragraphs as below:

Chairman and the Chief Executive Officer ("CEO")

Under the provision A.2.1 of the Code stipulates that the role of both the Chairman and CEO should be separate and should not be performed by the same individual. Mr. Chu King Fai was appointed as the chairman and chief executive officer of the Company on 31 January 2008 and 16 October 2008 respectively. The Board considered the effectiveness of the corporate structure of the Company, therefore, it appointed Mr. Ma Xuemian as the Chairman on 19 October 2009 as a replacement of Mr. Chu King Fai to make a clear division of responsibilities between the Chairman and the CEO, in that the Chairman bears primary responsibility for the functioning of the Board, by ensuring its effective operation, while the CEO is authorized and responsible for the management of the day-to-day business of the Group as well as the implementation of the strategies approved by the Board. Following the re-designation from non-executive director to executive director of Mr. Chen Mudong on 1 March 2010, the Board appointed Mr. Chen Mudong as a CEO to replace Mr. Chu King Fai on the same date.

Non-executive Directors

Under the provision A.4.1 of the Code, the appointment of independent non-executive directors should have been appointed for a specific term.

During the year ended 31 December 2009, the independent non-executive Directors were not appointed for any specific terms as they are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's Bye-Laws.

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 ("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 ended 31 December 2009.

AUDIT COMMITTEE

The audit committee has reviewed with the management of the Group the accounting principles and practices adopted by the Group and discussed auditing, internal control and financing reporting matters including the review of the audited financial statements for the year ended 31 December 2009, with external auditors. There were no disagreements from the auditors or the audit committee in respect of the accounting policies adopted by the Company.

MODIFIED AUDITORS' OPINION

The auditors' report on the Group's financial statements for the year ended 31 December 2009 contains a modified auditors' opinion which includes as follows:

"Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2009 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of matter

Without qualifying our opinion, we draw attention to the following matters:

(a) As mentioned in note 15(d) and 33(c) to the consolidated financial statements, the Group holds a parcel of leasehold land in Shenzhen, the PRC, with a prepaid premium for land leases amounting to HK$167,682,000 as at 31 December 2009. Due to lack of development on the land site, there is possibility that the land may be repossessed by the local government. Whether the land will be repossessed is dependent upon the outcome of the Group's measures to be taken to avoid the repossession. At the present time, the Group is unable to ascertain the likelihood of the repossession or whether any liability or penalty would arise in relation to the possible repossession. The consolidated financial statements do not include any adjustments that may be necessary in relation to the possible repossession. We consider that adequate disclosures have been made.

(b) We have considered the adequacy of the disclosures made in note 33(a) to the consolidated financial statements concerning the possible outcome of various legal proceedings initiated by a former director and shareholder of the Company, Mr. Tsang Wai Lun, Wayland, against the Company and eight of the then directors, alleging that the then directors had breached their fiduciary duties in relation to various transactions entered into by the Group. In the opinion of the directors, the defendant directors have either resigned or re-designated as non-executive directors and the aforesaid legal proceedings will have no material impact on the financial position and operations of the Group.

(c) As mentioned in note 2(b) to the consolidated financial statements, the Group incurred a consolidated net loss attributable to the equity shareholders of the Company of approximately HK$56,919,000 for the year ended 31 December 2009 and the Group's cash and cash equivalents decreased from HK$9,392,000 as at 31 December 2008 to HK$808,000 as at 31 December 2009. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the appropriateness of which is dependent on the Group's ability to generate sufficient working capital to meet its financial requirements. The consolidated financial statements do not include any adjustments that may be necessary should the Group fail to finance its future working capital and financial requirements. We consider that adequate disclosures have been made."

REVIEW OF THE PRELIMINARY ANNOUNCEMENT BY AUDITORS

The figures in respect of the preliminary announcement of the Group's consolidated income statement, consolidated balance sheet and the related notes thereto for the year ended 31 December 2009 have been agreed by the Group's auditors, Messrs. Baker Tilly Hong Kong Limited, to the amount set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Baker Tilly Hong Kong 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Baker Tilly Hong Kong Limited on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the Company's website (http://www.irasia.com/listco/hk/grandfield/) and the Stock Exchange's website (http://www.hkex.com.hk). The 2009 Annual 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
Ma Xuemian
Chairman

Hong Kong, 29 April 2010

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Ma Xuemian (with Mr. Lim Francis as alternate), Mr. Chen Mudong (with Mr. Lim Francis as alternate), Mr. Wong King Lam, Joseph, Ms. Chow Kwai Wa, Anne and Ms. Kwok Siu Wa, Alison; four non-executive Directors, namely Mr. Lim Francis, Mr. Zhao Yang, Mr. Chu King Fai and Mr. Kwok Siu Bun; and three independent non-executive Directors, namely Mr. David Chi-ping Chow (with Mr. Lim Francis as alternate), Mr. Liu Chaodong and Ms. Zhang Xiaoyan.