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 2014

The board (the "Board") of directors (the "Directors") of Grand Field Group Holdings Limited (the "Company") hereby announces the consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2014, together with the comparative figures for year 2013 are as follows:

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended 31 December 2014

		2014	2013
	Notes	***HK$'000***	*HK$'000*
Revenue	*4*	**3,368**	5,037
Cost of revenue		**(823)**	(2,152)
Gross profit		**2,545**	2,885
Other revenue	*4*	**1,337**	445
Other gains and losses	*4*	**(858)**	1,968
Selling and distribution costs		**(517)**	(481)
Administrative expenses		**(60,776)**	(37,170)
Loss from operations		**(58,269)**	(32,353)
Finance cost	*5*	**(6,091)**	(10,052)
Fair value loss of derivative instruments		**(4,769)**	(3,941)

* *For identification purpose only*

	Notes	2014 HK$'000	2013 HK$'000
Loss before tax		**(69,129)**	(46,346)
Income tax expense	*8*	**–**	(103)
Loss for the year	*6*	**(69,129)**	(46,449)
Loss for the year attributable to:			
Owners of the Company		**(65,855)**	(40,038)
Non-controlling interests		**(3,274)**	(6,411)
		(69,129)	(46,449)
Loss per share	*9*		
Basic *(HK cents per share)*		**(8.89)**	(6.35)
Diluted *(HK cents per share)*		**N/A**	N/A

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	2014	2013
	HK$'000	*HK$'000*
Loss for the year	**(69,129)**	(46,449)
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	**(149)**	3,646
Total comprehensive loss for the year	**(69,278)**	(42,803)
Total comprehensive loss for the year attributable to:		
Owners of the Company	**(65,961)**	(36,625)
Non-controlling interests	**(3,317)**	(6,178)
	(69,278)	(42,803)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment		**1,220**	1,469
Investment properties	*10*	**46,000**	47,000
Prepaid premium for land leases		**316,509**	171,595
Properties for sale under development		**18,790**	13,469
Derivative instruments		**251**	5,020
		382,770	238,553
Current assets			
Inventories		**909**	–
Properties for sale		**32,958**	33,049
Other receivables, deposits and prepayments		**14,428**	5,198
Amount due from a director		**118**	860
Tax recoverable		**97**	445
Cash and cash equivalents		**9,274**	13,646
		57,784	53,198
Current liabilities			
Trade and other payables	*11*	**39,586**	27,706
Interest-bearing borrowings	*12*	**5,634**	9,473
Obligation under finance lease due within one year		**170**	162
Amounts due to directors		**261**	4,189
Tax payable		**242**	243
		45,893	41,773
Net current assets		**11,891**	11,425
Total assets less current liabilities		**394,661**	249,978

	Notes	2014 HK$'000	2013 HK$'000
Non-current liabilities			
Obligation under finance lease due after one year		**239**	409
Convertible bonds		**31,632**	32,207
Deferred tax liabilities		**4,113**	4,124
		35,984	36,740
NET ASSETS		**358,677**	213,238
Capital and reserves			
Share capital	*15*	**76,589**	50,761
Reserves		**114,650**	148,139
Equity attributable to owners of the Company		**191,239**	198,900
Non-controlling interests		**167,438**	14,338
TOTAL EQUITY		**358,677**	213,238

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2014

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 trading of wines.

2. BASIS OF PREPARATION

The Group had incurred loss of approximately HK$69,129,000 for the year ended 31 December 2014. Nevertheless, these consolidated financial statements have been prepared on a going concern basis. The Directors are of the opinion that taking into account of the financing arrangement after the reporting period it is appropriate to prepare the consolidated financial statements on a going concern basis.

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

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 January 2014. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years.

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

4. REVENUE, OTHER REVENUE AND OTHER GAINS AND LOSSES

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

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

	2014	2013
	HK$'000	*HK$'000*
Revenue		
Sales of properties	**–**	1,986
Property rental	**2,474**	3,051
Trading of wines	**894**	–
	3,368	5,037
Other revenue		
Interest income on bank deposits	**1,154**	154
Finance charge from loan receivables	**–**	4
Net foreign exchange gain	**33**	–
Sundry income	**150**	287
	1,337	445
Other gains and losses		
Fair value loss on investment properties	**(862)**	(637)
Reversal of impairment loss on loan receivables	**4**	47
Reversal of impairment loss on other receivables, deposits and prepayments	**–**	2,558
	(858)	1,968

5. FINANCE COST

	2014	2013
	HK$'000	*HK$'000*
Interest expenses on borrowings wholly repayable within five years		
– convertible bonds	**4,534**	1,049
– other borrowings	**1,534**	8,972
Interest on finance lease	**23**	31
	6,091	10,052

6. LOSS FOR THE YEAR

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

	2014	2013
	HK$'000	*HK$'000*
Cost of sales	**823**	2,152
Amortisation of prepaid premium for land leases	**6,552**	6,034
Depreciation	**381**	338
Staff costs (including Directors' remuneration):		
– salaries, bonuses and allowances	**6,013**	4,793
– equity-settled share option arrangements	**7,963**	–
– retirement benefits scheme contributions	**207**	140
	14,183	4,933
Provision for legal costs	**20,000**	–
Auditor's remuneration	**690**	700
Net foreign exchange (gain)/loss	**(33)**	309
Operating lease charges on land and buildings	**1,064**	874

7. SEGMENT REPORTING

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

(a) Segment revenue and results

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

	Trading of wine		Property development		Property investment		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue								
External sales	**894**	–	**–**	1,986	**2,474**	3,051	**3,368**	5,037
Segment result	**175**	–	**–**	(35)	**1,509**	2,283	**1,684**	2,248
Interest income on bank deposits							**1,154**	154
Unallocated income and gains, net							**186**	2,897
Unallocated expenses							**(61,293)**	(37,652)
Loss from operations							**(58,269)**	(32,353)
Finance costs							**(6,091)**	(10,052)
Fair value loss of derivative instruments							**(4,769)**	(3,941)
Loss before tax							**(69,129)**	(46,346)
Income tax expense							**–**	(103)
Loss for the year							**(69,129)**	(46,449)

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 4 to the consolidated financial statements. Segment result represents the (loss from) profit earned from each segment without allocation of certain items, mainly comprising interest income on bank deposits, gain on disposal of subsidiaries, reversal of impairment loss on other receivables, deposits and prepayments, gain on disposal of property, plant and equipment, impairment loss on other receivables, deposits and prepayments, depreciation, central administration costs, directors' and chief executives' salaries, finance costs and fair value loss of derivative instruments. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

(b) Segment assets and liabilities

	Trading of wine		Property development		Property investment		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**909**	–	**368,257**	218,112	**46,000**	47,000	**415,166**	265,112
Unallocated assets							**25,388**	26,639
							440,554	291,751
Segment liabilities	**(92)**	–	**(1,196)**	(1,346)	**(4,113)**	(4,124)	**(5,401)**	(5,470)
Unallocated liabilities							**(76,476)**	(73,043)
							(81,877)	(78,513)

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

– all assets are allocated to operating segments other than unallocated assets (mainly comprising property, plant and equipment, other receivables, deposits and prepayments, amount due from a director and cash and cash equivalents); and

– all liabilities are allocated to operating segments other than unallocated liabilities (mainly comprising certain other payables, interest-bearing borrowings, obligation under finance lease, amount(s) due to directors/a related party and dividend payable).

(c) Other segment information

	Trading of wine		Property development		Property investment		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Amounts included in the measure of segment profit or loss or segment assets:								
Amortisation of prepaid premium for land leases	**–**	–	**6,552**	6,034	**–**	–	**6,552**	6,034
Reversal of impairment loss on loan receivables	**–**	–	**(4)**	(47)	**–**	–	**(4)**	(47)
Fair value loss/(gain) on investment properties	**–**	–	**–**	–	**862**	637	**862**	637
Unallocated:								
Depreciation	**–**	–	**–**	–	**–**	–	**381**	338
Reversal of impairment loss on other receivables, deposits and prepayments	**–**	–	**–**	–	**–**	–	**–**	(2,558)
Capital expenditure	**–**	–	**–**	–	**–**	–	**133**	323

(d) Geographic information

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

(e) Information about major customers

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

	2014	2013
	HK$'000	*HK$'000*
Property investment		
Customer A	**6**[1]	635
Customer B	**353**	351[1]
Customer C	**454**	451[1]
Customer D	**530**	451[1]
	1,343	1,888

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

8. INCOME TAX EXPENSE

	2014	2013
	HK$'000	*HK$'000*
Current tax		
Land Appreciation Tax in the PRC	**–**	103

Hong Kong profits tax is calculated at 16.5% (2013: 16.5%) of the estimated assessable profits for the year. Under the Law of the PRC on Enterprise Income Tax ("the EIT Law") and Implementation Regulation of the EIT Law, the tax rate of subsidiaries of the Company in the PRC is 25% for both years.

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

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

	2014	2013
	HK$'000	*HK$'000*
Loss before tax	**(69,129)**	(46,346)
Notional tax credit on loss before income tax, calculated at the rates applicable to profits in the countries concerned	**(12,333)**	(8,756)
Effect of different tax calculation basis for the PRC property development projects operated by the Hong Kong subsidiaries	**(4)**	(153)
Tax effect on non-deductible expenses	**12,606**	10,212
Tax effect on non-taxable income	**(269)**	(1,303)
Land Appreciation Tax	**–**	103
	–	103

9. LOSS PER SHARE

Basic loss per share

Basic loss per share is calculated based on the loss for the year attributable to owners of the Company of approximately HK$65,855,000 (2013: HK$40,038,000) and on the weighted average number of approximately 740,805,000 ordinary shares in issue during the year (2013: 630,498,000). The weighted average number of ordinary shares for the years ended 31 December 2014 and 2013 for the purpose of calculating the basic loss per share has been adjusted and restated respectively resulting from the share consolidation and open offer of the Company (Note 15) during the current year.

Diluted loss per share

No diluted loss per share for the years ended 31 December 2014 and 2013 is presented as the effects of all convertible notes and options are anti-dilutive for the years.

10. INVESTMENT PROPERTIES

	2014	2013
	HK$'000	*HK$'000*
Fair value		
At 1 January	**47,000**	46,200
Exchange differences	**(138)**	1,437
Fair value loss on investment properties	**(862)**	(637)
At 31 December	**46,000**	47,000

The fair value of the Group's investment properties ("Properties") at 31 December 2014 and 2013 has been arrived at on the basis of a valuation carried out on that date by Messrs. Roma Appraisals Limited, an independent qualified professional valuers not connected with the Group. Roma Appraisals Limited has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The Group's Properties have been valued by using comparison approach, which conforms to Hong Kong Institute of Surveyors Valuation Standards on Properties.

The Group's interests in investment properties are held under the following lease term:

	2014	2013
	HK$'000	*HK$'000*
Long term leases in PRC	**46,000**	47,000

11. TRADE AND OTHER PAYABLES

	2014	2013
	HK$'000	*HK$'000*
Trade payables to building contractors	**1,192**	1,103
Accrued salaries and other operating expenses	**9,702**	10,766
Accrued interest expense	**–**	180
Deposits received from the sale of properties	**5,958**	4,131
Rental deposits received from investment properties	**1,306**	528
Amounts payable on return of properties	**6,817**	6,848
Provision for compensation of a legal case	**9,959**	–
Other payables	**4,652**	4,150
	39,586	27,706

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

	2014	2013
	HK$'000	*HK$'000*
Over 360 days past due	**1,192**	1,103

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

	2014	2013
	HK$'000	*HK$'000*
HK$	**14,939**	6,607
RMB	**24,647**	21,099
	39,586	27,706

12. INTEREST-BEARING BORROWINGS

	2014	2013
	HK$'000	*HK$'000*
Loans from independent third parties payable within 1 year or on demand – secured	**5,634**	9,473

At 31 December 2014 and 2013, loan with principal amount of RMB4,500,000 (equivalent to approximately HK$5,634,000 (2013: HK$5,724,000) from an independent third party is secured by the properties for sale of the Group's whollyowned subsidiary. Interest is charged at 1.5% per month and repayable within 1 year from the drawdown date in the year ended 31 December 2013 and extended for 1 year during 2014.

At 31 December 2013, loan from two independent third parties of RMB1,000,000 and RMB2,000,000, total RMB3,000,000 (equivalent to approximately HK$3,749,000) is secured by personal guarantee by a director of the Company, Mr. Ma Xuemian. Interest is charged at 2.5% per month respectively.

All of interest-bearing borrowings are denominated in RMB.

The borrowings bear interest at fixed rates of 18% per annum (2013: 18% to 36%).

13. COMMITMENTS

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

	2014	2013
	HK$'000	*HK$'000*
Contracted but not provided for:		
Capital contribution to PRC companies *(Note)*	**200,073**	272,700

Note: On 24 January 2011, the Group entered into an agreement with 深圳鈞濠計算機軟件開發有限公司 and 廣東省紅岭集團有限公司. Pursuant to the agreement, a PRC company, 深圳棕科置業有限公司 ("深圳棕科") would be formed to develop the Shenzhen Land. 深圳棕科 was incorporated on 30 March 2011. The registered capital of 深圳棕科 is RMB450,240,000, to which the Group agreed to contribute RMB225,120,000, representing 50% of the registered capital of 深圳棕科.

On 11 June 2012, 深圳棕科 has been approved to amend its capital injection pattern and capital injection timetable, in which the cash contribution portion was changed from approximately RMB135,072,000 to RMB329,052,000. The Group was required to contribute the capital by way of transfer of the Group's 50% interest in the Shenzhen Land and cash contribution of approximately RMB164,526,000 to 深圳棕科.

Up to 31 December 2014, the Group had contributed cash portion of approximately RMB10,715,000 and land portion of approximately RMB60,594,000 to 深圳棕科.

The Group had commitments which are contracted but not provided for in respect of the capital contribution to 深圳棕科, 擎天酒店管理(深圳)有限公司 and 深圳漢唐盛世酒業有限公司 amounting to approximately RMB153,811,000 (equivalents to HK$195,073,000) (2013: RMB214,369,000 (equivalents to HK$272,700,000)), approximately RMB4,100,000 (equivalents to HK$5,200,000) (2013: nil) and HK$5,000,000 (2013: nil) respectively.

(b) As lessee

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

	2014	2013
	HK$'000	*HK$'000*
Within one year	**604**	533
In the second to fifth years inclusive	**829**	–
	1,433	533

The Group leases two office premises under operating leases. The leases typically run for an initial period of 3 years (2013: 3 years), at the end of which period all terms are negotiated. None of the lease includes contingent rentals.

(c) As lessor

Property rental income earned during the year was approximately HK$2,474,000 (2013: HK$3,051,000).

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

	2014	2013
	HK$'000	*HK$'000*
Within one year	**1,010**	1,477
In the second to fifth years inclusive	**998**	1,470
	2,008	2,947

The Group leases its investment properties (Note 10) under operating lease arrangements which run for an initial period of one to seven years (2013: one to seven years), with an option to renew the lease terms at the expiry date or at dates as mutually agreed between the Group and the respective tenants. The properties are expected to generate rental yields of 2.1% (2013: 2.1%) on an ongoing basis.

14. DIVIDENDS

The Directors do not recommend the payment of final dividend in respect of the year ended 31 December 2014 (2013: nil). No interim dividend was declared for the six months ended 30 June 2014 (2013: nil).

15. SHARE CAPITAL

	2014	2013
	HK$'000	*HK$'000*
Authorised:		
5,000,000,000 Ordinary shares of HK$0.1 each (2013: 5,000,000,000 Ordinary shares of HK$0.02 each)	**500,000**	100,000
Issued and fully paid:		
765,893,601 Ordinary shares of HK$0.1 each (2013: 2,538,068,278 Ordinary shares of HK$0.02 each)	**76,589**	50,761

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

	Number of shares	Amount
	'000	*HK$'000*
At 1 January 2013	2,516,810	50,336
Issue of shares for professional fee	21,258	425
At 31 December 2013	2,538,068	50,761
Open offer *(Note (i))*	1,269,034	25,381
Capital reorganisation *(Note (ii))*	(3,045,681)	–
Issue of shares for professional fee *(Note iii)*	4,473	447
As at 31 December 2014	765,894	76,589

Note:

(i) Open offer

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

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

Share Consolidation

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

Capital Increase

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

(iii) Issue of shares for professional fee

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

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.

16. LITIGATIONS AND CONTINGENT LIABILITIES

(i) By an originating summons ("Originating Summons") issued on 4 June 2008 under High Court Miscellaneous Proceedings No. 1059 of 2008 by Mr. Tsang Wai Lun, Wayland ("Tsang"), a former director and shareholder of the Company, as the plaintiff and the Company as the defendant under section 168BC of the Companies Ordinance (Cap.32 of the Laws of Hong Kong). In the Originating Summons which was amended on 26 February 2009 ("the Amended Originating Summons"), Tsang sought relief from the High Court of Hong Kong for, inter alia, leave to bring proceedings on behalf of the Company against its 8 then directors, namely, Chu King Fai ("Chu"), Huang Bing Huang ("Huang"), Au Kwok Chuen Vincent ("Au"), Hwang Ho Tyan ("Hwang'), Zhao Juqun ("Zhao"), Yang Biao ("Yang"), Wong Yun Kuen ("Wong") and Mok King Tong ("Mok"). Upon hearing the Amended Originating Summons on 25 and 26 February 2009, the court granted leave to Tsang on 26 February 2009 to bring a statutory derivative action on behalf of the Company against the aforesaid 8 then directors.

(ii) Pursuant to the statutory leave granted Tsang sued as a shareholder for and an behalf of the Company as the plaintiff issued a writ of summons against the aforesaid 8 then directors as 1st to 8th defendants in the High Court of Hong Kong on 18 March 2009 under High Court Action No.771 of 2009 ("the Action"). The title of the plaintiff was subsequently amended as the name of the Company by a court order dated 29 March 2011.

In brief, the case was in relation to alleged breach by the 8 then directors (comprising the then board of directors of the Company) of their fiduciary duties and duties of care owed to the Company as directors in respect of the following resolutions purportedly passed:

(1) a resolution was purportedly passed by the then board of directors of the Company on or about 14 January 2008 ("the Remittance Resolution") to approve a remittance of HK$50,000,000 (equivalent to RMB44,000,000) to a company in the PRC known as Yuan Cheng Real Estate (Shenzhen) Limited（遠程置業（深圳）有限公司）("Yuan Cheng"), which was set up as wholly owned subsidiary of Grand Field Group Limited ("Grand Field HK") and its entire interest had been disposed of on 12 October 2012, despite questions having been raised specifically over the legality of the formation of Yuan Cheng. Grand Field HK is a wholly owned subsidiary of the Group. Thus, the sum of HK$50,000,000 remitted by the Company to Yuan Cheng may have been put under the control of an unauthorized and unlawful entity.

(2) a resolution was purportedly passed by then board of directors of the Company on or about 27 May 2008 ("the Yangzhou Project Resolution") to sanction an acquisition of a project known as Yi Zheng Economic Development Zone High Technology Industrial Park（儀征經濟開發區高新技術產業園）from Min Tai Development Company Limited（閩泰建設有限公司）at a consideration of HK$88,000,000 with an up-front payment of HK$5,000,000 paid out of the funds of Yuan Cheng.

(3) a resolution was purportedly passed by then board of directors of the Company on or about 15 March 2008 ("the Management Services Resolutions") to sanction the entry of management services agreements by Yuan Cheng with Dongguan City Hua Jia Fu Industry and Trading Limited（東莞市華家富工貿有限公司）and Dongguan City Min Tai Industry and Investment Limited（東莞市閩泰實業投資有限公司）, which involve an up-front payment of RMB8,000,000 by Yuan Cheng.

(4) a resolution was purportedly passed by the board of directors of the Company on or about 27 May 2008 ("the Zhong Cheng Resolution") to sanction the entry of a co-operation framework agreement by Yuan Cheng with a PRC entity known as Shenzhen Zhong Cheng Construction Engineering Company Limited（深圳市中城建設工程有限公司）("Zhong Cheng"), which required an upfront payment of RMB5,000,000. Yuan Cheng also made 2 subsequent payments to satisfy third parties of the credit worthiness of Zhong Cheng, involving RMB17,000,000.

(5) two resolutions were purportedly passed by Chu, Au, Zhao, Yang, Wong and Mok at a board meeting of the Company on 15 and 20 November 2008 ("the Loan Resolutions") sanctioning Grand Field Property Development (Shenzhen) Company Limited ("Grand Field Shenzhen") to borrow up to RMB50, 000,000 purportedly to repay a loan owed to Yuan Cheng and to use the balance as operational capital for the Company, Grand Field Shenzhen is a wholly owned subsidiary of the Group.

Further, alleged loans of RMB33,100,000 were purportedly made by Yuan Cheng to a PRC entity called Shenzhen Hua Ke Nano-Technology Development Company Limited (深圳華科納米技術有限公司) from April to June 2008.

It was the case of Tsang suing in the name of the Company that Yuan Cheng was used as a vehicle in the PRC to channel the HK$50,000,000 for improper purpose not in the interests of and/or with no apparent benefit to the Company and/or to enable the same to be applied for the personal benefit of Chu, his family or related companies. The Company thus has suffered a loss to the extent of HK$50,000,000 as a result of the breath of duties by the 8 then directors to act bona fide in the interests of the Company or to use their powers for a proper purpose.

Tsang has discontinued the Action suing against Hwang in the name of the Company on 4 August 2010.

The Action was tried at the High Court of Hong Kong from 2 August 2012 with 18 days reserved. Upon commencement of the trial, Tsang suing in the name of the Company has, settled the Action with Zhao, Yang and Mok that Tsang suing in the name of the Company decided not to pursue the Action against Zhao, Yang and Mok and with no order as to costs.

The Action against Au has also reached an out of court settlement on 22 October 2012. Tsang, the Company and Au have come to a deed of settlement ("Deed of Settlement") to discontinue all further actions against Au and with no order as to costs.

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

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

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

In the opinion of the Directors, the legal costs incurred in the Action and HCMP 1059/2008 which the Company has to bear are estimated to be HK$20 million and provision thereof has been made accordingly. Please refer to the Profit Warning of the Company made on 29 July 2014.

Having sought legal advice, the Company has lodged an appeal to the Court of Appeal on 11 July 2014 against the Judgment under CACV 140/2014 ("the Appeal"). The hearing date of the Appeal has not been fixed.

In the opinion of the Directors, the Appeal has no material impact on the operations of the Group. However, the Directors cannot reliably measure the financial impact of the Appeal.

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

** Pursuant to the leave granted by High Court on 23rd August, 2013, the Company has instituted an originating summons against Huang Binghuang and/or Li YI for contempt of court as a result of their alleged breach of the injunction orders granted under the Action. This originating summons has yet to be tried. In the opinion of the Directors, the originating summons has no material impact on the operation of the Group. However, the Directors cannot reliably measure the financial impact of this originating summons until its conclusion.

(iii) 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$5,723,000). 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$2,615,000). In 2009, Shing Fat Hong has lost in a court case to claim against the tenant for compensation of restoration of the properties. On 10 April 2013, the Intermediate People's Court of Dongguan City, Guangdong Province (廣東省東莞市中級人民法院) issued a civil judgment, under which such case was ordered back to the Third People's Court of Dongguan City, Guangdong Province (廣東省東莞市第三人民法院) for retrial and the proceedings had been rescinded by the court and has not had any further development at this stage.

In the opinion of the Directors, the aforesaid legal proceeding will have no material impact on the financial position operations of the Group.

(iv) According to the PRC Provisional Regulations on Land Appreciation Tax – State Council Order No. 138 (1993) issued on 13 December 1993 by The State Council of the People's Republic of China, the Group is subject to land appreciation tax ("LAT") in the PRC. On 10 November 2005 and 20 October 2005, the local tax authorities of Shenzhen issued the letters, namely Shen Dai Shui Fa (2005) No. 521 and 522 and Shen Dai Shui Han (2005) No. 110, respectively to commence the levies of the LAT for the property developers with effect from 1 November 2005.

The Telford Garden Phase I & II, Huanchengxi Road, Buji Town, Longgang District, Shenzhen, Guangdong Province, the PRC (the "Telford Garden I and II") were developed by an indirect wholly owned PRC subsidiary, Grand Field Shenzhen, and started the sales since the late of 1990s. All of the units in Telford Garden I & II had been sold.

Under a notice issued on 6 September 2010 by 深圳市龍崗區地方稅務局 (the "Notice") on LAT to Grand Field Shenzhen, the tax authorities used a special method to calculate the total amount of LAT for Telford Garden I & II, in which LAT was calculated at the rates ranging from 5% to 10% of the sales revenue which had been settled by the Group in accordance with the Notice.

The Directors have consulted with an independent legal advisor who concluded that the possibility of the any further LAT on Telford Garden I & II be imposed is low.

There is no further development of this issue and therefore, the provision for the LAT has not been provided for in the financial statements for the year ended 31 December 2014.

(v) In December 2012, the Company was served with an originating summons instituted by HKZX as plaintiff and the Company as defendant under High Court Miscellaneous Proceedings No. 3278 of 2013. HKZX seeks leave from the High Court under section 168BC of the Companies Ordinance (Cap. 32 of the Law of Hong Kong) to claim on behalf of the Company against Tsang Wai Lun Wayland and Kwok Wai Man Nancy (hereinafter collectively referred to as "Tsangs"), the former Chairman and executive directors of the Company respectively for their alleged breach of fiduciary duties and claims costs to be paid by the Company on an indemnity basis.

By an order of High Court dated 8th October, 2014, the said originating summons was adjourned sine die with liberty to restore upon the Company's undertaking, inter alia, that it should pursue the existing High Court action HCA2471/2008 instituted in 2008 with due diligence. By an order dated 20th November, 2014, the Company should pay the costs of the said originating summons to HKZX subject to taxation if the amount not agreed. The taxation proceedings are still ongoing. In the opinion of the Directors, the said originating summons have no material impact on the operations of the Group. The Company upon legal advice estimates the costs to be paid by the Company will highly likely not more than HK$1 million.

(vi) The case no.(2013) Shen Long Fa Min San Chu Zi Di No.941(2013)（深龍法民三初字第941號）in which HKZX as plaintiff, relying on, inter alia, a judgment made by Shenzhen Longgang People's Court（深圳市龍崗人民法院）("Longgang Court") in which, the interest of in Shenzhen Land was adjudged frozen instituted a summons ("the Summons") against GF Group (1st Defendant), GF Land Development (Shenzhen) (2nd Defendant), SZ Computer (3rd Defendant) and Guangdong Province Hongling Group Company Limited（廣東省紅嶺集團有限公司）(4th Defendant) for, inter alia, a declaration that the supplemental agreement entered into by SZ Computer and other relevant parties on 3rd July, 2007 for sale and purchase of Shenzhen Land be void.

The 1st and 2nd Defendants are wholly-owned subsidiaries of the Company and the 3rd and 4th Defendants are third parties independent of and not connected with the Group.

The Summons was on 19th March, 2014 dismissed.

HKZX then lodged an appeal against the said judgment dated 19th March, 2014 to Shenzhen City Intermediate People's Court and the said appeal was also on 4th September, 2014 dismissed. Subsequently, the application by SZ Computer applied for release of its portion of the Shenzhen Land which had been distrained by HKZX under the summons was successful and the said portion in Shenzhen Land had therefore been released free from the incumbrances arising from the said distraint under the summons.

As aforesaid, the Directors believe that there is no significant impact on the Group's business operations and financial position at this stage.

(vii) A summons was issued and filed with Lo Hu Court against GF Land Development (Shenzhen) (2014) Sheng Lo Fa Min Er Chu Zi 5103 ("the Summons") in which Shenzhen City YiZhou Hotel Management Company Limited as plaintiff claims against GF Land Development (Shenzhen) as defendant for a total sum of RMB13,380,000 and interest. The Board further announces that by a civil judgment of Lo Hu Court dated 21st October, 2014, it was ordered, inter alia, that the interest of GF Land Development (Shenzhen) in Shenzhen Land had been distrained up to the amount of RMB12,717,600 pending the outcome of the Summons. The substantial issues of this summons have not been tried yet.

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

In the opinion of the Directors, the summons will have no material impact on the operations of the Group. However, the Directors cannot reliably measure the financial impact of the summons until the respective final judgments thereof shall have been delivered.

(viii) Pursuant to the order stated in (v) hereinbefore, the Company instructed its solicitors and counsel to pursue the existing High Court Action No.HCA2471/2008 which had stood idle since 23rd October, 2009 against, inter alia, its former executive directors and current substantial shareholders Mr. Tsang Wai Lun Wayland and Madam Kwok Wai Man Nancy as 1st and 2nd Defendants therein for damages in relation to the alleged breach of trust and/or duties owed to the Company by them as then executive directors of the Company in dealing with a Chongqing joint venture agreement in 2002. Due to the change of circumstances, the Company was advised not to pursue its claims against the remaining defendants therein.

In the opinion of the Directors, this action has no material impact on the operations of the Group. However, the Directors cannot reliably measure the financial impact of this action until its conclusion.

(ix) On 14th January, 2014, the Company as plaintiff has instituted a Writ of Summons under High Court Action HCA 85/2014 against 1st Defendant Li Yi, the sole shareholder of HKZX, a substantial shareholder of the Company, 2nd Defendant, Huang Binghuang, a former executive director of the Company and 3rd Defendant HKZX for the following reliefs:

(1) A declaration that the sale, assignment and/or transfer of the shares of the 3rd Defendant from the 2nd Defendant to the 1st Defendant (the "Assignment") constitutes a disposition of property by the 2nd Defendant with an intent to defraud creditors and is voidable at the instance of the Plaintiffs being person thereby prejudiced pursuant to section 60 (1) of the Conveyancing and Property Ordinance (Cap. 219);

(2) An order that the Assignment be set aside;

(3) Damages to be assessed;

(4) Interest;

(5) Costs; and

(6) Such further or other relief(s) as this Court may think fit

The writ of summons has been served upon HKZX on 15th January, 2014. The Company is still waiting for the defence from the defendants therein, if any. The company was advised that it was pointless to pursue this action any further unless and until the Appeal against the Judgment under HCA 771/2009 is successful. As the 2nd Defendant has resigned from the Company and the 1st and 3rd Defendant have not been involved in the Company's management, the Directors are of the opinion that the said action will have no material impact on the operations of the Group. The Directors cannot reliably measure the financial impact of the said writ of summons until the delivery of result thereof.

(x) The case no. (2013) Shen Luo Fa Min Er Chu Zi Di No. 602((2013)深羅法民二初字第602號) under which Shenzhen Yizhou Hotel Management Co., Ltd. (深圳市益洲酒店管理有限公司) as plaintiff initiated proceedings against, among others, four companies, namely GF Land Development (Shenzhen), Hong Kong Grand Field Group Limited (香港鈞濠集團有限公司), Shenzhen City Liangzi Jingshun Investment Management Co., Ltd. (深圳市量子景順投資管理有限公司), and Huilai County Haoyuan Industrial Co., Ltd. (惠來縣豪源實業有限公司) for the alleged jeopardizing the plaintiff's right. This case was heard and judgment was delivered on 10th July, 2014 in favour of the Defendants. However, the Plaintiff appeals and the hearing date of the appeal has not been fixed. The Directors are of the opinion that the case has no material impact on the operations of the group but are unable to assess the impact on the financial position of the Group relating to this case.

(xi) The case no. (2013) Shen Long Fa Xing Chu Zi Di No. 26((2013)深龍法行初字第26號) under which Shenzhen Yizhou Hotel Management Co., Ltd. (深圳市益洲酒店管理有限公司) initiated proceedings against Shenzhen Real Estate Ownership Registration Centre. Shenzhen Longgang District People's Court was of the opinion that, in relation to the processing of such case, GF Group and GF Land Development (Shenzhen) possess legal interests and it notified GF Group and GF Land Development (Shenzhen) to participate in the proceedings of such lawsuit as third parties. Such case had been heard before Shenzhen Longgang District People's Court on 13 October 2013, and judgment was made in favour of the Plaintiff and the Land ownership certificate in question was struck off accordingly. SZ Computer as one of the third parties thereof subsequently appealed against the said judgment. The appeal was allowed and the said judgment had been struck off.

In the opinion of the Directors, the aforesaid legal proceedings will have no material impact on the financial position and operations of the Group.

(xii) a) On 19th February, 2014, GF Group received a writ of summons issued at the Luo Hu People's Court Shenzhen City, PRC (hereinafter in this paragraph xi referred to as the "Court") by SZ Computer as plaintiff under case no. Shen Luo Fa Min Er Chu Zi Di No.133 (2014) ((2014)深羅法民二初字第133號) (hereinafter in this paragraph xi referred to as the China Writ of Summons) against GF Land Development (Shenzhen) as 1st defendant, GF Group as 2nd defendant and Shenzhen City Liangzi Jingshun Investment Management Co., Ltd. (深圳市量子景順投資管理有限公司) as 3rd defendant for repayment of a sum of RMB5,000,000 plus accrued interest calculated up to 2nd December, 2013 for RMB3,500,000 and costs.

The writ of summons was heard and the Plaintiff's claims were dismissed by the judgment dated 30th October 2014. However, the Plaintiff appealled against the said judgment and the hearing date of the appeal has not been fixed.

b) Having consulted its Hong Kong Legal adviser and was advised, as an alternative and in order to protect the interest of the Group and Shareholders as a whole, GF Group has on 20th February, 2014 issued in High Court of Hong Kong a writ of summons under action no.HCA294/2014 (hereinafter in this paragraph xi referred to as Hong Kong Writ of Summons) against HKZX as recipient of the Re-paid Sum for recovery thereof and interest thereon which, if successfully recovered, will be used to re-pay the alleged debt(s) claimed by the alleged real creditor, SZ Computer, the plaintiff in the China Writ of Summons.

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

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.

17. EVENTS AFTER THE REPORTING PERIOD

On 6 February 2015 (after trading hours), the Company and Thrive Season entered into the 2015 Settlement Agreement, pursuant to which Thrive Season has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 85,185,185 Settlement Shares at the Subscription Price of HK$0.270 per Settlement Share for partial repurchase of the Convertible Bonds in the principal amount of HK$23,000,000 and convert the remaining principal amount of the Convertible Bonds of HK$7,055,703 into a loan on and subject to the terms and conditions of the 2015 Settlement Agreement as further described in the announcement.

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014, and of the Group's results 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 disclosures made in Note 16 to the consolidated financial statements concerning the possible outcome of various legal proceedings and other contingent liabilities.

FINANCIAL RESULTS

For the year ended 31 December 2014, the revenue of the Company and its subsidiaries (the "Group") decreased by 33% to approximately HK$3,368,000 (2013: HK$5,037,000).

During the year, the Group reported a loss attributable to owners of the Company of approximately HK$65,855,000, which was higher than last year's loss of approximately HK$40,038,000.

BUSINESS REVIEW AND PROSPECT

In early 2014 we secured a major financing deal by means of an open offer, which allowed us to make some new progress in the development of our legacy project – ZongKe Square, which would be a large commercial centre located in Shenzhen. ZongKe Square has secured a new land use right certificate from the Chinese government at the end of 2014. We have submitted the application to relevant authorities to get project planning approval. The fair value of ZongKe Square is approximately HK$2,000,000,000 as at 26 March 2015 which was performed by Roma Appraisals Limited, an independent valuer using the direct comparison approach by making reference to comparable sales evidence as available in the relevant market and have taken into account the expected development costs and the costs including estimated land use compensation fee that will be expected to complete the development.

It was also a year of new venture – the Group had made a new business venture in the Chinese wine market by forming a new company China Hantong Wine Group Holdings Ltd. ("Hantong") on 30 April 2014. Hantong will be engaged in the distribution of white wine (i.e. bai jiu) in the southern region of the PRC with the goal to supply a sustainable, steady cash flow to the Group as a whole.

Moving forward – we are working on several financing deals from the banks and various financial institutions. The proceeds will be used to continue funding our new projects and as the general working capital for the Group. We will stay true to maximizing shareholders' values as we continue to strive for greater excellence and success.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2014, the Group's cash and cash equivalents were approximately HK$9,274,000 (2013: HK$13,646,000) of which most were denominated in Hong Kong Dollar ("HK$") and Renminbi ("RMB").

The Group had total current assets of approximately HK$57,784,000 (2013: HK$53,198,000), and total current liabilities of approximately HK$45,893,000 (2013: HK$41,773,000). The Group recorded total assets of approximately HK$440,554,000 (2013: HK$291,751,000). At 31 December 2014, the Group's total interest-bearing borrowings amounted to approximately HK$5,634,000 (2013: HK$9,473,000), of which HK$5,634,000 was repayable within 1 year (2013: HK$9,473,000).

At 31 December 2014, the percentage of the Group's interest-bearing borrowings denominated in HK$ and RMB was 0% and 100% (2013: 0% and 100%) respectively and such borrowings carried interest rate at 18% per annum (2013: 18% to 36% per annum).

The gearing ratio for 31 December 2014, which was defined to be current liabilities over shareholders' equity, was 24% (2013: 21%).

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group's major operations are located in the PRC and the main operational currencies are HK$ and RMB. There was no material exchange rate appreciation of RMB against HK$ in 2014, and there is no adverse movement of such trend foreseen by the Group. Therefore, it is not necessary for the Group to make any foreign currency hedging arrangement to minimise the foreign exchange risk and exposure.

CAPITAL STRUCTURE

As at 31 December 2014, the Company's issued share capital is HK$76,589,360.10 and the number of its issued ordinary shares is 765,893,601 shares of HK$0.10 each in issue.

Details of the movements in share capital of the Company are set out in Note 15.

CHARGE ON GROUP ASSETS

At 31 December 2014, the Group has pledged the properties for sale with the carrying amounts of approximately HK$17,797,000 of it's wholly-owned subsidiary for a loan with principal amount of RMB4,500,000 (equivalent to approximately HK$5,634,000) from an independent third party, details are set out in Note 12.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT

The Company did not have any other material acquisitions, disposal and significant investment of subsidiaries and affiliated companies during the year ended 31 December 2014.

CONTINGENT LIABILITIES

The Group's contingent liabilities are disclosed in Note 16.

SEGMENT INFORMATION

The details of the segment information of the Group are set out in Note 7.

EMPLOYEES

As of the end of 2014, the Group employed 25 employees (2013: 23) and had 8 Directors (2013: 9). The total costs (staff salary & director emolument) for the year amounted to approximately HK$14,183,000 (2013: HK$4,933,000). The Group's emolument policies are formulated such that the emoluments are made by reference to the performance of individual employees and will be reviewed every year. Apart from basic salary and statutory provident fund scheme, employees will also be offered bonus based on the results of the Group and their individual performance.

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

During the year ended 31 December 2014, neither the Company nor any of its subsidiaries purchased, sold, redeemed or cancelled any of the Company's listed securities.

DIVIDENDS

The Directors do not recommend the payment of final dividend in respect of the year ended 31 December 2014 (2013: nil). No interim dividend was declared for the six months ended 30 June 2014 (2013: nil).

CORPORATE GOVERNANCE

The Company is committed to the establishment of good corporate governance practices and procedures. The Company has complied with all the code provisions as set out in the Corporate Governance Code and Corporate Governance Report to the Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") (the "CG Code") during the year ended 31 December 2014 except for the following deviations:

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

During the year ended 31 December 2014, the role of the Chairman is performed by Mr. Ma Xuemian but the office of the CEO is vacated. However, the Board will keep reviewing the current structure of the Board from time to time and should candidate with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the post as appropriate.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") has reviewed with the management of the Group the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the audited financial statements for the year ended 31 December 2014, with external auditor. There were no disagreements from the auditor of the Company or the Audit Committee in respect of the accounting policies adopted by the Company.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the Company's website (http://www.gfghl.com) and the Stock Exchange's website (http://www.hkex.com.hk). The 2014 Annual Report containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and available on the same websites in due course.

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

Hong Kong, 27 March 2015

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 alternative); and three independent non-executive Directors, namely, Mr. Hui Pui Wai, Kimber, Mr. Liu Chaodong and Ms. Chui Wai Hung.