鈞濠集團

鈞濠集團有限公司*

GRAND FIELD GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 115)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board of directors (the "Directors") (the "Board") of Grand Field Group Holdings Limited (the "Company") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2026 and the comparative figures as set out below:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*5*	**60,882**	148,849
Cost of revenue		**(46,017)**	(137,013)
Gross profit		**14,865**	11,836
Interest revenue		**10**	24
Other income		**506**	2,453
Other gain and losses, net		**(13,826)**	(45,047)
Selling and distribution costs		**(3,652)**	(9,958)
Administrative expenses		**(19,200)**	(28,222)

* *For identification purpose only*

		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Loss from operations		**(21,297)**	(68,914)
Finance costs		**(13,379)**	(18,333)
Share of loss of associates		**(120)**	(74)
Fair value (loss)/gain on convertible bonds through profit or loss		**(1,669)**	2,245
Loss before tax		**(36,465)**	(85,076)
Income tax credit	*7*	**2,776**	23,093
Loss for the period	*8*	**(33,689)**	(61,983)
Attributable to:			
Owners of the Company		**(22,358)**	(6,099)
Non-controlling interests		**(11,331)**	(55,884)
		(33,689)	(61,983)
Loss per share	*9*		
Basic *(HK dollars per share)*		**(1.08)**	(0.50)
Diluted *(HK dollars per share)*		**(1.08)**	(0.50)

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Loss for the period	*8*	**(33,689)**	(61,983)
Other comprehensive loss			
Item that will not be reclassified to profit or loss:			
Fair value loss on financial liabilities designated at fair value through profit or loss attributable to change in credit risk		**(52)**	(79)
Items that may be reclassified subsequently to profit or loss:			
Release of exchange reserve upon disposal of a subsidiary		**–**	(25,957)
Exchange differences on translation of foreign operations		**23,855**	27,123
Total comprehensive loss for the period		**(9,886)**	(60,896)
Attributable to:			
Owners of the Company		**(11,211)**	(21,147)
Non-controlling interests		**1,325**	(39,749)
		(9,886)	(60,896)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**30 June 2026** *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Non-current assets			
Property, plant and equipment	*11*	**137,839**	140,586
Investment properties		**1,340,604**	1,306,265
Intangible asset		**8,319**	8,409
Right-of-use assets		**4,871**	3,009
Investment in associates		**170**	281
		1,491,803	1,458,550
Current assets			
Trade receivables	*12*	**2,811**	2,733
Properties for sale under development		**462**	446
Properties for sale		**159,627**	191,479
Other receivables, deposits and prepayments		**18,136**	20,567
Amount due from a director		**51**	53
Amount due from an associate		**577**	557
Tax recoverable		**150**	98
Cash and cash equivalents		**18,093**	25,090
		199,907	241,023

	Notes	**30 June 2026** *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Current liabilities			
Trade and other payables	*13*	**162,879**	161,659
Interest-bearing borrowings		**285,422**	281,309
Lease liabilities		**497**	192
Amounts due to directors		**13**	13
Convertible bonds		**79,909**	78,188
Tax payable		**204,856**	197,683
		733,576	719,044
Net current liabilities		**(533,669)**	(478,021)
Total assets less current liabilities		**958,134**	980,529
Non-current liabilities			
Deferred tax liabilities		**206,549**	202,502
Interest-bearing borrowings		**181,564**	199,579
Lease liabilities		**1,459**	–
		389,572	402,081
NET ASSETS		**568,562**	578,448
Capital and reserves			
Share capital	*14*	**4,141**	4,141
Reserves		**159,706**	170,917
Equity attributable to owners of the Company		**163,847**	175,058
Non-controlling interests		**404,715**	403,390
TOTAL EQUITY		**568,562**	578,448

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

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 Richmond House, 12 Par-la-Ville Road, Hamilton HM 08, Bermuda. The principal place of business of the Company in Hong Kong is located at Office A, 19/F., Kings Wing Plaza 1, 3 On Kwan Street, Shek Mun, Shatin, New Territories, Hong Kong.

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") are investment holding, property development, property investment and general trading.

In the opinion of the directors of the Company, as at 30 June 2026, Rhenfield Development Corp., a company incorporated in the British Virgin Islands, is the ultimate parent of the Company.

2. BASIS OF PREPARATION

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

These condensed consolidated financial statements should be read in conjunction with the 2025 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2025.

Going Concern

The Group incurred a loss attributable to owners of the Company of HK$22,358,000 for the six months ended 30 June 2026 and as at 30 June 2026 the Group had net current liabilities of HK$533,669,000. 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. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

For the purpose of assessing going concern, the directors have prepared a cash flow forecast of the Group covering a period of twelve months from the end of the reporting period (the "**Cash Flow Forecast**") with plans and measures to mitigate the liquidity pressure and to improve its financial position, including bank and other borrowings raised or to be raised by the Group subsequent to 30 June 2026 and accelerating the pre-sales of its major property development projects during the period of the Cash Flow Forecast. Based on the Cash Flow Forecast assuming the plans and measures can be successfully implemented as scheduled, the directors are of the opinion that the Group is able to continue as a going concern and would have sufficient financial resources to finance the Group's operations and meet its financial obligations as and when they fall due. Accordingly, it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

3. APPLICATION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the current period, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2026. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's condensed consolidated financial statements and amounts reported for the current period and prior years.

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

4. FAIR VALUE MEASUREMENTS

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) Disclosures of level in fair value hierarchy:

As at 30 June 2026

	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Recurring fair value measurements:				
Assets				
Investment properties (completed - PRC)	–	1,340,604	–	1,340,604
Liabilities				
Financial liabilities at fair value through profit or loss				
– Convertible bonds	–	79,909	–	79,909

As at 31 December 2025

	Level 1	Level 2	Level 3	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Audited)	(Audited)	(Audited)	(Audited)
Recurring fair value measurements:				
Assets				
Investment properties (completed - PRC)	–	1,306,265	–	1,306,265
Liabilities				
Financial liabilities at fair value through profit or loss				
– Convertible bonds	–	78,188	–	78,188

(b) One of the Group's executive directors is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The executive director reports directly to the board of directors for these fair value measurements. Discussions of valuation processes and results are held between the executive director and the board of directors at least twice a year.

Level 2 fair value measurements

Description	**Valuation technique**	**Inputs**	**Fair value as at 30 June 2026** *HK$'000* (Unaudited)	**Fair value as at 31 December 2025** *HK$'000* (Audited)
Assets				
Completed investment properties (the PRC)	Market comparable approach	Price per square metre	1,340,604	1,306,265
Liabilities				
Convertible bonds	Binomial model	Share price, discount rate, volatility and conversion price	79,909	78,188

5. REVENUE

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Sales of properties	**42,910**	135,702
Properties management services	**3,185**	2,519
Hotel operation	**3,538**	3,264
General trading	**–**	–
Others	**–**	11
Revenue from contracts with customers	**49,633**	141,496
Rental income	**11,249**	7,353
Total revenue	**60,882**	148,849

6. SEGMENT REPORTING

Information reported to the executive directors and senior management, being the chief operating decision maker, for 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 property development, property investment, hotel operation and general trading.

(a) Segment revenue and results

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

	Property development	Property investment	Hotel operation	General trading	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Six months ended 30 June 2026						
Revenue						
External sales	**42,910**	**14,434**	**3,538**	**–**	**–**	**60,882**
Segment result	**2,783**	**(4,353)**	**662**	**–**	**11**	**(897)**
Six months ended 30 June 2025						
Revenue						
External sales	135,702	9,872	3,264	–	11	148,849
Segment result	51,159	(91,272)	(842)	–	11	(40,944)

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Segment result	**(897)**	(40,944)
Unallocated losses, net	**(588)**	(847)
Unallocated expenses	**(19,812)**	(27,123)
Loss from operations	**(21,297)**	(68,914)
Finance costs	**(13,379)**	(18,333)
Share of losses of associates	**(120)**	(74)
Fair value (loss)/gain on convertible bonds	**(1,669)**	2,245
Loss before tax	**(36,465)**	(85,076)
Income tax credit	**2,776**	23,093
Loss for the period	**(33,689)**	(61,983)

(b) Segment assets and liabilities

	Property development *HK$'000*	Property investment *HK$'000*	Hotel operation *HK$'000*	General trading *HK$'000*	Others *HK$'000*	Total *HK$'000*
As at 30 June 2026						
Segment assets (unaudited)	**130,111**	**1,340,604**	**72,830**	**–**	**29**	**1,543,574**
Unallocated assets (unaudited)						**148,136**
						1,691,710
Segment liabilities (unaudited)	**(206,549)**	**(224,623)**	**–**	**–**	**–**	**(431,172)**
Unallocated liabilities (unaudited)						**(691,976)**
						(1,123,148)
As at 31 December 2025						
Segment assets (audited)	168,827	1,297,249	74,798	–	27	1,540,901
Unallocated assets (audited)						158,672
						1,699,573
Segment liabilities (audited)	(222,659)	(202,808)	–	–	–	(425,467)
Unallocated liabilities (audited)						(695,658)
						(1,121,125)

7. INCOME TAX CREDIT

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax		
– Enterprise Income Tax in the People's Republic of China (the "PRC")	**–**	–
– Land Appreciation Tax ("LAT") in the PRC	**(502)**	(1,778)
Deferred tax	**3,278**	24,871
	2,776	23,093

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land costs, borrowing costs, business taxes and all property development expenditures. LAT is recognised as an income tax expense. LAT paid is a deductible expense for PRC enterprise income tax purposes.

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the Group's income neither arises, nor is derived, from Hong Kong in both interim periods. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

8. LOSS FOR THE PERIOD

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Amortisation of intangible assets	**392**	370
Depreciation of property, plant and equipment	**7,714**	7,303
Depreciation of right-of-use assets	**280**	306
Staff costs (including directors' remuneration):		
– salaries, bonuses and allowances	**8,117**	8,056
– retirement benefits scheme contributions	**403**	435
	8,520	8,491
Gain on disposal of a subsidiary*	**–**	(60,637)
Fair value loss on investment properties*	**12,720**	92,179
Impairment loss of properties for sale*	**–**	12,676

* These amounts were included in the "other gains and losses".

9. LOSS PER SHARE

Basic loss per share

Basic loss per share is calculated based on the loss for the period attributable to the owners of the Company of approximately HK$22,358,000 (six months ended 30 June 2025: HK$6,099,000) and on the weighted average number of approximately 20,709,308 ordinary shares (six months ended 30 June 2025: 12,247,770 ordinary shares).

Diluted earnings per share

No diluted loss per share for the six months ended 30 June 2026 and 2025 are presented as the effect of convertible bonds is anti-dilutive.

10. DIVIDENDS

No dividend was paid, declared or proposed during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, no property, plant and equipment was acquired by the Group (six months ended 30 June 2025: HK$133,000). No property, plant and equipment were disposed of by the Group during the period (six months ended 30 June 2025: nil).

12. TRADE RECEIVABLES

The aging analysis of trade receivables as at the reporting date, based on the date of recognition of the sales of properties and commodities, is as follows:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 - 90 days	**288**	546
91 -180 days	**359**	78
181 - 365 days	**1**	92
Over 365 days	**2,163**	2,017
	2,811	2,733

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the ageing. The expected credit losses also incorporate forward looking information.

As part of the Group's credit risk management, the Group applies internal credit rating for its customers in relation to property development and investment operation. The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis within lifetime ECL (not credit impaired). Debtors with significant outstanding balances with gross carrying amounts of HK$5,493,000 as at 30 June 2026 (31 December 2025: HK$5,399,000) were assessed individually.

Gross carrying amount

	30 June 2026		31 December 2025	
	Average loss rate	**Trade receivables**	Average loss rate	Trade receivables
		HK$'000		*HK$'000*
Internal credit rating				
Category A: Low risk	**2.35%**	**2,828**	2.36%	2,741
Category B: Watch list	**3.86%**	**52**	3.86%	59
Category C: Doubtful	**100.00%**	**2,613**	100.00%	2,599
		5,493		5,399

13. TRADE AND OTHER PAYABLES

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables to building contractors	**9,636**	9,781
Accruals of cost for contract works	**4,286**	4,144
Deferred income	**15,130**	15,294
Accrued salaries and other operating expenses	**11,742**	12,305
Accrued interest expense	**21,498**	18,985
Contract liabilities	**29,674**	26,437
Rental deposits received from tenants	**4,137**	4,266
Amounts payable on return of properties	**1,472**	1,420
Provision for compensation of legal cases *(Note 18 (iii))*	**37,704**	35,798
Other tax payables	**2,160**	1,180
Other payables	**20,936**	32,049
	158,375	161,659

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

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 90 days	**334**	8,852
91 to 180 days	**–**	–
181 – 365 days	**8,300**	–
Over 365 days	**1,002**	929
	9,636	9,781

14. SHARE CAPITAL

	Number of Shares	**Amount**
	(in thousand)	*HK$'000*
Authorised:		
Ordinary shares of HK$0.20		
At 31 December 2025 & 30 June 2026	2,500,000	500,000
Issued and fully paid:		
Ordinary shares of HK$0.20 (at 31 December 2025: HK$0.20, audited) each		
At 1 January 2025 (audited)	12,248	2,449
Conversion of convertible bonds	8,462	1,692
At 31 December 2025 (audited) & 30 June 2026 (unaudited)	20,710	4,141

Reference is made to the Company's announcement (the "Announcement") dated 15 September 2025. Capitalised terms used herein shall have the same meanings as those defined in the Announcement. On 15 September 2025, the Company received a conversion notice from Ms. Tsang in respect of the exercise of the Conversion Rights to convert a principal amount of HK$22,000,000 of the outstanding Convertible Bond at the Conversion Price of HK$2.6 each. The Company allotted and issued 8,461,538 Conversion Shares to Ms. Tsang on 16 September 2025.

15. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions with its related parties during six months ended 30 June 2026.

(a) During the six months ended 30 June 2026, salaries and allowance of HK$330,000 (six months ended 30 June 2025: HK$329,000) and HK$300,000 (six months ended 30 June 2025: HK$299,000) were paid to two substantial shareholders, Mr. Tsang Yee and Ms. Tsang Tsz Nok, respectively.

(b) During the six months ended 30 June 2026, the remuneration of the directors of the Group amounted to HK$1,019,000 (six months ended 30 June 2025: HK$1,032,000).

(c) During the six months ended 30 June 2026, rental expenses of HK$292,000 (six months ended 30 June 2025: HK$282,000) was paid to a company controlled by a substantial shareholder, Ms. Tsang Tsz Nok Aleen.

16. COMMITMENTS

	30 June 2026 ***HK$'000*** **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Contracted but not provided for investment properties and properties for sale under development	–	750

17. EVENTS AFTER THE REPORTING PERIOD

The Group does not have any material subsequent event after the Reporting Period and up to the date of this announcement.

18. LITIGATIONS AND CONTINGENT LIABILITIES

Save as disclosed below, as at the date of this announcement, neither the Company nor any of its subsidiaries was engaged in any material litigation or claims and, so far as the Directors were aware, no material litigation or claims were pending or threatened by or against any companies of the Group which would likely have adverse effect to the Group:

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

   The Company upon legal advice opposes the plaintiff's application and has filed its affirmation in opposition and the Plaintiff has paid into Court security for costs of the Defendants. The trial date of these proceedings has not been fixed yet.

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

ii) Under the winding up procedure of Zhejiang Beishen Wen Lu Development Company Limited ("Zhejiang Beishen"), Xingfu Jiari Hotel Management (Shenzhen) Company Limited ("Xingfu Jiari"), a subsidiary of the Company as one of the creditors has still been awaiting further distribution of Zhejiang Beishen's assets, if any.

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

iii) Under the judgment of the case No.(2023) Zhe 0111 Min Chu No.910, the administrators of Zhejiang Beishen mentioned in paragraph ii) hereinbefore had obtained judgment and order for execution of judgment to execute the assets of RMB30,194,804 against Grand Field Property Development (Shenzhen) Limited ("GF Property Shenzhen"), a subsidiary of the Company and others for collateral liabilities of the unpaid share capital by Ningbo Heshan being registered capital plus the interest incurred thereon. There have been no assets of GF Property Shenzhen being executed.

The Company made further provision for the accrued interest of approximately RMB542,000 (equivalent to approximately HKD599,000) to the condensed consolidated statement of profit or loss for the six months ended 30 June 2026.

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

iv) G & H International Supply Chain (Shenzhen) Limited, a wholly subsidiary of the Company (the "Subsidiary") was alleged to have been defrauded by the Business Partner through a series of fictitious transactions. Report has been made to the PRC Police who has accepted for criminal investigation but no further information and/or legal documents in respect thereof has been received by the Company. The Company may also seek damages against the Business Partner and/or the relevant persons by civil action in due course.

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

MANAGEMENT DISCUSSION AND ANALYSIS

1. Business Review and Prospect

During the first half of 2026, the real estate market in Mainland China continued to operate at a relatively low level, with a slow recovery in demand. In the face of a complex and evolving external environment, the Group adhered to our operating approach of "seeking progress while maintaining stability and refinement". Leveraging our demonstrated capabilities on project operation and differentiated market strategies, the Group maintained steady performance across the key performance indicators and continued to outperform the broader market.

(I) Property Sales: Digital Empowerment and Realisation of Core Asset Value

The Group continued to focus on the Shenzhen Mix Park project and capitalised on the advantages of the "integrated online and offline omni-channel marketing" strategy to consolidate our leading market position.

Strategy enhancement: The Group continued to promote the value proposition of "adjacency to Luohu North High-Speed Railway Station + stable rental returns", with a view to precisely addressing investors' demand for asset security and liquidity. During the first half of the year, the pace of property sales remained at a reasonable level, while the average transacted selling price remained resilient.

Channel optimisation: Building on the high base in 2025, the Group further optimised the operation of the private domain traffic to reduce customer acquisition costs. Our short-form video marketing network continued to gain traction, with cumulative exposure recording steady growth, and the conversion efficiency of online enquiries improved improving compared to the same period of last year.

(II) Property Leasing and Operations: Dual Growth Drivers of "Property + Services"

The Group continued to advance the refined operation of the investment properties, with a view to establishing a high-quality close-loop asset management system.

1. Hotel Business: Digital Transformation Leading the Regional Market

During the first half of the year, the hotel segment fully benefited from the implementation of intelligent management systems and deep-cultivation strategy for online channels, achieving dual breakthroughs in terms of both operational efficiency and market share.

Leading position in online channels: Through the deep integration of our proprietary platform with mainstream booking channels, the Group's hotel business consistently ranked first in the regional market in respect of online booking rates from January to June, 2026.

Stable operating performance: The average occupancy rate remained stable at approximately 85%, significantly above the industry average. Leveraging smart guest rooms and Internet of Things (IoT) devices, customer satisfaction remained at a high level of 92%, while the repeat booking rate saw significant growth.

2. Commercial Leasing: Increasing Footfall Driven by Leading Brands

The commercial operations of the Group's projects in Shenzhen and Xuzhou continued to improve.

With the flourishing operations of the large-scale supermarket "Chao Ai Jia" and a multitude of regional debut brands, the projects have become the hubs for consumption and accommodation in the respective regions with a significant recovery in footfall. The Group is actively seeking to unlock the value of our remaining property inventory, laying the foundation for subsequent property sales.

Brand portfolio: The Group continued to introduce high-quality tenants, optimize the tenant and trade mix, and enhance the overall rental level of the shopping malls.

(III) Risks and Uncertainties

A slower-than-expected macroeconomic recovery may weigh on the pricing of the property sales.

Intensifying competitions in the regional markets may/could potentially result in higher marketing and operational costs.

(IV) Future Outlook

Looking ahead to the second half of 2026, the Group will continue to adopt a cautiously optimistic approach, and seek resilient and sustainable growth amid market volatility:

Unlocking the value of existing assets: The Group will accelerate the sale of the remaining properties at Shenzhen Junhao Mix Park and Xuzhou Jingangwan Plaza, further enhance the economies of scale of the digital marketing initiatives, and accelerate capital recovery.

The Group is confident that by leveraging our clear strategic positioning and efficient execution capabilities, we will maintain our competitive advantages amid a challenging market environment and generate stable long-term returns for our shareholders.

2. Financial Review

During the six months ended 30 June 2026 (the "Reporting Period"), the Group's revenue amounted to approximately HK$60,882,000 (six months ended 30 June 2025: approximately HK$148,849,000), representing a 59.1% decrease when compared with that of the same period last year. The revenue for the Reporting Period was mainly attributed to the rental income, sale of commercial apartments and offices in Shenzhen, which were accounted for 19% and 71% respectively of the total revenue for the Reporting Period. In contrast, contributions from hotel operation income, properties management services were minimal, which represented approximately 6% and 5% respectively.

During the Reporting Period, the Group recorded a loss attributable to owners of the Company of approximately HK$22,358,000 (six months ended 30 June 2025: loss of approximately HK$6,099,000). The increase in loss of the Reporting Period was primarily attributable to the combined effects of the following factors:

(i) the absence of the one-off gain on disposal of a subsidiary (namely Ka Fong Industrial Company Limited) of approximately HK$60.6 million which was recognised in 1H 2025; and

(ii) a decrease in the Group's revenue by approximately 60% to approximately HK$60.9 million in 1H 2026 when compared with approximately HK$148.8 million 1H 2025, which was mainly due to the decline in revenue from sales of properties amid the challenging macroeconomic environment and slow demand recovery in the real estate market in the PRC;

The aforesaid negative impacts were partially offset by:

(a) a significant reduction in the recognition of fair value loss on investment properties by approximately 86% when compared with a fair loss of approximately HK$92.2 million in 1H 2025;

(b) improvement in gross profit margin of approximately 8% in 1H 2025 to approximately 24% in 1H 2026, as a result of the high-basis cost of the properties sold in 1H 2025, in contrast to the lower marked-to-market cost of the properties sold in 1H 2026;

(c) the absence of impairment loss on properties for sale (1H 2025: approximately HK$12.7 million); and

(d) an overall decrease in selling, distribution, and administrative expenses by approximately 40% to approximately HK$22.9 million in 1H 2026 when compared with approximately HK$38.2 million 1H 2025 as a result of the decrease in revenue and the Group's continuous efforts in optimising its cost structure and enhancing operational efficiency.

3. Liquidity and Financial Resources

As at 30 June 2026, the Group's cash and cash equivalents were approximately HK$18,093,000 (31 December 2025: approximately HK$25,090,000) of which most were denominated in Hong Kong dollar ("HK$") and Renminbi ("RMB").

As at 30 June 2026, the Group recorded total current assets of approximately HK$199,907,000 (31 December 2025: approximately HK$241,023,000) and total current liabilities of approximately HK$733,576,000 (31 December 2025: approximately HK$719,044,000). As at 30 June 2026, the Group recorded total assets of approximately HK$1,691,710,000 (31 December 2025: approximately HK$1,699,573,000) and the Group's total interest-bearing borrowings amounted to approximately HK$466,986,000 (31 December 2025: approximately HK$480,888,000), of which approximately HK$285,422,000 (31 December 2025: approximately HK$281,309,000) was repayable within one year, approximately HK$16,169,000 (31 December 2025: approximately HK$14,599,000) was repayable within a period of more than one year but not exceeding two years, approximately HK$165,395,000 (31 December 2025: approximately HK$184,980,000) was repayable within a period of more than two years but not exceeding five years.

As at 30 June 2026, interest-bearing borrowings of the Group amounted to approximately HK$466,986,000 (31 December 2025: approximately HK$480,888,000) are denominated in RMB and such borrowings carried interest at fixed rates of 4.35% to 12% per annum (31 December 2025: 4.35% to 12% per annum).

As at 30 June 2026, there are no borrowings denominated in HK$ (31 December 2025: Nil).

As at 30 June 2026, the Group's gearing ratio, which was defined to be interest-bearing borrowings over shareholders' equity, was approximately 288% (31 December 2025: approximately 275%).

4. Share Capital

	Number of shares	Amount
		HK$'000
Authorised:		
Ordinary shares of HK$0.2 each		
At the end of Reporting Period	2,500,000,000	500,000
Issued and fully paid:		
Ordinary shares of HK$0.2 each		
At the end of Reporting Period	20,709,308	4,141

5. Exchange Risk

The Group's major operations are located in the PRC and the main operational currencies are HK$ and RMB. The Group currently does not have a foreign currency hedging policy in respect of foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

6. Treasury Policies

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

7. Charge on Group Assets

As at 30 June 2026, certain properties (31 December 2025: properties) situated in Shenzhen owned by Shenzhen Zongke Real Estate Co., Ltd, Shenzhen Grand Field Commercial Management Company Limited, G&H International Supply Chain (Shenzhen) Limited and Xingfu Jiari Hotel Management (Shenzhen) Company Limited were pledged for several bank loans with principal amounts of approximately RMB341,122,000 (31 December 2025: RMB377,091,000), which is equivalent to approximately HK$393,962,000 (31 December 2025: HK$420,230,000).

8. Segment Information

The details of segment information are set out in note 6 of notes to the condensed consolidated financial statements of this announcement.

9. Capital Commitment

The Group had the following material commitments as at 30 June 2026:

	30 June 2026 *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Investment properties and properties for sale under development	**–**	750

10. Employees

As at 30 June 2026, the Group employed 105 employees (31 December 2025: 107) and appointed same Directors (31 December 2025: 7) and the related staff costs for the Reporting Period amounted to approximately HK$8,250,000 (six months ended 30 June 2025: approximately HK$8,491,000) representing a 0.3% increase when compared with that of the same period last year. The increase in staff costs was mainly due to appreciation of Renminbi during the Reporting Period. The Group's emolument policies are formulated such that the emoluments are made by reference to the performance of individual employees and will be reviewed every year. Apart from basic salary and statutory provident fund scheme, employees will also be offered discretionary bonus based on the results of the Group and their individual performance.

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

There were neither significant investments held as at 30 June 2026 nor material acquisitions and disposals of subsidiaries during the Reporting Period.

In 2026, the Company will continue to make intensive efforts to expand its existing business and explore other business opportunities and try to seek opportunities actively to promote diversified business development. The Company will be continuing its effort in mergers and acquisitions deals as a way to expand into new markets and gain additional revenue streams apart from the real estate development. Bearing any further unforeseen material adverse external developments, the Company will continue to adhere to these principles in 2026 and is cautiously optimistic about the Group's further prospects.

12. Contingent Liabilities

The details of the information of the Group's contingent liabilities are set out in note 18 of notes to the condensed consolidated financial statements of this announcement.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Reporting Period (six months ended 30 June 2025: Nil).

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

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

CORPORATE GOVERNANCE

The Company is committed to the establishment of good corporate governance practices and procedures. The Company has complied with all the code provisions as set out in part 2 of the Corporate Governance Code to the Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "CG Code") (the "Listing Rules") during the Reporting Period except for the deviation as disclosed below:

Code Provision C.2.1

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

During the Reporting Period, the role of the chairman of the Company was performed by Mr. Ma Xuemian but the office of the chief executive officer of the Company has been vacated. Given all major decisions are reserved to the Board, the Company considers that there is an adequate balance of power and authority in place between the Board and the management of the Company. However, the Board will keep reviewing the current structure of the Board from time to time and should candidate with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the post as appropriate.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code. Having made specific enquiry to all Directors, the Company was not aware of any non-compliance with the required standard in the Model Code for dealing in securities of the Company during the Reporting Period.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established on 4 August 1999 with written terms of reference with the requirement stipulated in the CG Code. The latest terms of reference of the Audit Committee were adopted on 1 January 2019 and are available on the Stock Exchange's and the Company's websites.

During the Reporting Period and as at the date of this announcement, the Audit Committee has the following members:

Independent Non-executive Directors

Mr. Tsui Matthew Mo Kan *(Chairman)*
Mr. Hui Pui Wai Kimber
Mr. Liu Chaodong

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

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and has discussed the financial reporting matters including the review of the unaudited interim financial results for the Reporting Period.

EVENTS AFTER THE REPORTING PERIOD

The Group does not have any material subsequent event after the Reporting Period and up to the date of this announcement.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

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

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

Hong Kong, 28 August 2026

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 Charmaine and Ms. Kwok Siu Wa Alison; and three independent non-executive Directors, namely, Mr. Hui Pui Wai Kimber, Mr. Liu Chaodong and Mr. Tsui Matthew Mo Kan.