



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)

Forward *the Direction*

Interim Report 2021

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CORPORATE INFORMATION

Executive Directors

Mr. Ma Xuemian (*Chairman*)
Mr. Kwok Siu Bun
Ms. Chow Kwai Wa Charmaine
Ms. Kwok Siu Wa Alison

Independent Non-executive Directors

Mr. Hui Pui Wai Kimber
Mr. Liu Chaodong
Mr. Tsui Matthew Mo Kan

Company Secretary

Ms. Lam Yuen Ling Eva

Audit Committee

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

Remuneration Committee

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

Nomination Committee

Mr. Liu Chaodong (*Chairman*)
Mr. Ma Xuemian
Mr. Tsui Matthew Mo Kan

Corporate Governance Committee

Mr. Ma Xuemian (*Chairman*)
Mr. Liu Chaodong
Mr. Tsui Matthew Mo Kan

Authorised Representatives

Ms. Chow Kwai Wa Charmaine
Ms. Kwok Siu Wa Alison

Registered Office in Bermuda

Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda

Head Office and Principal Place of Business

Unit 1004B, 10/F,
Tower 5, China Hong Kong City,
33 Canton Road, Tsim Sha Tsui,
Kowloon, Hong Kong

Legal Adviser on Bermuda Law

Conyers Dill & Pearman
2901 One Exchange Square,
8 Connaught Place,
Hong Kong

Legal Adviser on Hong Kong Law

Simon Ho & Co. Solicitors
Room 1502, 15th Floor,
Hong Kong Trade Centre,
161-167 Des Voeux Road Central,
Hong Kong

Auditor

ZHONGHUI ANDA CPA Limited
Unit 701, 7/F., Citicorp Centre,
18 Whitfield Road,
Causeway Bay, Hong Kong

Share Registrar and Transfer Office in Bermuda

Conyers Corporate Services
(Bermuda) Limited
Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Secretaries Limited
Level 54, Hopewell Centre,
183 Queen's Road East,
Hong Kong

Principal Banker

The Bank of East Asia, Limited

Website

<http://www.gfghl.com>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2021

	Notes	Six months ended 30 June	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue	5	255,091	1,187
Cost of revenue		(124,336)	(344)
Gross profit		130,755	843
Interest revenue		733	759
Other income		63	161
Other gains and losses		706	–
Selling and distribution costs		(20,007)	(5,996)
Administrative expenses		(28,445)	(15,568)
Profit/(loss) from operations		83,805	(19,801)
Finance costs		(22,674)	(8,180)
Share of loss of an associate		–	(1,377)
Fair value gain/(loss) on convertible bonds through profit or loss	14	1,557	(54)
Profit/(loss) before tax		62,688	(29,412)
Income tax (expense)/credit	6	(40,662)	1,048
Profit/(loss) for the period	7	22,026	(28,364)
Attributable to:			
Owners of the Company		7,056	(19,637)
Non-controlling interests		14,970	(8,727)
		22,026	(28,364)
Earnings/(loss) per share	8		(restated)
Basic (HK cents per share)		2.9	(8.0)
Diluted (HK cents per share)		1.6	(8.0)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	Notes	Six months ended 30 June	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Profit/(loss) for the period	7	22,026	(28,364)
Other comprehensive income/(loss)			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Fair value loss on financial liabilities designated at fair value through profit or loss attributable to change in credit risk			
– reclassified to profit or loss		181	–
– current period		(3,320)	(2,876)
Exchange differences on translation of foreign operations		26,533	(46,400)
Total comprehensive income/(loss) for the period		45,420	(77,640)
Attributable to:			
Owners of the Company		20,546	(51,109)
Non-controlling interests		24,874	(26,531)
		45,420	(77,640)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Notes	30 June 2021 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	10	327,788	23,891
Investment properties		2,436,966	3,578,297
Intangible asset		12,791	13,082
Goodwill		36,773	36,773
Right-of-use assets		7,220	6,361
		2,821,538	3,658,404
Current assets			
Trade receivables	11	3,719	1,989
Properties for sale under development		1,144,953	271,276
Properties for sale		90,237	203,092
Other receivables, deposits and prepayments		97,589	85,823
Amount due from a director		450	656
Tax recoverable		92	91
Cash and cash equivalents		94,976	60,607
		1,432,016	623,534
Current liabilities			
Trade and other payables	12	508,260	479,180
Interest-bearing borrowings		582,730	632,698
Lease liabilities		523	208
Amounts due to directors	13	177	363
Convertible bonds	14	–	113,211
Tax payable		179,206	179,159
		1,270,896	1,404,819

	<i>Notes</i>	30 June 2021 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
Net current assets/(liabilities)		161,120	(781,285)
Total assets less current liabilities		2,982,658	2,877,119
Non-current liabilities			
Deferred tax liabilities		511,638	507,020
Convertible bonds	14	101,520	–
Interest-bearing borrowings		–	46,484
Lease liabilities		465	–
		613,623	553,504
NET ASSETS		2,369,035	2,323,615
Capital and reserves			
Share capital	15	2,449	244,955
Reserves		1,259,482	998,181
Equity attributable to owners of the Company		1,261,931	1,243,136
Non-controlling interests		1,107,104	1,080,479
TOTAL EQUITY		2,369,035	2,323,615

Approved by:

Chow Kwai Wa, Charmaine
Director

Kwok Siu Wa, Alison
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Attributable to owners of the Company						Total	Non-controlling interests	Total equity
	Share capital	Share premium account	Special reserve	Capital reserve	Exchange reserve	Retained earnings			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 January 2020 (audited)	244,955	435,694	(2,215)	230	2,546	450,109	1,131,319	958,281	2,089,600
Loss for the period (unaudited)	-	-	-	-	-	(19,637)	(19,637)	(8,727)	(28,364)
Other comprehensive loss for the period (unaudited)	-	-	-	(2,876)	(28,596)	-	(31,472)	(17,804)	(49,276)
Total comprehensive loss for the period (unaudited)	-	-	-	(2,876)	(28,596)	(19,637)	(51,109)	(26,531)	(77,640)
At 30 June 2020 (unaudited)	244,955	435,694	(2,215)	(2,646)	(26,050)	430,472	1,080,210	931,750	2,011,960
At 1 January 2021 (audited)	244,955	435,694	(2,215)	(181)	80,092	484,791	1,243,136	1,080,479	2,323,615
Profit for the period (unaudited)	-	-	-	-	-	7,056	7,056	14,970	22,026
Other comprehensive (loss)/income for the period (unaudited)	-	-	-	(3,139)	16,629	-	13,490	9,904	23,394
Total comprehensive (loss)/income for the period (unaudited)	-	-	-	(3,139)	16,629	7,056	20,546	24,874	45,420
Capital reduction (unaudited)	(242,506)	-	-	-	-	242,506	-	-	-
Purchase of non-controlling interests (unaudited)	-	-	-	-	-	(1,751)	(1,751)	1,751	-
At 30 June 2021 (unaudited)	2,449	435,694	(2,215)	(3,320)	96,721	732,602	1,261,931	1,107,104	2,369,035

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)
Net cash flows generated from operating activities	180,425	89,404
Cash flows from investing activities		
Additional costs on investment properties	(29,714)	(70,691)
Purchase of property, plant and equipment	(636)	(50)
Additional costs on right-of-use assets	(96)	–
Proceeds from disposal of property, plant and equipment	1	–
Net cash flows used in investing activities	(30,445)	(70,741)
Cash flows from financing activities		
Repayment of interest-bearing borrowings	(102,497)	(92,593)
Interests paid	(17,049)	(19,130)
New interest-bearing borrowings raised	–	22,205
Repayment of lease interests and liabilities	(309)	(310)
Net cash flows used in financing activities	(119,855)	(89,828)
Net increase/(decrease) in cash and cash equivalents	30,125	(71,165)
Effect of foreign exchange rate changes	4,244	(9,214)
Cash and cash equivalents at beginning of period	60,607	164,134
Cash and cash equivalents at end of period	94,976	83,755
Analysis of cash and cash equivalents		
Bank and cash balances	94,976	83,755

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

1. GENERAL INFORMATION

Grand Field Group Holdings Limited (the “Company”) is a company incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company in Hong Kong is located at Unit 1004B, 10th Floor, Tower 5, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

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

2. BASIS OF PREPARATION

These condensed 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 2020 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 2020.



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

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2021. 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 condensed consolidated financial statements and amounts reported for the current period and prior years.

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

4. FAIR VALUE MEASUREMENTS (Continued)

(a) Disclosures of level in fair value hierarchy:

As at 30 June 2021

	Level 1 <i>HK\$'000</i> (Unaudited)	Level 2 <i>HK\$'000</i> (Unaudited)	Level 3 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)
Recurring fair value measurements:				
Financial liabilities at fair value through profit or loss				
– Convertible bonds	–	101,520	–	101,520

As at 31 December 2020

	Level 1 <i>HK\$'000</i> (Audited)	Level 2 <i>HK\$'000</i> (Audited)	Level 3 <i>HK\$'000</i> (Audited)	2020 <i>HK\$'000</i> (Audited)
Recurring fair value measurements:				
Financial liabilities at fair value through profit or loss				
– Convertible bonds	–	113,211	–	113,211

4. FAIR VALUE MEASUREMENTS (Continued)

- (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	Fair value
			as at	as at
			30 June	31 December
			2021	2020
			HK\$'000	HK\$'000
			(Unaudited)	(Audited)
Convertible bonds	Binomial model	Share price, discount rate, volatility and conversion price	101,520	113,211

5. 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 property development, property investment and general trading.

5. SEGMENT REPORTING (Continued)

(a) Segment revenue and results

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

	Property development <i>HK\$'000</i> (Unaudited)	Property investment <i>HK\$'000</i> (Unaudited)	General trading <i>HK\$'000</i> (Unaudited)	Others <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
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Six months ended 30 June 2021

Revenue					
External sales	240,649	2,537	11,805	100	255,091
Segment result	108,582	2,412	574	(96)	111,472

Six months ended 30 June 2020

Revenue					
External sales	-	1,187	-	-	1,187
Segment result	-	843	-	-	843

	Six months ended 30 June	
	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)
Segment result	111,472	843
Unallocated income, gains and losses, net	1,502	920
Unallocated expenses	(29,169)	(21,564)
Profit/(loss) from operations	83,805	(19,801)
Finance costs	(22,674)	(8,180)
Share of loss of an associate	-	(1,377)
Fair value gain/(loss) on convertible bonds	1,557	(54)
Profit/(loss) before tax	62,688	(29,412)
Income tax (expense)/credit	(40,662)	1,048
Profit/(loss) for the period	22,026	(28,364)

5. SEGMENT REPORTING (Continued)

(b) Segment assets and liabilities

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 30 June 2021					
Segment assets (unaudited)	1,241,929	2,648,629	1,734	-	3,892,292
Segment liabilities (unaudited)	(381,814)	(511,639)	-	-	(893,453)
As at 31 December 2020					
Segment assets (audited)	480,253	3,578,297	-	-	4,058,550
Segment liabilities (audited)	(275,245)	(507,020)	-	-	(782,265)

6. INCOME TAX (EXPENSE)/CREDIT

	Six months ended 30 June	
	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)
Current tax		
– Enterprise Income Tax in the People's Republic of China (the "PRC")	(11,482)	-
– Land Appreciation Tax ("LAT") in the PRC	(29,283)	-
Deferred tax	103	1,048
	(40,662)	1,048

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.

6. INCOME TAX (EXPENSE)/CREDIT (Continued)

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.

7. PROFIT/(LOSS) FOR THE PERIOD

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

	Six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Amortisation of intangible assets	412	381
Depreciation of property, plant and equipment	3,577	651
Depreciation of right-of-use assets	373	375
Staff costs (including directors' remuneration):		
– salaries, bonuses and allowances	6,486	3,931
– retirement benefits scheme contributions	434	191
	6,920	4,122

8. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

Basic earnings (six months ended 30 June 2020: loss) per share is calculated based on the profit (six months ended 30 June 2020: loss) for the period attributable to the owners of the Company of approximately HK\$7,056,000 (six months ended 30 June 2020: HK\$19,637,000) and on the weighted average number of approximately 244,955,000 ordinary shares (six months ended 30 June 2020: 244,955,000 ordinary shares, adjusted). The weighted average number of ordinary shares for six months ended 30 June 2020 are adjusted to reflect the share consolidation in respect of the capital of the Company in January 2021 as disclosed in note 15 to the condensed consolidated financial statements.

Diluted earnings per share

The calculation of diluted earnings per share for the six months ended 30 June 2021 based on the profit for the period attributable to the owners of the Company of approximately HK\$5,499,000 and on the weighted average number of approximately 334,516,000 ordinary shares, is calculated as follows:

	Six months ended 30 June 2021 HK\$'000 (Unaudited)
Earnings	
Earnings for the purpose of calculating basic earnings per share	7,056
Fair value gain on conversion of convertible bonds through profit or loss	(1,557)
Earnings for the purpose of calculating diluted earnings per share	5,499

8. EARNINGS/(LOSS) PER SHARE (Continued)

Diluted earnings per share (Continued)

	30 June 2021 '000 (Unaudited)
Number of shares	
Weighted average number of ordinary shares	244,955
Effect of deemed issue of shares upon conversion of convertible bonds	89,561
	<hr/> 334,516

The effect of convertible bonds is anti-dilutive during the six months ended 30 June 2020.

9. DIVIDENDS

No dividend was paid, declared or proposed during the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, property, plant and equipment of approximately HK\$636,000 was acquired by the Group (six months ended 30 June 2020: HK\$50,000). Properties of approximately HK\$305,832,000 were transferred from investment properties and properties for sale under development.

11. 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 2021 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
0 – 30 days	1,724	–
Over 365 days	1,995	1,989
	3,719	1,989

12. TRADE AND OTHER PAYABLES

	30 June 2021 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
Trade payables to building contractors	1,076	1,058
Accruals of cost for contract works	189,279	243,367
Deferred income	23,264	23,793
Accrued salaries and other operating expenses	15,793	17,153
Accrued interest expense	21,551	18,962
Contract liabilities	202,767	96,244
Rental deposits received from investment properties	3,938	1,897
Advanced receipts of rental income and management fee from tenants	1,279	625
Amounts payable on return of properties	6,141	6,084
Other tax payables	–	33,259
Other payables	43,172	36,738
	508,260	479,180

12. TRADE AND OTHER PAYABLES (Continued)

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 2021 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
Over 360 days	1,076	1,058

13. AMOUNTS DUE TO DIRECTORS

Amounts due to directors are unsecured, interest free and repayable on demand.

14. CONVERTIBLE BONDS

References are made to the Company's announcements dated 16 November 2018, 22 January 2019 and 22 February 2019. On 22 February 2019, the Company issued convertible bonds with principal amount of HK\$112,320,000 (the "Convertible Bond") to settle the outstanding loan balances of HK\$112,320,000 owing by the Group to Mr. Tsang Wai Lun Wayland and Ms. Tsang Tsz Nok Aleen. The Convertible Bond were denominated in HK\$, carry interest rate of 3% per annum and were matured on 21 February 2021. The conversion price of the Convertible Bond is HK\$0.123 per ordinary share of the Company and a total of 913,170,731 new ordinary shares of the Company would be issued upon conversion of the Convertible Bond.

References are made to the Company's circular (the "Circular") dated 14 December 2020 and the Company's announcements dated 21 January 2021 and 21 February 2021. Capitalised terms used herein shall have the same meanings as those defined in the Circular. On 21 February 2021, New Convertible Bond with the principal amount of HK\$99,757,011 were issued to settle the existing Convertible Bond after netting off the Deemed Settlement Amount of HK\$12,562,989. The New Convertible Bond are denominated in HK\$, carry interest rate of 5% per annum and will be matured in 18 months from date of issue. The conversion price of the New Convertible Bond is HK\$0.8 per New Share of the Company and approximately 124,696,000 New Shares will be issued upon full conversion of the New Convertible Bond.

14. CONVERTIBLE BONDS (Continued)

The New Convertible Bond are measured as financial liabilities at fair value through profit or loss and are subsequently measured at fair value. Gains or losses arising from changes in fair value of these financial liabilities are recognised in profit or loss.

The movements of the Group's Convertible Bond are as follows:

	<i>HK\$'000</i>
Fair value of Convertible Bond as at 1 January 2020 (audited)	108,046
Fair value loss on Convertible Bond through profit or loss (audited)	4,754
Fair value loss on financial liabilities designated at fair value through profit or loss attributable to change in credit risk (audited)	411
	<hr/>
Fair value as at 31 December 2020 (audited)	113,211
Settlement of Convertible Bond (unaudited)	(112,320)
Gain on settlement of Convertible Bond (unaudited)	(891)
	<hr/>
Fair value as at 21 February 2021 (unaudited)	–

The movements of the Group's New Convertible Bond are as follows:

	<i>HK\$'000</i> (Unaudited)
At inception date	99,757
Fair value gain on the New Convertible Bond through profit or loss	(1,557)
Fair value loss on financial liabilities designated at fair value through profit or loss attributable to change in credit risk	3,320
	<hr/>
Fair value as at 30 June 2021	101,520

The amount of change in the fair value of the financial liability that was attributable to changes in the credit risk of that liability is recognised in other comprehensive income.

15. SHARE CAPITAL

	30 June 2021 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
Authorised:		
50,000,000,000 ordinary shares of HK\$0.01 each (31 December 2020: 5,000,000,000 ordinary shares of HK\$0.1 each)	500,000	500,000
	Number of shares '000	Amount HK\$'000
Issued and fully paid:		
At 1 January 2020, 31 December 2020 and 1 January 2021 (ordinary shares of HK\$0.1 each)	2,449,554	244,955
Share consolidation	(2,204,599)	–
Capital reduction	–	(242,506)
At 30 June 2021 (ordinary shares of HK\$0.01 each)	244,955	2,449

Reference is made to the Company's circular (the "Circular") dated 14 December 2020. Capitalised terms used herein shall have the same meanings as those defined in the Circular. On 17 November 2020, the Board proposed to implement the Capital Reorganisation involving (1) Share Consolidation of every ten issued and unissued Existing Shares of par value of HK\$0.10 each into one Consolidated Share of par value of HK\$1.00 each; (2) Capital Reduction of the par value of each issued Consolidated Share from HK\$1.00 each to HK\$0.01 each; (3) Share Subdivision of each authorised but unissued Consolidated Share of par value of HK\$1.00 each in the authorised share capital into 100 New Shares of par value of HK\$0.01 each; and (4) the transfer of the credit arising from the Capital Reduction to the contributed surplus account of the Company within the meaning of the Companies Act. The Capital Reorganisation was completed on 25 January 2021.

16. LITIGATIONS AND CONTINGENT LIABILITIES

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

16. LITIGATIONS AND CONTINGENT LIABILITIES (Continued)

- ii) Under the case no. (2017) Yue 1973 Min Chu no.5565, Chen Huan Chi claims against Dongguan City Zhangmutou Properties Development Limited, Ka Fong company Limited and Grand Field Group Limited, the latter two companies being the subsidiaries of the Company for the dispute over the construction agreements. It was decided that the Defendants had to pay the Plaintiff a total sum of RMB15,480,436.01 and accrued interest. The Defendants appealed to the Dongguan City Intermediate Court under the case (2021) Yu 19 Min Zong No.6899 and the decision has yet to be delivered.

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

- iii) Under the case (2019) Yue 1973 Min Chu no. 16767, Chen Huan Chi claims against Ka Fong company Limited, Shing Fat Hong Limited, Shing Fat Hong and Grand Field Group Limited all being the subsidiaries of the Company and Chen Huan Jiang, Dongguan City Zhangmutou Properties Development Limited, Guangxi Jian Gong Holding 3rd Building Construction Limited in respect of disputes over construction agreement for the claimed amount for RMB5,189,100. This case was accepted by the Court on 11th November, 2019 and was heard on 22nd December, 2020 but the decision has yet to be delivered.

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



16. LITIGATIONS AND CONTINGENT LIABILITIES (Continued)

- iv) Under the case (2021) Yu 0307 Min Chu No.4344, Shenzhen Hong Teng Technology Company Limited (深圳紅騰科技有限公司) (“Shenzhen Hong Teng”) sued Shenzhen Zongke Real Estate Co., Ltd. (深圳棕科置業有限公司) (“Shenzhen Zongke”), a subsidiary of the Group in respect of the dispute over the confirmation of identification of shareholders. The claim is for the amount of RMB2,251,200 and was dismissed on 22nd April, 2021 by the People’s Court of Longgong District of Shenzhen City. However, Shenzhen Hong Teng appealed to the Shenzhen City Intermediate People’s Court on 8th June, 2021 and the result thereof has yet to be delivered.

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

- v) Under the case (2021) Yu 0307 Min Chu No.22137, Shen Zhen Geology & Construction Company (深圳市地質建設工程公司) sued Shenzhen Zongke for the dispute regarding a construction contract at People’s Court of Longgong District, Shenzhen City. The amount claimed is RMB5,752,462.66. The judgment has not been delivered yet.

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

16. LITIGATIONS AND CONTINGENT LIABILITIES (Continued)

- vi) There are claims against Guojin Property Development Limited, a subsidiary company wholly owned by the Company (“Guojin”) and its contractor Xu Zhou Chiang Chu Constructions Limited (“Chiang Chu”) and/or requests by the Court to Guojin for assistance in execution in respect of the dispute under construction works contract(s) for Xuzhou Project Properties Development Project (“Xuzhou Project”). Some of these cases have been settled and it is expected the rest will be settled shortly. As the Group has reached an amicable agreement with Chiang Chu about the amount of fee outstanding and payable to it regarding XuZhou Project pending the court’s decision as to whether the respective amounts should be paid to Chiang Chu or the relevant claimants.

In the opinion of the Directors, the said cases have no material impact on the operations of the Group nor have financial impact on the Group.





MANAGEMENT DISCUSSION AND ANALYSIS

1. Business Review and Prospect

In 2020, notwithstanding the impact of Covid-19 pandemic and the global economic downturn, the completion certificate and the title certificates of Shenzhen Zongke Mix Park project (the “Project”) of the Group have been issued and the respective units of the residential part of the Project have been delivered to the respective owners and are highly acclaimed.

After the Group’s resumption of works after the lock-down due to the pandemic, we have placed the commercial part of the Project for rent in the beginning of 2021 and have signed with various enterprises the memorandums of intention for rent. The shopping centre, serviced apartments and offices will be officially in service and in operation and will bring to the Group with long-term rental income and cash flows.

Moreover, the management team of the Group is positively putting vacant units of the Project up for rent and searching for new opportunities to acquire projects in order to optimise the Group’s combination of assets as well as improving the rental income.

Although there are various uncertainties in the global capital market, the Group is optimistic about the economy and market in China and will invest cautiously in order to keep down the operational costs and lower the Group’s debt ratio and the impact from the global uncertainties.

2. Financial Review

During the six months ended 30 June 2021 (the “Reporting Period”), the Group’s revenue amounted to approximately HK\$255,091,000 (six months ended 30 June 2020: approximately HK\$1,187,000), representing a 21,390% increase when compared with that of the same period last year. The Group’s revenue was mainly generated from sale of Shenzhen Zongke residential units.



During the Reporting Period, the Group recorded a profit attributable to owners of the Company of approximately HK\$7,056,000 (six months ended 30 June 2020: loss of approximately HK\$19,637,000). The improvement of the result of the Reporting Period was mainly attributed to more profit recorded from the sales of Shenzhen Zongke residential units.

3. Liquidity and Financial Resources

As at 30 June 2021, the Group's cash and cash equivalents were approximately HK\$94,976,000 (31 December 2020: approximately HK\$60,607,000) of which most were denominated in Hong Kong dollar ("HK\$") and Renminbi ("RMB").

As at 30 June 2021, the Group recorded total current assets of approximately HK\$1,432,016,000 (31 December 2020: approximately HK\$623,534,000) and total current liabilities of approximately HK\$1,270,896,000 (31 December 2020: approximately HK\$1,404,819,000). As at 30 June 2021, the Group recorded total assets of approximately HK\$4,253,544,000 (31 December 2020: approximately HK\$4,281,938,000) and the Group's total interest-bearing borrowings amounted to approximately HK\$582,730,000 (31 December 2020: approximately HK\$679,182,000), of which approximately HK\$582,730,000 (31 December 2020: approximately HK\$632,698,000) are repayable within one year.



As at 30 June 2021, interest-bearing borrowings of the Group amounted to approximately HK\$582,730,000 (31 December 2020: approximately HK\$679,182,000) are denominated in RMB and such borrowings carried interest at fixed rates of 5.66% to 15% per annum (31 December 2020: 5.66% to 15% per annum).

As at 30 June 2021, the Group's gearing ratio, which was defined to be interest-bearing borrowings over shareholders' equity, was approximately 46% (31 December 2020: approximately 55%).

4. Share Capital

	Number of shares	Amount HK\$'000
<i>Authorised:</i>		
Ordinary shares of HK\$0.01 each		
At the end of Reporting Period	50,000,000,000	500,000
<i>Issued and fully paid:</i>		
Ordinary shares of HK\$0.01 each		
At the end of Reporting Period	244,955,413	2,449

On 21 January 2021, a special resolution was passed at the special general meeting, approving the capital reorganisation by which the issued share capital of the Company was reduced to HK\$2,449,554.13 divided into 244,955,413 shares of par value of HK\$0.01 each with effect from 25 January 2021.

For details of the capital reorganisation, please refer to the announcements of the Company dated 17 November 2020 and 21 January 2021, the circular of the Company dated 14 December 2020 and the next day disclosure return of the Company dated 25 January 2021.

On 17 November 2020 (after trading hours of the Stock Exchange), the Company entered into the conditional subscription agreement dated 17 November 2020 (the "Subscription Agreement") with Ms. Tsang Tsz Nok Aleen, a substantial shareholder of the Company, pursuant to which the Company conditionally agreed to issue and Ms. Tsang Tsz Nok Aleen conditionally agreed to subscribe for the 5% coupon convertible bond with a 18 months term to be subscribed by Ms. Tsang Tsz Nok Aleen under the Subscription Agreement (the "New Convertible Bond") (the "Subscription").

Based on (i) the outstanding principal amount of the 3% coupon convertible bond due on 21 February 2021 issued by the Company to Ms. Tsang Tsz Nok Aleen (the "Old Convertible Bond") of HK\$112,320,000 on completion of the Subscription and (ii) the net amount receivable from Ms. Tsang Tsz Nok Aleen excluding the provision amounts under the deed of indemnity dated 28 April 2017, which have been determined on 31 December 2020 to offset the outstanding principal amount of the Old Convertible Bond of HK\$12,562,989 (the "Deemed Settlement Amount") as at 31 December 2020, the New Convertible Bond was issued at a principal amount of HK\$99,757,011. Accordingly, the outstanding principal amount under the Old Convertible Bond was settled.

The New Convertible Bond carries the right to convert into the conversion shares at the conversion price of HK\$0.80 per conversion share (subject to adjustments). Assuming the conversion rights are exercised in full at the conversion price, 124,696,263 new ordinary shares will be allotted and issued to Ms. Tsang Tsz Nok Aleen. Upon full exercise of the conversion rights attaching to the New Convertible Bond, the shareholdings of Ms. Tsang Tsz Nok Aleen will be changed from approximately 28.92% to 52.90% of the total number of issued shares of the Company as enlarged by the issue of the shares of the Company upon the conversion of the New Convertible Bond. All the conditions precedent to the Subscription Agreement have been fulfilled and completion took place on 21 February 2021. Accordingly, the New Convertible Bond in the principal amount of HK\$99,757,011 was issued in accordance with the terms and conditions of the Subscription Agreement.





Details were set out in the announcements of the Company dated 17 November 2020, 14 December 2020, 21 January 2021 and 21 February 2021 and the circular of the Company dated 14 December 2020.

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 of directors of the Company (the "Directors") (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 2021, certain completed investment properties located in Xuzhou with fair value of approximately HK\$268,640,000 (31 December 2020: approximately HK\$266,162,000), which were owned by a wholly-owned subsidiary, were pledged to secure for the interest-bearing bank loans with principal amount of RMB45,000,000 (31 December 2020: RMB80,000,000) which is equivalent to approximately HK\$54,135,000 (31 December 2020: approximately HK\$95,352,000).

As at 30 June 2021, certain properties (31 December 2020: properties) situated in Shenzhen owned by Shenzhen Zongke Real Estate Co., Ltd ("Shenzhen Zongke") were pledged for a bank loan with principal amount of approximately RMB380,000,000 (31 December 2020: RMB425,123,000), which is equivalent to approximately HK\$452,922,000 (31 December 2020: HK\$506,704,000).

8. Segment Information

The details of segment information are set out in note 5 of notes to the condensed consolidated financial statements of this report.

9. Capital Commitment

The Group had the following material commitments as at 30 June 2021:

	30 June 2021 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
Contracted but not provided for:		
Investment properties under development	178,516	109,631

10. Employees

As at 30 June 2021, the Group employed 110 employees (31 December 2020: 88) and appointed 7 Directors (31 December 2020: 7) and the related staff costs for the Reporting Period amounted to approximately HK\$6,920,000 (six months ended 30 June 2020: approximately HK\$4,122,000) representing a 68% increase when compared with that of the same period last year. The increase in staff costs was mainly due to an increase in administrative activities in relation to the Shenzhen Buji Zongke YunDuan project 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 2021 nor material acquisitions and disposals of subsidiaries during the Reporting Period.

In 2021, 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 2021 and is cautiously optimistic about the Group's further prospects.

12. Contingent Liabilities

The Group did not have any material contingent liabilities as at 30 June 2021 (31 December 2020: Nil).

OTHER INFORMATION

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Reporting Period (six months ended 30 June 2020: Nil).

DIRECTORS' INTERESTS IN SHARES

As at 30 June 2021, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the "SFO") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Name of Directors	Capacity/ Nature of interests	Number of ordinary share(s) held	Number of underlying shares held pursuant to share options	Total	Total interests as percentage of the total number of issued shares
Kwok Siu Bun	Beneficial Owner	150,000(L)	–	150,000(L)	0.06%
Chow Kwai Wa Charmaine	Beneficial Owner	195,000(L)	–	195,000(L)	0.08%
Kwok Siu Wa Alison	Beneficial Owner	300,000(L)	–	300,000(L)	0.12%

(L): Long position

Save as disclosed above, as at 30 June 2021, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 June 2021, so far as is known to the Directors, the following parties (other than the Directors and chief executives of the Company) had interests of 5% or more in the total number of issued shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name of Shareholders	Capacity/ Nature of interests	Number of ordinary share(s) held	Number of underlying shares held	Total interests as percentage of the total number of issued shares
Rhenfield Development Corp. <i>(Note 1)</i>	Beneficial Owner	70,366,823	–	28.73%
Tsang Yee	Interest in Controlled Corporation <i>(Note 1)</i>	70,366,823	–	28.73%
Tsang Tsz Nok Aleen	Beneficial Owner	474,530	124,696,263 <i>(Note 2)</i>	51.10%
	Interest in Controlled Corporation <i>(Note 1)</i>	70,366,823	–	28.73%
Lui Kin Chung <i>(Note 3)</i>	Interest of spouse	70,841,353	124,696,263	79.83%
周偉康	Beneficial Owner	14,869,514	–	6.07%

Notes:

1. Rhenfield Development Corp. is owned as to 50% by Mr. Tsang Yee and 50% by Ms. Tsang Tsz Nok Aleen, who are deemed to be interested in 70,366,823 shares of the Company pursuant to the Part XV of the SFO.
2. Ms. Tsang Tsz Nok Aleen personally owns 125,170,793 shares, among which 124,696,263 shares are the underlying shares of the Company of the aggregate principal amount of convertible bonds of HK\$99,757,011 issued by the Company at the conversion price of HK\$0.8 per share on 21 February 2021. Details were set out in the announcements of the Company dated 17 November 2020, 21 January 2021 and 22 February 2021 and the circular of the Company dated 14 December 2020.
3. Mr. Lui Kin Chung is the spouse of Ms. Tsang Tsz Nok Aleen. Under the SFO, Mr. Lui Kin Chung is deemed to be interested in the same number of shares in which Ms. Tsang Tsz Nok Aleen is interested.

Save as disclosed above, as at 30 June 2021, the Directors were not aware of any other person (other than the Directors and chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the issued shares carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.





SHARE OPTION SCHEME

The Company has conditionally adopted the share option scheme on 21 June 2016 and remains in force until 20 June 2026 (the “Share Option Scheme”) under which the eligible persons may be granted options to subscribe for the Company’s shares.

As at 30 June 2021, the total number of shares available for issue under the Share Option Scheme is 24,495,541 shares, representing approximately 10% of the total number of issued shares of the Company. No share option has been granted by the Company during the Reporting Period.

DIRECTORS’ RIGHTS TO ACQUIRE SHARE OR DEBENTURES

Apart from as disclosed under the heading “DIRECTORS’ INTERESTS IN SHARES”, at no time during the Reporting Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any other body corporate.

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

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

CORPORATE GOVERNANCE

The Company is committed to the establishment of good corporate governance practices and procedures. The Company has complied with all the code provisions as set out in the Corporate Governance Code and Corporate Governance Report to the Appendix 14 to the Listing Rules (the “CG Code”) during the Reporting Period except for the deviation as disclosed below:

Code Provision A.2.1

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

During the Reporting Period, the role of the chairman of the Company was performed by Mr. Ma Xuemian but the office of the chief executive officer of the Company has been vacated. However, the Board will keep reviewing the current structure of the Board from time to time and should candidate with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the post as appropriate.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code. 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 report, the Audit Committee has the following members:

Independent Non-executive Directors

Mr. Tsui Matthew Mo Kan (*Chairman*) (appointed on 23 July 2021)

Mr. Wong Sze Lok (*Chairman*) (resigned on 23 July 2021)

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, re-appointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of such auditors.

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

EVENT AFTER THE REPORTING PERIOD

On 23 July 2021, Mr. Wong Sze Lok has resigned as an independent non-executive Director, and has ceased to be the chairman of the Audit Committee and a member of each of the Company's nomination committee (the "Nomination Committee"), remuneration committee (the "Remuneration Committee") and corporate governance committee (the "Corporate Governance Committee") and Mr. Tsui Matthew Mo Kan has been appointed as an independent non-executive Director, the chairman of the Audit Committee and a member of each of the Nomination Committee, Remuneration Committee and Corporate Governance Committee.

By order of the Board

GRAND FIELD GROUP HOLDINGS LIMITED

MA XUEMIAN

Chairman

Hong Kong, 27 August 2021