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鈞濠集團有限公司*

GRAND FIELD GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 115)

DISCLOSEABLE TRANSACTION

The Board announced that on 18 October 2006, Party A, Party B, being a wholly owned subsidiary of the Company, Party C and Party D and the Joint Venture entered into the Shareholders' Agreement pursuant to which the parties to the Shareholders' Agreement agree to form the Joint Venture with registered capital of HK\$1,840,000. Party A, Party B, Party C and Party D shall subscribe for 10.88%, 78.26%, 5.43% and 5.43% equity interest in the Joint Venture respectively and shall contribute their proportionate shares of interest in the Joint Venture in cash. The Joint Venture is set up for the purpose of organizing and holding folk cultural, recreational or other carnival events in the PRC.

Pursuant to the Shareholders' Agreement, Party B shall pursuant to and in respect of each Event, procure the Company to provide (i) a corporate guarantee up to HK\$10,000,000 to the Joint Venture in favour of the financial institutions to secure the loan obligation of the Joint Venture; and (ii) a security against disposal of any of the imported machines and associated equipment and other recreational facilities which shall be used for the purposes of and during any folk cultural, recreational or other carnival event organised by the Joint Venture, with the amount of such security to be limited to the extent of HK\$8,000,000.

As the applicable percentage ratio for the capital contribution and the provision of corporate guarantee and security by the Company pursuant to the Shareholders' Agreement is more than 5% and less than 25%, the entering into the Shareholders' Agreement constitutes a discloseable transaction for the Company under Rule 14.08 of the Listing Rules. A circular containing details of the Shareholders' Agreement will be despatched to the shareholders of the Company as soon as practicable.

THE SHAREHOLDERS' AGREEMENT DATED 18 OCTOBER 2006

Parties

- Party A* : Highraise Management Limited, a company incorporated in the British Virgin Islands with limited liability, which is engaged in provision of management services and beneficially owned by Fan Yan Kin Stephen, Alan S. Crow Lo Chun Sing, Universal Talent Consultants Limited and Kwok Kwong Tsuen
- Party B* : Grand Field Group Investments (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
- Party C* : China Legend Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is an investment holding company beneficially owned by Chan Yui Chi Bernard, Lam Kam Sing, Chan Tai Yung and Sin Kin Yin
- Party D* : Good Legend Investments Limited, a company incorporated in the British Virgin Islands with limited liability, which is an investment holding company wholly and beneficially owned by Wong Ka Sing
- the Joint Venture* : All Rights Holdings Limited, a company incorporated in Hong Kong with limited liability and owned as to 10.88% by Party A; 78.26% by Party B; 5.43% by Party C and the remaining 5.43% by Party D

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Party A, Party C and Party D and their beneficial owners are third parties independent of the Company and the connected person(s) (as defined in the Listing Rules) of the Company.

Summary terms of the Shareholders' Agreement

Pursuant to the Shareholders' Agreement, 1,840,000 JV Shares of HK\$1.00 each will be allotted and will be taken up by Party A, Party B, Party C and Party D as to 200,000 JV Shares, 1,440,000 JV Shares, 100,000 JV Shares and 100,000 JV Shares respectively. Accordingly, the Joint Venture will be owned as to 10.88%, 78.26%, 5.43% and 5.43% by Party A, Party B, Party C and Party D respectively. The capital commitment of Party B for 78.26% equity interest in the Joint Venture is HK\$1,440,000 which shall be payable to the Joint Venture on the date of the Shareholders' Agreement and will be funded by the internal resources of the Company.

Pursuant to the Shareholders' Agreement, Party B shall pursuant to and in respect of each Event, procure the Company to provide (i) a corporate guarantee executed by the Company in favour of the banks for the purposes of procuring or otherwise guaranteeing due and punctual performance by the Joint Venture of all the obligations expressed to be imposed on or assumed by the Joint Venture in respect of and under any banking or trade finance facilities to be granted by licenced bank(s) in Hong Kong to and for use by the Joint Venture for the sole purpose of financing the operation of the business of the organization and the operation of Events, with such corporate guarantee to be limited to the extent of HK\$10,000,000 in aggregate; and (ii) appropriate security instruments, custom bond instruments and/or other documentation executed by the Company in favour of the relevant regulatory governmental authorities in the PRC for the purposes of providing security against disposal in any manner by any person within the territory of the PRC of any of the imported machines and associated equipment and other recreational facilities which shall be used for the purposes of and during an Event with the amount of such security to be limited to the extent of HK\$8,000,000 in aggregate.

The capital commitment of Party A for 10.88% equity interest in the Joint Venture is HK\$200,000 which shall be payable to the Joint Venture within 7 days from the date of the Shareholders' Agreement and Party A shall enter into a management services agreement with the Joint Venture pursuant to which Party A shall enter into contracts with the relevant organizing agents and/or authorities for conducting and performing the services and obligations and to procure the provision of the facilities and services as required by the Events. The Company will comply with the Listing Rules when Party A enters into the management services agreement with the Joint Venture.

The capital commitment of Party C for 5.43% equity interest in the Joint Venture is HK\$100,000 which shall be payable to the Joint Venture on the date of the Shareholders' Agreement and Party C shall provide an unsecured shareholder's loan of HK\$1,150,000 to the Joint Venture at an interest rate equivalent to 1% above the prevailing prime lending rate as quoted from time to time by the Hong Kong and Shanghai Banking Corporation Limited on the date of the Shareholders' Agreement.

The capital commitment of Party D for 5.43% equity interest in the Joint Venture is HK\$100,000 which shall be payable to the Joint Venture on the date of the Shareholders' Agreement and Party D shall provide an unsecured shareholder's loan of HK\$1,150,000 to the Joint Venture at an interest rate equivalent to 1% above the prevailing prime lending rate as quoted from time to time by the Hong Kong and Shanghai Banking Corporation Limited on the date of the Shareholders' Agreement.

During the continuance of the Shareholders' Agreement, each of the JV Shareholders shall procure that neither of its director(s) nor shareholder(s) do or be permitted to (i) either solely or jointly with or on behalf of any person directly or indirectly carry on or be engaged or interested whether as an employee, consultant or otherwise in any business or trade which is similar to the business of the organization and the operation of Events; (ii) solicit (other than by general advertising) the custom of any person who is or has been a client of the business of the organization and the operation of Events for the purpose of offering to that client services similar to those of the business of the organization and the operation of Events; or cause or permit any person directly or indirectly under its control to do any of the foregoing acts or things, without the prior written consent of the other JV Shareholders (to the exclusion of Party A).

Completion of the establishment of the Joint Venture shall take place upon the signing of the Shareholders' Agreement. As Party B holds 78.26% of the equity interest in the Joint Venture, the Joint Venture is a non-wholly owned subsidiary of the Company and the financials of the Joint Venture will be consolidated in the financial statements of the Group after completion of the Shareholders' Agreement.

“Directors”	directors of the Company
“Event(s)”	a folk cultural, recreational or other carnival event which the Joint Venture shall conduct, organize and operate within the territory of the PRC or Hong Kong
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Venture”	All Right Holdings Limited, a company incorporated in Hong Kong with limited liability and owned as to 10.88% by Party A; 78.26% by Party B; 5.43% by Party C and the remaining 5.43% by Party D
“JV Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Joint Venture
“JV Shareholders”	Party A, Party B, Party C and Party D
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Party A”	Highraise Management Limited, a company incorporated in the British Virgin Islands with limited liability, which is engaged in provision of management services beneficially owned by Fan Yan Kin Stephen, Alan S. Crow, Lo Chun Sing, Universal Talent Consultants Limited and Kwok Kwong Tsuen
“Party B”	Grand Field Group Investments (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“Party C”	China Legend Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is an investment holding company beneficially owned by Chan Yui Chi Bernard, Lam Kam Sing, Chan Tai Yung and Sin Kin Yin
“Party D”	Good Legend Investments Limited, a company incorporated in the British Virgin Islands with limited liability, which is an investment holding company wholly and beneficially owned by Wong Ka Sing
“PRC”	the People’s Republic of China
“Shareholders’ Agreement”	a shareholders’ agreement dated 18 October 2006 entered into among Party A, Party B, Party C, Party D and the Joint Venture
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars
“%”	per cent.

By Order of the Board
Grand Field Group Holdings Limited
Tsang Wai Lun, Wayland
Chairman

Hong Kong, 18 October 2006

As at the date of this announcement, the Board comprises Mr. Tsang Wai Lun, Wayland, Madam Kwok Wai Man, Nancy, Mr. Lau Tam Wah and Mr. Siu King Nin, Peter as executive Directors and Mr. Hui Pui Wai, Kimber, Mr. Lum Pak Sum and Mr. Wong Yun Kuen as independent non-executive Directors.

*Please also refer to the published version of this announcement in
The Standard and Sing Tao Daily.*