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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)**

**TOP-UP PLACING OF EXISTING SHARES AND  
TOP-UP SUBSCRIPTION OF NEW SHARES  
RESUMPTION OF TRADING**

On 11 January 2007, the Vendor entered into (i) the Top-Up Placing Agreement with the Placee; and (ii) the Top-Up Subscription Agreement with the Company. On 12 January 2007, the Vendor entered into the Supplemental Agreement to the Top-Up Placing Agreement with the Placee and on 15 January 2007, the Vendor entered into the Supplemental Agreement to the Top-Up Subscription Agreement with the Company.

Pursuant to the Top-Up Placing Agreement and the Supplemental Agreement to the Top-Up Placing Agreement, the Vendor agreed to sell an aggregate of 180,500,000 Shares to the Placee who and whose ultimate beneficial owners (i) are not connected persons (as defined in Listing Rules) of the Company; and (ii) are independent of the Company and its connected persons (as defined under the Listing Rules) at a price of HK\$0.1057 per Share.

Pursuant to the Top-Up Subscription Agreement and the Supplemental Agreement to the Top-Up Subscription Agreement, the Vendor conditionally agreed to subscribe for an aggregate of 180,500,000 Shares at a price of HK\$0.1057 per Share.

The Top-Up Placing Shares (or the Top-Up Subscription Shares) of 180,500,000 Shares represent (i) about 8.61% of the existing issued share capital of the Company of 2,096,310,000 Shares; and (ii) about 7.93% of the issued share capital of the Company of 2,276,810,000 Shares as enlarged by the Top-Up Subscription.

The Top-Up Placing Price (and the Top-Up Subscription Price) is fixed and based on the closing price of Shares on 11 January 2007, being the Last Trading Day. The Top-Up Placing (and the Top-Up Subscription Price) of HK\$0.1057 per Share represent:-

- (i) a discount of about 19.92% to the closing price of HK\$0.132 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of about 2.12% to the average closing price per Share of HK\$0.108 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date; and
- (iii) a premium of about 5.7% to the average closing price per Share of HK\$0.10 as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Date.

The Top-Up Subscription is conditional upon, among other things, (1) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Top-Up Subscription Shares; (2) the completion of the Top-Up Placing; (3) the executive director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong and any of its delegates granting a waiver to the Vendor from any obligation to make a general offer under Rule 26 of the Codes on Takeovers and Mergers arising from the Top-Up Subscription; and (4) (if required) the Bermuda Monetary Authority granting or agreeing to grant permission to allot, issue and subsequent transfer of the Top-Up Subscription Shares pursuant to the Top-Up Subscription. The net proceeds from the Top-Up Subscription of approximately HK\$18,879,000 will be applied for use as general working capital.

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 12 January 2007 pending the publication of this announcement in respect of top-up placing of existing Shares and top-up subscription of new Shares. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 16 January 2007.

## **THE TOP-UP PLACING AGREEMENT AND THE SUPPLEMENTAL AGREEMENT TO THE TOP-UP PLACING AGREEMENT**

### **Date of the Top-Up Placing Agreement**

11 January 2007

### **Date of the Supplemental Agreement to the Top-Up Placing Agreement**

12 January 2007

### **Parties involved**

The Vendor and the Placee Hongkong Zhongxing Group Co Limited, a company incorporated in Hong Kong with limited liability whose principal activity is investments holding.

### **Placee**

The Placee is an independent corporate investor who and whose ultimate beneficial owners (i) are not connected persons (as defined in Listing Rules) of the Company; and (ii) are independent of the Company and its connected persons (as defined under the Listing Rules).

The entire issued share capital of the Placee is beneficially owned by Mr Chen Huiyue (陳輝躍) and Mr Huang Binghuang (黃炳煌) as to 35% and 65%. Both Mr Chen Huiyue (陳輝躍) and Mr Huang Binghuang (黃炳煌) are PRC nationals residing in the PRC.

The Placee and/or any of the Placee's concert parties are not acting in concert with the Vendor and/or the Vendor's concert parties.

### **Top-Up Placing Price**

The Top-Up Placing Price is fixed and based on the closing price of Shares on 11 January 2007, being the Last Trading Day. The Top-Up Placing Price (and the Top-Up Subscription Price) of HK\$0.1057 per Share represents:-

- (i) a discount of about 19.92% to the closing price of HK\$0.132 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of about 2.12% to the average closing price per Share of HK\$0.108 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date; and

- (iii) a premium of about 5.7% to the average closing price per Share of HK\$0.10 as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Date.

The Top-Up Placing Price is negotiated on an arm's length basis. The Directors consider that the terms of the Top-Up Placing are fair and reasonable based on the current market conditions and the Top-Up Placing is in the interests of the Company and its Shareholders as a whole.

### **Top-Up Placing Shares**

The Top-Up Placing Shares of 180,500,000 Shares represent (i) about 8.61% of the existing issued share capital of the Company of 2,096,310,000 Shares; and (ii) about 7.93% of the issued share capital of the Company of 2,276,810,000 Shares as enlarged by the Top-Up Subscription.

### **Condition of the Top-Up Placing**

The Top-Up Placing is unconditional.

### **Completion**

The Top-Up Placing is to be completed on 11 January 2007 or on such other date as may be agreed between the Vendor and the Placee.

## **THE TOP-UP SUBSCRIPTION AGREEMENT AND THE SUPPLEMENTAL AGREEMENT TO THE TOP-UP SUBSCRIPTION AGREEMENT**

### **Date of the Top-Up Subscription Agreement**

11 January 2007

### **Date of the Supplemental Agreement to the Top-Up Subscription Agreement**

15 January 2007

### **Parties involved**

The Company and the Vendor

### **Top-Up Subscription Price**

The Top-Up Subscription Price is HK\$0.1057 per Share. The Top-Up Subscription Price is the same as the Top-Up Placing Price and is determined after arm's length negotiation between the Company and the Vendor with reference to the Top-Up Placing Price of the Top-Up Placing Shares.

### **Number of Top-Up Subscription Shares**

The number of Top-Up Subscription Shares is equivalent to the number of Top-Up Placing Shares, being 180,500,000 Shares.

### **Ranking of Top-Up Subscription Shares**

The Top-Up Subscription Shares, when issued and fully paid, will rank pari passu among themselves and with Shares in issue at the time of issue and allotment of the Top-Up Subscription Shares.

## Conditions

The Top-Up Subscription is conditional upon: (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Top-Up Subscription Shares; (ii) completion of the Top-Up Placing; (iii) the executive director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong and any of its delegates granting a waiver to the Vendor from any obligation to make a general offer under Rule 26 of the Codes on Takeovers and Mergers arising from the Top-Up Subscription; and (iv) (if required) the Bermuda Monetary Authority granting or agreeing to grant permission to allot, issue and subsequent transfer of the Top-Up Subscription Shares pursuant to the Top-Up Subscription.

Application will be made to the Stock Exchange to grant the approval for the listing of, and permission to deal in, the Top-Up Subscription Shares.

Application will be made to the executive director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong and any of its delegates to grant a waiver to the Vendor from any obligation to make a general offer under Rule 26 of the Codes on Takeovers and Mergers arising from the Top-Up Placing and the Top-Up Subscription.

## Completion

Under Rule 14A.31(3)(d) of the Listing Rules, the Top-Up Subscription must be completed within 14 days after the date of the Top-Up Subscription Agreement, that is, on or before 25 January 2007.

In the event that the conditions to the Top-Up Subscription Agreement are not fulfilled by 22 January 2007 (or such later date as the parties thereto may mutually agree), the Top-Up Subscription Agreement shall terminate and the rights and obligations of the parties under the Top-Up Subscription Agreement shall lapse and be of no further effect, in which event the parties thereto shall be released from such obligations without any liability save as to those otherwise provided in the Top-Up Subscription Agreement.

## EFFECTS ON SHAREHOLDING STRUCTURE

Name of Shareholders	Existing no. of shares held	Approximate %	No. of shares held after Top-up Placing but Before Top-Up Subscription	Approximate %	No. of shares held after Top-up Placing and Top-up Subscription	Approximate %
The Vendor	735,050,000	35.06	554,550,000	26.45	735,050,000	32.28
Mr Tsang Wai Lun, Wayland	64,210,000	3.06	64,210,000	3.06	64,210,000	2.82
Madam Kwok Wai Man, Nancy	13,170,000	0.63	13,170,000	0.63	13,170,000	0.58
Sub-total						
The Vendor and its concert parties (Mr Tsang Wai Lun, Wayland and Madam Kwok Wai Man, Nancy)	812,430,000	38.75	631,930,000	30.14	812,430,000	35.68
Worldgate Development Ltd	126,000,000	6.01	126,000,000	6.01	126,000,000	5.53
Logistics China Enterprises Ltd	126,000,000	6.01	126,000,000	6.01	126,000,000	5.53
Public	1,031,880,000	49.23	1,031,880,000	49.23	1,031,880,000	45.33
Placee	0	0	180,500,000	8.61	180,500,000	7.93

*Note:* The entire issued share capital of the Vendor is beneficially owned by Mr Tsang Wai Lun, Wayland and Madam Kwok Wai Man, Nancy as to 50% and 50%. The above table assumes that there are no changes to the shareholding in the Company, other than as a result of the Top-Up Placing and Top-Up Subscription.

## **REASONS FOR THE TOP-UP PLACING AND TOP-UP SUBSCRIPTION AND USE OF PROCEEDS**

The Directors considered various ways of raising funds and consider that the Top-Up Placing and Top-Up Subscription represents an opportunity to raise capital for the Company while broadening the shareholder base and the capital base of the Company.

The gross proceeds from the Top-Up Subscription is HK\$19,078,850. The net proceeds from the Top-Up Subscription of approximately HK\$18,879,000 will be applied for use as general working capital.

The net proceeds raised per Top-Up Subscription Share will be about HK\$0.1046 per Share. The Company will bear aggregate expenses and costs of about HK\$200,000 incurred in relation to the Top-Up Placing and the Top-Up Subscription.

## **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE-MONTH PERIOD**

The Company has not conducted any equity fund raising activities in the past twelve month period immediately before the date of this announcement.

## **GENERAL MANDATE**

The Top-Up Subscription Shares, i.e. 180,500,000 Shares will be issued under the general mandate (“General Mandate”) to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the annual general meeting (the “AGM”) of the Company held on 23 June 2006 subject to the limit up to 20% of the issued share capital of the Company as at the date of passing the resolution at the AGM (i.e. 409,330,000 Shares). As at the date of this announcement, no Shares has been issued under the General Mandate. After completion of the Top-up Placing and the Top-Up Subscription, there are 228,830,000 Shares which may be allotted and issued pursuant to the General Mandate.

## **GENERAL**

The Group is principally engaged in the development and sale of properties in the People’s Republic of China.

The Company will submit an application to the Stock Exchange for the listing of, and permission to deal in the Top-Up Subscription Shares pursuant to the Top-Up Subscription Agreement.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 12 January 2007 pending the publication of this announcement in respect of the top-up placing of existing Shares and the top-up subscription of new Shares. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 16 January 2007.

## **TERMS AND DEFINITIONS**

- “Board” the board of directors of the Company
- “Company” means Grand Field Group Holdings Limited, a company incorporated in Bermuda, the shares of which are listed on the main board of the Stock Exchange

“Director”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Placee”	Hongkong Zhongxing Group Co Limited, a company incorporated in Hong Kong with limited liability
“PRC”	the People’s Republic of China
“Shareholders”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement to the Top-Up Placing Agreement”	The supplemental agreement to the Top-Up Placing Agreement between the Vendor and the Placee dated 12 January 2007 in relation to the Top-Up Placing
“Supplemental Agreement to the Top-Up Subscription Agreement”	The supplemental agreement to the Top-Up Subscription Agreement between the Company and the Vendor dated 15 January 2007 in relation to the Top-Up Subscription
“Top-Up Placing”	the placing and sale of 180,500,000 existing Shares beneficially owned by the Vendor to the Placee pursuant to the terms of Top-Up Placing Agreement and the Supplemental Agreement to the Top-Up Placing Agreement
“Top-Up Placing Agreement”	the top-up placing agreement between the Vendor and the Placee dated 11 January 2007 in relation to the Top-Up Placing
“Top-Up Placing Price”	HK\$0.1057 per Share
“Top-Up Placing Shares”	an aggregate of 180,500,000 existing Shares beneficially owned by the Vendor and to be placed and sold to the Placee pursuant to the Top-Up Placing Agreement and the Supplemental Agreement to the Top-Up Placing Agreement
“Top-Up Subscription”	the subscription of 180,500,000 new Shares pursuant to the terms of Top-Up Subscription Agreement and the Supplemental Agreement to the Top-Up Subscription Agreement
“Top-Up Subscription Agreement”	the top-up subscription agreement between the Company and the Vendor dated 11 January 2007 in relation to the Top-Up Subscription
“Top-Up Subscription Price”	HK\$0.1057 per Share

“Top-Up Subscription Shares”	a total of 180,500,000 new Shares to be subscribed for by the Vendor pursuant to the Top-Up Subscription Agreement and the Supplemental Agreement to the Top-Up Subscription Agreement
“Vendor”	Rhenfield Development Corp, a company incorporated in the British Virgin Islands, the registered office of which is at Trident Chambers, PO Box 146, Road Town, Tortola British Virgin Islands and the entire issued share capital of which is beneficially owned as to 50% and 50% by Mr Tsang Wai Lun, Wayland and Madam Kwok Wai Man, Nancy respectively
“%”	per cent

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

*The Directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in the announcement misleading.*

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

Hong Kong, 15 January 2007

\* *For identification purposes only*