

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Shares.



鈞濠集團有限公司*

GRAND FIELD GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 115)

**PLACING OF NEW SHARES
AND
RESUMPTION OF TRADING**

PLACING AGENT



HEAD & SHOULDERS SECURITIES LIMITED

On 14 July 2008, the Company and the Placing Agent entered into the Placing Agreement whereby the Company has conditionally agreed to place, through the Placing Agent and on a best effort basis, 100,000,000 Placing Shares to independent investors at a price of HK\$0.16 per Placing Share.

The 100,000,000 Placing Shares under the Placing represent (i) approximately 3.97% of the existing issued share capital of the Company of 2,516,810,000 Shares; (ii) approximately 3.82% of the Company's issued share capital of 2,616,810,000 Shares as enlarged by the Placing.

The net proceeds of approximately HK\$15.4 million from the Placing is intended to be used as to approximately HK\$5.4 million for general working capital of the Group and as to approximately HK\$10 million for or possible investment projects in the future. Save for the proposed acquisition of the Yangzhou Project, which is a property development project, as disclosed in the announcement of the Company dated 23 June 2008, the Company does not have any target investment project in negotiation. The net proceeds raised per Share upon the completion of the Placing will be approximately HK\$0.154 per Placing Share.

* for identification purpose only

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares under the Placing.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 2:30 p.m. on 14 July 2008 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 16 July 2008.

THE PLACING AGREEMENT

Date

14 July 2008

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place 100,000,000 Placing Shares on a best effort basis. The Placing Agent will receive a handling fee of HK\$80,000 which is equivalent to 0.5% of the aggregate Placing Prices of the Placing Shares. The Placing Agent will also receive a placing commission of 3% of the aggregate Placing Prices of such Placing Shares successfully placed by the Placing Agent under the Placing Agreement, which is subject to the deduction of the handling fee of HK\$80,000 if the placing commission is more than HK\$80,000. The placing commission was determined by reference to the range of market norms for commissions for this type of transaction. The Directors (including the independent non-executive Directors) are of the view that the placing commission is fair and reasonable.

The Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees

The Placing Agent agreed to place the Placing Shares on a best effort basis, to not fewer than six Placees who and whose ultimate beneficial owners will be Independent Third Parties. No individual Placee will become a substantial Shareholder (as defined under the Listing Rules) immediately after the Placing.

Placing Shares

The 100,000,000 Placing Shares under the Placing represent (i) approximately 3.97% of the existing issued share capital of the Company of 2,516,810,000 Shares; (ii) approximately 3.82% of the Company's issued share capital of 2,616,810,000 Shares as enlarged by the Placing.

Ranking Placing Shares

The Placing Shares under the Placing will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.16 represents

- (i) a discount of approximately 14.44% to the closing price of HK\$0.187 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 15.25% to the average closing price per Share of HK\$0.1888 in the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 18.78% to the average closing price per Share of HK\$0.197 in the last ten consecutive trading days up to and including the Last Trading Day.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

General Mandate

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the annual general meeting held on 18 June 2008 subject to the limit up to 20% of the then issued share capital of the Company as at the date of the annual general meeting. Under the General Mandate, the Company is authorised to issue up to 503,362,000 Shares. Up to the date of this announcement, no new Shares had been issued under the General Mandate. Upon Completion of the Placing, 100,000,000 Shares will be issued under the General Mandate and the balance of 403,362,000 Shares will remain outstanding under the General Mandate.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting or agreeing to grant listing of and permission to deal in all of the Placing Shares;
- (b) all relevant approvals and consents from governmental or other competent authorities have been obtained.

Termination

The Placing Agreement may be terminated by the Placing Agent if at any time at or before 10:00 a.m. on the date of completion of the Placing Agreement any of the following events occurs:

- (a) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or
- (b) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole to a material extent; or

- (c) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of completion of the Placing which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (d) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

Completion of the Placing

Subject to satisfaction of the conditions precedent in the Placing Agreement, completion of the Placing will take place by no later than 26 August 2008.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. The Company will issue a further announcement upon completion of the Placing.

As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Reasons for the Placing

The Directors consider that the timing of the fund raising by the Placing is appropriate as the recent stock market has improved and there is strong demand of the Shares as the investors are interested and confident about the business prospect of the Company. As such the Placing will be attractive to the potential investors. The Directors consider that the Placing represents an opportunity to raise capital for the Company to enhance its general working capital base and/or for possible investment projects in the future which are expected to improve the profitability and revenue stream of the Group, as and when the Board considers it appropriate and in the interest of the Company and its Shareholders as a whole. The Directors (including the independent non-executive Directors) therefore consider that the Placing is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Use of proceeds

The gross proceeds from the Placing will be approximately HK\$16 million and the net proceeds (after deducting the placing commission, legal fees and publication fees payable by the Company) will be approximately HK\$15.4 million which is intended to be used as to approximately HK\$5.4 million for general working capital of the Group and as to approximately HK\$10 million for possible investment projects in the future. Save for the proposed acquisition of the Yangzhou Project, which is a property development project, as disclosed in the announcement of the Company dated 23 June 2008, the Company does not have any target investment project in negotiation. The net proceeds raised per Share upon the completion of the Placing will be approximately HK\$0.154 per Placing Share. The aggregate nominal Placing Price for the Placing Shares is HK\$2,000,000.

Fund raising activities in the past twelve months

Save as disclosed below, the Company has not conducted any fund raising activities in the past twelve months before the date of this announcement:

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
18 October 2007	Placing	HK\$30,000,000	For general working capital	Approximately HK\$28,000,000 used for repaying bank loans, Shareholders' loans and other indebtedness, and the balance for general working capital
6 November 2007	Placing and subscription	HK\$52,990,000	HK\$20,000,000 for repaying Shareholder' loans and other indebtedness and the balance for general working capital	HK\$50,000,000 used as a capital contribution for establishing a wholly-owned subsidiary in the PRC, namely, Yuan Cheng Real Estate (Shenzhen) Limited (遠程置業(深圳)有限公司), and the balance for general working capital

Effects on shareholding structure

The changes of the shareholding structure of the Company immediately before and after completion of the Placing (assuming that there are no other changes in the issued share capital of the Company) are set out below:

	As at the date of this announcement		Upon completion of the Placing	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Rhenfield Development Corp. (<i>Note 1</i>)	479,050,000	19.03	479,050,000	18.30
Hongkong Zhongxing Group Co., Limited (<i>Note 2</i>)	557,260,000	22.14	557,260,000	21.30
Worldgate Developments Limited	126,000,000	5.01	126,000,000	4.82
Logistic China Enterprises Limited	126,000,000	5.01	126,000,000	4.82
Mr. Tsang Wai Lun, Wayland	64,210,000	2.55	64,210,000	2.45
Madam Kwok Wai Man, Nancy	14,170,000	0.56	14,170,000	0.54
Public Shareholders	1,150,120,000	45.70	1,150,120,000	43.95
Placees	0	0.00	100,000,000	3.82
Total:	<u>2,516,810,000</u>	<u>100.00</u>	<u>2,616,810,000</u>	<u>100.00</u>

Notes:

1. Rhenfield Development Corp. is owned by Mr. Tsang Wai Lun, Wayland and Madam Kwok Wai Man, Nancy in equal shares. Madam Kwok Wai Man, Nancy is the spouse of Mr. Tsang Wai Lun, Wayland. Both Mr. Tsang Wai Lun, Wayland and Madam Kwok Wai Man, Nancy were ex-Directors whom resigned on 11 July 2007.
2. Hongkong Zhongxing Group Co., Limited is 100% owned by Mr. Huang Bing Huang, an executive Director.

GENERAL

The Group is principally engaged in the development and sale of properties in the PRC.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 2:30 p.m. on 14 July 2008 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 16 July 2008.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“associate(s)”	having the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Grand Field Group Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange
“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting held on 18 June 2008, among other things, to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the annual general meeting

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	the person who himself is, and (in the case of corporate entity) its ultimate beneficial owners are, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, third parties who are not connected persons of the Company and are independent of the Company and its subsidiaries, their directors, chief executives and substantial shareholders (as that term is defined in the Listing Rules) or their respective associates
“Last Trading Date”	11 July 2008, being the last trading day for the Shares before the Shares were suspended for trading pending the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Min Tai”	Min Tai Development Co. Limited, a company incorporated in Hong Kong with limited liability whose issued share capital is owned as to 90% by Ms. Weng Yulian, the spouse of Mr. Chu King Fai, an executive Director
“PRC”	the People’s Republic of China
“Placee(s)”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	placing of 100,000,000 new Shares pursuant to the terms of the Placing Agreement

“Placing Agent”	Head & Shoulders Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 14 July 2008 and entered between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.16 per Placing Share
“Placing Shares”	100,000,000 new Shares to be placed under the Placing
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.02 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yangzhou Project”	property development project known as Yi Zheng Economic Development Zone High Technology Industrial Park (儀征經濟開發區高新技術產業園) located at Yangzhou, PRC and owned by the subsidiaries of Min Tai
“%”	per cent.

By Order of the Board
Grand Field Group Holdings Limited
CHU KING FAI
Chairman

Hong Kong, 15 July 2008

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Chu King Fai, Mr. Huang Bing Huang and Mr. Au Kwok Chuen, Vincent; one non-executive director, namely Mr. Zhao Juqun; and three independent non-executive Directors, namely Dr. Wong Yun Kuen, Mr. Yang Biao and Mr. Mok King Tong.