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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)

**JUDGMENT FOR THE FIRST ACTION (HCA 300/2009)
DELIVERED BY THE HIGH COURT OF HONG KONG**

Reference is made to the announcement of the Company dated 25 March 2009. The Company made this announcement for the purpose of updating the shareholders of the Company and the investing public about the outcome of the First Action.

On 12 August 2009, Hon Reyes J of the High Court of Hong Kong delivered the judgment in respect of the First Action. The High Court of Hong Kong determined, among other matters, that:

1. the Eight Elected Directors were validly appointed by the shareholders of the Company at the SGM; and
2. the purported appointment of the Five Purported Directors as directors by the Original Board on 27 November 2008 was made in good faith but was for an improper purpose and hence the appointment of the Five Purported Directors was set aside by the High Court of Hong Kong.

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* *For identification purposes only*

JUDGMENT OF THE FIRST ACTION

The First Action was heard on 3 August 2009 and 5 August 2009. On 12 August 2009, Hon Reyes J of the High Court of Hong Kong delivered the Judgment in respect of the First Action.

Validity of the appointment of the Eight Elected Directors

Pursuant to the Judgment, the High Court of Hong Kong declared that the Eight Elected Directors were validly appointed by the shareholders of the Company at the SGM. At the SGM, the maximum number of Directors has been impliedly increased by the number of candidates successfully appointed at the SGM (i.e. eight, being the Eight Elected Directors) and the High Court of Hong Kong ruled that the passing of a resolution at the SGM to first increase the maximum number of Directors is not required before the resolutions on the election of the Eight Elected Directors were voted on.

Invalidity of the purported appointment of the Five Purported Directors as Directors

The Original Board on 27 November 2008 purportedly appointed the Five Purported Directors as additional Directors. The High Court of Hong Kong ruled that the original Board acted in good faith in making the appointment but the purported appointment of the Five Purported Directors by the Original Board on 27 November 2008 was for an improper purpose. In the Judgment, the High Court of Hong Kong ruled that the purported appointment of the Five Purported Directors was invalid and set aside their appointment.

Status of the Options Resolutions

The High Court of Hong Kong ruled that the options granted under the Options Resolutions were validly granted and the Options Resolutions were not set aside.

The Hong Kong law firm acting for the defendants named in the First Action filed a notice of appeal against the Judgment on 12 August 2009 and applied for an interim stay of execution of the Judgment. The application for the interim stay of the Judgment was declined by the Hong Kong High Court on 13 August 2009.

DEFINITIONS

- “Board” : the board of Directors;
- “Company” : Grand Field Group Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited;
- “Directors” : the directors of the Company;
- “Eight Elected Directors” : the eight Directors elected by the Shareholders at the SGM, namely Francis Lim, Ma Xuemian, Zhao Yang, Chen Mudong, Ng Ka Chong, David Chi-ping Chow, Chan Kit Yee, Katherine, Wong Ching Wan (whereby Chan Kit Yee, Katherine and Wong Ching Wan have resigned subsequent to the SGM);
- “First Action” : the High Court Action No. 300 of 2009 with Mr Tsang Wai Lun Wayland and Francis Lim as plaintiffs and Chu King Fai, Au Kwok Chuen Vincent, Zhao Juqun, Wong Yun Kuen, Yang Biao, Mok King Tong, Chen Yu, Wen Li, Wang Zi Han, Ho Suk Yin Nancy, Ho Wah Sang and the Company as defendants;
- “Five Purported Directors” : Chen Yu, Wen Li, Wang Zi-Han, Ho Wah Sang and Ho Suk Yin Nancy;
- “Judgment” : the judgment under the First Action and delivered by Hon Reyes J in the High Court of Hong Kong on 12 August 2009;
- “Hong Kong” : The Hong Kong Special Administrative Region of the People’s Republic of China;

- “Options Resolutions” : the resolutions of the board of directors passed at meetings held on 19 August 2008 and 16 October 2008, respectively granting (i) options to subscribe for 37,900,000 shares to the staff of the Company, (ii) options to subscribe for 85,000,000 shares to certain Directors; and (iii) options to subscribe for 81,000,000 shares to the staff/business partners;
- “Original Board” : the board of Directors prior to 27 November 2008 comprising Chu King Fai, Au Kwok Chuen, Vincent, Zhao Juqun, Wong Yuen Kuen, Yang Biao and Mok King Tong;
- “SGM” : the special general meeting of the Company as requisitioned and convened by Rhenfield Development Corp., a substantial shareholder of the Company, on 2 December 2008.

By Order of the Board
Grand Field Group Holdings Limited
Chu King Fai
Chairman

Hong Kong, 18 August 2009

As at the date of this announcement, the Board comprises five executive Directors, namely Mr Chu King Fai, Mr Au Kwok Chuen, Vincent, Mr Zhao Yang, Mr Francis Lim and Mr Ma Xuemian (with Mr Francis Lim as alternate); three non-executive Directors, namely Mr Zhao Juqun, Mr Chen Mudong (with Mr Francis Lim as alternate) and Mr Ng Ka Chong; and four independent non-executive Directors, namely Dr Wong Yun Kuen, Mr Yang Biao, Mr Mok King Tong and Mr David Chi-ping Chow (with Mr Francis Lim as alternate).