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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)**

**ANNOUNCEMENT  
UPDATE ON RECENT DEVELOPMENT  
ON SUSPENSION OF TRADING**

This announcement is made by Grand Field Group Holdings Limited (the “Company” together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and is further to the announcements of the Company dated 27 March 2013, 31 December 2012, 12 October 2012, 28 September 2012, 10 June 2011, 21 April 2011 and 6 July 2009 (the “Announcements”). The board (the “Board”) of directors (the “Directors”) of the Company wishes to inform and update its shareholders on the current status of the Company’s actions to resume trading of the shares of the Company. Capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements unless the context otherwise requires.

**SUBMISSION OF REVISED RESUMPTION PROPOSAL**

The Board has been taking remedial actions and appropriate steps and uses the best endeavour to fulfill the Revised Resumption Conditions. On 13 March 2013, the Company submitted a revised resumption proposal to address certain queries made by the Stock Exchange in relation to the resumption proposal submitted on 31 July 2012 and requesting for resumption of trading in shares of the Company. The Company understands that the Stock Exchange is reviewing and processing the revised resumption proposal.

\* *For identification purposes only*

## **UPDATE ON RECENT DEVELOPMENT**

### **1. The disposal of Yuan Cheng**

On 12 October 2012, Grand Field Group Limited, an indirect wholly-owned subsidiary of the Company, entered into an agreement to dispose of the entire interest of Yuan Cheng (“Yuan Cheng Disposal”) to the Purchaser (details of which are set out in the announcement of the Company dated 12 October 2012). Accordingly, the financial information of Yuan Cheng has been deconsolidated from the Group for the year ended 31 December 2012. The Board considers that the risk of contingent liabilities in relation to Yuan Cheng ceased to exist. The Directors, after due and careful enquiry and having discussed with the auditors of the Company, ZHONGLEI (HK) CPA Company Limited, are of opinion that, other than the qualifications as disclosed in the 2012 annual results announcement of the Company dated 26 March 2013 regarding opening balances and the amount of the gain on disposal in Yuan Cheng of approximately HK\$5,117,000, and the future qualifications on (i) opening balances of the consolidated financial statements of the Group for the year ending 31 December 2013; and (ii) comparative figures of the consolidated financial statements of the Group for the year ending 31 December 2014, there will be no other qualification which need to draw attention to the shareholders of the Company in relation to Yuan Cheng. Nevertheless, all the above mentioned qualifications are relating to income and expenses items, which will not have any continuous impact on the consolidated financial statements of the Group.

### **2. The possible outcome of Second Action**

The subject matter of the Second Action was related to the breaching of fiduciary duties of the former Directors, all of whom already resigned from the Company in 2009. The judgment from the High Court has not been pronounced as at the date of this announcement. The Company has obtained legal opinion from a Hong Kong legal firm in November 2012 (the “Legal Opinion”) which stated that the Company’s potential liabilities in respect of Second Action will not exceed HK\$20 million. Having reviewed the Legal Opinion, the Directors consider that the possibility of such liabilities is remote, and as a results, the Directors are positive that the potential liabilities will carry no adverse effect on the financial strength of the Company.

The Board also considers that the Second Action will have no impact on the Company’s operation as the Company is a plaintiff, not a defendant of the civil case. In addition, all of the eight defendants, who are ex-directors of the Company, have already resigned and have no relationship with the current Board.

### **3. The Group's working capital sufficiency**

As stated in the Company's 2012 annual results announcement of the Company dated 26 March 2013, the Group had audited net current assets of approximately HK\$10.39 million as compared to audited net current liabilities of approximately HK\$16.10 million in 2011, indicating that the Group has improved its financial position and has sufficient current assets to meet its current liabilities. Besides, the Company maintains a stable rental income and holds a portfolio of completed properties available for sale. The Company has also successfully sourced sufficient funding to develop its two property development projects, namely the Telford Garden and the Riviera Garden. Upon Resumption, the Company will further obtain additional funding from a committed loan of approximately RMB20.50 million to increase the Company's capital base (details please refer to the announcements of the Company dated 22 February 2013 and 26 March 2012). After taking the above into account, the Board considers that the Group can maintain sufficient working capital for at least twelve months from the date of Resumption.

### **4. The various issues related to the Shenzhen Company and the Shenzhen Land**

The Group currently owns 50% interest in the Shenzhen Land through its subsidiary – the Shenzhen Company, and has injected approximately RMB10 million in July 2012. Furthermore, the Shenzhen Company has obtained a legal opinion in November 2012 stating that the Shenzhen Land would not be subject to the risk of repossession by the PRC Government.

Pursuant to the “Regulation on Commercial Registration in the Shenzhen Special Economic Zone” 《深圳經濟特區商事登記若干規定》 (the “New Regulation”) passed by The People's Congress of Shenzhen Municipality (深圳市人民代表大會) on 30 October 2012 and implemented on 1 March 2013, several reforms had been carried out on the business registration of companies in Shenzhen. According to the New Regulation, (i) registration for paid-up capital (實收資本), (ii) capital verification proof (驗資證明文件), (iii) yearly capital verification report (年度驗資報告) are no longer required for business registration in Shenzhen. On 13 March 2013, the Market Supervision Administration of Shenzhen Municipality (深圳市市場監督管理局) granted a new business license to the Shenzhen Company. The Company has consulted an independent legal advisor in PRC on how the New Regulation might affect the

business license of the Shenzhen Company. To the best knowledge of the Directors, and having made all reasonable enquiries, the Directors confirm (i) the 2-year capital injection restriction on maintaining a business status is no longer an issue in Shenzhen; (ii) shareholders of the Shenzhen Company can decide their own capital injection timetable under the parties' consent; and (iii) the business license of the Shenzhen Company will not be revoked.

The shareholders of the Shenzhen Company have mutually agreed to revise the capital injection timetable to suit the pace of the Shenzhen Land development. The Board is of the opinion that the various issues related to the Shenzhen Land and the Shenzhen Company have been properly managed.

## **CURRENT STATUS**

Having discussed with the listing division of the Stock Exchange on 15 March 2013 in relation to the status and various issues regarding the Revised Resumption Conditions, the Board is currently in the process of clarifying certain queries made by the Stock Exchange and will be submitting further supplemental information to the Stock Exchange as soon as practicable. The Company maintains a high level of transparency by disclosing information in a timely manner, and will continue to update the status of the resumption when and where appropriate.

By Order of the Board  
**Grand Field Group Holdings Limited**  
**Ma Xuemian**  
*Chairman*

Hong Kong, 28 March 2013

*As at the date of this announcement, the board of Directors comprises four executive Directors, namely Mr. Ma Xuemian, Mr. Kwok Siu Bun, Ms. Chow Kwai Wa, Anne, Ms. Kwok Siu Wa, Alison and; two non-executive Directors, namely Mr. Lim Francis and Mr. Chen Mudong (with Mr. Lim Francis as alternate); and three independent non-executive Directors, namely Mr. David Chi-ping Chow (with Mr. Lim Francis as alternate), Mr. Liu Chaodong and Ms. Chui Wai Hung.*