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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)

**PROPOSED OPEN OFFER OF NOT LESS THAN 1,269,034,139
OFFER SHARES AND NOT MORE THAN 1,365,366,520
OFFER SHARES ON THE BASIS OF ONE
(1) OFFER SHARE FOR TWO
(2) EXISTING SHARES HELD ON
THE RECORD DATE**

Underwriter



THE OPEN OFFER

The Company proposes to raise not less than approximately HK\$50.76 million and not more than approximately HK\$54.61 million before expenses by issuing not less than 1,269,034,139 Offer Shares and not more than 1,365,366,520 Offer Shares to the Qualifying Shareholders on the basis of one (1) Offer Share for every two (2) existing Shares held on the Record Date. The Open Offer is only available to Qualifying Shareholders and will not be extended to Non-Qualifying Shareholders.

* For identification purpose only

The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be not less than approximately HK\$48.98 million but not more than approximately HK\$52.70 million. The Company intends to apply the net proceeds from the Open Offer as to (i) approximately HK\$10 million for repayment of short-term interest bearing borrowings; (ii) approximately HK\$35 million for financing the Group's existing properties development projects; and (iii) the rest of the net proceeds for general working capital to strengthen the Company's financial position. By extinguishing the existing liability of the Company, the Company shall be able to concentrate on the development of its existing business.

The Open Offer is fully underwritten by the Underwriter pursuant to the Underwriting Agreement.

LISTING RULES IMPLICATION

Since the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the twelve-month period immediately preceding this announcement, the Open Offer is not subject to Shareholders' approval under the Listing Rules. The Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders and the Prospectus (without the Application Form) will be despatched to the Non-Qualifying Shareholders for their information only on Friday, 14 February 2014.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof.

Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Tuesday, 4 February 2014 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

THE OPEN OFFER

The Company proposes to raise not less than approximately HK\$50.76 million and not more than approximately HK\$54.61 million before expenses by way of the Open Offer. The terms of the proposed Open Offer are set out below:

Issue statistics

Basis of the Open Offer:	one (1) Offer Share for every two (2) existing Shares held on the Record Date
Subscription Price:	HK\$0.04 per Offer Share
Number of Shares in issue as at the date of this announcement:	2,538,068,278 Shares
Outstanding Convertible Bonds:	the Convertible Bonds in the principal amount of HK\$30,055,703 which are convertible into a maximum of 192,664,762 Shares
Number of Offer Shares:	not less than 1,269,034,139 Offer Shares (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date); and not more than 1,365,366,520 Offer Shares (assuming no repurchase of Shares and the Convertible Bonds are converted in full on or before the Record Date)
Number of Offer Shares undertaken by the Underwriter:	not less than 1,269,034,139 Offer Shares and not more than 1,365,366,520 Offer Shares. Accordingly, the Open Offer is fully underwritten
Number of enlarged Shares in issue upon completion of the Open Offer:	not less than 3,807,102,417 Shares and not more than 4,096,099,560 Shares

Assuming no further issue of new Shares or repurchase of Shares on or before the Record Date, the 1,269,034,139 Offer Shares proposed to be allotted and issued, represents (i) 50% of the Company's issued share capital as at the date of this announcement; and (ii) approximately 33.33% of the Company's issued share capital as enlarged by the issue of the 1,269,034,139 Offer Shares immediately after completion of the Open Offer.

As at the date of this announcement, the Company has issued the Convertible Bonds entitling the holders thereof to convert into 192,664,762 Shares. Assuming all outstanding Convertible Bonds are converted in full on or before the Record Date, the maximum number of 1,365,366,520 Offer Shares proposed to be allotted and issued, represents (i) 50% of the Company's issued share capital immediately before completion of the Open Offer; and (ii) approximately 33.33% of the Company's issued share capital as enlarged by the issue of the 1,365,366,520 Offer Shares immediately after completion of the Open Offer.

As at the date of this announcement, save for the outstanding Convertible Bonds disclosed above, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

As at the date of this announcement, the Board has not received any information or irrevocable undertakings from any substantial Shareholders, other than the Underwriter, of their intention to take up the Offer Shares under the Open Offer.

The aggregate nominal value of the Offer Shares will not be less than HK\$25,380,682.78 and not more than HK\$27,307,330.40.

Basis of entitlement

The basis of the entitlement shall be one (1) Offer Share for every two (2) existing Shares held on the Record Date, being not less than 1,269,034,139 Offer Shares and not more than 1,365,366,520 Offer Shares at the Subscription Price. Acceptance for all or any part of a Qualifying Shareholder's entitlement should be made by completing the Application Form and lodging the same with a remittance for the Offer Shares being accepted for.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will send (a) the Prospectus Documents to the Qualifying Shareholders; and (b) the Overseas Letter together with the Prospectus, for information only, to the Non-Qualifying Shareholders.

To qualify for the Open Offer, the Shareholders must at the close of business on the Record Date (a) be registered on the Company's register of members; and (b) not being Non-Qualifying Shareholders.

Beneficial owners with their Shares held by a nominee company whose name appears on the register of members of the Company should note that the Board will regard such nominee company as a single Shareholder. Beneficial owners with their Shares held by such nominee company are advised to consider whether they would like to arrange registration of their Shares in their own names prior to the relevant book closure period. Beneficial owners should consult their professional advisers if they are in any doubt as to whether they should register their shareholding in their own names.

In order to be registered as members of the Company prior to the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) for registration with the Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. (Hong Kong time) on Wednesday, 5 February 2014.

Holders of the Convertible Bonds who wish to participate in the Open Offer should exercise the conversion rights attaching to the Convertible Bonds in accordance with their respective terms and conditions thereof and be registered as holders of the Shares allotted and issued to them pursuant to such exercise with the Company before 4:30 p.m. (Hong Kong time) on Wednesday, 5 February 2014.

Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of its/his/her entitlement under the Open Offer, its/his/her proportionate shareholding in the Company will be diluted.

Closure of register of members

The register of members of the Company will be closed from Thursday, 6 February 2014 to Wednesday, 12 February 2014, both days inclusive. No transfer of Shares will be registered during this book closure period.

Subscription Price

The Subscription Price is HK\$0.04 per Offer Share, payable in full upon application.

The Subscription Price represents:

- (a). a discount of approximately 66.10% to the closing price of HK\$0.1180 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b). a discount of approximately 56.52% to the theoretical ex-entitlement price of HK\$0.0920 based on the closing price of HK\$0.1180 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (c). a discount of approximately 65.87% to the average closing price of approximately HK\$0.1172 per Share for the last five consecutive trading days up to and including the Last Trading Day.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to, among others, the prevailing market price of the Shares. The Directors consider that each Qualifying Shareholder will be entitled to subscribe for the Offer Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date and the terms of the Open Offer, including the Subscription Price which has been set as a discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to share in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Offer Share will be approximately HK\$0.039.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

In compliance with the necessary requirements of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders (if any). If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Offer Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Open Offer will not be available to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Non-Qualifying Shareholders.

Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Open Offer, to be despatched to the Qualifying Shareholders on Friday, 14 February 2014. The Company will send copies of the Prospectus to the Overseas Shareholders for their information only, but no Application Form will be sent to them.

The Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open Offer.

Status of the Offer Shares

The Offer Shares, when allotted and fully paid, will rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Offer Shares in their fully-paid form.

Share certificates and refund cheques for the Open Offer

Subject to the fulfillment of the conditions of the Open Offer, certificates for all fully-paid Offer Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Monday, 10 March 2014. If the Open Offer is terminated, refund cheques will be despatched on or before Monday, 10 March 2014 by ordinary post at the respective Shareholders' own risk.

No application for excess Offer Shares

Considering that the Open Offer will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro-rata shareholding interests in the Company, if application for excess Offer Shares is arranged, the Company will be required to put in additional effort and costs to administer the excess application procedures. Accordingly, no excess Offer Shares will be offered to the Qualifying Shareholders and any Offer Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriter.

Fractions of the Offer Shares

Entitlement to the Open Offer will be rounded down to the nearest whole number. Fractional entitlements to the Offer Shares will not be issued to the Qualifying Shareholders.

Application for the Offer Shares

The Application Form in respect of the entitlement of the Offer Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Offer Shares as shown therein by completing such form and lodging the same with a remittance for the Offer Shares being taken up with the Registrar by the Latest Time for Acceptance.

Odd lots arrangement

There will be no odd lots arrangement in relation to and as a result of the Open Offer.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Offer Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty (if any) in Hong Kong and any other applicable fees and charges in Hong Kong.

Subject to the granting of the approval for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Underwriting Agreement

Date:	17 January 2014 (after trading hours)
Underwriter:	President Securities (Hong Kong) Limited
Number of Offer Shares to be underwritten:	Not less than 1,269,034,139 Offer Shares and not more than 1,365,366,520 Offer Shares.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are Independent Third Parties. As at the date of the Underwriting Agreement, the Underwriter does not have any interest in the Company.

The Open Offer will be fully underwritten by the Underwriter. Any Offer Share not taken up by the Qualifying Shareholders will be underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement.

It is one of the conditions of the Underwriting Agreement that the Underwriter would enter into binding agreements with certain placees and/or sub-underwriters, which shall be Independent Third Parties, for placing and/or sub-underwriting the Offer Shares, such that none of the Underwriter together with its parties acting in concert nor any of the placees and/or sub-underwriters and their respective parties acting in concert shall in aggregate be interested in 10% or more of the issued share capital of the Company as enlarged by the Open Offer.

Upon completion of the Open Offer in accordance with the terms of the Underwriting Agreement, the public float requirement under the Listing Rules will be complied with.

Underwriting commission

The Company will pay the Underwriter an underwriting commission of 3.5% of the aggregate Subscription Price in respect of the maximum number of the underwritten Offer Shares. The commission rate was determined after arm's length negotiation between the Company and the Underwriter with reference to the existing financial position of the Company, the size of the Open Offer, and the current market condition. The Directors are of the view that the terms of the Underwriting Agreement, including the commission, are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

Termination of the Underwriting Agreement

If at any time on or before the Latest Time for Termination (if the date of the Latest Time for Termination shall be a Business Day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day, the date of the Latest Time for Termination shall be the next Business Day on which no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- (1) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
 - (a) 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 nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially and adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or

- (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will materially and adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Open Offer; or
- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than fifteen (15) consecutive Business Days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer,

The Underwriter may by notice in writing rescind the Underwriting Agreement and thereupon all obligations of the Underwriter thereunder shall cease and determine and no party shall have any claim against any other party (save for any antecedent breaches thereof) and the Open Offer shall not proceed.

Conditions of the Open Offer

The Open Offer is subject to the Underwriting Agreement having become unconditional and not being terminated in accordance with its terms. The Open Offer is conditional upon the following conditions precedent being fulfilled:

- (a). the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (an all other documents required to be attached thereto) not later than the Prospectus Posting Date and otherwise in compliance with the Listing Rules and the Companies Ordinance;
- (b). the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus stamped “For Information Only” to the Non-Qualifying Shareholders, if any, for information purpose only on or before the Prospectus Posting Date;
- (c). the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment), and not having revoked, listing of, and permission to deal in the Offer Shares;
- (d). compliance with and performance of all the obligations of the Underwriter under the Underwriting Agreement;
- (e). compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement; and
- (f). the Underwriter would enter into binding agreements with certain placees and/or Sub-Underwriters, which shall be Independent Third Parties, for placing and/or sub-underwriting the Offer Shares, such that none of the Underwriter together with its parties acting in concert nor any of the placees and/or Sub-Underwriters and their respective parties acting in concert shall in aggregate be interested in 10% or more of the issued share capital of the Company as enlarged by the Open Offer.

All of the above conditions are not waivable. If any of the conditions of the Open Offer is not satisfied in whole or in part by the Company by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate and none of the parties shall, save in respect of any right or liability accrued before such termination, have any right against or liability towards any of the other parties arising out of or in connection with the Underwriting Agreement.

Expected timetable

The expected timetable for the Open Offer is set out below:

2014

Publication of the Open Offer announcement on the website of the Stock Exchange	Friday, 17 January
Last day of dealings in Shares on cum-entitlements basis of the Open Offer	Thursday, 30 January
First day of dealings in Shares on ex-entitlements basis of the Open Offer	Tuesday, 4 February
Latest time for lodging transfers of Shares in order to qualify for the Open Offer	4:30 p.m. on Wednesday, 5 February
Register of members closes (both days inclusive)	Thursday, 6 February to Wednesday, 12 February
Record Date	Wednesday, 12 February
Register of members re-opens	Thursday, 13 February
Despatch of the Prospectus Documents to the Qualifying Shareholders (in case of Non-Qualifying Shareholders, the Prospectus, together with the Overseas Letter, for information only)	Friday, 14 February
Latest Time for Acceptance	4:00 p.m. on Friday, 28 February
Latest Time for Termination by the Underwriter	4:00 p.m. on Wednesday, 5 March
Announcement of the results of the Open Offer	Friday, 7 March
Despatch of share certificates for Offer Shares	Monday, 10 March

Despatch of refund cheques if the Open Offer is terminated Monday, 10 March

Expected first day of dealings in fully-paid

Offer Shares on the Stock Exchange. Tuesday, 11 March

All times and dates stated in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

Shareholding structure of the Company

Set out below is the shareholding structure of the Company before and after the completion of the Open Offer:

	As at the date of this announcement		Immediately after completion of the Open Offer (assuming all Qualifying Shareholders take up their entitlements under the Open Offer) and assuming none of the Bondholders exercise their conversion right attached to the Convertible Bonds on or before the Record Date		Immediately after completion of the Open Offer (assuming no Qualifying Shareholders take up their entitlements under the Open Offer) and assuming none of the Bondholders exercise their conversion right attached to the Convertible Bonds on or before the Record Date (For illustrative purpose only) (Note 4)		Immediately after completion of the Open Offer (assuming all Qualifying Shareholders take up their entitlements under the Open Offer) and assuming all Bondholders exercise their conversion right attached to the Convertible Bonds on or before the Record Date		Immediately after completion of the Open Offer (assuming no Qualifying Shareholders take up their entitlements under the Open Offer) and assuming all Bondholders exercise their conversion right attached to the Convertible Bonds on or before the Record Date (For illustrative purpose only) (Note 4)	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
Hongkong Zhongxing Group Co.,										
Limited (Note 1)	579,470,000	22.83	869,205,000	22.83	579,470,000	15.22	869,205,000	21.22	579,470,000	14.15
Rhenfield (Note 2)	479,050,000	18.87	718,575,000	18.87	479,050,000	12.58	718,575,000	17.54	479,050,000	11.70
Mr. Tsang (Note 2)	64,210,000	2.53	96,315,000	2.53	64,210,000	1.69	96,315,000	2.35	64,210,000	1.57
Ms. Kwok (Note 2)	33,521,765	1.32	50,282,647	1.32	33,521,765	0.88	50,282,647	1.23	33,521,765	0.82
Public:										
Existing public Shareholders	1,381,816,513	54.45	2,072,724,770	54.45	1,381,816,513	36.30	2,072,724,770	50.60	1,381,816,513	33.73
The Underwriter	-	-	-	-	1,269,034,139	33.33	-	-	1,365,366,520	33.33
Bondholders (Note 3)	-	-	-	-	-	-	288,997,143	7.06	192,664,762	4.70
Total	2,538,068,278	100.00	3,807,102,417	100.00	3,807,102,417	100.00	4,096,099,560	100.00	4,096,099,560	100.00

Note(s):

1. Hongkong Zhongxing Group Co., Limited is wholly-owned by Mr. Li Yi. He is deemed to be interested in 579,470,000 Shares pursuant to the Part XV of the SFO.
2. Rhenfield is owned by Ms. Kwok and Mr. Tsang in equal shares. Mr. Tsang and Ms. Kwok are deemed to be interested in 479,050,000 Shares pursuant to Part XV of the SFO. Mr. Tsang personally held 64,210,000 Shares while Ms. Kwok, spouse of Mr. Tsang, personally held 33,521,765 Shares. By virtue of the SFO, Mr. Tsang and Ms. Kwok are both deemed to be interested in 97,731,765 Shares. As such, both Mr. Tsang and Ms. Kwok have an aggregate interest of 576,781,765 Shares, representing approximately 22.72% of the shareholding of the Company.
3. As at the date of this announcement, the Company had outstanding convertible bonds with total outstanding principal amount of HK\$30,055,703 which are convertible into 192,664,762 Shares.
4. Pursuant to the Underwriting Agreement, in the event of Underwriter being called upon to subscribe for or procure certain placees and/or sub-underwriters to subscribe for any of the Offer Shares, the Underwriter together with its parties acting in concert nor any of the placees and/or sub-underwriters and their respective parties acting in concert shall be interested in 10% or more of the issued share capital of the Company as enlarged by the Open Offer.

Reasons for and benefits of the Open Offer and use of proceeds

The Company is principally engaged in investment holding. The Group is principally engaged in property development, property management and investment.

The gross proceeds from the Open Offer will not be less than approximately HK\$50.76 million and not more than approximately HK\$54.61 million. The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be not less than approximately HK\$48.98 million but not more than approximately HK\$52.70 million. The Company intends to apply the net proceeds from the Open Offer as to (i) approximately HK\$10 million for repayment of short-term interest bearing borrowings; (ii) approximately HK\$35 million for financing the Group's existing properties development projects; and (iii) the rest of the net proceeds for general working capital to strengthen the Company's financial position. By extinguishing the existing liability of the Company, the Company shall be able to concentrate on the development of its existing business.

The Board considers that it is prudent to finance the Group's long-term growth by long-term financing, preferably in the form of equity which will not increase the Group's finance costs. The Directors also consider that the Open Offer offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company, which enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so.

The Directors have considered obtaining banking facilities from banks in the PRC. However, due to the continuous austerity measures on real estate market by the PRC central government which have caused banks to tighten their money lending policies especially to property development corporations, it is hard for the Group to obtain sufficient banking facilities at the time being and obtaining such banking facilities from banks would definitely increase the Group's finance costs and further affect the gearing level of the Group. The Directors also considered that the Open Offer could remove certain degree of uncertainty as compared to best-efforts placing.

Having considered the above reasons, the Directors are of the view that the fund raising through the Open Offer is in the interests of the Company and the Shareholders as a whole. **However, those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.**

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

There has not been any fund raising exercise effected by the Company in twelve months immediately preceding the date of this announcement.

ADJUSTMENTS TO THE CONVERTIBLE BONDS

As a result of the Open Offer, the conversion price of the Convertible Bonds may be adjusted in accordance with the terms and conditions of the Convertible Bonds. The Company will instruct its auditors or an independent financial adviser to certify the adjustments, if any, to the Convertible Bonds and will inform the Bondholders of the adjustments, if any, accordingly. Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof.

Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Tuesday, 4 February 2014 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

LISTING RULES IMPLICATION

Since the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the twelve-month period immediately preceding this announcement, the Open Offer is not subject to Shareholders' approval under the Listing Rules. The Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders and the Prospectus (without the Application Form) will be despatched to the Non-Qualifying Shareholders for their information only on Friday, 14 February 2014.

DEFINITIONS

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

“Application Form” the form of application to be used by the Qualifying Shareholders to apply for the Offer Shares in the agreed form;

“Bondholder(s)” holder(s) of the Convertible Bonds;

“Board”	the board of the Directors;
“Business Day”	any day (excluding a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours;
“CCASS”	the Central Clearing and Settlement System, established and operated by HKSCC;
“Company”	Grand Field Group Holdings Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange;
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong;
“Convertible Bonds”	the convertible bonds due 2016 issued by the Company with total outstanding principal amount of HK\$30,055,703 which are convertible into 192,664,762 Shares;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected person(s) (as defined under the Listing Rules);
“Last Trading Day”	17 January 2014, being the last trading day on which the Shares were traded on the Stock Exchange on which the Company and the Underwriter entered into the Underwriting Agreement;
“Latest Time for Acceptance”	the latest time for acceptance for the Offer Shares at 4:00 p.m. (Hong Kong time) on Friday, 28 February 2014 or such other time as may be agreed between the Company and the Underwriter;
“Latest Time for Termination”	the latest time for terminating the Underwriting Agreement at 4:00 p.m. (Hong Kong time) on Wednesday, 5 March 2014, being the third Business Day after the Latest Time for Acceptance;
“Listing Committee”	the Listing Committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange;
“Mr. Tsang”	Mr. Tsang Wai Lun, Wayland;
“Ms. Kwok”	Ms. Kwok Wai Man, Nancy, spouse of Mr. Tsang;

“Non-Qualifying Shareholders”	the Oversea Shareholder(s) whose address is/are in a place(s) outside Hong Kong where, the Directors, based on legal opinions provided by legal advisers of the Company, consider it is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Offer Shares to such Shareholders;
“Offer Shares”	not less than 1,269,034,139 new Shares (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) and not more than 1,365,366,520 new Shares (assuming no repurchase of Shares and the Convertible Bonds are converted in full on or before the Record Date);
“Open Offer”	the proposed issue of the Offer Shares at the Subscription Price on the basis of one (1) Offer Share for every two (2) Shares held on the Record Date;
“Overseas Letter”	a letter from the Company to the Non-Qualifying Shareholders explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Open Offer;
“Overseas Shareholders”	Shareholder(s) with registered address(s) (as shown in the register of members of the Company on the Record Date) are outside Hong Kong;
“PRC”	the People’s Republic of China;
“Prospectus”	the document containing details of the Open Offer to be despatched to the Shareholders;
“Prospectus Documents”	the Prospectus and the Application Form;

“Prospectus Posting Date”	Friday, 14 February 2014 or such later date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders (or the Prospectus only in case of Non-Qualifying Shareholder(s));
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders;
“Record Date”	Wednesday, 12 February 2014, or such other date as may be agreed between the Company and the Underwriter for determining entitlements to the Open Offer;
“Registrar”	Tricor Secretaries Limited, 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, the Hong Kong branch share register and transfer office of the Company;
“Rhenfield”	Rhenfield Development Corp., a company incorporated in the British Virgin Islands with limited liability, is one of the substantial shareholders (as defined under the Listing Rules) of the Company;
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	the ordinary share(s) of HK\$0.02 each in the issued share capital of the Company;
“Shareholder(s)”	the holder(s) of the issued Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the subscription price of HK\$0.04 per Offer Share;

“Underwriter”	President Securities (Hong Kong) Limited, a licensed corporation to carry on type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (assets management) regulated activities under the SFO and is the underwriter to the Company under the Open Offer;
“Underwriting Agreement”	the underwriting agreement dated 17 January 2014 (after trading hours) in relation to the Open Offer entered into between the Company and the Underwriter;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

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

Hong Kong, 17 January 2014

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Ma Xuemian, Mr. Kwok Siu Bun, Ms. Chow Kwai Wa, Anne and Ms. Kwok Siu Wa, Alison; two non-executive Directors, namely Mr. Chen Mudong (with Mr. Lim Francis as alternate) and Mr. Lim Francis; 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.