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鈞豪集團有限公司*

GRAND FIELD GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 115)

**(A) ISSUE OF REMUNERATION SHARES AND
(B) ISSUE OF SETTLEMENT SHARES
UNDER A GENERAL MANDATE**

On 14 July 2015 (after trading hours), the Company and the Legal Adviser entered into the Fees Settlement Agreement pursuant to which the Outstanding Professional Fees will be settled by the Company by way of the issue and allotment of the Remuneration Shares.

On the same date, the Company and Thrive Season entered into the Loan Settlement Agreement pursuant to which the Final Indebted Amount will be settled by the Company by way of the issue and allotment of the Settlement Shares.

A. ISSUE OF REMUNERATION SHARES

Background

Simon Ho & Co., Solicitors have been the legal adviser to the Company (the “Legal Adviser”) in respect of the provision of legal advisory services to the Company.

As at the date of this announcement, the outstanding professional fees (the “Outstanding Professional Fees”) payable by the Company to the Legal Adviser in connection with the provision of legal advisory services by the Legal Adviser is amounted to HK\$2,048,000.

* *For identification purpose only*

The Fees Settlement Agreement

On 14 July 2015 (after trading hours), the Company entered into the Fees Settlement Agreement with the Legal Adviser, pursuant to which the Company has agreed with the Legal Adviser to settle the Outstanding Professional Fees of HK\$2,048,000 by the issuance and allotment of 6,714,754 Remuneration Shares to Mr. Wong at an issue price of approximately HK\$0.305 per Remuneration Share (subject to the condition as stated below).

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, Mr. Wong and/or his associates are Independent Third Parties. As at the date of this announcement, Mr. Wong and/or his associates held 5,031,194 Shares, representing approximately 0.54% of the issued share capital of the Company. The Remuneration Shares representing approximately 0.72% of the existing issued shares of the Company of 926,892,396 and approximately 0.72% of the Company's issued shares of 933,606,550 Shares as enlarged by the issue of Remuneration Shares respectively.

Issue price of the Remuneration Shares

The issue price of the Remuneration Shares represents:

1. a discount of 12.86% of the closing price of HK\$0.350 per Share as quoted on the Stock Exchange on the Last Trading Day; and
2. a discount of approximately 9.50% of the average closing price of approximately HK\$0.337 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

The issue price of the Remuneration Shares was determined after arm's length negotiations between the Company and the Legal Adviser with reference to the recent trading prices of the Shares. The Directors consider that the issue price of the Remuneration Shares is on normal commercial terms and the terms and conditions of the Fees Settlement Agreement are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

The net issue price of the Remuneration Shares, after deduction of relevant expenses (including but not limited to professional expenses and disbursements), is estimated to be approximately HK\$0.301 per Remuneration Share.

Condition of the Remuneration Shares

The issue of Remuneration Shares is conditional upon the Stock Exchange granting listing of and permission to deal in the Remuneration Shares.

Completion

Completion of the issue of Remuneration Shares shall take place within 30 calendar days from the date on which all the conditions referred to above have been fulfilled.

Ranking and lock up

Mr. Wong has undertaken not to dispose of the Remuneration Shares for a period of three months from the date of issuance and allotment of the Remuneration Shares. Save for the above-mentioned lock-up period, the Remuneration Shares will rank *pari passu* in all aspects with the Shares then in issue.

B. ISSUE OF SETTLEMENT SHARES

Background

References are made to the announcements of the Company dated 2 October 2013, 2 September 2013 and 6 February 2015 in connection with the partial settlement of the Drawn-Down Loan owed to Thrive Season by the Company. On 7 October 2013, the Company issued to Thrive Season and Thrive Season subscribed for the Convertible Bonds in the principal amount of HK\$30,055,703, representing the outstanding amount of the Drawn-Down Loan for the settlement of the Drawn-Down Loan. On 11 February 2015, the Company allotted and issued 85,185,185 Shares for partial repurchase of the Convertible Bonds in the principal amount of HK\$23,000,000 and convert the remaining principal amount of the Convertible Bonds of HK\$7,055,703 into a loan (the “Loan”).

As at the date of this announcement, the Company was indebted to Thrive Season in the sum of HK\$7,155,659 (the “Final Indebted Amount”), which comprises the principal amount of the Loan and all accrued and unpaid interests of HK\$99,956 as at the date of this announcement.

The Loan Settlement Agreement

On 14 July 2015 (after trading hours), the Company and Thrive Season entered into the Loan Settlement Agreement, pursuant to which Thrive Season has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 23,461,177 Settlement Shares at the issue price of approximately HK\$0.305 per Settlement Share for full repayment of the Final Indebted Amount due from Thrive Season on and subject to the terms and conditions of the Loan Settlement Agreement.

Furthermore, pursuant to the Loan Settlement Agreement, the reservation rights to further negotiate on the details in the repayment term, interest and other terms of the unused Loan Facilities available from Thrive Season in the sum of RMB20,500,000 pursuant to the Settlement Agreement shall remain effective and unchanged.

All parties to the Loan Settlement Agreement agreed that all accrued interest incurred from the date of the Loan Settlement Agreement until the date of the allotment and issue of the Settlement Shares (both day inclusive) will be settled in cash by the Company.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, Thrive Season and/or its associates are Independent Third Parties. As at the date of this announcement, Thrive Season and/or its associates held 19,995,185 Shares, representing approximately 2.16% of the issued share capital of the Company.

The Settlement Shares

The Settlement Shares comprise 23,461,177 new Shares, representing approximately 2.53% of the existing issued shares of the Company of 926,892,396 Shares and approximately 2.47% of the Company’s issued shares of 950,353,573 as enlarged by the issue of Settlement Shares respectively.

Issue price of the Settlement Shares

The issue price of the Settlement Shares represents:

1. a discount of 12.86% of the closing price of HK\$0.350 per Share as quoted on the Stock Exchange on the Last Trading Day; and
2. a discount of approximately 9.50% of the average closing price of approximately HK\$0.337 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

The issue price of the Settlement Shares was arrived at after arm's length negotiations between the Company and Thrive Season with reference to the recent market price of the Shares. The Board considers that the issue price of the Settlement Shares is fair and reasonable and on normal commercial terms based on the current market conditions.

The net issue price of the Settlement Shares, after deduction of relevant expenses (including but not limited to professional expenses and disbursements), is estimated to be approximately HK\$0.301 per Settlement Share.

Conditions

The allotment and issue of the Settlement Shares is conditional upon the following conditions have been fulfilled:

- (a) the Stock Exchange granting the approval for the listing of, and permission to deal in the Settlement Shares; and
- (b) all necessary regulatory filings, notifications and approvals to the relevant authorities of competent jurisdiction or relevant regulatory bodies to enter into the Loan Settlement Agreement and the agreements and documents contemplated therein having been obtained by the Company (if any) and such filings, notifications and approvals remain valid and effective.

The conditions of the Loan Settlement Agreement cannot be waived by the parties thereto. In the event that the above-mentioned conditions of the Loan Settlement Agreement could not take place on or before the Long Stop Date or such other date as may be agreed by the Company and Thrive Season, the Loan Settlement Agreement shall terminate and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Loan Settlement Agreement save for any antecedent breach of any obligation thereof.

Completion

Completion of the allotment and issue of the Settlement Shares will take place on the seventh Business Days after the conditions mentioned above are fulfilled.

Ranking of the Settlement Shares

The Settlement Shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of the allot and issue of the Settlement Shares.

Application for listing

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

GENERAL MANDATE TO ISSUE THE REMUNERATION SHARES AND THE SETTLEMENT SHARES

The Remuneration Shares and the Settlement Shares will be allotted and issued under the General Mandate. The General Mandate has not been utilized since granted. Therefore, the issue of the Remuneration Shares and the Settlement Shares are not subject to approval of the Shareholders.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

The following fund raising activity has been carried out by the Company in the twelve months immediately prior to the date of this announcement:

Date of Announcement	Event	Net proceeds Raised <i>(Approximately)</i>	Intended use of proceeds	Actual use of proceeds
13 May 2015	Subscription of new Shares	HK\$22.48 million	Intended to be used as general working capital of the Company.	Approximately HK\$3 million was utilised as general working capital. The remaining balance is being deposited in the bank accounts of the Group and will be used as intended.

CHANGES IN SHAREHOLDING STRUCTURE

Set out below is a summary of the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after allot and issue of the Remuneration Shares and the Settlement Shares

	As at the date of this announcement		Immediately after the allot and issue of the Remuneration Shares and the Settlement Shares <i>(Note 1)</i>	
	Number of Share	% (Approx.)	Number of Shares	% (Approx.)
Kwok Wai Man, Nancy <i>(Note 2)</i>	10,056,529	1.08	10,056,529	1.05
Tsang Wai Lun, Wayland <i>(Note 2)</i>	19,263,000	2.08	19,263,000	2.01
Rhenfield Development Corp. <i>(Note 2)</i>	143,715,000	15.51	143,715,000	15.02
Directors:				
Kwok Siu Bun	1,000,000	0.11	1,000,000	0.10
Chow Kwai Wa, Anne	1,300,000	0.14	1,300,000	0.14
Kwok Siu Wa, Alison	2,000,000	0.22	2,000,000	0.21
Public:				
Mr. Wong and/or his associates	5,031,194	0.54	11,745,948	1.23
Thrive Season	19,995,185	2.16	43,456,362	4.54
Other public Shareholders	724,531,488	78.16	724,531,488	75.70
Total	926,892,396	100.00	957,068,327	100.00

Note(s):

1. On the assumption that there are no other changes in the issued share capital of the Company.
2. Rhenfield Development Corp. is owned by Ms. Kwok Wai Man, Nancy (“Ms. Kwok”) and Mr. Tsang Wai Lun, Wayland (“Mr. Tsang”) in equal shares. Mr. Tsang and Ms. Kwok are deemed to be interested in 143,715,000 shares of the Company pursuant to the Part XV of the SFO. Mr. Tsang personally held 19,263,000 Shares while Ms. Kwok, spouse of Mr. Tsang, personally held 10,056,529 Shares. By virtue of the SFO, Mr. Tsang and Ms. Kwok are both deemed to be interested in 29,319,529 Shares. In conclusion, both Mr. Tsang and Ms. Kwok have an aggregate interest of 173,034,529 Shares, representing approximately 18.67% of the shareholding of the Company.

REASONS FOR AND BENEFITS OF THE FEES SETTLEMENT AGREEMENT AND THE LOAN SETTLEMENT AGREEMENT

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

The Directors having considered (i) the allotment and issue of the Remuneration Shares and the Settlement Shares will enlarge the capital base of the Company and improve the gearing level of the Group thereby strengthening the financial position of the Group for future fund raising activities when opportunity comes; (ii) the existing liabilities of the Group will be reduced without affecting the working capital of the Group; and (iii) the Group could retain more internal resources for daily working capital and for future investment (if any), are of the view that the terms and conditions of the Fees Settlement Agreement and Loan Settlement Agreement are fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

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

“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturdays and Sundays and public holidays) on which licensed banks are generally open for business in Hong Kong
“Company”	Grand Field Group Holdings Limited (stock code: 115), a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the of the Stock Exchange
“connected person”	has the meaning ascribed to this term under the Listing Rules
“Convertible Bonds”	the convertible bonds in the principal amount of HK\$30,055,703
“Directors”	directors (including the independent non-executive directors) of the Company
“Drawn-Down Loan”	the indebted amount by the Company to Thrive Season in the sum of RMB23,927,345 (equivalent to approximately HK\$30,055,703) which comprises principal of RMB20,500,000 (equivalent to approximately HK\$25,750,534) and accrued interests of RMB3,427,345 (equivalent to approximately HK\$4,305,169) due on 27 November 2013

“Fees Settlement Agreement”	the conditional agreement dated 14 July 2015 entered into between the Company and the Legal Adviser in relation to the allot and issue of the Remuneration Shares for settlement of the Outstanding Professional Fees
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 30 June 2015, among other things, to allot, issue and deal with up to 185,378,479 Shares, being 20% of the then issued share capital of the Company as at the date of the annual general meeting of the Company held on 30 June 2015
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third parties independent to the Company and its connected person(s) (as defined under the Listing Rules)
“Last Trading Day”	14 July 2015, being the trading day on which the Fees Settlement Agreement and the Loan Settlement Agreement were entered into and the last full trading day of the Shares on the Stock Exchange immediately prior to the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wong”	Mr. Wong Vai Nang, the sole proprietor of Simon Ho & Co., Solicitors

“Loan Settlement Agreement”	the conditional agreement dated 14 July 2015 entered into between the Company and Thrive Season in relation to the allot and issue of the Settlement Shares for settling the amount of HK\$7,155,659, being the principal amount of the Loan and all accrued and unpaid interest calculated up to the date of this announcement
“Long Stop Date”	within 30 Business Days from the date of the Loan Settlement Agreement to fulfill the conditions stipulated under the Loan Settlement Agreement
“Remuneration Share(s)”	6,714,754 new Shares to be allotted and issued to Mr. Wong at an issue price of HK\$0.305 per Remuneration Share for settlement of the Outstanding Professional Fees
“Settlement Share(s)”	23,461,177 new Shares to be allotted and issued to Thrive Season at an issue price of HK\$0.305 per Settlement Share for full repayment of the Final Indebted Amount
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Thrive Season”	Thrive Season Limited, a company incorporated in the British Virgin Islands and is wholly-owned by Mr. Chen Yuchi (陳育池先生)

“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

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

Hong Kong, 14 July 2015

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 and Ms. Kwok Siu Wa, Alison; one non-executive Director, namely, Ms. Tsang Tsz Tung Debbie (with Mr. Kwok Siu Bun as alternative); and three independent non-executive Directors, namely, Mr. Hui Pui Wai, Kimber, Mr. Liu Chaodong and Ms. Chui Wai Hung.

For the purpose of this announcement, unless otherwise indicated, conversion of HK\$ into RMB are calculated at the approximate exchange rate of HK\$1.00 to RMB0.79610. This exchange rate is for purpose of illustration only and do not constitute a representation that any amount have been, could have been, or may be, exchanged at this or another rate.