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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)**

## **SUBSCRIPTION OF SHARES UNDER GENERAL MANDATE**

### **THE SUBSCRIPTION AGREEMENTS**

The Board is pleased to announce that on 21 November 2016 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreements with two Subscribers respectively pursuant to which the Company has conditionally agreed to allot and issue, and each of the two Subscribers has conditionally agreed to subscribe for, an aggregate of 62,952,645 Subscription Shares at the Subscription Price of HK\$0.2154 per Subscription Share.

The Subscription Shares, in aggregate represent (i) approximately 6.49% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 6.10% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

It is expected that the net proceeds from the Subscriptions (after deducting the expenses incurred in the Subscriptions) amount to approximately HK\$13,510,000. The Company intends to apply the net proceeds from the Subscriptions for general working capital of the Group.

\* For identification purpose only

**Shareholders and potential investors should note that completion of the Subscriptions is subject to fulfillment of the conditions under the Subscriptions Agreement. As the Subscriptions may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **INTRODUCTION**

The Board is pleased to announce that on 21 November 2016 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreements with two Subscribers respectively pursuant to which the Company has conditionally agreed to allot and issue, and each of the two Subscribers has conditionally agreed to subscribe for, an aggregate of 62,952,645 Subscription Shares at the Subscription Price of HK\$0.2154 per Subscription Share.

## **THE SUBSCRIPTION AGREEMENTS**

Principal terms of the Subscription Agreements are as follows:

### **Date**

21 November 2016 (after trading hours of the Stock Exchange)

### **Parties to the Subscription Agreement I**

- (i) the Company (as issuer); and
- (ii) Ms. Yuan Guo Ying (袁國英女士) (as Subscriber I)

### **Parties to the Subscription Agreement II**

- (i) the Company (as issuer); and
- (ii) Mr. Lin Xin Hua (林新華先生) (as Subscriber II)

Subscriber I is a merchant who is principally engaged in construction business in the PRC. The Chairman of the Company met and got familiar with Subscriber I in a real estate salon event held in Shenzhen in year 2015.

Subscriber II is a merchant who is principally engaged in catering business in the PRC. The Company met and got familiar with Subscriber II during a press conference organised by the Group in Shenzhen relating to the Group's dairy and food trading and distribution business on 27 June 2015.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) each of the Subscribers is a third party independent to each other; and (ii) each of the Subscribers and their respective associates are Independent Third Parties.

### **Subscription Shares**

Pursuant to the Subscription Agreement I, the Company has conditionally agreed to allot and issue, and the Subscriber I has conditionally agreed to subscribe for, 26,230,269 Subscription Shares at the Subscription Price of HK\$0.2154 per Subscription Share.

Pursuant to the Subscription Agreement II, the Company has conditionally agreed to allot and issue, and the Subscriber II has conditionally agreed to subscribe for, 36,722,376 Subscription Shares at the Subscription Price of HK\$0.2154 per Subscription Share.

Assuming that there will be no change in the number of issued Shares between the date of this announcement and Completion, the Subscription Shares, in aggregate represent:

- (i) approximately 6.49% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 6.10% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The aggregate nominal value of the Subscription Shares is HK\$6,295,264.50.

### **Subscription Price**

The Subscription Price of HK\$0.2154 per Subscription Share represents:

- (i) a discount of approximately 12.08% to the closing price of HK\$0.245 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and

- (ii) a discount of approximately 15.00% to the average closing price of HK\$0.2534 per Share as quoted on the Stock Exchange for the last five (5) trading days up to and including the Last Trading Day.

The net Subscription Price, after deduction of relevant expenses, is estimated to be approximately HK\$0.2146 per Subscription Share.

The aggregate amount to be received by the Company under the Subscriptions is HK\$13,560,000, which will be payable in cash by each of the Subscribers on or before Completion in respect of their respective Subscription.

The Subscription Price was arrived at after arm's length negotiation between the Company and each of the Subscribers with reference to the recent market prices and performance of the Shares and the current market conditions. The Directors (including the independent non-executive Directors) are of the view that the Subscription Price is fair and reasonable, on normal commercial terms, and is in the interests of the Company and the Shareholders as a whole.

### **Ranking**

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with all other Shares in issue at the time of issue and allotment of the Subscription Shares.

### **Conditions precedent**

Completion of the Subscription Agreements is conditional upon the fulfillment of the following conditions:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares; and
- (ii) the representations, warranties and undertakings given by the Company and each of the Subscribers in the respective Subscription Agreements remaining true and accurate in all material respects and having no material misunderstanding or omission.

None of the above conditions could be waived. If the above conditions are not fulfilled on or before 5 December 2016 (or such later date as may be agreed between the Company and each of the Subscribers in writing), the Subscription Agreements will lapse and become null and void and the parties thereto will be released from all obligations thereunder, save for the liabilities for any antecedent breaches thereof.

The Subscription Agreements are not inter-conditional to each other.

### **Completion**

Completion of the Subscriptions will take place on the third Business Day after the conditions of the Subscriptions are fulfilled (or such other date as may be agreed by the Company in writing).

### **GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES**

The Subscription Shares will be allotted and issued under the General Mandate. The General Mandate entitles the Directors to allot, issue and deal with up to 193,979,290 Shares, representing approximately 20% of the issued share capital of the Company as at the date of the AGM. Since the date of the AGM up to and including the date of this announcement, the General Mandate has yet to be utilised. Accordingly, the General Mandate is sufficient for the allotment and issue of the Subscription Shares and the allotment and issue of the Subscription Shares is not subject to the Shareholders' approval.

### **APPLICATION FOR LISTING**

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

## **REASONS FOR AND BENEFIT OF THE SUBSCRIPTIONS AND USE OF PROCEEDS**

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

The Directors consider that the Subscriptions will provide additional funding for the Company to strengthen its financial position and maintain the Group's working capital requirement while broadening the capital base of the Company. The Directors (including all of the independent non-executive Directors) are of the view that the Subscriptions are in the interests of the Company and the Shareholders as a whole and the allotment and issue of the Subscription Shares is an appropriate means of raising additional capital for the Company since it will provide the Company with immediate funding and the capital base of the Company will be enlarged. The Directors consider that the terms of the Subscription Agreements are fair and reasonable.

It is expected that the net proceeds from the Subscriptions (after deducting the expenses incurred in the Subscriptions) amount to approximately HK\$13,510,000. The Company intends to apply the net proceeds from the Subscriptions for general working capital of the Group.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD**

The Company has not carried out any fund raising activity in the twelve months immediately prior to the date of this announcement.

## EFFECTS ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately following the Completion of the Subscriptions (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the date of Completion of the Subscriptions), are summarised as follows:

	As at the date of this announcement		Immediately following the Completion of the Subscriptions	
	<i>Number of Shares</i>	<i>% (Approx.)</i>	<i>Number of Shares</i>	<i>% (Approx.)</i>
Rhenfield Development Corp. <i>(Note)</i>	165,564,529	17.07	165,564,529	16.03
<b>Directors:</b>				
Kwok Siu Bun	1,000,000	0.10	1,000,000	0.10
Chow Kwai Wa, Anne	1,300,000	0.13	1,300,000	0.12
Kwok Siu Wa, Alison	2,000,000	0.21	2,000,000	0.19
<b>Public:</b>				
The Subscribers	–	–	62,952,645	6.10
Other public Shareholders	800,031,923	82.49	800,031,923	77.46
<b>Total</b>	<u>969,896,452</u>	<u>100.00</u>	<u>1,032,849,097</u>	<u>100.00</u>

*Note:*

Rhenfield Development Corp. is owned by Mr. Tsang Yee who is deemed to be interested in 165,564,529 shares of the Company pursuant to the Part XV of the SFO.

**Shareholders and potential investors should note that completion of the Subscriptions is subject to fulfillment of the conditions under the Subscription Agreements. As the Subscriptions may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 21 June 2016
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	Grand Field Group Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Subscription Agreements
“Directors”	directors of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC



“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 Group and its connected persons in accordance with the Listing Rules
“Last Trading Day”	18 November 2016, being the last trading day immediately prior to the entering into of the Subscription Agreements
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China and for the sole purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	existing ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	collectively, Subscriber I and Subscriber II
“Subscriber I”	Ms. Yuan Guo Ying (袁國英女士)
“Subscriber II”	Mr. Lin Xin Hua (林新華先生)
“Subscription(s)”	the subscription of the Subscription Shares by the Subscribers pursuant to the Subscription Agreements

“Subscription Agreements”	collectively, Subscription Agreement I and Subscription Agreement II
“Subscription Agreement I”	the conditional subscription agreement dated 21 November 2016 entered into between the Company and Subscriber I in relation to the Subscription
“Subscription Agreement II”	the conditional subscription agreement dated 21 November 2016 entered into between the Company and Subscriber II in relation to the Subscription
“Subscription Price”	the subscription price of HK\$0.2154 per Subscription Share
“Subscription Shares”	an aggregate total of 62,952,645 new Shares to be allotted and issued by the Company to the Subscribers pursuant to the terms and conditions of the Subscription Agreements
“HK\$”	Hong Kong dollars
%”	per cent.

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

Hong Kong, 21 November 2016

*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; 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.*