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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)

SUBSCRIPTIONS OF SHARES UNDER GENERAL MANDATE AND ISSUE OF REMUNERATION SHARES

THE SUBSCRIPTION AGREEMENTS

The Board is pleased to announce that on 12 January 2017 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreements with the two Subscribers pursuant to which the Company has conditionally agreed to allot and issue, and each of the Subscribers has conditionally agreed to subscribe for, an aggregate of 90,468,877 Subscription Shares at the Subscription Price of HK\$0.27 per Subscription Share.

The Subscription Shares, in aggregate represent (i) approximately 8.76% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 8.05% 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\$24,376,597. 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 Subscription Agreements. As the Subscriptions may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

ISSUE OF REMUNERATION SHARES

On 12 January, 2017 (after trading hours), the Company entered into the Settlement Agreement, pursuant to which the Legal Adviser has agreed with the Company to settle the Outstanding Professional Fees of HK\$3,500,000 by the issuance and allotment of 12,962,963 Remuneration Shares to Mr. Wong Vai Nang, the sole proprietor of the Legal Adviser at an issue price of HK\$0.27 per Remuneration Shares.

INTRODUCTION

The Board is pleased to announce that on 12 January 2017 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreements with the two Subscribers pursuant to which the Company has conditionally agreed to allot and issue, and each of the Subscribers has conditionally agreed to subscribe for, an aggregate of 90,468,877 Subscription Shares at the Subscription Price of HK\$0.27 per Subscription Share.

THE SUBSCRIPTION AGREEMENTS

Principal terms of the Subscription Agreements are as follows:

Date

12 January 2017 (after trading hours of the Stock Exchange)

Parties to the Subscription Agreement I

- (i) the Company (as issuer); and
- (ii) Xin Zailian (辛宰練) (as the Subscriber I)

Parties to Subscription Agreement II

- (i) the Company (as issuer); and
- (ii) Chen Guoqin (陳國欽) (as Subscriber II)

The Subscriber I is a merchant who is principally engaged in property development business in the PRC who was introduced to the Company through a senior management of the Company.

The Subscriber II is a merchant who is principally engaged in property development business in the PRC who was introduced to the Company through a senior management of the Company.

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 Agreements, the Company has conditionally agreed to allot and issue, and the Subscribers I has conditionally agreed to subscribe for, 65,513,322 Subscription Shares at the Subscription Price of HK\$0.27 per Subscription Share.

Pursuant to the Subscription Agreements, the Company has conditionally agreed to allot and issue, and the Subscribers II has conditionally agreed to subscribe for, 24,955,555 Subscription Shares at the Subscription Price of HK\$0.27 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 8.76% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 8.05% 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\$9,046,887.70.

Subscription Price

The Subscription Price of HK\$0.27 per Subscription Share represents:

- (i) a discount of approximately 3.57% to the closing price of HK\$0.28 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and
- (ii) a discount of approximately 1.79% to the average closing price of HK\$0.275 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\$0.27 per Subscription Share.

The aggregate amount to be received by the Company under the Subscriptions is HK\$24,426,596.79, which will be payable in cash by each of the Subscribers on or before Completion in respect of their respective Subscriptions.

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 23 January 2017 (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.

Lock-up Undertaking

The Subscription Shares subscribed by the Subscribers shall not be traded or transferred within 24 months upon the completion of issuance. In the event that the two Subscribers is entitled to bonus shares, converts capital reserve into share capital etc., based on the Subscriptions, such additional shares shall also comply with the above lock-up period.

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).

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 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\$24,376,597. The Company intends to apply the net proceeds from the Subscriptions for general working capital and future development of the Group.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

Fund Raising Activity in Past 12 Months

Set out below is the equity fund raising activities conducted by the Company in the previous 12 months immediately preceding the date of this announcement.

Date of announcement	Event	Net Proceeds	Intended use of net proceeds	Actual use of net proceeds as at the date of the announcement
21 November 2016	Subscriptions of new Shares	Approximately HK\$13,510,000	Applied as for general working capital	Used as intended

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.

ISSUE OF REMUNERATION SHARES

SETTLEMENT OF PROFESSIONAL FEE BY MEANS OF ISSUE OF REMUNERATION SHARES

Simon Ho & Co., Solicitors have been the legal adviser to the Company in respect of the provision of legal advisory services to the Company.

As at the date of this announcement, the outstanding professional fees 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\$3,500,000.

On 12 January, 2017 (after trading hours), the Company entered into the Settlement Agreement, pursuant to which the Legal Adviser has agreed with the Company to settle the Outstanding Professional Fees of HK\$3,500,000 by the issuance and allotment of 12,962,963 Remuneration Shares to Mr. Wong Vai Nang, the sole proprietor of the Legal Adviser at an issue price of HK\$0.27 per Remuneration Shares (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 Vai Nang and/or his associates are Independent Third Parties. As at the date of this announcement, Mr. Wong Vai Nang and/or his associate owns 7,326,073 Shares. The 12,962,963 Remuneration Shares represent approximately 1.24% of the Company's issued shares of 1,045,812,060 Shares as enlarged by the issue of Remuneration Shares, respectively. The issue price of the Remuneration Share is HK\$0.27 per Remuneration Shares, representing a discount of approximately 3.57% of the closing price of HK\$0.28 per Share as quoted on the Stock Exchange on the Last Trading Day, and a discount of approximately 1.79% of the average closing price of approximately HK\$0.275 per Shares as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

Condition

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.

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 Settlement Agreement are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

Ranking

The Remuneration Shares will rank *pari passu* in all aspects with the Shares than in issue.

Reasons for the issue of Remuneration Shares

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

The Board with a view to minimize the case outlay of the Company, is of the view that the issue of Remuneration Shares is in the interests of the Company and the Shareholders as a whole.

GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES AND REMUNERATION 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. Up to the date of this announcement, the Company has issued 62,952,645 Shares under the General Mandate since the date of the AGM, leaving the balance of the General Mandate of 131,026,645 Shares. Accordingly, the General Mandate is sufficient for the allotment and issue of the Subscription Shares and Remuneration Shares and the allotment and issue of the Subscription Shares and Remuneration Shares are not subject to the Shareholders' approval.

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 and after the allot and issue of the Remuneration shares (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 and after the allot and issue of the Remuneration shares	
	Number of Shares	% (Approx.)	Number of Shares	% (Approx.)
Rhenfield Development Corp. (Note)	165,564,529	16.03	165,564,529	14.57
Directors:				
Kwok Siu Bun	1,000,000	0.10	1,000,000	0.09
Chow Kwai Wa, Anne	1,300,000	0.13	1,300,000	0.11
Kwok Siu Wa, Alison	2,000,000	0.19	2,000,000	0.18
Public:				
Subscriber I	–	–	65,513,322	5.77
Subscriber II	28,670,000	2.77	53,625,555	4.72
Wong Vai Nang	7,326,073	0.71	20,289,036	1.79
Other public Shareholders	826,888,495	80.07	826,888,495	72.77
Total	1,032,749,097	100.00	1,136,180,937	100.00

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.

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”	11 January 2017, being the last trading day immediately prior to the entering into of the Subscription Agreements
“Legal Adviser”	Simon Ho & Co., Solicitors, the legal adviser to the Company
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Outstanding Professional Fees”	the outstanding 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\$3,500,000
“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
“Remuneration Shares”	12,962,963 new Shares to be issued and allotted to Mr. Wong Vai Nang, sole proprietor of Simon Ho & Co., solicitors at an issue price of HK\$0.27 per Share

“Settlement Agreement”	the conditional agreement dated 12 January 2017 and entered into between the Company and the Legal Adviser in relation to the issue of Remuneration Shares for the settlement of the Outstanding Professional Fees
“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
“Subscriber I”	Xin Zailian (辛宰練)
“Subscriber II”	Chen Guoqin (陳國欽)
“Subscribers”	collectively, Subscriber I and Subscriber II
“Subscriptions”	the subscriptions of the Subscription Shares by the Subscribers pursuant to the Subscription Agreements
“Subscription Agreements”	the conditional subscription agreements dated 12 January 2017 entered into between the Company and Subscribers in relation to the Subscriptions
“Subscription Price”	the subscription price of HK\$0.27 per Subscription Share
“Subscription Shares”	90,468,877 new Shares to be allotted and issued by the Company to the Subscriber 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, 12 January 2017

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.