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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)**

## **SUBSCRIPTIONS OF SHARES UNDER GENERAL MANDATE**

### **THE SUBSCRIPTION AGREEMENTS**

The Board is pleased to announce that on 8 August 2017 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreements with 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 158,181,818 Subscription Shares at the Subscription Price of HK\$0.22 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 11.62% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 10.41% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

\* For identification purpose only

The gross proceeds of the Subscriptions are approximately HK\$34,800,000. The net proceeds of the Subscriptions of approximately HK\$34,700,000 which is expected to be applied as to approximately HK\$10,410,000 for general working capital for daily operation and approximately HK\$24,290,000 for development of the Group's real estate project in Shenzhen.

**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.**

## **INTRODUCTION**

The Board is pleased to announce that on 8 August 2017 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreements with 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 158,181,818 Subscription Shares at the Subscription Price of HK\$0.22 per Subscription Share.

## **THE SUBSCRIPTION AGREEMENTS**

Principal terms of the Subscription Agreements are as follows:

### **Date**

8 August 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) Chan Kee Wai (陳基煒) (as Subscriber II)

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. As at the date of this announcement, Subscriber I held 65,513,322 Shares, representing approximately 4.81% of the total issued share capital of the Company.

Subscriber II is a merchant who is also 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 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 Subscriber I has conditionally agreed to subscribe for, 83,181,818 Subscription Shares at the Subscription Price of HK\$0.22 per Subscription Share.

Pursuant to the Subscription Agreement II, the Company has conditionally agreed to allot and issue, and Subscriber II has conditionally agreed to subscribe for, 75,000,000 Subscription Shares at the Subscription Price of HK\$0.22 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 11.62% of the existing issued share capital of the Company as at the date of this announcement; and

- (ii) approximately 10.41% 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\$15,818,181.80.

### **Subscription Price**

The Subscription Price of HK\$0.22 per Subscription Share represents:

- (i) the same price to the closing price of HK\$0.22 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and
- (ii) a discount of approximately 0.54% to the average closing price of HK\$0.2212 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\$0.2194 per Subscription Share.

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

## **Lock-up Undertaking**

The Subscription Shares subscribed by the Subscribers shall not be traded or transferred within 12 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).

## **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 consider that the terms of the Subscription Agreements are fair and reasonable and the entering into of the Subscription Agreements is in the interest of the Company and the Shareholders as a whole.

The gross proceeds of the Subscriptions are approximately HK\$34,800,000. The net proceeds of the Subscriptions of approximately HK\$34,700,000 which is expected to be applied as to approximately HK\$10,410,000 for general working capital for daily operation and approximately HK\$24,290,000 for development of the Group's real estate project in Shenzhen.

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

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

<b>Date of completion</b>	<b>Event</b>	<b>Net Proceeds</b>	<b>Intended use of net proceeds</b>	<b>Actual use of net proceeds as at the date of the announcement</b>
19 January 2017	Subscriptions of new Shares	Approximately HK\$24,376,597	Intended to be applied for general working capital and future development of the Group	Used as intended
21 November 2016	Subscriptions of new Shares	Approximately HK\$13,510,000	Intended to be applied for general working capital	Used as intended

## 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 272,172,854 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 General Mandate has yet to be utilized. Accordingly, the General Mandate is sufficient for the allotment and issue of the Subscription Shares and the allotment and issue of the Subscription 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 (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	
	<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	12.17	165,564,529	10.90
Tsang Tsz Nok, Aleen	213,163,534	15.66	213,163,534	14.03
<b>Directors:</b>				
Kwok Siu Bun	1,000,000	0.07	1,000,000	0.07
Chow Kwai Wa, Anne	1,300,000	0.10	1,300,000	0.09
Kwok Siu Wa, Alison	2,000,000	0.15	2,000,000	0.13
<b>Public:</b>				
Subscriber I	65,513,322	4.81	148,695,140	9.79
Subscriber II	–	–	78,000,000	4.94
Other public Shareholders	912,322,885	67.04	912,322,885	60.05
<b>Total</b>	<u>1,360,864,270</u>	<u>100.00</u>	<u>1,519,046,088</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 18 May 2017
“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”	7 August 2017, 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

“Subscriber I”	Xin Zailian ( 辛宰練 )
“Subscriber II”	Chan Kee Wai ( 陳基煒 )
“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 8 August 2017 entered into between the Company and Subscribers in relation to the Subscriptions
“Subscription Price”	the subscription price of HK\$0.22 per Subscription Share
“Subscription Shares”	an aggregate of 158,181,818 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, 8 August 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.*