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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)

**PROPOSED OPEN OFFER OF NOT LESS THAN 816,518,044
OFFER SHARES AND NOT MORE THAN 900,508,521
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\$97.98 million and not more than approximately HK\$108.06 million before expenses by way of the Open Offer.

The gross proceeds from the Open Offer will not be less than approximately HK\$97.78 million and not more than approximately HK\$108.06 million. The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be not less than approximately HK\$94.70 million but not more than approximately HK\$104.50 million. The Company intends to apply the net proceeds from the Open Offer as to (i) approximately HK\$60 million partial settlement of the committed capital injection into Shenzhen Zongke by the Group; (ii) approximately HK\$30 million will be reserved for partial redemption of the Convertible Bonds when they fall due; and (iii) the rest of the net proceeds for general working capital of the Company.

* For identification purpose only

As at the date of this announcement, the Substantial Shareholder Concert Group are interested in (i) an aggregate of 388,202,063 Shares, representing approximately 23.77% of the entire equity interest in the Company as at the date of this announcement; (ii) an aggregate of 19,397,928 outstanding Share Options; and (iii) the Convertible Bonds in the aggregate principal amount of HK\$137,000,000 that are initially convertible into 606,194,690 Shares. Pursuant to the Irrevocable Undertakings, each of the member of the Substantial Shareholder Concert Group has given an irrevocable undertaking to each of the Company and the Underwriter that (i) they will irrevocably undertake to take up all their entitlements (being an aggregate of 194,101,031 Offer Shares) under the Open Offer and will remain as the beneficial owners of the interested 388,202,063 Shares from the date of the Underwriting Agreement up to the date of completion of the Open Offer; (ii) they will irrevocably undertake not to exercise any part of the conversion rights to the Convertible Bonds from the date of the Underwriting Agreement up to the date of completion of the Open Offer; and (iii) they will not exercise any of the rights attaching to the Share Options respectively owned by them from the date of the Underwriting Agreement to the completion of the Open Offer and will remain as the beneficial holders of the those Share Options at any time from the date of the Underwriting Agreement up to the date of completion of the Open Offer.

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.

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 and the EAF(s)) will be despatched to the Non-Qualifying Shareholders for their information only on Monday, 23 July 2018.

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 the 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 Thursday, 12 July 2018 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\$97.98 million and not more than approximately HK\$108.06 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\$0.120 per Offer Share

Number of Shares in issue
as at the date of
this announcement: 1,633,036,088 Shares

Number of Offer Shares: not less than 816,518,044 Offer Shares (assuming no issue of new Shares or repurchase of Shares on or before the Record Date); and

not more than 900,508,521 Offer Shares (assuming no issue of new Shares or repurchase of Shares other than those falling to be issued upon full exercise of the Share Options (save for those Share Options under the Irrevocable Undertakings))

Number of Offer Shares
undertaken
by the Underwriter: not less than 622,417,013 Offer Shares and not more than 706,407,490 Offer Shares. Accordingly, the Open Offer is fully underwritten

Number of enlarged Shares in
issue upon completion of
the Open Offer: not less than 2,449,554,132 Shares and not more than 2,701,525,563 Shares

As at the date of this announcement, there are 187,378,882 outstanding Share Options granted by the Company and accepted by the grantees carrying rights to subscribe for a total of 187,378,882 new Shares. In addition, there are outstanding Convertible Bonds in the aggregate principal amount of HK\$137,000,000 that are initially convertible into 606,194,690 Shares. Save as and except for the Share Options and the Convertible Bonds, as at the date of this announcement, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

Irrevocable Undertakings

As at the date of this announcement, the Substantial Shareholder Concert Group are interested in (i) an aggregate of 388,202,063 Shares, representing approximately 23.77% of the entire equity interest in the Company as at the date of this announcement; (ii) an aggregate of 19,397,928 outstanding Share Options; and (iii) the Convertible Bonds in the aggregate principal amount of HK\$137,000,000 that are initially convertible into 606,194,690 Shares. Pursuant to the Irrevocable Undertakings, each of the member of the Substantial Shareholder Concert Group has given an irrevocable undertaking to each of the Company and the Underwriter that (i) they will irrevocably undertake to take up all their entitlements (being an aggregate of 194,101,031 Offer Shares) under the Open Offer and will remain as the beneficial owners of the interested 388,202,063 Shares from the date of the Underwriting Agreement up to the date of completion of the Open Offer; (ii) they will irrevocably undertake not to exercise any part of the conversion rights to the Convertible Bonds from the date of the Underwriting Agreement up to the date of completion of the Open Offer; and (iii) they will not exercise any of the rights attaching to the Share Options respectively owned by them from the date of the Underwriting Agreement to the completion of the Open Offer and will remain as the beneficial holders of the those Share Options at any time from the date of the Underwriting Agreement up to the date of completion of the Open Offer.

Save for the above, as at the date of this announcement, the Board has not received any information or irrevocable undertakings from any Shareholders of their intention to take up or not to take up the securities of the Company to be offered to them under the Open Offer

Offer Shares to the issued share capital of the Company

Assuming no further issue of new Shares or repurchase of Shares on or before the Record Date, the 816,518,044 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 816,518,044 Offer Shares immediately after completion of the Open Offer.

Assuming no new Shares being issued other than those falling to be issued upon full exercise of the Share Options (save for those Share Options under the Irrevocable Undertakings and no Shares being repurchased by the Company on or before the Record Date, the 900,508,521 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 900,508,521 Offer Shares immediately after completion of the Open Offer.

The aggregate nominal value of the Offer Shares will not be less than HK\$81,651,804.40 and not more than HK\$90,050,852.10.

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 816,518,044 Offer Shares (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date) and not more than 900,508,521 Offer Shares (assuming no new Share being issued other than those falling to be issued upon full exercise of the Shares Options (save for those Share Options under the Irrevocable Undertakings) and no Shares being repurchased by the Company on or before the Record Date) 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. (Hong Kong time) on Friday, 13 July 2018.

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 Monday, 16 July 2018 to Friday, 20 July 2018, both days inclusive. No transfer of Shares will be registered during this book closure period.

Subscription Price

The Subscription Price is HK\$0.120 per Offer Share, payable in full upon application.

The Subscription Price represents:

- (a). a discount of approximately 33.70% to the closing price of HK\$0.1810 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (b). a discount of approximately 25.33% to the theoretical ex-entitlement price of HK\$0.1613 based on the closing price of HK\$0.1607 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (c). a discount of approximately 35.41% to the average closing price of approximately HK\$0.1858 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\$0.116.

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 Monday, 23 July 2018. 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 Tuesday, 14 August 2018. If the Open Offer is terminated, refund cheques will be despatched on or before Tuesday, 14 August 2018 by ordinary post at the respective Shareholders' own risk.

Application for excess Offer Shares

Qualifying Shareholders shall be entitled to apply for entitlement of Offer Shares created which are not taken up by other Qualifying Shareholders in excess of their own assured allotments but are not assured of being allocated any Offer Shares in excess of those in their assured allotments. Application may be made by Qualifying Shareholders by completing the EAF and lodging the same with a separate remittance for the excess Offer Shares being applied for. The Directors will, upon consultation with the Underwriter, allocate the excess Offer Shares at their discretion on a fair and equitable basis as far as practicable, according to the principle that any excess Offer Shares will be allocated to Qualifying Shareholders who apply for them on a *pro rata* basis by reference to the number of the excess Offer Shares applied for by all such Qualifying Shareholders.

No preference will be given to topping-up odd lots to whole board lots. Shareholders who have been offered odd lots of the Offer Shares should note that there is no guarantee that such odd lots of the Offer Shares will be topped up to create whole board lots pursuant to applications for excess Offer Shares.

Any remaining Underwritten Shares not applied for by the Qualifying Shareholders will be taken up by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement.

In the event that the Board notes unusual patterns of excess Offer Shares applications and has reason to believe that any application may have been made with the intention to abuse the above mechanism, such application(s) for excess Offer Shares may be rejected at the sole discretion of the Board.

Shareholders with their Shares held by a nominee (including HKSCC Nominees Limited) should note that the Directors will regard the nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, investors whose Shares are registered in the name of a nominee (including HKSCC Nominees Limited) should note that the aforesaid arrangements in relation to the allocation of excess Offer Shares will not be extended to them individually. Shareholders should consult their professional advisers if they are in any doubt as to whether they should register their shareholding in their own names prior to the book closure period and apply for the Offer Shares themselves.

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.

Any Offer Shares created from the aggregation of fractions of the Offer Shares will be made available for excess application by the Qualifying Shareholders under the terms of the Underwriting Agreement. Should there be no excess application by the Qualifying Shareholders, those Offer Shares created from the aggregation of fractions of the Offer Shares will be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

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: 27 June 2018 (after trading hours)

Number of Offer Shares to be underwritten: Not less than 622,417,013 Offer Shares (assuming no new Shares being issued or repurchased by the Company on or before the Record Date) and not more than 706,407,490 Offer Shares (assuming no new Shares being issued other than those falling to be issued upon full exercise of the Share Options (save for the Share Options under the Irrevocable Undertakings) and no Shares being repurchased by the Company on or before the Record Date). Therefore, 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.

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 is 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.

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 2.75% of the aggregate Subscription Price in respect of the maximum number of the Underwritten Shares undertaken by the Underwriter. The commission rate was determined after arm's length negotiation between the Company and President Securities 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.

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 (and 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). compliance with and performance of all the undertakings of the Substantial Shareholder Concert Group under the Irrevocable Undertakings.

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.

Termination of the Underwriting Agreement

The Underwriter may terminate the arrangements by notice in writing issued to the Company at any time prior to the Latest Time for Termination if there occurs:–

- (i) an introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation or application thereof by any court or other competent authority, whether in Hong Kong or elsewhere); or
- (ii) 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, industrial, economic, taxation, exchange control or currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict, or affecting local securities market; or

- (iii) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (iv) any material adverse change in the financial or trading position or prospects of the Group as a whole; or
- (v) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the shares of the Company generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (vi) the commencement by any third party of any litigation or claim against any member of the Group which is or might be material to the Group taken as a whole; or
- (vii) the imposition of economic or other sanctions, in whatever form directly or indirectly, on Hong Kong, the PRC or other jurisdiction relevant to the Group or any member of the Group,

and in the absolute opinion of the Underwriter, such change would have a material and adverse effect on the business, financial or trading position or prospects of the Group as a whole or the success of the Open Offer or make it inadvisable or inexpedient to proceed with the Open Offer.

If, at or prior to the Latest Time for Termination:

- (i) the Company commits any material breach of or omits to observe any of the obligations, undertakings, representations or warranties expressed to be assumed by it under this Agreement which breach or omission will, in the absolute opinion of the Underwriter, have a material and adverse effect on its business, financial, prospects or trading position; or
- (ii) the Underwriter shall receive notification, or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue or inaccurate or would be untrue or inaccurate if repeated, and the Underwriter shall, in their absolute opinion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Open Offer; or

(iii) the Company shall, after any relevant matter or event referred to in the Underwriting Agreement has occurred or come to the Underwriter's attention, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company,

the Underwriter shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Underwriter from its obligations under the Underwriting Agreement.

Upon the giving of notice by the Underwriter, all obligations of the Underwriter shall cease and determine and none of the parties hereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter such fees (including, for the avoidance of doubt, all such costs, fees and out-of-pocket expenses properly incurred by the Underwriter (if any)) pursuant to the terms of the Underwriting Agreement.

Expected timetable

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

2018

Publication of the Open Offer announcement on
the website of the Stock Exchange Wednesday, 27 June

Last day of dealings in Shares on cum-entitlements
basis of the Open Offer Wednesday, 11 July

First day of dealings in Shares on ex-entitlements
basis of the Open Offer Thursday, 12 July

Latest time for lodging transfers of Shares
in order to qualify for the Open Offer 4:30 p.m. on Friday,
13 July

Register of members closes (both days inclusive)	Monday, 16 July to Friday, 20 July
Record Date	Friday, 20 July
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).	Monday, 23 July
Latest Time for Acceptance.	4:00 p.m. on Monday, 6 August
Latest Time for Termination by the Underwriter	4:00 p.m. on Tuesday, 7 August
Announcement of the results of the Open Offer and excess application	Monday, 13 August
Despatch of share certificates for Offer Shares	Tuesday, 14 August
Despatch of refund cheques if the Open Offer is terminated	Tuesday, 14 August
Expected first day of dealings in fully-paid Offer Shares on the Stock Exchange	9:00 a.m. on Wednesday, 15 August

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 there is no new Share being issued and no Share being repurchased by the Company 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 there is no new Share being issued and no Share being repurchased by the Company on or before the Record Date (Notes 1&6)		Immediately after completion of the Open Offer (assuming no Qualifying Shareholders take up their entitlements under the Open Offer) and assuming no new Shares being issued other than those falling to be issued upon full exercise of the Share Options (save for those Share Options under the Irrevocable Undertakings) and no Shares being repurchased by the Company on or before the Record Date (Notes 1&6)	
	Number of Shares	Approximately %	Number of Shares	Approximately %	Number of Shares	Approximately %	Number of Shares	Approximately %
Substantial Shareholder Concert Group:								
Rhenfield Development Corp. (Note 2)	165,564,529	10.14%	248,346,793	10.14%	248,346,793.00	10.14%	248,346,793.00	9.19%
Tsang Tsz Nok, Aleen (Note 3)	213,163,534	13.05%	319,745,301	13.05%	319,745,301.00	13.05%	319,745,301.00	11.84%
Tsang Tsz Tung, Debbie (Note 4)	-	-	-	-	-	-	-	-
Mr. Tsang and Ms. Kwok (Note 5)	9,474,000	0.58%	14,211,000	0.58%	14,211,000.00	0.58%	14,211,000.00	0.53%
Sub-total:	388,202,063	23.77%	582,303,094.00	23.77%	582,303,094.00	23.77%	582,303,094	21.55%
Directors:								
Kwok Siu Bun	1,000,000	0.06%	1,500,000.00	0.06%	1,000,000	0.04%	10,698,964	0.40%
Chow Kwai Wa, Anne	1,300,000	0.08%	1,950,000.00	0.08%	1,300,000	0.05%	10,998,964	0.41%
Kwok Siu Wa, Alison	2,000,000	0.12%	3,000,000.00	0.12%	2,000,000	0.08%	11,698,964	0.43%
Ma Xuemian	-	-	-	-	-	-	9,698,964	0.36%
Liu Chaodong	-	-	-	-	-	-	3,780,677	0.14%
Chui Wai Hung	-	-	-	-	-	-	3,780,677	0.14%
Hui Pui Wai Kimber	-	-	-	-	-	-	3,780,677	0.14%
Public:								
Underwriter (Note 6)	-	-	-	-	622,417,013	25.41%	706,407,490	26.15%
Other public Shareholders	1,240,534,025	75.96%	1,860,801,038.00	75.96%	1,240,534,025	50.64%	1,358,377,092	50.28%
Total	1,633,036,088	100.00%	2,449,554,132.00	100.00%	2,449,554,132	100.00%	2,701,525,563	100.00%

Note(s):

- The above scenario is for illustrative purpose only and will not occur pursuant to the terms of the Underwriting Agreement.
- Rhenfield Development Corp. is wholly-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.
- Ms. Tsang Tsz Nok, Aleen is the sibling of Mr. Tsang Yee.
- Ms. Tsang Tsz Tung, Debbie is the sibling of Mr. Tsang Yee.
- Mr. Tsang and Ms. Kwok are the parents of Mr. Tsang Yee.

6. Pursuant to the terms of the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscription for the Untaken Shares:
- (i) the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares not taken up which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to exceed 5% of the voting rights of the Company upon the completion of the Open Offer; and
 - (ii) the Underwriter shall use its best endeavours to ensure that each of the subscribers of the Underwritten Shares procured by it: (1) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the directors or chief executive or substantial shareholders of the Company or their respective associates; (2) shall not, together with any parties acting in concert (within the meaning of the Takeovers Code) with it (excluding Rhenfield), hold more than 5% of the voting rights of the Company upon completion of the Open Offer; and (3) the public float requirements under Rule 8.08 of the Listing Rules remains to be fulfilled by the Company upon completion of 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 investment holding, property development, property investment and general trading.

The gross proceeds from the Open Offer will not be less than approximately HK\$97.78 million and not more than approximately HK\$108.06 million. The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be not less than approximately HK\$94.70 million but not more than approximately HK\$104.50 million. The Company intends to apply the net proceeds from the Open Offer as to (i) approximately HK\$60 million partial settlement of the committed capital injection into Shenzhen Zongke by the Group; (ii) approximately HK\$30 million will be reserved for partial redemption of the Convertible Bonds when they fall due; and (iii) the rest of the net proceeds for general working capital of the Company.

Shenzhen Zongke is a company established under the laws of the PRC with limited liability and it is indirectly owed as to 50% by the Company and 50% by other independent shareholders (“**Other Zongke Shareholders**”) as at the date of this announcement.

Shenzhen Zongke is principally engaged in property development in PRC with registered capital of RMB450,240,000. As at the date of this announcement, Shenzhen Zongke is constructing the Shenzhen Zongke Yunduan Building Project. As at the date of this announcement, the Shenzhen Zongke Yunduan Building Project has obtained all the required development licenses and the construction work thereof is in full swing, of which most of the excavation works and all of the foundation works have been completed, with the project itself expected to be officially introduced to the market in less than two years. It is expected that the Shenzhen Zongke Yunduan Building Project could obtain the pre-sale permit in or around late December 2018.

Pursuant to the memorandum of understanding of Shenzhen Zongke, the registered capital of Shenzhen Zongke must be satisfied by respective shareholders on or before 31 January 2020 as to (i) RMB225,120,000 by the Group; (ii) an aggregate of RMB225,120,000 by the Other Zongke Shareholders. As at the date of this announcement, (i) the Other Zongke Shareholders have satisfied their respective capital commitment as to RMB224,150,095.45, representing approximately 99.57% of their total capital commitment; and (ii) the Group has satisfied its capital commitment as to RMB71,309,209.26, representing approximately 31.68% of its total capital commitment and leaving the balance of RMB153,810,790.74 which must be satisfied on or before 31 January 2020. In view of (i) the tight capital commitment schedule and the Other Zongke Shareholders have satisfied majority of their respective capital commitment; (ii) the insufficient internal resources available from the Company to fully satisfy its capital commitment in Shenzhen Zongke; and (iii) the progress of the property development project of Shenzhen Zongke is satisfactory and such prompt injection of capital into Shenzhen Zongke by the Group would boost up the overall progress of the property development project of Shenzhen Zongke, 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.

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

During the past twelve months immediately preceding the date of this announcement, the Company has conducted the following equity fund raising activities.

Date of announcement	Fund raising activity	Amount of net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
13 February 2018 (completed on 13 March 2018)	Placing of new shares under general mandate	Approximately HK\$18.89 million	Approximately HK\$13.89 million for development of the Group's real estate projection on hand and approximately HK\$5 million for general working capital	Used as intended
8 August 2017 (completed on 21 August 2017)	Subscription of new shares under general mandate	Approximately HK\$34.7 million	Approximately HK\$10.41 million for general working capital and approximately HK\$24.29 million for development of the Group's real estate project in Shenzhen	Used as intended

ADJUSTMENTS TO THE CONVERTIBLE BONDS AND SHARE OPTIONS

As a result of the Open Offer, the conversion price of the Convertible Bonds and the Share Options may be adjusted. The Company will instruct its auditors or an independent financial adviser to certify the adjustments, if any, to the Convertible Bonds and Share Options and will inform the Bondholders and holders of the Share Options 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 the 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 Thursday, 12 July 2018 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 and the EAF(s)) will be despatched to the Non-Qualifying Shareholders for their information only on Monday, 23 July 2018.

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;
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong;
“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;
“Convertible Bonds”	the convertible bonds issued by the Company with total outstanding principal amount of HK\$137,000,000 which are convertible into 606,194,690 Shares;
“Director(s)”	the director(s) of the Company;

“EAF(s)”	the excess application form(s) for additional Offer Shares proposed to be subscribed by the Qualifying Shareholders in addition to their assured entitlement under the Open Offer;
“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);
“Irrevocable Undertakings”	the irrevocable undertakings dated 27 June 2018 pursuant to which each of the member of the Substantial Shareholder Concert Group has given an irrevocable undertakings to each of the Company and the Underwriter that (i) they will irrevocably undertake to take up all its entitlements (being an aggregate of 194,101,031 Offer Shares) under the Open Offer and will remain as the beneficial owners of the interested 388,202,063 Shares from the date of the Underwriting Agreement up to the date of completion of the Open Offer; (ii) they will irrevocably undertake not to exercise any part of the conversion rights to the Convertible Bonds from the date of the Underwriting Agreement up to the date of completion of the Open Offer; and (iii) they will not exercise any of the rights attaching to the Share Options respectively owned by them from the date of the Underwriting Agreement to the completion of the Open Offer and will remain as the beneficial holders of the those Share Options at any time from the date of the Underwriting Agreement up to the date of completion of the Open Offer;

“Last Trading Day”	27 June 2018, 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 Wednesday, 1 August 2018 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 Thursday, 2 August 2018, 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 816,518,044 Offer Shares (assuming no issue of new Shares or repurchase of Shares on or before the Record Date) and not more than 900,508,521 Offer Shares (assuming no issue of new Shares or repurchase of Shares other than those falling to be issued upon full exercise of the Share Options (save for those Share Options under the Irrevocable Undertakings));
“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, the Application Form and the EAF(s);
“Prospectus Posting Date”	Wednesday, 18 July 2018 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;

“President Securities”	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;
“Record Date”	Friday, 20 July 2018, 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, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, the Hong Kong branch share registrar and transfer office of the Company;
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the issued share capital of the Company;
“Share Options”	the share options granted by the Company;
“Shareholder(s)”	the holder(s) of the issued Shares;
“Shenzhen Zongke”	Shenzhen Zongke Real Estate Co, Ltd. (深圳棕科置業有限公司), an indirect non-wholly owned subsidiary of the Company;
“Shenzhen Zongke Yunduan Building Project”	a commercial and residential property project by Shenzhen Zongke at Longgang District of Shenzhen with total gross floor area of 180,944.79 m ² ;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the subscription price of HK\$0.120 per Offer Share;

“Substantial Shareholder Concert Group”	Rhenfield, its beneficial owners, and parties acting in concert with any of them (including Mr. Tsang, Ms. Kwok, Ms. Tsang Tsz Tung Debbie and Ms. Tsang Tsz Nok, Aleen);
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Underwriter”	President Securities;
“Underwriting Agreement”	the underwriting agreement dated 27 June 2018 (after trading hours) in relation to the Open Offer entered into between the Company and the Underwriter;
“Underwritten Shares”	all the Offer Shares which are fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement;
“Untaken Shares”	the Underwritten Shares which have not been taken up by the Qualifying Shareholders;
“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, 27 June 2018

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.