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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)

UPDATE ANNOUNCEMENT

Reference is made to the announcement (the “**Announcement**”) of Grand Field Group Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) dated 24 March 2023. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The board of directors (the “**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the latest status of the work of the SC in relation to the Incident.

Since the establishment of the SC and up to the date of this announcement, the SC has performed the following work in relation to the Incident:

- (i) conducted internal review on the occurrence of the Incident and its subsequent development. The SC convened a meeting on 24 March 2023 to discuss the main cause of the Incident and measures to prevent occurrence of similar incidents in the future and from time to time conducted conference calls to require the management team to update the SC on the latest development;

* For identification purpose only

- (ii) held discussions and made necessary recommendations to the Board on the appropriate remedial actions and corporate governance measures to be taken in respect of the Incident to enhance the Group's future transaction approval procedures, including, among others, (a) business units to conduct thorough background and credit checks on any new potential business partners including but not limited to agents, suppliers and customers, conduct systemic study and analysis for better risk assessment of any new business and address any red flags identified; (b) business units and finance department to enhance control on credit policy and trade receivables collection; and (c) business units to strengthen internal reporting procedures. The SC also recommended the Board to engage an internal control consultant to conduct review in respect of the Incident and provide further recommendation to the Board for enhancing the Group's overall risk management;
- (iii) arranged a 3-hour training seminar in relation to corporate governance and internal control with an emphasis on fraudulent transaction prevention for the management team; and
- (iv) engaged and obtained external independent professional advice and services to facilitate the Company's handling of the Incident.

As at the date of this announcement, as advised by the Company's PRC legal adviser, the suspects are now on bail pending trial pursuant to the PRC laws and regulations. The case is still under investigation and no trial dates have been fixed yet. To the best knowledge and belief of the members of SC, as at the date of this announcement, none of our Directors or employees of the Group had been arrested by the Police or subject to any charge laid by the Police in relation to the Incident and that the SC is not aware of any evidence suggesting that any of them was found to be criminally liable in the Incident.

In addition to the abovementioned work conducted, upon the recommendation of the SC, the Board will, as part of the annual review work of the Company, engage an internal control consultant to conduct a review on risk management and internal control systems and policies to ensure appropriate and effective risk management and internal control systems in relation to financial, operational and compliance controls, and such review will also cover internal procedures that are found to be relevant to the Incident with a view to minimising future occurrence of similar incidents. Appropriate disclosures in relation to the Incident will be made by the Company in its corporate governance report for the financial year ending 31 December 2023 in accordance with the requirements under Appendix 14 to the Listing Rules.

The Board (including the SC) continues to monitor the situation and the Company will make further announcement(s) as appropriate when there is a significant development in respect of the Incident.

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

Hong Kong, 4 December 2023

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 Charmaine and Ms. Kwok Siu Wa Alison; and three independent non-executive Directors, namely, Mr. Hui Pui Wai Kimber, Mr. Liu Chaodong and Mr. Tsui Matthew Mo Kan.