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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold** all your shares in Grand Field Group Holdings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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)**

### **CONNECTED TRANSACTION AND ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE**

**Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders**

**AmCap**  
*Ample Capital Limited*  
豐盛融資有限公司

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A letter from the Board of Grand Field Group Holdings Limited is set out on pages 4 to 12 of this circular. A letter from the Independent Board Committee of Grand Field Group Holdings Limited is set out on page 13 of this circular. A letter from Ample Capital Limited, the Independent Financial Adviser to the Independent Board Committee, is set out on pages 14 to 22 of this circular.

A notice convening a special general meeting of Grand Field Group Holdings Limited to be held at Hotel Miramar Hong Kong, Miramar Function Room 4-5, Basement 2, 118-130 Nathan Road, Kowloon, Tsimshatsui, Hong Kong on 18 December 2007 at 11:00 a.m. is set out on pages 28 to 31 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof.

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:–*

“associates”	has the meaning given to that term in the Listing Rules
“Board”	the board of Directors
“Company”	Grand Field Group Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning given to that term in the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the committee of independent non-executive directors of the Company formed to advise the independent shareholders of the Company in respect of the Subscription
“Independent Financial Adviser”	Ample Capital Limited a licensed corporation permitted to engage in type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreements and the transactions contemplated thereunder, including the allotment and issue of the Subscription Shares
“Independent Shareholders”	Shareholders other than Rhenfield Development Corp. and Hongkong Zhongxing Group Co., Limited together with their respective associates
“Latest Practicable Date”	22 November 2007, being the latest practicable date prior to the printing of this circular

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## DEFINITIONS

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“Last Trading Date”	2 November 2007, being the last trading day for the Shares before the date of the announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	placing of 79,000,000 new Shares pursuant to the terms of the Placing Agreement as disclosed in the announcement of the Company dated 6 November 2007
“Placing Agreement”	the conditional placing agreement entered between the Company and the Placing Agent dated 5 November 2007 in relation to the Placing
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Subscription Agreements and the transactions contemplated thereunder, including allotment and issue of the Subscription Shares
“Share(s)”	ordinary share(s) of HK\$0.02 in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	the subscribers subscribing for the Subscription Shares pursuant to the Subscription Agreements, namely, Rhenfield Development Corp. and Hongkong Zhongxing Group Co., Limited
“Subscription”	the subscription of the Subscription Shares by the Subscribers pursuant to the Subscription Agreements

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## DEFINITIONS

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“Subscription Agreement I”	the conditional subscription agreement dated 5 November 2007 entered into between the Company and Rhenfield Development Corp. in relation to the subscription of Subscription Shares I
“Subscription Agreement II”	the conditional subscription agreement dated 5 November 2007 entered into between the Company and Hongkong Zhongxing Group Co., Limited in relation to the subscription of Subscription Shares II
“Subscription Agreements”	collectively Subscription Agreement I and Subscription Agreement II
“Subscription Price”	HK\$0.39 per Subscription Share
“Subscription Shares I”	an aggregate of 44,000,000 new Shares to be issued pursuant to Subscription Agreement I
“Subscription Shares II”	an aggregate of 17,000,000 new Shares to be issued pursuant to Subscription Agreement II
“Subscription Shares”	collectively Subscription Shares I and Subscription Shares II
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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## LETTER FROM THE BOARD

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鈞濠集團有限公司<sup>\*</sup>  
**GRAND FIELD GROUP HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 115)**

*Executive Directors*

Mr. Hwang Ho-Tyan  
Mr. Huang Bing Huang  
Mr. Wong King Lam, Joseph  
Mr. Au Kwok Chuen, Vincent  
Mr. Chan Sung Wai

*Registered office*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Independent non-executive Directors*

Mr. Hui Pui Wai, Kimber  
Mr. Lum Pak Sum  
Dr. Wong Yun Kuen

*Head office and principal place of  
business in Hong Kong*

Unit 08, 43/F  
Far East Finance Centre  
16 Harcourt Road, Admiralty  
Hong Kong

26 November 2007

*To the Shareholders,*

Dear Sir or Madam,

**CONNECTED TRANSACTION  
AND  
ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE**

**BACKGROUND**

On 6 November 2007, the Board announced that the Company entered into the Subscription Agreements on 5 November 2007, pursuant to which the Company conditionally agreed to issue an aggregate of 61,000,000 Subscription Shares at a price of HK\$0.39 each.

The Subscription is conditional on: (a) the approval of the listing of, and permission to deal in, the Subscription Shares being granted by the Listing Committee of the Stock Exchange; and (b) the placing of 79,000,000 new Shares pursuant to the terms of the Placing Agreement having been completed; and (c) the passing of the resolutions by the Shareholders at the SGM to approve the specific mandate in respect of the issue of the Subscription Shares to be issued pursuant to the Subscription Agreements.

*\* for identification only*

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## LETTER FROM THE BOARD

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As each of the Subscribers is a connected person of the Company by reason of each being a substantial shareholder of the Company, the entering into of the Subscription Agreements constitutes a connected transaction for the Company under the Listing Rules and is therefore subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee has been formed to advise the independent shareholders of the Company in respect of the Subscription. An Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreements and the transactions contemplated thereunder, including allotment and issue of the Subscription Shares.

The purpose of this circular is to provide you with, among other things, details of the Subscription, a letter from the Independent Financial Adviser, a letter from the Independent Board Committee, and a notice to convene the SGM.

### **THE SUBSCRIPTION AGREEMENT I**

Date: 5 November 2007

Issuer: The Company

Subscriber: Rhenfield Development Corp., the substantial shareholder of the Company, which is principally engaged in investment holding

### **Number of new Shares to be subscribed:**

A total of 44,000,000 new Shares, (i) approximately 1.85% of the existing issued share capital of the Company of 2,376,810,000 Shares; (ii) approximately 1.79% of the Company's issued share capital of 2,455,810,000 Shares as enlarged by the Placing; and (iii) approximately 1.75% of the Company's issued share capital of 2,516,810,000 Shares as enlarged by the Placing and the Subscription.

The Subscription Shares I will be allotted and issued under a specific mandate to be sought at the SGM. The specific mandate, if approved, will be valid until the completion or termination of the Subscription Agreement I.

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## LETTER FROM THE BOARD

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### THE SUBSCRIPTION AGREEMENT II

Date: 5 November 2007

Issuer: The Company

Subscriber: Hongkong Zhongxing Group Co., Limited, the substantial shareholder of the Company, which is principally engaged in investment holding

#### Number of new Shares to be subscribed:

A total of 17,000,000 new Shares, (i) approximately 0.72% of the existing issued share capital of the Company of 2,376,810,000 Shares; (ii) approximately 0.69% of the Company's issued share capital of 2,455,810,000 Shares as enlarged by the Placing; and (iii) approximately 0.68% of the Company's issued share capital of 2,516,810,000 Shares as enlarged by the Placing and the Subscription.

The Subscription Shares II will be allotted and issued under a specific mandate to be sought at the SGM. The specific mandate, if approved, will be valid until the completion or termination of the Subscription Agreement II.

#### Subscription Price:

HK\$0.39 per Subscription Share, which represents:

- (i) a discount of 18.8% to the closing price of HK\$0.48 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 0.3% to the average closing price per Share of HK\$0.389 in the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 3.0% to the average closing price per Share of HK\$0.3785 in the last ten consecutive trading days up to and including the Last Trading Day; and
- (iv) a discount of approximately 17.0% to closing price of HK\$0.47 per Share as quoted on the Stock Exchange on the Latest Practicable Date.



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## LETTER FROM THE BOARD

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The gross proceeds from the Subscription will be approximately HK\$23,790,000 and the net proceeds (after deducting legal fees, publication fees and other relevant expenses payable by the Company) will be approximately HK\$23,700,000 which is intended to be used for general working capital of the Group.

The terms of the Subscription Agreements were arrived at after arm's length negotiations between the Company and the Subscribers and with reference to the prevailing market price of the Shares. The Board considers that the terms of the Subscription Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Ranking of Subscription Shares:**

The Subscription Shares, when allotted and issued, will rank *pari passu* in all respects with the existing issued Shares, including the right to receive all dividends, bonuses or distributions declared or proposed to be declared or paid by the Company as from the date of such allotment and issue of the Subscription Shares.

### **Condition of the Subscription Agreements:**

Completion of the Subscription Agreements is conditional upon: (a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares; (b) the Placing having been completed; and (c) the passing of the resolutions by the Shareholders at the SGM to approve the specific mandate in respect of the issue of the Subscription Shares to be issued pursuant to the Subscription Agreements.

If the condition referred to above is not fulfilled by 31 December 2007 (or such other time and date as may be agreed by the Company and the Subscribers), all rights, obligations and liabilities of the parties under the Subscription Agreements shall cease and determine and neither party shall have any claim against the other, save for any antecedent breaches of the Subscription Agreements.

As at the Latest Practicable Date, none of the above conditions has been fulfilled.

### **Completion:**

Completion will take place on the third business day after satisfaction of the condition set out above.

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## LETTER FROM THE BOARD

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**The Subscription Agreement I, the Subscription Agreement II and the Placing Agreement are inter-conditional. As completion of the Subscription Agreements is subject to satisfaction of the conditions precedents in the Subscription Agreements which include, among other things, the completion of the Placing, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

### **REASONS FOR THE SUBSCRIPTION**

The Subscription will enable the substantial Shareholders to maintain their respective shareholding interest in the Company after the Placing. In addition, the Directors are of the view that the Subscription will at the same time increase the capital base of the Company. In addition, the financial position of the Group will be strengthened by the Subscription. Based on the above, the Directors consider that the Subscription is in the interests of the Company and the Shareholders as a whole.

### **Fund raising activities in the past twelve months**

Save as disclosed below, the Company has not conducted any fund raising activities in the past twelve months before the date of the announcement:

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds (approximately)</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
15 January 2007	Top Up Placing and Subscription	HK\$18,879,000	For general working capital	For repaying bank loan of RMB19,079,572
18 October 2007	Placing	HK\$30,000,000	For general working capital	The net proceeds have been deposited into the savings account of the Company to be reserved for general working capital of the Group

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## LETTER FROM THE BOARD

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### Effects on shareholding structure

The changes of the shareholding structure of the Company immediately before and after completion of the Placing and the Subscription (assuming that there are no other changes in the issued share capital of the Company) are set out below:

	As at the date of this announcement		Upon completion of the Placing		Upon completion of the Placing and the Subscription	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Rhenfield Development Corp. (Note 1)	635,050,000	26.72	635,050,000	25.86	679,050,000	26.98
Hongkong Zhongxing Group Co., Limited (Note 2)	280,500,000	11.80	280,500,000	11.42	297,500,000	11.82
Worldgate Development Ltd.	126,000,000	5.30	126,000,000	5.13	126,000,000	5.01
Logistics China Enterprises Ltd.	126,000,000	5.30	126,000,000	5.13	126,000,000	5.01
Mr. Tsang Wai Lun, Wayland	64,210,000	2.70	64,210,000	2.61	64,210,000	2.55
Madam Kwok Wai Man, Nancy	14,170,000	0.60	14,170,000	0.58	14,170,000	0.56
Mr. Hwang Ho-Tyan	230,000	0.01	230,000	0.01	230,000	0.01
<b>Public Shareholders</b>						
– Public	1,130,650,000	47.57	1,130,650,000	46.04	1,130,650,000	44.92
– Places	0	0	79,000,000	3.22	79,000,000	3.14
<b>Total:</b>	<b><u>2,376,810,000</u></b>	<b><u>100.00</u></b>	<b><u>2,455,810,000</u></b>	<b><u>100.00</u></b>	<b><u>2,516,810,000</u></b>	<b><u>100.00</u></b>

*Notes:*

- Rhenfield Development Corp. is owned by Mr. Tsang Wai Lun, Wayland and Madam Kwok Wai Man, Nancy in equal shares.
- Hongkong Zhongxing Group Co., Limited is 65% owned by Mr. Huang Bing Huang, executive Director.

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## LETTER FROM THE BOARD

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### LISTING RULES IMPLICATION

As each of the Subscribers is a connected person of the Company by reason of it being a substantial shareholder of the Company, the entering into of the Subscription Agreements constitutes a connected transaction for the Company under the Listing Rules and is therefore subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, apart from the Subscribers and their respective associates (who control or are entitled to exercise control over the voting rights in respect of 994,160,000 Shares as at the Latest Practicable Date), no other Shareholders will be required to abstain from voting on the resolution to approve the Subscription and the allotment and issue of the Subscription Shares at the SGM.

An Independent Board Committee has been formed to advise the Independent Shareholders in respect of the Subscription. An Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreements and all transactions contemplated thereunder, including the allotment and issue of the Subscription Shares.

### GENERAL

The Group is principally engaged in the development and sale of properties in the People's Republic of China.

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

### SPECIAL GENERAL MEETING

A notice convening the SGM to be held at Hotel Miramar Hong Kong, Miramar Function Room 4-5, Basement 2, 118-130 Nathan Road, Kowloon, Tsimshatsui, Hong Kong on 18 December 2007 at 11:00 a.m. is set out on pages 28 to 31 of this circular. Ordinary resolutions will be proposed at the meeting to approve the Subscription Agreements and the transactions contemplated thereunder, including allotment and issue of the Subscription Shares where the Subscribers together with their respective associates will abstain from voting.

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## LETTER FROM THE BOARD

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A form of proxy for use at the SGM is enclosed. Whether or not you propose to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof.

### RECOMMENDATIONS

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Subscription Agreements and the transactions contemplated thereunder, including allotment and issue of the Subscription Shares.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the terms of the Subscription Agreements and the transactions contemplated thereunder, including allotment and issue of the Subscription Shares are fair and reasonable so far as the Shareholders are concerned and recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM.

### PROCEDURES FOR DEMANDING POLL

Pursuant to the Bye-law 73 of the Company's Bye-Laws, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawals of any other demand for a poll) demanded:—

- (a) by the chairman of such meeting; or
- (b) by at least three Shareholders present in person (or, in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (d) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

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## LETTER FROM THE BOARD

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### ADDITIONAL INFORMATION

Your attention is drawn to the letter of the Independent Board Committee, the letter from the Independent Financial Adviser and the general information set out in the appendix to this Circular.

By order of the Board  
**Grand Field Group Holdings Limited**  
**Hwang Ho-Tyan**  
*Chairman*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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鈞濠集團有限公司<sup>\*</sup>  
**GRAND FIELD GROUP HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 115)**

26 November 2007

*To the Independent Shareholders*

### **CONNECTED TRANSACTION AND ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE**

We have been appointed by the Board to advise you as to whether the terms of the Subscription Agreements and the transactions contemplated thereunder, including allotment and issue of the Subscription Shares are fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Details of the Subscription are set out on pages 4 to 11 of the circular dated 26 November 2007 (the “Circular”) issued by the Company to the Shareholders of which this letter forms part. The terms defined in the Circular shall have the same meanings when used in this letter, unless the context otherwise requires.

We wish to draw your attention to the letter from the Board set out on pages 4 to 12 of the Circular and the letter of advice from the Independent Financial Adviser set out on pages 14 to 22 of the Circular.

We, after taking advice from the Independent Financial Adviser, concur with the views of Independent Financial Adviser and consider that the terms of the Subscription Agreements and the transactions contemplated thereunder, including allotment and issue of the Subscription Shares are on normal commercial terms.

We are also of the view that the terms of the Subscription Agreements and the transactions contemplated thereunder, including allotment and issue of the Subscription Shares are fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM.

Yours faithfully

Independent Board Committee

**Mr. Hui Pui Wai, Kimber**

*Independent non-executive*

*Director*

**Mr. Lum Pak Sum**

*Independent non-executive*

*Director*

**Dr. Wong Yun Kuen**

*Independent non-executive*

*Director*

<sup>\*</sup> *for identification only*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of a letter of advice from Ample Capital Limited to the Independent Board Committee and the Independent Shareholders prepared for the purpose of inclusion in this circular:*

**AmCap**  
Ample Capital Limited  
豐盛融資有限公司

Ample Capital Limited  
Unit A, 14th Floor  
Two Chinachem Plaza  
135 Des Voeux Road Central  
Hong Kong

26 November 2007

*To the Independent Board Committee and the Independent Shareholders of  
Grand Field Group Holdings Limited*

Dear Sirs or Madams,

### **CONNECTED TRANSACTION ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE**

#### **INTRODUCTION**

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Subscription, details of which are set out in the “Letter from the Board” (the “Letter from the Board”) in the circular (the “Circular”) issued by the Company to the Shareholders dated 26 November 2007, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

On 5 November 2007, the Company entered into the Subscription Agreements, pursuant to which the Company conditionally agreed to issue an aggregate of 61,000,000 Subscription Shares at a price of HK\$0.39 each. On the same date, the Company entered into the Placing Agreement whereby the Company has conditionally agreed to place, through the Placing Agent and on a best effort basis, 79,000,000 Placing Shares to independent investors at a price of HK\$0.39 per Placing Share. As each of the Subscribers is a connected person of the Company by reason of it being a substantial shareholder of the Company, the entering into of the Subscription Agreements constitutes a connected transaction for the Company under the Listing Rules and is therefore subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.



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## **LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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The Independent Board Committee, comprising Mr. Hui Pui Wai, Kimber, Mr. Lum Pak Sum and Dr. Wong Yun Kuen, all being the independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether the terms of the Subscription are fair and reasonable so far as the Independent Shareholders are concerned and whether the Subscription is in the interests of the Company and the Independent Shareholders as a whole.

### **BASIS OF OUR OPINION AND RECOMMENDATION**

In forming our opinion and recommendation, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, management of the Company and its subsidiaries. We have assumed that all information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete as at the date of the Circular and that all expectations and intentions of the Directors, management of the Company and its subsidiaries, will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Directors, management of the Company and its subsidiaries. The Directors have confirmed to us that no material facts have been omitted from the information supplied and opinions expressed. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Directors, management of the Company and its subsidiaries.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We have relied on such information and opinions and have not, however, conducted any independent verification of the information provided, nor have we carried out any independent investigation into the business, financial conditions and affairs of the Group or its future prospect.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Subscription, we have considered the principal factors and reasons set out below:

#### I. Background of the Company

The Group is principally engaged in the development and sale of properties in the People's Republic of China.

The table below tabulates the financial results of the Group for the two years ended 31 December 2006, as extracted from the Company's annual report for the financial year ended 31 December 2006 (the "2006 Annual Report") and that of the Group for the six months ended 30 June 2007, as extracted from the Company's interim report for the six months ended 30 June 2007 (the "2007 Interim Report").

	<b>Six months ended 30 June 2007 (Unaudited) HK\$'000</b>	<b>Year ended 31 December 2006 (Audited) HK\$'000</b>	<b>Year ended 31 December 2005 (Audited) HK\$'000</b>
Turnover	4,674	6,814	9,776
Gross (loss)/profit	(3,915)	(2,688)	5,534
(Loss)/profit before taxation	(19,992)	(24,340)	3,103
(Loss)/profit after taxation	<u>(19,992)</u>	<u>(24,199)</u>	<u>3,035</u>

For the year ended 31 December 2006, the Group's turnover decreased by approximately 30.6% to approximately HK\$6.8 million and recorded a loss attributable to shareholders of approximately HK\$23.8 million when compared to last year's turnover of approximately HK\$9.8 million and profit attributable to shareholders of approximately HK\$3 million. As set out in the 2006 Annual Report, the decrease in turnover for the year ended 31 December 2006 was due to relatively high portion of previous sale properties being returned from customers as a result of their non-performance in the mortgage loans when compared to last year. Such sales returns kept on happening for the six months ended 30 June 2007. Moreover, as a move for the development of new business, the Group entered into an investment in a Carnival Project in Shenzhen in late 2006. However, the project failed to achieve its expected results due to delay in granting the necessary license for

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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operating the carnival. The delay in commencement date of the project resulted in missing the peak season of Christmas in 2006 and Chinese New Year in 2007. As a result, an impairment loss of HK\$5 million was set aside for the project in the financial year 2006 and an additional impairment of HK\$8.6 million was made for the six months ended 30 June 2007.

As set out in the 2007 Interim report, the Group's cash and bank deposits were only approximately HK\$0.6 million and the Group was in net current liabilities position of approximately HK\$4.3 million as at 30 June 2007. The Board, with a number of new directors being appointed in 2007, was reviewing various options to improve the Group's cash position and was considering ways to broaden the Group's earning base, including the feasibility of acquiring projects with immediate financial value.

### **II. Reasons for the Subscription**

As stated in the Letter from the Board, the gross proceeds from the Subscription will be approximately HK\$23,790,000 and the net proceeds (after deducting legal fees, publication fees and other relevant expenses payable by the Company) will be approximately HK\$23,700,000 which is intended to be used for general working capital of the Group.

The Subscription will enable the Subscribers, being substantial Shareholders, to maintain their respective shareholding interest in the Company after the Placing. In addition, the Directors are of the view that the Subscription will at the same time increase the capital base of the Company. In addition, the financial position of the Group will be strengthened by the Subscription. Based on the above, the Directors consider that the Subscription is in the interests of the Company and the Shareholders as a whole. We consider that the Subscription reflects the support and dedication of the Subscribers to the continued progress of the Company.

We were advised by the Directors that they had considered and explored various means of financing other than the Subscription and the Placing. The Directors are of the view that the Subscription and the Placing are in the interests of the Company and the Shareholders as a whole because (i) a rights issue or open offer would take too long to arrange compared with the Subscription and the Placing and would be more costly; and (ii) compared with debt financing which incur interest expenses, the Directors are of the view that the Subscription and the Placing represents an opportunity to raise capital for the Company at a considerably lower cost to enhance the general working capital of the Group. Furthermore, the Directors have considered that any debt financing would inevitably require the repayment of the outstanding principal at maturity whereas no such repayment is required under the Subscription. In view of the above, we concur with the Directors' view that the Subscription and the Placing are the preferred method compared to other means of financing.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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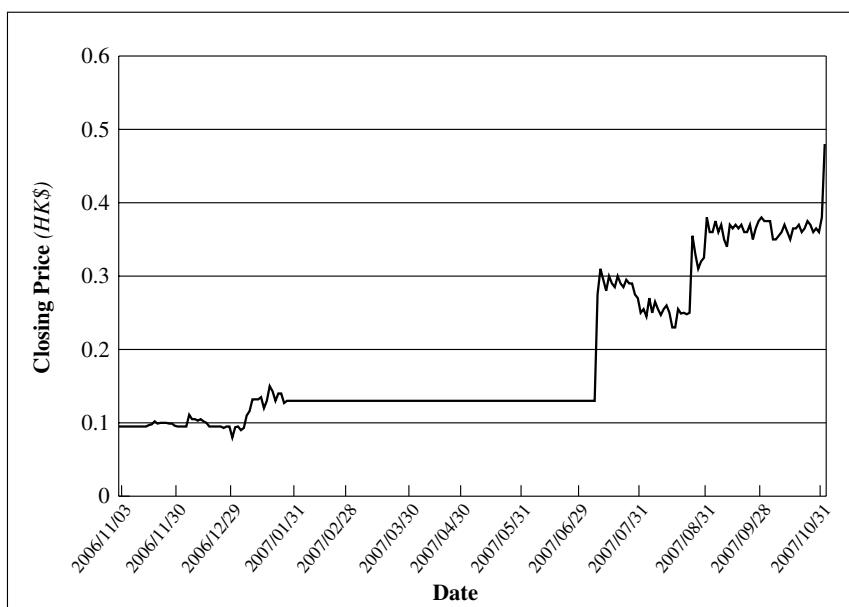
Having considered the reasons for the Subscription as stated above, we are of the view that the Subscription is in the interests of the Group and the Independent Shareholders as a whole.

### III. The Subscription Price

The Subscription Price of HK\$0.39 per Subscription Share represents:

- (i) a discount of 18.8% to the closing price of HK\$0.48 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 0.3% to the average closing price per Share of HK\$0.389 in the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 3.0% to the average closing price per Share of HK\$0.3785 in the last ten consecutive trading days up to and including the Last Trading Day; and
- (iv) a discount of approximately 17.0% to the closing price per Share of HK\$0.47 on the Latest Practicable Date.

Set out below is a chart of historical closing prices of the Shares for the period of twelve full calendar months up to the Last Trading Day (the “Review Period”).



Source: Bloomberg

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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During the Review Period, the lowest closing price of the Shares of HK\$0.08 was recorded on 2 January 2007 and the highest closing price of the Shares of HK\$0.48 was recorded on the Last Trading Day. The trading of the Shares has been suspended during the period from 30 January 2007 to 10 July 2007. The Subscription Price represents a premium of 387.5% over such lowest price and a discount of approximately 18.8% to such highest price respectively. Except that on the Last Trading Day, the closing prices during the Review Period were all below the Subscription Price.

In assessing the fairness and reasonableness of the Subscription Price by reference to the recent market price of the Shares, we have identified and reviewed the recent share placements and/or subscription of new shares by companies listed on the main board of the Stock Exchange (the “Comparable Transactions”). The Comparable Transactions were announced by the relevant listed companies in the period of one month before the date of announcement of the Placing, that is, during the period from 7 October 2007 to 6 November 2007. The following table sets out the premium/(discount) represented by the placing/subscription price to (i) the closing price on the last trading day prior to the release of the announcement of the comparable companies; and (ii) the average 5-day closing price prior to the release of the relevant announcement:

Company name (stock code)	Announcement date	Type of Transaction	Pricing/ subscription price per Share (HK\$)	Premium/(discount) of the placing/subscription price to closing price on the last trading day prior to the relevant announcement %	the five-day average closing price %
Henry Group Holdings Limited (859)	5 November 2007	Placing of new shares	1.20	(9.09)	(14.89)
Sinofert Holdings Limited (297)	2 November 2007	Subscription of new shares	7.00	2.04	(3.05)
China Timber Resources Group Limited (269)	1 November 2007	Top-up placing	0.3575	(9.5)	(10.4)
Sun Hung Kai & Co. Limited (86)	31 October 2007	Top-up placing	11.50	(8)	(3.94)
Grandtop International Holdings Limited (2309)	31 October 2007	Top-up placing	0.80	(12.09)	(13.98)
New Times Group Holdings Limited (166)	30 October 2007	Top-up placing	1.55	(18.42)	49.90
Sino Union Petroleum & Chemical International Ltd (346)	30 October 2007	Top-up placing	1.20	(12.41)	(10.98)

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Company name (stock code)	Announcement date	Type of Transaction	Pricing/ subscription price per Share (HK\$)	Premium/(discount) of the placing/subscription price to closing price on the last trading day prior to the relevant announcement %	the five-day average closing price %
Unity Investments Holdings Limited (913)	30 October 2007	Subscription of new shares	0.11	(11.29)	(10.57)
Sun Hung Kai Properties Limited (16)	29 October 2007	Top-up placing	150.75	(5.7)	2.9
Zhong Hua International Holdings Limited (1064)	26 October 2007	Placing of new shares	0.25	(10.7)	(10.7)
Hengan International Group Company Limited (1044)	25 October 2007	Top-up placing	30.47	(4.78)	(4.03)
China Golden Development Holdings Limited (162)	22 October 2007	Placing of new shares	0.68	(13.92)	(11.69)
The Company	18 October 2007	Placing of new shares	0.31	(15.1)	(14.1)
Pacific Plywood Holdings Limited (767)	17 October 2007	Top-up placing	0.32	(5.88)	(5.04)
Wah Nam International Holdings Limited (159)	16 October 2007	Placing of new shares	0.54	(10)	(14.29)
Gay Giano International Group Limited (686)	15 October 2007	Top-up placing	2.34	(3.7)	(8.59)
Galaxy Entertainment Group Limited (27)	12 October 2007	Placing of new shares	8.58	(4.7)	(4.5)
VST Holdings Limited (856)	11 October 2007	Top-up placing	3.05	(8.68)	(5.22)
Dickson Concepts (International) Limited (113)	11 October 2007	Top-up placing	7.37	(9.01)	(9.79)
Ching Hing (Holdings) Limited (692)	11 October 2007	Placing and subscription of new shares	0.55	(11.29)	(11.97)
Karce International Holdings Company Limited (1159)	10 October 2007	Placing of new shares	0.33	(38.9)	(36.5)
First Tractor Company Limited (38)	10 October 2007	Placing of new shares	3.95	(3.90)	(4.45)
Northern International Holdings Limited (736)	10 October 2007	Placing of new shares	0.43	(18.9)	(6.5)

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Company name (stock code)	Announcement date	Type of Transaction	Pricing/ subscription price per Share (HK\$)	Premium/(discount) of the placing/subscription price to closing price on the last trading day prior to the relevant announcement %	the five-day average closing price %
Taifook Securities Group Limited, (665)	9 October 2007	Top-up placing	6.1	(5)	(7.9)
APAC Resources Limited (1104)	8 October 2007	Top-up placing	1.48	(5.73)	(25.42)
Singamas Container Holdings Limited (716)	8 October 2007	Top-up placing	4.24	(9.79)	(10.13)
Average				(10.17)	(7.92)
The Company – the Subscription				(18.8)	0.3

We note from the above that the placing/subscription price of the Comparable Transactions ranged from (i) a maximum premium of approximately 2.04% to a maximum discount of approximately 38.9% to the closing price on the last trading day prior to the release of the relevant announcement with an average discount of approximately 10.17%; and (ii) a maximum premium of approximately 49.9% to a maximum discount of approximately 36.5% to the average closing price for the last five trading days prior to the release of the relevant announcement with an average discount of approximately 7.92%. We note that the discount of the Subscription Price to the closing price on the Last Trading Day of 18.8% is at the higher end of the range of the Comparable Transactions and is below the average discount. However, as mentioned above, the closing prices of the Shares during the Review Period were below the Subscription Price except on the Last Trading Day. On the other hand, the premium of the Subscription Price to the five-day average closing price of 0.3% is within the range of the Comparable Transactions and is above the average discount.

In view of the above, we are of the view that the Subscription Price is fair and reasonable as the Independent Shareholders are concerned.

#### **IV. Financial effects of the Subscription**

##### ***Cash position***

According to the 2007 Interim Report, the Group had cash and bank balance of approximately HK\$0.6 million as at 30 June 2007. Upon completion of the Subscription, the cash and bank balance of the Group would have been increased by the net proceeds from the Subscription.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Net assets*

According to the 2007 Interim Report, the unaudited consolidated net assets attributable to Shareholders as at 30 June 2007 was approximately HK\$313.4 million. Upon completion of the Subscription, the consolidated net assets attributable to Shareholders would have been increased by the net proceeds from the Subscription.

### *Gearing*

The Group's gearing ratio (calculated as total borrowings over shareholders' funds) as at 30 June 2007 was approximately 5%. Upon completion of the Subscription, the gearing ratio of the Group would have been improved as a result of the enlarged equity base.

### **V. Dilution Effect of the Subscription**

The Subscription Shares represent (i) approximately 2.57% of the existing issued share capital of the Company; (ii) approximately 2.50% of the share capital of the Company as enlarged by the issue of the Subscription Shares; and (iii) approximately 2.42% of the share capital of the Company as enlarged by the issue of the Subscription Shares and the Placing Shares. As noted from the table set out in the section headed "Effects on shareholding structure" in the Letter from the Board, upon completion of the Placing and the Subscription, the shareholdings of the existing public Shareholders will be diluted to 44.92% from 47.57% as at the Latest Practicable Date.

Taking into account (i) the reasons for the Subscription; (ii) the fairness and reasonableness of the Subscription Price; and (iii) a dilution effect on shareholding is inevitable for any issue of new Shares on a non-pro rata basis; and (iv) the positive financial effect of the Subscription on the Group, we are of the view that the dilution effect on the shareholdings of the public Shareholders is acceptable.

### **CONCLUSION**

Having taken into consideration of the above principal factors and reasons, we are of the view that the terms of the Subscription are fair and reasonable so far as the Independent Shareholders are concerned and that the Subscription is in the interests of the Company and the Independent Shareholders as a whole. We therefore advise the Independent Shareholders, as well as the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of all the ordinary resolutions to be proposed at the SGM to approve the Subscription.

Yours faithfully,  
For and on behalf of  
**Ample Capital Limited**  
**H. W. Tang**  
*President*



## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies of the Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

<b>Name of Director</b>	<b>Capacity</b>	<b>Number of Shares held</b>	<b>Approximate % of interest held</b>
Mr. Hwang Ho-Tyan	Beneficial owner	230,000	0.01%
Mr. Huang Bing Huang	Held by controlled corporation	280,500,000 (Note)	11.80%

*Notes:*

These Shares are held by Hongkong Zhongxing Group Co., Limited which is owned by Mr. Huang Bing Huang as to 65%.

Save as disclosed herein, as at the Latest Practicable Date, none of the directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transaction by Directors of Listed Companies of the Listing Rules to be notified to the Company and the Stock Exchange.

## 3. SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, the following persons (other than the Directors and chief executive of the Company) had, or were deemed to have, interests or short positions in the shares and the underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or are interested in 5% or more of the issued share capital of the Company as recorded in the register kept by the Company pursuant to Section 336 of the SFO, or who were, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at a general meeting of any members of the Group:

<b>Name</b>	<b>Capacity</b>	<b>Number of Shares Held</b>	<b>Approximate % of Shareholding</b>
Rhenfield Development Corp. <i>(Note 1)</i>	Beneficial Owner	635,050,000	26.72%
Hongkong Zhongxing Group Co., Limited <i>(Note 2)</i>	Beneficial Owner	280,500,000	11.80%
Worldgate Developments Ltd.	Beneficial Owner	126,000,000	5.30%
Logistics China Enterprises Ltd.	Beneficial Owner	126,000,000	5.30%

*Notes:*

1. Rhenfield Development Corp. is owned by Mr. Tsang Wai Lun, Wayland and Madam Kwok Wai Man, Nancy in equal shares.
2. Hongkong Zhongxing Group Co., Limited is owned by Mr. Huang Bing Huang, Executive Director, as to 65%. Mr. Huang Bing Huang is a director of Hongkong Zhongxing Group Co., Limited.

**4. SERVICE CONTRACT**

As at the Latest Practicable Date, no Director has any existing or proposed service contract with the Company or any of its subsidiaries which is not expiring or determinable by the employing company within one year without payment of compensation (other than statutory compensation).

**5. EXPERT**

- (a) The following is the qualification of the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders and the opinion or advice given by the independent financial advisor is contained in this circular:

<b>Name</b>	<b>Qualification</b>
Ample Capital Limited	a licensed corporation under the SFO permitted to engage in types 4, 6 and 9 regulated activities (as defined under the SFO)

- (b) As at the Latest Practicable Date, Ample Capital Limited does not have any shareholding, direct or indirect, in any member of the Company and its subsidiaries or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Company and its subsidiaries.
- (c) As at the Latest Practicable Date, Ample Capital Limited was not interested, directly or indirectly, in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2006, being the date to which the latest published audited accounts of the Company were made up.
- (d) Ample Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter dated 26 November 2007 and references to its name in the form and context in which they appear.

**6. DIRECTORS' INTERESTS IN CONTRACTS**

As at the Latest Practicable Date, save for the interests in the Subscription as disclosed in this circular, none of the Directors was materially interested in any contracts or arrangements entered into by any members of the Group subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

**7. GENERAL**

- (a) The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11 Bermuda.
- (b) The head office and principal place of business in Hong Kong is at Unit 08, 43/F., Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong.
- (c) The qualified accountant of the Company is Mr. Cheng Mei Chau, member of the Hong Kong Institute of Certified Public Accountant.
- (d) The company secretary of the Company is Madam Leung Lai Si, Rosena, a fellow member of The Institute of Chartered Secretaries & Administrators and The Hong Kong Institute of Chartered Secretaries.
- (e) The share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (f) Mr. Huang Bing Huang, an executive Director, is also a director and shareholder of Shenzhen Zhongxing Real Estate Development Company Limited ("Shenzhen Zhongxing"), a company incorporated in the People's Republic of China (the "PRC") and principally engaging in the development of properties in the PRC. Mr. Huang is regarded as interested in such competing business of the Group as he personally has interest in Shenzhen Zhongxing and is involved in its day-to-day management.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor their respective associates had any business or interest that competes or may compete with the business of the Group or any conflicts of interests with the Group.

- (g) As at the Latest Practicable Date, the Directors confirm that there was no material adverse change in the financial or trading position of the Group since 31 December 2006 (being the date to which the latest published audited financial statements of the Group were made up).

- (h) None of the Directors has or has had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2006, being the date to which the latest published audited accounts of the Group were made up.
- (i) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

## **8. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours on any weekday (except public holidays) at the principal place of business of the Company in Hong Kong at Unit 08, 43/F., Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong up to and including the date of the SGM and will be available at the SGM:

- (a) the Subscription Agreements;
- (b) the Placing Agreement;
- (c) the memorandum of association and bye-laws of the Company;
- (d) the letter from the Independent Board Committee, the text of which is set out in this circular;
- (e) the letter from the Independent Financial Adviser, the text of which is set out in this circular; and
- (f) the written consent of Ample Capital Limited referred to in the section headed “Expert” in this Appendix.

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## NOTICE OF SGM

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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)**

**NOTICE IS HEREBY GIVEN** that a special general meeting of the Company will be held at Hotel Miramar Hong Kong, Miramar Function Room 4-5, Basement 2, 118-130 Nathan Road, Kowloon, Tsimshatsui, Hong Kong on 18 December 2007 at 11:00 a.m. to consider and, if thought fit, pass the following resolutions as ordinary resolutions:–

### **ORDINARY RESOLUTIONS**

1. **“THAT** subject to and conditional upon, among others, the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) of the listing of and permission to deal in the Subscription Shares I (as defined below),
  - (a) the conditional subscription agreement dated 5 November 2007 entered into between the Company and Rhenfield Development Corp. (the “Subscription Agreement I”) in relation to the subscription of an aggregate of 44,000,000 new shares of the Company (the “Subscription Shares I”), a copy of the Subscription Agreement I having been produced to the Meeting and marked “A” and initialed by the chairman of the Meeting for the purpose of identification, and the transactions contemplated thereby be and are hereby approved, confirmed and ratified;
  - (b) the allotment and issue of the Subscription Shares I be and is hereby approved and the Directors be and are hereby authorised to allot and issue the Subscription Shares I pursuant to and in accordance with the Subscription Agreement I; and
  - (c) the Directors be and are hereby authorised to do all such acts and things as they consider necessary, desirable or expedient in connection with the allotment and issue of the Subscription Shares I.”

\* *for identification only*

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## NOTICE OF SGM

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2. “**THAT** subject to and conditional upon, among others, the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) of the listing of and permission to deal in the Subscription Shares II (as defined below),
- (a) the conditional subscription agreement dated 5 November 2007 entered into between the Company and Hongkong Zhongxing Group Co., Limited (the “Subscription Agreement II”) in relation to the subscription of an aggregate of 17,000,000 new shares of the Company (the “Subscription Shares II”), a copy of the Subscription Agreement II having been produced to the Meeting and marked “B” and initialed by the chairman of the Meeting for the purpose of identification, and the transactions contemplated thereby be and are hereby approved, confirmed and ratified;
  - (b) the allotment and issue of the Subscription Shares II be and is hereby approved and the Directors be and are hereby authorised to allot and issue the Subscription Shares II pursuant to and in accordance with the Subscription Agreement II; and
  - (c) the Directors be and are hereby authorised to do all such acts and things as they consider necessary, desirable or expedient in connection with the allotment and issue of the Subscription Shares II.”

By order of the Board  
**Grand Field Group Holdings Limited**  
**Leung Lai Si, Rosena**  
*Company Secretary*

Hong Kong, 26 November 2007

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal place of business in Hong Kong:*

Unit 08, 43/F  
Far East Finance Centre  
16 Harcourt Road, Admiralty  
Hong Kong

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## NOTICE OF SGM

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*Notes:*

1. A form of proxy to be used for the meeting is enclosed.
2. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the share register of the Company in respect of the joint holding. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of the bye-laws of the Company be deemed joint holders thereof.
3. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.
5. The instrument appointing a proxy and (if required by the board of directors (the "Board") of the Company) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Hong Kong branch share registrar of the Company, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the special general meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.



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## NOTICE OF SGM

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6. Instruments of proxy shall be in any common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
7. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the registered office or the principal place of business of the Company in Hong Kong or the Hong Kong branch share registrar of the Company, Tricor Secretaries Limited, two (2) hours at least before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.
8. The Chinese translation of this notice (including the contents of the proposed resolution set out therein) is for reference only. In case of inconsistency, the English version shall prevail.
9. As at the date of this notice, the Board of Directors of the Company comprises Mr. Hwang Ho-Tyan, Mr. Huang Bing Huang, Mr. Wong King Lam, Joseph, Mr. Au Kwok Chuen, Vincent and Mr. Chan Sung Wai as executive directors and Mr. Hui Pui Wai, Kimber, Mr. Lum Pak Sum and Dr. Wong Yun Kuen as independent non-executive directors.