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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Grand Field Group Holdings Limited, you should at once hand the Prospectus Documents to the purchaser, the transferee or to the bank, licensed securities dealer, registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

A copy of each of the Prospectus Documents, together with the written consent referred to in the paragraph headed “Expert and Consents” in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance. Neither the Securities and Futures Commission nor the Registrar of Companies in Hong Kong takes any responsibility as to the contents of any of the Prospectus Documents.

Subject to the grant of the listing of and permission to deal in the Offer Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other dates 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

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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)**

**PROPOSED OPEN OFFER OF  
1,269,034,139 OFFER SHARES ON THE BASIS OF  
ONE (1) OFFER SHARE FOR  
TWO (2) EXISTING SHARES HELD ON  
THE RECORD DATE**

**Underwriter to the Open Offer**



**統一證券(香港)有限公司**  
PRESIDENT SECURITIES (HONG KONG) LTD.

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It should be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate its obligations thereunder on the occurrence of certain events. These certain events are set out in the section headed “Termination of the Underwriting Agreement” on pages 16 to 17 of this Prospectus. If the Underwriting Agreement is terminated by the Underwriter on or before 4:00 p.m. on Wednesday, 5 March 2014, the Open Offer will not proceed.

The latest time for acceptance of and payment for the Offer Shares is at 4:00 p.m. on Friday, 28 February 2014. The procedure for application and payment for the Offer Shares are set out on page 24 of this Prospectus.

The Open Offer is conditional, inter alia, upon the fulfillment of the conditions set out under the section headed “Conditions of the Open Offer” of this Prospectus.

Shareholders or other persons contemplating selling or purchasing Shares up to the date when the conditions of the Open Offer are fulfilled will bear the risk that the Open Offer may not become unconditional and may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.

\* For identification purposes only

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# CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Expected timetable</b> .....	7
<b>Letter from the Board</b> .....	8
<b>Appendices</b>	
I.    Financial Information of the Group .....	I-1
II.   Unaudited Pro forma Financial Information of the Group .....	II-1
III.  General Information .....	III-1

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## DEFINITIONS

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

“Announcement”	the Company’s announcement dated 17 January 2014 in relation to the Open Offer;
“Application Form(s)”	the form of application(s) to be used by the Qualifying Shareholders to apply for the Offer Shares in the agreed form;
“Bai Guo Land”	a parcel of land located at Bai Guo Dong Management District Zhangmutou, Dongguan, Guangdong Province, the PRC covering areas of approximately 5,389 square metres and is wholly-owned by the Group;
“Board”	the board of the Directors;
“Bondholder(s)”	holder(s) of the Convertible Bonds;
“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;

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## DEFINITIONS

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“Convertible Bonds”	the convertible bonds due in 2016 issued by the Company with total outstanding principal amount of HK\$30,055,703 which are convertible into 192,664,762 Shares;
“Current SZ Computer”	深圳鈞濠計算機軟件開發有限公司 literally translated as Shenzhen Grand Field Computer Software Development Company Limited, a company incorporated in the PRC on 29 September 2005. It is owned as to (i) 99% by Massive Capital Group Limited; and (ii) 1% by 深圳市均翔房地產經紀有限公司;
“Director(s)”	the director(s) of the Company;
“Drawn Down Loan”	the drawn down loan owing by the Company to Thrive Season Limited in the sum of HK\$30,055,703 which comprises principal of HK\$25,750,534 and accrued interests of HK\$4,305,169 due on 27 November 2013;
“DG Land”	a parcel of land located at Xu Zhen Management District, Zhangmutou, Dongguan, Guangdong Province, the PRC which covering areas of approximately 9,093 square metres and is wholly-owned by the Group;
“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);

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## DEFINITIONS

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“Last Trading Day”	17 January 2014, the last day on which the Shares were traded on the Stock Exchange immediately preceding the publication of the Announcement;
“Latest Practicable Date”	11 February 2014, being the latest practicable date for ascertaining certain information for inclusion in this Prospectus;
“Latest Time for Acceptance”	the latest time for acceptance for the Offer Shares at 4:00 p.m. (Hong Kong time) on Friday, 28 February 2014 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 Wednesday, 5 March 2014, 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;
“Macau”	the Macau Special Administrative Region of the PRC;
“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;

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## DEFINITIONS

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“Offer Shares”	1,269,034,139 new Shares to be allotted and issued pursuant to the Open Offer;
“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) existing 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”	this document containing details of the Open Offer to be despatched to the Shareholders;
“Prospectus Documents”	this Prospectus and the Application Form;
“Prospectus Posting Date”	14 February 2014 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 this Prospectus (for information 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;
“Record Date”	Wednesday, 12 February 2014, or such other date as may be agreed between the Company and the Underwriter for determining entitlements to the Open Offer;

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## DEFINITIONS

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“Registrar”	Tricor Secretaries Limited, 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, the Hong Kong branch share register and transfer office of the Company;
“Rhenfield”	Rhenfield Development Corp., a company incorporated in the British Virgin Islands with limited liability, one of the substantial shareholders (as defined under the Listing Rules) of the Company;
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.02 each in the issued share capital of the Company;
“Shareholder(s)”	the holder(s) of the issued Shares;
“Shenzhen Company”	深圳棕科置業有限公司, a 50% owned subsidiary of the Company;
“Shenzhen Land”	a parcel of land located at Buji, Shenzhen covering an area of approximately 25,502 square metres and is owned as to 50% by the Group;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price of HK\$0.04 per Offer Share;
“SZPL”	深圳市規劃和國土資源委員會 literally translated as the Urban Planning Land and Resources Commission of Shenzhen Municipality;
“Underwriter”	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;

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## DEFINITIONS

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“Underwriting Agreement”	the underwriting agreement dated 17 January 2014 in relation to the Open Offer entered into between the Company and the Underwriter;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.



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## EXPECTED TIMETABLE

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*All times and dates stated in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetables below stated in this Prospectus 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.*

**2014**  
**(Hong Kong time)**

Latest Time for Acceptance . . . . .	4:00 p.m. on Friday, 28 February
Latest Time for Termination by the Underwriter . . . . .	4:00 p.m. on Wednesday, 5 March
Announcement of the results of the Open Offer . . . . .	Friday, 7 March
Despatch of share certificates for Offer Shares . . . . .	Monday, 10 March
Despatch of refund cheques if the Open Offer is terminated . . . . .	Monday, 10 March
Expected first day of dealings in fully-paid Offer Shares on the Stock Exchange. . . . .	Tuesday, 11 March

### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR OFFER SHARES**

The latest time for acceptance of and payment for Offer Shares will not take place if there is:

- (a) a tropical cyclone warning signal number 8 or above, or
- (b) a “black” rainstorm warning signal

in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 28 February, 2014. Instead, the Latest Acceptance Date for the Offer Shares will be rescheduled to 12:00 noon on the next Business Day which does not have either of those warning signal in force at any time between 9:00 a.m. and 12:00 noon. If the Latest Acceptance Date for the Offer Shares does not take place on 28 February 2014, the dates mentioned in the section headed “Expected timetable” in this Prospectus may be affected. An announcement will be made by the Company in such event as soon as practicable.

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Ma Xuemian  
Mr. Kwok Siu Bun  
Ms. Chow Kwai Wa, Anne  
Ms. Kwok Siu Wa, Alison

*Registered Office:*

Clarendon House,  
2 Church Street,  
Hamilton HM 11,  
Bermuda

*Non-executive Directors:*

Mr. Chen Mudong *(with Mr. Lim Francis as alternate)*  
Mr. Lim Francis

*Principal place of*

*business in Hong Kong:*  
Unit 1004B, 10/F., Tower 5  
China Hong Kong City  
33 Canton Road, Tsimshatsui  
Kowloon

*Independent non-executive Directors:*

Mr. David Chi-ping Chow *(with Mr. Lim Francis  
as alternate)*  
Mr. Liu Chaodong  
Ms. Chui Wai Hung

14 February 2014

*To the Shareholders*

Dear Sir or Madam,

**OPEN OFFER OF 1,269,034,139 OFFER SHARES ON  
THE BASIS OF ONE (1) OFFER SHARE FOR  
EVERY TWO (2) EXISTING SHARES HELD ON  
THE RECORD DATE**

**INTRODUCTION**

On 17 January 2014, the Company announced that it proposed to raise not less than approximately HK\$50.76 million and not more than approximately HK\$54.61 million before expenses by issuing not less than 1,269,034,139 Offer Shares and not more than 1,365,366,520 Offer Shares to the Qualifying Shareholders on the basis of one (1) Offer Share for every two (2) existing Shares held on the Record Date. The Open Offer is only available to Qualifying Shareholders and will not be extended to Non-Qualifying Shareholders.

\* *For identification purpose only*

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## LETTER FROM THE BOARD

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The purpose of this Prospectus is to provide you with, among other things, further details of (i) the Open Offer including its procedures for application and payment for the Offer Shares; (ii) financial information of the Group; and (iii) the general information of the Group.

### THE OPEN OFFER

#### 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\$0.04 per Offer Share
Number of Shares in issue as at the Latest Practicable Date:	2,538,068,278 Shares
Outstanding Convertible Bonds:	the Convertible Bonds in the principal amount of HK\$30,055,703 which are convertible into a maximum of 192,664,762 Shares
Number of Offer Shares:	1,269,034,139 Offer Shares
Number of Offer Shares undertaken by the Underwriter:	All of the Offer Shares, being 1,269,034,139 Offer Shares
Number of enlarged Shares in issue upon completion of the Open Offer:	3,807,102,417 Shares

As at the Latest Practicable Date, the Company has (i) 2,538,068,278 Shares in issue; and (ii) outstanding Convertible Bonds entitling the holders thereof to convert into a maximum of 192,664,762 Shares. Assuming all outstanding Convertible Bonds will not be converted at any time prior to the completion of the Open Offer, the 1,269,034,139 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 1,269,034,139 Offer Shares immediately after completion of the Open Offer.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, save for the outstanding Convertible Bonds disclosed above, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, the Board has not received any information or irrevocable undertakings from any substantial Shareholder, other than the Underwriter, of its/his/her intention to take up the Offer Shares under the Open Offer.

The aggregate nominal value of the Offer Shares will be HK\$25,380,682.78.

### **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. 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.

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.

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 was closed from Thursday, 6 February 2014 to Wednesday, 12 February 2014, both days inclusive. No transfer of Shares will be registered during this book closure period.

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## LETTER FROM THE BOARD

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### Subscription Price

The Subscription Price is HK\$0.04 per Offer Share, payable in full upon application.

The Subscription Price represents:

- (a) a discount of approximately 66.10% to the closing price of HK\$0.1180 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 56.52% to the theoretical ex-entitlement price of HK\$0.0920 based on the closing price of HK\$0.1180 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a discount of approximately 65.87% to the average closing price of approximately HK\$0.1172 per Share for the last five consecutive trading days up to and including the Last Trading Day;
- (d) a discount of approximately 62.62% to the closing price of HK\$0.1070 per Share as at the Latest Practicable Date; and
- (e) a discount of approximately 55.06% to the net asset value per Share of approximately HK\$0.089 based on the unaudited consolidated net asset value of the Group as at 30 June 2013 and the number of Shares in issue as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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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 and the financial position of the Company. 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\$0.038.

### **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.

Overseas Shareholders should note that they may or may not be entitled to the Open Offer, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules.

There were 55 Overseas Shareholders on the Record Date with registered address located in the United States of America, the United Kingdom, Japan, Australia, PRC, Macau, New Zealand, Nigeria, and Philippines.

Based on the advice and replies provided by the relevant foreign legal advisers, the Directors are of the view that (i) it is inexpedient to extend the Open Offer to the Overseas Shareholders in the United States of America, Philippines and New Zealand, due to the time and costs involved in the registration of this Prospectus and/or compliance with the applicable legal or regulatory requirements or special formalities in this jurisdiction if the Open Offer were to be lawfully made to such Overseas Shareholders; and (ii) it is expedient to extend the Open Offer to the Overseas Shareholders in the United Kingdom, Japan, Australia, PRC, Macau and Nigeria as there are no legal restrictions prohibiting the Open Offer in these jurisdictions and no local legal and regulatory compliance is required to be made in these jurisdictions.

As at the Latest Practicable Date, there were 32, 1, and 1 Overseas Shareholder(s) with registered address located in the United States of America, Philippines and New Zealand respectively, being all the Non-Qualifying Shareholders. Accordingly, other than the Overseas Shareholders with registered addresses in the United States of America, Philippines and New Zealand, there are no other Non-Qualifying Shareholders. The Company will send the Overseas Letter together with this Prospectus, for information only, to the Non-Qualifying Shareholders.

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## LETTER FROM THE BOARD

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It is the responsibility of the Shareholders, including the Overseas Shareholders, to observe the local legal and regulatory requirements applicable to them for taking up and onward sale (if applicable) of the Offer Shares.

It is the responsibility of any person (including but without limitation to nominee, agent and trustee) receiving a copy of this Prospectus or the Application Form outside Hong Kong and wishing to take up the Offer Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction including the obtaining of any governmental or other consents for observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. The Company will not be responsible for verifying the legal qualification of such Overseas Shareholders and/or residents in such territory or jurisdiction, thus, should the Company suffer any losses or damages due to non-compliance with the relevant laws of such territory or jurisdiction by any such Overseas Shareholders and/or residents, the Overseas Shareholders and/or residents shall be responsible to compensate the Company for the same. The Company shall not be obliged to issue the Offer Shares to any such Overseas Shareholders and/or residents, if at the Company's absolute discretion issuing the Offer Shares to them does not comply with the relevant laws of such territory or jurisdiction. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that applicable local laws and requirements have been complied with. If you are in any doubt as to your position, you should consult your professional advisers.

The Offer Shares to which the Non-Qualifying Shareholders would have been entitled will be underwritten and taken up by the Underwriter.

### **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 Monday, 10 March 2014. If the Open Offer is terminated, refund cheques will be despatched on or before Monday, 10 March 2014 by ordinary post at the respective Shareholders' own risk.

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## LETTER FROM THE BOARD

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### **No application for excess Offer Shares**

Considering that the Open Offer will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro-rata shareholding interests in the Company, if application for excess Offer Shares is arranged, the Company will be required to put in additional effort and costs to administer the excess application procedures. Accordingly, no excess Offer Shares will be offered to the Qualifying Shareholders and any Offer Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriter.

### **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.

### **Odd lots arrangement**

There will be no odd lots arrangement in relation to and as a result of the Open Offer.

### **Application for the Offer Shares**

The Application Form in respect of the entitlement of the Offer Shares is 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.

### **Application for listing**

The Company has applied 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.



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## LETTER FROM THE BOARD

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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: 17 January 2014 (after trading hours)

Underwriter: President Securities (Hong Kong) Limited

Number of Offer Shares to be underwritten: All Offer Shares, being 1,269,034,139 Offer Shares

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 and as at the Latest Practicable Date, the Underwriter does not have any interest in the Company.

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.

It is one of the conditions of the Underwriting Agreement that the Underwriter would enter into binding agreements with certain placees and/or sub-underwriters, which shall be Independent Third Parties, for placing and/or sub-underwriting the Offer Shares, such that none of the Underwriter together with its parties acting in concert nor any of the placees and/or sub-underwriters and their respective parties acting in concert shall in aggregate be interested in 10% or more of the issued share capital of the Company as enlarged by the Open Offer.

As at the Latest Practicable Date, the Underwriter has not entered into any binding sub-underwriting agreements/placing agreements with any placees and/or sub-underwriters.

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 3.5% of the aggregate Subscription Price in respect of the maximum number of the underwritten Offer Shares. The commission rate was determined after arm's length negotiation between the Company and the Underwriter with reference to the existing financial position of the Company, the size of the Open Offer, and the current market condition.

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## LETTER FROM THE BOARD

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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.

### **Termination of the Underwriting Agreement**

The Underwriter may by notice in writing to the Company given served prior to the Latest Time for Termination, to terminate this Underwriting Agreement or such later time as the Company or the Underwriter may agree, terminate the Underwriting Agreement, if any of the following grounds of termination happens:

- (1) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
  - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
  - (b) the occurrence of 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, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially and adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or

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## LETTER FROM THE BOARD

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- (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will materially and adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Open Offer; or
- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than fifteen (15) consecutive Business Days,

excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer.

**The Underwriter may by notice in writing rescind the Underwriting Agreement and thereupon all obligations of the Underwriter thereunder shall cease and determine and no party shall have any claim against any other party (save for any antecedent breaches thereof) in the event of the grounds of termination occurring and the Open Offer shall not proceed.**

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## LETTER FROM THE BOARD

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### 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) the Underwriter would enter into binding agreements with certain placees and/or sub-underwriters, which shall be Independent Third Parties, for placing and/or sub-underwriting the Offer Shares, such that none of the Underwriter together with its parties acting in concert nor any of the placees and/or sub-underwriters and their respective parties acting in concert shall in aggregate be interested in 10% or more of the issued share capital of the Company as enlarged by the Open Offer.

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.

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

## LETTER FROM THE BOARD

### 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 Latest Practicable Date		Immediately after completion of the Open Offer (assuming all Qualifying Shareholders take up their entitlements under the Open Offer and assuming none of the Bondholders exercise their conversion right attached to the Convertible Bonds from the Record Date to completion of the Open Offer)		Immediately after completion of the Open Offer (assuming no Qualifying Shareholders take up their entitlements under the Open Offer and assuming none of the Bondholders of exercise their conversion right attached to the Convertible Bonds from the Record Date to completion of the Open Offer) (For illustrative purpose only) (Note 3)	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
Hongkong Zhongxing Group Co., Limited (Note 1)	579,470,000	22.83	869,205,000	22.83	579,470,000	15.22
Rhenfield (Note 2)	479,050,000	18.87	718,575,000	18.87	479,050,000	12.58
Mr. Tsang (Note 2)	64,210,000	2.53	96,315,000	2.53	64,210,000	1.69
Ms. Kwok (Note 2)	33,521,765	1.32	50,282,647	1.32	33,521,765	0.88
<b>Public:</b>						
Existing public Shareholders	1,381,816,513	54.45	2,072,724,770	54.45	1,381,816,513	36.30
The Underwriter	-	-	-	-	1,269,034,139	33.33
<b>Total</b>	<b><u>2,538,068,278</u></b>	<b><u>100.00</u></b>	<b><u>3,807,102,417</u></b>	<b><u>100.00</u></b>	<b><u>3,807,102,417</u></b>	<b><u>100.00</u></b>

#### Note(s):

- Hongkong Zhongxing Group Co., Limited is wholly-owned by Mr. Li Yi. He is deemed to be interested in 579,470,000 Shares pursuant to the Part XV of the SFO.
- Rhenfield is owned by Ms. Kwok and Mr. Tsang in equal shares. Mr. Tsang and Ms. Kwok are deemed to be interested in 479,050,000 Shares pursuant to Part XV of the SFO. Mr. Tsang personally held 64,210,000 Shares while Ms. Kwok, spouse of Mr. Tsang, personally held 33,521,765 Shares. By virtue of the SFO, Mr. Tsang and Ms. Kwok are both deemed to be interested in 97,731,765 Shares. As such, both Mr. Tsang and Ms. Kwok have an aggregate interest of 576,781,765 Shares, representing approximately 22.72% of the shareholding of the Company.
- Pursuant to the Underwriting Agreement, in the event of Underwriter being called upon to subscribe for or procure certain placees and/or sub-underwriters to subscribe for any of the Offer Shares, the Underwriter together with its parties acting in concert nor any of the placees and/or sub-underwriters and their respective parties acting in concert shall be interested in 10% or more of the issued share capital of the Company as enlarged by the Open Offer.

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## LETTER FROM THE BOARD

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### 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 property development, property management and investment. The gross proceeds from the Open Offer is approximately HK\$50.76 million. The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be approximately HK\$47.96 million. The Company intends to apply the net proceeds from the Open Offer as to (i) approximately HK\$10 million for repayment of short-term interest bearing borrowings; (ii) approximately HK\$35 million for financing the Group's existing properties development projects of which (a) approximately HK\$3 million for financing the development of the DG Land; (b) approximately HK\$25 million for financing the development of the Shenzhen Land; and (c) approximately HK\$7 million for financing the development of the Bai Guo Land; and (iii) the rest of the net proceeds for general working capital to strengthen the Company's financial position. By extinguishing the existing liability of the Company, the Company shall be able to concentrate on the development of its existing business.

Below table summarize the development schedule and budgeted working capital requirement for each of the Bai Guo Land, the Shenzhen Land and the DG Land:

#### *The Bai Guo Land*

<b>Period</b>	<b>Stage</b>	<b>Budgeted working capital requirement**</b>
First quarter of 2015	Application for approval of all construction work from relevant regulatory authorities in the PRC	Approximately HK\$1.98 million
First quarter of 2015 to second quarter of 2016	Completion of construction of main buildings	Approximately HK\$45.80 million
Third quarter of 2016 to fourth quarter of 2016	Project completion and sale	Approximately HK\$2.07 million
	<b>Total</b>	<b>Approximately HK\$49.85 million</b>

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## LETTER FROM THE BOARD

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### *The Shenzhen Land*

Period	Stage	Budgeted working capital requirement**
First quarter of 2014 to fourth quarter of 2015	Submission of the planning application in respect of the design, measure and development of the Shenzhen Land for approval	Approximately HK\$5.08 million
	Application for approval of all construction work from relevant regulatory authorities in the PRC and extension of land use rights of the Shenzhen Land	Approximately HK\$179.20 million
Fourth quarter of 2015 to first quarter of 2018	Completion of construction of main buildings	Approximately HK\$456.10 million
	Project completion and sale	Approximately HK\$394.53 million
	<b>Total</b>	<b>Approximately HK\$1,034.91 million</b>

### *The DG Land*

Period	Stage	Budgeted working capital requirement**
First quarter of 2014	Submission of the planning application in respect of the design, measure and development of the DG Land	Approximately HK\$0.32 million
First quarter of 2016	Application for approval of all construction work from relevant regulatory authorities in the PRC	Approximately HK\$0.62 million
First quarter of 2016 to fourth quarter of 2016	Completion of construction of main buildings	Approximately HK\$21.81 million
Fourth quarter of 2016 to second quarter of 2017	Project completion and sale	Approximately HK\$0.99 million
	<b>Total</b>	<b>Approximately HK\$23.74 million</b>

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## LETTER FROM THE BOARD

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\*\* The above budgeted working capital requirement for each of the development projects in connection with the Bai Guo Land, the Shenzhen Land and the DG Land, respectively, are the best estimation of the Company's directors and senior management based on existing market conditions in the PRC property development market and assuming no unforeseen circumstances and material change in market conditions in future and after due and careful assessment on each of the development projects.

At later stages of development of the above-mentioned properties development projects, the Board will consider inviting strategic investors to participate in the properties development projects or to consider further fund raising activities to develop the properties development projects if there is a need or if there is viable fund raising options which are in the interests of the Group and the Shareholders as a whole. As at the Latest Practicable Date, save for the Underwriting Agreement, the Company has not commenced any negotiation or entered into any agreement and/or arrangement with any party in relation to any fund raising activity or any strategic co-operation and/or strategic investment with the Company.

The Board considers that it is prudent to finance the Group's long-term growth by long-term financing, preferably in the form of equity which will not increase the Group's finance costs. The Directors also consider that the Open Offer offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company, which enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so.

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 and avoid any immediate dilution on the shareholding in the Company of the existing Shareholders. In addition, rights issue will involve extra administrative work and cost for the trading arrangements in relation to the nil-paid rights.

Having considered the above reasons, the Directors are of the view that the fund raising through the Open Offer is more cost effective and efficient and 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.



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## LETTER FROM THE BOARD

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### **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

There has not been any fund raising exercise effected by the Company in twelve months immediately preceding the Latest Practicable Date.

### **ADJUSTMENTS TO THE CONVERTIBLE BONDS**

As a result of the Open Offer, the conversion price of the Convertible Bonds may be adjusted in accordance with the terms and conditions of the Convertible Bonds. The Company will instruct its auditors or an independent financial adviser to certify the adjustments, if any, to the Convertible Bonds and will inform the Bondholders 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 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 has been dealt in on an ex-entitlement basis commencing from Tuesday, 4 February 2014 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.**

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## LETTER FROM THE BOARD

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### PROCEDURE FOR ACCEPTANCE AND PAYMENT FOR THE OFFER SHARES

For each Qualifying Shareholder, an Application Form is enclosed with this prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Offer Shares shown thereon. If the Qualifying Shareholder(s) wish(es) to exercise his/their rights to subscribe for all the Offer Shares provisionally allotted to him/them, he/they must lodge the Application Form(s) in accordance with the instructions printed thereon, together with the remittance for the full amount payable on acceptance, with Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Friday, 28 February 2014 or such later time and/or date as may be agreed between the Company and the Underwriters.

All remittance(s) must be made in Hong Kong dollars and cheques must be drawn on an account with or banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "**GRAND FIELD GROUP HOLDINGS LIMITED**" and must be crossed "Account Payee Only".

It should be noted that unless the duly completed and signed Application Form, together with the appropriate remittance, have been lodged with Tricor Secretaries Limited by not later than 4:00 p.m. on Friday, 28 February 2014, that assured allotments and all rights thereunder will be deemed to have been declined and will be cancelled.

The Application Form contains full information regarding the procedures to be followed if you wish to apply for a number of Offer Shares different from your assured allotments. The Application Form is for use only by the person(s) named therein and is not transferable.

All cheques or banker's cashier orders will be presented for payment upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company.

Any application in respect of which the cheque or banker's cashier order is dishonoured on first presentation is liable to be rejected, and in that event the assured allotments and all rights thereunder will be deemed to have been declined and will be cancelled. No receipt will be issued in respect of any Application Form and of any application monies received.

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## LETTER FROM THE BOARD

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If the conditions of the Open Offer are not fulfilled and/or the Underwriting Agreement is terminated in accordance with its terms by the Latest Time for Termination, the application monies will be refunded, without interest, by sending a cheque made out to the applicant (or in the case of joint applicants, to the first named applicant) and crossed “Account Payee Only”, to be despatched by ordinary post to their registered addresses and, in the case of joint applicants, to the registered address of the applicant whose name first appears on the register of members of the Company at the risk of such applicants as soon as practicable thereafter.

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.

### 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 the Latest Practicable Date, the Open Offer is not subject to Shareholders’ approval under the Listing Rules.

### FURTHER INFORMATION

Your attention is also drawn to the additional information contained in the appendices to this Prospectus.

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

**1. FINANCIAL INFORMATION**

Financial information of the Group for the three years ended 31 December 2012 are disclosed in the annual report of the Company for the year ended 31 December 2010 (pages 31 to 120), the annual report of the Company for the year ended 31 December 2011 (pages 30 to 116), the annual report of the Company for the year ended 31 December 2012 (pages 32 to 132), respectively, of the Company, which were published on both the Stock Exchange website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's designated website (<http://www.irasia.com/listco/hk/grandfield/>). The unaudited financial information of the Group for the six months ended 30 September 2013 are disclosed in the interim report of the Company for the six months ended 30 September 2013 (pages 4 to 31), which was published on both of the Stock Exchange website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's designated website (<http://www.irasia.com/listco/hk/grandfield/>).

**2. INDEBTEDNESS STATEMENT**

At the close of business of 31 December 2013 (being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this prospectus), the Group had outstanding indebtedness denominated in Hong Kong dollars of approximately HK\$40.0 million. The indebtedness comprised of (i) convertible bonds approximately HK\$30.0 million, (ii) secured loan of HK\$5.7 million from an independent third party, (iii) unsecured loan of HK\$3.8 million from independent third parties and (iv) finance lease charge of approximately HK\$0.5 million.

The secured loan from an independent third party is secured by the pledge of certain of the Group's properties amounting to approximately HK\$ 5.0 million as at 31 December 2013.

As at 31 December 2013, besides those information shown under litigations stated in Appendix III of this prospectus, the Group had no other material contingent liabilities arising in the ordinary course of business.

Save as aforesaid and apart from intra-group liabilities and normal trade and other payables, the Group did not, at as the close of business on 31 December 2013, have any mortgage, charges, debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other material contingent liabilities.

**3. WORKING CAPITAL SUFFICIENCY**

The Directors, after due and careful consideration, are of the opinion that, after taking into account the present financial resources available to the Group, the estimated net proceeds to be raised from the Open Offer and in the absence of unforeseen circumstances, the Group will have sufficient working capital for at least twelve months from the date of this Prospectus.

**4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors confirm that there have been no material changes in the financial or trading position or outlook of the Group since 31 December 2012, being the date to which the latest published audited financial statements of the Group were made up.

**5. FINANCIAL AND TRADING PROSPECTS**

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

For the year ended 31 December 2012, the Group's turnover increased by approximately 115.48% to HK\$12.11 million as compared to HK\$5.62 million in 2011. The Group recorded net loss for the year ended 31 December 2012 of approximately HK\$20.79 million, representing an increase of approximately HK\$79.84% as compared to 2011. The increase in net loss was mainly attributable to (i) significant increase in interest expenses on borrowings of approximately 153.52% from approximately HK\$2.13 million in 2011 to approximately HK\$5.40 million in 2012; and (ii) recognition of consultancy fees of approximately HK\$5.40 million in connection with existing properties development projects of the Group; and (iii) recognition of one-off non-recurring professional fees in connection with the Company's corporate resumption of approximately HK\$1.60 million. Throughout the year ended 31 December 2012, the Shares was in suspension status on the Stock Exchange, as such, it was not possible for the Company to conduct any fund raising activities in the capital market to finance its existing properties development projects. The Board has also 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 that time. As such, the Directors obtained certain loans from Independent Third Parties to finance the properties development projects and bring in additional working capital necessary to maintain its existing operations during the year ended 31 December 2012 which incurred significant interest expenses to the Group.

For the six months ended 30 June 2013, the Company recorded revenue of approximately HK\$3.37 million, representing an increase of approximately 314.13% as compared to the co-responding periods in 2012. The increase in revenue was mainly attributable to the successful sale of certain completed properties held by the Group of approximately HK\$1.8 million and increase in property rental income from HK\$0.81 million for the six months ended 30 June 2012 to approximately HK\$1.54 million for the six months ended 30 June 2013. The loss recorded by the Group for the six months ended 30 June 2013 narrowed to approximately HK\$9.91 million compared to a net loss of approximately HK\$10.38 million in the co-responding periods in 2012, representing a decrease of approximately 5%.

On 26 August 2013, trading in Shares on the Stock Exchange has been resumed. Since then, the Directors actively explore opportunities for debt restructuring and fund raising through equity market in order for the Group to reduce borrowing cost and enrich internal financial resources of the Group to finance its existing properties development projects as well as to strengthen the Company's financial position for its daily working capital requirement.

On 4 October 2013 and 7 October 2013, the Company has successfully undergone debt restructuring by issuing an aggregate of 21,258,278 Shares to settle certain professional fees and issuing the Convertible Bonds to settle the Drawn Down Loan.

Set out below are the latest development of the Group's businesses:

### **Leasing**

Leasing business of the Group solely comprises of commercial units in the PRC. Leasing business operates with stable and internally generated steady and stable cash flow to the Group. The rental income from leasing business amounted to approximately HK\$3.01 million for the twelve months ended 31 December 2013.

### **Completed properties held for sale**

The Group held a portfolio of completed properties available for sale amounting to approximately HK\$31.59 million as at 31 December 2013. The Group has been trying its best endeavor to realize all the completed properties and fight for the best terms for the Company with potential purchasers.

**Investment and development**

The Group currently has three parcels of lands available for development. One is the DG Land. The Group intends to develop the DG Land into 20-storey residential buildings and car parks with a gross floor area of approximately 15,000 square metres. As at the Latest Practicable Date, the Group is in the process of designing and planning the DG Land. The Group plans to submit the planning application in respect of the development of the DG Land for approval in March 2014.

Another one is the Shenzhen Land. The Group intends to develop the Shenzhen Land into a residential-commercial community consisting of two 29-storey buildings, comprising of apartments, offices and shopping mall with a gross floor area of approximately 131,000 square metres. Currently, the Group intends to develop the shopping mall into an electronic appliance distribution centre, and the Group plans to sell the shopping mall and the office space to institutional and/or retail property investors from Hong Kong and Shenzhen. On 2 December 2013, two of the subsidiaries of the Company, together with two other partners entered into the second supplemental agreement to transfer the land use right in Shenzhen (the “2nd Supplemental Agreement”) with SZPL pursuant to which all parties to the 2nd Supplemental Agreement formalized (i) the commencement of construction of the Shenzhen Land was required to be within one year from the date of the 2nd Supplemental Agreement; and (ii) completion of the construction of the Shenzhen Land was required to be within two years from the date of the 2nd Supplemental Agreement. On 5 December 2013, the Group received a case acceptance notice (受理通知書) from Shenzhen Real Estate Registration Center\* (深圳市房地產登記中心) which stated that the injection of the Shenzhen Land into the Shenzhen Company had been accepted.

As disclosed in the announcement of the Company dated 3 January 2014, a summons issued and filed with the 深圳龍崗區人民法院 (the People’s Court of Longgang District, Shenzhen) by Hongkong Zhongxing Group Co., Limited, a substantial Shareholder, against the two of the subsidiaries of the Company and two other defendants for a confirmation that the supplement agreement entered into between Current SZ Computer together with other relevant parties and SZPL on 3 July 2007 be void (the “Claim”). Due to the Claim, the progress of the injection of the Shenzhen Land into the Shenzhen Company has been slowed down. However, the Company is of the view that there is no merit in the Claim so far as the Company and the Group are concerned and is currently consulting a PRC legal adviser regarding the summons and considering appropriate course of action to defend the summons to protect the interest of the Company and Shareholders as a whole.

\* For identification purpose only

The last one is the Bai Guo Land. The Group intends to develop the Bai Guo Land into 14-storey commercial buildings, comprising hotel, offices and shopping mall with a gross floor area of approximately 30,177 square metres. As at the Latest Practicable Date, the planning application in respect of the Bai Guo Land was approved by Dongguan Urban and Rural Planning Bureau. The Group is in the process of initiating the construction stage of the Bai Guo Land.

Looking forward, the Company will continue to finance the Group's long-term growth by long-term financing, preferably in the form of equity which will not increase the Group's finance costs. The Group will continue to focus on its leasing business which could generate steady and stable income to the Group and will continue to strive for realization of all the properties held for sale on hand. With the successful resumption of trading in Shares on the Stock Exchange, the Company could concentrate on the development of the Group's existing properties development projects.



*For illustrative purpose only, set out below is the unaudited pro forma adjusted consolidated net tangible assets of the Group (the “Unaudited Pro Forma Financial Information”) as if Open Offer had been completed on 30 June 2013. Although reasonable care has been exercised in preparing the Unaudited Pro Forma Financial Information, Shareholders who read the information below should bear in mind that figures are inherently subject to adjustments and, because of its hypothetical nature, may not give a true picture of the Group’s financial position had the open offer been completed as at 30 June 2013 or any future dates.*

**UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF  
THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY**

The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company set out below has been prepared in accordance with paragraph 29 of Chapter 4 of the Listing Rules to illustrate the effect of the proposed Open Offer on the unaudited consolidated net tangible assets of the Group as if the Open Offer had been completed on 30 June 2013.

The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Open Offer.

## APPENDIX II

## UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2013, with adjustment described below.

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2013 <i>HK\$'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Open Offer <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Open Offer <i>HK\$'000</i>	Unaudited consolidated net tangible assets per Share attributable to owners of the Company as at 30 June 2013 <i>HK\$</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to owners of the Company immediately after completion of the Open Offer <i>HK\$</i> <i>(Note 4)</i>
Based on 1,269,034,139 Offer Shares at a Subscription Price of HK\$0.04 per Offer Share	216,300	47,965	264,265	0.086	0.070

*Notes:*

- The unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2013 is calculated based on the unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 June 2013 of approximately HK\$216,300,000.
- The estimated net proceeds from the Open Offer of approximately HK\$47,965,000 is calculated based on 1,269,034,139 Offer Shares assuming to be issued on the completion of the Open Offer at the Subscription Price of HK\$0.04 per Offer Shares and after deduction of estimated related expenses of approximately HK\$2,797,000.
- The number of Shares used for the calculation of the unaudited consolidated net tangible assets per Share attributable to owners of the Company as at 30 June 2013 is 2,516,810,000, being the number of Shares in issue as at 30 June 2013.
- The unaudited pro forma adjusted consolidated net tangible assets per Share attributable to owners of the Company immediately after completion of the Open Offer is calculated based on 3,785,844,139 Shares which comprise 2,516,810,000 Shares in issue as at 30 June 2013 and 1,269,034,139 Offer Shares assuming to be issued on the completion of the Open Offer (assuming no convertible bonds would be exercised on or before the Record Date) as if the Open Offer had been completed on 30 June 2013.
- The Company confirms that there is no conversion of convertible bonds up to 5 February 2014, that is the latest practical lodging time before the Open Offer.



中匯安達會計師事務所有限公司  
ZHONGHUI ANDA CPA LIMITED

14 February 2014

**Grand Field Group Holdings Limited**

*(Incorporated in Bermuda with limited liability)*

*The following is the text of a report, prepared for the sole purpose of inclusion in this Prospectus, from the independent reporting accountant, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong.*

**ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION**

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of Grand Field Group Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which has been prepared by the directors of the Company (the "Directors") for illustrative purposes only, to provide information about how the Open Offer (as defined in the prospectus of the Company dated 14 February 2014 (the "Prospectus")) might have affected the consolidated net tangible assets of the Group. The basis of preparation of the Unaudited Pro Forma Financial Information is set out in pages II – 1 to II – 2 of Appendix II to the Prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed open offer of shares of the Company on the Group's financial position as at 30 June 2013 as if the transaction had taken place at 30 June 2013. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's unaudited condensed consolidated interim financial statements for the period ended 30 June 2013, on which an interim report has been published.

**Directors' responsibility for the Pro Forma Financial Information**

The directors are responsible for compiling the pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline ("AG") 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

**Reporting Accountant's Responsibilities**

It is our responsibility to form an opinion, as required by Rule 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2013 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We make no comments regarding the reasonableness of the amount of net proceeds from the Open Offer, the application of those net proceeds, or whether such use will actually take place as described under "REASONS FOR AND BENEFITS OF THE OPEN OFFER AND USE OF PROCEEDS" set out on page 20 to page 22 of the Prospectus.

**Opinion**

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to Rule 4.29(1) of the Listing Rules.

Yours faithfully,

**ZHONGHUI ANDA CPA Limited**

*Certified Public Accountants*

**Sze Lin Tang**

Practising Certificate Number P03614

Hong Kong

**1. RESPONSIBILITY STATEMENT**

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or in this Prospectus misleading.

**2. SHARE CAPITAL**

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately upon completion of the Open Offer are as follows:

**As at the Latest Practicable Date**

*Authorised Capital:* *HK\$*

<u>5,000,000,000</u>	Ordinary Shares of HK\$0.02 each	<u>100,000,000</u>
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*Issued and fully paid or credited as fully paid:*

<u>2,538,068,278</u>	Shares as at the Latest Practicable Date	<u>50,761,365.56</u>
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**Immediately after completion of the Open Offer**

*Issue and fully paid:*

<u>1,269,034,139</u>	Number Offer Shares to be issued pursuant to the Open Offer	<u>25,380,682.78</u>
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<u>3,807,102,417</u>	Number Shares in issue immediately following the Open Offer	<u>76,142,048.34</u>
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As at the Latest Practicable Date, there were Convertible Bonds with face value of HK\$30,055,703 outstanding convertible into 192,664,762 shares, due in 2016. Save for the outstanding Convertible Bonds as mentioned above, as at the Latest Practicable Date, the Company had no other outstanding securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares and rights over Shares.

All of the Offer Shares to be issued will rank pari passu in all respects with each other, including, in particular, as to dividends, voting rights and capital, and with all the Shares in issue as at the date of allotment and issue of the Offer Shares. The Offer Shares to be issued will be listed on the Stock Exchange.

There is no arrangement under which future dividends are/will be waived or agreed to be waived.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Offer Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

### **3. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at the Latest Practicable Date, none of the Directors or chief executives of the Company had any beneficial or deemed interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as contained in Appendix 10 to the Listing Rules.

## 4. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of the SFO and, so far as was known to the Directors or chief executive of the Company, the persons or entities, other than a Director or chief executive of the Company, who had an interest or a short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which 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 general meetings of the Company or any other company which is a subsidiary of the Company, or in any options in respect of such share capital were as follows:

Name of persons/ corporations	Capacity/ Nature of interest	Number of Shares or underlying shares interested	Percentage of the Company's issued share capital
Hongkong Zhongxing Group Co., Limited <i>(Note 1)</i>	Beneficial Owner	579,470,000	22.83%
Li Yi <i>(Note 1)</i>	Interest of Controlled Corporation	579,470,000	22.83%
Kwok Wai Man, Nancy	Beneficial Owner	33,521,765	1.32%
	Interest of Controlled Corporation <i>(Note 2)</i>	479,050,000	18.87%
	Interests of Spouse <i>(Note 3)</i>	64,210,000	2.53%
Rhenfield Development Corp. <i>(Note 2)</i>	Beneficial Owner	479,050,000	18.87%
Tsang Wai Lun, Wayland	Beneficial Owner	64,210,000	2.53%
	Interest of Controlled Corporation <i>(Note 2)</i>	479,050,000	18.87%
	Interests of Spouse <i>(Note 4)</i>	33,521,765	1.32%
Thrive Season Limited <i>(Note 5)</i>	Beneficial Owner	192,664,762	7.59%
Chen Yuchi	Interest of Controlled Corporation <i>(Note 5)</i>	192,664,762	7.59%
The Underwriter <i>(Note 6)</i>	Beneficial Owner	1,269,034,139	33.33% <i>(Note 7)</i>



- Note 1:* Hongkong Zhongxing Group Co., Limited is wholly-owned by Mr. Li Yi. He is deemed to be interested in 561,750,000 Shares pursuant to the Part XV of the SFO.
- Note 2:* Rhenfield Development Corp. is owned by Ms. Kwok Wai Man, Nancy (“Ms. Kwok”) and Mr. Tsang Wai Lun, Wayland (“Mr. Tsang”) in equal shares. Mr. Tsang and Ms. Kwok are deemed to be interested in 479,050,000 Shares pursuant to the Part XV of the SFO.
- Note 3:* These 64,210,000 Shares are owned by Mr. Tsang, spouse of Ms. Kwok. Ms. Kwok is deemed to be interested in 64,210,000 shares of the Company pursuant to the Part XV of the SFO.
- Note 4:* These 33,521,765 Shares are owned by Ms. Kwok, spouse of Mr. Tsang. Mr. Tsang is deemed to be interested in 33,521,765 shares of the Company pursuant to the Part XV of the SFO.
- Note 5:* These 192,664,762 underlying Shares owned by Thrive Season Limited relate to Thrive Season Limited’s derivative interests in the Convertible Bonds. Thrive Season Limited is solely owned by Chen Yuchi. He is deemed to be interested in the 192,664,762 underlying Shares pursuant to Part XV of the SFO. Details of the Convertible Bonds are disclosed in “Convertible Bonds” belows.
- Note 6:* The Underwriter has an interest in the 1,269,034,139 Offer Shares under the Underwriting Agreement, being its underwriting commitment thereunder.
- Note 7:* The percentage is calculated based on the number of Shares in issue immediately following the Open Offer.

**Convertible Bonds**

Name of bondholder	Date of issue	Conversion period	Conversion price per share	Outstanding	Number of underlying shares	Approximate
				as at the Latest Practicable Date		percentage of the issued share capital of the Company
Thrive Season Limited	7 October 2013	7 October 2013 – 6 October 2016	0.156	192,664,762	192,664,762	7.59%

Save as disclosed herein and so far as is known to the Directors, as at the Latest Practicable Date, no person (not being a Director or chief executive of the Company) had an interest or a short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which 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 general meetings of the Company or any other company which is a subsidiary of the Company, or in any options in respect of such share capital.

**5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2012 (being the date up to which the latest published audited accounts of the Group were made up), (i) acquired or disposed of by; or (ii) lease to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

**6. DIRECTORS' SERVICE CONTRACTS**

The service contracts between the Company and each of the Directors are for a term of one year, subject to renewal by agreement for one or more consecutive terms of three years. Their terms of office are also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company.

No Director has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

**7. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors and his/her respective associates was interested in any business apart from the Group's business which competes or is likely to compete, either directly or indirectly, with the Group's businesses pursuant to Rule 8.10 of the Listing Rules.

**8. EXPERTS AND CONSENTS**

The following is the qualifications of the expert who has given opinions or advice, which is contained in this Prospectus:

<b>Name</b>	<b>Qualifications</b>
ZHONGHUI ANDA CPA Limited	Certified Public Accountant

As at the Latest Practicable Date, ZHONGHUI ANDA CPA Limited has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion therein of its report and reference to its name in the form and context in which it appear in this Prospectus.

As at the Latest Practicable Date, ZHONGHUI ANDA CPA Limited (i) was not interested, either directly or indirectly, in any assets which have been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2012, being the date to which the latest published audited consolidated financial statements of the Group were made up; and (ii) did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

## **9. MATERIAL CONTRACTS**

The following contracts (not being contracts in the ordinary course of business) have been entered into by the members of the Group within the two years immediately preceding the Latest Practicable Date:

- (i) the settlement agreement dated 30 August 2013 entered between the Company and Thrive Season Limited (“Thrive Season”) in relation to the settlement of loan owing by the Company to Thrive Season in the principal amount of HK\$30,055,703 by issuing the Convertible Bonds to Thrive Season.
- (ii) the supplemental settlement agreement dated 2 October 2013 entered between the Company and Thrive Season in relation to amendment of the adjustment provisions of the conversion price of the Convertible Bonds (details were disclosed in the announcement of the Company dated 2 October 2013); and
- (iii) the Underwriting Agreement.

## **10. LITIGATION**

Save as disclosed below, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any material litigation or claims and, so far as the Directors were aware, no material litigation or claims were pending or threatened by or against any companies of the Group.

### **I HCMP 1059 of 2008**

On 6 June 2008, the Company was served with an originating summons (“Originating Summons”) issued on 4 June 2008 under High Court Miscellaneous Proceedings No. 1059 of 2008 by Mr. Tsang Wai Lun, Wayland (“Tsang”), a former director and shareholder of the Company, as the plaintiff and the Company as the defendant under section 168BC of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong). In the Originating Summons which was amended on 26 February 2009 (“the Amended Originating Summons”), Tsang seeks relief from the High Court of Hong Kong for, inter alia, leave to bring proceedings on behalf of the Company against its 8 then

directors, namely, Chu King Fai (“Chu”), Huang Bing Huang (“Huang”), Au Kwok Chuen Vincent (“Au”), Hwang Ho Tyan (“Hwang”), Zhao Juqun (“Zhao”), Yang Biao (“Yang”), Wong Yun Kuen (“Wong”) and Mok King Tong (“Mok”). Upon hearing the Amended Originating Summons on 25 and 26 February 2009, the court granted leave to Tsang on 26 February 2009 to bring a statutory derivative action on behalf of the Company against the aforesaid 8 then directors with costs of the application in respect of the Amended Originating Summons be deferred with liberty to apply.

## **II HCA 771 of 2009**

Pursuant to statutory leave granted under High Court Miscellaneous Proceedings No. 1059 of 2008, Tsang suing as a shareholder for and on behalf of the Company as the plaintiff issued a writ of summons against the aforesaid 8 then directors as 1st to 8th defendants in the High Court of Hong Kong on 18 March 2009 under High Court Action No. 771 of 2009 (“the Action”). The title of the plaintiff was subsequently amended as the name of the Company by a court order dated 29 March 2011.

In brief, the case was in relation to alleged breach by the 8 then directors (comprising the then board of directors of the Company) of their fiduciary duties and duties of care owed to the Company as directors in respect of the following resolutions purportedly passed:

- (1) a resolution was purportedly passed by the then board of directors of the Company on or about 14 January 2008 (“the Remittance Resolution”) to approve a remittance of HK\$50,000,000 (equivalent to RMB44,000,000) to a company in the PRC known as Yuan Cheng Real Estate (Shenzhen) Limited (遠程置業(深圳)有限公司) (“Yuan Cheng”), which was set up as a wholly owned subsidiary of Grand Field Group Limited (“Grand Field HK”), despite questions having been raised specifically over the legality of the formation of Yuan Cheng. Grand Field HK is a wholly owned subsidiary of the Group. Thus, the sum of HK\$50,000,000 remitted by the Company to Yuan Cheng may have been put under the control of an unauthorized and unlawful entity.
- (2) a resolution was purportedly passed by the then board of directors of the Company on or about 27 May 2008 (“the Yangzhou Project Resolution”) to sanction an acquisition of a project known as Yi Zheng Economic Development Zone High Technology Industrial Park (儀征經濟開發區高新技術產業園) from Min Tai Development Company Limited (閩泰建設有限公司) at a consideration of HK\$88,000,000 with an up-front payment of HK\$5,000,000 paid out of the funds of Yuan Cheng.

- (3) a resolution was purportedly passed by the then board of directors of the Company on or about 15 March 2008 (“the Management Services Resolution”) to sanction the entry of management services agreements by Yuan Cheng with Dongguan City Hua Jia Fu Industry and Trading Limited (東莞市華家富工貿有限公司) and Dongguan City Min Tai Industry and Investment Limited (東莞市閩泰實業投資有限公司), which involve an up-front payment of RMB8,000,000 by Yuan Cheng.
- (4) a resolution was purportedly passed by the then board of directors of the Company on or about 27 May 2008 (“the Zhong Cheng Resolution”) to sanction the entry of a co-operation framework agreement by Yuan Cheng with a PRC entity known as Shenzhen Zhong Cheng Construction Engineering Company Limited (深圳市中城建設工程有限公司) (“Zhong Cheng”), which required an upfront payment of RMB5,000,000. Yuan Cheng also made 2 subsequent payments to satisfy third parties of the credit worthiness of Zhong Cheng, involving RMB17,000,000.
- (5) two resolutions were purportedly passed by Chu, Au, Zhao, Yang, Wong and Mok at a board meeting of the Company on 15 and 20 November 2008 (“the Loan Resolutions”) sanctioning Grand Field Property Development (Shenzhen) Company Limited (“Grand Field Shenzhen”) to borrow up to RMB50,000,000 purportedly to repay a loan owed to Yuan Cheng and to use the balance as operational capital for the Company. Grand Field Shenzhen is a wholly owned subsidiary of the Group.

Further, alleged loans of RMB33,100,000 were purportedly made by Yuan Cheng to a PRC entity called Shenzhen Hua Ke Nano-Technology Development Company Limited (深圳華科納米技術有限公司) from April to June 2008.

It was the case of Tsang suing in the name of the Company that Yuan Cheng was used as a vehicle in the PRC to channel the HK\$50,000,000 for improper purpose not in the interests of and/or with no apparent benefit to the Company and/or to enable the same to be applied for the personal benefit of Chu, his family or related companies. The Company thus has suffered a loss to the extent of HK\$50,000,000 as a result of the breach of duties by the 8 then directors to act bona fide in the interests of the Company or to use their powers for a proper purpose.

By reason of the aforesaid, Tsang suing in the name of the Company claims:

- (a) damages or equitable compensation in the sum of HK\$50,000,000;
- (b) an account of all benefits, payments or profits received as a result of the breaches of fiduciary duties by the 8 then directors;
- (c) a declaration that the Remittance Resolution, the Yangzhou Project Resolution, the Management Services Resolution, the Zhong Cheng Resolution and the Loan Resolutions passed as board resolutions of the Company were not made bona fide in the interest of the Company;
- (d) an order that the Remittance Resolution, the Yangzhou Project Resolution, the Management Services Resolution, the Zhong Cheng Resolution and the Loan Resolutions be set aside; further or alternatively, a declaration that the aforesaid resolutions are invalid, null and void and of no legal effect;
- (e) restitution of payment received directly or indirectly by the 8 then directors, or any of them, in breach of their duties;
- (f) an injunction against the 8 then directors restraining each of them from continuing as the Company's director and/or exercising the powers as director;
- (g) interest;
- (h) costs; and
- (i) further and/or other relief.

Tsang has discontinued the Action suing against Hwang in the name of the Company on 4 August 2010.

The Action was tried at the High Court of Hong Kong from 2 August 2012 with 18 days reserved. Upon commencement of the trial, Tsang suing in the name of the Company has, settled the Action with Zhao, Yang and Mok that Tsang suing in the name of the Company decided not to pursue the Action against Zhao, Yang and Mok and with no order as to costs.

The Action against Au has also reached an out of court settlement on 22 October 2012. Tsang, the Company and Au have come to a deed of settlement (“Deed of Settlement”) to discontinue all further actions against Au and with no order as to costs.

## **II HCA 771/2009**

As for the Action against Chu, Huang and Wong, the final submission of the Action was made on 6 September 2012 and completed the hearing on 24 October 2012, hence, no judgment of the Action has been pronounced or handed down as of the reporting date. The 8 then directors have already resigned as directors of the Company. They did not remain with the Company and/or have no relationship with the management of the Company. In the opinion of the Directors, the Amended Originating Summons and the Action will have no material impact on the operations of the Group. The Directors cannot reliably measure the financial impact of the Amended Originating Summons and Action on the Group until the judgment of the Action is pronounced or handed down.

Regarding the above Action, the Company has received a legal letter from the lawyer for Tsang, in relation to an indemnity claim of legal costs incurred by the counterparty in the Action. As no judgment of the Action has been pronounced or handed down by the High Court up to Latest Practicable Date, the potential indemnity claim from Tsang has not been determined by the Court. As such the possibility of this claim is remote until the Court’s order is finalised as the Directors therefore consider that the Company should not make any provision for this reimbursement.

\* *The Company has successfully applied for injunction orders against Huang Binghuang and/or Li Yi and/or Hongkong Zhongxing Group Co. Limited (“HKZX”), a substantial shareholder of the Company, inter alia, to restrain all or either of them from disposal in any way of the shares in HKZX under the name of Li Yi and/or the shares in the Company under the name of HKZX up to the value of HK\$9.7 million. The substantial hearing of the said injunction orders has been heard and the judgment thereof has yet to be delivered.*

**III HCMP 2174/2013**

Pursuant to the leave granted by High Court on 23rd August, 2013, the Company has instituted an originating summons against Huang Binghuang and/or Li Yi for contempt of court as a result of their alleged breach of the Injunction orders granted under HCA 771/2009 as mentioned in II hereinbefore. This origination summons has yet to be tried.

These proceedings could be regarded as the extension of the aforesaid HCA 771/2009 and in the opinion of the Directors, have no material impact on the operations of the Group since neither does Huang Binghuang nor Li Yi hold any office in the Group. The Directors cannot reliably measure the financial impact of these proceedings for the same reasons stated in II hereinbefore.

**IV HCMP 3278/2013**

In December, 2012, the Company was served with an originating summons instituted by HKZX as plaintiff and the Company as defendant under High Court Miscellaneous Proceedings No.3278 of 2013. HKZX seeks leave from the High Court under section 168BC of the Companies Ordinance (Cap.32 of the Law of Hong Kong) to claim on behalf of the Company against Tsang Wai Lun Wayland and Kwok Wai Man Nancy (hereinafter collectively referred to as “Tsangs”), the former Chairman and executive directors of the Company respectively for their alleged breach of fiduciary duties and claims costs to be paid by the Company on an indemnity basis.

The call-over thereof was heard on 10th January, 2014 and the following orders were made:–

- (1) The said originating summons be adjourned to 9:30 a.m. on 18th March, 2014;



- (2) Leave be to the Company to file evidence in opposition to the application on or before 7th February, 2014 at 5:00 p.m.;
- (3) Leave be to the Plaintiff to file evidence in reply on or before 7th March, 2014 at 5:00 p.m.;
- (4) Parties shall file proposed directions and written explanatory submissions 2 clear days before the next hearing; and
- (5) Costs be in the cause.

The Company has instructed its solicitors and counsel to oppose the plaintiff's application. Tsangs have resigned from the Company and they have given undertakings not to be involved in the management of the Company. In the opinion of the Directors, the said originating summons will have no material impact on the operations of the Group. The Directors cannot reliably measure the financial impact of the said originating summons until the delivery of result of the said originating summons and the judgment of the intended action instituted by the plaintiff, if leave is granted as claimed.

**V HCA 2471/2008**

Upon routine check, the Company discovered that there being an outstanding High Court Action No.HCA 2471/2008 instituted in 2008 by the Company as Plaintiff against its former executive directors and current substantial shareholders Mr. Tsang Wai Lun Wayland and Madam Kwok Wai Man Nancy as 1st and 2nd Defendants, Sino Richest Limited, Worldgate Developments Limited, Logistic China Enterprises Limited, Chintex Gas Company Limited and Wong Chi Keung Ivan as 3rd – 7th Defendants for damages in relation to the alleged breach of trust and/or duties owed to the Company by Mr. Tsang and Ms. Kwok as then executive directors of the Company with the assistance of other defendants in dealing with a Chongqing Joint Venture agreement in 2002. This action has stood idle after an Order was made on 23rd October, 2009 regarding costs awarded in favour of the said Worldgate Developments Limited and Logistic China Enterprises Limited against the Company arising from the application for an injunction order against the said Worldgate Developments Limited and Logistic China Enterprises Limited.

The Company has instructed its solicitors and Counsel for advice and shall take appropriate action in due course.

In the opinion of the Directors, this High Court Action will have no material impact on the operations of the Group as Tsangs have resigned from the Company and they have given undertakings not to be involved in the management of the Company. In fact, the nature of this action is more or less the same as those claimed in HCMP 3278/2013 of III hereinbefore. The Company is advised to withhold taking any further action until the result of HCMP3278/2013 comes out. The Directors are of the opinion that this Action shall have no financial impact upon the Company at this stage.

#### **VI HCA 85/2014**

On 14th January, 2014, the Company as plaintiff has instituted a Writ of Summons under High Court Action HCA 85/2014 against 1st Defendant Li Yi, the sole shareholder of Hongkong Zhongxing Group Co. Limited, a substantial shareholder of the Company, 2nd Defendant, Huang Binghuang, a former executive director of the Company and 3rd Defendant the said Hongkong Zhongxing Group Co. Limited for the following reliefs:–

- (1) A declaration that the sale, assignment and/or transfer of the shares of the 3rd Defendant from the 2nd Defendant to the 1st Defendant (“the Assignment”) constitutes a disposition of property by the 2nd Defendant with an intent to defraud creditors and is voidable at the instance of the Plaintiffs being person thereby prejudiced pursuant to section 60 (1) of the Conveyancing and Property Ordinance (Cap. 219);
- (2) An order that the Assignment be set aside;
- (3) Damages to be assessed;
- (4) Interest;
- (5) Costs; and
- (6) Such further or other relief(s) as this Court may think fit.

The writ of summons has been served upon the said Hongkong Zhongxing Group Co. Limited on 15th January, 2014. The Company is still waiting for the defence from the defendants therein, if any. As the 2nd Defendant has resigned from the Company and the 1st and 3rd Defendant have not been involved in the Company's management, the Directors are of the opinion that the said action will have no material impact on the operations of the Group. The Directors cannot reliably measure the financial impact of the said writ of summons until the delivery of result thereof.

- VII** In 2006, the Company's wholly-owned subsidiary, Shing Fat Hong Limited ("Shing Fat Hong"), signed a tenancy agreement with a karaoke operator for a ten-year period, whereby Shing Fat Hong was required to renovate and combine two entire floors of its commercial properties in Dongguan. The karaoke operator failed to apply for an operating license due to non-compliance of the building structure with fire safety regulations. Since 2007, the tenant has initiated several legal proceedings against Shing Fat Hong in local PRC courts for validation of the tenancy agreement and for compensation of decoration fees and other economic losses of RMB4,500,000 (equivalent to HK\$5,114,000). However, Shing Fat Hong appealed to, and sued the tenant, in local PRC courts for compensation of renovation and restoration of the properties, loss of rental income and other economic losses of RMB2,056,000 (equivalent to HK\$2,336,000). In 2009, Shing Fat Hong lost in a court case to claim against the tenant for compensation of restoration of the properties. After Shing Fat Hong appealed to the Intermediate People's Court of Dongguan City, Guangdong Province (廣東省東莞市中級人民法院), on 10 April 2013, the Intermediate People's Court of Dongguan City, Guangdong Province (廣東省東莞市中級人民法院) issued a civil judgment, under which such case was ordered back to the Third People's Court of Dongguan City, Guangdong Province (廣東省東莞市第三人民法院) for retrial. Legal proceedings between Shing Fat Hong and the tenant are still ongoing.

- VIII** The case no. (2013) Shen Luo Fa Min Er Chu Zi Di No. 602((2013)深羅法民二初字第602號) under which Shenzhen Yizhou Hotel Management Co., Ltd. (深圳市益洲酒店管理有限公司) initiated proceedings against, among others, four companies, namely Grand Field Land Development (Shenzhen) Company Limited (鈞濠房地產開發(深圳)有限公司), Hong Kong Grand Field Group Limited (香港鈞濠集團有限公司), Shenzhen City Liangzi Jingshun Investment Management Co., Ltd. (深圳市量子景順投資管理有限公司), and Huilai County Haoyuan Industrial Co., Ltd. (惠來縣豪源實業有限公司). The hearing time of such case is not yet confirmed.
- IX** The case no. (2013) Shen Long Fa Xing Chu Zi Di No. 26((2013)深龍法行初字第26號) under which Shenzhen Yizhou Hotel Management Co., Ltd. (深圳市益洲酒店管理有限公司) initiated proceedings against Shenzhen Real Estate Ownership Registration Centre. Shenzhen Longgang District People's Court was of the opinion that, in relation to the processing of such case, Grand Field Group Limited and Grand Field Land Development (Shenzhen) Company Limited (鈞濠房地產開發(深圳)有限公司) possess legal interests and it notified Grand Field Group Limited and Grand Field Land Development (Shenzhen) Company Limited (鈞濠房地產開發(深圳)有限公司) to participate in the proceedings of such lawsuit as third parties. Such case had been heard before Shenzhen Longgang District People's Court on 13 October 2013, and no judgement has been made so far.
- X** The case no. (2013) Shen Long Fa Min San Chu Zi Di No. 941((2013)深龍法民三初字第941號) under which Hong Kong Zhongxing Group Co., Limited initiated proceedings against, among others, four companies, namely Grand Field Group Limited, Grand Field Land Development (Shenzhen) Company Limited (鈞濠房地產開發(深圳)有限公司), Shenzhen Grand Field Computer Software Development Company Limited (深圳鈞濠計算機軟件開發有限公司), and Guangdong Province Hongling Group Company Limited (廣東省紅嶺集團有限公司). Such case will be heard before Shenzhen Longgang District People's Court on 27 February 2014.
- XI** The case no. (2014) Shen Luo Fa Min Er Chu Zi Di No. 133((2014)深羅法民二初字第133號) under which Shenzhen Grand Field Computer Software Development Company Limited (深圳鈞濠計算機軟件開發有限公司) recently initiated proceedings against, among others, three companies, namely Grand Field Group Limited, Grand Field Land Development (Shenzhen) Company Limited (鈞濠房地產開發(深圳)有限公司), and Shenzhen City Liangzi Jingshun Investment Management Co., Ltd. (深圳市量子景順投資管理有限公司). Details of such case is yet to be available and the Directors are unable to assess the impact on the financial position and operations of the Group relating to such case.

Save as disclosed above, in the opinion of the Directors, the aforesaid legal proceedings will have no material impact on the financial position and operations of the Group.

**11. EXPENSES**

The expenses in connection with the Open Offer, including financial advisory fees, underwriting commission, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$2.8 million, which are payable by the Company.

**12. CORPORATE INFORMATION OF THE COMPANY AND PARTIES INVOLVED IN THE OPEN OFFER**

## Board of Directors

***Executive Directors***

Mr. Ma Xuemian

Mr. Kwok Siu Bun

Ms. Chow Kwai Wa, Anne

Ms. Kwok Siu Wa, Alison

***Non-executive Directors***Mr. Chen Mudong (*with Mr. Lim Francis as alternate*)

Mr. Lim Francis

***Independent Non-Executive Directors***

Mr. David Chi-ping Chow

*(with Mr. Lim Francis as alternate)*

Mr. Liu Chaodong

Ms. Chui Wai Hung

## Members of Audit Committee

Mr. David Chi-ping Chow

Mr. Liu Chaodong

Ms. Chui Wai Hung

Members of Remuneration  
Committee

Mr. Ma Xuemian

Mr. David Chi-ping Chow

Mr. Liu Chaodong

Ms. Chui Wai Hung

Members of Nomination  
Committee

Mr. Ma Xuemian

Mr. Liu Chaodong

Ms. Chui Wai Hung

Members of Corporate Governance Committee	Mr. Ma Xuemian Mr. Liu Chaodong Ms. Chui Wai Hung
Company secretary	Mr. Cheung Yuk Chuen, HKICPA, ACCA
Authorised representatives	Ms. Chow Kwai Wa, Anne Ms. Kwok Siu Wa, Alison
Registered Office	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda
Head Office and Principal place of business in Hong Kong	Unit 1004B, 10/F., Tower 5 China Hong Kong City 33 Canton Road, Tsimshatsui Kowloon
Share registrar and transfer office in Bermuda	HSBC Securities Services (Bermuda) Limited 6 Front Street Hamilton HM11 Bermuda
Branch share registrar and transfer office in Hong Kong	Tricor Secretaries Limited 26th Floor, Tesbury Centre 28 Queen's Road East Wanchai, Hong Kong
Auditors	ZHONGHUI ANDA CPA Limited Unit D, 21/F., Max Share Centre 373 King's Road North Point, Hong Kong
Principal bankers	The Bank of East Asia, Limited 10 Des Voeux Road Central Hong Kong
Website	<a href="http://www.irasia.com/listco/hk/grandfield">http://www.irasia.com/listco/hk/grandfield</a>

Legal advisers to the Company in relation to the Open Offer	Robertsons (as to Hong Kong Law) 57th Floor, The Center 99 Queen's Road Central Hong Kong
	Conyers Dill & Pearman (as to Bermuda Law) 2901, One Exchange Square 8 Connaught Place Hong Kong
Stock Code	115

### 13. PARTICULAR OF DIRECTORS

The business addresses of the Directors are as follows:

<b>Name</b>	<b>Business Address</b>
<i>Executive Directors</i>	
Mr. Ma Xuemian	Unit 1004B, 10/F, Tower 5 China Hong Kong City 33 Canton Road Tsim Sha Tsui Kowloon Hong Kong
Mr. Kwok Siu Bun	Unit 1004B, 10/F, Tower 5 China Hong Kong City 33 Canton Road Tsim Sha Tsui Kowloon Hong Kong
Ms. Chow Kwai Wa, Anne	Unit 1004B, 10/F, Tower 5 China Hong Kong City 33 Canton Road Tsim Sha Tsui Kowloon Hong Kong

<b>Name</b>	<b>Business Address</b>
Ms. Kwok Siu Wa, Alison	Unit 1004B, 10/F, Tower 5 China Hong Kong City 33 Canton Road Tsim Sha Tsui Kowloon Hong Kong
<b><i>Non-executive Directors</i></b>	
Mr. Chen Mudong	Unit 1004B, 10/F, Tower 5 China Hong Kong City 33 Canton Road Tsim Sha Tsui Kowloon Hong Kong
Mr. Lim Francis	Unit 1004B, 10/F, Tower 5 China Hong Kong City 33 Canton Road Tsim Sha Tsui Kowloon Hong Kong
<b><i>Independent non-executive Directors</i></b>	
Mr. David Chi-ping Chow	Unit 1004B, 10/F, Tower 5 China Hong Kong City 33 Canton Road Tsim Sha Tsui Kowloon Hong Kong
Mr. Lui Chaodong	Unit 1004B, 10/F, Tower 5 China Hong Kong City 33 Canton Road Tsim Sha Tsui Kowloon Hong Kong



<b>Name</b>	<b>Business Address</b>
Ms. Chui Wai Hung	Unit 1004B, 10/F, Tower 5 China Hong Kong City 33 Canton Road Tsim Sha Tsui Kowloon Hong Kong

The brief biographies of the Directors are set out below:

#### **Executive Directors**

**Mr. Ma Xuemian** (“**Mr. Ma**”), aged 49, was elected as an executive Director and the chairman of the Company on 2 December 2008 and 19 October 2009 respectively. He is also a member of the Remuneration Committee, Nomination Committee and the chairman of Corporate Governance Committee. Mr. Ma has joined the Company since 1999 and has been responsible for the Company’s property sales and management in China since then. Mr. Ma has more than 10 years of management experiences in property management and marketing. From 1988 to 1992, he worked as a supervisor of the construction team in The Guangzhou Construction Company Limited, a subsidiary of the 3rd Guangdong Water and Electricity Bureau. He joined Ka Fong Industrial Company, Limited in 1992, which later became a subsidiary of the Company. Since then, he has served management role in various capacities including applying for government approval for development plan and construction plan, on-site project management, construction completion inspection. From July 1995 to 1996, he served in various management capacities including property completion and delivery management. From 1997 to 2000, he was in charge for managing the title deed application and property management in various projects in China. Since 2001, he is the General Manager of the Company’s operation in Dongguan, the PRC. Furthermore, Mr. Ma is also a director of Grand Field Group Holdings (BVI) Limited, Grand Field Group Investments (BVI) Limited, Metro China Investment Limited, China Max Group Limited, Grand Field Group Limited, Ka Fong Industrial Company, Limited and Shing Fat Hong Limited, all being subsidiaries of the Company, and is the legal representative, general manager and chairman of Shenzhen Zongke Real Estate Co., Ltd., a subsidiary of the Company.

**Mr. Kwok Siu Bun** (“**Mr. Kwok**”), aged 38, was appointed as a non-executive Director of the Company on 5 February 2010 and re-designated as an executive Director of the Company on 15 August 2011. Mr. Kwok graduated from Leonard Stern School of Business of New York University with a double major in Finance and Information Systems. He had previously worked for Deutsche Bank (New York) where he was a Senior Systems Analyst of the Private Banking Department. In 2003, Mr. Kwok was the project manager of Visionsky Informance Science and Technology Limited, a subsidiary of Bank of China (Guangzhou). Mr. Kwok successfully implemented several data warehouse projects for the Credit Card Centre of Bank of China (Hong Kong). He had also worked in Crushpad Winery in San Francisco. Recently, he has established Tao of Wines, a wine company dedicated to introducing a wide range of wines to the Hong Kong food and beverages market. Mr. Kwok has more than 12 years of professional experience in various industries including banking, information technology and wine business. He was also appointed as a director of Grand Field Group Limited (a subsidiary of the Company). Mr. Kwok’s scope of work primarily includes: developing business and proactively looking for investment projects and focusing on potential projects with stable efficiency and liaising with the project parties on investment cooperation at different aspects; managing investment and researching work, including setting up investment strategy and establishing investment procedures; establishing investment research team and organizing and writing investment strategy reports; building good business relationship and financing channel with banks, non-banking financial institutions, securities institutions and investment funds. Mr. Kwok holds the qualifications of the Professional Diploma in the Corporate Governance and Director by the Hong Kong Institute of Directors.

Mr. Kwok is the sibling of a shareholder of Rhenfield Development Corp., a substantial shareholder of the Company. He is also the sibling of Ms. Kwok Siu Wa, Alison, an executive Director.

**Ms. Chow Kwai Wa, Anne** (“**Ms. Chow**”), aged 48, Ms. Chow holds a bachelor’s degree in Business Administration from Shepherd University, USA. She was the operations manager of Air Global Holdings Limited and the business director of AGE International Limited, the subsidiary of Air Global Holdings Limited. Previously, Ms. Chow set up a branch office for Amkey Inc., USA in Singapore and served as the operations manager of the Singapore branch. Ms. Chow had also worked as the administrative cum sales director for a number of Chinese property projects and was the assistant to several senior executives of Star TV, a subsidiary of News Corporation. Ms. Chow has extensive experience in business management, sales strategic planning and overseas marketing. Ms. Chow joined the Company in November 2009 and was appointed as an executive Director in February 2010. Ms. Chow is also the director of Grand Field Property Development (Shenzhen) Company Limited (a subsidiary of the Company) and the general manager of the sales and administration department of the Company, responsible for the operation management of the Company.

**Ms. Kwok Siu Wa, Alison** (“**Ms. Kwok**”), aged 39, was appointed as an executive Director of the Company on 5 February 2010. Ms. Kwok holds a bachelor’s degree in International Business Management from Oxford Brookes University, United Kingdom, and a master’s degree in Professional Accounting from Hong Kong Polytechnic University. Ms. Kwok joined the Group in 2000 and is responsible for financial management of the Group. She has more than 10 years of experience in accounting and administrative management. Ms. Kwok was appointed as the Vice President (business development) of the Company with effect from 5 February 2010. She is also a director of Grand Field Group Holdings (BVI) Limited, Grand Field Group Investments (BVI) Limited, Metro China Investment Limited, China Max Group Limited, Grand Field Group Limited, Ka Fong Industrial Company, Limited, Shing Fat Hong Limited, Shenzhen Zongke Real Estate Co., Ltd and Grand Field Property Development (Shenzhen) Company Limited, all of which are subsidiaries of the Company.

Ms. Kwok is the sister of a shareholder of Rhenfield Development Corp., a substantial shareholder of the Company. She is also the sister of Kwok Siu Bun, an executive Director of the Company.

**Mr. Chen Mudong** (“**Mr. Chen**”), aged 51, was appointed as a non-executive Director on 2 December 2008 and re-designated as an executive Director and appointed as the chief executive officer of the Company (the “CEO”) on 1 March 2010. He was then re-designated as a non-executive Director and resigned as the CEO on 15 April 2011. Mr. Chen served as the director of Development Centre of Shenzhen Zhu Jiang Real Estates Development Company Limited, and was also the deputy general manager of Shenhui Zhu Jiang Real Estate Development Company Limited in Huizhou City of Guangdong Province, the PRC. He served management positions in various companies and organizations including the Fourth Research Institute of Navigational Affairs under the Ministry of Transportation, China Delta Construction Engineering Company Limited, Huizhou Runyu Real Estate Company Limited, Guangzhou Southern Airline Bi Garden Real Estate Development Company Limited, and Guangzhou Zhu Jiang Investment Group Company Limited. He had attained extensive experience in real estate development and engineering management through managing various large scale development projects. Since 1992, Mr. Chen has devoted his career in real estate development, and has attained solid management experience in team management and leadership, as well as the development management for large scale real estate projects. From 2000 to 2003, Mr. Chen was the chief executive officer of Grand Field Property Development (Shenzhen) Company Limited, an indirect wholly owned subsidiary of the Company. He has completed his postgraduate study and is also a qualified engineer.

**Mr. Lim Francis** (“**Mr. Lim**”), aged 56, was appointed as an executive Director on 2 December 2008 and re-designated as a non-executive Director on 14 December 2009. Mr. Lim was also appointed as the alternate director of Mr. Ma Xuemian, Mr. Chen Mudong and Mr. David Chi-ping Chow on 9 December 2008 and ceased to be the alternate director of Mr. Ma Xuemian on 6 April 2011. Mr. Lim was formerly a director of Business Development for Hutchison Telecom, AT & T (Asia Pacific) and most recently Asia Global Crossing. He was instrumental in opening both India and China markets, whilst at AT & T by securing two cellular licenses in India and by forming the first State Council approved telecom service joint venture in China. Mr. Lim has over 15 years of experience in corporate advisory, business planning, alliance and joint venture formation and cross border mergers and acquisition. He also has extensive experience in conducting business in Greater China, Korea, ASEAN and India. Mr. Lim was awarded a Bachelor of Science Degree in Chemical Engineering from the University of Wisconsin in 1980 and a Master of Science Degree in Finance from the Hong Kong University of Science and Technology in 2007.

Furthermore, Mr. Lim was a director of Champford Corporation Limited when it was dissolved by deregistration on 23 November 2007 after remaining dormant for several years. Champford Corporation Limited was incorporated in Hong Kong and was principally engaged in trading business before turning dormant.

**Mr. David Chi-ping Chow** (“**Mr. Chow**”), aged 56, was appointed as an independent non-executive Director of the Company on 2 December 2008, and is also a member of the Remuneration Committee and the chairman of the Audit Committee. Mr. Chow is currently the executive director of Shanghai Yahan Investment Management Limited and is also the managing director of Clean Technology International Limited. Mr. Chow served as the managing director of Tekhill Holdings Ltd. until 30 June 2013. Mr. Chow had been the general manager of China Region of Interclients LLC and a partner of Shanghai China Bay. Mr. Chow is a United States Certified Public Accountant and an American Certified Tax Practitioner. He has 30 years of experience in financial planning, corporate internal control and audit, strategic planning and implementation. Mr. Chow was the chief financial officer for China of General Mills and Haagen-Dazs, the chief financial officer of Xian Janssen Pharmaceutical, a subsidiary of Johnson & Johnson group. He was the chief financial officer for Greater China of Pillsbury and Haagen-Dazs, the chief financial officer for China and Vice-President of Supply Chain of Nabisco. He was a partner of Speakman & Price, a public accounting firm and a financial analyst of Motorola. Mr. Chow graduated with a Bachelor Degree in Accounting from Santa Clara University, California. He also received management training from Columbia University and Northwestern University.

**Mr. Liu Chaodong** (“**Mr. Liu**”), aged 45, was appointed as an independent non-executive Director on 25 August 2009, and is also a member of the Audit Committee, Nomination Committee and Corporate Governance Committee and the chairman of the Remuneration Committee. Mr. Liu has practising qualifications of registered accountant, registered tax agent, forensic accounting practitioners and certified public valuer in the PRC. In 1990, Mr. Liu graduated from Anhui Jianghuai Vocational University, the PRC, majoring in financial accounting. In 2006, he graduated from Huazhong University of Science and Technology, the PRC, majoring in legal studies. Mr. Liu served as the chief accountant in Blue Star New Chemical Materials Co., Ltd. from 1991 to 1994 and a department manager in Zhonglei Certified Public Accountants Co., Ltd. from 1994 to 1997. Mr. Liu is currently the deputy general manager of Foshan Branch of Ruihua Certified Public Accountants (LLP).

**Ms. Chui Wai Hung** (“**Ms. Chui**”) aged 46, was appointed as an independent non-executive Director on 21 September 2010, and is also a member of the Audit Committee, Remuneration Committee, Corporate Governance Committee and the chairman of the Nomination Committee. Ms. Chui is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants in the United Kingdom. She holds a bachelor’s degree in business administration from the Chinese University of Hong Kong. From 1996 to 2002, Ms. Chui joined Wing Lee Holding Limited (a company listed on the Stock Exchange) as group financial controller, and was then promoted to finance director and company secretary. She once worked as a financial controller in a telecommunications equipment company, a company listed on the Stock Exchange. Ms. Chui holds directorship of several companies of a private group which is principally engaged in investment holding and provision of financial advisory services. Ms. Chui has over 20 years of experience in accounting, auditing and financial management.

#### **14. DOCUMENTS DELIVERED TO THE REGISTRARS OF COMPANIES IN HONG KONG**

A copy of each of the Prospectus Documents and the written consent referred to in the paragraph headed “Expert and consent” in this appendix have been delivered to the Registrar of Companies of Hong Kong pursuant to Section 342C of the Companies Ordinance.

#### **15. LEGAL EFFECTS**

The Prospectus Documents and all acceptance of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies Ordinance.

**16. MISCELLANEOUS**

- (1) As at the Latest Practicable, there was no restriction affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside of Hong Kong.
- (2) The English text of the Prospectors Documents shall prevail over their respective Chinese texts in the case of inconsistency.

**17. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at Unit 1004B, 10/F., Tower 5, China Hong Kong City, 33 Canton Road, Tsimshatsui, Kowloon, Hong Kong from the date of this Prospectus up to and including the Latest Time for Acceptance at 4:00 p.m. on Friday, 28 February, 2014:

- (a) the Prospectus Documents;
- (b) the memorandum of association and the bye-laws of the Company;
- (c) the annual reports of the Company for each of the two financial years ended 31 December 2012;
- (d) the interim report of the Company for the six months ended 30 June 2013;
- (e) the report from ZHONGHUI ANDA CPA Limited on the unaudited pro forma financial information of the Group, the text of which are set out in appendix II to this Prospectus;
- (f) the written consent as referred to in the paragraph headed “Expert and Consent” in this appendix;
- (g) the material contracts as referred to in this paragraph headed “Material Contracts” in this appendix; and
- (h) the service contracts referred to in the paragraph headed “Directors’ Service Contracts” in this appendix.