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

If you have sold or transferred all your shares in **Grand Field Group Holdings Limited** (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, licenced securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



鈞濠集團有限公司*

GRAND FIELD GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 115)

PROPOSED CAPITAL REORGANISATION INVOLVING SHARE CONSOLIDATION AND CAPITAL INCREASE

A notice convening the special general meeting of Grand Field Group Holdings Limited to be held at Suites 03-05, 9/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong on Tuesday, 8 April 2014 at 10:00 a.m. is set out on pages 11 to 12 of this circular.

Whether or not you are able to attend and vote at the special general meeting, you are requested to complete the accompanying form of proxy and return it to the branch share registrar of the Company, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong (Existing Public Office until 30 March 2014); Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (New Public office with effect from 31 March 2014) as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

21 March 2014

* For identification purpose only

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DEFINITIONS

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

“Announcement”	the announcement of the Company dated 14 March 2014 in relation to the Capital Reorganisation;
“Board”	the board of the Directors;
“Bye-laws”	the bye-laws of the Company as amended from time to time;
“Capital Increase”	the proposed increase of authorised share capital of the Company following the Share Consolidation becoming effective from HK\$100,000,000 divided into 1,000,000,000 Consolidated Shares of par value of HK\$0.10 each to HK\$500,000,000 divided into 5,000,000,000 Consolidated Shares of par value of HK\$0.10 each;
“Capital Reorganisation”	the proposed capital reorganisation of the Company involving the Share Consolidation and the Capital Increase;
“CCASS”	the Central Clearing and Settlement System, established and operated by HKSCC;
“Companies Act”	the Companies Act 1981 of Bermuda;
“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;
“Consolidated Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company after the Capital Reorganisation becomes effective;
“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 247,113,500 Shares;
“Director(s)”	the director(s) of the Company;

DEFINITIONS

“SGM”	the special general meeting of the Company to be held to consider and, if thought fit, approve the Capital Reorganisation;
“Existing Share(s)”	ordinary share(s) of par value HK\$0.02 each in the share capital of the Company before the implementation of the Capital Reorganisation;
“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;
“Latest Practicable Date”	18 March 2014, being the latest practicable date prior to printing of this circular for ascertaining certain information contained herein;
“Listing Committee”	the Listing Committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange;
“Share Consolidation”	the proposed share consolidation of every five (5) Existing Shares into one (1) Consolidated Share;
“Shareholder(s)”	the holder(s) of the issued Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

EXPECTED TIMETABLE

Set out below is the expected timetable in relation to the Capital Reorganisation. The timetable is subject to the results of the SGM and other changes. The Company will notify the Shareholders of any significant changes to the expected timetable by way of announcement(s) as and when appropriate.

2014

Latest time for lodging form of proxy for the SGM	10:00 a.m. on Sunday, 6 April
SGM	10:00 a.m. on Tuesday, 8 April
Publication of announcement of results of the SGM	Tuesday, 8 April
Effective date of the Capital Reorganisation	Wednesday, 9 April
Dealings in Consolidated Shares commence.	9:00 a.m. on Wednesday, 9 April
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Wednesday, 9 April
Original counter for trading in the Existing Shares in board lots of 10,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Wednesday, 9 April
Temporary counter for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Wednesday, 9 April
Original counter for trading in the Consolidated Shares in new board lots of 10,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Friday, 25 April
Parallel trading in the Consolidated Shares (in form of new share certificates and existing share certificates) commences	9:00 a.m. on Friday, 25 April
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Friday, 25 April

EXPECTED TIMETABLE

2014

Temporary counter for trading in the Consolidated
Shares in board lots of 2,000 Consolidated Shares
(in the form of existing share certificates) closes 4:00 p.m. on Monday, 19 May

Parallel trading in the Consolidated Shares
(in form of new share certificates and
existing share certificates) ends 4:00 p.m. on Monday, 19 May

Designated broker ceases to stand in the market to provide
matching services for odd lots of the Consolidated Shares 4:00 p.m. on Monday, 19 May

Last day for free exchange of existing share certificates
for new share certificates for the Consolidated Shares Wednesday, 21 May

LETTER FROM THE BOARD



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 (*Chairman*)
Mr. Kwok Siu Bun
Ms. Chow Kwai Wa, Anne
Ms. Kwok Siu Wa, Alison

Registered Office in Bermuda:

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

Non-executive Directors:

Mr. Chen Mudong
Mr. Lim Francis

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

Independent non-executive Directors:

Mr. David Chi-ping Chow
Mr. Liu Chaodong
Ms. Chui Wai Hung

21 March 2014

To the Shareholders

Dear Sirs or Madams,

**PROPOSED CAPITAL REORGANISATION
INVOLVING SHARE CONSOLIDATION
AND CAPITAL INCREASE**

INTRODUCTION

Reference is made to the Announcement in relation to, amongst other matters, the Capital Reorganisation involving the Share Consolidation and the Capital Increase. The purpose of this circular is to give you with information on the Capital Reorganisation and to give you notice of the SGM at which an ordinary resolution will be proposed to consider, and if thought fit, approve the Capital Reorganisation.

* For identification purpose only

LETTER FROM THE BOARD

PROPOSED CAPITAL REORGANISATION

As at the Latest Practicable Date, the authorised capital of the Company is HK\$100,000,000 divided into 5,000,000,000 Existing Shares of par value of HK\$0.02 each, of which 3,807,102,417 Existing Shares have been issued and fully paid. The issued share capital of the Company is HK\$76,142,048.34. The Board proposes to implement the Capital Reorganisation, subject to approval by the Shareholders which comprises the following:

- (i) the Share Consolidation on the basis that every five (5) issued and unissued Existing Shares of HK\$0.02 each will be consolidated into one (1) Consolidated Share of HK\$0.10 each. Fractional Consolidated Shares will be disregarded and not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company.; and
- (ii) subject to the Share Consolidation becoming effective, the Capital Increase to increase the authorised share capital of the Company from HK\$100,000,000 divided into 1,000,000,000 Consolidated Shares of par value of HK\$0.10 each to HK\$500,000,000 divided into 5,000,000,000 Consolidated Shares of par value of HK\$0.10 each.

Effects of the Capital Reorganisation

As at the Latest Practicable Date, save for the Convertible Bonds, the Company has no outstanding options, warrants or other securities convertible into or giving rights to subscribe for the Existing Shares. Based on the Company's existing authorised share capital of HK\$100,000,000 divided into 5,000,000,000 Existing Shares and the existing issued share capital of HK\$76,142,048.34 divided into 3,807,102,417 Existing Shares, upon completion of the Capital Reorganisation, the authorised share capital of the Company will be HK\$500,000,000 divided into 5,000,000,000 Consolidated Shares, and the issued share capital of the Company will be HK\$76,142,048.30 divided into 761,420,483 Consolidated Shares. Fractional Consolidated Shares will be disregarded and not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company.

Upon the Capital Reorganisation becoming effective, the Consolidated Shares will rank pari passu in all respects with each other in accordance with the Bye-laws.

LETTER FROM THE BOARD

The effect of the Capital Reorganisation is summarised below:

	Prior to Capital Reorganisation	Immediately following the Capital Reorganisation becoming effective (Note)
Par value of each Existing Share/Consolidated Share in issue	HK\$0.02	HK\$0.10
Number of authorised Existing Shares/Consolidated Shares	5,000,000,000	5,000,000,000
Number of Existing Shares/Consolidated Shares in issue	3,807,102,417	761,420,483

Note: The issued share capital immediately after the Capital Reorganisation becoming effective is presented on the assumption that no further Shares would be issued or repurchased between the Latest Practicable Date and the date of the SGM.

The Capital Reorganisation will not result in any change in the relative rights or proportionate interests of the Shareholders of the same class. Other than the expenses to be incurred in relation to the Capital Reorganisation (including without limitation professional fees and printing fees), the implementation thereof will not, of itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders of the same class, save for any fractional Consolidated Shares which may arise.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon the satisfaction of the following conditions:

- (i) the passing of an ordinary resolution by Shareholders at the SGM to approve the Capital Reorganisation;
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares; and
- (iii) compliance with the relevant legal procedures and requirements under the Listing Rules, the Bye-laws and the Companies Act to effect the Capital Reorganisation.

Subject to the satisfaction of all the above conditions, it is expected that the Capital Reorganisation will become effective on the business day following the date of the SGM.

LETTER FROM THE BOARD

Listing Application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Capital Reorganisation taking effect.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares in issue upon the Capital Reorganisation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated 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 Consolidated 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.

None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

Arrangement on odd lot trading and fractional Consolidated Shares

Fractional Consolidated Shares, i.e. less than one Consolidated Share, will be disregarded and not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed President Securities (Hong Kong) Limited to arrange for the matching of the sales and purchases of odd lots of the Consolidated Shares, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Shareholders who wish to take advantage of this facility should contact Mr. Stanley Lai of President Securities (Hong Kong) Limited at Units 2603-06, 26/F, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong at telephone number (852) 3582 0475 during office hours during the period as stated in the section headed “EXPECTED TIMETABLE” on pages 3 to 4 of this circular.

LETTER FROM THE BOARD

Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares are not guaranteed. Any Shareholder, who is in any doubt about the odd lots arrangement, should consult his/her/its own professional advisers. Shareholders may refer to the section headed “EXPECTED TIMETABLE” on page 3 to 4 of this circular for the period during which the Company will provide matching service for the sale and purchase of the odd lots of the Consolidated Shares.

Adjustment to the Convertible Bonds

As at the Latest Practicable Date, there are outstanding Convertible Bonds in the principal amount of HK\$30,055,703 which are convertible into 247,113,500 Existing Shares. The Share Consolidation will cause adjustment to the conversion price of the Convertible Bonds pursuant to the terms and conditions of the Convertible Bonds. The Company will appoint an independent financial advisor to review and certify the basis of such adjustment to the conversion price of the Convertible Bonds. Further announcement(s) will be made by the Company regarding details of such adjustment (if any) as and when appropriate.

Save as disclosed above, as at the Latest Practicable Date, the Company has no other outstanding derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Existing Shares.

Exchange of Share certificates

Should the Share Consolidation become effective, Shareholders may, during the period from Wednesday, 9 April to Wednesday, 21 May (both days inclusive), submit existing certificates in grey and blue colour for the Existing Shares to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for exchange, at the expense of the Company, for new share certificates in sky blue colour for the Consolidated Shares. It is expected that the new certificates for the Consolidated Shares will be available for collection within 10 business days after the submission of the existing share certificates to the Company’s branch share registrar and transfer office in Hong Kong for exchange. Thereafter, certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be allowed by the Stock Exchange) for each certificate for the Consolidated Shares issued or each share certificate for the Existing Shares submitted for cancellation, whichever the number of certificates involved is higher.

The share certificates for the Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for the Consolidated Shares at any time but are not acceptable for trading, settlement and registration purpose upon completion of the Capital Reorganisation.

LETTER FROM THE BOARD

Reasons for the Capital Reorganisation

Pursuant to “Guide of Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchange and Clearing Limited on 28 November 2008 and updated on 6 January 2012 (the “**Guideline**”), the expected board lot value per board lot should be greater than HK\$2,000 taking into account the minimum transaction costs for a securities trade. In view of the current board lot value per board lot of the Company of HK\$990 (which is calculated with reference to the Share price of HK\$0.099 as at the Latest Practicable Date and the board lot size of 10,000 Shares) and for the purpose of reducing transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes to implement the Share Consolidation. The Share Consolidation will enable the Company to comply with the trading requirements under the Listing Rules. The Share Consolidation will increase the nominal value of the Shares, and is expected to bring about a corresponding increase in the trading price of the Consolidated Shares. The Capital Increase will provide the Company with greater flexibility for future investment opportunities. Accordingly, the Directors are of the view that the Capital Reorganisation is in the interests of the Company and the Shareholders as a whole.

SGM

The Capital Reorganisation is subject to the Shareholders’ approval at the SGM and no Shareholders are required to abstain from voting on the resolution in relation to the Capital Reorganisation.

A notice convening the SGM is set out on pages 11 to 12 of this circular. Shareholders are advised to read the notice and to complete and return the accompanying form of proxy for use at the SGM in accordance with the instructions printed thereon.

Pursuant to Rule 13.39(4) of the Listing Rules, any votes of the shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the chairman of the SGM will demand a poll for the resolution put forward at the SGM.

RECOMMENDATION

The Directors are of the opinion that the proposed Capital Reorganisation is in the interests of the Company and the Shareholders as a whole and recommend you to vote in favour of the resolution to be proposed at the SGM.

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

NOTICE OF SGM



鈞濠集團有限公司*

GRAND FIELD GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 115)

NOTICE IS HEREBY GIVEN that a special general meeting of Grand Field Group Holdings Limited (the “**Company**”) will be held at Suites 03-05, 9/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong on Tuesday, 8 April 2014 at 10:00 a.m., for the purpose of considering and, if thought fit, passing the following resolution, with or without amendments, as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in the Consolidated Shares (as defined below) to be in issue upon the Share Consolidation and Capital Increase (as defined below) becoming effective, with effect from the first business day immediately following the date on which this resolution is passed:

- (a). every five (5) issued and unissued existing shares of par value HK\$0.02 each in the share capital of the Company be consolidated into one (1) share of par value HK\$0.10 (the “**Consolidated Share(s)**”) (the “**Share Consolidation**”);
- (b). all of the Consolidated Shares shall rank pari passu in all respects with each other in the same class and have the rights and privileges and be subject to the restrictions contained in the bye-laws of the Company;
- (c). all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to holders of the same but all such fractional Consolidated Shares will be aggregated and, if possible, sold and retained for the benefits of the Company in such manner and on such terms as the directors (“**Director(s)**”) of the Company may think fit;
- (d). subject to the Share Consolidation becoming effective, the authorised share capital of the Company be increased from HK\$100,000,000 divided into 1,000,000,000 Consolidated Shares of par value of HK\$0.10 each to HK\$500,000,000 divided into 5,000,000,000 Consolidated Shares of par value of HK\$0.10 each (the “**Capital Increase**”); and

* For identification purpose only

NOTICE OF SGM

- (e). the Directors be and are hereby authorised to do all such acts, deeds and things and to sign and execute all such documents, including under the seal of the Company (where applicable), on behalf of the Company, as they may, in their absolute discretion, consider necessary, desirable or expedient to implement and give effect to any or all of the foregoing.”

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

Hong Kong, 21 March 2014

Notes:

1. A form of proxy for use at the meeting is enclosed herewith.
2. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him in accordance with the Company’s bye-laws. A proxy need not be a member of the Company but must be present in person to represent the member.
3. To be valid, a form of proxy, together with the power of attorney (if any) or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or authority must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong (Existing Public Office until 30 March 2014); Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (New Public office with effect from 31 March 2014), not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or any adjournment thereof (as the case may be) should they so wish, and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.