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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)

**PLACING OF NEW SHARES
AND
RESUMPTION OF TRADING**

PLACING AGENT



HEAD & SHOULDERS SECURITIES LIMITED

On 6 May 2008, the Company and the Placing Agent entered into the Placing Agreement whereby the Company has conditionally agreed to place, through the Placing Agent and on a best effort basis, 210,000,000 Placing Shares to independent investors at a price of HK\$0.21 per Placing Share.

The 210,000,000 Placing Shares under the Placing represent (i) approximately 8.34% of the existing issued share capital of the Company of 2,516,810,000 Shares; (ii) approximately 7.70% of the Company's issued share capital of 2,726,810,000 Shares as enlarged by the Placing.

The net proceeds of approximately HK\$42,550,000 from the Placing is intended to be used for general working capital of the Group and/or possible investment projects in the future. The net proceeds raised per Share upon the completion of the Placing will be approximately HK\$0.203 per Placing Share.

* for identification purpose only

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares under the Placing.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement.

As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 6 May 2008 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 7 May 2008.

THE PLACING AGREEMENT

Date

6 May 2008

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place 210,000,000 Placing Shares on a best effort basis and will receive a placing commission of 3% on the aggregate Placing Prices of such Placing Shares which are successfully placed by the Placing Agent under the Placing Agreement. The placing commission was determined by reference to the range of market norms for commissions for this type of transaction. The Directors (including the independent non-executive Directors) are of the view that the placing commission is fair and reasonable. The Placing Agent and its ultimate beneficial owners are independent of and not connected persons (as defined in the Listing Rules) of the Company and its connected persons (as defined in Listing Rules).

Placees

The Placing Agent agreed to place the Placing Shares on a best effort basis, to not fewer than six Placees who and whose ultimate beneficial owners will not be connected persons (as defined in the Listing Rules) of the Company and will be independent of and will not be connected with the Company and its connected persons (as defined in the Listing Rules). No individual Placee will become a substantial Shareholder (as defined under the Listing Rules) immediately after the Placing.

Placing Shares

The 210,000,000 Placing Shares under the Placing represent (i) approximately 8.34% of the existing issued share capital of the Company of 2,516,810,000 Shares; (ii) approximately 7.70% of the Company's issued share capital of 2,726,810,000 Shares as enlarged by the Placing.

Ranking Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.21 represents

- (i) a discount of approximately 16% to the closing price of HK\$0.25 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 9.09% to the average closing price per Share of HK\$0.2310 in the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 4.37% to the average closing price per Share of HK\$0.2196 in the last ten consecutive trading days up to and including the Last Trading Day.

The Placing Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

General Mandate

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the annual general meeting held on 25 June 2007 subject to the limit up to 20% of the then issued share capital of the Company as at the date of the annual general meeting. Under the General Mandate, the Company is authorized to issue up to 455,362,000 Shares. Up to the date of this announcement, 100,000,000 and 140,000,000 new Shares had been issued under the General Mandate upon completion of the placing as disclosed in the announcements of the Company dated 18 October 2007 and 6 November 2007. The Company is therefore allowed to issue up to 215,362,000 Shares under the General Mandate. Upon Completion of the Placing, 210,000,000 Shares will be issued under the General Mandate and the balance of 5,362,000 Shares will remain outstanding under the General Mandate.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting or agreeing to grant listing of and permission to deal in all of the Placing Shares;
- (b) the Bermuda Monetary Authority granting permission (if necessary) for the issue of, inter alia, the Placing Shares and the subsequent transfer of the same to and between persons regarded as non-residents of Bermuda for exchange control purposes for so long as the Placing Shares are listed on the Stock Exchange; and
- (c) all relevant approvals and consents from governmental or other competent authorities have been obtained.

Termination

The Placing Agreement may be terminated by the Placing Agent if at any time at or before 10:00 a.m. on the date of completion of the Placing Agreement any of the following events occurs:

- (a) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or**
- (b) 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 matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole to a material extent; or**
- (c) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of completion of the Placing which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or**
- (d) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.**

Completion of the Placing

Subject to satisfaction of the conditions precedent in the Placing Agreement, completion of the Placing will take place by no later than 16 June 2008.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement.

As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

OTHER INFORMATION ON THE PLACING

Reasons for the Placing

The Directors consider that the timing of the fund raising by the Placing is appropriate as the recent stock market has improved and there is strong demand of the Shares as the investors are interested and confident about the business prospect of the Company. As such the Placing will be attractive to the potential investors. The Directors consider that the Placing represent an opportunity to raise capital for the Company to enhance its general working capital base and/or for possible investment projects in the future which are expected to improve the profitability and revenue stream of the Group, as and when the Board considers it appropriate and in the interest of the Company and its Shareholders as a whole. The Directors (including the independent non-executive Directors) therefore consider that the Placing is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Use of proceeds

The gross proceeds from the Placing will be approximately HK\$44,100,000 and the net proceeds (after deducting the placing commission, legal fees and publication fees payable by the Company) will be approximately HK\$42,550,000 which is intended to be used for general working capital of the Group. The net proceeds raised per Share upon the completion of the Placing will be approximately HK\$0.203 per Placing Share. The aggregate nominal Placing Price for the Placing Shares is HK\$4,200,000.

Fund raising activities in the past twelve months

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

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
18 October 2007	Placing	HK\$30,000,000	For general working capital	Approximately HK\$28,000,000 used for repaying bank loans, shareholders' loans and other indebtedness, and the balance for general working capital
6 November 2007	Placing and Subscription	HK\$52,990,000	HK\$20,000,000 for repaying shareholders' loans and other indebtedness and the balance for general working capital	HK\$50,000,000 used as a capital contribution for establishing a wholly-owned subsidiary in the PRC, namely, Yuan Cheng Real Estate (Shenzhen) Limited (遠程置業(深圳)有限公司), and the balance for general working capital

Effects on shareholding structure

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

	As at the date of this announcement		Upon completion of the Placing	
	No. of Shares	%	No. of Shares	%
Rhenfield Development Corp. (Note 1)	479,050,000	19.03	479,050,000	17.57
Hongkong Zhongxing Group Co., Limited (Note 2)	497,500,000	19.77	497,500,000	18.24
Worldgate Development Ltd.	126,000,000	5.01	126,000,000	4.62
Logistics China Enterprises Ltd.	126,000,000	5.01	126,000,000	4.62
Mr. Tsang Wai Lun, Wayland	64,210,000	2.55	64,210,000	2.35
Madam Kwok Wai Man, Nancy	14,170,000	0.56	14,170,000	0.52
Public Shareholders	1,209,880,000	48.07	1,209,880,000	44.38
Placees	0	0	210,000,000	7.70
Total:	<u>2,516,810,000</u>	<u>100.00</u>	<u>2,726,810,000</u>	<u>100.00</u>

Notes:

1. Rhenfield Development Corp is owned by Mr. Tsang Wai Lun, Wayland and Madam Kwok Wai Man, Nancy in equal shares.
2. Hongkong Zhongxing Group Co., Limited is 100% owned by Mr. Huang Bing Huang, executive Director.

GENERAL

The Group is principally engaged in the development and sale of properties in the PRC.

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

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 6 May 2008 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 7 May 2008.

Terms and definitions

“associates”	has the meaning given to that term in the Listing Rules;
“Board”	the board of Directors
“Company”	Grand Field Group Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning given to that term in the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting held on 25 June 2007, among other things, to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the annual general meeting
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Last Trading Date”	5 May 2008, being the last trading day for the Shares before the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	placing of 210,000,000 new Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Head & Shoulders Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 6 May 2008 and entered between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.21 per Placing Share
“Placing Shares”	210,000,000 new Shares to be placed under the Placing
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.02 in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

By Order of the Board
Grand Field Group Holdings Limited
CHU KING FAI
Chairman

Hong Kong, 6 May 2008

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Chu King Fai, Mr. Huang Bing Huang, Mr. Au Kwok Chuen, Vincent and Mr. Chan Sung Wai as executive directors and Mr. Hui Pui Wai, Kimber, Mr. Lum Pak Sum and Dr. Wong Yun Kuen as independent non-executive directors.