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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)

**(1) REASON FOR DELAY IN PUBLICATION OF
THE 2009 INTERIM RESULTS;
(2) PROPOSED APPOINTMENT OF INDEPENDENT
AUDITORS TO INVESTIGATE VARIOUS TRANSACTIONS;
AND
(3) POSSIBLE REPOSSESSION OF LEASEHOLD LAND**

**REASON FOR DELAY IN PUBLICATION OF THE 2009 INTERIM
RESULTS**

The Company has not been able to publish the 2009 Interim Results within the time prescribed under Rule 13.49(6) of the Listing Rules. Subsequent to the delivery of the Judgment in respect of the First Action on 12 August 2009 confirming, among other matters, the validity of the appointment of the Eight Elected Directors elected at the 2008 December SGM and that the purported appointment of the Five Purported Directors by the then board of directors on 27 November 2008 was an improper exercise of powers, three of the independent non-executive Directors who served the Board prior to the 2008 December SGM resigned with effect from 4 September 2009. There have also been further changes to the functions of certain Directors and the re-election of a new Chairman of the Board as referred to in the Company's announcements of 14 October 2009 and 23 October 2009. The newly constituted Board has resolved to change the legal representatives of the Shenzhen Subsidiaries for the main purpose of accessing their books and records for preparing the 2009 Interim Results. However, the existing legal representatives of the Shenzhen Subsidiaries have so far refused to hand over the company chops and the change could not be effected. As such, the Company has not been able to access the books and records of the Shenzhen Subsidiaries in time for compiling the 2009 Interim Results.

* *For identification purposes only*

PROPOSED APPOINTMENT OF INDEPENDENT AUDITORS TO INVESTIGATE VARIOUS TRANSACTIONS

The 2008 annual results of the Group were published in September 2009. The then auditors of the Company expressed a disclaimer of opinion on the 2008 annual results mainly for the following reasons:

- (a) there is uncertainty concerning the outcome of various proceedings instituted by a former director and shareholder of the Company, Mr Tsang Wai Lun, Wayland against certain Directors for breach of fiduciary duties in relation to various transactions entered into by the Group during the year ended 31 December 2008;
- (b) the audited accounts of certain subsidiaries of the Company have not been approved by their directors; and
- (c) the then auditors of the Company was unable to obtain sufficient reliable evidence to satisfy themselves as to the fair value of a refundable security deposit of HK\$9,091,000 made by the Group in connection with the alleged provision of property management services during the year ended 31 December 2008 and were unable to perform any satisfactory audit procedures to satisfy themselves that the deposit was free from material misstatements.

In light of the uncertainties above, the Board has resolved to appoint a firm of independent auditors to conduct a detailed investigation on the outstanding matters.

POSSIBLE REPOSSESSION OF LEASEHOLD LAND

As a result of the lack of development activities by one of the Shenzhen Subsidiaries, there is a possibility that the leasehold land managed by that subsidiary in the PRC, which had a total carrying value of HK\$186,082,000 as at 31 December 2008, may be repossessed by the People's Government at Shenzhen, the PRC. The carrying value of such leasehold land represents about 54% of the total net assets of the Group as at 31 December 2008.

The Company is reviewing the position and will be considering whether any appropriate measures could be taken to avoid the repossession but is unable to conclude for the time being whether or not the leasehold land will be re-possessed.

This announcement is made by the Company in accordance with Rule 13.09 of the Listing Rules. The purpose of this announcement is to keep the shareholders of the Company informed of a number of recent events concerning the Group.

(1) REASON FOR DELAY IN PUBLICATION OF THE 2009 INTERIM RESULTS

Reference is made to the announcement of the Company dated 18 August 2009.

The Company has not been able to publish the 2009 Interim Results within the time prescribed under Rule 13.49(6) of the Listing Rules (i.e. on or before 30 September 2009). Subsequent to the delivery of the Judgment in respect of the First Action on 12 August 2009 confirming, among other matters, the validity of the appointment of the Eight Elected Directors elected at the 2008 December SGM and that the purported appointment of the Five Purported Directors by the then board of directors on 27 November 2008 was an improper exercise of powers, three of the independent non-executive Directors which served the board prior to the 2008 December SGM resigned with effect from 4 September 2009. There have also been further changes to the functions of certain directors and the re-election of a new Chairman of the Board as referred to in the Company's announcements of 14 October 2009 and 23 October 2009. The newly constituted Board, with its majority now constituted by six of the Eight Elected Directors, resolved to change the legal representatives of its two indirect wholly foreign owned enterprises in Shenzhen, the PRC (collectively the "**Shenzhen Subsidiaries**") for the main purpose of accessing their books and records for the preparation of the 2009 Interim Results. However, the existing legal representatives of the Shenzhen Subsidiaries have so far refused to hand over the company chops and the change could not be effected. As such, the Company has not been able to access the books and records of the Shenzhen Subsidiaries in time for compiling the 2009 Interim Results.

The Company will continue to exert pressure to effect the change of legal representatives and to gain access to the books and records of the Shenzhen Subsidiaries so that the preparation of the 2009 Interim Results can be initiated as soon as practicable. However, as at the date of this announcement, the Company is not able to determine an exact date when the 2009 Interim Results can be published.

The delay in the publication of the 2009 Interim Results constitutes a breach of the Listing Rules. The Company will monitor the situation and will keep the Stock Exchange and the public updated as and when appropriate.

(2) PROPOSED APPOINTMENT OF INDEPENDENT AUDITORS TO INVESTIGATE VARIOUS TRANSACTIONS

The 2008 annual results of the Group were published in September 2009 and the 2008 annual report of the Company was published and dispatched to its shareholders in October 2009. However, the then auditors of the Company expressed a disclaimer of opinion on the Group's 2008 annual results mainly for the following reasons:

- (a) there is uncertainty concerning the outcome of various proceedings instituted by a former director and shareholder of the Company, Mr Tsang Wai Lun, Wayland against certain Directors for breach of fiduciary duties in relation to various transactions entered into by the Group during the year ended 31 December 2008;
- (b) the audited accounts of certain subsidiaries of the Company have not been approved by their directors. One of such subsidiaries is Grand Field Group Limited, a subsidiary of the Company incorporated in Hong Kong. The Board is given to understand that the directors of that subsidiary do not consider the audited accounts to have accurately reflected the financial information of the Shenzhen Subsidiaries held solely by that Hong Kong Subsidiary, and thus refused to approve its audited accounts; and
- (c) the then auditors of the Company was unable to obtain sufficient reliable evidence to satisfy themselves as to the fair value of a refundable security deposit of HK\$9,091,000 made by the Group in connection with the alleged provision of property management services during the year ended 31 December 2008, and were unable to perform any satisfactory audit procedures to satisfy themselves that the deposits were free from material misstatements. Such deposit was paid by the Group pursuant to a dubious transaction examined by the High Court in HCMP 1059/2008.

In light of the uncertainties above, the Board has resolved to appoint an independent firm of auditors to conduct a detailed investigation on the outstanding matters. The Company will keep the Stock Exchange and the public informed of the result of the investigation as and when appropriate.

(3) POSSIBLE REPOSSESSION OF LEASEHOLD LAND

As a result of the lack of development activities by one of the Shenzhen Subsidiaries, there is a possibility that the leasehold land in the PRC managed by such subsidiary may be repossessed by the People's Government of Shenzhen, the PRC.

The carrying value of such leasehold land as at 31 December 2008 was HK\$186,082,000, representing about 54% of the total net assets of the Group as at 31 December 2008. The Company is reviewing the position and will be considering whether any appropriate measures could be taken to avoid the repossession, but is unable to conclude for the time being whether or not the leasehold land will be re-possessed. The Company will continue to monitor the situation and will keep the Stock Exchange and the public informed as and when appropriate.

DEFINITIONS

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

- “2008 December SGM” : the special general meeting of the Company as requisitioned and convened by Rhenfield Development Corp., a substantial shareholder of the Company, on 2 December 2008
- “2009 Interim Results” : interim results of the Group for the six months ended 30 June 2009
- “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 Main Board of the Stock Exchange
- “Directors” : directors of the Company

- “Eight Elected Directors” : the eight Directors elected by the shareholders of the Company at the 2008 December SGM, namely Lim Francis, Ma Xuemian, Zhao Yang, Chen Mudong, Ng Ka Chong, David Chi-ping Chow, Chan Kit Yee, Katherine, Wong Ching Wan (whereby Chan Kit Yee, Katherine and Wong Ching Wan have resigned subsequent to the 2008 December SGM)
- “First Action” : the High Court Action No. 300 of 2009 with Mr Tsang Wai Lun Wayland and Lim Francis as plaintiffs and Chu King Fai, Au Kwok Chuen Vincent, Zhao Juqun, Wong Yun Kuen, Yang Biao, Mok King Tong, Chen Yu, Wen Li, Wang Zi Han, Ho Suk Yin Nancy, Ho Wah Sang and the Company as defendants
- “Five Purported Directors” : Chen Yu, Wen Li, Wang Zi-Han, Ho Wah Sang and Ho Suk Yin Nancy
- “Group” : collectively, the Company and its subsidiaries
- “Judgment” : the judgment under the First Action and delivered by Hon Reyes J in the High Court of Hong Kong on 12 August 2009
- “Hong Kong” : the Hong Kong Special Administrative Region of the PRC
- “Listing Rules” : The Rules Governing the Listing of Securities on The Stock Exchange
- “PRC” : The People’s Republic of China
- “Stock Exchange” : The Stock Exchange of Hong Kong Limited

By Order of the Board
Grand Field Group Holdings Limited
Lim Francis
Executive Director

Hong Kong, 6 November 2009

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr Au Kwok Chuen, Vincent (Note), Mr Zhao Yang, Mr Lim Francis and Mr Ma Xuemian (with Mr Lim Francis as alternate); four non-executive Directors, namely Mr Zhao Juqun, Mr Chen Mudong (with Mr Lim Francis as alternate) Mr Ng Ka Chong and Mr Chu King Fai; and three independent non-executive Directors, namely Mr David Chi-ping Chow (with Mr Lim Francis as alternate), Mr Liu Chaodong and Mr Xu Quing Fah.

Note: Mr Au Kwok Chuen, Vincent has been suspended by the Board of his duties as Director.