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鈞豪集團有限公司*

GRAND FIELD GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 115)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF THE ENTIRE EQUITY INTERESTS IN
YUAN CHENG REAL ESTATE (SHENZHEN) LIMITED**

THE DISPOSAL

The Board announced that on 12 October 2012 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company and the Purchaser entered into the Agreement pursuant to which the Purchaser has agreed to purchase, and the Vendor has agreed to sell, the Sale Interests, comprising the entire equity interests in Yuan Cheng.

LISTING RULES IMPLICATION

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

(A) THE DISPOSAL

On 12 October 2012 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchaser entered into the Agreement pursuant to which the Purchaser has agreed to purchase, and the Vendor has agreed to sell, the Sale Interests, comprising the entire equity interests in Yuan Cheng. Principal terms of the Agreement are as follows:

* *For identification purposes only*

The Agreement

Date

12 October 2012

Parties

Vendor: Grand Field Group Limited, an indirect wholly-owned subsidiary of the Company

Purchaser: In Profit Hong Kong Development Limited

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser and its beneficiary owner are Independent Third Parties.

Interests to be disposed of

The Sale Interests represent the entire equity interests in Yuan Cheng. As at the date of the Agreement, Yuan Cheng did not carry out any substantial business and it recorded a net liabilities of RMB391,000, which has been mutually confirmed by the Vendor and the Purchaser.

Consideration

The consideration for the Sale Interests is RMB100,000. Pursuant to the Agreement, the Vendor paid RMB100,000 to the Purchaser in cash in one lump sum at the date of the Agreement.

In return, upon the signing of the Agreement, the liabilities and claims of Yuan Cheng shall be borne by the Purchaser and the Purchaser shall not make any claims against the Vendor and the Group in respect of Yuan Cheng.

Basis of determination of the consideration

The consideration for the Disposal was arrived at after arm's length negotiation between the Vendor and the Purchaser on normal commercial terms by reference to (i) Yuan Cheng's operation and financial status, including its unaudited net liabilities position of RMB391,000 as at the date of the Agreement; (ii) Yuan Cheng's ongoing disputes with its former management since January 2011; and (iii) the disputes concerning Yuan Cheng since its establishment on 23 October 2007.

Other terms in the Agreement

Yuan Cheng may have choses in action respectively against Dongguan City Hua Jia Fu Industry and Trading Limited (東莞市華嘉富工貿有限公司) ("Hua Jia Fu") and 閩泰 (揚州) 建設有限公司 ("閩泰") for the recovery of two sums of RMB5,500,000 and approximately RMB380,000. Upon Completion, the Purchaser has agreed to procure Yuan Cheng to recover the aforesaid two sums from Hua Jia Fu and 閩泰 respectively. In the event that any amount is recovered, such amount should be shared by the Purchaser and the Vendor in equal shares. All the costs and expenses of, and incidental to, the recovery process will be borne by the Purchaser.

Completion

Completion shall take place immediately after the Disposal is approved by the relevant government authorities in the PRC.

Upon Completion, Yuan Cheng will cease to be a subsidiary of the Company. Accordingly, the financial results of Yuan Cheng will no longer be consolidated into the results of the Group.

(B) INFORMATION ON THE COMPANY, THE PURCHASER AND YUAN CHENG

The Company

The Company is a company with limited liability incorporated in Bermuda. The Company is principally engaged in development of domestic real estate market in the PRC.

The Purchaser

The Purchaser is a company with limited liability incorporated in Hong Kong. To the best of the Directors' knowledge, information and belief and having made all reasonable enquires, the Purchaser is principally engaged in investment holding.

Yuan Cheng

Yuan Cheng was incorporated in the PRC with limited liability, and is an indirect wholly owned subsidiary of the Company immediately prior to Completion. It is principally engaged in property management, information services and property agency.

Below is a summary of Yuan Cheng's financial information extracted from the audited financial statements of Yuan Cheng for the two years ended 31 December 2010 and 31 December 2011:

	For the year ended	
	31 December	
	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net assets as at the end of the period indicated	26,224	26,065
Net (loss)/profits before taxation and extraordinary items for the period indicated	(1,273)	11,665
Net (loss)/profits after taxation and extraordinary items for the period indicated	<u>(1,273)</u>	<u>11,665</u>

In 2012, Yuan Cheng waived the accounts receivables of RMB15,412,000 due from companies within the Group and the net assets value of Yuan Cheng diminished accordingly. As at the date of the Agreement, the Vendor and the Purchaser has mutually confirmed that Yuan Cheng possessed net liabilities position of RMB391,000.

(C) REASONS FOR AND BENEFITS OF THE DISPOSAL

As disclosed in the Company's announcement dated 29 March 2012, the former legal representative of Yuan Cheng, Ms. Chen Yu, appointed by the former Board did not timely report to the Company Yuan Cheng's operation and financial status since January 2011 and she did not make available to the Company relevant records and supporting documents of Yuan Cheng. Having discovered that there were several inappropriate payments made by Yuan Cheng in October 2011, the Company removed Ms. Chen Yu as authorized legal representative of Yuan Cheng by a legal action in the PRC in December 2011 and appointed a new authorized legal representative. As a result, the Company has been having difficulties in assessing Yuan Cheng's financial position. In view of such uncertainty, the Company decided that the Disposal is the best course of action available to the Company. The Disposal will enable the Group to clear any liabilities, real or contingent, incurred by Yuan Cheng.

Having considered the terms of the Agreement and the reasons and benefits as aforesaid, the Directors, including the independent non-executive Directors, are of the view that the terms of the Agreement are fair and reasonable, on normal commercial terms and the Disposal is in the best interests of the Company and its shareholders as a whole.

(D) FINANCIAL EFFECTS OF THE DISPOSAL

For illustrative purposes only, the Group is expected to recognize a gain of approximately HK\$355,000 from the Disposal, which is calculated with reference to the difference between the unaudited net liabilities value of Yuan Cheng of RMB391,000 as at the date of the Agreement and the consideration of RMB100,000 having been paid to the Purchaser but excluding the related costs and expenses. In estimating the gain arising from the Disposal, the exchange rate of HK\$1 equivalent to RMB0.81782 is adopted. The amount of the actual gain or loss arising from the Disposal will be subject to final audit.

(E) LISTING RULES IMPLICATION

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

(F) DEFINITIONS

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

“Agreement”	the sale and purchase agreement dated 12 October 2012 entered into between the Vendor and the Purchaser in relation to the Disposal
“Board”	the board of Directors
“Company”	Grand Field Group Holdings Limited, a company incorporated in Bermuda with limited liability, whose issued shares are listed on the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Agreement

“connected persons”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Interests, subject to the terms and conditions of the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	In Profit Hong Kong Development Limited, a company incorporated in Hong Kong with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interests”	the entire equity interests in Yuan Cheng
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor”	Grand Field Group Limited, a company incorporate in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Yuan Cheng”	遠程置業(深圳)有限公司 (Yuan Cheng Real Estate (Shenzhen) Limited*), a company incorporated under the laws of PRC with limited liability

Trading in the shares of the Company has been suspended since 27 March 2009 and will remain suspended until further announcement.

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

Hong Kong, 12 October 2012

As at the date of this announcement, the board of directors comprises four executive directors, namely Mr. Ma Xuemian, Ms. Chow Kwai Wa, Anne, Ms. Kwok Siu Wa, Alison and Mr. Kwok Siu Bun; two non-executive directors, namely Mr. Lim Francis and Mr. Chen Mudong (with Mr. Lim Francis as alternate); and three independent non-executive directors, namely Mr. David Chi-ping Chow (with Mr. Lim Francis as alternate), Mr. Liu Chaodong and Ms. Chui Wai Hung.