

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") take no responsibility for the contents of this announcement, 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 announcement.



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**

PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation, subject to approval by the Shareholders:

- (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.

The Capital Reorganisation is subject to the approval of the Shareholders by way of an ordinary resolution at the SGM.

A circular containing, among other things, further details of the Capital Reorganisation together with a notice of SGM, will be despatched to the Shareholders on 21 March 2014.

* For identification purpose only

Reference is made to the announcement of the Company dated 14 February 2014 in relation to the proposed corporate action and/or trading arrangement to be carried out by the Company after completion of the open offer of the Company. The open offer of the Company was completed on 10 March 2014.

PROPOSED CAPITAL REORGANISATION

As at the date of this announcement, 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:

- (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 date of this announcement, 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.

The effect of the Capital Reorganisation is summarised below:

	Prior to Capital Reorganisation	Immediately following the Capital Reorganisation becoming effective <i>(Note)</i>
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 date of this announcement 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; and
- (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.

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 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 will procure a designated broker to arrange for the matching of the sales and purchases of odd lots of the Consolidated Shares on a best effort basis. 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 lot arrangement, is recommended to consult his/her/its own professional advisers.

Details of the odd lots arrangements will be set out in the circular of the Company containing the notice of SGM.

Adjustment to the Convertible Bonds

As at the date of this announcement, 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 adjustments 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 adjustments to the conversion price of the Convertible Bonds. Further announcement(s) will be made by the Company regarding details of such adjustment as and when appropriate.

Save as disclosed above, as at the date of this announcement, 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, Wanchai, 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.

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\$1,000 (which is calculated with reference to the Share price of HK\$0.100 as at the date of this announcement 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.

Expected Timetable

Set out below is the expected timetable in relation to the Capital Reorganisation:

2014

Despatch of circular and notice of the SGM.	Friday, 21 March
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

“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;
“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;
“Companies Act”	The Companies Act 1981 of Bermuda;
“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 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;
“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;
“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 consolidation of every five (5) issued and unissued 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; and
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

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

Hong Kong, 14 March, 2014

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Ma Xuemian, Mr. Kwok Siu Bun, Ms. Chow Kwai Wa, Anne and Ms. Kwok Siu Wa, Alison; two non-executive Directors, namely Mr. Chen Mudong (with Mr. Lim Francis as alternate) and Mr. Lim Francis; 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.