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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)

UPDATE ON BUSINESS DEVELOPMENT AND THE WORKING CAPITAL FORECAST

This announcement is made pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made to the announcement of the Company dated 23 August 2013 (the “**Announcement**”) regarding the Working Capital Forecast together with the relevant key assumptions. Capitalised terms used in this announcement shall have the same meanings as defined in the Announcement unless the context requires otherwise.

As set out in the Announcement, the Company has fulfilled the Resumption Conditions by, inter alia (i) addressing any concerns raised by the auditors through qualifications or emphasis of matters in their audit report; and (ii) demonstrating sufficient working capital.

UPDATE ON BUSINESS DEVELOPMENT

Clean audit opinion for the year ended 31 December 2013

As referred to the 2013 annual report of the Company published on 28 March 2014 (the “**2013 Annual Report**”), the Company’s auditors had expressed a clean audit opinion. According to the 2013 Annual Report, the audited consolidated net current assets and net assets of the Company as at 31 December 2013 were HK\$11,425,000 and HK\$213,238,000, respectively.

* *For identification purpose only*

Latest business development and the Working Capital Forecast

As set out in the Announcement, the Directors prepared the Working Capital Forecast and were of the opinion that if the Group were able to meet all of the Key Assumptions, the Group would have sufficient working capital for its business for the twenty months ending 31 August 2014. As set out in the Working Capital Forecast, the cash and cash equivalent as at 31 December 2013 and as at 31 August 2014 were estimated to be approximately HK\$90.22 million and HK\$133.12 million, respectively.

Due to the impacts of both the internal and external economic environments, the actual working capital of the Group as at 31 December 2013 was approximately HK\$13.64 million, representing a decrease of approximately 84.88% as compare with the Working Capital Forecast.

The discrepancies between the Work Capital Forecast of approximately HK\$90.22 million and the actual working capital status as at 31 December 2013 of approximately HK\$13.64 million were mainly due to (i) a summons (the “Summons”) issued and filed with the Longgang Court by HKZX were served upon GF Group for a confirmation that the supplemental agreement entered into by GF Group, together with other relevant parties with SZPL dated 3 July 2007 be void and that one fourth of the Shenzhen Land held by an Independent Third Party was being frozen. As such, all the capital injection progress and the injection of the Shenzhen Land into the Shenzhen Company were being extended by the shareholders of Shenzhen Company which caused the expected cash inflow from capital injection from other shareholders of the PRC Company into the Group of approximately HK\$53.78 million could not be as anticipated; (ii) the management decision not to bring additional high-finance-cost working capital into the Group by drawing down the available loan facilities from Defu Fund of approximately HK\$48.73 million which bear an interest rate of 20% per annum given that the Company is able to source for a more cost saving fund raising activities through capital markets upon resumption of Shares on the Stock Exchange; (iii) the Company has yet to realize Sunning Plaza Land Use Rights and Elegance Garden which caused reducing the expected cash inflow amounting to approximately HK\$25.24 million from respective potential purchasers due to continuing volatile sentiment in the PRC properties market; (iv) due to the delay in the expected capital from the above item (i), the corresponding operating expenditures on property development projects of approximately HK\$33.22 million has to be

postponed accordingly which partially net off the impact on the working capital requirement of the Group; (v) small sized interest bearing loans of approximately HK\$5.77 million obtained from several individuals who are Independent Third Parties which bring additional working capital into the Group; (vi) the issue of convertible bonds on 7 October 2013 by the Company to Thrive Season in the principal amount of HK\$30,055,703 which included accrued interest of approximately to HK\$4,305,169 for loan settlement while the Group had not drawn down the loan available from Thrive Season of approximately HK\$25.28 million in November 2013 which released the Group's expected working capital requirement by reducing the cash outflow to fulfill interest payment obligation of approximately HK\$4.30 million; and (vii) other changes in the amount of operating and administrative expenses including but not limited to issue of remuneration shares to settle certain professional fees (details were disclosed in the announcement of the Company dated 3 September 2013) which released the Group's expected working capital requirement by approximately HK\$7.88 million.

The above-mentioned events and discrepancies may have ongoing impact on the working capital of the Group. However, the Directors are of the view that the Group will have sufficient cash resources to satisfy its future working capital. The Directors will continue to monitor the working capital requirement of the Group with due care and will issue an announcement if there is any event which could cause a material impact on the revised working capital forecast of the Group when and where necessary.

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

Hong Kong, 16 June, 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 Ms. Tsang Tsz Nok, Aleen (with Ms. Kwok Siu Wa, Alison as alternate) and Ms. Tsang Tsz Tung, Debbie (with Mr. Kwok Siu Bun as alternate); and three independent non-executive Directors, namely Mr. Hui Pui Wai, Kimber, Mr. Liu Chaodong and Ms. Chui Wai Hung.