鈞濠集團有限公司*

GRAND FIELD GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 115)

ANNOUNCEMENT
(1) BUSINESS UPDATE ON THE SHENZHEN LAND
(2) RECLASSIFICATION OF THE LEASING PORTION OF THE SHENZHEN LAND
AND
(3) POSITIVE PROFIT ALERT

This announcement is made by Grand Field Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571).

BUSINESS UPDATE ON THE SHENZHEN LAND

Reference is made to the announcements of the Company dated 31 December 2014 and 31 October, 2014 ("**the Announcements**") relating to the successful transfer (the "**Transfer**") of registered title of the Shenzhen Land into Shenzhen Zongke. Unless otherwise stated herein, terms and expressions used herein shall have the same meaning as those defined in the Announcements

* *For identification purpose only*

Following the Transfer, Shenzhen Zongke had on 10 July 2015 and 1 September 2015 obtained (i) Shenzhen construction land planning license* <<深圳市建設用地規劃許可證>> issued by Urban Planning, Land & Resources Commission of Shenzhen Municipality <<深圳市規劃和國土資源委員會>>; and (ii) Shenzhen construction engineering design verification opinion <<深圳市建設工程方案設計核查意見書>> issued by Urban Planning, Land & Resources Commission of Shenzhen Municipality (Longgang Authority) <<深圳市規劃和國土資源委員會龍崗管理局>> permitted the construction engineering design (the "**Permitted Design**") submitted by Shenzhen Zhongke. Pursuant to the Permitted Design, Shenzhen Zhongke has formulated plans to develop the Shenzhen Land into an integrated complex with total gross floor area ("**GFA**") of approximately 98,000 m^2 comprising (i) offices with GFA of approximately 35,000 m^2 for lease; (ii) commercial and serviced office apartment with GFA of approximately 23,500 m^2 for lease; (iii) serviced office apartment with GFA of approximately 11,250 m^2 for sale; (iv) residential with GFA of approximately 28,000 m^2 for sale; and (v) GFA of approximately 250 m^2 for property management office together with 1,180 ancillary parking spaces. Accordingly, approximately 58,500 GFA, representing approximately 60% of the total GFA will be developed for leasing purposes and approximately 39,250 GFA, representing approximately 40% of the total GFA will be developed for sale purposes.

On 3 December 2015, Shenzhen Zhongke obtained qualification certificate for real estate development enterprise in the PRC issued by Urban Planning, Land & Resources Commission of Shenzhen Municipality <<深圳市規劃和國土資源委員會>>.

RECLASSIFICATION OF THE LEASING PORTION OF THE SHENZHEN LAND

Scope of investment property

Investment properties are generally properties held for the purpose of generating rentals or for capital appreciation or both.

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The leasing portion of the Shenzhen Land as an investment property of the Group

The Shenzhen Land had been suffered from various litigations for years, which had hindered the development progress of the Shenzhen Land in particular, the transfer of title of the Shenzhen Land to Zhongke and the official approval on the design plan of the Shenzhen Land. Due to the uncertainties on the overall development direction on the Shenzhen Land, the Shenzhen Land had been accounted for as prepaid premium for land leases at cost in the financial statements of the Company.

As disclosed in the paragraph headed "**BUSINESS UPDATE ON THE SHENZHEN LAND**" in this announcement, the Permitted Design comprises approximately 58,500 GFA, representing approximately 60% of the total GFA will be developed for leasing purposes and approximately 39,250 GFA, representing approximately 40% of the total GFA will be developed for sale purposes. As such, the Board is of the view that the leasing portion of the Shenzhen Land is appropriate to be reclassified as investment properties of the Group.

Reasons and basis of the reclassification of the leasing portion of the Shenzhen Land

The Company is principally engaged in investment holding. The Group is principally engaged in investment holding, property development and property investment. In light of the Group's business nature and the Shenzhen Land held by the Group are assets held for leasing and sale in future pursuant to the Permitted Design, the Directors believe the market value of the leasing portion of the Shenzhen Land held by the Group would be reflected more objectively and fairly.

The Shenzhen Land is held mainly for leasing. The Directors believe it is in accordance with the Hong Kong Financial Reporting Standards to regard the leasing portion of the Shenzhen Land as investment properties, which could fairly reflect the financial condition of the Group.

Financial impact on the Group after reclassification of the leasing portion of the Shenzhen Land

The leasing portion of the Shenzhen Land will be valued as at the balance sheet date and its carrying amount will be adjusted accordingly. The difference between the fair value and the carrying amount will be charged to the profit and loss of the Group.

Based on information currently available to the Board, the gain in the value of the leasing portion of the Shenzhen Land before tax of approximately HK$1.2 billion will be reflected in the profit and loss account of the Group for the year ended 31 December 2015. Since the Group only owns 50% of the subsidiary that owns the Shenzhen Land, therefore the aforesaid gain in value attributable to the owners of the Company before tax would be approximately HK$0.6 billion.

In view of the above-mentioned reclassification on the leasing portion of the Shenzhen Land and based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2015, it is expected that the Group may record a turnaround performance from a net loss for the year ended 31 December 2014 to a net profit for the year ended 31 December 2015.

The Company is in the process of finalizing the final results of the Group for the year ended 31 December 2015. The information contained in this announcement is only based on preliminary assessment of information currently available to the Company in particular, the change of accounting treatment on the leasing portion of the Shenzhen Land has not yet been audited by the Company's auditors as at the date of this announcement and the management accounts of the Group which have not been confirmed nor audited by the Company's auditors. The audited consolidated final results of the Group for the current year are expected to be announced by the Company on 30 March 2016.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 18 March, 2016

As at the date of this announcement, the board of Directors comprises four executive Directors, namely, Mr. Ma Xuemian, Mr. Kwok Siu Bun, Ms. Chow Kwai Wa, Anne and Ms. Kwok Siu Wa, Alison; one non-executive Directors, namely, Ms. Tsang Tsz Tung Debbie (with Mr. Kwok Siu Bun as alternative); and three independent non-executive Directors, namely, Mr. Hui Pui Wai, Kimber, Mr. Liu Chaodong and Ms. Chui Wai Hung.