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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) PROCEEDINGS BY A SHAREHOLDER IN THE NAME OF THE COMPANY AGAINST CERTAIN DIRECTORS OF THE COMPANY
(HIGH COURT ACTION NO. 771 OF 2009)**
- (2) UPDATE ON STATUS OF THE FIRST ACTION
(HIGH COURT ACTION NO. 300 OF 2009)**
- (3) ACTION BY THE COMPANY AGAINST THE DEFENDANTS
(HIGH COURT ACTION NO. 841 OF 2009)**

The purpose of this announcement is to provide (i) a summary of the claims and remedies sought by the plaintiff in the Second Action (High Court Action No. 771 of 2009) as set out in the Statement of Claim; (ii) the update status of the First Action (High Court Action No. 300 of 2009); and (iii) a summary of the claims of the Company against the Defendants in the Company Action (High Court Action No. 841 of 2009). Drafts of this announcement have been circulated to all directors of the Company named herein prior to the publication of the same. Views of the Seven Directors and the Ten Directors regarding the contents of this announcement are set out below.

**PROCEEDINGS BY A SHAREHOLDER IN THE NAME OF THE COMPANY AGAINST CERTAIN DIRECTORS OF THE COMPANY
(HIGH COURT ACTION NO. 771 OF 2009)**

On 18 March 2009, the Writ of Summons was issued by Mr. Tsang suing as a shareholder for and on behalf of the Company, as plaintiff, against the Defending Parties. Summary of the claims and the remedies sought as set out in the Statement of Claim are set out below.

* *For identification purposes only*

The Directors who are Defending Parties stated that the claims set out in the Statement of Claims are subject to production of proof by the plaintiff and they intend to vigorously defend the claims.

UPDATE ON STATUS OF THE FIRST ACTION (HIGH COURT ACTION NO. 300 OF 2009)

Mr. Francis Lim joined Mr. Tsang (who is suing on behalf of himself and all the shareholders of the Company) as a plaintiff to the First Action and the Writ of Summons of the First Action has been amended in the manner set out below. On 24 March 2009, the Company has filed a defence to the First Action.

ACTION BY THE COMPANY AGAINST THE DEFENDANTS (HIGH COURT ACTION NO. 841 OF 2009)

On 25 March 2009, the Company issued a Writ of Summons against the Defendants. Summary of the claims of the Company are set out below.

The purpose of this announcement is to provide (i) a summary of the claims and remedies sought by the plaintiff in the Second Action (High Court Action No. 771 of 2009) as set out in the Statement of Claim; (ii) the update status of the First Action (High Court Action No. 300 of 2009) and (iii) a summary of the claims of the Company against the Defendants in the Company Action (High Court Action No. 841 of 2009).

Drafts of this announcement have been circulated to all directors of the Company named herein prior to the publication of the same. Mr. Francis Lim on behalf of Mr. Zhao Yang, Mr. Chen Mudong, Mr. Ma Xuemian, Mr. Ng Ka Chong, Ms. Chan Kit Yee Katherine and Mr. David Chi-ping Chow expressed the view that:

- This announcement does not contain sufficient information on the basis of the actions brought by Mr. Tsang against the Defending Parties as no reference was made to the judgment of the court on the Originating Summons.
- The Seven Directors would not take responsibility on the content of this announcement.
- The Ten Directors are conflicted in relation to any decision of the Board regarding the content of this announcement because they are defendants of the First Action and/or the Second Action.

In this regard, the Ten Directors responded as follows:

- The order of the court on the Originating Summons has been stated in the announcement made by the Company dated 26 February 2009 under the paragraph headed “Originating Summons”.
- The court has only ruled on the issue as to whether or not leave should be granted to Mr. Tsang to sue in the name of the Company as sought for in the Originating Summons but has not ruled on the underlying claims as set out in the Statement of Claim.
- Although the Ten Directors are named as defendants in the First Action and/or the Second Action, there is no conflict of interest in so far as this announcement and its content are concerned. In this aspect, the interests of all Directors are the same in determining whether or not the shareholders of the Company and/or the investing public are properly informed.

**PROCEEDINGS BY A SHAREHOLDER IN THE NAME OF THE
COMPANY AGAINST CERTAIN DIRECTORS OF THE COMPANY
(HIGH COURT ACTION NO. 771 OF 2009)**

Reference is made to the announcement made by the Company dated 26 February 2009, in relation to, among others, the result of the hearing of the Originating Summons on 25 February 2009.

As stated in the Announcement, leave was granted by the High Court of Hong Kong to Mr. Tsang to bring proceedings on behalf of the Company against the Defending Parties. On 18 March 2009, the Writ of Summons was issued by Mr. Tsang suing as a shareholder for and on behalf of the Company, as plaintiff, against the Defending Parties.

The Statement of Claim claimed that the Defending Parties who are subject to the Duties have acted wrongfully and in breach of the Duties in relation to:

- (a) The passing of the following resolutions of the Board:
 - (aa) the resolution passed on or about 14 January 2008 to approve the remittance of HK\$50 million to Yuan Cheng (the “Remittance Resolution”);

- (bb) the resolution passed on or about 27 May 2008 to sanction the acquisition of the Yangzhou Project from Min Tai Development at HK\$88 million with an up front payment of HK\$5 million paidout of funds of Yuan Cheng (the “Yangzhou Project Resolution”);
- (cc) the resolution passed on or about 15 March 2008 to sanction the entry of Management Services Agreements by Yuan Cheng with Dongguan City Hua Jia Fu Industry and Trading Limited 東莞市華家富工貿有限公司[#] and Dongguan City Min Tai Industry and Investment Limited 東莞市閩泰實業投資有限公司, which involved an up-front payment of RMB 8 million by Yuan Cheng (the “Management Service Resolution”);
- (dd) the resolution passed on or about 27 May 2008 to sanction the entry of a co-operation framework agreement (the “Co-operation Framework Agreement”) by Yuan Cheng with Zhong Cheng which involved an up-front payment of RMB 5 million (the “Zhong Cheng Resolution”).
- (b) The transfer of HK\$50 million to Yuan Cheng and to put the said HK\$50 million under the control of Yuan Cheng.
- (c) The delivery of the financial documents of Yuan Cheng, including cheque books, chops and seals, bank cards, keys to safe deposit boxes to Madam Cheng Lai Yin.
- (d) The failure and/or refusal to conduct any proper inquiry or due diligence into the proposed acquisition of the Yangzhou Project and/or the entire share capital of Min Tai Development.
- (e) The entering into of the placing agreement dated 14 July 2008 whereby the Company conditionally agreed to place 100,000,000 shares in the company at the price of HK\$0.16 per share in order to finance the proposed acquisition of the Yangzhou Project.
- (f) The failure to cause Yuan Cheng and/or the Company to recover the earnest money in the amount of HK\$5 million from Min Tai Development in accordance with the letter of intent dated 23 June 2008 within 10 days after the Yangzhou Project fell through on 30 September 2008.
- (g) The payment of the amount of RMB 8 million by Yuan Cheng to Dongguan City Hua Jia Fu Industry and Trading Limited 東莞市華家富工貿有限公司[#].

[#] According to the announcement made by the Company dated 27 March 2008, the Chinese name of Dongguan City Hua Jia Fu Industry and Trading Limited should be 東莞市華嘉富工貿有限公司

- (h) The failure and/or refusal to conduct any or any proper inquiry into the terms of the Co-operation Framework Agreement and the payment of the RMB5 million deposit on 23 June 2008 pursuant to the Co-operation Framework Agreement.
- (i) The payment of the sums of RMB 10 million and RMB 7 million by Yuan Cheng to Zhong Cheng on or about 15 July 2008 and 29 August 2008, respectively.
- (j) The transfer of sums totaling RMB33.1 million between Yuan Cheng and Shenzhen Hua Ke Nano-Technology Development Company Limited (深圳華科納米技術有限公司) from 30 April 2008 to 23 June 2008.
- (k) The passing of the resolutions on 15 and 20 November 2008 sanctioning Grand Field Property Development (Shenzhen) Company Limited, a wholly owned subsidiary of the Company, to borrow up to RMB 50 million to repay a loan owed to Yuan Cheng and to use the balance as operation capital of the Company (the “Loan Resolutions”).

The following remedies are sought by Mr. Tsang on behalf of the Company as the plaintiff against the Defending Parties:

- (i) A declaration that the decisions of the Defending Parties to pass the Resolutions purportedly as board resolutions of the Company was not made bona fide in the interest of the Company.
- (ii) An order that the Resolutions be set aside, further or alternatively, a declaration that the Resolutions are invalid, null and void and of no legal effect;
- (iii) Damages and/or equitable compensation;
- (iv) Restitution of payments received directly or indirectly by the Defending Parties, or any of them in breach of their fiduciary duties;

- (v) Further or alternatively, an account and/or inquiry of all payments, profits made and/or benefits received directly or indirectly as a result of their breaches of their fiduciary duties and an order for payment of all sums and delivery up of all assets found due upon the said inquiry or taking of the said account;
- (vi) An injunction against the Defending Parties restraining each of them from continuing as the Company's director and/or exercising the powers as director;
- (vii) Interest;
- (viii) Costs; and
- (ix) Further and/or other relief.

The Directors who are Defending Parties stated that the claims set out in the Statement of Claims are subject to production of proof by the plaintiff and they intend to vigorously defend the claims.

UPDATE ON STATUS OF THE FIRST ACTION (HIGH COURT ACTION NO. 300 OF 2009)

Reference is made to the announcements of the Company dated 10 and 26 February 2009, respectively, in relation to, among others, the First Action.

Mr. Francis Lim joined Mr. Tsang (who is suing on behalf of himself and all the shareholders of the Company) as a plaintiff to the First Action. The Writ of Summons of the First Action has been amended to include the following relief, in addition to those set out in the paragraph headed "Writ of Summons" in the announcement made by the Company dated 10 February 2009:

- The resolutions of the board of directors passed at meetings held on 19 August 2008 and 16 October 2008, respectively (the "Options Resolutions"), granting (i) options to subscribe for 37,900,000 shares to the staff of the Company, (ii) options to subscribe for 85,000,000 shares to certain Directors; and (iii) options to subscribe for 81,000,000 shares to the staff/business partners, be set aside;

- A declaration that the Options Resolutions are invalid and null and void and of no legal effect;
- An order that the determination of 1 December 2008 as the effective date of the appointments of Ms. Chen Yu, Mr. Wen Li, Miss Wang Zi Han, Miss Ho Suk Yin Nancy and Mr. Ho Wah Sang as additional directors be set aside and a declaration that the determination is null and void and of no legal effect.

On 24 March 2009, the Company has filed a defence to the First Action.

ACTION BY THE COMPANY AGAINST THE DEFENDANTS (HIGH COURT ACTION NO. 841 OF 2009)

On 25 March 2009, the Company issued a Writ of Summons against the Defendants seeking the following relief:

1. Against the Mr. Tsang and Mrs. Tsang, damages and/or equitable compensation for breaches of fiduciary and/or equitable duties against the Company in their capacities as de jure and/or de facto and/or shadow directors of the Company; and/or procuring and/or knowingly assisting the breach of fiduciary and/or equitable duties by the other Defendants against the Company in their capacities as de jure and/or de facto and/or shadow directors of the Company.
2. Against the Defendants other than Mr. Tsang and Mrs. Tsang, damages and/or equitable compensation for breaches of fiduciary and/or equitable duties against the Company in their capacities as de jure and/or de facto and/or shadow directors of the Company; and breaches of common law duties of care against the Company in their capacities as de jure and/or de facto and/or shadow directors of the Company.
3. Against the Defendants, a declaration that any or all of them are liable as constructive trustees for all profits and/or benefits made or accrued from the aforesaid breaches of their fiduciary and/or equitable duties against the Company, and an order that they do account and pay to the Company such sums representing the said profits and/or benefits found due.
4. Against the Defendants, common law damages for conspiracy to harm or injure the Company with unlawful means and/or wrongful interference with the Company's business.

5. An Injunction against Mr. Tsang and Mrs. Tsang, whether by themselves or through their nominees, agents and/or servants, from participating and/or intervening in the business affairs and/or management of the Company.
6. An Injunction against the Defendants other than Mr. Tsang and Mrs. Tsang from (i) holding themselves out as directors of the Company and (ii) unlawfully intervening in the business affairs and/or management of the Company.
7. Against all Defendants:–
 - (1) Interest;
 - (2) Costs; and
 - (3) Further or other relief.

DEFINITIONS

In this announcement, unless otherwise defined, terms used shall have the following meaning:

“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 of Hong Kong Limited;
“Company Action”	the High Court Action No. 841 of 2009 with the Company as the plaintiff and the Defendants as the defendants;
“Defendants”	Mr. Tsang, Mrs. Tsang, Mr. Zhao Yang, Mr. Francis Lim, Mr. Wong Ching Wan, Mr. Chen Mudong, Mr. Ma Xuemian, Mr. Ng Ka Chong, Ms. Chan Kit Yee Katherine and Mr. David Chi-ping Chow;

“Defending Parties”	the defendants named in the Writ of Summons, namely, Mr. Chu King Fai, Mr. Huang Bing Huang, Mr. Au Kwok Chuen Vincent, Mr. Hwang Ho Tyan, Mr. Zhao Juqun, Mr. Yang Biao, Dr. Wong Yun Kuen and Mr. Mok King Tong. Mr. Hwang Ho Tyan and Mr. Huang Bing Huang have resigned as a director of the Company on 31 January 2008 and 6 October 2008, respectively;
“Directors”	the directors of the Company;
“Duties”	the fiduciary duties of directors to (i) exercise their powers in accordance with the constitution of the Company and within the authority conferred upon them under the constitution and in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; (ii) act in good faith in the interests its shareholders as a whole; (iii) act with reasonable care and skill; (iv) exercise their powers for lawful and proper purposes; and (v) not to place themselves in a position whereby their personal interests conflict or may conflict with their duties;
“First Action”	the High Court Action No. 300 of 2009 with Mr. Tsang and Mr. Francis Lim as plaintiffs and Mr. Chu King Fai, Mr. Au Kwok Chuen Vincent, Mr. Zhao Juqun, Dr. Wong Yun Kuen, Mr. Yang Biao, Mr. Mok King Tong, Ms. Chen Yu, Mr. Wen Li, Miss Wang Zi Han, Miss Ho Suk Yin Nancy, Mr. Ho Wah Sang and the Company as defendants;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“Min Tai Development”	Min Tai Development Company Limited (閩泰建設有限公司) ;
“Originating Summons”	the Originating Summons taken out on 4 June 2008 by Mr. Tsang against the Company for the purposes of seeking certain relief as set out in the paragraph headed “Originating Summons” in the announcement made by the Company dated 26 February 2008;

“PRC”	The People’s Republic of China and for the sole purpose of this announcement shall exclude Hong Kong and Macau Special Administrative Region;
“Resolutions”	the Remittance Resolution, the Yangzhou Project Resolution, the Management Service Resolution, the Zhong Cheng Resolution and the Loan Resolutions;
“Second Action”	the High Court Action No. 771 of 2009;
“Seven Directors”	Mr. Francis Lim, Mr. Zhao Yang, Mr. Chen Mudong, Mr. Ma Xuemian, Mr. Ng Ka Chong, Ms. Chan Kit Yee Katherine and Mr. David Chi-ping Chow;
“Statement of Claim”	the statement of claim attached to the Writ of Summons;
“Ten Directors”	Mr. Chu King Fai, Mr. Au Kwok Chuen Vincent, Mr. Zhao Juqun, Dr. Wong Yun Kuen, Mr. Yang Biao, Mr. Mok King Tong, Ms. Chen Yu, Mr. Wen Li, Miss Wang Zi Han and Mr. Ho Wah Sang;
“Mr. Tsang”	Mr. Tsang Wai Lun Wayland, a substantial shareholder of the Company;
“Mrs. Tsang”	Ms. Kwok Wai Man Nancy, the wife of Mr. Tsang;
“Writ of Summons”	the Writ of Summons of the Second Action issued from the Registry of the High Court of Hong Kong on 18 March 2009 by Mr. Tsang suing as a shareholder for and on behalf of the Company, as plaintiff, against the Defending Parties, as defendants;
“Yangzhou Project”	a project known as the Yi Zheng Economic Development Zone High Technology Industrial Park 儀征經濟開發區高新技術產業園;

“Yuan Cheng”	Yuan Cheng Real Estate (Shenzhen) Limited 遠程置業 (深圳) 有限公司, a company established in the PRC and an indirect wholly owned subsidiaries of the Company;
“Zhong Cheng”	Shenzhen Zhong Cheng Construction Engineering Company Limited (深圳市中城建設工程有限公司);
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“RMB”	Reminbi, the lawful currency of the PRC.

By Order of the Board
Grand Field Group Holdings Limited
CHU KING FAI
Chairman

Hong Kong, 25 March 2009

As at the date of this announcement, the Board comprises eight executive Directors, namely Mr. Chu King Fai, Mr. Au Kwok Chuen, Vincent, Ms. Chen Yu, Mr. Wen Li, Miss Wang Zi-han, 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. Ho Wah Sang, Mr. Chen Mudong (with Mr. Lim Francis as alternate); and Mr. Ng Ka Chong; and five independent non-executive Directors, namely Dr. Wong Yun Kuen, Mr. Yang Biao, Mr. Mok King Tong, Ms. Chan Kit Yee, Katherine and Mr. David Chi-ping Chow (with Mr. Lim Francis as alternate) (Notes).

- Note:*
1. The validity of the purportedly election of Ms. Chan Kit Yee, Katherine, Mr. Chen Mudong, Mr. David Chi-ping Chow, Mr. Lim Francis, Mr. Ma Xuemian, Mr. Ng Ka Chong and Mr. Zhao Yang was the subject of a pending court decision.
 2. The appointments of Ms. Chen Yu, Mr. Wen Li, Miss Wang Zi-han and Mr. Ho Wah Sang was the subject of a pending court decision.