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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



泰金證券及期貨有限公司
TAIJIN SECURITIES AND FUTURES LIMITED

THE PLACING

On 13 February 2018, after trading hours, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best efforts basis, up to 113,990,000 Placing Shares to not less than six Places at a price of HK\$0.170 per Placing Share.

The Placing Price of HK\$0.170 per Placing Share represents (i) a discount of approximately 13.27% to the closing price of HK\$0.196 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 11.92% to the average closing price of approximately HK\$0.193 per Share for the last five trading days immediately prior to the date of the Placing Agreement.

The maximum Placing Shares of 113,990,000 Shares represent approximately 7.50% of the entire issued share capital of the Company of 1,519,046,088 Shares as at the date of this announcement and approximately 6.98% of the entire issued share capital of the Company as enlarged by the Placing.

* For identification purpose only

The Placing Shares are to be issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 18 May 2017.

The maximum gross proceeds from the Placing will be approximately HK\$19.38 million. The maximum net proceeds, after the deduction of the Placing commission and other related expenses, are estimated to be approximately HK\$18.89 million (representing a net issue price of approximately HK\$0.166 per Placing Share). HK\$13.89 million will be utilised by the Company for development of existing real estate projects on hand with remaining proceeds of approximately HK\$5 million will be utilised as general working capital of the Group.

Shareholders and potential investors should note that the completion of the Placing is subject to fulfillment of conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

13 February 2018 (after trading hours)

Parties

- (a) the Company; and
- (b) the Placing Agent

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees

The Placing Shares will be placed to not less than six Placees, being individuals, institutional or professional investors, and who and whose ultimate beneficial owners, as far as the Placing Agent and the Directors are aware, are independent of and not connected with the Company, the Directors, chief executive and substantial shareholders (as such term is defined in the Listing Rules) of the Company, its subsidiaries and their respective associates (as defined in the Listing Rules). It is expected that no Placee will become a substantial shareholder (as such term is defined in the Listing Rules) immediately following completion of the Placing.

Number of Placing Shares

Up to 113,990,000 new Shares, to be placed by the Placing Agent on a best efforts basis. Assuming the Placing Shares are fully placed, the Placing Shares represents approximately 7.50% of the entire issued share capital of the Company of 1,519,046,088 Shares as at the date of this announcement and approximately 6.98% of the Company's entire issued share capital as enlarged by the Placing Shares. The aggregate nominal value of the Placing Shares is HK\$11,399,000.

Placing Price

The Placing Price is HK\$0.170 per Placing Share. The Placing Price was agreed after arm's length negotiations between the Company and the Placing Agent, with reference to, among other things, the recent trading price of the Shares on the Stock Exchange. The Directors consider that the Placing Price is fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole. The Placing Price represents:

- (i) a discount of approximately 13.27% to the closing price of HK\$0.196 per Share as quoted on the Stock Exchange on 13 February 2018, being the date of the Placing Agreement; and
- (ii) a discount of approximately 11.92% to the average closing price of HK\$0.193 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately prior to the date of the Placing Agreement.

The Company will bear the costs and expenses in connection with the Placing and the net proceeds from the Placing is estimated to be approximately HK\$18.89 million (assuming the Placing Shares are fully placed). As a result, the net price per Placing Share will be approximately HK\$0.166.

Placing Commission

The Placing Agent will receive a placing commission of 2% on the gross proceeds of the Placing. Such commission was negotiated on arm's length basis between the Company and the Placing Agent and determined with reference to, amongst other things, the prevailing market conditions. The Directors consider that the commission is fair and reasonable based on the current market conditions.

General Mandate

The Placing Shares will be issued pursuant to the general mandate to allot, issue and deal with the Shares granted to the Directors by resolution of the Shareholders passed at the Company's annual general meeting held on 18 May 2017 of up to 272,172,854 Shares, representing 20.0% of the number of the Shares in issue on the date of the said annual general meeting. As at the date of this announcement, an aggregate of 158,181,818 Shares have been issued under the General Mandate, leaving the balance of the General Mandate of 113,991,036 Shares. Accordingly, the issue of the Placing Shares is not subject to Shareholders' approval.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu among themselves and with Shares in issue at the time of issue and allotment of the Placing Shares.

Conditions of the Placing

Completion of the Placing Agreement is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant a listing of and permission to deal in the Placing Shares; and

- (ii) the Company and the Placing Agent obtaining all necessary written consents and approvals (if any) from the relevant authorities in respect of the transactions contemplated under the Placing Agreement, if applicable.

If the above conditions are not satisfied on or before 9 March 2018 (or such later date to be agreed between the Company and the Placing Agent), the obligations of the Placing Agent and of the Company hereunder shall cease and determine and none of the parties hereto shall have any claim against the other in relation thereto save for liabilities to the Placing Agent for the payment of all reasonable costs, charges, and expenses to the extent already incurred.

Application for listing

Application will be made to the Stock Exchange for approval for the listing of and permission to deal in the Placing Shares.

Completion of the Placing

Completion shall take place within three Business Days after the fulfilment of the conditions as set out in paragraph headed “Conditions of the Placing” above are satisfied (or such other date as may be agreed between the Company and the Placing Agent in writing).

Termination of the Placing Agreement

The Placing Agent may terminate the Placing Agreement by notice in writing to the Company prior 8:00 a.m. on the Completion Date if:

- (1) there is any new law or regulation or any change in existing laws or regulations which in the opinion of the Placing Agent has or is likely to have a material adverse effect on the financial position of the Group as a whole; or
- (2) there is any significant change (whether or not permanent) in local, national or international economic, financial, political or military conditions, securities market conditions or currency exchange rates or exchange controls, including without limitation, any outbreak or escalation of hostilities, declaration by Hong Kong or elsewhere of a national emergency or other calamity or crisis, the effect of which in the opinion of the Placing Agent is or would be materially adverse to the success of the Placing, or makes it impracticable or inadvisable or inexpedient to proceed therewith; or

- (3) There is declaration of a banking moratorium by Hong Kong authorities, or any moratorium, suspension or material restriction on trading in shares or securities generally, or the establishment of minimum prices, on the Stock Exchange; or
- (4) there is any breach of any of the representations, warranties and undertakings by the Company comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations, warranties and undertakings untrue or incorrect or there has been a breach of, or failure to perform, any other provision of the Placing Agreement on the part of the Company; or
- (5) there is any change or any development involving a prospective change in the general affairs, prospects, earnings, business, properties, stockholder's equity or in the financial or trading position of the Group as a whole which in the opinion of the Placing Agent is so material and adverse as to make it impractical or inadvisable to proceed with the Placing.

Without prejudice to any other provisions of the Placing Agreement, the Placing Agent shall have the right (but not obligation) exercisable at any time by notice in writing to the Company to terminate the Placing Agreement if any of the Placing Shares are not delivered by or on behalf of the Company at the completion of the Placing.

Upon termination of the Placing Agreement in accordance with the above paragraphs, all obligation of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for (i) any antecedent breach of any obligation under the Placing Agreement; and (ii) liabilities to the Placing Agent for the payment of all reasonable costs, charges, and expenses to the extent already incurred.

Shareholders and potential investors should note that the completion of the Placing is subject to fulfillment of conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

REASONS FOR ENTERING INTO THE PLACING AGREEMENT AND USE OF PROCEEDS

The Company is principally engaged in investment holding. The Group is principally engaged in investment holding, property development, property investment and general trading.

The Directors consider that the Placing will provide additional funding for the Company to further develop existing real estate projects on hand and maintain the Group's working capital requirement while broadening the capital base of the Company. The Directors consider that the terms of the Placing Agreement are fair and reasonable and the entering into of the Placing Agreement is in the interest of the Company and the Shareholders as a whole.

The gross proceeds of the Placing is approximately HK\$19.38 million. The net proceeds from the Placing of approximately HK\$18.89 million is expected to be applied as to approximately HK\$13.89 million for development of the Group's real estate projects on hand and approximately HK\$5 million for general working capital for daily operation.

FUND RAISING ACTIVITIES DURING THE PAST TWELVE MONTHS

During the past twelve months immediately preceding the date of this announcement, the Company has conducted the following equity fund raising activities.

Date of announcement	Fund raising activity	Amount of net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
8 August 2017 (completed on 21 August 2017)	Subscription of new shares under general mandate	Approximately HK\$34.7 million	Approximately HK\$10.41 million for general working capital and approximately HK\$24.29 million for development of the Group's real estate project in Shenzhen	Used as intended

EFFECT ON SHAREHOLDING

For illustration purpose, the shareholding structures of the Company as at the date of this announcement and immediately after completion of the Placing are and will be as follows:

Name of Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Rhenfield Development Corp. <i>(Note)</i>	165,564,529	10.90	165,564,529	10.14
Tsang Tsz Nok, Aleen	213,163,534	14.03	213,163,534	13.05
Directors:				
Kwok Siu Bun	1,000,000	0.07	1,000,000	0.06
Chow Kwai Wa, Anne	1,300,000	0.09	1,300,000	0.08
Kwok Siu Wa, Alison	2,000,000	0.13	2,000,000	0.12
Public:				
Places	–	–	113,990,000	6.98
Other public Shareholders	1,136,018,025	74.78	1,136,018,025	69.57
Total	<u>1,519,046,088</u>	<u>100.00</u>	<u>1,633,036,088</u>	<u>100.0</u>

Note:

Rhenfield Development Corp. is owned by Mr. Tsang Yee who is deemed to be interested in 165,564,529 shares of the Company pursuant to the Part XV of the SFO.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	any day (not being a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours

“Company”	Grand Field Group Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion Date”	the date falling within third Business Days immediately after the date on which all the conditions are satisfied (or such other date as the Company and the Placing Agent may agree in writing)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 18 May 2017 to allot or otherwise deal with the unissued shares of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	parties which are not connected persons of the Company (as defined in the Listing Rules) and are independent of the Company and its connected persons
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Placees”	any individual, institutional or other professional investor procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares by the Company, through the Placing Agent, pursuant to the Placing Agreement
“Placing Agent”	Taijin Securities and Futures Limited, a company incorporated in Hong Kong holding licences to conduct Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the SFO and being the placing agent
“Placing Agreement”	the Placing Agreement dated 13 February 2018 entered into between the Placing Agent and the Company in relation to Placing
“Placing Price”	HK\$0.170 per Placing Share
“Placing Shares”	a maximum of 113,990,000 new Shares to be placed pursuant to the Placing Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent

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

Hong Kong, 13 February 2018

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; one non-executive Director, 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.