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GRAND FIELD GROUP HOLDINGS LIMITED

鈞濠集團有限公司*

(Incorporated in Bermuda with limited liability)

CHONGQING JOINT VENTURE

The Board announces that the Chongqing joint venture with the China party重慶市煤焦化燃氣有限公司 has not been proceeded since the China party failed to transfer the ownerships of their assets in performing their obligations of capital injection under the joint venture agreement.

The Company has not given up the opportunity of development of gas pipeline business in Chongqing initially and is liaising with the local government officials in proceeding to make the application for setting up of a wholly-foreign enterprise or a sino-foreign joint venture enterprise to pursue the gas pipeline business.

The Board refers to the announcement of Grand Field Group Holdings Limited (the "Company") dated 4th June, 2002 and the circular to the shareholders of the Company dated 8th July, 2002 regarding acquisition of interest in Sino Richest Limited ("Sino Richest") in pursuing the Chongqing gas pipeline business through a sino-foreign joint venture company重慶市溢億萬盛燃氣有限公司. Unless otherwise defined herein, capitalized terms used herein shall have the same meanings as those defined in the announcement and circular.

The Board announces that the joint venture has not been proceeded since the China party of the joint venture, 重慶市煤焦化燃氣有限公司, failed to transfer the ownerships of their assets in performing their obligations of capital injection under the joint venture agreement. The Board was not aware of the reason of the China party's inaction. As such, Sino Richest, for the sake of protection of the interest of the Company, did not perform their part of capital injection. The Business Licence and Approval Certificate issued to the joint venture company on 10th June, 2002 by the Chongqing Government no longer had effect due to the absence of the capital injection.

Nevertheless, in the light of the market potentials of Chongqing by virtue of Chongqing's population amounting to 30 million and of southwestern part of China including those provinces of Sichuan, Guizhou, Yunnan and Guangxi, the Company has not given up the opportunity of development of gas pipeline business in Chongqing initially and is liaising with the local government officials in proceeding to make the application for setting up of a wholly-foreign enterprise or a sino-foreign joint venture enterprise to pursue the gas pipeline business in lieu of through a sino-foreign joint venture enterprise with the original China party, 重慶市煤焦化燃氣有限公司.

The Company will make further announcement where appropriate.

By order of the Board
Tsang Wai Lun
Chairman

Hong Kong, 27th February, 2003

* *For identification only*

"Please also refer to the published version of this announcement in The Standard"