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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)

ANNOUNCEMENT

The Board announces that an ICAC investigation, so far as it is aware, is initiated against Mr. Tsang Wai Lun, Wayland and Madam Kwok Wai Man, Nancy personally in connection with their involvement in a transaction entered into by the Company regarding a gas pipeline business in Chongqing in 2002 as announced by the Company on 4th June, 2002, 27th February, 2003 and 11th August, 2003.

The Board would like to clarify that, as far as it is aware, no charges have been laid against Mr. Tsang Wai Lun, Wayland and Madam Kwok Wai Man, Nancy and none of the Company, any subsidiaries or associated companies of the Company was the subject of investigation of ICAC. Despite the fact that Mr. Tsang Wai Lun, Wayland and Madam Kwok Wai Man, Nancy are being investigated by the ICAC, the Board is of the view that the daily operation of the Group will not be adversely affected and the Group continues to operate.

On 13th February, 2007, the Company has formed an independent committee comprising Mr. Lum Pak Sum and Dr. Wong Yun Kuen (being two of the Independent Non-executive Directors all of whom were not Directors at the time of the Transaction) to conduct a review of the Transaction of the Group in light of the ICAC incident. A further announcement will be made on the results of the findings of the independent committee as and when applicable.

The Company appointed Li, Tang, Chen & Co. on 16th March, 2007 to act as independent auditor to see whether there are any compliance shortcomings of the Transaction based on the available documents and to advise the Independent Committee accordingly, and further to review the internal control of the Group.

The Board would like to announce that Mr. Wong King Lam, Joseph and Mr. Au Kwok Chuen, Vincent have been appointed as executive directors of the Company on 16th March, 2007.

* *For identification purposes only*

The Board announces that the Independent Commission Against Corruption (“ICAC”) investigation, so far as it is aware, is initiated against Mr. Tsang Wai Lun, Wayland and Madam Kwok Wai Man, Nancy personally in connection with their involvement in a transaction entered into by the Company regarding a gas pipeline business in Chongqing in 2002 as announced by the Company on 4th June, 2002, 27th February, 2003 and 11th August, 2003 (the “Transaction”).

The Board would like to clarify that, as far as it is aware, no charges have been laid against Mr. Tsang Wai Lun, Wayland and Madam Kwok Wai Man, Nancy and none of the Company, any subsidiaries (the “Group”) or associated companies of the Company was the subject of investigation of ICAC. Despite the fact that Mr. Tsang Wai Lun, Wayland and Madam Kwok Wai Man, Nancy are being investigated by the ICAC, the Board is of the view that the daily operation of the Group will not be adversely affected and the Group continues to operate.

Confirmations have been obtained from Mr. Tsang Wai Lun, Wayland and Madam Kwok Wai Man, Nancy that the investigation was initiated against them in their own personal capacity; and no member of the Group or any of its properties is a subject of the investigation of ICAC.

Since the incident mentioned above, the Group’s business continues to be carried on in the ordinary course.

On 13th February, 2007, the Company formed an independent committee (“Independent Committee”) comprising Mr. Lum Pak Sum and Dr. Wong Yun Kuen (being two of the Independent Non-executive Directors all of whom were not Directors at the time of the Transaction) to conduct a review of the Transaction of the Group in light of the ICAC incident. Although the Company has been informed that the ICAC investigation is targeted at Mr. Tsang and Madam Kwok personally, the Board believes that it would be prudent to take such steps for sake of completeness and directors’ fiduciary duties to shareholders.

The Independent Committee is delegated with duties and powers as set out in the following terms of reference:

1. to review and inquire into the Transaction and material transactions entered into by the Company around the same time as the Transaction (the “Review”); and
2. to advise and make recommendation to the Group on the actions (if any) which shall be taken by the Group in light of the ICAC incident.

The Independent Committee has initially reviewed the contracts entered into by the Company in connection with the Transaction and also reviewed the ancillary announcements. No findings of wrongdoing or otherwise has yet been identified. The Independent Committee will continue to work closely with the independent auditor appointed to analyze and match the Transaction with the financials/accounts records of the Group. The Independent Committee has requested Mr. Tsang Wai Lun, Wayland and Madam Kwok Wai Man, Nancy to seek independent counsel's opinion on the ICAC investigation and to provide such opinions to the Board upon their issue.

The Company has appointed Li, Tang, Chen & Co. on 16th March, 2007 to act as independent auditor to see whether there are any compliance shortcomings of the Transaction based on the available documents and to advise the independent board committee accordingly and further to review the internal control of the Group.

The Board would like to announce that Mr. Wong King Lam, Joseph and Mr. Au Kwok Chuen, Vincent have been appointed as executive directors of the Company on 16th March, 2007. Mr. Wong King Lam, Joseph and Mr. Au Kwok Chuen, Vincent shall receive a monthly salary of HK\$50,000 and HK\$50,000 respectively.

Mr. Wong King Lam, Joseph, age 54, is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He has over 24 years' extensive experience in auditing, corporate and financial management with a number of companies in different business sectors which include an international accounting firm and a local listed company. He is also an independent non-executive director of Tungtex (Holdings) Company Limited, China Strategic Holdings Limited, Hanny Holdings Limited, Wing On Travel Holdings Limited and Honesty Treasure International Holdings Limited (formerly known as Pearl Oriental Enterprises Limited).

There is no service contract entered into between Mr. Wong King Lam, Joseph and the Company but an appointment letter has been signed by Mr. Wong King Lam, Joseph and the Company. He will hold office until the next general meeting of the Company and will be eligible for re-election at the meeting in accordance with the articles of association of the Company. He is entitled to a monthly director's fee of HK\$50,000 which is determined with reference to consideration factors such as salaries paid by comparable companies, estimated time commitment and responsibility of director.

The Board confirm that there are no other matters in relation to the appointment of Mr. Wong King Lam, Joseph that need to be brought to the attention of the shareholders of the Company and there is no information need to be disclosed pursuant to any of the requirement set out in Rule 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Mr. Au Kwok Chuen, Vincent, age 53, is a fellow member of the Hong Kong Institute of Marketing and the Hong Kong Institute of Human Resources Management. He has over 20 years' extensive experience in senior-level management at large multinational organisations and local listed companies for different industries in airlines and railway transportation, car parking management, sports & recreation, education, and information technology.

There is no service contract entered into between Mr. Au Kwok Chuen, Vincent and the Company but an appointment letter has been signed by Mr. Au Kwok Chuen, Vincent and the Company. He will hold office until the next general meeting of the Company and will be eligible for re-election at the meeting in accordance with the articles of association of the Company. He is entitled to a monthly director's fee of HK\$50,000 which is determined with reference to consideration factors such as salaries paid by comparable companies, estimated time commitment and responsibility of director.

The Board confirm that there are no other matters in relation to the appointment of Mr. Au Kwok Chuen, Vincent that need to be brought to the attention of the shareholders of the Company and there is no information need to be disclosed pursuant to any of the requirement set out in Rule 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By Order of the Board
Grand Field Group Holdings Limited
Wong King Lam, Joseph
Director

Hong Kong, 21st March, 2007

As at the date of this announcement, the Board of Directors of the Company comprises Mr Tsang Wai Lun, Wayland, Madam Kwok Wai Man, Nancy, Mr Siu King Nin, Peter, Mr. Huang Bing Huang, Mr. Wong King Lam, Joseph and Mr. Au Kwok Chuen, Vincent as executive directors and Mr Hui Pui Wai, Kimber, Mr Lum Pak Sum and Dr Wong Yun Kuen as independent non-executive directors.

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