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鈞豪集團有限公司*

GRAND FIELD GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 115)

DISCLOSEABLE AND CONNECTED TRANSACTIONS

The Board announced that during 30 April 2008 and 23 June 2008, the Fund Transfers were taken place between Yuan Cheng and Hua Ke. As the Fund Transfers were temporary arrangements between Yuan Cheng and Hua Ke, no written agreement has been entered into by relevant parties and no interest or charge is payable or has been paid by Yuan Cheng to Hua Ke or vice versa.

As Mr. Hui is a connected person of the Company, the Fund Transfers constituted connected transactions of the Company under Chapter 14A of the Listing Rules. The Fund Transfers also constituted discloseable transactions of the Company under Chapter 14 of the Listing Rules. However, no actual benefit has been gained by Mr. Hui, Hua Ke or any of their associates as a result of the Fund Transfers.

The Directors have not at relevant time considered whether the Fund Transfers constituted notifiable transactions under Chapter 14 or connected transactions under Chapter 14A of the Listing Rules. As such, relevant requirements under Chapter 14 and Chapter 14A of the Listing Rules on the Fund Transfers have been overlooked and have not been complied with by the Company.

Notwithstanding that, the Directors (including the independent non-executive Directors) consider that the terms of the Fund Transfers are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

* For identification purpose only

FUND TRANSFERS

The Board announced that during 30 April 2008 and 23 June 2008, the Fund Transfers were taken place between Yuan Cheng and Hua Ke. The Fund Transfers comprised transfers of RMB4,600,000, RMB2,500,000 and RMB26,000,000 from Yuan Cheng to Hua Ke on 30 April 2008, 4 June 2008 and 13 June 2008, respectively and subsequent returns of RMB4,600,000 and RMB2,500,000 from Hua Ke to Yuan Cheng on 10 June 2008 and 19 June 2008, respectively and RMB20,000,000 and RMB6,000,000 on 22 June 2008 and 23 June 2008, respectively. As the Fund Transfers were temporary arrangements between Yuan Cheng and Hua Ke, no written agreement has been entered into by relevant parties and no interest or charge is payable or has been paid by Yuan Cheng to Hua Ke or vice versa. The Fund Transfers were intended and agreed by the parties that they were temporary arrangements in the sense that Hua Ke would return the same amount to Yuan Cheng without payment of interest or other payment of any kind including late payment and default interest as and when demanded and that would be within a short period of time.

As Mr. Hui is a director (who was appointed on 28 April 2008) of each of Grand Field Group Holdings (BVI) Ltd, Grand Field Group Investments (BVI) Ltd, Grand Field Group Ltd and Kwan Cheung Holdings Ltd, all of which are subsidiaries of the Company and Hua Ke is beneficially owned as to approximately 77.78% by Mr. Hui, Mr. Hui is a connected person of the Company and the Fund Transfers constituted connected transactions of the Company under Chapter 14A of the Listing Rules. The Fund Transfers also constituted discloseable transactions of the Company under Chapter 14 of the Listing Rules. However, no actual benefit has been gained by Mr. Hui, Hua Ke or any of their associates as a result of the Fund Transfers.

So far as the Directors are aware, the Group has not entered into any prior transaction with Mr. Hui, Hua Ke or any of their respective associates within 12 months preceding 30 April 2008, being the date of commencement of the Fund Transfers.

INFORMATION ON THE GROUP AND HUA KE

The Group is principally engaged in the development and sale of properties in the PRC. Yuan Cheng is a wholly-owned subsidiary of the Company in the PRC and is principally engaged in provision of property-related management and consultancy services in the PRC.

Hua Ke is a limited liability company established in the PRC whose principal business is development, manufacturing and sales of metallic powder. Hua Ke is beneficially owned as to approximately 77.78% by Mr. Hui and 22.22% by Mr. Lim Xianghui, an Independent Third Party. In addition, each of Hua Ke, its equity owners including Mr. Hui and their respective associates is not and has not interested in any Share since 30 April 2008, being the date of commencement of the Fund Transfers.

APPLICATION OF THE PROVISIONS OF CHAPTER 14 AND 14A OF THE LISTING RULES

Given the total assets test and the consideration test in relation to the Fund Transfers were 8.49% and 6.00%, respectively, each of which is over 5% but less than 25%, accordingly, the Fund Transfers constituted discloseable transactions for the Company and the Company was required to send a circular to the Shareholders in accordance with Rule 14.38 of the Listing Rules.

Given that Hua Ke is a connected person of the Company and the Fund Transfers involved an amount of more than HK\$10,000,000, accordingly, the Fund Transfers constituted a connected transaction for the Company under Chapter 14A of the Listing Rules and should therefore be subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

REASONS FOR CARRYING OUT THE FUND TRANSFERS

The purpose of the Fund Transfers was to enable Yuan Cheng to continue in future with its conversion of working capital from foreign currency to Renminbi and represented adjustments made by the Company in light of tightened foreign exchange restrictions in the PRC.

In or about January 2008, the Company transferred HK\$50,000,000 into Yuan Cheng's foreign currency bank account in PRC. Yuan Cheng had to convert the fund into Renminbi as soon as possible because Renminbi was appreciating at that time, and any delay would cause loss in foreign exchange. However, the conversion from Hong Kong dollars to Renminbi was heavily guarded and subject to a weekly limit of US\$200,000 under the foreign exchange control regime in the PRC, where the purpose of foreign exchange was to provide working capital. In addition, to prevent the influx of hot money for speculation purpose, any amount converted could not simply be kept in the bank and must be utilized. On or about 11 April 2008, Yuan Cheng's banker tightened its foreign exchange policy, and Yuan Cheng was no longer be able to make further conversion, when about HK\$34,000,000 remained unconverted. However, Yuan Cheng, as a legitimate business in need of Renminbi, had to resolve the problem. Yuan Cheng thus carried out the Fund Transfers with Hua Ke after obtaining a bank loan of RMB27,000,000 by pledging a sum of HK\$34,000,000 as security. Such arrangement avoided the situation that Yuan Cheng had Renminbi remaining idle in the bank account.

At relevant time, the Directors considered the Fund Transfers to be short-term arrangements made solely for the purpose of facilitating the operations of Yuan Cheng, thus, they believed that the Fund Transfers were simply commercial arrangements of Yuan Cheng and no advice was sought on the Fund Transfers.

Consequently, despite the fact that the Fund Transfers involved the participation of Hua Ke and is regarded as a transaction for the Company, the Directors carried out the Fund Transfers solely on certain commercial thoughts including (a) no financial assistance in substance or consideration has been given to Hua Ke; and (b) only Yuan Cheng was benefited from the Fund Transfers.

In light of the above, the Directors have not at relevant time considered whether the Fund Transfers constituted notifiable transactions under Chapter 14 or connected transactions under Chapter 14A of the Listing Rules. As such, relevant requirements under Chapter 14 and Chapter 14A of the Listing Rules on the Fund Transfers have been overlooked and have not been complied with by the Company.

Notwithstanding that, the Directors (including the independent non-executive Directors) consider that the terms of the Fund Transfers are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

DEFINITIONS

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

“associate(s)”	having the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Grand Field Group Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange
“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“Fund Transfers”	the temporary arrangements between Yuan Cheng and Hua Ke taken place during 30 April 2008 and 23 June 2008. Under such arrangements, Yuan Cheng transferred an aggregate of RMB33,100,000 to Hua Ke and subsequently Hua Ke returned the same amount to Yuan Cheng
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hua Ke”	深圳華科納米技術開發有限公司 (Shenzhen Hua Ke Nano-Technology Development Company Limited), a limited liability company established under the laws of the PRC and is beneficially owned as to approximately 77.78% by Mr. Hui and 22.22% by Mr. Lim Xianghui, an Independent Third Party

“Independent Third Party”	the person who himself is, and (in the case of corporate entity) its ultimate beneficial owners are, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, third parties who are not connected persons of the Company and are independent of the Company and its subsidiaries, their directors, chief executives and substantial shareholders (as that term is defined in the Listing Rules) or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Hui”	Mr. Hui Zhihua, a director (who was appointed on 28 April 2008) of each of Grand Field Group Holdings (BVI) Ltd, Grand Field Group Investments (BVI) Ltd, Grand Field Group Ltd and Kwan Cheung Holdings Ltd, all of which are subsidiaries of the Company
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of the Shares
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America

“Yuan Cheng” 遠程置業(深圳)有限公司 (Yuan Cheng Real Estate (Shenzhen) Limited), a wholly foreign-owned enterprise established under the laws of the PRC and a wholly-owned subsidiary of the Company

“%” per cent.

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

Hong Kong, 10 October 2008

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Chu King Fai and Mr. Au Kwok Chuen, Vincent; one non-executive director, namely Mr. Zhao Juqun; and three independent non-executive Directors, namely Dr. Wong Yun Kuen, Mr. Yang Biao and Mr. Mok King Tong.