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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)

**CONNECTED TRANSACTION
IN RELATION TO
SUBSCRIPTION OF THE NEW CONVERTIBLE BOND;
AND
APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

THE SUBSCRIPTION

On 5 September 2022 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, the New Convertible Bond with a principal amount of up to HK\$96.5 million.

The outstanding principal amount of the Existing Bond and interest attributable to the Existing Bond accrued during the Standstill Period will be settled through the issue of the New Convertible Bond on the Completion Date, on a dollar-for-dollar basis.

* *For identification purpose only*

As the Subscriber is a substantial Shareholder, the Subscription constitutes a connected transaction of the Company and is subject to reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules. The Conversion Shares to be allotted and issued pursuant to the New Convertible Bond are proposed to be issued pursuant to a specific mandate to be granted by the Independent Shareholders by way of poll at the SGM. An application will be made to the Stock Exchange for the listing of and permission to deal in the Conversion Shares.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Red Sun Capital Limited has been appointed as the Independent Financial Adviser to make recommendation to the Independent Shareholders and the Independent Board Committee which comprises all independent non-executive Directors, namely Mr. Hui Pui Wai Kimber, Mr. Liu Chaodong and Mr. Tsui Matthew Mo Kan, as to whether the Subscription is fair and reasonable and to advise the Independent Shareholders on how to vote on the proposed resolutions in respect thereof at the SGM, and such appointment has been approved by the Independent Board Committee.

GENERAL

A circular containing, among other things, (i) details of the Subscription and the New Convertible Bond; (ii) recommendations from the Independent Board Committee in respect of the Subscription; (iii) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscription; and (iv) the notice of the SGM, is expected to be despatched to the Shareholders on or around 5 October 2022, taking into account of the time required for the preparation of the abovementioned information. Only Shareholders whose names appear in the register of members of the Company on the Record Date are entitled to attend and vote at the SGM.

Shareholders and potential investors should note that the completion of the Subscription Agreement is conditional upon satisfaction or waiver (as the case may be) of the conditions as set out in this announcement and therefore, the Subscription may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Reference is made to the announcement of the Company dated 12 August 2022 in relation to the Standstill Agreement and Offset Arrangement in relation to the Existing Bond. As a result of the Standstill Agreement and Offset Arrangement, among other things, the maturity date of the Existing Bond has been extended to 30 November 2022 and the outstanding principal amount of the Existing Bond was reduced to HK\$94,985,654.09.

THE SUBSCRIPTION

On 5 September 2022 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreement with the Subscriber pursuant to which the Company conditionally agreed to issue, and the Subscriber conditionally agreed to subscribe for, the New Convertible Bond.

The principal terms of the Subscription Agreement are set out below.

Subscription Agreement

Date: 5 September 2022

Parties: The Company, as issuer
Ms. Tsang, as subscriber

As at the date of this announcement, the Subscriber and her controlled corporation namely, Rhenfield, together holds 70,841,353 Shares in aggregate, representing approximately 28.9% of the existing number of issued Shares. Accordingly, the Subscriber is a substantial shareholder of the Company and a connected person of the Company under the Listing Rules.

Subject

The Company has conditionally agreed to issue and the Subscriber conditionally agreed to subscribe for the New Convertible Bond at the subscription price of up to HK\$96.5 million (but no less than HK\$95.5 million) which will be fully used for the settlement the outstanding principal amount of the Existing Bond as at the Completion Date and the interest attributable to the Existing Bond.

Conditions precedent

Completion of the Subscription Agreement is conditional upon:–

- (a) the written confirmation letter provided by the Company to the Subscriber, confirming the representations, warranties and undertakings given by the Company in the Subscription Agreement remaining true, correct and not misleading in all material respects as at the Completion Date;
- (b) the certified true copy or original of the executed New Convertible Bond instrument, the certified true copies of the certificate of the New Convertible Bond and the updated register of bondholders and other relevant documents were delivered to the Subscriber by the Company;
- (c) the Listing Committee granting or agreeing to grant the listing of, and permission to deal in, the Shares arising from the implementation of the Conversion Shares to be issued pursuant to the New Convertible Bond and such grant remaining in full force and effect;
- (d) all necessary consents, approvals (or waivers), authorisations, permissions or exemptions from any third parties, including but not limited to government or regulatory authorities, having been obtained by the Company in connection with the Subscription and the issue of the New Convertible Bond and the Conversion Shares and such consents, approvals (or waivers), authorisation, permissions or exemptions remaining in full force and effect;
- (e) the compliance by the Company with all legal and other regulations under the Listing Rules and the laws of Bermuda applicable to the transactions contemplated under the Subscription Agreement; and
- (f) the passing of the requisite respective resolutions by the Board and the Shareholders at the SGM (other than those persons who are precluded from voting under the Listing Rules) approving, inter alia, the transactions contemplated under the Subscription Agreement (including but not limited to the issue of the New Convertible Bond and the allotment and issue of Conversion Shares upon exercise of the Conversion Rights).

All conditions above are non-waivable except that conditions (b) and (c) above are waivable at the discretion of the Subscriber.

In the event that the conditions of the Subscription are not fulfilled or waived (as the case may be) by 30 November 2022 at 3:00 p.m. or such other time and date as may be agreed between the parties to the Subscription Agreement, the Subscription Agreement shall cease and determine and neither the Company nor the Subscriber shall have any claim against the other save for any antecedent breaches of the terms thereof.

Completion

Completion of the Subscription Agreement shall take place on the Completion Date (or such other date as may be agreed between the respective parties).

PRINCIPAL TERMS OF THE NEW CONVERTIBLE BOND

Principal amount equivalent to the aggregate outstanding amount (including the principal amount and any outstanding accrued interest up to the Completion Date) owing by the Company to the Subscriber under the Existing Bond, which is expected to be not more than HK\$96,500,000

Maturity 18 month from the date of issue of the New Convertible Bond

Interest rate 6% per annum on the principal amount from time to time outstanding, and, unless previously redeemed, repaid or converted into Shares, payable on every six calendar months. In case of delay in paying the principal or interest, the default interest rate will be 10% per annum.

Denomination for conversion With a minimum aggregate amount of HK\$1,000,000 and authorized denominations(s) integral multiples thereof save that if at any time the aggregate outstanding principal amount held by a holder of the New Convertible Bond is less than HK\$1,000,000, the whole (but not part only) of such aggregate outstanding principal amount may be converted

Conversion Rights

A holder of the New Convertible Bond shall have the right to convert the whole or in part (in an integral multiple of HK\$1,000,000) of the New Convertible Bond into Conversion Shares at the Conversion Price (subject to adjustments) on any Business Day from the date of issue of the New Convertible Bond and up to the maturity date of the New Convertible Bond, subject to the restrictions on the exercise of the Conversion Rights as set out below.

Conversion Price

Initially, HK\$0.38 per Share, subject to adjustments.

The Conversion Price shall be adjusted as provided in the New Convertible Bond instrument in each of the following cases:

- (i) an alteration of the number of the Shares by reason of any consolidation or subdivision;
- (ii) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);
- (iii) a capital distribution (as defined in the New Convertible Bond instrument) being made by the Company, whether on a reduction of capital or otherwise, to holders of the Shares in their capacity as such;
- (iv) an offer or grant being made by the Company to holders of Shares by way of rights or of options or warrants to subscribe for new Shares;
- (v) an issue being made by the Company of securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares, and the total effective consideration per Share (as defined in the New Convertible Bond instrument) initially receivable for such securities is less than 80% of the market price;

(vi) an issue being made by the Company of Shares at a price which is less than 80% of the market price; and

(vii) an issue being made by the Company of Shares for the acquisition of asset at a total effective consideration per Share (as defined in the New Convertible Bond instrument) less than 80% of the market price.

Transferability

Freely transferrable, in whole or any part of the outstanding principal amount, to any person, subject to the terms of the New Convertible Bond (as the case may be), the Listing Rules and all applicable laws and regulations

Listing

No application will be made for the listing of the New Convertible Bond on the Stock Exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be issued upon the exercise of the Conversion Rights.

Ranking

The Conversion Shares to be issued upon the exercise of the Conversion Rights will be credited as fully paid and will rank pari passu in all respects among themselves and with other existing Shares outstanding at the date of issue of the Conversion Shares and be entitled to all dividends and other distributions the record date for which falls on a date on or after the date of their issue.

Voting

A holder of the New Convertible Bond will not be entitled to receive notices of, attend or vote at any Shareholders' meetings of the Company by reason only of it being a holder of the New Convertible Bond.

**Redemption and
repurchase**

The Company shall redeem at 100% of the outstanding principal amount of the New Convertible Bond (as the case may be) on the maturity date.

The Company shall have the right to redeem the whole or any part(s) of the principal amount of the New Convertible Bond, with an aggregate amount of HK\$1,000,000 and authorised denominations(s) integral multiples thereof (if at any time the aggregate outstanding principal amount held by a holder of the New Convertible Bond is less than HK\$1,000,000, the whole (but not part only) of such aggregate outstanding principal amount may be redeemed), at any time on any business day prior to the maturity date by giving prior notice of not less than thirty (30) days in writing to the holder of the New Convertible Bond. The New Convertible Bond(s) or any part thereof so redeemed shall forthwith be cancelled by the Company.

Status

The obligations of the Company arising under the New Convertible Bond constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank pari passu with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable laws.

Restriction on the exercise of the Conversion Rights

The holder(s) of the New Convertible Bond agree and undertake to the Company that it shall not exercise any of the Conversion Rights if (i) the holder(s) of the New Convertible Bond and parties acting in concert with it/them will directly or indirectly control or be interested in such percentage of voting rights of the Company which the holder(s) would be obliged to make a general offer under the Takeovers Code unless (a) a whitewash waiver is obtained in accordance with the requirement of the Takeovers Code; or (b) a general offer is made in accordance with the requirement of the Takeovers Code; (ii) the Company will be unable to meet the public float requirements under the Listing Rules; or (iii) the holder(s) or the Company will as a result of the issue of the relevant Conversion Shares be in breach of the Listing Rules, the Takeovers Code or applicable laws or regulations.

Assuming full conversion of the maximum principal amount of the New Convertible Bond of HK\$96.5 million at the initial Conversion Price, a total of maximum 253,947,368 Shares with aggregate nominal value of HK\$0.01 will be issued, representing approximately 103.7% of the total existing issued share capital of the Company and approximately 50.9% of the Company's total issued share capital as enlarged by the issue of the Conversion Shares.

Investors shall note that the conversion of the New Convertible Bond is subject to the conversion restrictions under the New Convertible Bond as set out above.

Conversion Price

The initial Conversion Price, being HK\$0.38 per Share, represents:

- (i) a premium of approximately 15.2% over the closing price of HK\$0.33 per Share (based on the closing price as quoted on the Stock Exchange on the Last Trading Day);
- (ii) a premium of approximately 15.2% over the average closing price of HK\$0.33 per Share (based on the average closing price as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day); and
- (iii) a premium of approximately 15.2% to the average closing price of HK\$0.33 per Share (based on the average closing price as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day).

The Conversion Price was arrived at after arm's length negotiation between the Company and the Subscriber after taking into account the prevailing market price of the Shares, the recent operational and financial performance of the Group, the latest development of the property development industry in the PRC and the performance of the bond market.

Nevertheless, the net assets per Share has not been taken into account in determining the initial Conversion Price given: (i) the Shares had been consistently traded at a substantial discount to the consolidated net assets attributable to owners of the Company per Share over the past two years immediately preceding the date of the Subscription Agreement; (ii) it is not uncommon for the shares of property development companies to trade at a considerable discount to their respective net assets value per share; (iii) significant portion of assets of the Group as at 31 December 2021 and 30 June 2022 were investment properties which was illiquid in nature; and (iv) as stated in the annual report of the Company for the year ended 31 December 2021 (the “**2021 Annual Report**”) the property market in the PRC was going downtrend and the confidence of the market was damaged due to the debt problems on some individual market leaders of this market.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

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

As stated in the 2021 Annual Report, during the year of 2021, the global economy was continuously affected due to the outbreak of COVID-19 causing the lowering of the investment desire and the intention to consume in the community as a whole. Apart from that, the property market in the PRC was going downtrend and the confidence of the market was damaged due to the debt problems on some individual market leaders of this market.

According to the 2021 Annual Report, the Group recorded revenue of approximately HK\$543.3 million for the year ended 31 December 2021 (as compared to approximately HK\$1,141.2 million for the year ended 31 December 2020) and net loss of approximately HK\$377.9 million (as compared to net profit of approximately HK\$91.5 million for the year ended 31 December 2020). As stated in the 2021 Annual Report, the downturn was mainly due to reduction in revenue caused by decrease in trading volume of properties in Shenzhen, the PRC, increase in fair value loss on investment properties and impairment loss on properties for sale under development in the PRC.

Furthermore, according to the interim results announcement of the Group for the six months ended 30 June 2022 (the “**2022 Interim Results Announcement**”), the Group recorded revenue of approximately HK\$176.6 million for the six months ended 30 June 2022 (as compared to approximately HK\$255.1 million for the six months ended 30 June 2021) and net loss of approximately HK\$477.2 million (as compared to net profit of approximately HK\$22.0 million for the six months ended 30 June 2021). During the six months ended 30 June 2022, the Group has recorded fair value loss on investment properties of approximately HK\$453.8 million.

In the meantime, the gearing ratio of the Group (which was defined to be total interest-bearing borrowings over shareholders’ equity) has increased from approximately 55% as at 31 December 2020 to approximately 65% as at 31 December 2021, and further increased to approximately 97% as stated in the 2021 Annual Report and 2022 Interim Results Announcement.

On the other hand, as stated in the 2021 Annual Report, most of the residential part of Group’s Project in Shenzhen (“**Shenzhen Project**”) has been sold out. The serviced apartments have been started to be put for sale and the shopping centre and offices have been placed in offer and the reaction of the market is positive. Notwithstanding the aforesaid, based on the development and selling progress of the project, the expected tax and construction fees to be paid and loan repayment, it is currently expected that no significant net cash inflow would be generated from the Shenzhen Project in the coming twelve months.

Having considered, among other things, the recent financial performance and financial position of the Group, the prevailing market prices and trading volume of the Shares, the recent market sentiment and recent development of the PRC property development industry, it may not be favourable to the Company to conduct a fund raising exercise of substantial amount by way of issuing new Shares to independent third party(ies) or to existing Shareholders on a pro rata basis (e.g. rights issue and open offer) where considerable discount to the market prices of the Shares would be required. The Company has enquired certain brokerage houses for possible fund-raising exercises to finance the repayment of the Existing Bond while no favourable response had been received. The Company has decided to negotiate with the Subscriber on the proposed settlement plan of the Existing Bond. As a result of the negotiations, the Company and the Subscriber agreed to settle the amount to be due under the Existing Bond principally through the entering into the Subscription Agreement.

The outstanding principal amount of the Existing Bond on the Completion Date will be principally settled through the issuance of the New Convertible Bond on the Completion Date. Accordingly, no immediate cash outflow will be incurred in the settlement of the principal amount of the Existing Bond.

After taking into account that: (i) the full settlement of the outstanding principal amount of the Existing Bond will not exert immediate cash outflow burden on the Group; (ii) the New Convertible Bond bears the interest rate of 6% per annum which is still below the range of interest rates of the secured borrowings of the Group; (iii) the Subscription will secure the continuing financial support from the Subscriber to the Group's business development and operation; and (iv) upon conversion of the New Convertible Bond, the financial position of the Group would be improved, the executive Directors consider that the issue of the New Convertible Bond is an appropriate debt repayment plan for the Company.

In view of the above, the Board (excluding the independent non-executive Directors whose views will be included in the Circular and excluding Mr. Kwok Siu Bun and Ms. Kwok Siu Wa Alison who had abstained from voting at the Board resolutions approving the Subscription Agreement and the transactions contemplated thereunder) considers that the terms of the Subscription Agreement are on normal commercial terms and fair and reasonable, and the transactions contemplated under the Subscription Agreement are in the interests of the Group and the Shareholders as a whole.

SHAREHOLDING STRUCTURE OF THE COMPANY

Save as the Existing Bond, as at the date of this announcement, there are no other outstanding options, warrants, derivatives, or other securities which carry rights to subscribe for or be converted into Shares.

The table below illustrates the shareholding structures of the Company as at the date of this announcement and full conversion of (i) the minimum principal amount of the New Convertible Bond of HK\$95,500,000 and (ii) the maximum principal amount of the New Convertible Bond of HK\$96,500,000 at the initial Conversion Price only (assuming there is no other change in the issued share capital and shareholding structure of the Company from the date of this announcement and up to the occurrence of the relevant events mentioned below):

	As at the date of this announcement		Assuming full conversion of the maximum principal amount of the New Convertible Bond (being HK\$96,500,000)				Assuming full conversion of the minimum principal amount of the New Convertible Bond (being HK\$95,500,000)			
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %		
			(Note 3)		(Note 3)					
Rhenfield (Note 1)	70,366,823	28.73	70,366,823	14.10	70,366,823	14.18				
Ms. Tsang (Note 2)	474,530	0.19	254,421,898	51.00	251,790,319	50.74				
Mr. Tsang (Note 2)	76,950	0.03	76,950	0.01	76,950	0.01				
Ms. Kwok Wai Man Nancy (Note 2)	1,343,550	0.55	1,343,550	0.27	1,343,550	0.27				
Sub-total	72,261,853	29.50	326,209,221	65.38	323,577,642	65.20				
Directors:										
Mr. Kwok Siu Bun	150,000	0.06	150,000	0.03	150,000	0.03				
Ms. Chow Kwai Wa Charmaine	195,000	0.08	195,000	0.04	195,000	0.04				
Ms. Kwok Siu Wa Alison	300,000	0.12	300,000	0.06	300,000	0.06				
Public Shareholders	172,048,560	70.24	172,048,560	34.49	172,048,560	34.67				
Total	244,955,413	100.00	498,902,781	100.00	496,271,202	100.00				

Notes:

1. Rhenfield is owned as to 50% by Mr. Tsang Yee and 50% by Ms. Tsang, who are deemed to be interested in 70,366,823 Shares as at the date of this announcement pursuant to the Part XV of the SFO.
2. Mr. Tsang and Ms. Kwok Wai Man Nancy are parents of Mr. Tsang Yee and Ms. Tsang.
3. Pursuant to the terms of the New Convertible Bond, the Subscriber has agreed and undertaken to the Company that it shall not exercise any of the Conversion Rights unless the relevant applicable requirements under the Takeovers Code had been or will be duly complied with or the Company will be unable to meet the public float requirements under the Listing Rules. Accordingly, such scenario above is shown for illustrative purpose only.

FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

The Company has not conducted any fund-raising activities in the 12 months prior to the date of this announcement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Subscriber and her close associates in aggregate holds 70,841,353 Shares, representing approximately 28.9% of the existing number of issued Shares. The Subscriber is therefore a connected person of the Company and the Subscription constitutes a connected transaction of the Company and is subject to reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

The Conversion Shares to be allotted and issued pursuant to the New Convertible Bond are proposed to be issued pursuant to a specific mandate to be granted by the Independent Shareholders by way of poll at the SGM.

An application will be made to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares. Upon completion of the Subscription Agreement, an announcement regarding the principal amount of the New Convertible Bond and the number of Conversion Shares (based on the initial Conversion Price) issuable thereunder will be made by the Company.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Red Sun Capital Limited has been appointed as the Independent Financial Adviser to make recommendation to the Independent Shareholders and the Independent Board Committee which comprises all independent non-executive Directors, namely Mr. Hui Pui Wai Kimber, Mr. Liu Chaodong and Mr. Tsui Matthew Mo Kan, as to whether the Subscription is fair and reasonable and to advise the Independent Shareholders on how to vote on the proposed resolutions in respect thereof at the SGM, and such appointment has been approved by the Independent Board Committee.

GENERAL

The SGM will be convened by the Company at which resolutions will be proposed to seek approval of the Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder (including but not limited to the issue of the New Convertible Bond and the issue and allotment of the Conversion Shares upon exercise of the Conversion Rights).

The Circular containing, among other things, (i) details of the Subscription and the New Convertible Bond; (ii) recommendations from the Independent Board Committee in respect of the Subscription; (iii) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscription; and (iv) the notice of the SGM, is expected to be despatched to the Shareholders on or around 5 October 2022, taking into account of the time required for the preparation of the abovementioned information.

Only Shareholders whose names appear in the register of members of the Company on the Record Date are entitled to attend and vote at the SGM. In order to qualify for the entitlement to attend and vote at the SGM, unregistered holders of Shares will ensure that all transfer documents and relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 pm on Thursday, 20 October 2022.

Shareholders and potential investors should note that the completion of the Subscription Agreement is conditional upon satisfaction of the respective conditions as set out in this announcement and therefore, the Subscription may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of the Directors
“Business Day”	a day (excluding Saturday, Sunday, any public holiday and any day on which a tropical cyclone warning no.8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business
“Circular”	the circular to be dispatched by the Company to the Independent Shareholders in relation to, among other things, the Subscription
“Company”	Grand Field Group Holdings Limited, a company incorporated in Bermuda with limited liability whose issued Shares are listed on the Stock Exchange
“Completion Date”	being the third Business Day after the fulfill or waiver (as the case may be) of all of the conditions precedent under the Subscription Agreement, or such other date as may be agreed between the parties to the Subscription Agreement in writing

“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Conversion Price”	the initial conversion price of HK\$0.38 per Share (subject to adjustment as set out in the New Convertible Bond, from time to time, if any)
“Conversion Right(s)”	the right(s) attaching to the New Convertible Bond to convert in whole or in part (in an integral multiple of HK\$1,000,000) the respective outstanding principal amounts into the Conversion Share(s)
“Conversion Share(s)”	the Share(s) to be issued by the Company as a result of the exercise of the Conversion Rights attaching to the New Convertible Bond
“Director(s)”	the director(s) of the Company
“Existing Bond”	5% convertible bond due on 22 August 2022 issued by the Company to the Subscriber which Conversion Rights attached thereto were extinguished on 22 August 2022, the outstanding principal amount of which is HK\$94,985,654.09 as at the date of this announcement
“Group”	the Company and its subsidiaries
“HK” or “Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Hui Pui Wai Kimber, Mr. Liu Chaodong and Mr. Tsui Matthew Mo Kan, established for the purpose of advising the Independent Shareholders in relation to the Subscription

“Independent Financial Adviser”	Red Sun Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Subscription
“Independent Shareholders”	Shareholders other than the Subscriber and her associates, and those who are interested in the Subscription
“Last Trading Day”	2 September 2022, being the last full trading day prior to the publication of this announcement
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Tsang”	Mr. Tsang Wai Lun, Wayland, father of Ms. Tsang and Mr. Tsang Yee
“New Convertible Bond”	the 6% convertible bond to be subscribed by the Subscriber under the Subscription Agreement
“Offset Arrangement”	the offset of certain net amount receivable from the Subscriber against the outstanding principal amount of the Existing Bond pursuant to the offset agreement dated 12 August 2022 entered into between the Company and the Subscriber, and details of which are set out in the announcement of the Company dated 12 August 2022
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan

“Record Date”	being 20 October 2022 or such another date to be set out in the Circular, for the purpose of ascertaining Shareholders’ eligibility to attend and vote at the SGM
“Rhenfield”	Rhenfield Development Corp., a substantial Shareholder and owned as to 50% by Ms. Tsang and 50% by Mr. Tsang Yee
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Subscription Agreement and the transactions contemplated thereunder
“Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Standstill Period”	the period commencing from 22 August 2022 and expiring on the earlier of (i) 30 November 2022; and (ii) the Completion Date
“Standstill Agreement”	the standstill agreement dated 12 August 2022 entered into between the Company and the Subscriber to extend the time of repayment of all amounts outstanding under the Existing Bond to 30 November 2022, and details of which are set out in the announcement of the Company dated 12 August 2022
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the New Convertible Bond by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 5 September 2022 entered into between the Company and the Subscriber pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, the New Convertible Bond

“Subscriber” or
“Ms. Tsang” Ms. Tsang Tsz Nok, Aleen, a substantial Shareholder

“Takeovers Code” the Hong Kong Code on Takeovers and Mergers

“%” per cent.

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

Hong Kong, 5 September 2022

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 Charmaine and Ms. Kwok Siu Wa Alison; and three independent non-executive Directors, namely Mr. Hui Pui Wai Kimber, Mr. Liu Chaodong and Mr. Tsui Matthew Mo Kan.