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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)

**POSITIVE PROFIT ALERT –
SUBSTANTIAL REDUCTION IN LOSS**

Grand Field Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) makes this announcement pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2023 and the information currently available to the Board, the Group is expected to record a substantial reduction in loss attributable to owners of the Company and the loss attributable to owners of the Company is currently expected to be ranged from approximately HK\$30.0 million to HK\$70.0 million (the “**Profit Alert**”) as compared to the loss attributable to owners of the Company of approximately HK\$392.6 million for the year ended 31 December 2022, representing a significant reduction of approximately 82.2% to 92.4%. Such reduction in loss of the Group was mainly attributable to the following reasons:

- (i) the increase in revenue and gross profit of the Group from approximately HK\$139.3 million and HK\$19.0 million respectively for the year ended 31 December 2022 to approximately HK\$255.0 million to HK\$275.0 million and HK\$50.0 million to HK\$70.0 million respectively for the year ended 31 December 2023;
- (ii) the reduction in administrative expenses of the Group from approximately HK\$61.6 million for the year ended 31 December 2022 to approximately HK\$45.0 million to HK\$55.0 million for the year ended 31 December 2023;
- (iii) the recognition of one-off fair value gain on investment properties of the Group in a range of approximately HK\$20.0 million to HK\$60.0 million for the year ended 31 December 2023 as opposed to the one-off fair value loss on investment properties of the Group of approximately HK\$380.5 million for the year ended 31 December 2022;
- (iv) the absence of one-off impairment loss on properties for sale under development and goodwill of the Group for the year ended 31 December 2023 as compared to the one-off impairment loss of properties for sale under development and goodwill of the Group in the aggregate amount of approximately HK\$104.3 million and approximately HK\$36.8 million respectively recognised for the year ended 31 December 2022;
- (v) a significant reduction in provision in relation to litigation of the Group from approximately HK\$49.2 million for the year ended 31 December 2022 to approximately HK\$0.5 million to HK\$1.5 million for the year ended 31 December 2023; and

- (vi) the recognition of fair value loss on convertible bonds through profit or loss of approximately HK\$6.7 million for the year ended 31 December 2023 as compared to a fair value gain on convertible bonds through profit or loss of approximately HK\$3.8 million for the year ended 31 December 2022, which partially set-off against the above-mentioned effects.

The Company is in the process of finalising its consolidated results of the Group for the year ended 31 December 2023. The information contained in this announcement is only a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the year ended 31 December 2023 and the information currently available to the Board, which have not been audited or reviewed by the Company's auditor or the audit committee of the Company and are subject to adjustments. Shareholders and potential investors of the Company are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2023, which is expected to be released in March 2024.

Reference is made to the joint announcement (the "**Joint Announcement**") issued by the Company and Rhenfield Development Corp. (the "**Offeror**") dated 9 January 2024 in relation to, amongst other things, the pre-conditional voluntary cash partial offer (the "**Partial Offer**") to be made by the Offeror to acquire a maximum of 110,809,306 shares in the Company (the "**Shares**"), other than those Shares already owned by the Offeror and parties acting in concert with it (as defined in the Joint Announcement).

The Profit Alert included in this announcement constitutes a profit forecast under Rule 10 of The Code on Takeovers and Mergers of Hong Kong (the "**Takeovers Code**") and should therefore be reported on by the Company's financial advisers and auditors or accountants in accordance with Rule 10.4 of the Takeovers Code. In view of the requirements of timely disclosures of the inside information under Rule 13.09(2)(a) of the Listing Rules and pursuant to Part XIVA of the SFO, the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code.

Under Rule 10.4 and Practice Note 2 of the Takeovers Code, if a profit forecast is made during an offer period and is first published in an announcement, it must be repeated in full, together with the reports from the Company's financial advisers and auditors on the said profit forecast, in the next document to be sent to the Shareholders by the Company (the "**Shareholders' Document**"). The profit forecast in this announcement will be reported on in accordance with Rule 10.4 of the Takeovers Code as soon as reasonably practicable by the Company's financial adviser and its auditors and the relevant reports are proposed to be contained in the Composite Document (as defined in the Joint Announcement), being the next Shareholders' Document to be sent to the Shareholders by the Company. However, in case the annual results of the Company for the year ended December 31, 2023 which fall within the ambit of Rule 10.9 of the Takeovers Code, are published prior to the despatch of the Composite Document and the relevant results together with the notes to the financial statements are incorporated by reference in the Composite Document, the requirements to report on the financial statements under Rule 10.4 of the Takeovers Code will no longer apply.

WARNING: The profit forecast in this announcement does not meet the standard required by Rule 10 of the Takeovers Code and Shareholders and potential investors should exercise caution in placing reliance on the forecast in assessing the merits and demerits of the Partial Offer. Shareholders and potential investors of the Company should note that the Partial Offer is subject to the satisfaction of the Conditions (as defined in the Joint Announcement). Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. Persons who are in doubt about their positions, they should consult their professional advisers.

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

Hong Kong, 20 February 2024

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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

* *For identification purpose only*