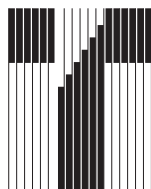


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TERN PROPERTIES COMPANY LIMITED

太興置業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 277)

UPDATE ON STATUS OF PUBLIC FLOAT

UPDATE ON STATUS OF PUBLIC FLOAT

Reference is made to the announcements of Tern Properties Company Limited dated, among others, 30 September 2016 and 4 October 2018 (the “**Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcements.

The Company wishes to provide its shareholders and potential investors an update on the status of public float of the Company.

CURRENT SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the public float of the Company remains approximately 23.44%, which is below the Minimum Prescribed Percentage of 25.00% as required under Rule 8.08 of the Listing Rules.

To the best knowledge of the Directors based on the available information, the shareholding structure of the Company as at the date of this announcement, is as follows:

Shareholders of the Company	Number of shares of the Company held	Approximate percentage of the total issued shares of the Company (%)
Mr. CHAN Hoi Sow ^{Note 1}	173,772,896	56.46
Mr. CHAN Yan Tin, Andrew ^{Note 2}	792,000	0.26
Grand Fort Investments Limited ^{Note 3}	61,051,277	19.84
Public shareholders of the Company	72,142,349	23.44
		<hr/>
		100.00

Notes:

1. Please refer to pages 28 to 29 of the 2019 interim report of the Company dated 15 November 2018 for details on the capacity in which 173,772,896 shares of the Company (the “**Shares**”) are held by Mr. CHAN Hoi Sow.
2. The 792,000 Shares are held by Mr. Chan Yan Tin, Andrew, a Director, in the capacity as beneficial owner.
3. As disclosed in the Disclosure of Interests forms in respect of the Company filed by Grand Fort Investments Limited (“**Grand Fort**”), Mr. Chim Pui Chung (“**Mr. Chim**”) and Mr. Law Fei Shing (“**Mr. Law**”) on 1 September 2016, such forms indicate that each of Mr. Chim and Mr. Law respectively hold 50% of the issued share capital of Grand Fort, which in turn holds 61,051,277 Shares and that such Shares are held beneficially by Grand Fort.

To the best knowledge, information and belief of the Directors and according to the latest information available to the Company, (i) the Company is of the view that the shortfall in the Minimum Prescribed Percentage of 25.00% arose solely from an acquisition of 61,051,277 Shares by Grand Fort, who is a core connected person (as defined in the Listing Rules) of the Company only because it is a substantial shareholder of the Company; (ii) Grand Fort is not the controlling shareholder or single largest shareholder of the Company; and (iii) Grand Fort is independent of the Company, the Directors and any other substantial shareholder(s) of the Company and it has no and never had a representative on the Board and is not and has never been involved in the management of the Company and/or its subsidiaries. Further, although the public float of the Company is below the Minimum Prescribed Percentage of 25.00%, the Shares held by the public represent a market capitalisation of approximately HK\$300,545,000 based on the closing price of HK\$4.166 per Share as at the date of this announcement. The Company is of the view that there remains an open market of the Shares.

PROPOSALS TO RESTORE PUBLIC FLOAT

The Company will publish quarterly announcements to update its shareholders and potential investors. If there are any material development in relation to the Company’s public float issue, the Company will make additional announcements to update its shareholders and potential investors.

If the public float of the Company’s Shares falls below 15%, the Company will request that the Shares be suspended from trading.

Shareholders of the Company and investors are advised to exercise caution when dealing in the Shares.

By order of the Board
Chan Hoi Sow
Chairman

Hong Kong, 2 January 2019

As at the date of this announcement, the Board comprises seven Directors, of which three are Executive Directors, namely Mr. Chan Hoi Sow, Mr. Chan Yan Tin, Andrew and Ms. Chan Yan Wai, Emily, one is a Non-Executive Director, namely Ms. Chan Yan Mei, Mary-ellen and three are Independent Non-Executive Directors, namely Mr. Chan Kwok Wai, Mr. Tse Lai Han, Henry and Ms. Cheung Chong Wai, Janet.