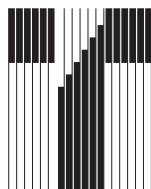


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TERN PROPERTIES COMPANY LIMITED

太興置業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 277)

STATUS OF PUBLIC FLOAT

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The board (the “**Board**”) of directors (the “**Directors**”) of Tern Properties Company Limited (the “**Company**”) wishes to announce that as at the date of this announcement, the public float of the Company is approximately 23.44%, which has fallen below the minimum prescribed percentage of 25.00% (the “**Minimum Prescribed Percentage**”) as required under Rule 8.08 of The Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

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
		100.00

Notes:

1. Please refer to page 24 of the 2016 annual report of the Company dated 16 June 2016 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.

The controlling shareholder of the Company, Mr. CHAN Hoi Sow (“**Mr. Chan**”), is currently interested in 173,772,896 Shares and a director of the Company, namely, Mr. CHAN Yan Tin, Andrew (the “**Relevant Director**”), is currently interested in 792,000 Shares, representing approximately 56.46% and 0.26%, respectively of the total issued Shares of the Company.

As far as the Company is aware and according to the Disclosure of Interests forms in respect of the Company filed by Grand Fort, Mr. Chim and Mr. Law on 1 September 2016, 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, representing approximately 19.84% of the total issued shares of the Company, and that such Shares are held beneficially by Grand Fort. By virtue of the shareholding interest of Grand Fort in the Company as a result of its acquisition of such 61,051,277 Shares, Grand Fort is a substantial shareholder (as defined in the Listing Rules) of the Company and therefore a connected person (as defined in the Listing Rules) of the Company and as such, the Shares held by it will not be counted towards the public float of the Company. The aggregate shareholding interest of Mr. Chan, the Relevant Director and Grand Fort is approximately 76.56%, and therefore only approximately 23.44% of the Shares are held by the public, which is below the Minimum Prescribed Percentage of 25.00%.

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\$339,069,040.30 based on the closing price of HK\$4.70 per Share as at the date of this announcement. The Company is of the view that there remains an open market of the Shares.

The Company is considering steps to restore the public float of the Company as and when appropriate in accordance with the Listing Rules. Further announcement will be made by the Company on the restoration of public float as and when appropriate.

If the minimum of 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, 30 September 2016

As at the date of this announcement, the Board comprises six Directors, of which two are Executive Directors, namely Mr. Chan Hoi Sow and Mr. Chan Yan Tin, Andrew, one is 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 Mr. Leung Kui King, Donald.