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GROUND PROPERTIES COMPANY LIMITED

廣澤地產有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 989)

**(1) COMPLETION OF VERY SUBSTANTIAL ACQUISITION
AND CONNECTED TRANSACTION
AND REVERSE TAKEOVER INVOLVING A NEW LISTING APPLICATION
AND
(2) INCREASE IN AUTHORISED SHARE CAPITAL AND CREATION OF
CONVERTIBLE PREFERENCE SHARES**

The Board is pleased to announce that completion of the Acquisition had taken place on 27 July 2016.

Reference is made to the circular (the “**Circular**”) of Ground Properties Company Limited (the “**Company**”) dated 30 June 2016 in relation to, among others, the Acquisition and the amendment of Bye-laws, and the announcement of the Company dated 25 July 2016 in relation to the results of the SGM held to approve, among others, the Acquisition and the amendment of Bye-laws. Unless the context requires otherwise, terms used in this announcement shall have the same meanings as those defined in the Circular.

COMPLETION OF THE ACQUISITION

The Board wishes to inform the Shareholders and potential investors of the Company that all the conditions precedent to the Acquisition have been satisfied, and completion of the Acquisition had taken place on 27 July 2016.

Pursuant to the terms of the Sale and Purchase Agreement, the Consideration, being HK\$4,650,000,000, is payable to the Vendor at Completion and is to be satisfied in the following manner:

- (i) as to HK\$500,000,000 by way of issue of the Convertible Bonds to the Vendor upon Completion;

- (ii) as to HK\$3,858,450,000 by way of allotment and issue of the Convertible Preference Shares at the price of HK\$0.85 per Convertible Preference Share to the Vendor upon Completion; and
- (iii) as to HK\$291,550,000 by way of allotment and issue of the Consideration Shares at the Issue Price (being HK\$0.85 per Consideration Share) to the Vendor upon Completion.

Accordingly, upon Completion, the Convertible Bonds were issued and 4,539,352,941 Convertible Preference Shares and 343,000,000 Consideration Shares were allotted and issued to the Vendor.

CHANGES IN SHAREHOLDING STRUCTURE

Upon Completion, the Company has two classes of shares in issue, being the Shares and the Convertible Preference Shares. The Conversion Shares fall to be allotted and issued upon the exercise of the conversion rights attached to the Convertible Bonds and the Convertible Preference Shares will be allotted and issued under the specific mandate granted to the Board at the SGM held on 25 July 2016.

The changes in the shareholding structure of the Company immediately prior to and immediately after the completion of the Acquisition (without taking into account of any Shares which may be issued upon the exercise of the conversion rights attached to the Convertible Bonds and the Convertible Preference Shares) are as follows:

	Immediately prior to the completion of the Acquisition		Immediately after the completion of the Acquisition	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Charm Success (<i>Note</i>)	558,020,694	65	558,020,694	46.45
Ka Yik (<i>Note</i>)	–	–	343,000,000	28.55
<i>Public Shareholders</i>				
Public Shareholders	<u>300,429,306</u>	<u>35</u>	<u>300,429,306</u>	<u>25</u>
	<u>858,450,000</u>	<u>100.00</u>	<u>1,201,450,000</u>	<u>100.00</u>

Note: Both Charm Success and Ka Yik are wholly and beneficially owned by Ms. Cui, the daughter of Ms. Chai who is an executive Director of the Company and the chairperson of the Board.

INCREASE IN AUTHORISED SHARE CAPITAL AND CREATION OF CONVERTIBLE PREFERENCE SHARES

Following the passing of the resolutions at the SGM held on 25 July 2016, the authorised share capital of the Company has been increased from HK\$780,000,000 divided into 15,600,000,000 Shares of HK\$0.05 each to HK\$1,006,967,647.05 divided into 15,600,000,000 Shares of HK\$0.05 each and 4,539,352,941 Convertible Preference Shares of HK\$0.05 each by the creation of 4,539,352,941 Convertible Preference Shares.

By order of the Board
Ground Properties Company Limited
Chai Xiu
Chairperson

Hong Kong, 27 July 2016

As at the date of this announcement, the executive Directors are Ms. Chai Xiu, Mr. Wang Guanghui and Mr. Huang Bingxing and the independent non-executive Directors are Mr. Chan Yuk Tong, Mr. Mei Jianping and Mr. Wei Lidong.