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GRAND MING GROUP HOLDINGS LIMITED

佳明集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1271)

MAJOR ACQUISITION

ACQUISITION OF LAND BY PUBLIC TENDER

On 31 May 2016, Dragon Mount has received the Acceptance Letter in relation to successful tender of the Land situated at Tsing Yi Town Lot No. 190, Sai Shan Road, Tsing Yi, New Territories, Hong Kong from the Hong Kong Government at a premium of HK\$938,880,000.

Based on the relevant percentage ratios calculations under the Listing Rules, the Acquisition constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Since no Shareholder is required to abstain from voting if a general meeting was convened to approve the Acquisition, a written shareholders' approval may be accepted in lieu of holding a general meeting pursuant to Chapter 14 of the Listing Rules. Chan HM Company Limited, being the controlling shareholder of the Company holding 395,307,000 Shares, representing approximately 67.39% of the total issued capital of the Company as at the date of this announcement, has given a written approval to the Acquisition. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Acquisition.

The circular containing further information in relation to the Acquisition is expected to be despatched to the Shareholders for information purpose on or before 22 June 2016.

INTRODUCTION

The Board is pleased to announce that on 31 May 2016, Dragon Mount has successfully tendered for the Land situated at Tsing Yi Town Lot No. 190, Sai Shan Road, Tsing Yi, New Territories, Hong Kong from the Hong Kong Government, on a 50-year land grant at a premium of HK\$938,880,000.

DETAILS OF THE TENDER AND THE ACQUISITION

Parties

- (1) The Government of Hong Kong, as the Vendor, an Independent Third Party; and
- (2) Dragon Mount, as the Tenderer of the Land, an indirect wholly-owned subsidiary of the Company

Information of the Land

Location	: Tsing Yi Town Lot No. 190, Sai Shan Road, Tsing Yi, New Territories, Hong Kong
Site area	: Approximately 6,200 sq.m.
Maximum permissible gross floor area	: Approximately 44,052 sq.m.
Permitted use	: Non-industrial (excluding godown, hotel, and petrol filling station) purposes

Premium and Payment Terms

The premium of the Land is HK\$938,880,000.

On 27 May 2016, Dragon Mount paid HK\$25,000,000 as the deposit for the tender (which has been applied as in part payment of the premium). The memorandum of agreement will be signed between the Vendor and the Tenderer within 14 days of the date of the Acceptance Letter. The balance of the premium will be payable within 28 days of the date of the Acceptance Letter, upon which completion of the Acquisition will take place.

The premium payable on completion of the Acquisition by Dragon Mount will be financed by the Group's internal resources and bank borrowings.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the business of building construction and leasing of data centre premises.

The Board considers that the Acquisition signifies the first property project undertaken by the Group and the first step to diversify the Group's business into the property development business by leveraging its expertise in building construction and property development knowledge. In addition the Directors believe that property development activity will bring the Group to an enhanced revenue generating portfolio.

The Directors consider that the Acquisition is in the interests of the Company and the Shareholders as a whole and the terms thereof are on normal commercial terms, which are fair and reasonable.

The total investment cost of this development project is estimated to be HK\$3.3 billion, yet no binding agreement had been signed as at the date of this announcement.

LISTING RULES IMPLICATION

Based on the relevant percentage ratios calculations under the Listing Rules, the Acquisition constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirement under Chapter 14 of the Listing Rules.

Since no Shareholder is required to abstain from voting if a general meeting was convened to approve the Acquisition, a written shareholders' approval may be accepted in lieu of holding a general meeting pursuant to Chapter 14 of the Listing Rules. Chan HM Company Limited, being the controlling shareholder of the Company holding 395,307,000 Shares, representing approximately 67.39% of the total issued capital of the Company as at the date of this announcement, has given a written approval to the Acquisition. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Acquisition.

The circular containing further information in relation to the Acquisition is expected to be dispatched to the Shareholders for information purpose on or before 22 June 2016.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Acceptance Letter”	the letter of the tender acceptance by the Vendor to the Tenderer dated 31 May 2016
“Acquisition”	the acquisition of the Land by the Tenderer through public tender
“Board”	the board of Directors
“Company”	Grand Ming Group Holdings Limited, a company incorporated in the Cayman Islands, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Dragon Mount”	Dragon Mount Development Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	third party independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Land”	Tsing Yi Town Lot No. 190, Sai Shan Road, Tsing Yi, New Territories, Hong Kong
“Shareholder(s)”	holder(s) of the Share(s)
“sq.m.”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenderer”	Dragon Mount
“Vendor”	the Government of Hong Kong
“%”	per cent

By Order of the Board
Grand Ming Group Holdings Limited

Chan Hung Ming
Chairman and Executive Director

Hong Kong, 31 May 2016

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Chan Hung Ming
Mr. Lau Chi Wah
Mr. Yuen Ying Wai
Mr. Kwan Wing Wo

Independent Non-Executive Directors:

Mr. Tsui Ka Wah
Mr. Kan Yau Wo
Mr. Mok Kwai Pui Bill
Mr. Lee Chung Yiu Johnny