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**G-PROP (HOLDINGS) LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 286)**

**CHAMPION DYNASTY LIMITED**

*(Incorporated in the British Virgin Islands with limited liability)*

## **JOINT ANNOUNCEMENT**

### **(1) COMPLETION OF THE SHARE PURCHASE AGREEMENT**

### **(2) CHANGE OF COMPANY SECRETARY AND AUTHORISED REPRESENTATIVE**

### **(3) CHANGE OF PRINCIPAL OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

### **(4) MANDATORY UNCONDITIONAL CASH OFFER BY QUAM SECURITIES COMPANY LIMITED**



**ON BEHALF OF  
CHAMPION DYNASTY LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
G-PROP (HOLDINGS) LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR  
AGREED TO BE ACQUIRED BY  
CHAMPION DYNASTY LIMITED AND  
PARTIES ACTING IN CONCERT WITH IT)**

**AND**

### **(5) PLACING AGREEMENT**

**Financial Adviser to Champion Dynasty Limited**



**Placing Agent**



### **Completion of the Share Purchase Agreement**

Reference is made to the Joint Announcement dated 5 July 2012. The Offeror and the Board are pleased to announce that all the conditions precedent to the Share Purchase Agreement have been fulfilled and Completion took place on 6 August 2012. As a result of the acquisition of the Sale Shares and upon Completion, the Offeror and parties acting in concert with it become interested in 1,512,059,473 Shares, representing approximately 62.26% of the issued share capital of the Company as at the date of this joint announcement.

### **Change of company secretary and authorised representative of the Company**

With effect upon Completion on 6 August 2012, Mr. Lam Kwong-wai has resigned as the company secretary of the Company, the authorised representative of the Company for accepting service of process and notices on its behalf under Part XI of the Companies Ordinance, Chapter 32 of the Laws of Hong Kong, the authorised representative of the Company for purpose of Rule 3.05 of the Listing Rules and the financial controller of the Group. Miss Wong Yuet Ying has been appointed as the company secretary and the authorised representative of the Company and the financial controller of the Group with effect upon Completion on 6 August 2012.

### **Change of principal office and principal place of business in Hong Kong**

The principal office and the principal place of business of the Company in Hong Kong will be changed to 40th Floor, Jardine House, 1 Connaught Place, Hong Kong with effect upon Completion on 6 August 2012.

### **Mandatory unconditional cash offer**

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional general offer in cash for all the issued Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it. The Offer Price is HK\$0.28019 per Share as announced in the Joint Announcement. Quam Securities will make such mandatory unconditional general offer in cash on behalf of the Offeror.

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror and the Board are required to post the Composite Document to the Shareholders within 21 days from the date of the Joint Announcement. The Executive has granted its consent to waive such requirement and to extend the deadline for the despatch of the Composite Document to 13 August 2012. The Composite Document containing, among other things, (i) the letter from Quam Capital containing details of the terms of the Offer; (ii) the letter of advice of the independent financial adviser to the Independent Board Committee in respect of the Offer; and (iii) the letter of advice of the Independent Board Committee to the Independent Shareholders in relation to the Offer, together with the form of acceptance and transfer in respect of the Offer, are expected to be despatched to the Shareholders on 13 August 2012. Further announcement will be made when the Composite Document together with the form of acceptance and transfer in respect of the Offer are despatched.

## **Placing Agreement**

On 6 August 2012, the Offeror, the Offeror Guarantor and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent agreed to procure, on a best effort basis, places to take up the Placing Shares at the Placing Price equal to the Offer Price with a view to restoring the minimum public float of the Company as required by the Listing Rules.

Completion of the Placing Agreement is conditional upon (i) the Completion of the Share Purchase Agreement; (ii) there being no changes, amendments, variations or modifications to the terms of the Share Purchase Agreement after the date of the Placing Agreement; (iii) the despatch to all holders of the Shares within the time limit as prescribed under the Takeovers Code after the Completion, or such later date as may be agreed by the SFC, of the Composite Document containing, inter alia, the terms of the Offer substantially upon those terms and conditions as set out in the Joint Announcement; (iv) the close of the Offer; (v) there being no changes, amendments, variations or modifications to the terms of the Offer after the date of the Placing Agreement; (vi) there being no changes, amendments, variations or modifications to the issued share capital of the Company after the date of the Placing Agreement; (vii) the Company not being able to meet the public float requirement at any time during the period of the Offer and immediately after the close of the Offer; and (viii) there not having occurred any events entitling the Placing Agent to terminate the placing obligations.

Reference is made to the announcement jointly issued by Champion Dynasty Limited and G-Prop (Holdings) Limited dated 5 July 2012 in relation to the conditional agreement relating to the sale and purchase of Shares in the Company. Terms used herein shall have the same meanings as defined in the Joint Announcement unless the context otherwise requires.

## **COMPLETION OF THE SHARE PURCHASE AGREEMENT**

The Offeror and the Board are pleased to announce that all the conditions precedent to the Share Purchase Agreement have been fulfilled and Completion took place on 6 August 2012. Prior to Completion, neither the Offeror nor any of the parties acting in concert with it had any interests in the share capital or voting rights of the Company. As a result of the acquisition of the Sale Shares and upon Completion, the Offeror and parties acting in concert with it become interested in 1,512,059,473 Shares, representing approximately 62.26% of the issued share capital of the Company as at the date of this joint announcement.

## SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is a table showing the shareholding structure of the Company (i) immediately before Completion, and (ii) immediately after Completion and as at the date of this joint announcement:

Name of Shareholders	Immediately before Completion		Immediately after Completion and as at the date of this joint announcement	
	Number of Shares held	% of Shares in issue	Number of Shares held	% of Shares in issue
The Offeror and its concert parties	–	–	1,512,059,473 (Note)	62.26
First Vendor	1,018,380,590	41.93	–	–
Second Vendor	493,678,883	20.33	–	–
Public	916,195,535	37.74	916,195,535	37.74
<b>Total</b>	<b><u>2,428,255,008</u></b>	<b><u>100.00</u></b>	<b><u>2,428,255,008</u></b>	<b><u>100.00</u></b>

*Note:* The Sale Shares were pledged by the Offeror to the First Vendor pursuant to a security agreement dated 6 August 2012 entered into between the Offeror and the First Vendor in connection with the Share Purchase Agreement.

## CHANGE OF COMPANY SECRETARY AND AUTHORISED REPRESENTATIVE OF THE COMPANY

The Board announces that Mr. Lam Kwong-wai (“**Mr. Lam**”) has resigned as the company secretary of the Company, the authorised representative of the Company for accepting service of process and notices on its behalf under Part XI of the Companies Ordinance, Chapter 32 of the Laws of Hong Kong, the authorised representative of the Company for purpose of Rule 3.05 of the Listing Rules and the financial controller of the Group with effect upon Completion on 6 August 2012.

Mr. Lam confirmed that there is no disagreement with the Board and there are no other matters relating to his resignation that need to be brought to the attention of the Shareholders and the Stock Exchange.

The Board is pleased to announce that Miss Wong Yuet Ying (“**Miss Wong**”) has been appointed as the company secretary of the Company, the authorised representative of the Company (for purpose of both the Companies Ordinance and Listing Rules as mentioned above) and the financial controller of the Group with effect upon Completion on 6 August 2012. Miss Wong is a member of the Hong Kong Institute of Certified Public Accountants and holds a bachelor’s degree in Commerce Accounting. Miss Wong has over 20 years of experience in auditing, finance, accounting and company secretarial work at various industries including several listed companies in Hong Kong and Singapore.

The Board would like to take this opportunity to express its appreciation for the valuable contribution of Mr. Lam to the Company during his tenure and also extends its welcome to Miss Wong on her new appointment.

## **CHANGE OF PRINCIPAL OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

The Board also announces that the principal office and the principal place of business of the Company in Hong Kong will be changed to 40th Floor, Jardine House, 1 Connaught Place, Hong Kong with effect upon Completion on 6 August 2012.

## **MANDATORY UNCONDITIONAL CASH OFFER**

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional general offer in cash for all the issued Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it. The Offer Price is HK\$0.28019 per Share subject to the Offer as announced in the Joint Announcement. Quam Securities will make such mandatory unconditional general offer in cash on behalf of the Offeror.

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror and the Board are required to post the composite offer and response document (the “**Composite Document**”) to the Shareholders within 21 days from the date of the Joint Announcement. An application has been made for the consent of the Executive to waive such requirement and to extend the deadline for the despatch of the Composite Document to 13 August 2012. The Executive has granted the consent for such extension on 24 July 2012. The Composite Document containing, among other things, (i) the letter from Quam Capital containing details of the terms of the Offer; (ii) the letter of advice of the independent financial adviser to the Independent Board Committee in respect of the Offer; and (iii) the letter of advice of the Independent Board Committee to the Independent Shareholders in relation to the Offer, together with the form of acceptance and transfer in respect of the Offer, are expected to be despatched to the Shareholders on 13 August 2012. Further announcement will be made when the Composite Document together with the form of acceptance and transfer in respect of the Offer are despatched.

## THE PLACING AGREEMENT

Champion Dynasty Limited (the “**Offeror**”), Mr. Cheung Wai Kuen (the “**Offeror Guarantor**”) and Quam Securities Company Limited (the “**Placing Agent**”) entered into an agreement (the “**Placing Agreement**”) dated 6 August 2012 to effect the best effort placing on terms set out below (the “**Placing**”):

- Acquisition of the Shares which are subject to the Offer : The Offeror irrevocably and unconditionally appoints any director of the Placing Agent to be its true and lawful attorney to acquire the Shares which have been tendered for acceptance by the Shareholders under the Offer in accordance with the terms of the Placing Agreement
- Appointment of the Placing Agent : The Offeror appoints the Placing Agent to the exclusion of all others and the Placing Agent, relying on the representations, warranties and undertakings contained in the Placing Agreement, agrees to act as agent for the Offeror to procure placees to subscribe for the Placing Share on a best effort basis
- Number of Placing Shares : Up to 25% of the issued share capital of the Company
- Placing Price : HK\$0.28019 per Placing Share, being the Offer Price
- Rights to the Placing Shares : The Placing Shares will be sold free of all liens, charges and encumbrances, and together with all rights attaching thereto as at the date of completion of the Placing, including the right to receive all dividends declared, made or paid the record date for which falls on a date on or after the date of completion of the Placing
- Placees : The choice of placees shall be procured and determined solely by the Placing Agent and, subject to the requirements of the Listing Rules, the Placing Agent shall not, as far as it is aware, place any of the Placing Shares to any “connected person” (as defined in the Listing Rules) of the Company or concert parties of the Offeror

The Placing Agent has undertaken to use its reasonable endeavours to obtain prior to completion of the Placing such information relating to the placees and provide the same to the Stock Exchange and/or the SFC in each case as may be reasonably required by them

- Placing commission : A non-refundable commission agreed by the parties to the Placing Agreement
- Expected completion date : Completion of the Placing is to take place on a date falling within 30 days from the date of close of the Offer
- Termination of the Placing Agreement : The Placing Agreement contains force majeure provisions entitling the Placing Agent to terminate the placing obligations under the Placing Agreement on the occurrence of, among other things, certain events, which will materially and adversely affect the business or the financial and trading position of the Group as a whole at any time or prior to the date of completion of the Placing. If the Placing Agent exercises such rights to so terminate the Placing, all obligations of each of the parties to the Placing Agreement shall cease and determine, and no parties shall have any claim against the others in respect of any matter arising out of or in connection with the obligations of the Placing Agent under the Placing Agreement save for, inter alia, any antecedent breach, but in any event the Placing Agent's obligations pursuant to the above "Acquisition of the Shares which are subject to the Offer" provision under the Placing Agreement shall not be terminable

**Shareholders and potential investors are advised to exercise caution in dealing in the Shares**

### **Conditions precedent to the Placing**

The obligations of the Placing Agent shall be subject to satisfaction or waiver of the following conditions:

- (i) the due and proper completion of the Share Purchase Agreement in accordance with its terms thereof;
- (ii) there being no changes, amendments, variations or modifications to the terms of the Share Purchase Agreement after the date of the Placing Agreement unless previously agreed by the Placing Agent in writing (whose agreement shall not be unreasonably withheld, refused or delayed);



- (iii) the despatch to all holders of the Shares within the time limit as prescribed under the Takeovers Code after Completion of the Share Purchase Agreement, or such later date as may be agreed by the SFC, of the Composite Document containing, inter alia, the terms of the Offer substantially upon those terms and conditions as set out in the Joint Announcement;
- (iv) the due and proper close of the Offer (comprising substantially those terms and conditions as set out in the Joint Announcement and the Composite Document) in accordance with the terms thereof;
- (v) there being no changes, amendments, variations or modifications to the terms of the Offer (comprising substantially those terms and conditions as set out in the Joint Announcement) after the date of the Placing Agreement unless previously agreed by the Placing Agent in writing (whose agreement shall not be unreasonably withheld, refused or delayed);
- (vi) there being no changes, amendments, variations or modifications to the issued share capital of the Company (including, inter alia, the total issued share capital and the rights and obligations attaching to the Shares) after the date of the Placing Agreement unless previously agreed by the Placing Agent in writing;
- (vii) the Company not being able to meet the public float requirement (i.e. the requirement of not less than 25% issued Shares being in the public hands) at any time during the period of the Offer and immediately after the close of the Offer; and
- (viii) there not having occurred any events entitling the Placing Agent to terminate the placing obligations in accordance with the terms under the Placing Agreement.

If the aforementioned conditions are not met or waived by the Placing Agent on or before 31 December 2012, the Placing Agent shall be entitled (in addition to and without prejudice to all other rights or remedies available to it) to rescind all their agreements and other obligations under the Placing Agreement.



## REASONS FOR THE PLACING

Pursuant to the Placing Agreement, Quam Securities has agreed to procure placees to take up such number of Shares, on a best effort basis, at a placing price equal to the Offer Price, in order to restore the minimum public float as required under Rule 8.08 of the Listing Rules.

By order of the Board of  
**G-Prop (Holdings) Limited**  
**Miss Wong Yuet Ying**  
*Company Secretary*

By order of the sole director of  
**Champion Dynasty Limited**  
**Mr. Cheung Wai Kuen**  
*Director*

Hong Kong, 6 August 2012

*As at the date of this joint announcement, the executive Directors of the Company are Mr. Kong, Chi-ming and Mr. Leung, Wing-pong; and the independent non-executive Directors of the Company are Dr. David Chain, Chi-woo, Mr. Lam, Yat-fai, and Mr. Leung, Yun-fai.*

*As at the date of this joint announcement, the sole director of the Offeror is Mr. Cheung Wai Kuen.*

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

*The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group and the Vendors), and confirms, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*Website of the Company: <http://www.g-prop.com.hk>*