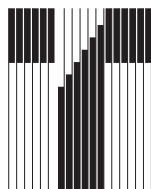


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## **TERN PROPERTIES COMPANY LIMITED**

**太興置業有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 277)**

### **PROFIT WARNING**

This announcement is made by Tern Properties Company Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a loss for the six months ended 30 September 2011 as compared to a profit for the six months ended 30 September 2010. Such loss was mainly attributable to the unrealised loss due to the decrease in fair value of the Group’s financial assets held for trading as a result of the recent turbulence in the global financial market. The Group’s principal business of holding investment properties for rental income and the Group’s cash flow have not been affected by the unrealised loss.

The information contained in this announcement is only based on the preliminary assessment by the Board. The Company is preparing the financial statements for the six months ended 30 September 2011 and expects to announce its unaudited condensed consolidated results for the six months then ended on 30 November 2011. **Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

By order of the Board  
**Huen Po Wah**  
*Secretary*

Hong Kong, 7 November 2011

*As at the date of this announcement, the Board of Directors of the Company comprises six Directors, of which three are Executive Directors, namely Mr. Chan Hoi Sow, Mr. Chan Yan Tin, Andrew and Mr. Chan Siu Keung, Leonard and three are Independent Non-Executive Directors, namely Mr. Chan Kwok Wai, Mr. Tse Lai Han, Henry and Mr. Leung Kui King, Donald.*