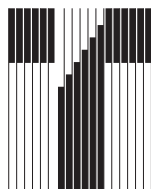


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TERN PROPERTIES COMPANY LIMITED

太興置業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 277)

DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTY

The Board is pleased to announce that on 8 November 2011, the Vendor, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Purchaser for the disposal of the Property at a cash consideration of HK\$77,700,000. Pursuant to the terms of the Provisional Agreement, the Vendor and the Purchaser will enter into a formal agreement for the Disposal on or before 23 November 2011.

As one of the applicable percentage ratios in respect of the Disposal is more than 5% but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

THE PROVISIONAL AGREEMENT

On 8 November 2011, the Vendor entered into the Provisional Agreement with the Purchaser for the disposal of the Property.

The principal terms of the Provisional Agreement are as follows:

- Date: 8 November 2011
- Vendor: Pomeroy Company Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
- Purchaser: Wong Cheung Kam or her nominee. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser is a third party who is independent of and not connected with the Company and its connected persons.

Payment terms: Pursuant to the terms of the Provisional Agreement, the Purchaser will acquire the Property from the Vendor at a consideration of HK\$77,700,000. An initial deposit of HK\$4,000,000 was paid by the Purchaser upon signing of the Provisional Agreement and a further deposit of HK\$3,770,000 shall be paid by the Purchaser on or before 23 November 2011. The balance of Consideration, being HK\$69,930,000, shall be paid upon Completion, which is scheduled to take place on or before 29 February 2012.

The Provisional Agreement is unconditional.

INFORMATION ON THE PROPERTY

The Property is the ground floor shop premises located at Ground Floor, Wing Lok House, No. 3 Lock Road, Tsim Sha Tsui, Kowloon, Hong Kong, with a gross floor area of approximately 300 square feet. The Property was purchased by the Vendor at a consideration of HK\$33,500,000 in 2008.

The Property is subject to a tenancy agreement with a monthly rental of HK\$159,000 per month (excluding government rates and management fees which are to be paid by the tenant) which will expire on 28 February 2013. A rental deposit of HK\$477,000 have been paid under the tenancy agreement. The Vendor and the Purchaser agreed that the tenancy agreement will be assigned to the Purchaser upon Completion and the rental deposit paid under the tenancy agreement shall be deducted from the balance of Consideration to be paid at Completion.

For the year ended 31 March 2011, revenue from the Property amounted to approximately HK\$1,442,452 and net income from the Property (after deducting direct outgoings) amounted to approximately HK\$1,442,116. For the year ended 31 March 2010, revenue from the Property amounted to approximately HK\$1,221,290 and net income from the Property (after deducting direct outgoings) amounted to approximately HK\$1,220,954. The book value of the Property as shown in the audited accounts of the Company as at 31 March 2011 amounted to HK\$59,700,000.

REASONS FOR AND BENEFITS OF THE DISPOSAL

In view of the rising trend in bank mortgage interest rate and expected weakness in the local economy, the Directors consider that it is appropriate time for the Group to dispose of the Property.

The Consideration was arrived at by reference to the recent market price of similar properties and after arm's length negotiations between the Vendor and the Purchaser. The Directors are of the view that the terms of the Provisional Agreement including the consideration are on normal commercial terms, and are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

The Disposal is expected to realise a profit of approximately HK\$17,500,000 based on the Consideration, estimated transaction costs and the book value of the Property as at 31 March 2011. The proceeds from the Disposal shall be applied towards the repayment of bank loans and increase in the Group's working capital reserve.

GENERAL

The principal activities of the Group are properties and securities investments.

As one of the applicable percentage ratios in respect of the Disposal is more than 5% but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless otherwise defined, capitalised terms used herein shall have the following meanings:

| | |
|-------------------------|---|
| “Board” | the board of Directors |
| “Company” | Tern Properties Company Limited (Stock code: 277), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange |
| “Completion” | the completion of the Disposal |
| “connected person(s)” | has the meaning ascribed to it by the Listing Rules |
| “Consideration” | the total consideration of HK\$77,700,000 for the Disposal |
| “Director(s)” | the director(s) of the Company |
| “Disposal” | the disposal of the Property by the Vendor pursuant to the terms of the Provisional Agreement |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Property” | the shop premises situated at Ground Floor, Wing Lok House, No.3 Lock Road, Tsim Sha Tsui, Kowloon, Hong Kong |
| “Provisional Agreement” | the binding provisional sale and purchase agreement dated 8 November 2011 in relation to the disposal of the Property by the Vendor to the Purchaser |
| “Purchaser” | Wong Cheung Kam or her nominee |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Vendor” | Pomeroy Company Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company |

“%” per cent

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board
Chan Hoi Sow
Chairman

Hong Kong, 8 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.