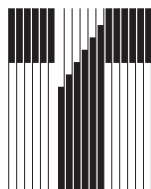


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TERN PROPERTIES COMPANY LIMITED

太興置業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 277)

POSITIVE PROFIT ALERT

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 profit for the six months ended 30 September 2012 as compared to a loss for the six months ended 30 September 2011. Such profit was mainly attributable to the unrealised gain due to the change in fair value of the Group’s financial assets held for trading under the current economic conditions. 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 gain.

The information contained in this announcement is only based on the preliminary assessment by the Board. The Company is preparing the accounts for the six months ended 30 September 2012 and expects to announce its unaudited consolidated financial results for the six months then ended before the end of November 2012. **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, 14 November 2012

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