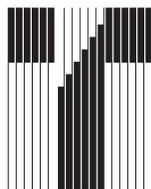


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## **TERN PROPERTIES COMPANY LIMITED**

**太興置業有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 277)**

### **INSIDE INFORMATION 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 and the provisions on inside information under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that based on the information currently available to the Board and the preliminary review of the unaudited consolidated management accounts of the Group, it is expected that the Group will record a loss for the year ended 31 March 2016, as compared to a profit for the year ended 31 March 2015.

Such loss was mainly attributable to the unrealised loss due to the decrease in fair value of the Group’s investment properties as a result of the recent slowdown in Hong Kong economy. 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. Both rental income and treasury investment income increased as compared with last year.

However, the Company has yet to finalise the unaudited annual results of the Group for the year ended 31 March 2016. As such, the information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the information currently available including the unaudited consolidated management accounts for the Group, which have not been reviewed by the Company’s auditors or the audit committee of the Company and which are therefore subject to adjustments. The actual annual results of the Group for the year ended 31 March 2016 may therefore be different from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 March 2016, which is expected to be published by the end of June 2016.

**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, 31 May 2016

*As at the date of this announcement, the Board comprises six Directors, of which two are Executive Directors, namely Mr. Chan Hoi Sow and Mr. Chan Yan Tin, Andrew, 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.*