



TERN PROPERTIES COMPANY LIMITED

太興置業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 277)

28 June 2019

To the Independent Shareholders

Dear Sir or Madam,

**POSSIBLE OFF-MARKET SHARE BUY-BACK
CONSTITUTING A CONNECTED TRANSACTION**

We refer to the circular dated 28 June 2019 issued by the Company (the “Circular”) of which this letter forms part. Capitalised terms used herein, unless otherwise stated, shall have the same meanings as those defined in the Circular.

We have been appointed as the Independent Board Committee to consider and advise the Independent Shareholders as to our opinion on whether the terms of the Share Buy-back and the Share Buy-back Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole and make recommendation on voting by the Independent Shareholders.

Founder Securities Capital has been approved by the Independent Board Committee and appointed as the Independent Financial Adviser to advise us in this respect. Details of its advice and the principal factors considered by it in arriving at its advice and recommendation are set out in the “Letter from the Independent Financial Adviser” on pages 25 to 55 of the Circular.

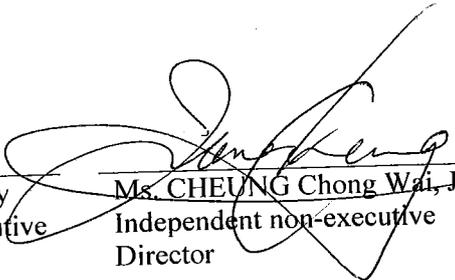
Your attention is also drawn to the letter from the Board set out on pages 6 to 22 of the Circular and the additional information set out in the appendices to the Circular.

RECOMMENDATION

Taking into account the terms of the Share Buy-back and the Share Buy-back Agreement and the principal factors and reasons considered by Founder Securities Capital, its conclusion and advice, we consider that the terms of the Share Buy-back and the Share Buy-back Agreement are fair and reasonable, insofar as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Share Buy-back and the Share Buy-back Agreement contemplated thereunder.


Mr. CHAN Kwok Wai
Independent non-
executive Director


Mr. TSE Lan Han, Henry
Independent non-executive
Director


Ms. CHEUNG Chong Wai, Janet
Independent non-executive
Director