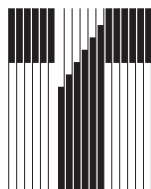


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TERN PROPERTIES COMPANY LIMITED

太興置業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 277)

DISCLOSEABLE TRANSACTION – DISPOSAL OF PROPERTY

On 15 July 2014, Kinghale, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Purchaser pursuant to which Kinghale has agreed to sell and the Purchaser has agreed to purchase the Property at the consideration of HK\$125,000,000.

As one of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Disposal is more than 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the announcement requirement but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

On 15 July 2014, Kinghale, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Purchaser pursuant to which Kinghale has agreed to sell and the Purchaser has agreed to purchase the Property at the consideration of HK\$125,000,000. According to the Provisional Agreement, the formal sale and purchase agreement in respect of the Property is to be signed on or before 30 July 2014.

THE PROVISIONAL AGREEMENT

Date

15 July 2014

Parties

Vendor : Kinghale Investment Limited, a wholly-owned subsidiary of the Company
Purchaser : Chow Ka Yan Eugenia Pauline

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser is a third party independent of the Company and its connected person(s) as defined under the Listing Rules.

The Property

Kinghale has pursuant to the Provisional Agreement agreed to sell the Property to the Purchaser. The Property is located at Flat A on the 43rd Floor and Parking Spaces Nos. 44 & 45 on the 5th Floor of HighCliff (曉廬), No. 41D Stubbs Road, Hong Kong and is for residential use. The Property is currently used by Kinghale as a quarter for its director.

Consideration

The consideration for the sale and purchase of the Property shall be HK\$125,000,000 and shall be or has been (as the case maybe) paid by the Purchaser to Kinghale in the following manner:

- (a) the sum of HK\$6,000,000 had been paid upon the signing of the Provisional Agreement;
- (b) a further sum of HK\$6,500,000 to be paid on or before 30 July 2014; and
- (c) the balance of the Consideration in the sum of HK\$112,500,000 to be paid upon completion of the sale and purchase of the Property on or before 30 September 2014.

The Consideration was determined after arm's length negotiation between the parties to the Provisional Agreement by reference to the market values and recent transaction records of comparable properties in the local vicinity. The Board is of the view that the Consideration is in line with the market values and recent transaction records of the comparable properties nearby.

Completion

According to the Provisional Agreement, completion of the sale and purchase of the Property is expected to take place on or before 30 September 2014. Vacant possession of the Property will be delivered to the Purchaser on completion.

In the event that the Purchaser fails to complete the sale and purchase in accordance with the terms and conditions of the Provisional Agreement, Kinghale shall be entitled to forfeit the deposit(s) paid by the Purchaser or the amount thereof equivalent to 10% of the Consideration (whichever is lower) absolutely as liquidated damages and the Provisional Agreement shall be terminated and Kinghale shall then be entitled at its absolute discretion to resell the Property without prejudice to Kinghale's right to take any proceedings against the Purchaser to claim for further damages or to enforce specific performance of the Provisional Agreement.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board considers that the Disposal at the Consideration is a good opportunity to realize the property investment under the existing market conditions. The Disposal will also increase the financial resources of the Group for future investment.

FINANCIAL EFFECT OF THE DISPOSAL AND THE USE OF PROCEEDS

Upon completion of the Disposal, it is expected that the Group will record a gain of approximately HK\$59,000,000.

It is intended that the net proceeds from the Disposal be used as working capital of the Group.

The Directors consider that the terms of Disposal and the Provisional Agreement are fair and reasonable and in the interests of the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Disposal is more than 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the announcement requirement but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

GENERAL INFORMATION

The Group is principally engaged in property investment and development and Kinghale is a property investment holding company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:–

“Board”	the board of Directors
“Company”	Tern Properties Company Limited 太興置業有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited (Stock Code: 277)
“Consideration”	the consideration for the sale and purchase of the Property in the sum of HK\$125,000,000
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Property by Kinghale to the Purchaser on and subject to the terms of the Provisional Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Kinghale”	Kinghale Investment Limited 京源投資有限公司, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Property”	Flat A on the 43rd Floor and Parking Spaces Nos. 44 & 45 on the 5th Floor of HighCliff (曉廬), No. 41D Stubbs Road, Hong Kong
“Provisional Agreement”	the binding provisional agreement for sale and purchase entered into between Kinghale (as vendor) and the Purchaser (as purchaser) on 15 July 2014 for the sale and purchase of the Property
“Purchaser”	Chow Ka Yan Eugenia Pauline

By order of the Board
Tern Properties Company Limited
 太興置業有限公司
Chan Hoi Sow
Chairman

Hong Kong, 15 July 2014

As at the date of this announcement, the Board 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.