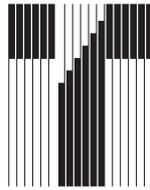

THIS CIRCULAR IS IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Tern Properties Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

**TERN PROPERTIES COMPANY LIMITED****太興置業有限公司***(Incorporated in Hong Kong with limited liability)***(Stock Code : 277)**

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO BUY BACK SHARES
AND TO ISSUE SHARES,
PROPOSAL FOR AMENDMENTS
OF ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Tern Properties Company Limited to be held at the conference room of United Conference Centre Limited, 10th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong on Wednesday, 23 August 2023 at 12:00 noon is set out on pages 17 to 23 of this circular to be despatched to shareholders together with this circular.

If you do not intend or are unable to be present at the annual general meeting and wish to appoint a proxy/proxies to attend, speak and vote on your behalf, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or adjourned meeting should you so wish.

21 July 2023

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DEFINITIONS

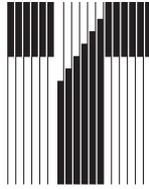
In this circular (other than in the notice of AGM), unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at the conference room of United Conference Centre Limited, 10th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong on Wednesday, 23 August 2023 at 12:00 noon
“Articles of Association”	the articles of association of the Company, as originally adopted, or as from time to time altered in accordance with the Companies Ordinance
“Board”	the board of Directors
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong
“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 main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	14 July 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Securities and Futures Ordinance”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)

DEFINITIONS

“Sow Pin Trust”	a discretionary trust of which the trustee is Credit Suisse Trust Limited, a substantial shareholder of the Company, and the beneficiaries are the family members of Mr. Chan Hoi Sow
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers

LETTER FROM THE CHAIRMAN



TERN PROPERTIES COMPANY LIMITED

太興置業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code : 277)

Directors:

Mr. Chan Hoi Sow (*Chairman and Managing Director*)
Mr. Chan Yan Tin, Andrew
Ms. Chan Yan Wai, Emily (*Vice Chairman*)
Mr. Chan Yan Lam, Alan
Mr. Chan Kwok Wai**
Ms. Cheung Chong Wai, Janet**
Mr. Tse Lai Han, Henry**

Registered office:

26th Floor,
Tern Centre, Tower I
237 Queen's Road Central
Hong Kong

** *Independent Non-Executive Director*

21 July 2023

To the Shareholders,

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO BUY BACK SHARES
AND TO ISSUE SHARES,
PROPOSAL FOR AMENDMENTS
OF ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM relating to (i) the re-election of Directors; (ii) the granting to the Directors of general mandates for the issue of Shares and the buy-back of Shares up to 20% and 10% respectively of the Company's issued Shares as at the date of the resolutions and (iii) the proposal to amend the Articles of Association, and to seek your approval at the AGM in connection with such matters.

LETTER FROM THE CHAIRMAN

RE-ELECTION OF DIRECTORS

The Board currently consists of seven Directors, namely Mr. Chan Hoi Sow, Mr. Chan Yan Tin, Andrew, Ms. Chan Yan Wai, Emily, Mr. Chan Yan Lam, Alan, Mr. Chan Kwok Wai, Ms. Cheung Chong Wai, Janet and Mr. Tse Lai Han, Henry.

Pursuant to Article 103 of the Articles of Association, Mr. Chan Yan Tin, Andrew, Ms. Chan Yan Wai, Emily and Mr. Tse Lai Han, Henry shall retire by rotation at the AGM and, being eligible, offer themselves for re-election.

Mr. Tse Lai Han, Henry has served as an Independent Non-Executive Directors more than 9 years and the re-election of him will be subject to separate resolution to be approved by the Shareholders. As Independent Non-Executive Director with in-depth understanding of the Company's operations and business, Mr. Tse Lai Han, Henry have expressed objective views and given independent guidance to the Company over the years, and they continue demonstrating a firm commitment to their role. The Board considers that the long service of Mr. Tse Lai Han, Henry would not affect his exercise of independent judgement and are satisfied that Mr. Tse Lai Han, Henry has the required characters, integrities and experiences to continue fulfilling the role of Independent Non-Executive Director. The Board also considers that the re-election of Mr. Tse Lai Han, Henry as Director is in the best interests of the Company and Shareholders as a whole.

The nomination committee of the Company ("the Nomination Committee") and the Board have reviewed the annual written confirmation of independence of Mr. Tse Lai Han, Henry and assessed his independence based on the independence criteria as set out in Rule 3.13 of the Listing Rules. He does not have any other relationships with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company. The Nomination Committee and the Board are also not aware of any circumstance that might influence Mr. Tse Lai Han, Henry in exercising independent judgment. On this basis, Mr. Tse Lai Han, Henry is considered independent. The Nomination Committee nominated Mr. Tse Lai Han, Henry to the Board for it to propose to the Shareholders for re-election at the AGM. Accordingly, the Board proposed that Mr. Tse Lai Han, Henry stand for re-election as an Independent Non-Executive Director at the AGM.

In view of the above, the Board considers that the re-election of Mr. Tse Lai Han, Henry as an Independent Non-Executive Director is beneficial to the Board, the Company and the Shareholders as a whole. Separate resolution will be proposed at the Annual General Meeting to approve the re-election of Mr. Tse Lai Han, Henry as an Independent Non-Executive Director.

LETTER FROM THE CHAIRMAN

Having regard to the experience, skills and expertise of the retiring Directors as well as the overall board diversity of the Company, the Nomination Committee recommended re-election of the aforesaid retiring Directors to the Board. Accordingly, the Board has proposed that each of the above retiring Directors, namely Mr. Chan Yan Tin, Andrew, Ms. Chan Yan Wai, Emily and Mr. Tse Lai Han, Henry stands for re-election as Directors by way of separate resolution at the Annual General Meeting.

Brief biographical details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix I to this circular.

GENERAL MANDATE TO BUY BACK SHARES

At the annual general meeting of the Company held on 24 August 2022, a general mandate was given by the Company to the Directors to exercise the powers of the Company to buy back Shares. This general mandate will lapse at the conclusion of the AGM.

An ordinary resolution will be proposed at the AGM to give a general and unconditional mandate to the Directors to exercise the powers of the Company to buy back at any time until the next annual general meeting of the Company following the passing of the ordinary resolution or such earlier period as stated in the ordinary resolution Shares up to a maximum of 10% of the total number of Shares in issue at the date of the passing of the ordinary resolution (i.e. not exceeding 27,723,288 Shares based on 277,232,883 Shares in issue as at the Latest Practicable Date and assuming that the number of issued Shares remain the same at the date of the passing of the resolution) (the “Buy-Back Mandate”).

An explanatory statement providing the requisite information as required under the Listing Rules is set out in Appendix II to this circular.

GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 24 August 2022, a general mandate was given by the Company to the Directors to exercise the powers of the Company to issue Shares. This general mandate will lapse at the conclusion of the AGM.

At the AGM, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to issue during the period up to the next annual general meeting of the Company following the passing of the ordinary resolution or such earlier period as stated in the ordinary resolution Shares representing up to 20% of the total number of Shares in issue at the date of the passing of the resolution (i.e. not exceeding 55,446,576 Shares based on 277,232,883 Shares in issue as at the Latest Practicable Date and assuming that the number of issued Shares remain the same at the date of the passing of the resolution) (the “Issue Mandate”). In addition, an ordinary resolution will be proposed to authorise extension of the Issue Mandate which would increase the limit of the Issue Mandate by adding to it the total number of Shares bought back under the Buy-Back Mandate.

LETTER FROM THE CHAIRMAN

PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 20 July 2023. The Board proposes to make certain amendments to the Articles of Association to facilitate a joint chairmanship structure of the Board. A special resolution will be proposed at the AGM to amend the Articles of Association to include provisions for joint chairmen of the Board and the chairing of Board meetings and general meetings when at any time there are joint chairmen of the Board. A summary of the proposed amendments to the Articles of Association is set out below.

- a. To add two new definitions, namely, “Audit Committee” and “Chairman of the Board” to Article 2 of the Articles of Association;
- b. To amend the existing definition of “the Chairman” in Article 2 of the Articles of Association; and
- c. To amend the existing Articles 72 and 124 of the Articles of Association to include provisions for joint chairmen of the Board and the chairing of Board meetings and general meetings when at any time there are joint chairmen, and to include provisions that the joint chairmen shall agree between themselves which of them shall take the chair at any Board meeting or general meeting, and if they are unable to agree between themselves, the chairman of the Audit Committee of the Company shall choose one of the joint chairmen to take the chair at such meeting.

Details of the proposed amendments to the Articles of Association are set out in Appendix III to this circular.

ANNUAL GENERAL MEETING

At the AGM, resolutions will be proposed to the Shareholders to consider the ordinary business to be considered at the AGM, including the re-election of retiring Directors and the special business to be considered at the AGM, being the grant of the Buy-Back Mandate, the Issue Mandate and the extension of the Issue Mandate and the proposed amendments to Articles of Association. The notice of AGM is set out on pages 17 to 23 of this circular expected to be despatched to Shareholders together with this circular.

A form of proxy for use at the AGM is enclosed with this circular. If you do not intend or are unable to be present at the AGM and wish to appoint a proxy/proxies to attend, speak and vote on your behalf, you are requested to complete the accompanying form of proxy and return it to the registered office of the Company in accordance with the instructions printed thereon not later than 48 hours before the time fixed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting if you so desire.

LETTER FROM THE CHAIRMAN

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the AGM will be taken by poll except where the Chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Directors consider that the re-election of the retiring Directors, the granting of the Buy-Back Mandate, the Issue Mandate and the extension of the Issue Mandate and the proposed amendments to the Articles of Association are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the resolutions to be proposed at the AGM to give effect to them.

Yours faithfully,
Chan Hoi Sow
Chairman

The biographical details of three Directors proposed to be re-elected at the AGM are set out as follows:

CHAN YAN TIN, ANDREW

Mr. Chan Yan Tin, Andrew, aged 59, has been an Executive Director of the Company since January 2004. He was an Executive Director from October 1987 to April 2001 and a Non-Executive Director from April, 2001 to January 2004. He is also a member of the remuneration committee. He graduated from Simon Fraser University in Canada, and has extensive experience in construction, property investment and development in Hong Kong, the Mainland China and overseas. He is also a director of various members of the Group. Save as disclosed above, he has not held any directorship in other listed public companies in the last three years or any other positions with the Company or other members of the Group.

Mr. Chan is a son of Mr. Chan Hoi Sow who is the Chairman and Managing Director of the Group. He is also the brother of Ms. Chan Yan Wai, Emily who is the Vice-Chairman and Executive Director of the Company. He is a discretionary beneficiary of the Sow Pin Trust. As at the Latest Practicable Date, Mr. Chan has beneficial interest in 172,892,896 Shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance, representing approximately 62.36% of the issued Shares. Save as disclosed above, he does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

The Company has entered into an appointment letter with Mr. Chan for a term of three years from 1 April 2021 to 31 March 2024 and he is subject to retirement by rotation and re-election at the AGM and vacation of office in accordance with the provisions of the Articles of Association. His emoluments comprise salary and other benefits. His emoluments are to be determined with reference to the prevailing market practice, the Company's remuneration policy, his duties and responsibilities with the Group and his contribution to the Group. For the year ended 31 March 2023, his latest salary of HK\$202,810 per month plus one month bonus.

Save as disclosed above, Mr. Chan has confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules.

CHAN YAN WAI, EMILY

Ms. Chan, aged 58, has been appointed as an Executive Director and the Vice Chairman of the Company on 15 June 2017 and 13 November 2019 respectively. She is also a member of the Nomination Committee of the Company. She holds a Bachelor of Arts degree from the University of British Columbia. She has been serving in the Group since 2002 and is currently a General Manager of operations and corporate functions. She is also a director of various members of the Group.

Save as disclosed above, Ms. Chan did not hold any directorship in other listed public companies in the past three years or any other positions with the Company or other members of the Group.

Ms. Chan is a daughter of Mr. Chan Hoi Sow, who is the Chairman and Managing Director of the Group. She is also the sister of Mr. Chan Yan Tin, Andrew who is the Executive Director of the Company. She is a discretionary beneficiary of the Sow Pin Trust. As at the Latest Practicable Date, Ms. Chan has beneficial interest in 172,100,896 Shares within the meaning of Part XV of the Securities and Futures Ordinance, representing approximately 62.07% of the total issued Shares. Save as disclosed above, she does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

The Company has entered into an appointment letter with Ms. Chan for a term of three years from 15 June 2023 to 14 June 2026 and she is subject to retirement by rotation and re-election at the AGM and vacation of office in accordance with the provisions of the Articles of Association. Her emoluments comprise salary and other benefits. Her emoluments are to be determined by the Board based on the recommendation of the Remuneration Committee of the Company and with reference to the prevailing market practice, the Company's remuneration policy, her duties and responsibilities with the Group and her contribution to the Group. Pursuant to the appointment letter, her salary is HK\$149,360 per month plus one month bonus.

Save as disclosed above, Ms. Chan has confirmed that there are no other matters relating to her re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to any of the requirements of Rules 13.51(2) of the Listing Rules.

TSE LAI HAN, HENRY

Mr. Tse, aged 58, has been an Independent Non-Executive Director since September 2004. He is also a member of the Audit Committee, a member of the Remuneration Committee and a member of the Nomination Committee. He holds Bachelor and Master of Applied Science (Civil Engineering) degrees from the University of British Columbia in Canada. He has considerable experience in both construction and property development in Hong Kong and overseas. Save as disclosed above, he has not held any directorship in other listed public companies in the last three years or any position with the Company or other members of the Group.

As at the Latest Practicable Date, Mr. Tse did not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Tse does not have any relationship with any Directors, senior management or substantial shareholders or controlling shareholders of the Company.

The Company has entered into an appointment letter with Mr. Tse for a term of three years, from 1 April 2023 to 31 March 2026 and he is subject to retirement by rotation and re-election at the AGM and vacation of office in accordance with the provisions of the Articles of Association. His emoluments comprise a director's fee to be determined by the Board with authorisation from time to time given by the Shareholders in general meeting. His director's fee is to be determined by the Board based on the recommendation of the Remuneration Committee of the Company and with reference to the prevailing market practice, the Company's remuneration policy, his duties and responsibilities with the Group and his contribution to the Group. For the year ended 31 March 2023, he received a director's fee of HK\$130,000 per annum.

Save as disclosed above, Mr. Tse has confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

This appendix serves as an explanatory statement, as required by Rule 10.06(b) of the Listing Rules, to provide requisite information to shareholders for their consideration of the Buy-Back Mandate and also constitutes the memorandum as required under Section 239(2) of the Companies Ordinance.

1. LISTING RULES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to buy back their shares on the Stock Exchange or on any other stock exchange on which the shares of the companies may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose subject to certain restrictions, the most important of which are summarized below:

- (a) The shares proposed to be purchased by the company are fully-paid up.
- (b) The company has previously sent to its shareholders an explanatory statement complying with the Listing Rules.
- (c) The shareholders of the company have given a specific approval or a general mandate to the directors of the company to make such purchase, by way of an ordinary resolution which complies with the Listing Rules and which has been passed at a general meeting of the company duly convened and held.

The company must report the outcome of the general meeting called to consider the proposed purchases to the Stock Exchange immediately following the meeting.

2. SHARE CAPITAL

As at the Latest Practicable Date, the share capital of the Company comprised 277,232,883 Shares in issue, all of which are fully paid up.

Subject to the passing of the proposed ordinary resolution and on the basis that no further Shares are issued or bought back prior to the AGM, the Company would be allowed under the Buy-Back Mandate to buy back a maximum of 27,723,288 Shares which are fully paid up, representing 10% of the total number of Shares in issue as at the Latest Practicable Date and date of the passing of the proposed ordinary resolution.

3. REASONS FOR BUY BACKS

The Directors believe that it is in the best interests of the Company and its shareholders to have a general authority from shareholders to enable the Directors to buy back Shares in the market. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per Share and will only be made when the Directors believe that such a buy-back will benefit the Company and its shareholders.

4. FUNDING OF BUY-BACKS

It is proposed that buy-back of Shares under the Buy-Back Mandate in these circumstances would be financed from available cash flow or working capital facilities of the Company and its subsidiaries.

In buy back Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association and the Companies Ordinance. The Companies Ordinance provides that the amount of capital repaid in connection with a share buy-back may only be paid from the distributable profits of the company or from the proceeds of a new issue of shares made for the purpose.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 March 2023) in the event that the proposed buy-back of Shares were to be carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the Buy-Back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

	Highest Price HK\$	Lowest Price HK\$
2022		
July	_*	_*
August	_*	_*
September	_*	_*
October	_*	_*
November	_*	_*
December	_*	_*
2023		
January	_*	_*
February	_*	_*
March	_*	_*
April	_*	_*
May	_*	_*
June	2.900	2.900
July (up to the Latest Practicable Date)	_*	_*

* There was no trading of shares during the month.

6. GENERAL

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make buy-backs pursuant to the proposed ordinary resolution in accordance with the Listing Rules and the applicable laws of Hong Kong.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates, have any present intention to sell any Shares to the Company under the Buy-Back Mandate if such Buy-Back Mandate is approved by the Shareholders.

No other core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Buy-Back Mandate is approved by the Shareholders.

If as a result of a share buy-back, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert, depending on the level of increase of the shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Chan Hoi Sow, Mr. Chan Yan Tin, Andrew, Ms. Chan Yan Wai, Emily and Mr. Chan Yan Lam, Alan together with their respective close associates (as defined in the Listing Rules) (the "said Persons") were beneficially interested in 205,454,534 Shares, representing approximately 74.11% of the total number of Shares in issue. In the event that the Directors exercised the Buy-Back Mandate in full, then (if the present shareholdings otherwise remained the same) the interests of the said Persons in the Company would be increased to approximately 82.34% of the total number of Shares in issue and the said Persons would not be required to make a mandatory offer under Rules 26 and 32 of the Takeovers Code by reason of such increase. The Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any buy-backs made under the Buy-Back Mandate. The Directors have no present intention to exercise the Buy-Back Mandate to the extent that the number of Shares held by the public would be reduced to less than 25% of the total number of Shares in issue.

7. SHARE BUY-BACK MADE BY THE COMPANY

The Company had not bought back any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this circular.

8. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of providing information with regard to the Company.

The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in this circular the omission of which would make any statement contained herein misleading.

The following are the details of the proposed amendments to the Articles of Association proposed to be approved at the AGM:

- (A) To insert the following new definition of “Audit Committee” immediately before the existing definition of “Auditors” in Article 2 of the Articles of Association:

““Audit Committee” shall mean the audit committee established Audit Committee.
by the Company from time to time in accordance with the
relevant requirements of the Listing Rules;”

- (B) To delete the existing definition of “the Chairman” in its entirety and replacing therewith the following new definition of “Chairman” in Article 2 of the Articles of Association:

““Chairman” shall mean the Chairman presiding at the relevant Chairman.
meeting of members or of the Board (as the case may be);”

- (C) To insert the following new definition of “Chairman of the Board” immediately after the existing definition of “the Chairman” in Article 2 of the Articles of Association:

““Chairman of the Board” shall mean the Chairman of the Board Chairman of the Board.
elected or appointed pursuant to Article 124(A);”

- (D) To delete the existing Article 72 in its entirety and to replace it with the following new Article 72:

72. (A) Whenever there is for the time being only one Chairman of general meeting.
Chairman of the Board, the Chairman of the Board or, if he is
absent or declines to take the chair at such general meeting, the
Deputy Chairman of the Board (if any) shall take the chair at such
general meeting, or, if there be no such Chairman of the Board or
Deputy Chairman of the Board or, if at any general meeting
neither of such Chairman of the Board or Deputy Chairman of the
Board is present within fifteen minutes after the time appointed
for holding such meeting, or both such persons decline to take the
chair at such meeting, the Directors present shall choose one of
their number to act as Chairman of such meeting, or if one
Director only is present he shall take the chair if he is willing to
act as Chairman of such meeting, and if no Director is present or
if all the Directors present decline to take the chair or if the
Chairman chosen shall retire from the chair, then the members
present shall choose one of their number to be Chairman of such
meeting.

(B) Whenever there is for the time being more than one Director being elected or appointed to be Chairman of the Board pursuant to Article 124(A), such Directors being the Joint Chairmen of the Board as referred to in Article 124(C) shall agree between themselves which of them shall take the chair at any general meeting. If the Joint Chairmen of the Board are unable to agree between themselves which of them shall take the chair at any general meeting, the chairman of the Audit Committee for the time being shall choose one of the Joint Chairmen of the Board to take the chair at such meeting, and each of the Joint Chairmen of the Board shall be deemed to have agreed to such choice of the chairman of the Audit Committee. The relevant Director being one of the Joint Chairmen of the Board who has been agreed or chosen to take the chair at such meeting pursuant to the foregoing shall be entitled to discharge separately all the functions of the position as the Chairman of such meeting. For the avoidance of doubt, only one Director shall take the chair at any general meeting at any one time.”

- (E) To delete the existing Article 124 in its entirety and to replace it with the following new Article 124:

Chairman of the Board

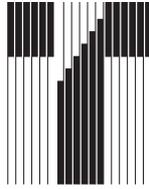
124. (A) The Board may from time to time (i) elect or otherwise appoint a Director or more than one Director to be Chairman of the Board and (ii) elect or otherwise appoint a Director to be Deputy Chairman of the Board, and determine the period for which each of them is to hold office.

Chairman of the Board.

(B) Whenever there is for the time being only one Chairman of the Board, the Chairman of the Board or, in his absence, the Deputy Chairman of the Board shall preside at meetings of the Board, but if no such Chairman of the Board or Deputy Chairman of the Board be elected or appointed, or if at any meeting of the Board the Chairman of the Board or Deputy Chairman of the Board is not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting.

(C) Whenever there is for the time being more than one Director being elected or appointed to be Chairman of the Board pursuant to Article 124(A), the Directors so elected or appointed shall together be the Joint Chairmen of the Board. The Joint Chairmen of the Board shall agree between themselves which of them shall take the chair at any meeting of the Board. If the Joint Chairmen of the Board are unable to agree between themselves which of them shall take the chair at any meeting of the Board, the chairman of the Audit Committee for the time being shall choose one of the Joint Chairmen of the Board to take the chair at such meeting, and each of the Joint Chairmen of the Board shall be deemed to have agreed to such choice of the chairman of the Audit Committee. The relevant Director being one of the Joint Chairmen of the Board who has been agreed or chosen to take the chair at such meeting pursuant to the foregoing shall be entitled to discharge separately all the functions of the position as the Chairman of such meeting. For the avoidance of doubt, only one Director shall take the chair at any meeting of the Board at any one time.”

NOTICE OF ANNUAL GENERAL MEETING



TERN PROPERTIES COMPANY LIMITED

太興置業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code : 277)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Tern Properties Company Limited (the “Company”) will be held at the conference room of United Conference Centre Limited, 10th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong on Wednesday, 23 August 2023 at 12:00 noon for the following purposes:–

1. To receive and consider the audited consolidated Financial Statements, the Report of the Directors and the Independent Auditor’s Report for the year ended 31 March 2023.
2. To declare a final dividend of HK1.2 cents per share for the year ended 31 March 2023.
3. Each as a separate resolution, to consider and, if thought fit, approve the following resolutions:
 - (a) To re-elect Mr. Chan Yan Tin, Andrew as an Executive Director;
 - (b) To re-elect Ms. Chan Yan Wai, Emily as an Executive Director.
 - (c) To re-elect Mr. Tse Lai Han, Henry as an Independent Non-Executive Director;
 - (d) To authorise the Board of Directors to fix the Directors’ remuneration.
4. To re-appoint HLM CPA Limited as Auditor and authorise the Board of Directors to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

As special business, to consider and, if thought fit, pass with or without amendments the following resolutions as Ordinary Resolutions of the Company:-

ORDINARY RESOLUTIONS

5. **“THAT:**

- (i) subject to paragraph (ii) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to buy back shares of the Company in issue on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the total number of shares of the Company to be bought back by the Company pursuant to the approval in paragraph (i) of this Resolution shall not exceed 10% of the total number of shares of the Company in issue as at the date of the passing of this Resolution (such total number to be subject to adjustment in the case of any conversion of all or any of the shares of the Company into larger or smaller number of shares after the passing of this resolution) and the said approval shall be limited accordingly, and the authority pursuant to paragraph (i) of this Resolution shall be limited accordingly; and
- (iii) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
 - (a) the conclusion of the next Annual General Meeting of the Company;
 - (b) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
 - (c) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”

6. **“THAT:**

- (i) subject to paragraph (iii) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares of the Company and to make and grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require shares to be allotted be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the approval in paragraph (i) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make and grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require shares to be allotted after the end of the Relevant Period;

- (iii) the total number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (i) of this Resolution, otherwise than pursuant to (i) a Pro-rata Issue (as hereinafter defined); or (ii) the exercise of any rights of subscription or conversion under any existing warrants, bonds, debentures, notes and other securities of the Company; or (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares of the Company; or (iv) any scrip dividend scheme or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company; or (v) a specific authority granted by the shareholders of the Company in general meeting, shall not exceed 20% of the total number of shares of the Company in issue as at the date of the passing of this Resolution (such total number to be subject to adjustment in the case of any conversion of all or any of the shares of the Company into larger or smaller number of shares after the passing of this resolution) and the said approval shall be limited accordingly, and the approval in paragraph (i) of this Resolution shall be limited accordingly;

- (iv) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
 - (a) the conclusion of the next Annual General Meeting of the Company;
 - (b) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
 - (c) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting; and

“Pro-rata Issue” means an offer of shares or issue of options, warrants or other securities giving the right to subscribe for shares of the Company open for a period fixed by the Directors of the Company to holders of shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company

NOTICE OF ANNUAL GENERAL MEETING

(or, where appropriate, such other securities), (subject in all cases to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

7. “**THAT** conditional upon the passing of Ordinary Resolutions Nos. 5 and 6 set out in the notice convening this meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares of the Company pursuant to Ordinary Resolution No. 6 set out in the notice convening this meeting be and is hereby extended by the addition thereto of a number representing the total number of the shares of the Company bought back by the Company under the authority granted pursuant to Ordinary Resolution No. 5 set out in the notice convening this meeting, provided that such extended number shall not exceed 10% of the total number of shares of the Company in issue at the date of the passing of this Resolution (such total number to be subject to adjustment in the case of any conversion of all or any of the shares of the Company into larger or smaller number of shares after the passing of this resolution).”

As special business to consider and, if thought fit, pass with or without modifications, the following resolution as a special resolution:

SPECIAL RESOLUTION

8. “**THAT** the Articles of Association of the Company be amended in the following manner:

(a) Article 2

by inserting the following new definition of “Audit Committee” immediately before the existing definition of “Auditors”:

““Audit Committee” shall mean the audit committee Audit Committee.
established by the Company from time to time in accordance
with the relevant requirements of the Listing Rules;”

by deleting the existing definition of “the Chairman” in its entirety and replacing therewith the following new definition of “Chairman”:

““Chairman” shall mean the Chairman presiding at the Chairman.
relevant meeting of members or of the Board (as the case
may be);”

NOTICE OF ANNUAL GENERAL MEETING

by inserting the following new definition of “Chairman of the Board” immediately after the existing definition of “the Chairman”:

““Chairman of the Board” shall mean the Chairman of the Board elected or appointed pursuant to Article 124(A);”

Chairman of the Board.

(b) Article 72

by deleting the existing Article 72 in its entirety and replacing therewith the following new Article 72:

“72. (A) Whenever there is for the time being only one Chairman of the Board, the Chairman of the Board or, if he is absent or declines to take the chair at such general meeting, the Deputy Chairman of the Board (if any) shall take the chair at such general meeting, or, if there be no such Chairman of the Board or Deputy Chairman of the Board or, if at any general meeting neither of such Chairman of the Board or Deputy Chairman of the Board is present within fifteen minutes after the time appointed for holding such meeting, or both such persons decline to take the chair at such meeting, the Directors present shall choose one of their number to act as Chairman of such meeting, or if one Director only is present he shall take the chair if he is willing to act as Chairman of such meeting, and if no Director is present or if all the Directors present decline to take the chair or if the Chairman chosen shall retire from the chair, then the members present shall choose one of their number to be Chairman of such meeting.

Chairman of general meeting.

(B) Whenever there is for the time being more than one Director being elected or appointed to be Chairman of the Board pursuant to Article 124(A), such Directors being the Joint Chairmen of the Board as referred to in Article 124(C) shall agree between themselves which of them shall take the chair at any general meeting. If the Joint Chairmen of the Board are unable to agree between themselves which of them shall take the chair at any general meeting, the chairman of the Audit Committee for the time being shall choose one of the Joint Chairmen of the Board to take the chair at such meeting, and each of the Joint Chairmen of the Board shall be deemed to have agreed to such choice of the chairman of the Audit Committee. The relevant Director being one of the Joint Chairmen of the Board who has been agreed or chosen to take the chair at such meeting pursuant to the foregoing shall be entitled to discharge separately all the functions of the position as the Chairman of such meeting. For the avoidance of doubt, only one Director shall take the chair at any general meeting at any one time.”

NOTICE OF ANNUAL GENERAL MEETING

(c) **Article 124**

by deleting the existing Article 124 in its entirety and replacing therewith the following new Article 124:

“Chairman of the Board

124. (A) The Board may from time to time (i) elect or otherwise appoint a Director or more than one Director to be Chairman of the Board and (ii) elect or otherwise appoint a Director to be Deputy Chairman of the Board, and determine the period for which each of them is to hold office.

Chairman of the Board.

(B) Whenever there is for the time being only one Chairman of the Board, the Chairman of the Board or, in his absence, the Deputy Chairman of the Board shall preside at meetings of the Board, but if no such Chairman of the Board or Deputy Chairman of the Board be elected or appointed, or if at any meeting of the Board the Chairman of the Board or Deputy Chairman of the Board is not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting.

(C) Whenever there is for the time being more than one Director being elected or appointed to be Chairman of the Board pursuant to Article 124(A), the Directors so elected or appointed shall together be the Joint Chairmen of the Board. The Joint Chairmen of the Board shall agree between themselves which of them shall take the chair at any meeting of the Board. If the Joint Chairmen of the Board are unable to agree between themselves which of them shall take the chair at any meeting of the Board, the chairman of the Audit Committee for the time being shall choose one of the Joint Chairmen of the Board to take the chair at such meeting, and each of the Joint Chairmen of the Board shall be deemed to have agreed to such choice of the chairman of the Audit Committee. The relevant Director being one of the Joint Chairmen of the Board who has been agreed or chosen to take the chair at such meeting pursuant to the foregoing shall be entitled to discharge separately all the functions of the position as the Chairman of such meeting. For the avoidance of doubt, only one Director shall take the chair at any meeting of the Board at any one time.”

NOTICE OF ANNUAL GENERAL MEETING

By order of the Board
Lee Ka Man
Company Secretary

Hong Kong, 21 July 2023

Registered Office:

26th Floor,
Tern Centre, Tower I,
237 Queen's Road Central,
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the registered office of the Company at 26th Floor, Tern Centre, Tower I, 237 Queen's Road Central, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.
3. To ascertain the entitlement of the shareholders to attend and vote at the meeting, the Register of Members of the Company will be closed from Friday, 18 August 2023 to Wednesday, 23 August 2023, both days inclusive, during which period no transfer of shares will be registered by the Company. In order to be eligible to attend and vote at the meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Share Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Thursday, 17 August 2023.

Subject to the approval of the shareholders at the meeting, the proposed final dividend will be payable to the shareholders whose names appear on the Register of Members of the Company on 4 September 2023. To ascertain the entitlement of the shareholders to the proposed final dividend, the Register of Members of the Company will be closed from Thursday, 31 August 2023 to Monday, 4 September 2023, both days inclusive, during which period no transfer of shares will be registered by the Company. In order to qualify for the proposed final dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Share Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Wednesday, 30 August 2023.

4. Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the shareholders at the meeting will be taken by poll except where the Chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.
5. With regard to items 3 and 5 to 8 of this notice, a circular giving details of the proposals for re-election of Directors, general mandates to buy back shares and to issue shares and the proposed amendments to Articles of Association will be despatched to the shareholders together with the 2023 Annual Report of the Company on 21 July 2023.
6. This notice is also available for viewing on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and on the website of the Company at www.tern.hk.
7. As at the date of this notice, the Board of Directors of the Company comprises seven Directors, of which four are Executive Directors, namely Mr. Chan Hoi Sow, Mr. Chan Yan Tin, Andrew, Ms. Chan Yan Wai, Emily and Mr. Chan Yan Lam, Alan and three are Independent Non-Executive Directors, namely Mr. Chan Kwok Wai, Mr. Tse Lai Han, Henry and Ms. Cheung Chong Wai, Janet.