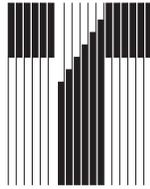


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TERN PROPERTIES COMPANY LIMITED

太興置業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 277)

PROPOSED CHANGE OF AUDITOR

This announcement is made by Tern Properties Company Limited (the “**Company**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board of directors of the Company (the “**Board**”) announces that HLM CPA Limited (“**HLM**”) will retire as the auditor of the Company (the “**Auditor**”) upon expiration of its term of office at the conclusion of the forthcoming annual general meeting of the Company to be held on 20 August 2025 (the “**AGM**”). This decision arises from HLM’s strategic realignment and resource reallocation priorities. In this regard, the Board has carefully evaluated multiple factors, including cost-efficiency, market insights on audit firms, the Company’s business landscape and the recognition that an audit firm with a global network is essential to support its development strategy and audit service requirements. The Board has therefore resolved to appoint a new Auditor after careful consideration and is of the view that this change would be in the best interest of the Company and its shareholders of the Company (“**Shareholders**”) as a whole.

The Board has resolved, with the recommendation of the Audit Committee of the Company, that a resolution will be proposed for the appointment of HLB Hodgson Impey Cheng Limited (“**HLB**”) as the new Auditor with effect from the conclusion of the AGM and to hold office until the conclusion of the next annual general meeting of the Company.

The Company has received a letter from HLM confirming that there are no circumstances connected with its retirement that need to be brought to the attention of the Shareholders or the Company’s creditors. The Board has confirmed that there is no disagreement between HLM and the Company, and there are no matters in respect of the proposed change of Auditor that need to be brought to the attention of the holders of securities of the Company and the Stock Exchange.

The members of the Audit Committee have considered a number of factors in assessing the appointment of HLB as the new Auditor in accordance with the duties stated in the terms of reference of the Audit Committee, including but not limited to (i) the track record of HLB including its experience in handling audit work for companies listed on the Stock Exchange and its familiarity with the requirements under the Listing Rules and the Hong Kong Financial Reporting Standards; (ii) its independence; (iii) its audit fee; (iv) its reputation in the market; (v) its resources and capability of completing the audit work within stipulated schedule; and (vi) the guidelines issued by the Accounting and Financial Reporting Council.

Based on the above, the Audit Committee and the Board has assessed and considered that HLB is eligible and suitable to act as the new Auditor of the Company.

The Board would like to take this opportunity to express its sincere gratitude to HLM for its professional and quality services rendered to the Company over the past years.

A circular containing, among other things, details of the proposed change of Auditor, together with the notice convening the forthcoming AGM, will be despatched to the Shareholders in due course.

By order of the Board
Tern Properties Company Limited
Chan Yan Wai, Emily
Chan Yan Lam, Alan
Joint Chairmen

Hong Kong, 7 July 2025

As at the date of this announcement, the Board comprises six Directors, of which three are Executive Directors, namely Ms. Chan Yan Wai, Emily, Mr. Chan Yan Tin, Andrew 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.