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# 天德地產有限公司 Tian Teck Land Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 266)

## Preliminary Announcement of Results for the year ended 31 March 2025

(Expressed in Hong Kong dollars)

The Board of Directors would like to announce the audited results of the Group for the year ended 31 March 2025. These results have been reviewed with no disagreement by the audit committee of the Company. The figures in respect of this preliminary announcement of the Group's results have been agreed by the Company's auditor, KPMG, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

### Consolidated statement of profit or loss and other comprehensive income

		Year ended 31 March	
	Note	2025 \$'000	2024 \$'000
<b>Revenue</b>	3	<b>308,131</b>	304,557
Cost of services		(97,405)	(96,865)
<b>Gross profit</b>		<b>210,726</b>	207,692
Other revenue	5(a)	22,336	25,625
Other net loss	5(b)	(164)	(1,948)
Administrative expenses		(44,160)	(42,614)
<b>Profit from operations before valuation changes in investment properties</b>		<b>188,738</b>	188,755
Valuation (losses)/gains on investment properties		(753,794)	230,905
<b>(Loss)/profit from operations after valuation changes in investment properties</b>		<b>(565,056)</b>	419,660
Finance costs	6(a)	(11,239)	(11,532)
<b>(Loss)/profit before taxation</b>	6	<b>(576,295)</b>	408,128
Income tax	7	(25,955)	(26,048)
<b>(Loss)/profit and total comprehensive income for the year</b>		<b>(602,250)</b>	382,080
<b>Attributable to:</b>			
— Equity shareholders of the Company		(321,982)	193,732
— Non-controlling interests		(280,268)	188,348
<b>(Loss)/profit and total comprehensive income for the year</b>		<b>(602,250)</b>	382,080
<b>(Loss)/earnings per share – basic and diluted</b>	9	<b>\$(0.68)</b>	\$0.41

Details of dividends payable to equity shareholders of the Company are set out in note 8.

## Consolidated statement of financial position

	Note	At 31 March 2025 \$'000	\$'000	At 31 March 2024 \$'000	\$'000
<b>Non-current assets</b>					
Fixed assets					
— Investment properties		7,250,030		8,001,439	
— Other properties, plant and equipment		44,462		48,521	
		7,294,492		8,049,960	
Deferred tax assets		226		95	
		7,294,718		8,050,055	
<b>Current assets</b>					
Accounts receivable, deposits and prepayments	10	120,463		114,446	
Current tax recoverable		678		—	
Pledged bank deposits		5,675		9,302	
Cash and cash equivalents		572,862		570,577	
		699,678		694,325	
<b>Current liabilities</b>					
Other payables and accruals	11	22,684		29,199	
Deposits received		110,550		113,308	
Provision for long service payments		2,917		2,556	
Current tax payable		4,773		2,038	
		140,924		147,101	
<b>Net current assets</b>		558,754		547,224	
<b>Total assets less current liabilities</b>		7,853,472		8,597,279	
<b>Non-current liabilities</b>					
Bank loan – secured		200,000		200,000	
Government lease premiums payable		1,319		1,408	
Deferred tax liabilities		131,048		122,772	
		332,367		324,180	
<b>NET ASSETS</b>		7,521,105		8,273,099	
<b>CAPITAL AND RESERVES</b>					
Share capital		121,830		121,830	
Reserves		3,825,847		4,223,786	
		3,947,677		4,345,616	
<b>Non-controlling interests</b>		3,573,428		3,927,483	
<b>TOTAL EQUITY</b>		7,521,105		8,273,099	

Notes:

## 1. Basis of preparation

The financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial statements have been prepared in accordance with the same accounting policies adopted in the financial statements for the year ended 31 March 2024, except for the accounting policy changes that have been reflected in the financial statements for the year ended 31 March 2025. Details of these changes in accounting policies are set out in note 2.

The financial information relating to the years ended 31 March 2025 and 2024 included in this preliminary announcement of results does not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 March 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 31 March 2025 in due course.

The Company’s auditor has reported on the financial statements of the Group for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

## 2. Changes in accounting policies

The HKICPA has issued a number of new or amended HKFRS Accounting Standards that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current*
- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants*

None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 3. Revenue

The principal activity of the Group is property investment.

Revenue represents gross rental income received and receivable from investment properties.

The Group’s customer base is diversified and includes only one customer (2024: one customer) with whom transactions have exceeded 10% of the Group’s revenue. During the year, revenue from this customer amounted to approximately \$33,600,000 (2024: \$37,939,000).

#### 4. Segment information

The Group has a single reportable segment which is “Property leasing”. Accordingly, the business segment information for this sole reportable segment is equivalent to the consolidated figures.

No separate geographical information is presented as the Group’s revenue and results of property leasing were derived from Hong Kong and Mainland China.

#### 5. Other revenue and net loss

		Year ended 31 March	
		2025	2024
		\$'000	\$'000
(a)	<b>Other revenue</b>		
	Interest income	20,934	24,063
	Compensation from early termination of leases	–	1
	Others	1,402	1,561
		<u>22,336</u>	<u>25,625</u>
(b)	<b>Other net loss</b>		
	Net foreign exchange loss	(163)	(1,946)
	Net loss on disposals of fixed assets	(1)	(2)
		<u>(164)</u>	<u>(1,948)</u>

#### 6. (Loss)/profit before taxation

(Loss)/profit before taxation is arrived at after charging:

		Year ended 31 March	
		2025	2024
		\$'000	\$'000
(a)	<b>Finance costs</b>		
	Interest on bank loan	10,438	11,206
	Other borrowing costs	730	250
	Interest on government lease premiums payable	71	76
		<u>11,239</u>	<u>11,532</u>
(b)	<b>Other items</b>		
	Depreciation charge	4,323	4,539
	Impairment losses on accounts receivable	2,304	1,095

## 7. Income tax

	Year ended 31 March	
	2025	2024
	\$'000	\$'000
<b>Current tax – Hong Kong Profits Tax</b>		
Provision for the year	17,784	17,829
Over-provision in respect of prior years	(9)	(18)
	<u>17,775</u>	<u>17,811</u>
<b>Current tax – Mainland China – Enterprises Income Tax (“EIT”)</b>		
Provision for the year	35	50
	<u>35</u>	<u>50</u>
<b>Deferred tax</b>		
Changes in fair value of investment properties	(131)	(123)
Origination and reversal of temporary differences	8,276	8,310
	<u>8,145</u>	<u>8,187</u>
	<u>25,955</u>	<u>26,048</u>

The provision for Hong Kong Profits Tax is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first \$2,000,000 of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2024. EIT is calculated based on the applicable rate of taxation in accordance with the relevant tax rules and regulations of Mainland China.

## 8. Dividends

### (a) Dividends payable to equity shareholders of the Company attributable to the year

	Year ended 31 March	
	2025	2024
	\$'000	\$'000
Interim dividend declared and paid of \$0.06 per share (2024: \$0.06 per share)	28,484	28,484
Final dividend proposed after the end of the reporting period of \$0.08 per share (2024: \$0.10 per share)	37,979	47,473
	<u>66,463</u>	<u>75,957</u>

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(b) **Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year**

	<b>Year ended 31 March</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Final dividend in respect of the previous financial year, approved and paid during the year, of \$0.10 per share (2024: \$0.09 per share)	<b>47,473</b>	42,726

**9. (Loss)/earnings per share – basic and diluted**

The calculation of basic (loss)/earnings per share is based on the loss attributable to equity shareholders of the Company of \$321,982,000 (2024: a profit of \$193,732,000) and 474,731,824 (2024: 474,731,824) shares in issue during the year. There were no potential dilutive shares in existence in 2025 and 2024.

**10. Accounts receivable, deposits and prepayments**

The ageing analysis of accounts receivable (net of allowance for credit losses) which was included in accounts receivable, deposits and prepayments as of the end of the reporting period is as follows:

	<b>At 31 March</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Current (Note)	<b>101,147</b>	89,328
Less than 1 month past due	<b>3,881</b>	5,636
1 to 3 months past due	<b>3,736</b>	4,554
More than 3 months but less than 12 months past due	<b>388</b>	1,159
More than 12 months past due	<b>1,327</b>	3,519
Amounts past due	<b>9,332</b>	14,868
Total accounts receivable, net of allowance for credit losses	<b>110,479</b>	104,196
Deposits and prepayments	<b>9,984</b>	10,250
	<b>120,463</b>	114,446

Note: The amount includes the receivable for lease incentives of \$99,231,000 (2024: \$88,893,000) which is not past due. The movement in the said receivable during the year will only affect the accounting revenue but not the contractual cash flows of the Group.

Debts are generally due on the 1st day of each month and 10 to 14 days are allowed for settlement or else interest will be charged. Legal action will be taken against past due debtors whenever the situation is appropriate.

**11. Other payables and accruals**

All of the other payables and accruals are expected to be settled within one year.

## BUSINESS REVIEW AND COMMENTARY

- The Group achieved a profit from operations before valuation changes in investment properties of \$188.7 million for the financial year ended 31 March 2025, which is similar to the previous financial year.
- Valuation losses on investment properties for the financial year ended 31 March 2025 amounted to \$753.8 million, compared with the net valuation gains of \$230.9 million for the previous financial year. The valuation changes will only affect the accounting profit or loss but not the cash flows of the Group.
- The Group recorded a loss attributable to equity shareholders of \$322.0 million for the financial year ended 31 March 2025, compared with a profit attributable to equity shareholders of \$193.7 million for the previous financial year.
- iSQUARE is a commercial complex housing retail, entertainment, food and beverage establishments. Rental income from iSQUARE amounted to approximately \$296.5 million for the financial year ended 31 March 2025, representing an increase of approximately 2.3% compared with the previous financial year. The occupancy rate at 31 March 2025 was approximately 77.1% (2024: 73.1%).
- The Group's investment properties, comprising four floors of Goodluck Industrial Centre in Lai Chi Kok and one floor of a commercial building in Guangzhou in the People's Republic of China, continued to generate rental income during the year.
- The total equity for the Group at 31 March 2025 was \$7,521.1 million, compared with \$8,273.1 million at 31 March 2024.
- On 7 October 2013, Associated International Hotels Limited ("AIHL"), a 50.01% owned subsidiary, entered into a facility agreement with a bank comprising of a 3-year term loan facility of up to \$200 million and a 3-year revolving loan facility of up to \$100 million both at floating interest rate. Following the first supplemental agreement for extension of the facilities to 8 October 2021, AIHL entered into the second supplemental agreement with the bank on 23 August 2021 for extension of the facilities for three years to 8 October 2024. With the agreement of the lending bank, the facilities have been further extended for two additional years to 8 October 2026. At 31 March 2025, the banking facilities were utilised to the extent of \$200 million (2024: \$200 million) and the Group's gearing ratio (calculated as total bank loans divided by total equity) was 2.7% (2024: 2.4%).
- At 31 March 2025, the total number of employees of the Group, excluding the staff employed by Cushman & Wakefield Property Management Limited for general building and property management of iSQUARE, was 38 (2024: 37) and the related costs incurred during the year were approximately \$32.4 million (2024: \$30.4 million).

## OUTLOOK

Despite various measures introduced by the Hong Kong government to boost the retail market in Hong Kong, the change in consumption pattern of residents and visitors would still pose constraints on driving local consumption in both retail and catering sectors. The management will continue to take appropriate measures to cope with the changing environment. It is anticipated that rental income from iSQUARE and the results from operations of the Group for the coming financial year will be adversely affected.

## DIVIDENDS

The Board is pleased to recommend a final dividend of \$0.08 per share for the year ended 31 March 2025 (2024: \$0.10 per share). As the Company paid an interim dividend of \$0.06 per share during the year (2024: \$0.06 per share), the total distribution will be \$0.14 per share for the year (2024: \$0.16 per share).

Subject to the members' approval at the Company's forthcoming annual general meeting, the proposed final dividend will be paid on Friday, 17 October 2025 to members whose names appear on the register of members of the Company on Monday, 22 September 2025.

## ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company will be held on Friday, 5 September 2025. Details of which are set out in the notice of annual general meeting to be published and despatched to members in July 2025.

## RECORD DATES AND CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining members' eligibility to attend, speak and vote at the forthcoming annual general meeting of the Company, and entitlement to the proposed final dividend, the register of members of the Company will be closed, details of which are set out below. During such closure periods, no transfer of shares will be registered.

- (i) For determining members' eligibility to attend, speak and vote at the forthcoming annual general meeting of the Company:

Latest time to lodge transfer documents* for registration	4:30 p.m. on Thursday, 28 August 2025 (Hong Kong time)
Closure of register of members	Friday, 29 August 2025 to Friday, 5 September 2025 (both dates inclusive)
Record date	Friday, 5 September 2025

- (ii) For determining members' entitlement to the proposed final dividend:

Latest time to lodge transfer documents* for registration	4:30 p.m. on Wednesday, 17 September 2025 (Hong Kong time)
Closure of register of members	Thursday, 18 September 2025 to Monday, 22 September 2025 (both dates inclusive)
Record date	Monday, 22 September 2025

\* All transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.



## **PURCHASE, SALE OR REDEMPTION BY THE COMPANY AND ITS SUBSIDIARIES OF ITS LISTED SECURITIES**

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the year.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

In the opinion of the Directors, the Company throughout the financial year ended 31 March 2025 complied with all the code provisions, where applicable, set out in Part 2 of the Corporate Governance Code in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), except for the deviations as disclosed hereunder:

- Code Provision C.1.8: Appropriate insurance cover in respect of legal action against directors should be arranged

Currently, the Company does not have insurance cover for legal action against its Directors. After taking into account the business nature and operational complexity and diversity of the Group, as well as the close supervision of and prudent approach adopted by the management, the Board believes that the Directors' risk of being sued or getting involved in litigation in their capacity as Directors is relatively low. Benefits to be derived from taking out insurance may not outweigh the cost. Despite it, every Director is, subject to the provisions of the applicable laws, indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities he/she may sustain or incur in or about the execution of his/her office or otherwise in relation thereto pursuant to the Articles of Association of the Company. In view of the above, the Board considers that the Directors' exposure to risk is manageable.

- Code Provision C.2.1: The roles of chairman and chief executive should be separated and performed by two individuals

The roles of the Chairman and chief executive officer of the Company are taken up by the same person. To avoid concentration of power and authority in any one individual, the Executive Directors have been sharing the day-to-day management of the Company's business whilst the Board is collectively responsible for formulation of objectives and strategic decisions. In addition, the Board comprises three Independent Non-executive Directors ("INEDs") with differing expertise/calibre who can provide a "check and balance" effect on the management through their high attendance at board meetings and active roles in board committees whereby ensuring a balance of power. Given consideration to the aforesaid, the Board of Directors is of the view that the structure of CEO duality does not have any adverse effect on the Company and believes that the current structure enables the Group to make and implement decisions promptly and efficiently on the one hand while achieving an equilibrium of power on the other.

- Code Provision D.2.5: Issuer should have an internal audit function and review the need for one in case of its absence annually

At present, the Company does not have an internal audit function. The Board reviewed the need for setting up one in March 2025 and considered that there was no such immediate need after taking into account the Group's current circumstances, such as the focused nature and geographical spread of business, the relatively simple operating structure and small size of the Group and the close involvement and supervision of the management in daily operation, which could provide sufficient risk management and internal control for the Group. Despite it, the Board has taken initiatives to promote the adequacy and effectiveness of the risk management and internal control systems by creating a control environment across the Group (such as building up a corporate culture based on sound business ethics and accountability through the implementation of whistleblowing policy and procedure manuals with defined roles, responsibilities and reporting lines) and putting control activities in place (such as conducting group-wide risk assessment exercise biannually). In addition, where the external auditor of the Company considers any internal controls that are relevant to the audit of the financial statements, it will report to the audit committee any significant deficiencies in internal control identified during the audit.

In view of the above considerations, together with the review result on the effectiveness of the existing control mechanism and the potential cost to be involved, the Board is of the opinion that it is not cost effective to set up and maintain an internal audit function for the time being. Nonetheless, the Board will review the need for one on an annual basis.

- Code Provision E.1.5: Remuneration details of senior management should be disclosed by band in annual reports

The remuneration details of the senior management are not disclosed by band in the annual report. To ensure they are remunerated at a reasonable but not excessive rate, none of them is involved in deciding his/her own remuneration or related to the remuneration committee members (who are all INEDs and authorised to collectively determine the remuneration of the senior management based on a number of factors set out in the Company's remuneration policy). The Directors consider that the non-disclosure does not pose any negative impact on the Company. On the contrary, the disclosure of the remuneration details of the senior management may cause undue comparison among staff members, and would unnecessarily provide highly sensitive and confidential information to competitors and other third parties looking to recruit the senior management. In light of the above, the Directors are of the view that the disclosure of such information would neither provide pertinent information in furtherance of corporate governance, nor be in the interests of the members of the Company.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules as its code for dealing in securities in the Company by its Directors ("Model Code"). Specific enquiry has been made to all Directors of the Company as to whether they have complied with or whether there has been any non-compliance with the Model Code, and all Directors have confirmed compliance with the required standard set out in the Model Code during the financial year ended 31 March 2025.

## AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board proposes certain amendments to be made to the Company's Articles of Association ("Proposed Amendments") with a view to (i) bringing them in line with the requirements of the Listing Rules and the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) ("Hong Kong Companies Ordinance") in relation to holding virtual or hybrid general meetings and e-voting, as well as treasury shares; and (ii) incorporating certain corresponding and housekeeping amendments to the Company's Articles of Association.

The Proposed Amendments are subject to the approval of the shareholders by way of a special resolution at the forthcoming annual general meeting of the Company. A circular containing, among other things, details of the Proposed Amendments will be dispatched to the shareholders together with the Company's annual report for the financial year ended 31 March 2025.

## PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company ([http://tll.etnet.com.hk/eng/ca\\_calendar.php](http://tll.etnet.com.hk/eng/ca_calendar.php)). The annual report for the financial year ended 31 March 2025 which contains all information required by the Listing Rules will be dispatched to members of the Company and made available on the above websites in due course.

By order of the Board  
**Tian Teck Land Limited**  
**Ng Sau Fong**  
Company Secretary

Hong Kong, 27 June 2025

*As at the date of this announcement, Mr Cheong Kheng Lim, Mr Cheong Keng Hooi, Mr Cheong Sim Lam, Ms Cheong Chong Ling, Mr Cheong Tiong Ham and Mr Cheong Chin Joo Gerald are executive directors, and Mr Chow Wan Hoi, Paul, Mr Wong Yiu Tak and Mr Tse Pang Yuen are independent non-executive directors.*

*Note: The translation into Chinese language of this announcement is for reference only. In case of any inconsistency, the English version shall prevail.*