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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 Interim Results
for the six months ended 30 September 2025**

(Expressed in Hong Kong dollars)

The Board of Directors would like to announce the unaudited consolidated results of the Group for the half year ended 30 September 2025. These results have been reviewed in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), by KPMG, certified public accountants in Hong Kong, and the audit committee with no disagreement. The unmodified review report of the auditor is included in the interim report to be sent to members of the Company.

Consolidated statement of profit or loss and other comprehensive income – unaudited

		Six months ended 30 September	
	<i>Note</i>	2025	2024
		\$'000	\$'000
Revenue	3	152,418	156,388
Cost of services		(49,921)	(49,868)
Gross profit		102,497	106,520
Other revenue	5(a)	8,593	11,949
Other net income	5(b)	578	1,026
Administrative expenses		(21,099)	(20,228)
Profit from operations before valuation changes in investment properties		90,569	99,267
Valuation losses on investment properties		(223,362)	(603,577)
Loss from operations after valuation changes in investment properties		(132,793)	(504,310)
Finance costs	6(a)	(3,273)	(5,496)
Loss before taxation	6	(136,066)	(509,806)
Income tax	7	(13,550)	(13,418)
Loss and total comprehensive income for the period		(149,616)	(523,224)
Attributable to:			
– Equity shareholders of the Company		(75,428)	(277,829)
– Non-controlling interests		(74,188)	(245,395)
Loss and total comprehensive income for the period		(149,616)	(523,224)
Loss per share – basic and diluted	9	\$(0.16)	\$(0.59)

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

Consolidated statement of financial position – unaudited

	Note	At 30 September 2025 \$'000	At 31 March 2025 \$'000
Non-current assets			
Fixed assets			
– Investment properties		7,027,240	7,250,030
– Other properties, plant and equipment		42,967	44,462
		<u>7,070,207</u>	<u>7,294,492</u>
Deferred tax assets		311	226
		<u>7,070,518</u>	<u>7,294,718</u>
Current assets			
Accounts receivable, deposits and prepayments	10	128,889	120,463
Current tax recoverable		613	678
Pledged bank deposits		37,033	5,675
Cash and cash equivalents		618,564	572,862
		<u>785,099</u>	<u>699,678</u>
Current liabilities			
Other payables and accruals	11	24,239	22,684
Deposits received		110,280	110,550
Provision for long service payments		3,052	2,917
Dividends payable		37,979	–
Dividends payable to non-controlling interests		34,194	–
Current tax payable		10,019	4,773
		<u>219,763</u>	<u>140,924</u>
Net current assets		<u>565,336</u>	<u>558,754</u>
Total assets less current liabilities		<u>7,635,854</u>	<u>7,853,472</u>
Non-current liabilities			
Bank loan – secured		200,000	200,000
Government lease premiums payable		1,319	1,319
Deferred tax liabilities		135,219	131,048
		<u>336,538</u>	<u>332,367</u>
NET ASSETS		<u>7,299,316</u>	<u>7,521,105</u>
CAPITAL AND RESERVES			
Share capital		121,830	121,830
Reserves		3,712,440	3,825,847
		<u>3,834,270</u>	<u>3,947,677</u>
Non-controlling interests		<u>3,465,046</u>	<u>3,573,428</u>
TOTAL EQUITY		<u>7,299,316</u>	<u>7,521,105</u>

Notes:

1. Basis of preparation

The unaudited interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the HKICPA.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the consolidated financial statements for the year ended 31 March 2025, except for the accounting policy changes that are expected to be reflected in the consolidated financial statements for the year ending 31 March 2026. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The financial information relating to the financial year ended 31 March 2025 that is included in this preliminary announcement of interim results as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year 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 consolidated financial statements for the year ended 31 March 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company’s auditor has reported on those consolidated financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; 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 an amendment to HKFRS Accounting Standards that is first effective for the current accounting period of the Group. However, this development is not relevant to the Group.

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 period, revenue from this customer amounted to approximately \$19,395,000 (2024: \$18,182,000).

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 income

		Six months ended 30 September	
		2025	2024
		\$'000	\$'000
(a)	Other revenue		
	Interest income	6,658	11,570
	Others	1,935	379
		<u>8,593</u>	<u>11,949</u>
(b)	Other net income		
	Net foreign exchange gain	578	1,027
	Net loss on disposals of fixed assets	–	(1)
		<u>578</u>	<u>1,026</u>

6. Loss before taxation

Loss before taxation is arrived at after charging:

		Six months ended 30 September	
		2025	2024
		\$'000	\$'000
(a)	Finance costs		
	Interest on bank loan	3,132	5,354
	Other borrowing costs	125	125
	Interest on government lease premiums payable	16	17
		<u>3,273</u>	<u>5,496</u>
(b)	Other items		
	Depreciation charge	2,128	2,185
	Impairment losses on accounts receivable	290	2,039

7. Income tax

	Six months ended 30 September	
	2025	2024
	\$'000	\$'000
Current tax		
Hong Kong Profits Tax	9,451	9,400
Mainland China – Enterprises Income Tax (“EIT”)	13	21
	<u>9,464</u>	<u>9,421</u>
Deferred tax		
Changes in fair value of investment properties	(85)	(128)
Origination and reversal of temporary differences	4,171	4,125
	<u>4,086</u>	<u>3,997</u>
	<u>13,550</u>	<u>13,418</u>

The provision for Hong Kong Profits Tax is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the six months ended 30 September 2025, 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 interim period

	Six months ended 30 September	
	2025	2024
	\$'000	\$'000
Interim dividend declared after the interim period of \$0.05 per share (2024: \$0.06 per share)	<u>23,737</u>	<u>28,484</u>

The interim dividend declared after the interim 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 during the interim period

	Six months ended 30 September	
	2025	2024
	\$'000	\$'000
Final dividend in respect of the previous financial year, approved during the following interim period, of \$0.08 per share (year ended 31 March 2024: \$0.10 per share)	<u>37,979</u>	<u>47,473</u>

9. Loss per share – basic and diluted

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of \$75,428,000 (2024: \$277,829,000) and 474,731,824 (2024: 474,731,824) shares in issue during the period. There were no potential dilutive shares in existence during the six months ended 30 September 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:

	At 30 September 2025 \$'000	At 31 March 2025 \$'000
Current (Note)	<u>116,195</u>	<u>101,147</u>
Less than 1 month past due	3,047	3,881
1 to 3 months past due	236	3,736
More than 3 months but less than 12 months past due	478	388
More than 12 months past due	<u>916</u>	<u>1,327</u>
Amounts past due	<u>4,677</u>	<u>9,332</u>
Total accounts receivable, net of allowance for credit losses	120,872	110,479
Deposits and prepayments	<u>8,017</u>	<u>9,984</u>
	<u>128,889</u>	<u>120,463</u>

Note: The amount includes the receivable for lease incentives of \$111,824,000 (31 March 2025: \$99,231,000) which is not past due. The movement in the said receivable during the period will only affect the accounting revenue but not the contractual cash flows of the Group.

Accounts receivable 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 \$90.6 million for the half year ended 30 September 2025, representing a decrease of approximately 8.8% compared with the corresponding period of last year. The decrease was attributable to the decrease in rental income from iSQUARE compared to the corresponding period of last year and the decrease in interest income due to the decline in interest rates.
- Valuation losses on investment properties for the half year ended 30 September 2025 amounted to \$223.4 million, compared with the valuation losses of \$603.6 million for the corresponding period of last 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 \$75.4 million for the half year ended 30 September 2025, compared with a loss attributable to equity shareholders of \$277.8 million for the corresponding period of last year.
- iSQUARE is a commercial complex housing retail, entertainment, food and beverage establishments. Rental income from iSQUARE amounted to approximately \$147.0 million for the half year ended 30 September 2025, representing a decrease of approximately 2.3% compared with the corresponding period of last year. The occupancy rate at 30 September 2025 was approximately 74.8% (30 September 2024: 77.0%).
- 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 period.
- The total equity for the Group at 30 September 2025 was \$7,299.3 million, compared with \$7,521.1 million at 31 March 2025.
- 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 30 September 2025, the banking facilities were utilised to the extent of \$200 million (31 March 2025: \$200 million) and the Group's gearing ratio (calculated as total bank loans divided by total equity) was 2.7% (31 March 2025: 2.7%).
- At 30 September 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 36 (30 September 2024: 38) and the related costs incurred during the period were approximately \$14.5 million (30 September 2024: \$14.1 million).
- Save as disclosed in this announcement, there has been no further material change to the information contained in the Company's annual report for the year ended 31 March 2025 which necessitates additional disclosure to that made herein.

OUTLOOK

Despite the lowering of interest rates, and a recovery in consumer confidence and various government measures to boost the economy, the retail sector in Hong Kong continues to face significant challenges. It is anticipated that rental income from iSQUARE and the results from operations of the Group for the second half year will be adversely affected.

INTERIM DIVIDEND

The Board has resolved that an interim dividend of \$0.05 per share (2024: \$0.06 per share) will be paid on Monday, 19 January 2026 to members whose names appear on the register of members of the Company on Thursday, 18 December 2025.

RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining members' entitlement to the said interim dividend, the register of members of the Company will be closed, details of which are set out below. During such closure period, no transfer of shares will be registered.

Latest time to lodge transfer documents* for registration	4:30 p.m. on Monday, 15 December 2025 (Hong Kong time)
Closure of register of members	Tuesday, 16 December 2025 to Thursday, 18 December 2025 (both dates inclusive)
Record date	Thursday, 18 December 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 six months ended 30 September 2025 (including sale of treasury shares, if any). As at 30 September 2025, the Company did not hold any treasury shares.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company throughout the six months ended 30 September 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.1.7: 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 separate 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 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.2.2: 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 ("Model Code") set out in Appendix C3 to the Listing Rules as its code for dealing in securities in the Company by its Directors. 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 six months ended 30 September 2025.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (http://ttl.etnet.com.hk/eng/ca_calendar.php). The interim report for the six months ended 30 September 2025 which contains all information required by the Listing Rules will be despatched 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 Mei
Company Secretary

Hong Kong, 27 November 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.