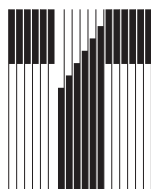


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## TERN PROPERTIES COMPANY LIMITED

### 太興置業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 277)

## ANNUAL RESULTS

### FOR THE YEAR ENDED 31 MARCH 2026

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Notes	2026 HK\$'000	2025 HK\$'000
Turnover	3	48,445	50,397
Property expenses		<u>(4,260)</u>	<u>(5,232)</u>
Gross profit		44,185	45,165
Fair value loss on investment properties		(40,480)	(91,139)
Loss on derecognition of debt instruments at fair value through other comprehensive income		(36,093)	(79)
Gain on disposal of financial assets at fair value through profit or loss		601	42
Unrealised gain on revaluation of financial assets at fair value through profit or loss		17,321	15,400
Net reversal of (provision for) impairment loss on debt instruments at fair value through other comprehensive income	6	3,718	(946)
Allowance for expected credit losses, net of reversal	6	(3,834)	(1,896)
Dividend income		4,931	3,322
Interest income		12,917	16,185
Other income, gains and losses, net	5	8,325	3,561
Administrative expenses		<u>(41,492)</u>	<u>(34,991)</u>

	<i>Notes</i>	<b>2026</b> <b><i>HK\$'000</i></b>	2025 <i>HK\$'000</i>
<b>Loss from operations</b>	6	<b>(29,901)</b>	(45,376)
Finance costs	7	<b>(954)</b>	(1,296)
Share of results of associates		<b>3,918</b>	(2,486)
		<hr/>	<hr/>
<b>Loss before taxation</b>		<b>(26,937)</b>	(49,158)
Taxation	8	<b>576</b>	(5,301)
		<hr/>	<hr/>
<b>Loss for the year attributable to owners of the Company</b>		<b>(26,361)</b>	(54,459)
		<hr/>	<hr/>
<b>Other comprehensive (expense) income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net (loss) gain arising on revaluation of debt instruments at fair value through other comprehensive income		<b>(3,503)</b>	1,739
Release of cumulative gain or loss on fair value change on derecognition of debt instruments at fair value through other comprehensive income		<b>31,017</b>	4,979
(Reversal of) provision for impairment loss on debt instruments at fair value through other comprehensive income		<b>(1,225)</b>	946
Exchange differences arising on translation of foreign operations		<b>502</b>	(627)
		<hr/>	<hr/>
<b>Other comprehensive income for the year, net of tax</b>		<b>26,791</b>	7,037
		<hr/>	<hr/>
<b>Total comprehensive income (expense) for the year attributable to owners of the Company</b>		<b>430</b>	(47,422)
		<hr/> <hr/>	<hr/> <hr/>
<b>Loss per share</b>			
Basic and diluted	10	<b>(HK\$0.10)</b>	(HK\$0.20)
		<hr/> <hr/>	<hr/> <hr/>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026

	Notes	2026 HK\$'000	2025 HK\$'000
<b>Non-current assets</b>			
Investment properties		1,897,695	1,937,917
Property, plant and equipment		567	971
Right-of-use assets		14,307	14,808
Interests in associates		256,571	254,380
Debt instruments at fair value through other comprehensive income		23,696	29,478
Financial assets at fair value through profit or loss		700	700
Deferred rental income		453	478
Deferred tax assets		188	168
		<u>2,194,177</u>	<u>2,238,900</u>
<b>Current assets</b>			
Trade and other receivables	11	14,225	11,434
Debt instruments at fair value through other comprehensive income		891	3,505
Financial assets at fair value through profit or loss		117,523	94,925
Deferred rental income – current portion		914	1,248
Tax recoverable		1,235	1,066
Time deposit with maturity over three months		17,317	77,919
Bank balances and cash		276,750	199,023
		<u>428,855</u>	<u>389,120</u>
<b>Current liabilities</b>			
Other payables	12	7,872	5,859
Deposits received from tenants		9,565	11,296
Tax payable		312	2,468
Lease liabilities		34	416
Secured bank borrowings – due within one year		3,119	3,002
		<u>20,902</u>	<u>23,041</u>
<b>Net current assets</b>		<u>407,953</u>	<u>366,079</u>
<b>Total assets less current liabilities</b>		<u>2,602,130</u>	<u>2,604,979</u>

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
<b>Non-current liabilities</b>		
Deposits received from tenants	11,988	7,507
Lease liabilities	–	34
Secured bank borrowings – due after one year	35,564	38,727
Deferred tax liabilities	35,889	35,739
	<u>83,441</u>	<u>82,007</u>
<b>Net assets</b>	<u><u>2,518,689</u></u>	<u><u>2,522,972</u></u>
<b>Capital and reserves</b>		
Share capital	229,386	229,386
Reserves	2,289,303	2,293,586
<b>Total equity</b>	<u><u>2,518,689</u></u>	<u><u>2,522,972</u></u>

## NOTES:

### 1. GENERAL INFORMATION AND BASIS OF PREPARATION

#### (a) General information

The financial information relating to the years ended 31 March 2026 and 2025 included in the annual results for the year ended 31 March 2026 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those consolidated 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 and will deliver the consolidated financial statements for the year ended 31 March 2026 in due course.

The Company's auditor has reported on those consolidated financial statements of the Group. The auditors' report was 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.

#### (b) Basis of preparation

The financial information presented above and notes thereto are extracted from the Group's consolidated financial statements and presented in accordance with Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board is responsible for the preparation of the Group's consolidated financial statements. The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards. The consolidated financial statements have been prepared on the historical cost convention except for certain investment properties and financial instruments that are stated at fair values at the end of each reporting period.

The consolidated financial statements have been prepared on a going concern basis.

### 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

#### Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual periods beginning on 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

The directors anticipate that the application of the above new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

### 3. TURNOVER

Turnover represents the aggregate amounts received and receivable from property rental income.

	<b>2026</b> <b>HK\$'000</b>	2025 <i>HK\$'000</i>
Property rental income	<b>48,445</b>	50,397

### 4. OPERATING SEGMENTS

The Group's operating activities are attributable to two operating segments under HKFRS 8 "Operating Segments", namely property investment and treasury investment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

For property investment, the segment represents the operations of property investment and property leasing. Discrete financial information is provided to the Board on a property-by-property basis. Information provided includes net rental income (including gross rental income and property expenses), fair value loss on investment properties and share of results of associates. Individual properties with similar economic characteristics are aggregated into one segment for presentation purposes.

For treasury investment, the segment represents the investments in debt and equity securities. Financial information is provided to the Board on a company-by-company basis. Information provided includes loss on derecognition of debt instruments at fair value through other comprehensive income ("FVTOCI"), gain on disposal of financial assets at fair value through profit or loss ("FVTPL"), unrealised gain on revaluation of financial assets at FVTPL, interest income from debt instruments and bank deposits and dividend income from equity securities.

## Segment information

For the year ended 31 March 2026

	Property investment <i>HK\$'000</i>	Treasury investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Gross rental income	48,445	–	48,445
Property expenses	(4,260)	–	(4,260)
Net rental income	44,185	–	44,185
Fair value loss on investment properties	(40,480)	–	(40,480)
Loss on derecognition of debt instruments at FVTOCI	–	(36,093)	(36,093)
Gain on disposal of financial assets at FVTPL	–	601	601
Unrealised gain on revaluation of financial assets at FVTPL	–	17,321	17,321
Net reversal of impairment loss on debt instruments at FVTOCI	–	3,718	3,718
Allowance for expected credit losses, net of reversal	(3,834)	–	(3,834)
Dividend income from equity securities	–	4,931	4,931
Interest income	4,579	8,338	12,917
Other income, gains and losses, net	4,933	3,392	8,325
Administrative expenses	(42,907)	1,415	(41,492)
(Loss) profit from operations	(33,524)	3,623	(29,901)
Finance costs	(6)	(948)	(954)
Share of results of associates	3,918	–	3,918
(Loss) profit before taxation	<u>(29,612)</u>	<u>2,675</u>	<u>(26,937)</u>

At 31 March 2026

	Property investment <i>HK\$'000</i>	Treasury investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	2,269,186	353,846	2,623,032
Segment liabilities	(60,922)	(43,421)	(104,343)
Net assets	<u>2,208,264</u>	<u>310,425</u>	<u>2,518,689</u>
Other segment information: Depreciation and amortisation	<u>905</u>	<u>–</u>	<u>905</u>

For the year ended 31 March 2025

	Property investment <i>HK\$'000</i>	Treasury investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Gross rental income	50,397	–	50,397
Property expenses	<u>(5,232)</u>	<u>–</u>	<u>(5,232)</u>
Net rental income	45,165	–	45,165
Fair value loss on investment properties	(91,139)	–	(91,139)
Loss on derecognition of debt instruments at FVTOCI	–	(79)	(79)
Gain on disposal of financial assets at FVTPL	–	42	42
Unrealised gain on revaluation of financial assets at FVTPL	–	15,400	15,400
Provision for impairment loss on debt instruments at FVTOCI, net of reversal	–	(946)	(946)
Allowance for expected credit losses, net of reversal	(1,896)	–	(1,896)
Dividend income from equity securities	–	3,322	3,322
Interest income	6,701	9,484	16,185
Other income, gains and losses, net	4,342	(781)	3,561
Administrative expenses	<u>(30,916)</u>	<u>(4,075)</u>	<u>(34,991)</u>
(Loss) profit from operations	(67,743)	22,367	(45,376)
Finance costs	(22)	(1,274)	(1,296)
Share of results of associates	<u>(2,486)</u>	<u>–</u>	<u>(2,486)</u>
(Loss) profit before taxation	<u><u>(70,251)</u></u>	<u><u>21,093</u></u>	<u><u>(49,158)</u></u>

At 31 March 2025

	Property investment <i>HK\$'000</i>	Treasury investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	2,364,871	263,149	2,628,020
Segment liabilities	<u>(60,871)</u>	<u>(44,177)</u>	<u>(105,048)</u>
Net assets	<u><u>2,304,000</u></u>	<u><u>218,972</u></u>	<u><u>2,522,972</u></u>
Other segment information: Depreciation and amortisation	<u><u>1,075</u></u>	<u><u>–</u></u>	<u><u>1,075</u></u>

Over 90% of Group's operations were carried out in Hong Kong and over 90% of the Group's assets were located in Hong Kong. Accordingly, geographical analysis is not presented.

#### **Information on major customers**

No revenue from individual external customer contributed over 10% of total revenue of the Group for both years ended 31 March 2026 and 2025.

## 5. OTHER INCOME, GAINS AND LOSSES, NET

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Management fee income	5,345	4,017
Late payment service charges from tenants	832	696
Exchange gains (losses), net	2,029	(1,338)
Others	119	186
	<u>8,325</u>	<u>3,561</u>

## 6. LOSS FROM OPERATIONS

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Loss from operations has been arrived at after charging:		
Staff costs (including directors' emoluments)	25,918	25,671
Retirement benefits scheme contributions	272	258
	<u>26,190</u>	<u>25,929</u>
Total staff costs	26,190	25,929
Auditors' remuneration	592	449
Depreciation of property, plant and equipment	404	391
Depreciation of right-of-use assets	501	684
Exchange (gains) losses, net	(2,029)	1,338
Allowance for expected credit losses, net of reversal	3,834	1,896
(Net reversal of) provision for impairment loss on debt instruments at FVTOCI	(3,718)	946
Write-off of trade and other receivables	-	22
and after crediting:		
Dividend income from investments	4,931	3,322
Gross rental income from investment properties	48,445	50,397
Less:		
Direct operating expenses from investment properties that generated rental income	(1,481)	(2,181)
Direct operating expenses from investment properties that did not generate rental income	(2,779)	(3,051)
	<u>44,185</u>	<u>45,165</u>
Net rental income	<u>44,185</u>	<u>45,165</u>

## 7. FINANCE COSTS

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Interest expenses on:		
Bank borrowings	948	1,274
Lease liabilities	6	22
	<u>954</u>	<u>1,296</u>

## 8. TAXATION

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Tax (credit) charge attributable to the Company and subsidiaries:		
Hong Kong Profits Tax		
Current year	1,627	4,933
(Over) under provision in prior years	(2,333)	219
Other jurisdiction		
Under provision in prior years	–	10
	<u>(706)</u>	<u>5,162</u>
Deferred taxation		
Charge for the year	130	143
Over provision in prior years	–	(4)
	<u>(576)</u>	<u>5,301</u>

## 9. DIVIDENDS

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Interim, paid – HK0.3 cent (2025: HK0.3 cent) per share	832	832
Final, proposed – HK1.4 cents (2025: HK1.4 cents) per share	3,881	3,881
	<u>4,713</u>	<u>4,713</u>

The final dividend of HK1.4 cents (2025: HK1.4 cents) per share has been proposed by the board of directors and is subject to approval by the shareholders of the Company in the annual general meeting. The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of reporting period.

## 10. LOSS PER SHARE

The calculation of loss per share attributable to the owners of the Company is based on the following data:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
<b>Loss</b>		
Loss for the year attributable to owners of the Company	26,361	54,459
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>277,232,883</u>	<u>277,232,883</u>

The Company had no dilutive potential ordinary shares outstanding in both the years ended 31 March 2026 and 2025. Accordingly, diluted loss per share is the same as basic loss per share.

## 11. TRADE AND OTHER RECEIVABLES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Trade receivables – rental receivables	7,622	4,166
Less: Allowance for credit losses	<u>(3,270)</u>	<u>(1,138)</u>
	<u>4,352</u>	<u>3,028</u>
Other receivables		
Interest receivables	5,751	7,052
Utilities deposits	2,279	2,139
Prepayments	1,358	1,563
Management fee receivable from associates	1,513	958
Others	<u>4,577</u>	<u>2,146</u>
	<u>15,478</u>	<u>13,858</u>
Less: Allowance for credit losses (note (i))	<u>(5,605)</u>	<u>(5,452)</u>
	<u>9,873</u>	<u>8,406</u>
	<u><u>14,225</u></u>	<u><u>11,434</u></u>

### Notes:

- (i) The amount mainly included allowance for expected credit losses of interest receivables on a debt instrument at FVTOCI.

Included in trade receivables are rental receivables with defined credit policy. Rental income is billed in advance each month. Immediate settlement is expected upon receipt of billing by the tenants.

The following is an aging analysis of trade receivables, net of allowance for credit losses, presented based on the due date.

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
1 – 30 days	696	347
31 – 60 days	515	340
61 – 90 days	515	318
Over 90 days	<u>2,626</u>	<u>2,023</u>
	<u><u>4,352</u></u>	<u><u>3,028</u></u>

The movements in allowance for expected credit losses of trade receivables during the years are set out below:

	<b>2026</b> <b>HK\$'000</b>	2025 <i>HK\$'000</i>
Balance at beginning of the year	<b>1,138</b>	263
Increase in allowance for credit losses recognised in profit or loss	<b>2,132</b>	993
Amount written off as uncollectible	<u>–</u>	<u>(118)</u>
Balance at end of the year	<b><u>3,270</u></b>	<b><u>1,138</u></b>

## 12. OTHER PAYABLES

	<b>2026</b> <b>HK\$'000</b>	2025 <i>HK\$'000</i>
Contract liabilities (Note (i))	<b>2,526</b>	3,002
Other payables		
Accrued interests	<b>55</b>	63
Dividend payable	<b>977</b>	913
Accrued expenses (Note (ii))	<b><u>4,314</u></b>	<u>1,881</u>
	<b><u>7,872</u></b>	<b><u>5,859</u></b>

*Notes:*

- (i) The balance of receipts in advance in relation to rental income as at 1 April 2025 of approximately HK\$3,002,000 (1 April 2024: approximately HK\$2,324,000) was fully recognised as revenue during the year.

As at 31 March 2026, none of receipts in advance in relation to rental income that is expected to be recognised as turnover after more than one year (2025: Nil).

- (ii) Included in the balance as at 31 March 2026, there was approximately HK\$1,930,000 (2025: HK\$8,600) payable arising from repair and maintenance.

## 13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

## **DIVIDEND**

The Board of Directors of the Company has resolved to recommend a final dividend of HK1.4 cents per share for the year ended 31 March 2026. Together with the interim dividend of HK0.3 cent per share that have already been paid, the total dividends for the year will amount to HK1.7 cents per share. The proposed final dividend, subject to approval by the shareholders of the Company at the annual general meeting (“**2026 Annual General Meeting**”) to be held on Wednesday, 19 August 2026, will be payable on Friday, 11 September 2026 to the shareholders on the Register of Members of the Company on Wednesday, 2 September 2026.

## **CLOSURE OF REGISTER MEMBERS**

The record date for determining the entitlement of the holders of shares to attend and vote at the meeting will be Wednesday, 19 August 2026. To ascertain the entitlement of the shareholders to attend and vote at the 2026 Annual General Meeting, the Register of Members of the Company will be closed from Friday, 14 August 2026 to Wednesday, 19 August 2026, 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 2026 Annual General 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, 13 August 2026.

The record date for determining the entitlement of the holders of shares to the proposed final dividend will be Wednesday, 2 September 2026. Subject to the approval of the shareholders at the 2026 Annual General Meeting, the proposed final dividend will be payable to the shareholders whose names appear on the Register of Members of the Company on 2 September 2026. To ascertain the entitlement of the shareholders to the proposed final dividend, the Register of Members of the Company will be closed from Monday, 31 August 2026 to Wednesday, 2 September 2026, 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 Friday, 28 August 2026.

## **BUSINESS OUTLOOK**

The global environment remained fluid and full of uncertainty during the year. The volatility stemming from energy shocks, the escalation of the war in Iran and Middle East, raising inflation, postponing federal rate cut and geopolitical conflicts continue to disrupt global trade flows and supply chains, leaving the global economic outlook highly uncertain.

In Hong Kong, the office and retail leasing market continues to face challenges, characterized by downward pressure on properties valuations and rental income, primarily due to subdued consumer spending and corporate expenditure. Although a continued recovery in overall visitor arrivals to Hong Kong, the outbound travel by Hong Kong residents remains active, leading to an outflow of weekend cross-border spending and domestic retail activity. Furthermore, the shift in consumer shopping habits to online platforms has also dampened the performance of the retail and real estate markets.

Despite the continued challenges in the retail and office sectors, supportive measures from the Hong Kong SAR Government such as new commercial land sales and new policies permitting the conversion of hotel and commercial properties into student accommodation, all help to alleviate market inventory pressure. In addition, the Hong Kong SAR Government's talent support schemes and various mega-events aim to boost visitor inflow, which are expected to stimulate economic activity and business expansion. Meanwhile, the record high of stock market performance is expected to maintain the equity market vibrant and boosting market confidence in Hong Kong.

Looking ahead, resilience has become the Group's solid foundation and principle in face of the complex and constant changing market environment. The Group will continue to remain vigilant in addressing various challenges, while seizing high-quality investment opportunities that arise from time to time.

## **FINANCIAL REVIEW**

### **Financial Results**

#### ***Revenue***

The revenue derived from the Group's investment in properties for the year was HK\$48.4 million (2025: HK\$50.4 million). The decrease in revenue was primarily due to the declining in rental income upon lease renewal of the Group's properties during the year.

#### ***Treasury investments income***

The Group's treasury investment income for the year consists of debt securities interest income of HK\$2.0 million (2025: HK\$4.1 million), share dividend income of HK\$4.9 million (2025: HK\$3.3 million) and bank interest income of HK\$10.9 million (2025: HK\$12.1 million). A decrease in total treasury investment income by HK\$1.7 million was mainly due to decrease in bank time deposit interest rate during the year.

The Group disposed certain of its financial assets at fair value through profit or loss with a realised gain of HK\$0.6 million (2025: HK\$0.1 million) on listed equity securities during the year.

An unrealised gain on revaluation of financial assets at fair value through profit or loss of HK\$17.3 million (2025: HK\$15.4 million) on listed equity securities was recorded during the year.

The Group disposed certain of its debt securities at fair value through other comprehensive income with a realised loss of HK\$36.1 million (2025: HK\$0.1 million) during the year.

There was a net reversal of impairment loss on debt instruments at fair value through other comprehensive income of HK\$3.7 million (2025: an impairment loss of HK\$0.9 million) was recorded during the year. The fair value loss is mainly derived from debt securities being bought in previous periods.

There was no single listed debt security over 5% of the Group's total assets.

#### ***Loss attributable to the owners of the Company***

The loss attributable to the owners of the Company for the year was HK\$26.4 million (2025: HK\$54.5 million).

- A decrease in fair value of investment properties upon revaluation at year end. Decrease in fair value of investment properties of HK\$40.5 million (2025: HK\$91.1 million) was reported during the year.
- A decrease in rental income of the Group to HK\$48.4 million during the year (2025: HK\$50.4 million) as compared with last year.
- A significant loss incurred on disposal of certain debt securities at fair value through other comprehensive income with a realised loss of HK\$36.1 million during the year (2025: HK\$0.1 million).

### ***Loss per share***

Loss per share for the year ended 31 March 2026 was HK9.5 cents (2025: HK19.6 cents). The proposed final dividend of HK1.4 cents (2025: HK1.4 cents) per share will make a total distribution of interim and final dividend of HK1.7 cents (2025: HK1.7 cents) per share for the full year.

### ***Liquidity, Bank Borrowings and Finance Costs***

At 31 March 2026, the Group's net current assets including bank balances and cash of HK\$294.1 million (2025: HK\$276.9 million), an increase of HK\$17.2 million from last year.

At 31 March 2026, the Group's banking facilities amounting to HK\$39.2 million (2025: HK\$42.2 million) were secured by certain of its investment properties with an aggregate fair value amounting to HK\$256.8 million (2025: HK\$261.4 million). At 31 March 2026, HK\$38.7 million (2025: HK\$41.7 million) was utilised.

At 31 March 2026, although the Group have bank borrowings of HK\$38.7 million (2025: HK\$41.7 million), the Group have significant net cash balance on hand.

Of the total bank borrowings at 31 March 2026, HK\$3.1 million or 8.0% (2025: HK\$3.0 million or 7.2%) were repayable within one year. HK\$3.2 million or 8.3% (2025: HK\$3.1 million or 7.4%) were repayable after one year but within two years. HK\$10.1 million or 26.1% (2025: HK\$9.7 million or 23.3%) were repayable after two years but within five years. HK\$22.3 million or 57.6% (2025: HK\$25.9 million or 62.1%) were repayable after five years.

The Group's finance costs for the year ended 31 March 2026 was HK\$0.9 million (2025: HK\$1.3 million), a decrease by 30.8% as compared with last year. This was primarily due to the decrease in principal amount of bank loan during the year.

### **CAPITAL COMMITMENTS**

As at 31 March 2026, the Group did not have any capital commitments.

### **SHAREHOLDERS' FUNDS**

At 31 March 2026, the Group's shareholders' funds decreased to HK\$2,518.7 million (2025: HK\$2,523.0 million) was mainly due to decrease in the fair value of the Group's investment properties. The net asset value per share was HK\$9.1 (2025: HK\$9.1).

## **RISK MANAGEMENT**

The Group has established and maintained sufficient risk management procedures to identify and control various types of risk prevailing inside the organisation and the external environment with active management participation and effective internal control procedures for the best interest of the Group and its shareholders.

## **EMPLOYEES**

At 31 March 2026, the total number of staff of the Group was 18 (2025: 18). The total staff costs including Directors' emoluments amounted to HK\$26.2 million (2025: HK\$25.9 million).

The Group reviews staff remuneration packages annually, which is based on individual performance and merit. The benefits include contributions to employee provident funds, medical subsidies and a discretionary bonus. The Group recognises the importance of continuing professional education and development, and subsidies are granted to employees who take job-related courses.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year.

## **CORPORATE GOVERNANCE**

The Company has complied with all the applicable code provisions in the Corporate Governance Code (the "Code") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the year ended 31 March 2026, except that the roles of chairman and chief executive are performed by the same individual which is a deviation from code provision C.2.1 of the Code. Provision C.2.1 of the Code stipulates that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. Ms. Chan Yan Wai, Emily and Mr. Chan Yan Lam, Alan are the Joint Chairmen of the Board and Co-Managing Directors of the Company. Ms. Chan Yan Wai, Emily and Mr. Chan Yan Lam, Alan have been performing the duties of both the chairman and the chief executive. The Board considers that the current management structure ensures consistent leadership and optimal efficiency for the operation of the Company. As four members of the Board comprises Independent Non-Executive Directors who are professional accountant, engineer and manager respectively, the balance of power and authority between the Board and the management will not be compromised.

## **REVIEW OF ACCOUNTS BY AUDIT COMMITTEE**

The Audit Committee has reviewed the Group's audited annual accounts and annual results for the year ended 31 March 2026 with the Directors.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of its Directors, as at the date of this announcement, there is sufficient public float, as of not less than 25% of the Company's issued shares are held by the public.

## **SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2026 as set out in the preliminary announcement have been agreed by the Group's auditor, HLB Hodgson Impey Cheng Limited, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 17 June 2026. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

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

Hong Kong, 17 June 2026

*As at the date of this announcement, the Board of Directors of the Company comprises seven 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 four are Independent Non-Executive Directors, namely Mr. CHAN Kwok Wai, Mr. TSE Lai Han, Henry, Ms. CHEUNG Chong Wai, Janet and Mr. LEE Siu Kau.*