



Tian Teck Land Limited

Stock Code: 266

INTERIM
REPORT

2023

for the six months ended 30 September 2023

Tian Teck Land Limited

Interim Report

(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 2023. 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 attached.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the six months ended 30 September 2023 – unaudited

| | Note | <i>Six months ended 30 September</i> | |
|---|-------|--------------------------------------|-------------|
| | | 2023 | 2022 |
| | | \$'000 | \$'000 |
| Revenue | 3 | 153,448 | 158,273 |
| Cost of services | | (48,771) | (44,388) |
| Gross profit | | 104,677 | 113,885 |
| Other revenue | 5 | 11,637 | 3,466 |
| Other net loss | 5 | (2,092) | (3,960) |
| Administrative expenses | | (19,717) | (19,636) |
| Profit from operations before valuation changes in investment properties | | 94,505 | 93,755 |
| Net valuation gains/(losses) on investment properties | 10(b) | 386,147 | (1,195,123) |
| Profit/(loss) from operations after valuation changes in investment properties | | 480,652 | (1,101,368) |
| Finance costs | 6(a) | (5,363) | (1,787) |
| Profit/(loss) before taxation | 6 | 475,289 | (1,103,155) |
| Income tax | 7 | (13,423) | (15,381) |
| Profit/(loss) and total comprehensive income for the period | | 461,866 | (1,118,536) |
| Attributable to: | | | |
| – Equity shareholders of the Company | | 233,360 | (556,874) |
| – Non-controlling interests | | 228,506 | (561,662) |
| Profit/(loss) and total comprehensive income for the period | | 461,866 | (1,118,536) |
| Earnings/(loss) per share – basic and diluted | 9 | \$0.49 | \$(1.17) |

The notes on pages 5 to 10 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 8.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 September 2023 – unaudited

| | Note | At 30 September 2023 | | At 31 March 2023 | |
|--|------|-----------------------------|------------------|------------------|-----------|
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Non-current assets | | | | | |
| Fixed assets | 10 | | | | |
| – Investment properties | | | 8,155,629 | | 7,771,462 |
| – Other properties, plant and equipment | | | 50,435 | | 52,244 |
| Deferred tax assets | | | 7 | | – |
| | | | 8,206,071 | | 7,823,706 |
| Current assets | | | | | |
| Accounts receivable, deposits and prepayments | 11 | 131,258 | | 145,681 | |
| Pledged bank deposits | | 14,834 | | 12,275 | |
| Cash and cash equivalents | 12 | 621,631 | | 511,641 | |
| | | | 767,723 | | 669,597 |
| Current liabilities | | | | | |
| Other payables and accruals | 13 | 32,382 | | 29,299 | |
| Deposits received | | 116,294 | | 109,100 | |
| Provision for long service payments | | 1,505 | | 1,452 | |
| Dividends payable | | 42,726 | | – | |
| Dividends payable to non-controlling interests | | 41,393 | | – | |
| Current tax payable | | 9,258 | | 5,053 | |
| | | | 243,558 | | 144,904 |
| Net current assets | | | 524,165 | | 524,693 |
| Total assets less current liabilities | | | 8,730,236 | | 8,348,399 |
| Non-current liabilities | | | | | |
| Bank loan – secured | | 200,000 | | 200,000 | |
| Government lease premiums payable | | 1,492 | | 1,492 | |
| Deferred tax liabilities | | 118,580 | | 114,490 | |
| | | | 320,072 | | 315,982 |
| NET ASSETS | | | 8,410,164 | | 8,032,417 |
| CAPITAL AND RESERVES | | | | | |
| Share capital | | | 121,830 | | 121,830 |
| Reserves | | | 4,291,898 | | 4,101,264 |
| Non-controlling interests | | | 4,413,728 | | 4,223,094 |
| | | | 3,996,436 | | 3,809,323 |
| TOTAL EQUITY | | | 8,410,164 | | 8,032,417 |

The notes on pages 5 to 10 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 September 2023 – unaudited

| Note | <i>Attributable to equity shareholders of the Company</i> | | | | <i>Non-controlling interests</i> | <i>Total equity</i> |
|--|---|----------------------------|--------------------------|------------------|----------------------------------|---------------------|
| | <i>Share capital</i> | <i>Revaluation reserve</i> | <i>Retained earnings</i> | <i>Total</i> | | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at 1 April 2022 | 121,830 | 900,951 | 4,016,626 | 5,039,407 | 4,659,124 | 9,698,531 |
| Changes in equity for the six months ended 30 September 2022: | | | | | | |
| Loss and total comprehensive income for the period | – | – | (556,874) | (556,874) | (561,662) | (1,118,536) |
| Dividends approved in respect of the previous financial year | 8(b) | – | (37,979) | (37,979) | – | (37,979) |
| Dividends payable to non-controlling interests | | – | – | – | (37,794) | (37,794) |
| Balance at 30 September 2022 and 1 October 2022 | 121,830 | 900,951 | 3,421,773 | 4,444,554 | 4,059,668 | 8,504,222 |
| Changes in equity for the six months ended 31 March 2023: | | | | | | |
| Loss and total comprehensive income for the period | – | – | (202,471) | (202,471) | (230,549) | (433,020) |
| Dividends declared in respect of the current financial year | 8(a) | – | (18,989) | (18,989) | – | (18,989) |
| Dividends paid to non-controlling interests | | – | – | – | (19,796) | (19,796) |
| Balance at 31 March 2023 and 1 April 2023 | 121,830 | 900,951 | 3,200,313 | 4,223,094 | 3,809,323 | 8,032,417 |
| Changes in equity for the six months ended 30 September 2023: | | | | | | |
| Profit and total comprehensive income for the period | – | – | 233,360 | 233,360 | 228,506 | 461,866 |
| Dividends approved in respect of the previous financial year | 8(b) | – | (42,726) | (42,726) | – | (42,726) |
| Dividends payable to non-controlling interests | | – | – | – | (41,393) | (41,393) |
| Balance at 30 September 2023 | 121,830 | 900,951 | 3,390,947 | 4,413,728 | 3,996,436 | 8,410,164 |

The notes on pages 5 to 10 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the six months ended 30 September 2023 – unaudited

| | <i>Six months ended 30 September</i> | |
|---|--------------------------------------|---------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Operating activities | | |
| Cash generated from operations | 113,502 | 79,369 |
| Tax (paid)/refund | (5,135) | 553 |
| Net cash generated from operating activities | 108,367 | 79,922 |
| Investing activities | | |
| Payment for purchase of fixed assets other than investment properties | (488) | (140) |
| Payment for expenditure on investment properties | – | (1,148) |
| Increase in pledged bank deposits | (2,559) | (2,627) |
| Other cash flows arising from investing activities | 10,338 | 2,158 |
| Net cash generated from/(used in) investing activities | 7,291 | (1,757) |
| Financing activities | | |
| Other cash flows arising from financing activities | (5,553) | (1,795) |
| Net cash used in financing activities | (5,553) | (1,795) |
| Net increase in cash and cash equivalents | 110,105 | 76,370 |
| Cash and cash equivalents at 1 April | 511,641 | 492,922 |
| Effect of foreign exchange rates changes | (115) | (160) |
| Cash and cash equivalents at 30 September | 621,631 | 569,132 |

The notes on pages 5 to 10 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1 Basis of preparation

This 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 Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 29 November 2023.

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 2023, except for the accounting policy changes that are expected to be reflected in the consolidated financial statements for the year ending 31 March 2024. 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.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the consolidated financial statements for the year ended 31 March 2023. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG 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 HKICPA. KPMG’s independent review report to the Board of Directors is included on page 18.

The financial information relating to the financial year ended 31 March 2023 that is included in the interim financial report 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 2023 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 a number of new or amended HKFRSs 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* and HKFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

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 in this interim financial report.

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 (2022: one customer) with whom transactions have exceeded 10% of the Group's revenue. During the period, revenue from this customer amounted to approximately \$19,416,000 (2022: \$19,141,000).

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 the People's Republic of China (the "PRC").

5 Other revenue and net loss

| | <i>Six months ended 30 September</i> | |
|--|--------------------------------------|-----------------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Other revenue | | |
| Interest income | 11,475 | 3,240 |
| Compensation from early termination of lease | – | 190 |
| Others | 162 | 36 |
| | <u>11,637</u> | <u>3,466</u> |
| Other net loss | | |
| Net foreign exchange loss | (2,091) | (3,960) |
| Net loss on disposals of fixed assets | (1) | – |
| | <u>(2,092)</u> | <u>(3,960)</u> |

6 Profit/(loss) before taxation

Profit/(loss) before taxation is arrived at after charging:

| | <i>Six months ended 30 September</i> | |
|---|--------------------------------------|---------------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| (a) Finance costs | | |
| Interest on bank loan | 5,220 | 1,643 |
| Other borrowing costs | 125 | 125 |
| Interest on government lease premiums payable | 18 | 19 |
| | <u>5,363</u> | <u>1,787</u> |
| (b) Other items | | |
| Depreciation charge | 2,296 | 2,159 |
| Impairment losses on accounts receivable | 1,095 | 289 |
| | <u>1,095</u> | <u>289</u> |

7 Income tax

| | <i>Six months ended 30 September</i> | |
|---|--------------------------------------|--------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Current tax | | |
| Hong Kong Profits Tax | 9,315 | 11,155 |
| PRC tax | 25 | 38 |
| | 9,340 | 11,193 |
| | ----- | ----- |
| Deferred tax | | |
| Changes in fair value of investment properties | (34) | (26) |
| Origination and reversal of temporary differences | 4,117 | 4,214 |
| | 4,083 | 4,188 |
| | ----- | ----- |
| | 13,423 | 15,381 |
| | ===== | ===== |

The provision for Hong Kong Profits Tax is calculated at 16.5% (2022: 16.5%) of the estimated assessable profits for the six months ended 30 September 2023, 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 2022. PRC taxation is calculated based on the applicable rate of taxation in accordance with the relevant tax rules and regulations of the PRC.

8 Dividends

(a) Dividends payable to equity shareholders of the Company attributable to the interim period

| | <i>Six months ended 30 September</i> | |
|--|--------------------------------------|--------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Interim dividend declared after the interim period of \$0.06 per share (2022: \$0.04 per share) | 28,484 | 18,989 |
| | ===== | ===== |

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

8 Dividends (Continued)

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period

| | <i>Six months ended 30 September</i> | |
|--|--------------------------------------|----------------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Final dividend in respect of the previous financial year, approved during the following interim period, of \$0.09 per share (year ended 31 March 2022: \$0.08 per share) | <u>42,726</u> | <u>37,979</u> |

9 Earnings/(loss) per share – basic and diluted

The calculation of basic earnings/(loss) per share is based on the profit attributable to equity shareholders of the Company of \$233,360,000 (2022: a loss of \$556,874,000) and 474,731,824 (2022: 474,731,824) shares in issue during the period. There were no potential dilutive shares in existence during the six months ended 30 September 2023 and 2022.

10 Fixed assets

- (a) During the period, there were no additions in the investment properties (six months ended 30 September 2022: \$1,148,000).
- (b) The investment properties in Hong Kong and in the PRC were revalued at 30 September 2023 by Vigers Appraisal and Consulting Limited, an independent firm of professional valuers who have among their staff Fellows of The Hong Kong Institute of Surveyors with recent experience in the location and category of properties being valued, on a market value basis. The fair value of investment properties was determined using income capitalisation approach which capitalised the net rental income of the properties and taking into account the occupancy rate and reversionary income potential of properties after the expiry of the current leases. As a result of the update, net valuation gains of \$386,147,000 (2022: losses of \$1,195,123,000) on investment properties have been recognised in the consolidated statement of profit or loss and other comprehensive income. The valuation changes will only affect the accounting profit or loss but not the cash flows of the Group.
- (c) Fixed assets of the Group with carrying value of \$7,671,035,000 as at 30 September 2023 (31 March 2023: \$7,289,992,000) were pledged to secure banking facilities of up to \$300,000,000 granted to the Company's subsidiary, Associated International Hotels Limited. The outstanding bank loan was \$200,000,000 as at 30 September 2023 (31 March 2023: \$200,000,000).

11 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 2023 \$'000 | <i>At 31 March 2023 \$'000</i> |
|---|--|--|
| Current (Note) | 97,198 | 109,628 |
| Less than 1 month past due | 8,212 | 9,509 |
| 1 to 3 months past due | 10,525 | 9,943 |
| More than 3 months but less than 12 months past due | 2,916 | 5,347 |
| More than 12 months past due | 2,690 | 2,139 |
| Amounts past due | 24,343 | 26,938 |
| Total accounts receivable, net of allowance for credit losses | 121,541 | 136,566 |
| Deposits and prepayments | 9,717 | 9,115 |
| | 131,258 | 145,681 |

Note: The amount includes the receivable for lease incentives of \$96,386,000 (31 March 2023: \$107,773,000) 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.

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.

12 Cash and cash equivalents

| | At 30 September 2023 \$'000 | <i>At 31 March 2023 \$'000</i> |
|--------------------------|--|--|
| Deposits with banks | 575,035 | 471,807 |
| Cash at bank and in hand | 46,596 | 39,834 |
| | 621,631 | 511,641 |

13 Other payables and accruals

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

14 Commitments

Capital commitments outstanding at the end of the reporting period not provided for in the interim financial report were as follows:

| | At 30 September 2023 \$'000 | <i>At 31 March 2023 \$'000</i> |
|----------------|--|--|
| Contracted for | 686 | – |

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved that an interim dividend of \$0.06 per share (2022: \$0.04 per share) will be paid on Tuesday, 16 January 2024 to members whose names appear on the register of members of the Company on Tuesday, 19 December 2023. The register of members of the Company will be closed for the purpose of determining entitlement to the said interim dividend from Friday, 15 December 2023 to Tuesday, 19 December 2023, both days inclusive, during which period no transfer of shares will be registered. 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 not later than 4:30 p.m. (Hong Kong time) on Thursday, 14 December 2023.

BUSINESS REVIEW AND COMMENTARY

- The Group achieved a profit from operations before valuation changes in investment properties of \$94.5 million for the half year ended 30 September 2023, representing a slight increase of approximately 0.8% compared with the corresponding period of last year.
- Net valuation gains on investment properties for the half year ended 30 September 2023 amounted to \$386.1 million, compared with the net valuation losses of \$1,195.1 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 profit attributable to equity shareholders of \$233.4 million for the half year ended 30 September 2023, compared with a loss attributable to equity shareholders of \$556.9 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 \$145.9 million for the half year ended 30 September 2023, representing a decrease of approximately 4.1% compared with the corresponding period of last year. The occupancy rate at 30 September 2023 was approximately 80.0% (30 September 2022: 77.3%).
- 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 PRC, continued to generate rental income during the period.
- The total equity for the Group at 30 September 2023 was \$8,410.2 million, compared with \$8,032.4 million at 31 March 2023.
- 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. AIHL has an option to further extend the facilities for two additional years to 8 October 2026, subject to, among other things, the agreement of the lending bank. At 30 September 2023, the banking facilities were utilised to the extent of \$200 million (31 March 2023: \$200 million) and the Group's gearing ratio (calculated as total bank loans divided by total equity) was 2.4% (31 March 2023: 2.5%).

BUSINESS REVIEW AND COMMENTARY (Continued)

- At 30 September 2023, 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 2022: 38) and the related costs incurred during the period were approximately \$13.0 million (30 September 2022: \$14.1 million).
- Save as disclosed in this report, there has been no further material change to the information contained in the Company's annual report for the year ended 31 March 2023 which necessitates additional disclosure to that made herein.

OUTLOOK

Despite the improving economic situation with an increase in inbound tourism and the various measures taken by the Hong Kong government to boost the momentum of economic recovery, the management expects the retail market in Hong Kong to remain challenging. It is expected that the rental income from iSQUARE and the results from operations of the Group for the second half year would remain stable.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2023, the directors and chief executives of the Company and their associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules")) had the following interests in the shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"):

(a) The Company

| <i>Name</i> | <i>Number of shares</i> | | | <i>% of total issued voting shares</i> |
|-------------------|---------------------------|-------------------------|-----------------------------------|--|
| | <i>Personal interests</i> | <i>Family interests</i> | <i>Total beneficial interests</i> | |
| Cheong Kheng Lim | 46,023,872 | 115,292 | 46,139,164 | 9.72% |
| Cheong Keng Hooi | 26,862,036 | 1,002,384 | 27,864,420 | 5.87% |
| Cheong Sim Lam | 1,099,504 | – | 1,099,504 | 0.23% |
| Cheong Chong Ling | 412,000 | – | 412,000 | 0.09% |
| Cheong Tiong Ham | 270,000 | – | 270,000 | 0.06% |

**INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN SHARES,
UNDERLYING SHARES AND DEBENTURES** (Continued)

(b) Associated International Hotels Limited

| <i>Name</i> | <i>Number of ordinary shares</i> | | | <i>% of total issued voting shares</i> |
|-------------------|----------------------------------|-------------------------|-----------------------------------|--|
| | <i>Personal interests</i> | <i>Family interests</i> | <i>Total beneficial interests</i> | |
| Cheong Kheng Lim | 24,555,715 | 1,034,000 | 25,589,715 | 7.11% |
| Cheong Keng Hooi | 11,759,839 | 275,280 | 12,035,119 | 3.34% |
| Cheong Sim Lam | 1,807,155 | 24,000 | 1,831,155 | 0.51% |
| Cheong Chong Ling | 1,588,000 | – | 1,588,000 | 0.44% |
| Cheong Tiong Ham | 1,068,000 | 8,009 | 1,076,009 | 0.30% |

(c) Tian Teck Investment Holding Co., Limited

| <i>Name</i> | <i>Number of ordinary shares</i> | | | <i>% of total issued voting shares</i> |
|------------------|----------------------------------|-------------------------|-----------------------------------|--|
| | <i>Personal interests</i> | <i>Family interests</i> | <i>Total beneficial interests</i> | |
| Cheong Kheng Lim | 25 | – | 25 | 25% |
| Cheong Keng Hooi | 25 | – | 25 | 25% |
| Cheong Sim Lam | 25 | – | 25 | 25% |

Save as disclosed above, as at 30 September 2023, none of the directors and chief executives of the Company or their associates (as defined in the Listing Rules) had interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2023, other than the interests of the directors and chief executives of the Company as disclosed above, the Company has been notified of the following interests in the shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

| | <i>Number of shares</i> | <i>Percentage of total issued voting shares</i> |
|---|-------------------------|---|
| Tian Teck Investment Holding Co., Limited | 237,370,032 | 50.001% |
| Cheong Kheng Lim | 46,139,164 (Note 1) | 9.72% |
| Cheong Keng Hooi | 27,864,420 (Note 2) | 5.87% |
| Lim Yoke Soon | 46,139,164 (Note 1) | 9.72% |
| Wu Soo Huei | 27,864,420 (Note 2) | 5.87% |

Notes:

- (1) The interest disclosed by Mr Cheong Kheng Lim is the same as the 46,139,164 shares disclosed by Ms Lim Yoke Soon. Out of the 46,139,164 shares, 46,023,872 shares were held by Mr Cheong Kheng Lim, and 115,292 shares were held by his spouse, Ms Lim Yoke Soon.
- (2) The interest disclosed by Mr Cheong Keng Hooi is the same as the 27,864,420 shares disclosed by Ms Wu Soo Huei. Out of the 27,864,420 shares, 26,862,036 shares were held by Mr Cheong Keng Hooi, and 1,002,384 shares were held by his spouse, Ms Wu Soo Huei.

Save as disclosed above, as at 30 September 2023, no other interests or short positions in the shares and underlying shares of the Company required to be recorded in the register kept by the Company under section 336 of the SFO have been notified to the Company.

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 2023.

DISCLOSURE RELATING TO RULE 13.51B(1) OF THE LISTING RULES

Mr Cheong Tiong Ham's director's emoluments for the six months ended 30 September 2023 were \$25,000. Given his appointment with the Company taking effect on 1 January 2023, no director's emoluments were paid to him for the six months ended 30 September 2022.

Save as aforesaid, there are no changes in respect of the directors' emoluments for the six months ended 30 September 2023 when compared with the last corresponding period at the Company level whilst changes at the Group level are due to director's emoluments paid to a new director (whose appointment took effect on 1 January 2023) and allowances for expenses actually incurred by the executive directors at the subsidiary level. The Group's policy regarding the said expenses has not changed.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company throughout the six months ended 30 September 2023 complied with all the code provisions, where applicable, set out in Part 2 of the Corporate Governance Code in Appendix 14 to the 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.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (Continued)

- 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 this 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 2023 and considered that there was no such an 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.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (Continued)

- 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 set out in Appendix 10 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 the Directors have confirmed compliance with the required standard set out in the Model Code during the six months ended 30 September 2023.

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

Hong Kong, 29 November 2023

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



**REVIEW REPORT TO THE BOARD OF DIRECTORS OF
TIAN TECK LAND LIMITED**

(Incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 1 to 10 which comprises the consolidated statement of financial position of Tian Teck Land Limited as of 30 September 2023 and the related consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review 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. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 September 2023 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

29 November 2023