

INTERIM REPORT

for the six months ended 30 September 2012



Tian Teck Land Limited

Stock Code: 266

Tian Teck Land Limited

Interim Report

(Expressed in Hong Kong dollars)

The Board of Directors is pleased to announce the unaudited consolidated results of the Group for the half year ended 30 September 2012. 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 INCOME STATEMENT for the six months ended 30 September 2012 – unaudited

	Note	Six months ended 30 September	
		2012	2011
		\$'000	\$'000
Turnover	3	244,341	225,257
Cost of services		(34,791)	(33,571)
Gross profit		209,550	191,686
Other revenue	5	2,744	1,716
Other net income/(loss)	5	49	(52)
Administrative expenses		(18,323)	(18,240)
Profit from operations before valuation changes in investment properties		194,020	175,110
Valuation gains on investment properties	11(b)	1,407,968	64,953
Profit from operations after valuation changes in investment properties		1,601,988	240,063
Finance costs	6(a)	(1,056)	(1,232)
Profit before taxation	6	1,600,932	238,831
Income tax	7	(31,963)	(35,753)
Profit for the period		1,568,969	203,078
Attributable to:			
– Equity shareholders of the Company		795,191	111,480
– Non-controlling interests		773,778	91,598
Profit for the period		1,568,969	203,078
Earnings per share – basic and diluted	10	\$1.68	\$0.23

The notes on pages 6 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 COMPREHENSIVE INCOME
for the six months ended 30 September 2012 – unaudited

	<i>Six months ended 30 September</i>	
Note	2012	2011
	\$'000	\$'000
Profit for the period	1,568,969	203,078
Other comprehensive income for the period (after tax and reclassification adjustments):		
Exchange differences on translation of financial statements of overseas subsidiaries	–	(57)
Available-for-sale equity securities: net movement in fair value reserve	9 623	(2,199)
	623	(2,256)
Total comprehensive income for the period	1,569,592	200,822
Attributable to:		
– Equity shareholders of the Company	795,814	109,253
– Non-controlling interests	773,778	91,569
Total comprehensive income for the period	1,569,592	200,822

The notes on pages 6 to 10 form part of this interim financial report.

CONSOLIDATED BALANCE SHEET
at 30 September 2012 – unaudited

	Note	At 30 September 2012		At 31 March 2012	
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Fixed assets	11				
– Investment properties			11,713,792		10,297,804
– Other properties, plant and equipment			105,816		110,213
			11,819,608		10,408,017
Available-for-sale equity securities			6,160		5,537
			11,825,768		10,413,554
Current assets					
Accounts receivable, deposits and prepayments	12	35,043		40,660	
Current tax recoverable		–		7	
Pledged bank deposits		250,753		276,352	
Cash and cash equivalents	13	167,047		127,143	
		452,843		444,162	
Current liabilities					
Other payables and accruals	14	112,447		84,212	
Deposits received		155,721		138,822	
Provision for long service payments		1,542		1,602	
Obligations under finance leases		41		41	
Current tax payable		36,393		40,010	
		306,144		264,687	
Net current assets			146,699		179,475
Total assets less current liabilities			11,972,467		10,593,029
Non-current liabilities					
Bank loan – secured		200,000		200,000	
Government lease premiums payable		2,193		2,193	
Obligations under finance leases		58		79	
Deferred tax liabilities		30,198		26,402	
			232,449		228,674
NET ASSETS			11,740,018		10,364,355
CAPITAL AND RESERVES					
Share capital			118,683		118,683
Reserves			5,897,497		5,196,629
			6,016,180		5,315,312
Non-controlling interests			5,723,838		5,049,043
TOTAL EQUITY			11,740,018		10,364,355

The notes on pages 6 to 10 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 September 2012 – unaudited

Note	Attributable to equity shareholders of the Company								Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Share premium \$'000	Revaluation reserve \$'000	Exchange reserve \$'000	Fair value reserve \$'000	Capital reserve \$'000	Retained earnings \$'000	Total \$'000		
Balance at 1 April 2011	118,683	3,147	900,951	10,264	4,083	76,799	4,079,060	5,192,987	4,965,595	10,158,582
Changes in equity for the six months ended 30 September 2011:										
Profit for the period	-	-	-	-	-	-	111,480	111,480	91,598	203,078
Other comprehensive income	-	-	-	3,683	(2,199)	(3,711)	-	(2,227)	(29)	(2,256)
Total comprehensive income for the period	-	-	-	3,683	(2,199)	(3,711)	111,480	109,253	91,569	200,822
Dividends approved in respect of the previous financial year	8(b)	-	-	-	-	-	(80,704)	(80,704)	-	(80,704)
	-	-	-	3,683	(2,199)	(3,711)	30,776	28,549	91,569	120,118
Balance at 30 September 2011 and 1 October 2011	118,683	3,147	900,951	13,947	1,884	73,088	4,109,836	5,221,536	5,057,164	10,278,700
Changes in equity for the six months ended 31 March 2012:										
Profit for the period	-	-	-	-	-	-	139,421	139,421	123,235	262,656
Other comprehensive income	-	-	-	(4,737)	1,808	4,757	-	1,828	22	1,850
Total comprehensive income for the period	-	-	-	(4,737)	1,808	4,757	139,421	141,249	123,257	264,506
Dividends declared in respect of the current financial year	8(a)	-	-	-	-	-	(47,473)	(47,473)	-	(47,473)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(131,378)	(131,378)
	-	-	-	(4,737)	1,808	4,757	91,948	93,776	(8,121)	85,655
Balance at 31 March 2012 and 1 April 2012	118,683	3,147	900,951	9,210	3,692	77,845	4,201,784	5,315,312	5,049,043	10,364,355
Changes in equity for the six months ended 30 September 2012:										
Profit for the period	-	-	-	-	-	-	795,191	795,191	773,778	1,568,969
Other comprehensive income	-	-	-	(31)	623	31	-	623	-	623
Total comprehensive income for the period	-	-	-	(31)	623	31	795,191	795,814	773,778	1,569,592
Dividends approved in respect of the previous financial year	8(b)	-	-	-	-	-	(94,946)	(94,946)	-	(94,946)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(98,983)	(98,983)
	-	-	-	(31)	623	31	700,245	700,868	674,795	1,375,663
Balance at 30 September 2012	118,683	3,147	900,951	9,179	4,315	77,876	4,902,029	6,016,180	5,723,838	11,740,018

The notes on pages 6 to 10 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
for the six months ended 30 September 2012 – unaudited

	<i>Six months ended 30 September</i>	
	2012	2011
	\$'000	\$'000
Cash generated from operations	229,299	174,601
Tax paid	(31,777)	(104)
Net cash generated from operating activities	197,522	174,497
Net cash generated from investing activities	24,121	290,247
Net cash used in financing activities	(181,761)	(1,002,425)
Net increase/(decrease) in cash and cash equivalents	39,882	(537,681)
Cash and cash equivalents at 1 April	127,143	899,151
Effect of foreign exchange rates changes	22	(1,062)
Cash and cash equivalents at 30 September	167,047	360,408

The notes on pages 6 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 2012.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the financial statements for the year ended 31 March 2012, except for the accounting policy changes that are expected to be reflected in the financial statements for the year ending 31 March 2013. 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 financial statements for the year ended 31 March 2012. 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 2012 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 March 2012 are available from the Company's registered office. The auditor has expressed an unqualified opinion on those financial statements in their report dated 28 June 2012.

2 Changes in accounting policies

The HKICPA has issued a few amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. These include the amendments to HKAS 12, *Income taxes – Deferred tax: Recovery of underlying assets*, which the Group has already adopted in the prior period. None of the other developments are relevant to the Group's financial statements and the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 Turnover

The principal activity of the Group is property investment.

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

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 income/(loss)

	<i>Six months ended 30 September</i>	
	<i>2012</i>	<i>2011</i>
	<i>\$'000</i>	<i>\$'000</i>
Other revenue		
Interest income	1,845	1,369
Dividend income from listed securities	115	254
Others	784	93
	<u>2,744</u>	<u>1,716</u>
Other net income/(loss)		
Impairment loss on available-for-sale equity securities	–	(2)
Net foreign exchange gains/(losses)	49	(50)
	<u>49</u>	<u>(52)</u>

6 Profit before taxation

Profit before taxation is arrived at after charging:

	<i>Six months ended 30 September</i>	
	<i>2012</i>	<i>2011</i>
	<i>\$'000</i>	<i>\$'000</i>
(a) Finance costs		
Interest on bank loan	980	1,169
Interest on government lease premiums payable	26	26
Other borrowing costs	50	37
	<u>1,056</u>	<u>1,232</u>
(b) Other item		
Depreciation	4,731	3,417

7 Income tax

	<i>Six months ended 30 September</i>	
	<i>2012</i>	<i>2011</i>
	<i>\$'000</i>	<i>\$'000</i>
Current tax		
– Hong Kong profits tax	28,058	29,615
– PRC tax	109	102
	<u>28,167</u>	<u>29,717</u>
Deferred tax		
– Changes in fair value of investment properties	201	232
– Origination and reversal of temporary differences	3,595	5,804
	<u>3,796</u>	<u>6,036</u>
	<u>31,963</u>	<u>35,753</u>

The provision for Hong Kong profits tax is calculated at 16.5% (2011: 16.5%) of the estimated assessable profits for the six months ended 30 September 2012. 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>	
	<i>2012</i>	<i>2011</i>
	<i>\$'000</i>	<i>\$'000</i>
Interim dividend declared after the interim period of \$0.17 per share (2011: \$0.10 per share)	<u>80,704</u>	<u>47,473</u>

The interim dividend declared after the interim period has not been recognised as a liability at the balance sheet date.

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

	<i>Six months ended 30 September</i>	
	<i>2012</i>	<i>2011</i>
	<i>\$'000</i>	<i>\$'000</i>
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of \$0.20 per share (year ended 31 March 2011: \$0.17 per share)	<u>94,946</u>	<u>80,704</u>

9 Other comprehensive income

Available-for-sale equity securities

	<i>Six months ended 30 September</i>	
	<i>2012</i>	<i>2011</i>
	<i>\$'000</i>	<i>\$'000</i>
Changes in fair value recognised during the period	623	(2,201)
Reclassification adjustments for amounts transferred to profit or loss:		
Impairment loss	<u> -</u>	<u> 2</u>
Net movement in the fair value reserve during the period recognised in other comprehensive income	<u>623</u>	<u>(2,199)</u>

10 Earnings per share – basic and diluted

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of \$795,191,000 (2011: \$111,480,000) and 474,731,824 (2011: 474,731,824) shares in issue during the period. There were no potential dilutive shares in existence during the six months ended 30 September 2012 and 2011.

11 Fixed assets

- (a) During the period, additions in the investment properties amounted to \$7,994,000 (six months ended 30 September 2011: \$8,053,000).
- (b) The investment properties in Hong Kong and in the PRC were revalued at 30 September 2012 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 in their existing states by reference to comparable market transactions and where appropriate on the basis of capitalisation of the net rental income allowing for reversionary income potential. As a result of the update, valuation gains of \$1,407,968,000 (2011: \$64,953,000) on investment properties have been recognised in the consolidated income statement.
- (c) Fixed assets of the Group with carrying value of \$11,400,687,000 as at 30 September 2012 (31 March 2012: \$10,016,000,000) were pledged to secure banking facilities of up to \$1,200,000,000 granted to the Company's subsidiary, Associated International Hotels Limited. The outstanding bank loan was \$200,000,000 as at 30 September 2012 (31 March 2012: \$200,000,000).

12 Accounts receivable, deposits and prepayments

The ageing analysis of accounts receivable (net of allowance for bad and doubtful debts) which was included in accounts receivable, deposits and prepayments as of the balance sheet date is as follows:

	<i>At 30 September</i> 2012 \$'000	<i>At 31 March</i> 2012 \$'000
Current	<u>21,826</u>	<u>32,247</u>
Less than 1 month past due	862	1,011
1 to 3 months past due	33	715
More than 3 months but less than 12 months past due	51	98
More than 12 months past due	<u>20</u>	<u>4</u>
Amounts past due	<u>966</u>	<u>1,828</u>
Total accounts receivable, net of allowance for bad and doubtful debts	<u>22,792</u>	<u>34,075</u>
Deposits and prepayments	<u>12,251</u>	<u>6,585</u>
	<u><u>35,043</u></u>	<u><u>40,660</u></u>

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.

13 Cash and cash equivalents

	<i>At 30 September</i> 2012 \$'000	<i>At 31 March</i> 2012 \$'000
Deposits with banks	122,844	89,065
Cash at bank and in hand	<u>44,203</u>	<u>38,078</u>
	<u><u>167,047</u></u>	<u><u>127,143</u></u>

14 Other payables and accruals

	<i>At 30 September</i> 2012 \$'000	<i>At 31 March</i> 2012 \$'000
Accruals and retention monies payable for redevelopment work	71,869	67,015
Other payables and accruals	<u>40,578</u>	<u>17,197</u>
	<u><u>112,447</u></u>	<u><u>84,212</u></u>

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

15 Capital commitments outstanding at the balance sheet date not provided for in the interim financial report

	<i>At 30 September</i> 2012 \$'000	<i>At 31 March</i> 2012 \$'000
Contracted for	<u>1,839</u>	<u>1,998</u>

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved that an interim dividend of \$0.17 per share (2011: \$0.10 per share) will be paid on Wednesday, 16 January 2013 to shareholders whose names appear on the register of members of the Company on Friday, 21 December 2012. The register of members of the Company will be closed for the purpose of determining entitlement to the said interim dividend from Wednesday, 19 December 2012 to Friday, 21 December 2012, 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 registrars, 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 pm on Tuesday, 18 December 2012.

BUSINESS REVIEW

- The Group achieved a profit from operations before valuation changes in investment properties of \$194.0 million for the half year ended 30 September 2012, representing an increase of approximately 10.8% compared with the corresponding period of last year. The increase was mainly due to increase of rental income from iSQUARE compared to the corresponding period of last year.
- Valuation gains on investment properties for the half year ended 30 September 2012 amounted to \$1,408.0 million, representing an increase of approximately \$1,343.0 million compared with the corresponding period of last year. The valuation gains will only affect the accounting profit or loss but not the cash flow of the Group.
- The Group recorded a profit attributable to equity shareholders of \$795.2 million, compared with a profit attributable to equity shareholders of \$111.5 million for the corresponding period of last year.
- iSQUARE is a commercial complex housing a number of retail, entertainment, food and beverage establishments. Rental income from iSQUARE amounted to approximately \$239.1 million for the half year ended 30 September 2012, representing an increase of approximately 8.3% compared with the corresponding period of last year. The occupancy rate at 30 September 2012 was approximately 97.4% compared with approximately 93.3% at 30 September 2011.
- 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.

BUSINESS REVIEW (Continued)

- The total equity for the Group at 30 September 2012 was \$11,740.0 million, compared with \$10,364.4 million at 31 March 2012.
- Associated International Hotels Limited ("AIHL"), a 50.01% owned subsidiary, entered into a facility agreement with a bank on 20 October 2006. The facilities have, subject to certain conditions, been extended for two additional years. At 30 September 2012, the outstanding bank loan was \$200 million and the Group's gearing ratio was 1.7% (calculated as total bank loan over total equity).
- At 30 September 2012, the total number of employees of the Group, excluding the staff employed by DTZ Debenham Tie Leung Property Management Limited for general building and property management of iSQUARE, was 39 (30 September 2011: 40) and the related costs incurred during the period were approximately \$10.0 million (30 September 2011: \$9.8 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 2012 which necessitates additional disclosure to that made herein.

OUTLOOK

Though the external economic environment remains uncertain, management is cautiously optimistic on the outlook for the retail market. It is expected that rental income from iSQUARE would generally benefit from increased rental arising from the renewal of existing tenancies. Barring unforeseen circumstances, management anticipates results from operations of the Group for the current financial year to be satisfactory.

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

As at 30 September 2012, 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 of \$0.25 each</i>				<i>% of total issued shares</i>
	<i>Personal interests</i>	<i>Family interests</i>	<i>Corporate interests</i>	<i>Total beneficial interests</i>	
Cheong Hooi Hong	4,625,792	–	–	4,625,792	0.97%
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%
Sin Cho Chiu, Charles	2,000	–	115,200	117,200	0.02%
			(Note)		

Note: The corporate interests of 115,200 shares represent 115,200 shares held by Chason Limited where Mr Sin Cho Chiu, Charles is taken to be interested in such shares under the SFO.

(b) Associated International Hotels Limited

<i>Name</i>	<i>Number of ordinary shares of \$1 each</i>				<i>% of total issued shares</i>
	<i>Personal interests</i>	<i>Family interests</i>	<i>Corporate interests</i>	<i>Total beneficial interests</i>	
Cheong Hooi Hong	2,073,992	–	–	2,073,992	0.58%
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%
Sin Cho Chiu, Charles	242,000	–	120,000	362,000	0.10%
			(Note)		

Note: The corporate interests of 120,000 shares represent 120,000 ordinary shares held by Chason Limited where Mr Sin Cho Chiu, Charles is taken to be interested in such shares under the SFO.

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

(c) Austin Hills Country Resort Bhd.

<i>Name</i>	<i>Number of ordinary shares of MYR1 each</i>				<i>% of total issued shares</i>
	<i>Personal interests</i>	<i>Family interests</i>	<i>Corporate interests</i>	<i>Total beneficial interests</i>	
Cheong Hooi Hong	1	–	–	1	0.00001%
Cheong Sim Lam	–	3	–	3	0.00003%

(d) Tian Teck Investment Holding Co., Limited

<i>Name</i>	<i>Number of ordinary shares of \$1 each</i>				<i>% of total issued shares</i>
	<i>Personal interests</i>	<i>Family interests</i>	<i>Corporate interests</i>	<i>Total beneficial interests</i>	
Cheong Hooi Hong	25	–	–	25	25%
Cheong Kheng Lim	25	–	–	25	25%
Cheong Keng Hooi	25	–	–	25	25%
Cheong Sim Lam	25	–	–	25	25%

(e) Yik Fok Investment Holding Company, Limited

<i>Name</i>	<i>Number of ordinary shares of \$1 each</i>				<i>% of total issued shares</i>
	<i>Personal interests</i>	<i>Family interests</i>	<i>Corporate interests</i>	<i>Total beneficial interests</i>	
Cheong Hooi Hong	10	–	–	10	0.00005%
Cheong Kheng Lim	10	–	–	10	0.00005%
Cheong Keng Hooi	10	–	–	10	0.00005%
Cheong Sim Lam	10	–	–	10	0.00005%

Save as disclosed above, as at 30 September 2012, 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 2012, 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 of \$0.25 each</i>	<i>Percentage of total issued 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 2012, 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 period.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

On 20 October 2006, the Company's subsidiary, AIHL, as borrower, entered into a facility agreement with a bank (the "Facility Agreement") with covenants relating to specific performance of the controlling shareholders of AIHL.

The Facility Agreement comprises a 5-year term loan facility of up to \$1 billion and a 5-year revolving credit facility of up to \$200 million. The facilities have, subject to certain conditions, been extended for two additional years.

Pursuant to the Facility Agreement, it would be an event of default if Mr Cheong Hooi Hong, Mr Cheong Kheng Lim, Mr Cheong Keng Hooi and Mr Cheong Sim Lam, collectively being the controlling shareholders of the Company and AIHL, cease to beneficially own, directly or indirectly, at least 25% of the issued share capital of AIHL in accordance with the terms of the Facility Agreement.

Upon the occurrence of such an event of default, the lending bank may, among other things, demand immediate repayment of all of the outstanding loans made to AIHL under the Facility Agreement together with accrued interest. As at 30 September 2012, the aggregate level of the facilities that may be affected by such default was \$200 million.

The Company will make continuing disclosure pursuant to Rule 13.21 of the Listing Rules in subsequent interim and annual reports for so long as the circumstances giving rise to the relevant obligation continue to exist.

Save as disclosed above, the Company does not have other disclosure obligations under Rule 13.21 of the Listing Rules.

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

- (a) Mr Chow Wan Hoi, Paul has ceased to act as an independent non-executive director of China Ground Source Energy Limited, a company listed on the Stock Exchange, from 31 July 2012.
- (b) Save as aforesaid, there are no changes in respect of each individual director's emoluments at the Company level for the six months ended 30 September 2012 as compared with the corresponding period of last year. Changes in respect of the executive directors' emoluments for the six months ended 30 September 2012 are due to allowances for expenses actually incurred by them at the level of the Company's subsidiary, AIHL. The policy regarding such expenses has not changed.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company has throughout the period complied with all the code provisions, where applicable, set out in the Corporate Governance Code in Appendix 14 of the Listing Rules, except for the deviations as disclosed hereunder:

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

The Company does not have a present intention to take out insurance cover for legal actions against its Directors. The Board believes that, with the current internal control system and the close supervision of the management, the Directors' risk of being sued or getting involved in litigation in their capacity as Directors of the Company is relatively low. Nevertheless, the Board will review the need for insurance cover from time to time and make such an arrangement as and when the Board deems necessary.

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

Mr Cheong Hooi Hong is both the Chairman and chief executive of the Company. The Board of Directors considers that the current structure 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.

- Code Provision F.1.3: The company secretary should report to the board chairman and/or the chief executive

Instead of reporting to the Chairman (who is also the chief executive of the Company), the company secretary reports directly to the deputy chairman. The Board considers that this reporting line does not prevent the Chairman/chief executive from understanding/managing the operation of the Company or discharging his duties, for the Chairman and deputy chairman have ongoing discussion on business affairs, in particular corporate governance and financial issues.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as its code for dealing in securities in the Company by its directors. Specific enquiry has been made with all directors of the Company of 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 period ended 30 September 2012.

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

Hong Kong, 29 November 2012

As at the date of this report, Mr Cheong Hooi Hong, Mr Cheong Kheng Lim, Mr Cheong Keng Hooi, Mr Cheong Sim Lam and Miss Cheong Chong Ling are executive directors, Mr Sin Cho Chiu, Charles is a non-executive director, and Mr Chow Wan Hoi, Paul, Mr Yau Allen Lee-nam and Mr Tse Pang Yuen are independent non-executive directors.



**INDEPENDENT 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 balance sheet of Tian Teck Land Limited as of 30 September 2012 and the related consolidated income statement, statement of comprehensive income, statement of changes in equity and condensed consolidated cash flow statement 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 2012 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 2012