

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



大生地產發展有限公司
TAI SANG LAND DEVELOPMENT LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock code : 89)

ANNOUNCEMENT OF 2021 INTERIM RESULTS

FINANCIAL HIGHLIGHTS

For the six months ended 30th June 2021

- Revenues increased by 9.9% to HK\$191.8 million.
- Profit for the period of HK\$174.3 million (2020: loss of HK\$133.5 million) included the fair value gains on investment properties (net of the deferred tax in the United States) of HK\$137.9 million (2020: losses of HK\$176.2 million).
- Excluding the property revaluation gains and all related effects, underlying profit decreased by 14.8% to HK\$36.4 million (2020: HK\$42.7 million).
- Interim dividend declared of HK10 cents per ordinary share.

The board of directors of Tai Sang Land Development Limited (the “Company”) announced the unaudited Condensed Consolidated Interim Financial Information of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30th June 2021 as follows:

**1. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30TH JUNE 2021 – UNAUDITED**

	<i>Note</i>	For the six months ended 30th June	
		2021	2020
		<i>HK\$'000</i>	<i>HK\$'000</i>
Revenues	(2)(a)	191,817	174,563
Cost of sales	(3)	<u>(60,243)</u>	<u>(33,787)</u>
Gross profit		131,574	140,776
Fair value gains/(losses) on investment properties		138,130	(192,940)
Other gains, net	(4)	613	603
Administrative expenses	(3)	(64,454)	(60,213)
Other operating expenses, net	(3)	<u>(6,521)</u>	<u>(8,828)</u>
Operating profit/(loss)		<u>199,342</u>	<u>(120,602)</u>
Finance income	(5)	214	637
Finance costs	(5)	<u>(15,539)</u>	<u>(22,565)</u>
Finance costs, net		<u>(15,325)</u>	<u>(21,928)</u>
Profit/(loss) before income tax		184,017	(142,530)
Income tax (expense)/credit	(6)	<u>(9,747)</u>	<u>8,988</u>
Profit/(loss) for the period		<u>174,270</u>	<u>(133,542)</u>
Profit/(loss) attributable to:			
Owners of the Company		171,740	(135,749)
Non-controlling interests		<u>2,530</u>	<u>2,207</u>
		<u>174,270</u>	<u>(133,542)</u>
Earnings/(loss) per share (basic and diluted)	(7)	<u>HK\$0.60</u>	<u>(HK\$0.47)</u>

**2. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30TH JUNE 2021 – UNAUDITED**

	For the six months ended 30th June	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(loss) for the period	174,270	(133,542)
Other comprehensive income		
<u>Items that will not be reclassified to profit or loss</u>		
Changes in the fair value of financial assets at fair value through other comprehensive income	2,213	(7,115)
Revaluation surplus upon transfer from property, plant and equipment to investment properties	<u>52,157</u>	<u>158,557</u>
Other comprehensive income for the period	<u>54,370</u>	<u>151,442</u>
Total comprehensive income for the period	<u>228,640</u>	<u>17,900</u>
Total comprehensive income attributable to:		
Owners of the Company	225,113	18,014
Non-controlling interests	<u>3,527</u>	<u>(114)</u>
	<u>228,640</u>	<u>17,900</u>

**3. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2021 - UNAUDITED**

	<i>Note</i>	As at 30th June 2021 <i>HK\$'000</i>	As at 31st December 2020 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		2,062,489	2,136,502
Investment properties		8,991,445	8,656,258
Financial assets at fair value through other comprehensive income		17,988	15,775
Prepayments for non-current assets		2,247	8,948
		<u>11,074,169</u>	<u>10,817,483</u>
Current assets			
Properties for sale		109,072	109,072
Inventory		110	-
Debtors and prepayments	(9)	45,069	39,217
Current income tax recoverable		70	104
Cash and cash equivalents		152,814	141,371
		<u>307,135</u>	<u>289,764</u>
Total assets		<u><u>11,381,304</u></u>	<u><u>11,107,247</u></u>
Equity and liabilities			
Equity attributable to the owners of the Company			
Share capital		417,321	417,321
Reserves		7,676,525	7,485,932
		8,093,846	7,903,253
Non-controlling interests		<u>232,703</u>	<u>230,142</u>
Total equity		<u><u>8,326,549</u></u>	<u><u>8,133,395</u></u>

	<i>Note</i>	As at 30th June 2021 HK\$'000	As at 31st December 2020 HK\$'000
Non-current liabilities			
Long term bank loans – secured		1,896,641	1,987,982
Deferred income tax liabilities		344,105	341,817
Lease liabilities		530	524
		<u>2,241,276</u>	<u>2,330,323</u>
Current liabilities			
Rental and other deposits		93,443	90,017
Creditors and accruals	<i>(10)</i>	63,139	103,674
Current income tax liabilities		9,992	4,200
Short term bank loans		479,912	406,987
Current portion of long term bank loans – secured		166,732	38,428
Lease liabilities		261	223
		<u>813,479</u>	<u>643,529</u>
Total equity and liabilities		<u>11,381,304</u>	<u>11,107,247</u>

Notes:

(1) Basis of preparation and accounting policies

This unaudited condensed consolidated interim financial information of the Group for the six months ended 30th June 2021 (the “Condensed Consolidated Interim Financial Information”) has been prepared under the historical cost convention, as modified by the revaluation of investment properties and financial assets at fair value through other comprehensive income at fair value, and in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial information relating to the year ended 31st December 2020 that is included in the Condensed Consolidated Interim Financial Information as comparative information does not constitute the Company's statutory annual consolidated financial statements for that 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 (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31st December 2020 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has reported on those 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 407(3) of the Hong Kong Companies Ordinance (Cap. 622).

The Group had net current liabilities of HK\$506,344,000 as at 30th June 2021. The current liabilities mainly included short term bank loans of HK\$479,912,000 and current portion of long term bank loans of HK\$166,732,000. Based on the Group's history of generating cash from operations, history of refinancing, its available banking facilities and its assets backing, the directors consider that the Group will be able to obtain sufficient financial resources so as to enable it to operate and meet its liabilities as and when they fall due. The directors believe that the Group will continue as a going concern and consequently prepared the Condensed Consolidated Interim Financial Information on a going concern basis.

The accounting policies and methods of computation used in the preparation of the Condensed Consolidated Interim Financial Information are consistent with those used in the annual report for the year ended 31st December 2020 (the “2020 Annual Report”). The Condensed Consolidated Interim Financial Information should be read in conjunction with the 2020 Annual Report, which has been prepared in accordance with the Hong Kong Financial Reporting Standards.

(2) Revenues and Segment information

(a) Revenues recognised during the period are as follows:

	For the six months ended 30th June	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenues from external customers		
Property rental		
– investment properties	158,414	149,892
– properties for sale	13,232	12,958
Property related services (note)	12,581	11,010
Hotel operations (note)	7,590	703
	<u>191,817</u>	<u>174,563</u>

Note: The Group's revenues from property related services and hotel operations are recognised over-time as the services are performed.

(b) Operating segments

The chief operating decision-maker ("CODM") has been identified as the executive directors of the Company. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The CODM considers the business from a geographic perspective and has identified the operating segments of the Group in Hong Kong and North America.

The CODM assesses the performance of the operating segments based on their underlying profit, which is measured by profit after income tax excluding fair value changes on investment properties (net of deferred income tax in the United States), and their segment assets and segment liabilities which is measured in a manner consistent with that in the Condensed Consolidated Interim Financial Information.

There are no sales between the operating segments.

	Hong Kong <i>HK\$'000</i>	North America <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the six months ended 30th June 2021			
Segment revenues			
Property rental	131,603	40,043	171,646
Property related services	12,581	-	12,581
Hotel operations	7,590	-	7,590
Total segment revenues	<u>151,774</u>	<u>40,043</u>	<u>191,817</u>
Segment results – underlying profit			
– Property rental and related services	34,178	16,442	50,620
– Hotel operations	(14,242)	-	(14,242)
Fair value gains/(losses) on investment properties	154,087	(15,957)	138,130
Deferred income tax, net	-	(238)	(238)
Profit for the period	<u>174,023</u>	<u>247</u>	<u>174,270</u>
Included in segment results:			
Finance income	114	100	214
Finance costs	(13,942)	(1,597)	(15,539)
Income tax expense (note)	(9,496)	(13)	(9,509)
Depreciation	(16,707)	(1,490)	(18,197)
Capital expenditure	<u>86,523</u>	<u>2,443</u>	<u>88,966</u>
At 30th June 2021			
Property, plant and equipment	2,051,754	10,735	2,062,489
Investment properties	8,038,886	952,559	8,991,445
Prepayment for non-current assets	2,247	-	2,247
Non-current assets (excluding financial assets at fair value through other comprehensive income)	<u>10,092,887</u>	<u>963,294</u>	<u>11,056,181</u>
Non-current financial assets at fair value through other comprehensive income	17,988	-	17,988
Current assets	235,476	71,659	307,135
Segment assets	<u>10,346,351</u>	<u>1,034,953</u>	<u>11,381,304</u>
Current liabilities	691,433	122,046	813,479
Non-current liabilities	2,041,545	199,731	2,241,276
Segment liabilities	<u>2,732,978</u>	<u>321,777</u>	<u>3,054,755</u>

	Hong Kong <i>HK\$'000</i>	North America <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the six months ended 30th June 2020			
Segment revenues			
Property rental	124,680	38,170	162,850
Property related services	11,010	-	11,010
Hotel operations	703	-	703
Total segment revenues	<u>136,393</u>	<u>38,170</u>	<u>174,563</u>
Segment results – underlying profit			
– Property rental and related services	28,309	15,591	43,900
– Hotel operations	(1,160)	-	(1,160)
Fair value losses on investment properties	(116,650)	(76,290)	(192,940)
Deferred income tax, net	-	16,658	16,658
Loss for the period	<u>(89,501)</u>	<u>(44,041)</u>	<u>(133,542)</u>
Included in segment results:			
Finance income	440	197	637
Finance costs	(20,959)	(1,606)	(22,565)
Income tax expense (note)	(7,658)	(12)	(7,670)
Depreciation	(9,009)	(1,584)	(10,593)
Capital expenditure	<u>180,396</u>	<u>7,808</u>	<u>188,204</u>
At 31st December 2020			
Property, plant and equipment	2,124,278	12,224	2,136,502
Investment properties	7,690,080	966,178	8,656,258
Prepayments for non-current assets	8,948	-	8,948
Non-current assets (excluding financial assets at fair value through other comprehensive income)	<u>9,823,306</u>	<u>978,402</u>	<u>10,801,708</u>
Non-current financial assets at fair value through other comprehensive income	15,775	-	15,775
Current assets	<u>232,009</u>	<u>57,755</u>	<u>289,764</u>
Segment assets	<u>10,071,090</u>	<u>1,036,157</u>	<u>11,107,247</u>
Current liabilities	625,614	17,915	643,529
Non-current liabilities	<u>2,025,010</u>	<u>305,313</u>	<u>2,330,323</u>
Segment liabilities	<u>2,650,624</u>	<u>323,228</u>	<u>2,973,852</u>

Note: The amount excludes net deferred income tax of North America segment.

(3) Cost and expenses, net**For the six months ended 30th June**

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Depreciation	18,197	10,593
Amortisation of capitalised letting fees	2,551	1,907
Provision for impairment of trade debtors	1,271	-
Outgoings, in respect of (note)		
– investment properties	30,158	16,851
– properties for sale	2,893	5,931
– property related services	8,360	8,221
– property, plant and equipment	3,909	1,048
– hotel operations	7,509	612
Operating lease rental for office premises to a related company	-	1,262
Other employee benefit expense	37,901	37,090
Others	18,469	19,313
Total cost of sales, administrative expenses and other operating expenses, net	<u>131,218</u>	<u>102,828</u>

Note: Outgoings mainly included building management fee, government rent and rate, repair and maintenance and employee benefit.

(4) Other gains, net**For the six months ended 30th June**

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Dividend income from financial assets at fair value through other comprehensive income	662	685
Loss on disposal of property, plant and equipment, net	(49)	(82)
	<u>613</u>	<u>603</u>

(5) Finance income and costs

For the six months ended 30th June

	2021 HK\$'000	2020 HK\$'000
Finance income		
Interest income from banks	<u>214</u>	<u>637</u>
Finance costs		
Interest expenses on bank loans and overdrafts	(20,732)	(35,627)
Less: Amount capitalised in property, plant and equipment	<u>5,193</u>	<u>13,062</u>
	<u>(15,539)</u>	<u>(22,565)</u>
Finance costs, net	<u>(15,325)</u>	<u>(21,928)</u>

(6) Income tax (expense)/credit

Hong Kong profits tax has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profits for the period. Except for the minimum United States state tax which has been paid during the period, no overseas taxation (2020: HK\$Nil) has been provided as there is no estimated taxable profit for the overseas subsidiaries for the period.

The amount of income tax (charged)/credited to the condensed consolidated statement of profit or loss represents:

For the six months ended 30th June

	2021 HK\$'000	2020 HK\$'000
Current income tax		
– Hong Kong profits tax	(7,446)	(5,594)
– United States taxation	<u>(13)</u>	<u>(12)</u>
	<u>(7,459)</u>	<u>(5,606)</u>
Deferred income tax (expense)/credit		
– Hong Kong	(2,050)	(2,064)
– United States	<u>(238)</u>	<u>16,658</u>
	<u>(2,288)</u>	<u>14,594</u>
	<u>(9,747)</u>	<u>8,988</u>

(7) Earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on profit attributable to owners of the Company of HK\$171,740,000 (2020: loss of HK\$135,749,000) and on 287,670,000 (2020: 287,670,000) ordinary shares in issue during the period.

As there are no dilutive potential ordinary shares for the six months ended 30th June 2021 and 2020, the diluted earnings/(loss) per share is equal to the basic earnings/(loss) per share.

(8) Dividend

For the six months ended 30th June

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interim, declared, of HK10 cents (2020: HK10 cents) per ordinary share	<u>28,767</u>	<u>28,767</u>

At a meeting held on 23rd August 2021, the directors declared an interim dividend of HK10 cents per ordinary share for the year ending 31st December 2021. This declared dividend is not reflected as a dividend payable in this Condensed Consolidated Interim Financial Information, but will be reflected as an appropriation of retained profits for the year ending 31st December 2021.

(9) Debtors and prepayments

Included in debtors and prepayments are trade debtors of HK\$2,667,000 (at 31st December 2020: HK\$1,321,000) and the ageing analysis of the trade debtors based on invoice date was as follows:

	As at 30th June 2021 <i>HK\$'000</i>	As at 31st December 2020 <i>HK\$'000</i>
0-30 days	2,116	772
31-60 days	286	257
61-90 days	139	206
Over 90 days	<u>126</u>	<u>86</u>
	<u>2,667</u>	<u>1,321</u>

The trade debtors represent rental and management fee receivables. The Group normally does not grant credit to tenants for lease receivables, and grants 30 days credit for management fee receivables.

(10) Creditors and accruals

Included in creditors and accruals are trade creditors of HK\$8,780,000 (at 31st December 2020: HK\$7,173,000) and the ageing analysis of trade creditors was as follows:

	As at 30th June 2021 <i>HK\$'000</i>	As at 31st December 2020 <i>HK\$'000</i>
0-30 days	8,006	6,684
31-60 days	417	257
61-90 days	225	178
Over 90 days	<u>132</u>	<u>54</u>
	<u>8,780</u>	<u>7,173</u>

CHAIRMAN'S STATEMENT

Result

I am pleased to report that the Group's consolidated profit for the first half of 2021 was HK\$174.3 million, an increase of HK\$307.8 million as compared to the Group's consolidated loss of HK\$133.5 million for the same period of 2020. Earnings per share for the first half of 2021 were HK\$0.60 (2020: loss per share HK\$0.47). The consolidated profit for the first half of 2021 included the fair value gains on investment properties (net of the deferred tax in the United States) of HK\$137.9 million, as compared to the fair value losses on investment properties (net of the deferred tax in the United States) of HK\$176.2 million for the same period last year.

Excluding the effect of the fair value changes on investment properties (net of the deferred tax in the United States), the Group's underlying profit for the first half of 2021 was approximately HK\$36.4 million, decreased by HK\$6.3 million or 14.8% as compared to the corresponding figure of HK\$42.7 million for the same period of 2020, mainly due to the increase in depreciation charges for our new hotel and the increase in refurbishment expenses.

The Group's core property leasing business remained stable with 5.4% period-on-period increase and a significant increase in revenue contribution from hotel operations of HK\$6.9 million was recorded due to the reopening of the Figo hotel in October 2020 and the opening of our new hotel the Arca hotel in May this year. The revenues of the Group for the first half of 2021 increased HK\$17.2 million or 9.9% to HK\$191.8 million (2020: HK\$174.6 million).

As at 30th June 2021, total valuation of the investment properties of the Group was HK\$8,991.4 million (at 31st December 2020: HK\$8,656.3 million), increased by HK\$335.1 million or 3.9% for the first half of 2021. Total equity amounted to HK\$8,326.5 million (at 31st December 2020: HK\$8,133.4 million).

Dividend

The directors have declared an interim dividend of HK10 cents (2020: HK10 cents) per ordinary share.

Outlook

Waves of COVID-19 has continued to cause disruptions to businesses and economies worldwide, and it is unlikely that international business activities will experience significant improvement until the end of the year. However, riding on the blooming of the import and export activities in China, the external trade activities of Hong Kong also increased remarkably as compared with the same period last year. In Hong Kong, the COVID-19 prevention measures have fended off the pandemic from spreading into the community rather well as compared with many major economies in the World. However, not until the impact of COVID-19 diminishes and international travels and trades become full re-opened again, there will not be a speedy economic upswing in Hong Kong and other World cities.

The Group's core business remains property related, with less exposure in trading activities which have been more significantly affected by COVID-19. Real estate prices have stabilized after downward adjustments made in prior years, and we have confident that our operation will continue to be stable. In the US, the continuing evolving status with regards to COVID-19 will be affecting its economic recovery.

Our new hotel the Arca hotel opened in May this year and has been well received in the market due to its unique location and themes of staycation and pawcation. Occupancy rates have been satisfactory and comparable with its peers and we have been making adjustments on the tariffs alongside as a result. The Group may consider to expand its business in hospitality if there are good opportunities.

Interest rates are unlikely to trend upward until the end of the year, and for next year, any upward movements are unlikely to be significant.

The Group remains confident in our operations and will continue to be cautious and will pay attention to the development of the current situations and will make appropriate adjustments if the circumstance merits. Barring any unforeseen circumstances, the Group will continue to pursue a prudent policy.

William Ma Ching Wai

Chairman

Hong Kong, 23rd August 2021

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

In Hong Kong, the gross rental income for the first half of 2021 was HK\$131.6 million, increased by HK\$6.9 million or 5.5% as compared to the same period last year. The increase was mainly attributable to the increase in contribution from Gateway ts. However, the rental market for shops and commercial units remained sluggish.

The hotel room charge income of the Figo hotel for the first half of 2021 was HK\$4.8 million, increased significantly as compared to the corresponding figure of HK\$0.7 million for the same period last year due to its closure in March 2020 for renovation. The occupancy rate for the first half of 2021 was maintained at about 87% on average. The EBITDA for the first half of 2021 for the Figo hotel was HK\$0.3 million. The newly launched hotel at Wong Chuk Hang the Arca hotel was opened in May 2021 and contributed HK\$2.8 million to the hotel room charge income for the first half of 2021.

In the USA, the gross rental income from Montgomery Plaza was HK\$40.0 million for the first half of 2021, increased by HK\$1.8 million or 4.7%, as compared to the same period last year. The office space occupancy rate of Montgomery Plaza was 88% as at the half year end of 2021.

Liquidity and financial resources

During the relevant period, the Group's total bank borrowings increased by HK\$109.9 million to HK\$2,543.3 million (at 31st December 2020: HK\$2,433.4 million), including outstanding long-term bank loans of HK\$2,063.4 million (as at 31st December 2020: HK\$2,026.4 million). The total equity increased by HK\$193.1 million to HK\$8,326.5 million (at 31st December 2020: HK\$8,133.4 million). The debt to equity ratio as at 30th June 2021 was 30.5% (at 31st December 2020: 29.9%).

The cash flow position and funding needs are closely reviewed and monitored to ensure that the Group has a good degree of financial flexibility and liquidity while optimizing net financial costs. There are sufficient committed banking facilities available for the Group's current funding needs and future business requirement. The Group's financial position remains healthy.

There is no exposure to foreign exchange risk as the bank borrowings are in either Hong Kong or US dollars and the repayment of principal and interest will be made by the respective lending currency.

Capital structure of the Group

The capital structure of the Group has not changed materially from the last annual report. The Group's borrowings are primarily denominated in Hong Kong and US dollars. The Group therefore has no significant exposure to foreign exchange fluctuation.

As at 30th June 2021, bank borrowings amounted to about HK\$2,458.3 million (at 31st December 2020: HK\$2,398.4 million) of the Group are secured by certain properties with an aggregate carrying amount of HK\$7,743.0 million (at 31st December 2020: HK\$7,568.5 million) and the rental income therefrom. Except for overdraft facilities, interest on the Group's bank borrowings is based on floating interest rate, i.e. spread plus HIBOR or LIBOR, whereas the interest on overdraft facilities is based on the Hong Kong bank's best lending rate and now is 5%.

The maturity of the Group's long term bank loans is as follows:

	As at 30th June 2021 HK\$'000	As at 31st December 2020 HK\$'000
– within one year	166,732	38,428
– in the second year	59,720	142,540
– in the third to fifth year	1,836,921	1,845,442
	<u>2,063,373</u>	<u>2,026,410</u>

Details of number and remuneration of employees

As at 30th June 2021, the Group employed a total of 220 full-time employees, including the directors. In addition to salary payment, other benefits include discretionary bonus, insurance, medical schemes and mandatory provident fund schemes.

INTERIM DIVIDEND AND RECORD DATE

The board of directors has resolved to declare an interim dividend of HK10 cents (2020: HK10 cents) per ordinary share, payable on 24th September 2021 to shareholders whose names standing on the register of members at the close of business on 8th September 2021 (the "Record Date"). In order to qualify for the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 8th September 2021.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) during the period, except the following:

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. William Ma Ching Wai, the Chairman of the Board of Directors (the “Chairman”) was appointed the Chief Executive of the Company on 15th June 2017, since then Mr. Ma holds both positions as the Chairman and Chief Executive of the Company. The Board believes that vesting the roles of both Chairman and Chief Executive in the same person will enable the Company to have a stable and consistent leadership and also facilitate the planning and execution of the Company’s strategy and is hence for the interest of the Company and its shareholders. The Board is of the view that the balance of power and authority is adequately ensured as all major decisions have been made in consultation with the Board and appropriate Board committees, as well as top management, and there are one non-executive director and three independent non-executive directors on the Board offering their experience, expertise, independent advice and views from different perspectives.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Listing Rules as the Company’s code of conduct regarding directors’ securities transactions. On specific enquires made, all directors have confirmed that they have complied with the Model Code during the period.

INDEPENDENT REVIEW

The interim results have been reviewed by the Audit Committee of the Company. The interim results for the six months ended 30th June 2021 are unaudited, but have also been reviewed by PricewaterhouseCoopers, the Company’s independent auditor, 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 Report on Review of Interim Financial Information is included in the interim report to be sent to shareholders.

By Order of the Board
William Ma Ching Wai
Chairman

Hong Kong, 23rd August 2021

Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong

As at the date of this announcement, the Board comprised of nine directors, of which Mr. William Ma Ching Wai, Mr. Patrick Ma Ching Hang, Mr. Philip Ma Ching Yeung, Mr. Alfred Ma Ching Kuen and Ms. Amy Ma Ching Sau are executive directors, Mr. Edward Cheung Wing Yui is non-executive director, and Mr. Kevin Chau Kwok Fun, Mr. Tan Soo Kiu and Mr. Yiu Kei Chung are independent non-executive directors.