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**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 2023 INTERIM RESULTS**

**FINANCIAL HIGHLIGHTS**

For the six months ended 30th June 2023

- Revenues increased by 7.9% to HK\$230.3 million (2022: HK\$213.4 million).
- Profit for the period of HK\$146.5 million (2022: HK\$261.4 million) included the fair value gains on investment properties (net of deferred tax in the United States) of HK\$152.0 million (2022: HK\$220.0 million).
- Excluding the property revaluation gains and all related effects, the Group recorded an underlying loss of HK\$5.5 million as compared to underlying profit of HK\$41.4 million for the same period of last year.
- Interim dividend declared of HK6 cents per ordinary share.

The board of directors (the “Board”) 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 2023 as follows:

**1. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE SIX MONTHS ENDED 30TH JUNE 2023 – UNAUDITED**

	<i>Notes</i>	<b>For the six months ended 30th June</b>	
		<b>2023</b>	<b>2022</b>
		<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Revenues	(2)(a)	<b>230,280</b>	213,429
Cost of sales	(3)	<b>(98,791)</b>	(80,453)
<b>Gross profit</b>		<b>131,489</b>	132,976
Fair value gains on investment properties		<b>130,580</b>	187,181
Other gains, net	(4)	<b>3,729</b>	564
Administrative expenses	(3)	<b>(67,009)</b>	(62,254)
Other operating expenses, net	(3)	<b>(6,791)</b>	(1,422)
<b>Operating profit</b>		<b>191,998</b>	257,045
Finance income	(5)	<b>564</b>	131
Finance costs	(5)	<b>(62,848)</b>	(21,758)
Finance costs, net		<b>(62,284)</b>	(21,627)
<b>Profit before income tax</b>		<b>129,714</b>	235,418
Income tax credit	(6)	<b>16,809</b>	26,000
<b>Profit for the period</b>		<b>146,523</b>	261,418
<b>Profit attributable to:</b>			
Owners of the Company		<b>123,594</b>	236,439
Non-controlling interests		<b>22,929</b>	24,979
		<b>146,523</b>	261,418
<b>Earnings per share (basic and diluted)</b>	(7)	<b>HK\$0.43</b>	HK\$0.82

**2. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30TH JUNE 2023 – UNAUDITED**

	<b>For the six months ended 30th June</b>	
	<b>2023</b>	<b>2022</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Profit for the period</b>	<b><u>146,523</u></b>	<b><u>261,418</u></b>
<b>Other comprehensive income</b>		
<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	(610)	481
Exchange translation difference	<u>29</u>	<u>(60)</u>
<b>Other comprehensive income for the period</b>	<b><u>(581)</u></b>	<b><u>421</u></b>
<b>Total comprehensive income for the period</b>	<b><u><u>145,942</u></u></b>	<b><u><u>261,839</u></u></b>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	123,291	236,651
Non-controlling interests	<u>22,651</u>	<u>25,188</u>
	<b><u><u>145,942</u></u></b>	<b><u><u>261,839</u></u></b>

**3. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2023 - UNAUDITED**

	<i>Notes</i>	As at 30th June 2023 <i>HK\$'000</i>	As at 31st December 2022 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		1,995,667	1,964,857
Investment properties		9,944,093	9,857,923
Financial assets at fair value through other comprehensive income		15,235	15,845
Prepayments for non-current assets		130	1,094
		<u>11,955,125</u>	<u>11,839,719</u>
<b>Current assets</b>			
Properties for sale		109,072	109,072
Other inventories		285	342
Debtors and prepayments	(9)	49,616	39,676
Current income tax recoverable		3,717	3,105
Cash and cash equivalents		119,861	134,135
		<u>282,551</u>	<u>286,330</u>
Assets classified as held for sale		-	7,800
Total current assets		<u>282,551</u>	<u>294,130</u>
<b>Total assets</b>		<u>12,237,676</u>	<u>12,133,849</u>
<b>Equity and liabilities</b>			
<b>Equity attributable to the owners of the Company</b>			
Share capital		417,321	417,321
Reserves		8,532,588	8,426,557
		8,949,909	8,843,878
<b>Non-controlling interests</b>		<u>292,757</u>	<u>271,242</u>
<b>Total equity</b>		<u>9,242,666</u>	<u>9,115,120</u>

	<i>Notes</i>	As at <b>30th June</b> <b>2023</b> <i>HK\$'000</i>	As at 31st December 2022 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Long term bank loans – secured		<b>1,427,497</b>	1,601,727
Deferred income tax liabilities		<b>282,067</b>	301,675
Lease liabilities		<b>669</b>	794
		<u><b>1,710,233</b></u>	<u>1,904,196</u>
<b>Current liabilities</b>			
Rental and other deposits		<b>97,209</b>	97,213
Creditors and accruals	<i>(10)</i>	<b>35,922</b>	43,980
Current income tax liabilities		<b>1,484</b>	780
Short term bank loans		<b>298,000</b>	280,000
Current portion of long term bank loans – secured		<b>851,908</b>	692,310
Lease liabilities		<b>254</b>	250
		<u><b>1,284,777</b></u>	<u>1,114,533</u>
<b>Total liabilities</b>		<u><b>2,995,010</b></u>	<u>3,018,729</u>
<b>Total equity and liabilities</b>		<u><b>12,237,676</b></u>	<u>12,133,849</u>

**(1) Basis of preparation and accounting policies**

This unaudited condensed consolidated interim financial information of the Group for the six months ended 30th June 2023 (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.

The financial information relating to the year ended 31st December 2022 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 2022 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\$1,002,226,000 as at 30th June 2023 (at 31st December 2022: HK\$820,403,000). The current liabilities mainly included short term bank loans of HK\$298,000,000 (at 31st December 2022: HK\$280,000,000) and current portion of long term bank loans of HK\$851,908,000 (at 31st December 2022: HK\$692,310,000). 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 Group intends to obtain new loan facilities to replace the facilities that will mature within one year. 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.

Except as described below, 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 2022 (the “2022 Annual Report”). The Condensed Consolidated Interim Financial Information should be read in conjunction with the 2022 Annual Report, and any public announcement made by the Group during the interim reporting period, which has been prepared in accordance with the Hong Kong Financial Reporting Standards.

The following amended standards are relevant and mandatory to the Group for the accounting period beginning on 1st January 2023:

HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies
HKAS 8 (Amendments)	Definition of Accounting Estimates
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of these amended standards did not result in a substantial impact to the results and financial position of the Group.

## (2) Revenues and Segment information

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

	For the six months ended 30th June	
	2023	2022
	HK\$'000	HK\$'000
Revenues from external customers		
Property rental		
– investment properties	157,575	157,021
– properties for sale	12,139	14,066
Property related services (note (i))	14,217	13,511
Hotel operations (note (i))	37,767	23,785
Catering operations (note (ii))	8,582	5,046
	<u>230,280</u>	<u>213,429</u>

Notes:

- (i) The Group's revenues from property related services and hotel operations are recognised over-time as the services are performed.
- (ii) The Group's revenue from catering operations are recognised at a point in time.
- (b) 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 as Hong Kong and North America.

The CODM assesses the performance of the operating segments based on their underlying profit/(loss), 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.

## (c) Operating segments

	Hong Kong <i>HK\$'000</i>	North America <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>For the six months ended 30th June 2023</b>			
Segment revenues			
Property rental	138,759	30,955	169,714
Property related services	14,217	-	14,217
Hotel operations	37,767	-	37,767
Catering operations	8,582	-	8,582
Total segment revenues	<u>199,325</u>	<u>30,955</u>	<u>230,280</u>
Segment results – underlying loss			
– Property rental and related services	(5,286)	4,875	(411)
– Hotel and catering operations	(5,046)	-	(5,046)
Fair value gains/(losses) on investment properties	210,001	(79,421)	130,580
Deferred income tax, net	-	21,400	21,400
Profit/(loss) for the period	<u>199,669</u>	<u>(53,146)</u>	<u>146,523</u>
Included in segment results:			
Finance income	491	73	564
Finance costs	(59,792)	(3,056)	(62,848)
Income tax expense (note)	(4,578)	(13)	(4,591)
Depreciation	(23,187)	(847)	(24,034)
Capital expenditure	<u>8,962</u>	<u>9,325</u>	<u>18,287</u>
<b>At 30th June 2023</b>			
Property, plant and equipment	1,988,835	6,832	1,995,667
Investment properties	9,257,100	686,993	9,944,093
Prepayments for non-current assets	130	-	130
Non-current assets (excluding financial assets at fair value through other comprehensive income)	<u>11,246,065</u>	<u>693,825</u>	<u>11,939,890</u>
Non-current financial assets at fair value through other comprehensive income	15,235	-	15,235
Current assets	256,818	25,733	282,551
Segment assets	<u>11,518,118</u>	<u>719,558</u>	<u>12,237,676</u>
Current liabilities	1,270,047	14,730	1,284,777
Non-current liabilities	1,490,611	219,622	1,710,233
Segment liabilities	<u>2,760,658</u>	<u>234,352</u>	<u>2,995,010</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 2022			
Segment revenues			
Property rental	134,464	36,623	171,087
Property related services	13,511	-	13,511
Hotel operations	23,785	-	23,785
Catering operations	5,046	-	5,046
Total segment revenues	<u>176,806</u>	<u>36,623</u>	<u>213,429</u>
Segment results – underlying profit			
– Property rental and related services	39,370	13,647	53,017
– Hotel and catering operations	(11,610)	-	(11,610)
Fair value gains/(losses) on investment properties	318,492	(131,311)	187,181
Deferred income tax, net	-	32,830	32,830
Profit/(loss) for the period	<u>346,252</u>	<u>(84,834)</u>	<u>261,418</u>
Included in segment results:			
Finance income	67	64	131
Finance costs	(20,624)	(1,134)	(21,758)
Income tax expense (note)	(6,817)	(13)	(6,830)
Depreciation	(26,000)	(1,108)	(27,108)
Capital expenditure	<u>10,540</u>	<u>2,915</u>	<u>13,455</u>
At 31st December 2022			
Property, plant and equipment	1,957,179	7,678	1,964,857
Investment properties	9,100,566	757,357	9,857,923
Prepayments for non-current assets	1,094	-	1,094
Non-current assets (excluding financial assets at fair value through other comprehensive income)	<u>11,058,839</u>	<u>765,035</u>	<u>11,823,874</u>
Non-current financial assets at fair value through other comprehensive income	15,845	-	15,845
Current assets	231,175	55,155	286,330
Assets classified as held for sale	7,800	-	7,800
Segment assets	<u>11,313,659</u>	<u>820,190</u>	<u>12,133,849</u>
Current liabilities	1,096,236	18,297	1,114,533
Non-current liabilities	1,662,936	241,260	1,904,196
Segment liabilities	<u>2,759,172</u>	<u>259,557</u>	<u>3,018,729</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**

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Depreciation	<b>24,034</b>	27,108
Amortisation of capitalised letting fees	<b>2,501</b>	2,642
Provision for impairment of trade debtors	<b>888</b>	1,445
Donations	<b>2,402</b>	1,887
Outgoings, in respect of (note (a))		
– investment properties	<b>33,025</b>	28,974
– properties for sale	<b>2,986</b>	3,830
– property related services	<b>13,125</b>	7,951
– property, plant and equipment	<b>1,503</b>	1,462
– hotel and catering operations	<b>31,814</b>	22,036
Other employee benefit expenses, net (note (b))	<b>40,574</b>	36,578
Government grants (note (b))	-	(1,900)
Others	<b>19,739</b>	12,116
Total cost of sales, administrative expenses and other operating expenses, net	<b><u>172,591</u></b>	<u>144,129</u>

Notes:

- (a) Outgoings mainly included building management fee, government rent and rates, repairs and maintenance and employee benefits.
- (b) In 2022, government subsidies related to hotel and food sectors in Hong Kong were HK\$1,900,000. Wages subsidies under Employment Support Scheme of HK\$1,512,000 were net off with other employee benefit expenses for the period ended 30th June 2022. There were no unfulfilled conditions or other contingencies attaching to these subsidies.

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

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Dividend income from financial assets at fair value through other comprehensive income	<b>688</b>	679
Gain on disposal of investment properties	<b>1,080</b>	-
Gain on disposal of assets classified as held for sale	<b>2,000</b>	-
Loss on disposal of property, plant and equipment, net	<b>(39)</b>	(115)
	<b><u>3,729</u></b>	<u>564</u>

**(5) Finance income and costs****For the six months ended 30th June**

	<b>2023</b>	<b>2022</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Finance income		
Interest income from banks	<b>564</b>	131
Finance costs		
Interest expenses on bank loans	<u><b>(62,848)</b></u>	<u>(21,758)</u>
Finance costs, net	<u><u><b>(62,284)</b></u></u>	<u><u>(21,627)</u></u>

**(6) Income tax credit**

Hong Kong Profits Tax has been provided at the rate of 16.5% (2022: 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 (2022: Nil) has been provided as there is no estimated taxable profit for the overseas subsidiaries for the period.

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

**For the six months ended 30th June**

	<b>2023</b>	<b>2022</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current income tax		
– Hong Kong Profits Tax	<b>(2,786)</b>	(4,479)
– United States taxation	<b>(13)</b>	(13)
– Over provision in prior period	<u>-</u>	<u>53</u>
	<u><b>(2,799)</b></u>	<u>(4,439)</u>
Deferred income tax credit/(charge)		
– Hong Kong	<b>(1,792)</b>	(2,391)
– United States	<u><b>21,400</b></u>	<u>32,830</u>
	<u><b>19,608</b></u>	<u>30,439</u>
	<u><u><b>16,809</b></u></u>	<u><u>26,000</u></u>

## (7) Earnings per share

The calculation of basic earnings per share is based on profit attributable to owners of the Company of HK\$123,594,000 (2022: HK\$236,439,000) and on 287,670,000 (2022: 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 2023 and 2022, the diluted earnings per share is equal to the basic earnings per share.

## (8) Dividend

### For the six months ended 30th June

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interim, declared, of HK6 cents (2022: HK14 cents) per ordinary share	<u>17,260</u>	<u>40,274</u>

At a meeting held on 28th August 2023, the directors declared an interim dividend of HK6 cents per ordinary share for the year ending 31st December 2023. 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 2023.

## (9) Debtors and prepayments

Included in debtors and prepayments are trade debtors, net, of HK\$3,342,000 (at 31st December 2022: HK\$3,527,000) and the ageing analysis of the trade debtors based on invoice date was as follows:

	As at 30th June 2023 <i>HK\$'000</i>	As at 31st December 2022 <i>HK\$'000</i>
0-30 days	1,352	1,584
31-60 days	189	147
61-90 days	164	110
Over 90 days	<u>1,637</u>	<u>1,686</u>
	<u>3,342</u>	<u>3,527</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\$10,572,000 (at 31st December 2022: HK\$13,817,000) and the ageing analysis of the trade creditors based on invoice date was as follows:

	<b>As at 30th June 2023 <i>HK\$'000</i></b>	<b>As at 31st December 2022 <i>HK\$'000</i></b>
0-30 days	<b>9,095</b>	11,540
31-60 days	<b>741</b>	1,167
61-90 days	<b>109</b>	379
Over 90 days	<b>627</b>	731
	<b><u>10,572</u></b>	<b><u>13,817</u></b>

## CHAIRMAN'S STATEMENT

### Result

I am pleased to report that the Group's consolidated profit for the first half of 2023 was HK\$146.5 million, a decrease of HK\$114.9 million or 44.0% as compared to the Group's consolidated profit of HK\$261.4 million for the same period of 2022. Earnings per share for the first half of 2023 were HK\$0.43 (2022: HK\$0.82). The consolidated profit for the first half of 2023 included the fair value gains on investment properties (net of deferred tax in the United States) of HK\$152.0 million, as compared to the corresponding figures of HK\$220.0 million for the same period last year.

Excluding the effect of the changes in fair value of investment properties (net of deferred tax in the United States), the Group recorded an underlying loss of approximately HK\$5.5 million for the first half of 2023 as compared to an underlying profit of HK\$41.4 million for the same period of 2022, the significant drop in the underlying profits of the Group was mainly due to the significant increase in interest expenses as a result of the interest rate hike during the first half of 2023 as compared to the same period last year. The Group's total interest expenses were HK\$62.8 million for the six months period ended 30th June 2023, an increase of HK\$41.0 million or 188.1% as compared to HK\$21.8 million for the same period last year.

The Group's core property leasing business remained stable with a slight period-on-period drop of 0.8%, while there was a significant increase in revenue contribution from hotel and catering operations of HK\$17.5 million or 60.8% during the period under review. The total revenue of the Group for the first half of 2023 increased by HK\$16.9 million or 7.9% to HK\$230.3 million (2022: HK\$213.4 million).

As at 30th June 2023, the valuation of the investment properties of the Group was HK\$9,944.1 million (at 31st December 2022: HK\$9,857.9 million), increased by HK\$86.2 million or 0.9% for the first half of 2023. Total equity amounted to HK\$9,242.7 million (at 31st December 2022: HK\$9,115.1 million).

### Dividend

The directors have declared an interim dividend of HK6 cents (2022: HK14 cents) per ordinary share.

### Outlook

During 2023, the global economy is still under the negative impact of the continuation of the Russia-Ukraine conflict and the high inflation and interest rates of the western major economies. The ongoing Sino-US and geopolitical tension also hindered the export trade of Mainland China as well as Hong Kong. Nevertheless, the lifting of travel restriction worldwide and the recovery of inbound tourism is a major driver of the economic growth in Hong Kong.

Hopefully the inflation rate in the United States may stabilize or slowdown in near future, however, the Federal Funds Rate is expected to stay at high level for the rest of 2023. The interest rates in Hong Kong will inevitably stay at current high level for a while.

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, 28th August 2023

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business review

In Hong Kong, the gross rental income for the first half of 2023 was HK\$138.8 million, increased by HK\$4.3 million or 3.2% as compared to the same period last year. The increase was mainly attributable to the increase in rental from Gateway ts, but set off slightly by the drop in rental from Floral Villas, which is likely to experience slow marketability for the rest of the year, while there is recovery in the shops and industrial leasing markets.

The room tariff income and catering income from our hotels for the first half of 2023 were HK\$46.3 million, increased HK\$17.5 million or 60.8% as compared to the same period last year due to the return of tourists mainly from Mainland China. The average occupancy rate of the Arca Hotel and the Figo Hotel for the first half of 2023 was 81.4% (2022: 70.0%) and 96.3% (2022: 88.4%) respectively. The EBITDA of the Arca Hotel and the Figo Hotel for the first half of 2023 was HK\$4.6 million (2022: HK\$0.1 million) and HK\$2.5 million (2022: HK\$0.9 million) respectively.

In the United States, the gross rental income from Montgomery Plaza was HK\$31.0 million for the first half of 2023, decreased HK\$5.7 million or 15.5%, as compared to the same period last year. The office space occupancy rate of Montgomery Plaza was 74.0% as at the first half year end of 2023. The office leasing market at San Francisco remains sluggish and with negative absorption during the first half of 2023. Tenants tend to renew tenancies with shorter lease tenure or even on a month-to-month basis. We may foresee a further drop in gross rental income from Montgomery Plaza in the periods ahead.

During the first half of 2023, the Group disposed two properties at Shing Wah Building, Kwai Chung at total sale proceeds of HK\$17.5 million and total gains on disposal of approximately HK\$3.1 million. The sales proceeds have been used to enhance the Group's working capital for the period. The Group will review the property portfolio from time to time and will manage resources so as to provide sufficient internal generated funding to fulfil the payments of interest and loan repayment when they fall due.

### Liquidity and financial resources

As at 30th June 2023, the Group's total bank borrowings increased by HK\$3.4 million to HK\$2,577.4 million (at 31st December 2022: HK\$2,574.0 million), including outstanding long-term bank loans of HK\$2,279.4 million (at 31st December 2022: HK\$2,294.0 million). The total equity increased by HK\$127.6 million to HK\$9,242.7 million (at 31st December 2022: HK\$9,115.1 million). The debt-to-equity ratio as at 30th June 2023 was 27.9% (at 31st December 2022: 28.2%).

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 requirements. The Group's financial position remains healthy. The Group has started to liaise with the banks to seek financing and refinancing of the loans that will fall due within one year and have received positive responses.

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 expenditure

Capital expenditure for the first half year ended 30th June 2023 amounted to HK\$18.3 million (2022: HK\$13.5 million) and capital commitments as at 30th June 2023 amounted to HK\$12.6 million (at 31st December 2022: HK\$14.1 million). Both capital expenditure and capital commitments were mainly related to the addition of property, plant and equipment, property improvement and construction work. The Group anticipates that such commitments will be funded by future operating revenue, bank borrowings and other sources of finance as appropriate.

## Capital structure of the Group

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

Bank borrowings amount to about HK\$2,559.4 million (at 31st December 2022: HK\$2,574.0 million) of the Group are secured by certain properties with an aggregate carrying amount of HK\$8,416.4 million (at 31st December 2022: HK\$8,372.4 million) and their rental incomes therefrom. Except for the overdraft facilities, interests on the Group's bank borrowings are based on the floating interest rates, i.e. spread plus Hong Kong Inter-bank Offered Rate or London Inter-bank Offered Rate, whereas the interests on overdraft facilities are based on the Hong Kong Dollar best lending rate and now is 5.875% (at 31st December 2022: 5.625%).

The maturity of the Group's long-term bank loans as at 30th June 2023 is summarised as follows:

	<b>As at 30th June 2023 HK\$'000</b>	<b>As at 31st December 2022 HK\$'000</b>
– within one year	<b>851,908</b>	692,310
– in the second year	<b>1,427,497</b>	1,222,876
– in the third to fifth year	<b>-</b>	378,851
	<b><u>2,279,405</u></b>	<b><u>2,294,037</u></b>

## Contingent liabilities

As at 30th June 2023, the Group has no significant contingent liabilities or guarantees (at 31st December 2022: Nil).

## Segment information

Details of segment information of the Group are set out in note 2(c) to the condensed consolidated interim financial information in this announcement.



## **Employees and emolument policy**

As at 30th June 2023, the Group employed a total of 276 full-time employees which included the directors of the Company. In addition to salary payment, other benefits included discretionary bonus, insurance, medical schemes and mandatory provident fund schemes.

Employees of the Group are remunerated at a competitive level and are rewarded according to their performance and experience. The promotion and remuneration of the Group's employees are subject to annual review.

The emoluments of the directors of the Company are recommended by the Remuneration Committee to the Board's decision, having regard to the Group's operating results, individual responsibilities and performance, and comparable market statistics.

The Company has not adopted any share option scheme as an incentive to directors and eligible employees.

## **Significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures**

There were no significant investments held, nor were there any material acquisitions or disposals of subsidiaries, associates and joint ventures during the half year ended 30th June 2023.

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

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

Under code provision C.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 to maintain an effective segregation of duties. Mr. William Ma Ching Wai, the Chairman of the Board (the "Chairman") was appointed as the chief executive of the Company (the "Chief Executive") on 15th June 2017, since then Mr. Ma holds both positions as the Chairman and Chief Executive. The Board believes that vesting the roles of both Chairman and Chief Executive on the same individual 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 in 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") as 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 Audit Committee has reviewed, in the presence of the external auditor, PricewaterhouseCoopers (“PwC”), the Group’s principal accounting policies and the condensed consolidated interim financial information for the six months ended 30th June 2023, with no disagreement by the Audit Committee. The condensed consolidated interim financial information of the Group for the six months ended 30th June 2023 are unaudited, but have been reviewed by PwC, 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.

## **INTERIM DIVIDEND AND RECORD DATE**

The board of directors has resolved to declare an interim dividend of HK6 cents (2022: HK14 cents) per ordinary share, payable on 29th September 2023 to shareholders whose names standing on the register of members of the Company at the close of business on 13th September 2023 (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, 13th September 2023.

## **INTERIM REPORT**

The 2023 interim report containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the Stock Exchange’s website and the Company’s website at [www.tsld.com](http://www.tsld.com) in due course.

By Order of the Board  
**William Ma Ching Wai**  
*Chairman*

Hong Kong, 28th August 2023

### **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. Yiu Kei Chung and Mr. Aaron Tan Leng Cheng are independent non-executive directors.*