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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 2024 ANNUAL RESULTS

FINANCIAL HIGHLIGHTS

For the year ended 31st December 2024

- Revenues decreased by 1.1% to HK\$481.6 million (2023: HK\$487.1 million).
- Excluding the fair value losses on investment properties, the earnings before interest, tax, depreciation, and amortisation was HK\$166.9 million (2023: HK\$173.4 million).
- Loss for the year of HK\$340.2 million (2023: HK\$164.4 million) included the fair value losses on investment properties (net of deferred income tax in the United States) of HK\$301.2 million (2023: HK\$136.0 million).
- Excluding the fair value losses on investment properties and all related effects, the Group recorded an underlying loss of HK\$39.0 million (2023: HK\$28.3 million).
- Final dividend proposed of HK5 cents (2023: HK6 cents) per ordinary share.

The board of directors (the “Board”) of Tai Sang Land Development Limited (the “Company”) announced the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31st December 2024 are as follows:

**1. CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST DECEMBER 2024**

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Revenues	(3)(a)	481,554	487,063
Cost of sales	(4)	(182,945)	(183,448)
Gross profit		298,609	303,615
Fair value losses on investment properties		(329,252)	(190,019)
Other gains, net	(5)	1,316	4,155
Administrative expenses	(4)	(181,541)	(184,726)
Operating loss		(210,868)	(66,975)
Finance income	(6)	2,929	2,125
Finance costs	(6)	(151,856)	(145,743)
Finance costs, net		(148,927)	(143,618)
Loss before income tax		(359,795)	(210,593)
Income tax credit	(7)	19,609	46,227
Loss for the year		(340,186)	(164,366)
Loss attributable to:			
Owners of the Company		(333,408)	(185,656)
Non-controlling interests		(6,778)	21,290
		(340,186)	(164,366)
Loss per share (basic and diluted)	(8)	HK\$(1.16)	HK\$(0.65)

**2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2024**

	2024 HK\$'000	2023 HK\$'000
Loss for the year	----- (340,186)	----- (164,366)
Other comprehensive income		
<u>Items that will not be reclassified to profit or loss</u>		
Changes in fair value of financial assets at fair value through other comprehensive income	2,163	(700)
Exchange translation difference	<u>(9)</u>	<u>20</u>
Other comprehensive income for the year	<u>2,154</u>	<u>(680)</u>
Total comprehensive income for the year	<u>(338,032)</u>	<u>(165,046)</u>
Total comprehensive income attributable to:		
Owners of the Company	(332,269)	(186,432)
Non-controlling interests	<u>(5,763)</u>	<u>21,386</u>
	<u>(338,032)</u>	<u>(165,046)</u>

3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		1,952,774	1,990,657
Investment properties		9,294,986	9,621,524
Financial assets at fair value through other comprehensive income		17,308	15,145
Prepayments for non-current assets		10	50
		11,265,078	11,627,376
Current assets			
Properties for sale		110,473	110,473
Other inventories		261	212
Debtors and prepayments	(10)	33,035	42,426
Current income tax recoverable		816	2,133
Cash and cash equivalents		123,438	108,364
		268,023	263,608
Total assets		11,533,101	11,890,984
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital		417,321	417,321
Reserves		7,844,569	8,205,605
		8,261,890	8,622,926
Non-controlling interests		279,356	289,774
Total equity		8,541,246	8,912,700

**3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2024 (Continued)**

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current liabilities			
Long term bank loans – secured		2,119,204	1,065,397
Deferred income tax liabilities		229,189	252,081
Lease liabilities		375	543
		2,348,768	1,318,021
Current liabilities			
Rental and other deposits		98,292	97,596
Creditors and accruals	(11)	32,606	46,027
Current income tax liabilities		1,384	1,778
Short term bank loans		150,000	371,400
Current portion of long-term bank loans – secured		360,540	1,143,206
Lease liabilities		265	256
		643,087	1,660,263
Total liabilities		2,991,855	2,978,284
Total equity and liabilities		11,533,101	11,890,984

Notes:

(1) Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants and requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through other comprehensive income which are measured at fair value.

The Group had net current liabilities of HK\$375,064,000 as at 31st December 2024 (2023: HK\$1,396,655,000). The current liabilities mainly included short term bank loans of HK\$150,000,000 (2023: HK\$371,400,000) and current portion of long term bank loans of HK\$360,540,000 (2023: HK\$1,143,206,000). 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 refinance the facilities that will mature within one year. The directors believe that the Group will continue as a going concern and consequently have prepared the consolidated financial statements on a going concern basis.

Changes in accounting policy and disclosures

(i) Amended standards and interpretations adopted by the Group

The following amended standards and interpretations are relevant and mandatory to the Group for the first time for the financial year beginning on or after 1st January 2024:

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that contains a Repayment on Demand Clause

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

(ii) Amended standards, annual improvements and interpretations not yet adopted

The following amended standards, annual improvements and interpretations are relevant and mandatory to the Group for the accounting period beginning on or after 1st January 2025 and have not been early adopted by the Group:

		Effective for accounting year beginning on or after
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1st January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 (Amendments)	Annual Improvements to HKFRS Accounting Standards – Volume 11	1st January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1st January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1st January 2027
Hong Kong Interpretation 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that contains a Repayment on Demand Clause	1st January 2027

The Group has already commenced an assessment of the impact of adopting the above amended standards, annual improvements and interpretations. The Group has not identified any standard which may have a significant impact on the consolidated financial statements. The Group will adopt the above amended standards, annual improvements and interpretations when they become effective.

(2) Requirement in connection with publication of “non-statutory accounts” under Section 436 of the Hong Kong Companies Ordinance Cap. 622

The financial information relating to the years ended 31st December 2024 and 2023 included in this preliminary announcement of annual results for the year ended 31st December 2024 does not constitute the Company’s statutory annual consolidated financial statements for those years 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 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622) and will deliver the financial statements for the year ended 31st December 2024 in due course.
- The Company’s auditor has reported on the financial statements of the Group for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance (Cap. 622).

(3) Revenues and segment information

- (a) Revenues recognised during the year are as follows:

	2024	2023
	<i>HK\$’000</i>	<i>HK\$’000</i>
Revenues from external customers		
Property rental		
– investment properties	322,219	325,653
– properties for sale	27,945	24,830
Property related services (<i>note (i)</i>)	29,542	29,476
Hotel operations (<i>note (i)</i>)	82,111	86,602
Catering operations (<i>note (ii)</i>)	19,737	20,502
	<u>481,554</u>	<u>487,063</u>

Notes:

- (i) The Group’s revenue from property related services and hotel operations are recognised over-time as the services are preformed.
 - (ii) The Group’s revenue from catering operations is 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 the United States (“US”).

The CODM assesses the performance of the operating segments based on their underlying profit/(loss), which is measured by profit/(loss) after income tax excluding fair value changes on investment properties (net of deferred income tax in the US), and their segment assets and segment liabilities which is measured in a manner consistent with that in the consolidated financial statements.

There are no sales between the operating segments.

(c) Operating segments

	Hong Kong HK\$'000	US HK\$'000	Total HK\$'000
For the year ended 31st December 2024			
Segment revenues			
Property rental	292,877	57,287	350,164
Property related services	29,542	-	29,542
Hotel operations	82,111	-	82,111
Catering operations	19,737	-	19,737
Total segment revenues	<u>424,267</u>	<u>57,287</u>	<u>481,554</u>
Segment results – underlying (loss)/profit			
– Property rental and related services	(36,742)	1,972	(34,770)
– Hotel and catering operations	(4,208)	-	(4,208)
Fair value losses on investment properties	(222,805)	(106,447)	(329,252)
Deferred income tax, net	-	28,044	28,044
Loss for the year	<u>(263,755)</u>	<u>(76,431)</u>	<u>(340,186)</u>
Included in segment results:			
Finance income	2,414	515	2,929
Finance costs	(145,381)	(6,475)	(151,856)
Income tax expense (note)	(8,409)	(26)	(8,435)
Depreciation	<u>(44,727)</u>	<u>(817)</u>	<u>(45,544)</u>
Capital expenditure	<u>10,715</u>	<u>5,073</u>	<u>15,788</u>
At 31st December 2024			
Property, plant and equipment	1,947,606	5,168	1,952,774
Investment properties	8,838,000	456,986	9,294,986
Prepayments for non-current assets	<u>10</u>	<u>-</u>	<u>10</u>
Non-current assets (excluding financial assets at fair value through other comprehensive income)	10,785,616	462,154	11,247,770
Non-current financial assets at fair value through other comprehensive income	17,308	-	17,308
Current assets	<u>238,638</u>	<u>29,385</u>	<u>268,023</u>
Segment assets	<u>11,041,562</u>	<u>491,539</u>	<u>11,533,101</u>
Current liabilities	628,856	14,231	643,087
Non-current liabilities	<u>2,192,485</u>	<u>156,283</u>	<u>2,348,768</u>
Segment liabilities	<u>2,821,341</u>	<u>170,514</u>	<u>2,991,855</u>

(c) Operating segments (Continued)

	Hong Kong HK\$ '000	US HK\$ '000	Total HK\$ '000
For the year ended 31st December 2023			
Segment revenues			
Property rental	280,373	70,110	350,483
Property related services	29,476	-	29,476
Hotel operations	86,602	-	86,602
Catering operations	20,502	-	20,502
Total segment revenues	<u>416,953</u>	<u>70,110</u>	<u>487,063</u>
Segment results – underlying (loss)/profit			
– Property rental and related services	(37,178)	11,773	(25,405)
– Hotel and catering operations	(2,912)	-	(2,912)
Fair value gains/(losses) on investment properties	22,642	(212,661)	(190,019)
Deferred income tax, net	<u>-</u>	<u>53,970</u>	<u>53,970</u>
Loss for the year	<u>(17,448)</u>	<u>(146,918)</u>	<u>(164,366)</u>
Included in segment results:			
Finance income	1,892	233	2,125
Finance costs	(139,327)	(6,416)	(145,743)
Income tax expense (note)	(7,730)	(13)	(7,743)
Depreciation	<u>(46,500)</u>	<u>(1,694)</u>	<u>(48,194)</u>
Capital expenditure	<u>20,565</u>	<u>15,905</u>	<u>36,470</u>
At 31st December 2023			
Property, plant and equipment	1,984,672	5,985	1,990,657
Investment properties	9,061,640	559,884	9,621,524
Prepayments for non-current assets	<u>50</u>	<u>-</u>	<u>50</u>
Non-current assets (excluding financial assets at fair value through other comprehensive income)	11,046,362	565,869	11,612,231
Non-current financial assets at fair value through other comprehensive income	15,145	-	15,145
Current assets	<u>233,440</u>	<u>30,168</u>	<u>263,608</u>
Segment assets	<u>11,294,947</u>	<u>596,037</u>	<u>11,890,984</u>
Current liabilities	1,556,071	104,192	1,660,263
Non-current liabilities	<u>1,219,648</u>	<u>98,373</u>	<u>1,318,021</u>
Segment liabilities	<u>2,775,719</u>	<u>202,565</u>	<u>2,978,284</u>

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

(4) Cost and expenses

	2024 HK\$'000	2023 <i>HK\$'000</i>
Auditors' remuneration		
– audit services	3,025	2,819
– non-audit services	1,137	1,476
Depreciation	45,544	48,194
Amortisation of capitalised letting fees	4,688	5,110
Provision for impairment of trade debtors	551	2,401
Donations	3,032	2,734
Outgoings, in respect of (<i>note (a)</i>)		
– investment properties	72,268	72,668
– properties for sale	6,324	6,303
– property related services (<i>note (c)</i>)	27,028	26,835
– property, plant and equipment	5,019	3,040
Outgoings, in respect of (<i>note (b)</i>)		
– hotel and catering operations (<i>note (c)</i>)	68,828	69,477
Other employee benefit expenses	86,496	84,484
Others	40,546	42,633
Total cost of sales and administrative expenses	364,486	368,174

Notes :

- (a) Outgoings mainly included building management fee, government rent and rates, repairs and maintenance and employee benefits.
- (b) Outgoings mainly included food cost, commission expenses, electricity charge, cleaning fee and employee benefits.
- (c) The employee benefit expenses included in outgoings, in respect of

	2024 HK\$'000	2023 <i>HK\$'000</i>
– property related services	763	638
– hotel and catering operations	42,301	42,746
	43,064	43,384

(5) Other gains, net

	2024 HK\$'000	2023 HK\$'000
Dividend income from financial assets at fair value through other comprehensive income	925	948
Gain on disposal of property, plant and equipment, net	391	127
Gain on disposal of investment properties	-	1,080
Gain on disposal of assets classified as held for sale	-	2,000
	<u>1,316</u>	<u>4,155</u>

(6) Finance income and costs

	2024 HK\$'000	2023 HK\$'000
Finance income		
Interest income from bank deposits	2,929	2,125
Finance costs		
Interest expenses on bank loans	<u>(151,856)</u>	<u>(145,743)</u>
Finance costs, net	<u>(148,927)</u>	<u>(143,618)</u>

(7) Income tax credit

Hong Kong Profits Tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits for the year. Except for the minimum US state tax which has been paid during the year, no overseas taxation (2023: Nil) has been provided as there is no estimated taxable profit for the overseas subsidiaries for the year.

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

	2024 HK\$'000	2023 HK\$'000
Current income tax		
– Hong Kong Profits Tax	3,346	3,700
– United States taxation	26	13
– Over provision in prior year	<u>(89)</u>	<u>(346)</u>
	<u>3,283</u>	<u>3,367</u>
Deferred income tax		
– Hong Kong	5,152	4,376
– United States	<u>(28,044)</u>	<u>(53,970)</u>
	<u>(22,892)</u>	<u>(49,594)</u>
	<u>(19,609)</u>	<u>(46,227)</u>

(8) Loss per share

The calculation of basic loss per share is based on loss attributable to owners of the Company of HK\$333,408,000 (2023: HK\$185,656,000) and on 287,670,000 (2023: 287,670,000) ordinary shares in issue during the year.

As there are no dilutive potential ordinary shares for the year ended 31st December 2024 and 2023, the diluted loss per share is equal to the basic loss per share.

(9) Dividends

The interim dividend paid in 2024 and 2023 were HK\$11,507,000 (HK4 cents per share) and HK\$17,260,000 (HK6 cents per share) respectively. At a meeting held on 21st March 2025, the directors proposed a final dividend of HK5 cents per ordinary share. This proposed dividend is not reflected as a dividend payable in the consolidated financial statements, but will be reflected as an appropriation of retained profits for the year ending 31st December 2025 upon the approval by the Company's shareholders.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interim, paid, of HK4 cents (2023: HK6 cents) per ordinary share	11,507	17,260
Final, proposed, of HK5 cents (2023: HK6 cents) per ordinary share	<u>14,383</u>	<u>17,260</u>
	<u>25,890</u>	<u>34,520</u>

(10) Debtors and prepayments

Included in debtors and prepayments are trade debtors, net, of HK\$1,817,000 (2023: HK\$2,618,000) and the ageing analysis of the trade debtors based on invoice date was as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0-30 days	1,450	1,833
31-60 days	367	405
61-90 days	-	156
Over 90 days	<u>-</u>	<u>224</u>
	<u>1,817</u>	<u>2,618</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.

(11) Creditors and accruals

Included in creditors and accruals are trade creditors of HK\$8,572,000 (2023: HK\$9,713,000) and the ageing analysis of the trade creditors based on invoice date was as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
0-30 days	8,362	9,232
31-60 days	179	425
61-90 days	15	34
Over 90 days	16	22
	<u>8,572</u>	<u>9,713</u>

CHAIRMAN'S STATEMENT

Result

I would like to report the results of the Company and its subsidiaries (the “Group”) for the year ended 31st December 2024 that the total revenue of the Group for the year decreased slightly by HK\$5.5 million or 1.1% to HK\$481.6 million (2023: HK\$487.1 million). The Group’s core property leasing business remained stable, with the gross rental income slightly down by 0.1% as compared to last year. The rental income from the properties in Hong Kong picked up during 2024 with a mild growth of 4.5%, which was however set off by the drop of the rental income from operation in the United States (“US”). Whereas, the revenue from hotel and catering business decreased by 4.9% as compared to last year.

The Group recorded a consolidated loss for the year ended 31st December 2024 of HK\$340.2 million (2023: HK\$164.4 million). Loss per share for 2024 was HK\$1.16 (2023: HK\$0.65). The consolidated loss for the year included the fair value losses on investment properties (net of US deferred income tax) of HK\$301.2 million (2023: HK\$136.0 million).

Excluding these effect of fair value losses on investment properties, the Group’s earnings before interest, tax, depreciation and amortisation (“EBITDA”) for the year ended 31st December 2024 was HK\$166.9 million (2023: HK\$173.4 million) and the Group’s underlying loss for the year ended 31st December 2024 was HK\$39.0 million (2023: HK\$28.3 million). The underlying loss increased by HK\$10.7 million mainly due to the increase in interest expenses of HK\$6.1 million as a result of high interest rate during the year and the decrease in profits contribution from US operation.

As at 31st December 2024, the valuation of the investment properties of the Group was HK\$9,295.0 million (2023: HK\$9,621.5 million), decreased by HK\$326.5 million or 3.4% for the year. Total equity amounted to HK\$8,541.2 million (2023: HK\$8,912.7 million).

Final Dividend

The board of directors (the “Board”) has resolved to recommend a final dividend of HK5 cents (2023: HK6 cents) per ordinary share.

Prospects

Year 2025 is likely to be full of uncertainties. Escalating trade protectionism will affect global trades and investment flows. Nevertheless, the sound fundamentals and stable economic growth of Mainland China, and the continued supportive measures from the Central Government along the pipeline will provide support and resilience to local economy.

The Hong Kong IPO market started to pick up in September 2024, with increasing listings from China A-share issuers; leading Chinese companies; US-listed China concept stocks; and overseas companies. The blooming in IPO activities, as well as the rebounding trading volume would improve the Hong Kong stock market momentum and the investors' sentiments.

The near-term performance of the retail sector in Hong Kong will likely to continue to be adversely affected by the change in consumption patterns of visitors and residents. Hopefully, the increased convenience of cross-border travel and the HKSAR Government's proactive efforts in promoting Hong Kong as "the premier hub for mega events" would help to bring more visitors from the PRC as well as the South East Asian region to Hong Kong and would benefit the retail sector.

US President's trade tariff advocations may affect the US inflation and possibly slow down the interest rate cuts in the US. These may dampen global economic confidence. The interest rates in Hong Kong will inevitably stay at current levels for a longer time as a result.

We are confident that our operations will remain stable and we will continue to be cautious and will make appropriate adjustments if the circumstance merit. Barring any unforeseen circumstances, the Group will continue to pursue a prudent policy.

In closing, I would like to express my appreciation to all of our staff for their long-term efforts and to the directors for their outstanding contributions. Meanwhile, I would also like to express my sincere gratitude towards our shareholders, customers and business partners for their longstanding support and recognition.

William Ma Ching Wai

Chairman

Hong Kong, 21st March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In Hong Kong, the gross rental income for 2024 was HK\$292.9 million, increased by HK\$12.5 million or 4.5% as compared to last year. The increase was mainly attributable to the increase in rental contribution from Gateway ts, Floral Villas and Kam Yuen Mansion as a result of new tenancies and renewal of existing tenancies.

The room tariff income and catering income from our hotels for 2024 were HK\$101.8 million, decreased by HK\$5.3 million or 4.9% as compared to last year. The average occupancy rate of the Arca Hotel and the Figo Hotel for 2024 was 81.2% (2023: 85.0%) and 94.0% (2023: 93.1%) respectively. The average daily room rate (ADR) of the Arca Hotel and the Figo Hotel for 2024 was HK\$1,110 (2023: HK\$1,142) and HK\$1,284 (2023: HK\$1,278) respectively. The EBITDA of the Arca Hotel and the Figo Hotel for 2024 was HK\$11.8 million (2023: HK\$17.0 million) and HK\$6.3 million (2023: HK\$6.3 million) respectively. The drop in occupancy rate of the Arca Hotel during 2024, mainly attributable to the decrease in hotel guests from foreign visitors and Hong Kong residents, which were partly replenished by the increased Mainland visitors in the second half of 2024. Hopefully, the panda families will stand as new attractions to visitors to Hong Kong.

In US, the gross rental income from Montgomery Plaza was HK\$57.3 million for 2024, decreased by HK\$12.8 million or 18.3%, as compared to last year. As at 31st December 2024, the office space occupancy rate of Montgomery Plaza is 55% (2023: 65%). The decrease in tenant demand for office space impacted the office leasing market in San Fransico. Rental rates continue to drop, and prospective tenants continue to reevaluate their office space needs due to the evolving workplace trends. These trends may not be reversed in the near future.

Liquidity and financial resources

As at 31st December 2024, the Group's total bank borrowings increased by HK\$49.7 million to HK\$2,629.7 million (2023: HK\$2,580.0 million), including outstanding long term bank loans of HK\$2,479.7 million (2023: HK\$2,208.6 million). As at 31st December 2024, the total equity decreased by HK\$371.5 million to HK\$8,541.2 million (2023: HK\$8,912.7 million). The gearing ratio (total debt to equity ratio) as at 31st December 2024 was 30.8% (2023: 28.9%).

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 optimising 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.

Capital expenditure

Capital expenditure for 2024 amounted to HK\$15.8 million (2023: HK\$36.5 million) and capital commitments as at 31st December 2024 amounted to HK\$13.6 million (2023: HK\$19.3 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 income, 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.

Treasury policies and objectives

The Group adopts a treasury policy that aims to better control its treasury operations and lower its borrowing cost. As such, the Group endeavours to maintain an adequate level of cash and cash equivalents to address short-term funding needs. The Group also considers various funding sources depending on the Group's needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet the Group's financial obligations. The deposits of the Group at various licensed banks have been and will continue to be conducted in accordance with the Group's treasury policy. The Group reviews and evaluates the treasury policy from time to time to ensure its adequacy and effectiveness.

Foreign currency exchange risk

The Group's borrowings and cash and cash equivalents are primarily denominated in Hong Kong and US dollars and the repayment of principal and interest will be made in the respective lending currency. The Group therefore has no significant exposure to foreign exchange fluctuation.

As at 31st December 2024, the Group did not have any foreign currency hedging activity.

Secured bank borrowings and pledge of assets

Secured bank borrowings amounted to HK\$2,629.7 million (2023: HK\$2,562.0 million) of the Group were secured by certain investment properties and land and buildings with an aggregate carrying amount of HK\$7,841.5 million (2023: HK\$8,102.4 million) and the rental income therefrom. Interests on the Group's bank borrowings were based on the floating interest rates, i.e. spread plus Hong Kong Inter-bank Offered Rate or US Secured Overnight Financing Rate.

The maturity of the Group's long term bank loans as at 31st December 2024 is summarised as follows:

	2024	2023
	HK\$'000	HK\$'000
– within one year	360,540	1,143,206
– in the second year	1,834,951	323,000
– in the third to fifth year	284,253	742,397
	<u>2,479,744</u>	<u>2,208,603</u>

Contingent liabilities

As at 31st December 2024, the Group has no significant contingent liabilities or guarantees (2023: Nil).

Segment information

Details of segment information of the Group are set out in note 3(c) to the consolidated financial statements in this announcement.

Employees and emolument policy

As at 31st December 2024, the Group employed a total of 261 (2023: 253) 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 year ended 31st December 2024.

Future plans for material investments and capital assets

The Group continues its efforts to upgrade and modernise our property portfolio. The Group will pay attention to the economic development and review our business plans for material investments and capital assets regularly.

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

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

CORPORATE GOVERNANCE

The Company complied with the code provisions of Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the year ended 31st December 2024, 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. 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 four 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 C3 to the Listing Rules as the Company's code of conduct regarding directors' securities transactions. On specific enquiries made, all directors have confirmed that they have complied with the Model Code during the year ended 31st December 2024.

PROPOSED FINAL DIVIDEND AND RECORD DATE

An interim dividend of HK4 cents (2023: HK6 cents) per share was paid to shareholders on 27th September 2024. The directors of the Company have resolved to recommend to shareholders at the annual general meeting the payment of a final dividend of HK5 cents (2023: HK6 cents) per share to the shareholders whose names appear on the register of members of the Company at the close of business on 22nd May 2025 ("Record Date"). The total distribution for the financial year ended 31st December 2024 will be HK9 cents (2023: HK12 cents) per share. The proposed final dividend will be paid on 11th June 2025 following the approval at the annual general meeting. In order to qualify for the proposed final 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 Thursday, 22nd May 2025.

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting of the shareholders of the Company will be held on 19th May 2025 (the "2025 AGM"). Notice of the 2025 AGM will be published and dispatched to the shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 14th May 2025 to Monday, 19th May 2025 (both dates inclusive), during the period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2025 AGM, 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 Tuesday, 13th May 2025.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31st December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers ("PwC"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PwC in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by PwC on the preliminary announcement.

AUDIT COMMITTEE'S REVIEW

The audit committee of the Company has reviewed, in the presence of the external auditor, PwC, the Group's principal accounting policies and the consolidated financial statements for the year ended 31st December 2024.

ANNUAL REPORT

The 2024 Annual Report containing all the information required by the Listing Rules will be published on the Stock Exchange's website and the Company's website at www.tsld.com.

By Order of the Board
William Ma Ching Wai
Chairman

Hong Kong, 21st March 2025

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 ten 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, Mr. Aaron Tan Leng Cheng and Mr. Ho Chi Keung are independent non-executive directors.