



大生地產發展有限公司
TAI SANG LAND DEVELOPMENT LIMITED

(Stock code: 89)

2024 INTERIM REPORT

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Corporate Information

Executive Directors

William Ma Ching Wai
(*Chairman and Chief Executive*)
Patrick Ma Ching Hang, BBS, JP
(*Deputy Chairman*)
Philip Ma Ching Yeung, BBS
(*Deputy Chairman*)
Alfred Ma Ching Kuen (*Managing Director*)
Amy Ma Ching Sau (*Managing Director*)

Non-executive Director

Edward Cheung Wing Yui, BBS

Independent Non-executive Directors

Kevin Chau Kwok Fun
Yiu Kei Chung
Aaron Tan Leng Cheng
Ho Chi Keung

Audit Committee

Yiu Kei Chung (*Committee Chairman*)
Edward Cheung Wing Yui, BBS
Kevin Chau Kwok Fun
Aaron Tan Leng Cheng
Ho Chi Keung

Remuneration Committee

Kevin Chau Kwok Fun
(*Committee Chairman*)
Amy Ma Ching Sau
Yiu Kei Chung

Nomination Committee

William Ma Ching Wai
(*Committee Chairman*)
Kevin Chau Kwok Fun
Yiu Kei Chung

Company Secretary

Katy Ma Ching Man

Bankers

Bank of Communications Co., Ltd.
Hong Kong Branch
The Bank of East Asia, Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking
Corporation Limited
Tai Sang Bank Limited

Solicitors

Woo, Kwan, Lee & Lo

Auditor

PricewaterhouseCoopers
*Certified Public Accountant and Registered
Public Interest Entity Auditor*

Registered Office

15th Floor, TS Tower,
43 Heung Yip Road,
Wong Chuk Hang, Hong Kong

Registrar and Transfer Office

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

Website Address

www.tsld.com
www.irasia.com/listco/hk/taisangland/index.htm

Condensed Consolidated Statement of Financial Position

As at 30th June 2024 – Unaudited

	Notes	As at 30th June 2024 <i>HK\$'000</i>	As at 31st December 2023 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment	6	1,973,195	1,990,657
Investment properties	6	9,492,815	9,621,524
Financial assets at fair value through other comprehensive income		13,869	15,145
Prepayments for non-current assets		320	50
		11,480,199	11,627,376
Current assets			
Properties for sale		110,473	110,473
Other inventories		192	212
Debtors and prepayments	7	42,155	42,426
Current income tax recoverable		1,966	2,133
Cash and cash equivalents		96,023	108,364
		250,809	263,608
Total assets		11,731,008	11,890,984
Equity and liabilities			
Equity attributable to the owners of the Company			
Share capital	8	417,321	417,321
Reserves		8,029,449	8,205,605
		8,446,770	8,622,926
Non-controlling interests		282,022	289,774
Total equity		8,728,792	8,912,700

Condensed Consolidated Statement of Financial Position (Continued)

As at 30th June 2024 – Unaudited

	Notes	As at 30th June 2024 <i>HK\$'000</i>	As at 31st December 2023 <i>HK\$'000</i>
Non-current liabilities			
Long term bank loans – secured	9	1,878,535	1,065,397
Deferred income tax liabilities	10	268,128	252,081
Lease liabilities		503	543
		2,147,166	1,318,021
		2,147,166	1,318,021
Current liabilities			
Rental and other deposits		95,923	97,596
Creditors and accruals	11	28,880	46,027
Current income tax liabilities		2,040	1,778
Short term bank loans	12	404,800	371,400
Current portion of long term bank loans – secured	9	323,133	1,143,206
Lease liabilities		274	256
		855,050	1,660,263
		855,050	1,660,263
Total liabilities		3,002,216	2,978,284
Total equity and liabilities		11,731,008	11,890,984

The notes from pages 9 to 27 form an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30th June 2024 – Unaudited

	Notes	For the six months ended 30th June	
		2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenues	5(a)	240,589	230,280
Cost of sales	13	(101,499)	(98,791)
Gross profit		139,090	131,489
Fair value (losses)/gains on investment properties	6	(129,824)	130,580
Other gains, net	14	1,047	3,729
Administrative expenses	13	(79,560)	(73,800)
Operating (loss)/profit		(69,247)	191,998
Finance income	15	1,395	564
Finance costs	15	(77,114)	(62,848)
Finance costs, net		(75,719)	(62,284)
(Loss)/profit before income tax		(144,966)	129,714
Income tax (expense)/credit	16	(17,601)	16,809
(Loss)/profit for the period		(162,567)	146,523
(Loss)/profit attributable to:			
Owners of the Company		(158,181)	123,594
Non-controlling interests		(4,386)	22,929
		(162,567)	146,523
(Loss)/earnings per share (basic and diluted)	17	HK\$(0.55)	HK\$0.43

The notes from pages 9 to 27 form an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30th June 2024 – Unaudited

	For the six months ended 30th June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/profit for the period	(162,567)	146,523
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Changes in fair value of financial assets at fair value through other comprehensive income	(1,276)	(610)
Exchange translation difference	(9)	29
Other comprehensive income for the period	(1,285)	(581)
Total comprehensive income for the period	(163,852)	145,942
Total comprehensive income attributable to:		
Owners of the Company	(158,896)	123,291
Non-controlling interests	(4,956)	22,651
	(163,852)	145,942

The notes from pages 9 to 27 form an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30th June 2024 – Unaudited

	For the six months ended 30th June	
	2024	2023
	HK\$'000	HK\$'000
Operating activities		
Net cash generated from operations	74,355	78,569
Hong Kong Profits Tax paid	(1,112)	(2,713)
Hong Kong Profits Tax refund	–	21
United States taxation paid	(13)	(13)
Letting fees paid	(704)	(1,397)
Net cash generated from operating activities	72,526	74,467
Investing activities		
Additions of property, plant and equipment	(8,049)	(1,782)
Additions of investment properties	(2,935)	(17,451)
Proceeds on disposal of property, plant and equipment	2,683	110
Proceeds on disposal of investment properties	–	830
Proceeds on disposal of assets classified as held for sale	–	6,860
Interest received	1,395	564
Dividends received	670	688
Net cash used in investing activities	(6,236)	(10,181)
Financing activities		
Interest paid	(84,575)	(62,767)
Drawn down of bank loans	51,400	18,000
Repayments of bank loans	(25,243)	(15,292)
Repayments to lease liabilities	(148)	(134)
Dividends paid to shareholders	(17,260)	(17,260)
Dividends paid to non-controlling shareholders of subsidiaries	(2,796)	(1,136)
Net cash used in financing activities	(78,622)	(78,589)
Net decrease in cash and cash equivalents	(12,332)	(14,303)
Cash and cash equivalents at 1st January	108,364	134,135
Exchange translation difference	(9)	29
Cash and cash equivalents at 30th June	96,023	119,861

The notes from pages 9 to 27 form an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th June 2024 – Unaudited

	Attributable to owners of the Company					Non-controlling interests	Total
	Share capital	Property revaluation reserve	Investment revaluation reserve	Exchange reserve	Retained profits		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st January 2024	417,321	793,420	(30,995)	7,174	7,436,006	8,205,605	289,774
Loss for the period	-	-	-	-	(158,181)	(158,181)	(4,386)
Other comprehensive income							
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	(706)	-	-	(706)	(570)
Exchange translation difference	-	-	-	(9)	-	(9)	-
Total comprehensive income for the period	-	-	(706)	(9)	(158,181)	(158,896)	(4,956)
Transaction with owners							
Dividends paid	-	-	-	-	(17,260)	(17,260)	(2,796)
At 30th June 2024	417,321	793,420	(31,701)	7,165	7,260,565	8,029,449	282,022
At 1st January 2023	417,321	793,420	(30,199)	7,154	7,656,182	8,426,557	271,242
Profit for the period	-	-	-	-	123,594	123,594	22,929
Other comprehensive income							
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	(332)	-	-	(332)	(278)
Exchange translation difference	-	-	-	29	-	29	-
Total comprehensive income for the period	-	-	(332)	29	123,594	123,291	22,651
Transaction with owners							
Dividends paid	-	-	-	-	(17,260)	(17,260)	(1,136)
At 30th June 2023	417,321	793,420	(30,531)	7,183	7,762,516	8,532,588	292,757

The notes from pages 9 to 27 form an integral part of this condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

1 General information

Tai Sang Land Development Limited (the “Company”) and its subsidiaries (collectively the “Group”) are principally engaged in property investment, property rental, property development, estate management and agency, hotel operation and catering operation. The address of its registered office is 15th Floor, TS Tower, 43 Heung Yip Road, Wong Chuk Hang, Hong Kong.

The Company is a limited liability company incorporated in Hong Kong. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited.

This unaudited condensed consolidated interim financial information of the Group for the six months ended 30th June 2024 (the “Condensed Consolidated Interim Financial Information”) was approved by the board of directors on 26th August 2024. The Condensed Consolidated Interim Financial Information is presented in Hong Kong dollar (“HK\$”), unless otherwise stated.

The financial information relating to the year ended 31st December 2023 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 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).
- 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).

2 Summary of accounting policies

2.1 Basis of preparation

This 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 Group had net current liabilities of HK\$604,241,000 as at 30th June 2024 (31st December 2023: HK\$1,396,655,000). The current liabilities mainly included short term bank loans of HK\$404,800,000 (31st December 2023: HK\$371,400,000) and current portion of long term bank loans of HK\$323,133,000 (31st December 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 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 2023 (the “2023 Annual Report”). The Condensed Consolidated Interim Financial Information should be read in conjunction with the 2023 Annual Report and any public announcement made by the Group during the interim reporting period, which has been prepared in accordance with Hong Kong Financial Reporting Standards.

2 Summary of accounting policies (Continued)

2.2 Changes in accounting policy and disclosures

The following amended standards and revised interpretations are relevant and mandatory to the Group for the accounting period beginning on 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 revised interpretations did not result in a substantial impact to the results and financial position of the Group.

3 Financial risk management

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks, including foreign exchange risk, credit risk, liquidity risk, interest rate risk and price risk.

The Condensed Consolidated Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the 2023 Annual Report.

There have been no changes in any risk management policy since last year end.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

3 Financial risk management (Continued)

(b) Fair value estimation

Financial instruments that are measured in the condensed consolidated statement of financial position at fair value required disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets that are measured at fair value as at 30th June 2024 and 31st December 2023.

	Level 1 <i>HK\$'000</i>	Level 2 <i>HK\$'000</i>	Level 3 <i>HK\$'000</i>
Financial assets at fair value through other comprehensive income			
At 30th June 2024	13,869	–	–
At 31st December 2023	15,145	–	–

For the six months ended 30th June 2024, there were no transfers of financial assets of the Group between different levels of the fair value hierarchy.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

4 Critical accounting estimates and judgments

Estimates and judgments used in preparing the Condensed Consolidated Interim Financial Information are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Compared to the 2023 Annual Report, there were no material changes in the estimates and assumptions applied in the preparation of the Condensed Consolidated Interim Financial Information.

5 Revenues and segment information

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

	For the six months ended 30th June	
	2024	2023
	HK\$'000	HK\$'000
Revenues from external customers		
Property rental		
– investment properties	164,119	157,575
– properties for sale	13,791	12,139
Property related services (note (i))	14,710	14,217
Hotel operations (note (i))	39,587	37,767
Catering operations (note (ii))	8,382	8,582
	240,589	230,280

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.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

5 Revenues and segment information (Continued)

(b) Operating lease arrangement

The Group leases out investment properties and properties for sale under lease terms generally in the range of one to ten years.

At 30th June 2024, the future aggregate minimum lease payments receivables under non-cancellable operating leases are as follows:

	As at 30th June 2024 HK\$'000	As at 31st December 2023 HK\$'000
Not later than one year	296,468	263,607
Later than one year but not later than five years	314,380	384,923
Later than five years	15,519	18,526
	<u>626,367</u>	<u>667,056</u>

- (c) 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 segment (loss)/profit, which is measured by (loss)/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.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

5 Revenues and segment information (Continued)

(d) Operating segments

	Hong Kong HK\$'000	North America HK\$'000	Total HK\$'000
For the six months ended 30th June 2024			
Segment revenues			
Property rental	147,067	30,843	177,910
Property related services	14,710	–	14,710
Hotel operations	39,587	–	39,587
Catering operations	8,382	–	8,382
	<u>209,746</u>	<u>30,843</u>	<u>240,589</u>
Total segment revenues	<u>209,746</u>	<u>30,843</u>	<u>240,589</u>
Segment results – underlying (loss)/profit			
– Property rental and related services	(16,341)	3,910	(12,431)
– Hotel and catering operations	(5,963)	–	(5,963)
Fair value (losses)/gains on investment properties	(179,375)	49,551	(129,824)
Deferred income tax, net	–	(14,349)	(14,349)
	<u>(201,679)</u>	<u>39,112</u>	<u>(162,567)</u>
(Loss)/profit for the period	<u>(201,679)</u>	<u>39,112</u>	<u>(162,567)</u>
Included in segment results:			
Finance income	1,135	260	1,395
Finance costs	(73,798)	(3,316)	(77,114)
Income tax expense (note)	(3,239)	(13)	(3,252)
Depreciation	(22,588)	(409)	(22,997)
	<u>8,223</u>	<u>2,349</u>	<u>10,572</u>
Capital expenditure	<u>8,223</u>	<u>2,349</u>	<u>10,572</u>

Notes to the Condensed Consolidated Interim Financial Information (Continued)

5 Revenues and segment information (Continued)

(d) Operating segments (Continued)

	Hong Kong HK\$'000	North America HK\$'000	Total HK\$'000
At 30th June 2024			
Property, plant and equipment	1,967,619	5,576	1,973,195
Investment properties	8,881,860	610,955	9,492,815
Prepayments for non-current assets	320	–	320
	<u> </u>	<u> </u>	<u> </u>
Non-current assets (excluding financial assets at fair value through other comprehensive income)	10,849,799	616,531	11,466,330
Non-current financial assets at fair value through other comprehensive income	13,869	–	13,869
Current assets	219,655	31,154	250,809
	<u> </u>	<u> </u>	<u> </u>
Segment assets	<u>11,083,323</u>	<u>647,685</u>	<u>11,731,008</u>
	<u> </u>	<u> </u>	<u> </u>
Current liabilities	841,799	13,251	855,050
Non-current liabilities	1,947,343	199,823	2,147,166
	<u> </u>	<u> </u>	<u> </u>
Segment liabilities	<u>2,789,142</u>	<u>213,074</u>	<u>3,002,216</u>
	<u> </u>	<u> </u>	<u> </u>

Notes to the Condensed Consolidated Interim Financial Information (Continued)

5 Revenues and segment information (Continued)

(d) Operating segments (Continued)

	Hong Kong HK\$'000	North America HK\$'000	Total HK\$'000
For the six months ended 30th June 2023			
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
	<u>199,325</u>	<u>30,955</u>	<u>230,280</u>
Total segment revenues	<u><u>199,325</u></u>	<u><u>30,955</u></u>	<u><u>230,280</u></u>
Segment results – underlying (loss)/profit			
– 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
	<u>199,669</u>	<u>(53,146)</u>	<u>146,523</u>
Profit/(loss) for the period	<u><u>199,669</u></u>	<u><u>(53,146)</u></u>	<u><u>146,523</u></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)
	<u>(87,066)</u>	<u>(3,830)</u>	<u>(90,896)</u>
Capital expenditure	<u><u>8,962</u></u>	<u><u>9,325</u></u>	<u><u>18,287</u></u>

Notes to the Condensed Consolidated Interim Financial Information (Continued)

5 Revenues and segment information (Continued)

(d) Operating segments (Continued)

	Hong Kong HK\$'000	North America HK\$'000	Total HK\$'000
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	50	–	50
	<hr/>	<hr/>	<hr/>
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	233,440	30,168	263,608
	<hr/>	<hr/>	<hr/>
Segment assets	<u>11,294,947</u>	<u>596,037</u>	<u>11,890,984</u>
	<hr/>	<hr/>	<hr/>
Current liabilities	1,556,071	104,192	1,660,263
Non-current liabilities	1,219,648	98,373	1,318,021
	<hr/>	<hr/>	<hr/>
Segment liabilities	<u>2,775,719</u>	<u>202,565</u>	<u>2,978,284</u>
	<hr/>	<hr/>	<hr/>

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

Notes to the Condensed Consolidated Interim Financial Information (Continued)

6 Property, plant and equipment and investment properties

	Property, plant and equipment <i>HK\$'000</i>	Investment properties <i>HK\$'000</i> (note (a))	Total <i>HK\$'000</i>
Net book value or valuation			
At 1st January 2024	1,990,657	9,621,524	11,612,181
Additions	7,841	2,731	10,572
Capitalised letting fees	–	704	704
Amortisation of capitalised letting fees	–	(2,320)	(2,320)
Depreciation	(22,997)	–	(22,997)
Disposals and write-off	(2,306)	–	(2,306)
Fair value losses	–	(129,824)	(129,824)
	<u>1,973,195</u>	<u>9,492,815</u>	<u>11,466,010</u>
At 30th June 2024	<u>1,973,195</u>	<u>9,492,815</u>	<u>11,466,010</u>
At 1st January 2023	1,964,857	9,857,923	11,822,780
Additions	2,983	15,304	18,287
Transfer in/(out)	52,010	(52,010)	–
Capitalised letting fees	–	1,397	1,397
Amortisation of capitalised letting fees	–	(2,501)	(2,501)
Depreciation	(24,034)	–	(24,034)
Disposals and write-off	(149)	(6,600)	(6,749)
Fair value gains	–	130,580	130,580
	<u>1,995,667</u>	<u>9,944,093</u>	<u>11,939,760</u>
At 30th June 2023	<u>1,995,667</u>	<u>9,944,093</u>	<u>11,939,760</u>

Note:

(a) Investment properties

The valuations of the investment properties at 30th June 2024, 31st December 2023 and 30th June 2023 were carried out by independent professional property valuers, Jones Lang LaSalle Limited and Martorana Bohegian & Company.

All the investment properties of the Group measured at fair value are categorised as Level 3 in the fair value hierarchy. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between Levels 1, 2 and 3 during the period (2023: same).

6 Property, plant and equipment and investment properties (Continued)

Note: (Continued)

(a) Investment properties (Continued)

For majority of the completed properties, the income capitalisation method was used. For income capitalisation method, the valuers apply assumptions for capitalisation rates and notional income, which are influenced by the prevailing market yields and comparable market transactions, to arrive at the final valuation.

For certain carparks, the direct comparison method was used. Direct comparison method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

For properties under development, the residual method was used, whereby the valuation is derived from the gross development value of the project upon completion (estimated using a direct comparison method) less estimated development costs and allowance for developer's profit.

There were no changes to the valuation techniques during the period.

7 Debtors and prepayments

Included in debtors and prepayments are trade debtors, net, of HK\$6,480,000 (31st December 2023: HK\$2,618,000) and the ageing analysis of the trade debtors based on invoice date was as follows:

	As at 30th June 2024 HK\$'000	As at 31st December 2023 HK\$'000
0 – 30 days	5,898	1,833
31 – 60 days	356	405
61 – 90 days	56	156
Over 90 days	170	224
	6,480	2,618

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.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

8 Share capital

Ordinary shares, issued and fully paid:

	Number of shares (thousands)	Share capital HK\$'000
At 1st January 2024, 30th June 2024 and 31st December 2023	287,670	417,321

9 Long term bank loans – secured

	As at 30th June 2024 HK\$'000	As at 31st December 2023 HK\$'000
Bank loans		
– wholly repayable within five years	2,201,668	2,208,603
Amounts due within one year included under current liabilities	(323,133)	(1,143,206)
	1,878,535	1,065,397
The maturity of the long term bank loans is as follows:		
– within one year	323,133	1,143,206
– in the second year	55,338	323,000
– in the third to fifth year	1,823,197	742,397
	2,201,668	2,208,603

The long term bank loans together with certain short term bank loans (note 12) are secured by the property, plant and equipment and investment property in the United States and certain investment properties and certain property, plant and equipment in Hong Kong with an aggregate carrying value of HK\$8,037,584,000 (31st December 2023: HK\$8,102,396,000) and the rental income thereon.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

10 Deferred income tax liabilities

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes related to the same fiscal authority.

The movements on the net deferred income tax liabilities are as follows:

	For the six months ended 30th June		For the year ended 31st December
	2024	2023	2023
	HK\$'000	HK\$'000	HK\$'000
At the beginning of the period/year	252,081	301,675	301,675
Charged/(credited) to condensed consolidated statement of profit or loss (note 16)	16,047	(19,608)	(49,594)
At the end of the period/year	268,128	282,067	252,081

11 Creditors and accruals

Included in creditors and accruals are trade creditors of HK\$3,824,000 (31st December 2023: HK\$9,713,000) and the ageing analysis of the trade creditors based on invoice date was as follows:

	As at 30th June 2024 HK\$'000	As at 31st December 2023 HK\$'000
0 – 30 days	3,436	9,232
31 – 60 days	177	425
61 – 90 days	11	34
Over 90 days	200	22
	3,824	9,713

Notes to the Condensed Consolidated Interim Financial Information (Continued)

12 Short term bank loans

	As at 30th June 2024 HK\$'000	As at 31st December 2023 HK\$'000
Short term bank loans		
– secured	404,800	353,400
– unsecured	–	18,000
	404,800	371,400
	404,800	371,400

Certain short term bank loans are secured by certain investment properties and certain property, plant and equipment in Hong Kong with carrying value of which is included in the disclosure in note 9 and the rental income thereon.

13 Cost and expenses

	For the six months ended 30th June 2024 HK\$'000	2023 HK\$'000
Depreciation	22,997	24,034
Amortisation of capitalised letting fees	2,320	2,501
Provision for impairment of trade debtors	102	888
Donations	2,826	2,402
Outgoings, in respect of (note (a))		
– investment properties	34,045	33,025
– properties for sale	2,973	2,986
– property related services	13,159	13,125
– property, plant and equipment	1,494	1,503
Outgoings, in respect of (note (b))		
– hotel and catering operations	35,098	31,814
Other employee benefit expenses	40,344	40,574
Others	25,701	19,739
	181,059	172,591
Total cost of sales and administrative expenses	181,059	172,591

Notes to the Condensed Consolidated Interim Financial Information (Continued)

13 Cost and expenses (Continued)

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.

14 Other gains, net

	For the six months ended 30th June	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Dividend income from financial assets at fair value through other comprehensive income	670	688
Gain on disposal of investment properties	–	1,080
Gain on disposal of assets classified as held for sale	–	2,000
Gain/(loss) on disposal of property, plant and equipment, net	377	(39)
	1,047	3,729
	1,047	3,729

15 Finance income and costs

	For the six months ended 30th June	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Finance income		
Interest income from banks deposits	1,395	564
Finance costs		
Interest expenses on bank loans	(77,114)	(62,848)
Finance costs, net	(75,719)	(62,284)
	(75,719)	(62,284)

Notes to the Condensed Consolidated Interim Financial Information (Continued)

16 Income tax (expense)/credit

Hong Kong Profits Tax has been provided at the rate of 16.5% (30th June 2023: 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 (30th June 2023: 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	
	2024	2023
	HK\$'000	HK\$'000
Current income tax		
– Hong Kong Profits Tax	(1,541)	(2,786)
– United States taxation	(13)	(13)
	(1,554)	(2,799)
	(1,554)	(2,799)
Deferred income tax (note 10)		
– Hong Kong	(1,698)	(1,792)
– United States	(14,349)	21,400
	(16,047)	19,608
	(16,047)	19,608
	(17,601)	16,809

17 (Loss)/earnings per share

The calculation of basic loss per share is based on loss attributable to owners of the Company of HK\$158,181,000 (30th June 2023: profit of HK\$123,594,000) and on 287,670,000 (30th June 2023: 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 2024 and 2023, the diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

18 Dividend

	For the six months ended 30th June	
	2024	2023
	HK\$'000	HK\$'000
Interim, declared, of HK4 cents (2023: HK6 cents) per ordinary share	11,507	17,260

At a meeting held on 26th August 2024, the directors declared an interim dividend of HK4 cents per ordinary share for the year ending 31st December 2024. 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 2024.

19 Capital commitments

	As at 30th June 2024 HK\$'000	As at 31st December 2023 HK\$'000
Contracted but not provided for		
– investment properties	15,262	17,355
– property, plant and equipment	323	1,936
	15,585	19,291

20 Related parties transactions

The Group entered into the following transactions with related parties during the period:

- (a) Property rental and property related services transactions with related parties

Revenues from property rental and property related services in note 5(a) included amounts of HK\$839,000 (30th June 2023: HK\$889,000) and HK\$282,000 (30th June 2023: HK\$271,000) respectively from related companies and persons based on prices and terms as agreed by the parties involved.

- (b) Purchase of motor vehicle from related person

Purchase of a motor vehicle of HK\$1,200,000 (30th June 2023: Nil) from a related person was based on price and terms as agreed by the parties involved with reference to the latest transaction prices.

- (c) Key management remuneration

Remuneration for key managements is as follows:

	For the six months ended 30th June	
	2024	2023
	HK\$'000	HK\$'000
Short term employee benefits	19,565	20,114
Post-employment benefits	9	54
	19,574	20,168

Report on Review of Interim Financial Information

TO THE BOARD OF DIRECTORS OF TAI SANG LAND DEVELOPMENT LIMITED

(incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 3 to 27, which comprise the interim condensed consolidated statement of financial position of Tai Sang Land Development Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30th June 2024 and the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and notes, comprising material accounting policy information and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26th August 2024

Chairman's Statement

Result

I am pleased to report that the total revenue of the Group for the period increased by HK\$10.3 million or 4.5% to HK\$240.6 million (30th June 2023: HK\$230.3 million). The Group's core property leasing business remained stable, with the gross rental income slightly up 4.8% as compared to the same period last year. While the revenue from hotel and catering business also increased slightly by 3.5%. With the exclusion of the fair value losses on investment properties, the earnings before interest, tax, depreciation and amortisation ("EBITDA") for the six months ended 30th June 2024 was HK\$85.0 million (30th June 2023: HK\$86.0 million).

Nevertheless, the Group recorded a consolidated loss for the six months ended 30th June 2024 of HK\$162.6 million, as compared to the consolidated profit of HK\$146.5 million for the same period of last year. Loss per share for the period was HK\$0.55 (30th June 2023: earnings per share HK\$0.43). The consolidated loss for the period included the fair value losses on investment properties (net of deferred income tax in the United States ("US")) of HK\$144.2 million, as compared to the corresponding figure of gains of HK\$152.0 million for the same period of last year.

Excluding the fair value (losses)/gains on investment properties (net of deferred income tax in US), the Group recorded an underlying loss for the six months ended 30th June 2024 of HK\$18.4 million, as compared to HK\$5.5 million for the same period of last year, mainly due to the significant increase in interest expenses of the Group as a result of prevailing high interest rate during the period. The Group's total interest expenses for the period were HK\$77.1 million, increased by HK\$14.3 million or 22.7%, as compared to HK\$62.8 million for the same period of last year.

As at 30th June 2024, the valuation of the investment properties of the Group was HK\$9,492.8 million (31st December 2023: HK\$9,621.5 million), decreased by HK\$128.7 million or 1.3% for the period. Total equity amounted to HK\$8,728.8 million (31st December 2023: HK\$8,912.7 million).

Dividend

The board of directors (the "Board") has declared an interim dividend of HK4 cents (2023: HK6 cents) per ordinary share.

Chairman's Statement *(Continued)*

Outlook

The worldwide political strife and violent conflicts continue in year 2024, these developments have not yet led to wider regional conflicts, but the resilience of global system may be under stress. The heightened geopolitical tensions, escalating trade conflicts, and the US interest rate trend remaining not entirely clear may add uncertainties to economic sentiment and activities.

The changes in the consumption patterns of visitors and residents and the relatively strong Hong Kong dollar may continue to pose challenges to the Hong Kong economy. The boom in Hong Kong residents travelling to mainland China will continue before settling down and will inevitably adversely affect the local retail businesses.

Hopefully, the success in Belt and Road Initiative would start to materialise this year or the next, with trades with the Middle East and the Association of Southeast Asian Nations bringing in more travelers and trade opportunities to this part of the world; and the Central Government's various measures will benefit Hong Kong in particular the inbound tourism and private consumption.

Recent signals from the US Federal Reserve suggest that interest rate cut may be starting in the third quarter this year. It is no doubt that lower interest rates will benefit the Company and its performance as a whole.

Looking ahead, 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.

William Ma Ching Wai

Chairman

Hong Kong, 26th August 2024

Management Discussion and Analysis

Business review

In Hong Kong, the gross rental income for the first half of 2024 was HK\$147.1 million, increased by HK\$8.3 million or 6.0% as compared to the same period of 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. We expect a gentle pick-up in the residential rentals in 2024.

The room tariff income and catering income from our hotels for the first half of 2024 were HK\$48.0 million, increased by HK\$1.6 million or 3.5% as compared to the same period of last year. The average occupancy rate of the Arca Hotel and the Figo Hotel for the period was 75.5% (30th June 2023: 81.4%) and 91.0% (30th June 2023: 96.3%) respectively. The average daily room rate (ADR) of the Arca Hotel and the Figo Hotel for the period was HK\$1,144 (30th June 2023: HK\$1,065) and HK\$1,319 (30th June 2023: HK\$1,111) respectively. The EBITDA of the Arca Hotel and the Figo Hotel for the first half of 2024 was HK\$1.6 million (30th June 2023: HK\$4.6 million) and HK\$2.7 million (30th June 2023: HK\$2.5 million) respectively. The drop in occupancy rate of the Arca Hotel and the Figo Hotel during the first half of 2024, mainly attributable to the decrease in hotel guests from foreign visitors and Hongkongers who are looking for outbound destinations with pricing differentials and weaker currency. Compounding the challenges, more mainland visitors have changed their pattern in visiting Hong Kong and choose to spend the day in Hong Kong, but not stay overnight.

In US, the gross rental income from Montgomery Plaza was HK\$30.8 million for the first half of 2024, decreased by HK\$0.1 million or 0.4%, as compared to the same period of last year. The office space occupancy rate of Montgomery Plaza remained to 65% as at 30th June 2024. The office leasing market in San Francisco continued to struggle in 2023 and through June 2024, vacancies and space availability continued to increase. We will however continue with the upgrading and up-keeping of Montgomery Plaza in the coming years.

Liquidity and financial resources

As at 30th June 2024, the Group's total bank borrowings increased by HK\$26.5 million to HK\$2,606.5 million (31st December 2023: HK\$2,580.0 million), including outstanding long term bank loans of HK\$2,201.7 million (31st December 2023: HK\$2,208.6 million) as at 30th June 2024. The total equity decreased by HK\$183.9 million to HK\$8,728.8 million (31st December 2023: HK\$8,912.7 million). The gearing ratio (total debt to equity ratio) as at 30th June 2024 was 29.9% (31st December 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.

Management Discussion and Analysis (*Continued*)

Capital expenditure

Capital expenditure for the first half of 2024 amounted to HK\$10.6 million (30th June 2023: HK\$18.3 million) and capital commitments as at 30th June 2024 amounted to HK\$15.6 million (31st December 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 Group's 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 30th June 2024, the Group did not have any foreign currency hedging activity.

Secured bank borrowings and pledge of assets

Secured bank borrowings amounted to HK\$2,606.5 million (31st December 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\$8,037.6 million (31st December 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.

Management Discussion and Analysis (Continued)

Secured bank borrowings and pledge of assets (Continued)

The maturity of the Group's long term bank loans as at 30th June 2024 is summarised as follows:

	As at 30th June 2024 HK\$'000	As at 31st December 2023 HK\$'000
– within one year	323,133	1,143,206
– in the second year	55,338	323,000
– in the third to fifth year	1,823,197	742,397
	<u>2,201,668</u>	<u>2,208,603</u>

Contingent liabilities

As at 30th June 2024, the Group has no significant contingent liabilities or guarantees (31st December 2023: Nil).

Segment information

Details of segment information of the Group are set out in note 5(d) to the condensed consolidated interim financial information.

Employees and emolument policy

As at 30th June 2024, the Group employed a total of 257 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.

Management Discussion and Analysis *(Continued)*

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 six months ended 30th June 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.

Interim Dividend and Record Date

The Board has resolved to declare an interim dividend of HK4 cents (2023: HK6 cents) per ordinary share, payable on 27th September 2024 to shareholders whose names standing on the register of members of the Company at the close of business on 11th September 2024 (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, 11th September 2024.

Directors’ and Chief Executive’s Interests in Shares

At 30th June 2024, the interests and short positions of each director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of the Securities and Futures Ordinance (“SFO”)), as recorded in the register maintained by the Company under Section 352 of Part XV of SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) were as follows:

Number of ordinary shares held at 30th June 2024

	Capacity			
	Personal interest	Corporate interests	Total	Percentage
	(notes (a) and (b))			
Directors:				
William Ma Ching Wai <i>(Chairman and Chief Executive)</i>	4,608,354	160,136,485	164,744,839	57.2688%
Patrick Ma Ching Hang	46,256	8,732,013	8,778,269	3.0515%
Philip Ma Ching Yeung	–	–	–	–
Alfred Ma Ching Kuen	9,987	–	9,987	0.0035%
Amy Ma Ching Sau	347,942	–	347,942	0.1210%
Edward Cheung Wing Yui	–	–	–	–
Kevin Chau Kwok Fun	–	–	–	–
Yiu Kei Chung	–	–	–	–
Aaron Tan Leng Cheng	–	–	–	–
Ho Chi Keung	–	–	–	–

All interests stated above represent long positions.

Directors' and Chief Executive's Interests in Shares *(Continued)*

Notes:

- (a) Kam Chan & Company, Limited ("Kam Chan & Co", in which Mr. William Ma Ching Wai held 62.01% interests) and its associates and Holston Investment Limited (in which Mr. William Ma Ching Wai held 76.56% interests) directly or indirectly owned 138,998,248 and 21,138,237 ordinary shares in the Company respectively.
- (b) Tai Sang International Limited (in which Mr. Patrick Ma Ching Hang held 100% interests) directly owned 8,732,013 ordinary shares in the Company.
- (c) Mr. Alfred Ma Ching Kuen beneficially held 9,886 shares (or 0.1765%) in the total number of issued shares of a subsidiary of the Company, Tai Sang Cold Storage & Godown Company Limited.
- (d) Mr. Patrick Ma Ching Hang and Ms. Katy Ma Ching Man jointly and beneficially held 47 shares (or 0.94%); Mr. William Ma Ching Wai and Mr. Patrick Ma Ching Hang jointly and beneficially held 1 share (or 0.02%); and Mr. Alfred Ma Ching Kuen beneficially held 23 shares (or 0.46%) in the total number of issued shares of a subsidiary of the Company, Kam Hang Company Limited.
- (e) In addition, certain directors of the Company held non-beneficial interests in subsidiaries of the Company in trust to the absolute benefit of the Company, the details of which are available for inspection at the Company's registered office.
- (f) Other than as stated above, as at 30th June 2024, no directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporation.
- (g) At no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors and chief executive of the Company (including their spouse and children under 18 years of age) to acquire benefits by means of acquisition of shares, underlying shares or debentures of the Company or any of its specified undertakings or its other associated corporations.

Substantial Shareholders

At 30th June 2024, the interest and short position of substantial shareholders in the shares or underlying shares of the Company, as recorded in the register maintained by the Company under Section 336 of Part XV of the SFO were as follows:

Number of ordinary shares held at 30th June 2024

	Capacity		Total	Percentage
	Beneficial owner	Corporate interests (note (a))		
Substantial shareholders:				
Kam Chan & Co	113,848,758	25,149,490	138,998,248	48.3187%
Holston Investment Limited	21,138,237	–	21,138,237	7.3481%
Gold Fortune Investment Company Limited	15,488,636	–	15,488,636	5.3842%

All interests stated above represent long positions.

Notes:

- (a) Gold Fortune Investment Company Limited, Suremark Limited (beneficially interested in 6,738,664 shares in the Company) and Montgomery Securities Nominee Limited (beneficially interested in 2,922,190 shares in the Company) are the wholly owned subsidiaries of Kam Chan & Co. The aggregate shareholdings of these three companies are deemed to be the corporate interests of Kam Chan & Co in the ordinary shares in the Company.
- (b) Save as disclosed above, as at 30th June 2024, no other persons had any interests or short positions in the shares or underlying shares of the Company as recorded in the register maintained by the Company under Section 336 of Part XV of the SFO.

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 C1 to the Listing Rules 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 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 as set out in Appendix C3 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 of the Company (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 2024, with no disagreement by the Audit Committee. The condensed consolidated interim financial information of the Group for the six months ended 30th June 2024 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 set out on page 28.

By Order of the Board
William Ma Ching Wai
Chairman

Hong Kong, 26th August 2024