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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 2021 ANNUAL RESULTS**

**FINANCIAL HIGHLIGHTS**

For the year ended 31st December 2021

- Revenues increased by 15.7% to HK\$407.0 million (2020: HK\$351.7 million).
- Profit for the year of HK\$654.4 million (2020: loss of HK\$153.0 million) included the fair value gains on investment properties (net of the deferred tax in the United States) of HK\$601.4 million (2020: losses of HK\$233.9 million).
- Excluding the property revaluation gains and all related effects, underlying profit decreased by 34.5% to HK\$53.0 million (2020: HK\$80.9 million).
- Final dividend proposed of HK12 cents per ordinary share.

The board of directors 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 2021 are as follows:

**1. CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 31ST DECEMBER 2021**

	<i>Note</i>	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenues	(3)(a)	<b>407,024</b>	351,654
Cost of sales	(4)	<b>(136,438)</b>	(86,800)
Gross profit		<b>270,586</b>	264,854
Fair value gains/(losses) on investment properties		<b>617,126</b>	(243,045)
Other gains, net	(5)	<b>791</b>	965
Administrative expenses	(4)	<b>(149,451)</b>	(124,840)
Other operating expenses, net	(4)	<b>(19,407)</b>	(7,805)
Operating profit/(loss)		<b>719,645</b>	(109,871)
Finance income	(6)	<b>406</b>	969
Finance costs	(6)	<b>(36,610)</b>	(38,270)
Finance costs, net		<b>(36,204)</b>	(37,301)
Profit/(loss) before income tax		<b>683,441</b>	(147,172)
Income tax expense	(7)	<b>(29,015)</b>	(5,809)
Profit/(loss) for the year		<b>654,426</b>	(152,981)
Profit/(loss) attributable to:			
Owners of the Company		<b>633,618</b>	(155,943)
Non-controlling interests		<b>20,808</b>	2,962
		<b>654,426</b>	(152,981)
Earnings/(loss) per share (basic and diluted)	(8)	<b>HK\$2.20</b>	(HK\$0.54)

**2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST DECEMBER 2021**

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit/(loss) for the year	<u><b>654,426</b></u>	<u>(152,981)</u>
Other comprehensive income		
<u>Items that will not be reclassified to profit or loss</u>		
Changes in the fair value of financial assets at fair value through other comprehensive income	<b>1,950</b>	(9,393)
Revaluation surplus upon transfer from property, plant and equipment to investment properties	<u><b>85,013</b></u>	<u>158,557</u>
Other comprehensive income for the year	<u><b>86,963</b></u>	<u>149,164</u>
Total comprehensive income for the year	<u><b>741,389</b></u>	<u>(3,817)</u>
Total comprehensive income attributable to:		
Owners of the Company	<b>719,684</b>	(4,396)
Non-controlling interests	<u><b>21,705</b></u>	<u>579</u>
	<u><b>741,389</b></u>	<u>(3,817)</u>

**3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31ST DECEMBER 2021**

	<i>Note</i>	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>1,998,645</b>	2,136,502
Investment properties		<b>9,554,052</b>	8,656,258
Financial assets at fair value through other comprehensive income		<b>17,725</b>	15,775
Prepayments for non-current assets		<b>2,573</b>	8,948
		<u><b>11,572,995</b></u>	<u>10,817,483</u>
<b>Current assets</b>			
Properties for sale		<b>109,072</b>	109,072
Other inventories		<b>332</b>	-
Debtors and prepayments	<i>(10)</i>	<b>37,985</b>	39,217
Current income tax recoverable		<b>356</b>	104
Cash and cash equivalents		<b>112,184</b>	141,371
		<u><b>259,929</b></u>	<u>289,764</u>
<b>Total assets</b>		<u><b>11,832,924</b></u>	<u>11,107,247</u>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		<b>417,321</b>	417,321
Reserves		<b>8,142,329</b>	7,485,932
		<b>8,559,650</b>	7,903,253
<b>Non-controlling interests</b>		<u><b>249,922</b></u>	<u>230,142</u>
<b>Total equity</b>		<u><b>8,809,572</b></u>	<u>8,133,395</u>

	<i>Note</i>	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Long term bank loans – secured		<b>1,945,255</b>	1,987,982
Deferred income tax liabilities		<b>359,683</b>	341,817
Lease liabilities		<b>399</b>	524
		<u><b>2,305,337</b></u>	<u>2,330,323</u>
<b>Current liabilities</b>			
Rental and other deposits		<b>94,715</b>	90,017
Creditors and accruals	<i>(11)</i>	<b>54,787</b>	103,674
Current income tax liabilities		<b>2,687</b>	4,200
Short term bank loans		<b>480,000</b>	406,987
Current portion of long term bank loans – secured		<b>85,561</b>	38,428
Lease liabilities		<b>265</b>	223
		<u><b>718,015</b></u>	<u>643,529</u>
<b>Total equity and liabilities</b>		<u><b>11,832,924</b></u>	<u>11,107,247</u>

Notes:

**(1) Basis of preparation**

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) 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\$458,086,000 as at 31st December 2021. The current liabilities mainly included short term bank loans of HK\$480,000,000 and current portion of long term bank loans of HK\$85,561,000. Based on the Group’s history of generating cash from operations, history of refinancing, its available banking facilities and its assets backing, the directors consider that the Group will be able to obtain sufficient financial resources so as to enable it to operate and meet its liabilities as and when they fall due. The directors believe that the Group will continue as a going concern and consequently prepared the consolidated financial statements on a going concern basis.

**(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 2021 and 2020 included in this preliminary announcement of annual results for the year ended 31st December 2021 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 2020 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622) and will deliver the financial statements for the year ended 31st December 2021 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:

	<b>2021</b>	2020
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Revenues from external customers		
Property rental		
— investment properties	<b>315,747</b>	300,779
— properties for sale	<b>26,802</b>	26,587
Property related services ( <i>note</i> )	<b>27,918</b>	22,521
Hotel operations ( <i>note</i> )	<b>29,783</b>	1,767
Catering operations ( <i>note</i> )	<b>6,774</b>	-
	<b><u>407,024</u></b>	<u>351,654</u>

*Note:*

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

The Group's revenue from catering operations are recognised at a point in time.

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

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

There are no sales between the operating segments.

(c) Operating segments

	Hong Kong HK\$'000	North America HK\$'000	Total HK\$'000
<b>For the year ended 31st December 2021</b>			
Segment revenues			
Property rental	263,394	79,155	342,549
Property related services	27,918	-	27,918
Hotel operations	29,783	-	29,783
Catering operations	6,774	-	6,774
Total segment revenues	<u>327,869</u>	<u>79,155</u>	<u>407,024</u>
Segment results – underlying profit			
– Property rental and related services	34,610	32,465	67,075
– Hotel and catering operations	(14,081)	-	(14,081)
Fair value gains on investment properties	594,928	22,198	617,126
Deferred income tax, net	-	(15,694)	(15,694)
Profit for the year	<u>615,457</u>	<u>38,969</u>	<u>654,426</u>
Included in segment results:			
Finance income	176	230	406
Finance costs	(33,439)	(3,171)	(36,610)
Income tax expense ( <i>note</i> )	(13,307)	(14)	(13,321)
Depreciation	<u>(42,328)</u>	<u>(2,979)</u>	<u>(45,307)</u>
Capital expenditure	<u>101,875</u>	<u>2,830</u>	<u>104,705</u>
<b>At 31st December 2021</b>			
Property, plant and equipment	1,989,400	9,245	1,998,645
Investment properties	8,562,906	991,146	9,554,052
Prepayments for non-current assets	2,573	-	2,573
Non-current assets (excluding financial assets at fair value through other comprehensive income)	<u>10,554,879</u>	<u>1,000,391</u>	<u>11,555,270</u>
Non-current financial assets at fair value through other comprehensive income	17,725	-	17,725
Current assets	<u>185,038</u>	<u>74,891</u>	<u>259,929</u>
Segment assets	<u>10,757,642</u>	<u>1,075,282</u>	<u>11,832,924</u>
Current liabilities	699,874	18,141	718,015
Non-current liabilities	<u>2,000,093</u>	<u>305,244</u>	<u>2,305,337</u>
Segment liabilities	<u>2,699,967</u>	<u>323,385</u>	<u>3,023,352</u>

	Hong Kong <i>HK\$'000</i>	North America <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended 31st December 2020			
Segment revenues			
Property rental	249,729	77,637	327,366
Property related services	22,521	-	22,521
Hotel operations	1,767	-	1,767
Total segment revenues	<u>274,017</u>	<u>77,637</u>	<u>351,654</u>
Segment results – underlying loss			
– Property rental and related services	52,721	30,013	82,734
– Hotel operations	(1,858)	-	(1,858)
Fair value losses on investment properties	(182,493)	(60,552)	(243,045)
Deferred income tax, net	-	9,188	9,188
Loss for the year	<u>(131,630)</u>	<u>(21,351)</u>	<u>(152,981)</u>
Included in segment results:			
Finance income	650	319	969
Finance costs	(34,715)	(3,555)	(38,270)
Income tax expense ( <i>note</i> )	(14,984)	(13)	(14,997)
Depreciation	<u>(20,929)</u>	<u>(3,167)</u>	<u>(24,096)</u>
Capital expenditure	<u>346,018</u>	<u>7,984</u>	<u>354,002</u>
At 31st December 2020			
Property, plant and equipment	2,124,278	12,224	2,136,502
Investment properties	7,690,080	966,178	8,656,258
Prepayments for non-current assets	8,948	-	8,948
Non-current assets (excluding financial assets at fair value through other comprehensive income)	<u>9,823,306</u>	<u>978,402</u>	<u>10,801,708</u>
Non-current financial assets at fair value through other comprehensive income	15,775	-	15,775
Current assets	<u>232,009</u>	<u>57,755</u>	<u>289,764</u>
Segment assets	<u>10,071,090</u>	<u>1,036,157</u>	<u>11,107,247</u>
Current liabilities	625,614	17,915	643,529
Non-current liabilities	<u>2,025,010</u>	<u>305,313</u>	<u>2,330,323</u>
Segment liabilities	<u>2,650,624</u>	<u>323,228</u>	<u>2,973,852</u>

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

**(4) Cost and expenses, net**

	<b>2021</b>	2020
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Auditors' remuneration		
– audit services	<b>2,927</b>	2,351
– non-audit services	<b>980</b>	1,022
Bad debts	-	232
Provision for impairment of trade debtors	<b>1,569</b>	527
Depreciation	<b>45,307</b>	24,096
Amortisation of capitalised letting fees	<b>5,171</b>	4,074
Donations	<b>2,571</b>	2,317
Outgoings, in respect of		
– investment properties	<b>68,110</b>	50,086
– properties for sale	<b>7,139</b>	11,801
– property related services	<b>17,769</b>	16,763
– property, plant and equipment	<b>6,972</b>	4,268
– hotel and catering operations	<b>36,448</b>	1,975
Operating lease rental for office premises to a related company	-	1,262
Other employee benefit expense	<b>78,794</b>	74,275
Government grants	-	(3,797)
Others	<b>31,539</b>	28,193
	<hr/>	<hr/>
Total cost of sales, administrative expenses and other operating expenses, net	<b>305,296</b>	219,445
	<hr/> <hr/>	<hr/> <hr/>

**(5) Other gains, net**

	<b>2021</b>	2020
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Dividend income from financial assets at fair value through other comprehensive income	<b>922</b>	957
(Loss)/gain on disposal of property, plant and equipment, net	<b>(131)</b>	8
	<hr/>	<hr/>
	<b>791</b>	965
	<hr/> <hr/>	<hr/> <hr/>

**(6) Finance income and costs**

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Finance income		
Interest income from banks	<u>406</u>	<u>969</u>
Finance costs		
Interest expenses on bank loans and overdrafts	(41,803)	(59,656)
Less: Amount capitalised in property under development	<u>5,193</u>	<u>21,386</u>
	<u>(36,610)</u>	<u>(38,270)</u>
Finance costs, net	<u>(36,204)</u>	<u>(37,301)</u>

**(7) Income tax expense**

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

The amount of income tax charged to consolidated statement of profit or loss represents:

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current income tax		
– Hong Kong profits tax	11,368	10,028
– United States taxation	14	13
– Over provisions in prior year	<u>(233)</u>	<u>(351)</u>
	<u>11,149</u>	<u>9,690</u>
Deferred income tax expense/(credit)		
– Hong Kong	2,171	5,307
– United States	<u>15,695</u>	<u>(9,188)</u>
	<u>17,866</u>	<u>(3,881)</u>
	<u>29,015</u>	<u>5,809</u>

## (8) Earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on profit attributable to owners of the Company of HK\$633,618,000 (2020: loss of HK\$155,943,000) and on 287,670,000 (2020: 287,670,000) ordinary shares in issue during the year.

As there are no dilutive potential ordinary shares as at 31st December 2021 and 2020, the diluted earnings/(loss) per share is equal to the basic earnings/(loss) per share.

## (9) Dividends

The interim dividend paid in 2021 and 2020 were HK\$28,767,000 (HK10 cents per share) and HK\$28,767,000 (HK10 cents per share) respectively. At a meeting held on 25th March 2022, the directors proposed a final dividend of HK12 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 2022 upon the approval by the Company's shareholders.

	<b>2021</b>	2020
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Interim, paid, of HK10 cents		
(2020: HK10 cents) per ordinary share	<b>28,767</b>	28,767
Final, proposed, of HK12 cents		
(2020: HK12 cents) per ordinary share	<b><u>34,520</u></b>	<u>34,520</u>
	<b><u><u>63,287</u></u></b>	<u><u>63,287</u></u>

## (10) Debtors and prepayments

Included in debtors and prepayments are trade debtors, net, of HK\$1,805,000 (at 31st December 2020 : HK\$1,321,000) and the ageing analysis of the trade debtors based on invoice date was as follows:

	<b>2021</b>	2020
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
0-30 days	<b>1,446</b>	772
31-60 days	<b>137</b>	257
61-90 days	<b>131</b>	206
Over 90 days	<b><u>91</u></b>	<u>86</u>
	<b><u><u>1,805</u></u></b>	<u><u>1,321</u></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\$9,680,000 (at 31st December 2020 : HK\$7,173,000) and the ageing analysis of the trade creditors was as follows:

	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
0-30 days	<b>9,159</b>	6,684
31-60 days	<b>182</b>	257
61-90 days	<b>7</b>	178
Over 90 days	<b>332</b>	54
	<b><u>9,680</u></b>	<u>7,173</u>

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 2021 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 consolidated financial statements for the year. The work performed by PwC in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC on the preliminary announcement.

### **PROPOSED FINAL DIVIDEND AND RECORD DATE**

An interim dividend of HK10 cents (2020: HK10 cents) per share was paid to shareholders on 24th September 2021. The directors of the Company have resolved to recommend to shareholders at the annual general meeting the payment of a final dividend of HK12 cents (2020: HK12 cents) per share to the shareholders whose names appear on the register of members of the Company at the close of business on 6th June 2022 ("Record Date"). The total distribution for the financial year ended 31st December 2021 will be HK22 cents (2020: HK22 cents) per share. The proposed final dividend will be paid on 23rd June 2022 following 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 Monday, 6th June 2022.

### **ANNUAL GENERAL MEETING**

It is proposed that the annual general meeting of the shareholders of the Company will be held on 31st May 2022 (the "2022 AGM"). Notice of the 2022 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 Thursday, 26th May 2022 to Tuesday, 31st May 2022 (both dates inclusive), during the period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2022 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 Wednesday, 25th May 2022.

## **CHAIRMAN'S STATEMENT**

### **Result**

I am pleased to report that the Group's consolidated profit for the year ended 31st December 2021 was HK\$654.4 million, an increase of HK\$807.4 million as compared to the Group's consolidated loss of HK\$153.0 million for 2020. Earnings per share for 2021 were HK\$2.20 (2020: loss per share HK\$0.54). The consolidated profit for 2021 included the fair value gains on investment properties (net of the deferred tax in the United States) of HK\$601.4 million, as compared to the fair value losses on investment properties (net of the deferred tax in the United States) of HK\$233.9 million for 2020.

Excluding the effect of the fair value changes on investment properties (net of the deferred tax in the United States), the Group's underlying profit for 2021 was approximately HK\$53.0 million, decreased by HK\$27.9 million or 34.5% as compared to the corresponding figure of HK\$80.9 million for 2020, mainly due to the increase in depreciation charges for our new hotel and the increase in property refurbishment expenses.

The Group's core property leasing business remained stable with 4.6% year-to-year increase and a significant increase in the hotel room tariff and food and beverage income of HK\$34.8 million mainly contributed from the Arca Hotel which was opened in May this year. The revenues of the Group for the year 2021 increased HK\$55.3 million or 15.7% to HK\$407.0 million (2020: HK\$351.7 million).

As at 31st December 2021, total valuation of the investment properties of the Group was HK\$9,554.1 million (at 31st December 2020: HK\$8,656.3 million), increased by HK\$897.8 million or 10.4% for 2021. Increment included additions of investment properties and reclassification from properties under development in the total amount of HK\$281.4 million. Total equity amounted to HK\$8,809.6 million (at 31st December 2020: HK\$8,133.4 million).

### **Dividend**

The directors have resolved to recommend a final dividend of HK12 cents (2020: HK12 cents) per ordinary share.

## **Prospects**

During the past second half of 2021, Hong Kong was starting to be better off, however the COVID-19 pandemic development at the beginning of 2022 was overwhelming and affected the economy of Hong Kong badly, inevitably, all business sectors have been affected. The Group's property portfolio with higher proportion at industrial and multi-purposes buildings and the rental incomes therefrom seems to be relatively stable. However, we may need to make provisions for the rental incomes from shops and offices during 2022. Over the past few years, the Group has substantially invested in upgrading and modernizing our portfolio properties so as to commensurate with market requirements and thus uplifting rental growth potential.

The Russia Ukraine war outbreak casted a world crisis. Following more and more sanctions and control measures are taken over Russia, oil and natural gas prices will go up and definitely cause inflation all over the world. This instance would affect the world economy as a whole.

The Sino-US rivalry, however, may continue into year 2022, and the outbound trades of Hong Kong may be hit as a result. If the China and Hong Kong border can reopen in the second half or third quarter of 2022, we will see some lights at the end of a tunnel, especially with our tourism and retail sectors.

The Group will continue to be cautious and will pay attention to the current risk changing situations and respond in a timely manner. Barring any unforeseen circumstances, the Group will continue to pursue a prudent policy.

In closing, I wish to thank my fellow directors for their valuable guidance and to all staff members for their dedication and hard work.

**William Ma Ching Wai**

*Chairman*

Hong Kong, 25th March 2022

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business review

In Hong Kong, the gross rental income for 2021 was HK\$263.4 million, increased by HK\$13.7 million or 5.5% as compared to 2020. The increase was mainly attributable to the increase in contribution from Gateway ts. However, the rental market for shops and commercial units remained stagnant.

The room tariff income and food and beverage income from our hotels for 2021 were HK\$36.6 million, increased significantly as compared to the corresponding figure of HK\$1.8 million for 2020 as the Figo Hotel operated for whole year for 2021 together with the opening of the Arca Hotel at Wong Chuk Hang in May 2021. The average occupancy rate of the Figo Hotel and the Arca Hotel was 90.0% and 41.8% for 2021 respectively. The EBITDA for 2021 for the Figo was HK\$1.16 million and a LBITDA for the Arca of HK\$3.94 million.

In the USA, the gross rental income from Montgomery Plaza was HK\$79.2 million for 2021, increased by HK\$1.5 million or 1.9%, as compared to 2020. The office space occupancy rate of Montgomery Plaza was 90% as at the year end of 2021.

### Liquidity and financial resources

During the year, the Group's total bank borrowings increased by HK\$77.4 million to HK\$2,510.8 million (2020: HK\$2,433.4 million), including outstanding long-term bank loans of HK\$2,030.8 million (2020: HK\$2,026.4 million) as at 31st December 2021. The total equity increased by HK\$676.2 million to HK\$8,809.6 million (2020: HK\$8,133.4 million). The debt to equity ratio was 28.5% (2020: 29.9%).

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

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

## Capital structure of the Group

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

Bank borrowings amount to about HK\$2,425.8 million (2020: HK\$2,398.4 million) of the Group are secured by certain properties with an aggregate carrying amount of HK\$8,145.1 million (2020: HK\$7,568.5 million) and the rental income therefrom. Except for the overdraft facilities, interests on the Group's bank borrowings are based on the floating interest rates, i.e. spread plus HIBOR or LIBOR, whereas the interests on overdraft facilities are based on the Hong Kong bank's best lending rate and now is 5.0%.

The maturity of the Group's long-term bank loans as at 31st December 2021 is summarised as follows:

	<b>2021</b>	2020
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
– within one year	<b>85,561</b>	38,428
– in the second year	<b>680,260</b>	142,540
– in the third to fifth year	<b>1,264,995</b>	1,845,442
	<b><u>2,030,816</u></b>	<u>2,026,410</u>

## Details of number and remuneration of employees

As at 31st December 2021, the Group employed a total of 242 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.

## PURCHASE, SALE OR REDEMPTION OF SHARES

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 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31st December 2021, except the following:

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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 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 2021.

## **AUDIT COMMITTEE’S REVIEW**

The Audit Committee 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 2021.

## **ANNUAL REPORT**

The 2021 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](http://www.tsld.com).

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

Hong Kong, 25th March 2022

## **Registrar and Transfer office**

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

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