



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

(Stock code: 89)

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**2023 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 *(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

### Audit Committee

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

### 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  
Nanyang Commercial Bank, 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](http://www.tsld.com)  
[www.irasia.com/listco/hk/taisangland/index.htm](http://www.irasia.com/listco/hk/taisangland/index.htm)

## Condensed Consolidated Statement of Financial Position

*As at 30th June 2023 – Unaudited*

	Notes	As at 30th June 2023 <i>HK\$'000</i>	As at 31st December 2022 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment	6	1,995,667	1,964,857
Investment properties	6	9,944,093	9,857,923
Financial assets at fair value through other comprehensive income		15,235	15,845
Prepayments for non-current assets		130	1,094
		11,955,125	11,839,719
<b>Current assets</b>			
Properties for sale		109,072	109,072
Other inventories		285	342
Debtors and prepayments	7	49,616	39,676
Current income tax recoverable		3,717	3,105
Cash and cash equivalents		119,861	134,135
		282,551	286,330
Assets classified as held for sale		–	7,800
Total current assets		282,551	294,130
<b>Total assets</b>		12,237,676	12,133,849
<b>Equity and liabilities</b>			
<b>Equity attributable to the owners of the Company</b>			
Share capital	8	417,321	417,321
Reserves		8,532,588	8,426,557
		8,949,909	8,843,878
<b>Non-controlling interests</b>		292,757	271,242
<b>Total equity</b>		9,242,666	9,115,120

## Condensed Consolidated Statement of Financial Position (Continued)

*As at 30th June 2023 – Unaudited*

	Notes	As at <b>30th June 2023</b> <i>HK\$'000</i>	As at 31st December 2022 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Long term bank loans – secured	9	<b>1,427,497</b>	1,601,727
Deferred income tax liabilities	10	<b>282,067</b>	301,675
Lease liabilities		<b>669</b>	794
		<b>1,710,233</b>	1,904,196
<b>Current liabilities</b>			
Rental and other deposits		<b>97,209</b>	97,213
Creditors and accruals	11	<b>35,922</b>	43,980
Current income tax liabilities		<b>1,484</b>	780
Short term bank loans	12	<b>298,000</b>	280,000
Current portion of long term bank loans – secured	9	<b>851,908</b>	692,310
Lease liabilities		<b>254</b>	250
		<b>1,284,777</b>	1,114,533
<b>Total liabilities</b>		<b>2,995,010</b>	3,018,729
<b>Total equity and liabilities</b>		<b>12,237,676</b>	12,133,849

The notes from pages 9 to 28 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 2023 – Unaudited*

		<b>For the six months ended 30th June</b>	
	Notes	<b>2023 HK\$'000</b>	2022 HK\$'000
Revenues	5(a)	<b>230,280</b>	213,429
Cost of sales	13	<b>(98,791)</b>	(80,453)
<b>Gross profit</b>		<b>131,489</b>	132,976
Fair value gains on investment properties	6	<b>130,580</b>	187,181
Other gains, net	14	<b>3,729</b>	564
Administrative expenses	13	<b>(67,009)</b>	(62,254)
Other operating expenses, net	13	<b>(6,791)</b>	(1,422)
<b>Operating profit</b>		<b>191,998</b>	257,045
Finance income	15	<b>564</b>	131
Finance costs	15	<b>(62,848)</b>	(21,758)
Finance costs, net		<b>(62,284)</b>	(21,627)
<b>Profit before income tax</b>		<b>129,714</b>	235,418
Income tax credit	16	<b>16,809</b>	26,000
<b>Profit for the period</b>		<b>146,523</b>	261,418
<b>Profit attributable to:</b>			
Owners of the Company		<b>123,594</b>	236,439
Non-controlling interests		<b>22,929</b>	24,979
		<b>146,523</b>	261,418
<b>Earnings per share (basic and diluted)</b>	17	<b>HK\$0.43</b>	HK\$0.82

The notes from pages 9 to 28 form an integral part of this condensed consolidated interim financial information.

## Condensed Consolidated Statement of Comprehensive Income

*For the six months ended 30th June 2023 – Unaudited*

	<b>For the six months ended 30th June</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
<b>Profit for the period</b>	<b>146,523</b>	261,418
<b>Other comprehensive income</b>		
<u>Items that will not be reclassified to profit or loss</u>		
Changes in the fair value of financial assets at fair value through other comprehensive income	(610)	481
Exchange translation difference	29	(60)
<b>Other comprehensive income for the period</b>	<b>(581)</b>	421
<b>Total comprehensive income for the period</b>	<b>145,942</b>	261,839
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	123,291	236,651
Non-controlling interests	22,651	25,188
	<b>145,942</b>	261,839

The notes from pages 9 to 28 form an integral part of this condensed consolidated interim financial information.

## Condensed Consolidated Statement of Cash Flows

*For the six months ended 30th June 2023 – Unaudited*

	<b>For the six months ended 30th June</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
<b>Operating activities</b>		
Net cash generated from operations	<b>78,569</b>	98,557
Hong Kong Profits Tax paid	<b>(2,713)</b>	(199)
Hong Kong Profits Tax refund	<b>21</b>	–
United States taxation paid	<b>(13)</b>	(13)
Letting fees paid	<b>(1,397)</b>	(2,513)
	<b>74,467</b>	95,832
<b>Net cash generated from operating activities</b>	<b>74,467</b>	95,832
<b>Investing activities</b>		
Additions of property, plant and equipment	<b>(1,782)</b>	(28,308)
Additions of investment properties	<b>(17,451)</b>	(8,180)
Proceeds on disposal of property, plant and equipment	<b>110</b>	10
Proceeds on disposal of investment properties	<b>830</b>	–
Proceeds on disposal of assets classified as held for sale	<b>6,860</b>	–
Interest received	<b>564</b>	131
Dividends received	<b>688</b>	679
	<b>(10,181)</b>	(35,668)
<b>Net cash used in investing activities</b>	<b>(10,181)</b>	(35,668)
<b>Financing activities</b>		
Interest paid	<b>(62,767)</b>	(20,741)
Drawn down of bank loans	<b>18,000</b>	354,599
Repayments of bank loans	<b>(15,292)</b>	(272,392)
Repayments to lease liabilities	<b>(134)</b>	(139)
Dividends paid to shareholders	<b>(17,260)</b>	(34,520)
Dividends paid to non-controlling shareholders of subsidiaries	<b>(1,136)</b>	(1,915)
	<b>(78,589)</b>	24,892
<b>Net cash (used in)/generated from financing activities</b>	<b>(78,589)</b>	24,892
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(14,303)</b>	85,056
Exchange translation difference	<b>29</b>	(60)
Cash and cash equivalents at 1st January	<b>134,135</b>	112,184
	<b>119,861</b>	197,180
<b>Cash and cash equivalents at 30th June</b>	<b>119,861</b>	197,180

The notes from pages 9 to 28 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 2023 – Unaudited*

	Attributable to owners of the Company							
	Share capital <i>HK\$'000</i>	Property revaluation reserve <i>HK\$'000</i>	Investment revaluation reserve <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total reserves <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1st January 2023	417,321	793,420	(30,199)	7,154	7,656,182	8,426,557	271,242	9,115,120
Profit for the period	-	-	-	-	123,594	123,594	22,929	146,523
<b>Other comprehensive income</b>								
Changes in the fair value of financial assets at fair value through other comprehensive income	-	-	(332)	-	-	(332)	(278)	(610)
Exchange translation difference	-	-	-	29	-	29	-	29
<b>Total comprehensive income for the period</b>	-	-	(332)	29	123,594	123,291	22,651	145,942
<b>Transaction with owners</b>								
Dividends paid	-	-	-	-	(17,260)	(17,260)	(1,136)	(18,396)
At 30th June 2023	<u>417,321</u>	<u>793,420</u>	<u>(30,531)</u>	<u>7,183</u>	<u>7,762,516</u>	<u>8,532,588</u>	<u>292,757</u>	<u>9,242,666</u>
At 1st January 2022	417,321	793,420	(29,184)	7,232	7,370,861	8,142,329	249,922	8,809,572
Profit for the period	-	-	-	-	236,439	236,439	24,979	261,418
<b>Other comprehensive income</b>								
Changes in the fair value of financial assets at fair value through other comprehensive income	-	-	272	-	-	272	209	481
Exchange translation difference	-	-	-	(60)	-	(60)	-	(60)
<b>Total comprehensive income for the period</b>	-	-	272	(60)	236,439	236,651	25,188	261,839
<b>Transaction with owners</b>								
Dividends paid	-	-	-	-	(34,520)	(34,520)	(1,915)	(36,435)
At 30th June 2022	<u>417,321</u>	<u>793,420</u>	<u>(28,912)</u>	<u>7,172</u>	<u>7,572,780</u>	<u>8,344,460</u>	<u>273,195</u>	<u>9,034,976</u>

The notes from pages 9 to 28 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 2023 (the “Condensed Consolidated Interim Financial Information”) was approved by the board of directors on 28th August 2023. 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 2022 that is included in the Condensed Consolidated Interim Financial Information as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

- The Company has delivered the financial statements for the year ended 31st December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).
- The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance (Cap. 622).

## **2 Summary of significant accounting policies**

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\$1,002,226,000 as at 30th June 2023 (at 31st December 2022: HK\$820,403,000). The current liabilities mainly included short term bank loans of HK\$298,000,000 (at 31st December 2022: HK\$280,000,000) and current portion of long term bank loans of HK\$851,908,000 (at 31st December 2022: HK\$692,310,000). Based on the Group’s history of generating cash from operations, history of refinancing, its available banking facilities and its assets backing, the directors consider that the Group will be able to obtain sufficient financial resources so as to enable it to operate and meet its liabilities as and when they fall due. The Group intends to obtain new loan facilities to replace the facilities that will mature within one year. The directors believe that the Group will continue as a going concern and consequently prepared the Condensed Consolidated Interim Financial Information on a going concern basis.

Except as described below, the accounting policies and methods of computation used in the preparation of the Condensed Consolidated Interim Financial Information are consistent with those used in the annual report for the year ended 31st December 2022 (the “2022 Annual Report”). The Condensed Consolidated Interim Financial Information should be read in conjunction with the 2022 Annual Report and any public announcement made by the Group during the interim reporting period, which has been prepared in accordance with the Hong Kong Financial Reporting Standards.

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

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

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

### **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 2022 Annual Report.

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

(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).

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 3 Financial risk management (Continued)

#### (b) Fair value estimation (Continued)

The following table presents the Group's financial assets that are measured at fair value as at 30th June 2023 and 31st December 2022.

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
Financial assets at fair value through other comprehensive income			
<b>At 30th June 2023</b>	<b>14,373</b>	<b>-</b>	<b>862</b>
At 31st December 2022	14,983	-	862

For the six months ended 30th June 2023, there were no transfers of financial assets of the Group between different levels of the fair value hierarchy.

#### (c) Fair value measurements using significant unobservable inputs (Level 3)

For the six months ended 30th June 2023, there were no changes in level 3 instruments and also no changes made to any of the valuation techniques applied as of 31st December 2022.

### 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 2022 Annual Report, there were no material changes in the estimates and assumptions applied in the preparation of the Condensed Consolidated Interim Financial Information.

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 5 Revenues and segment information

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

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

Notes:

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

The future aggregate minimum lease payments receivables under non-cancellable operating leases are as follows:

	As at 30th June 2023 <i>HK\$'000</i>	As at 31st December 2022 <i>HK\$'000</i>
Not later than one year	294,886	275,300
Later than one year but not later than five years	463,808	454,518
Later than five years	18,206	24,492
	776,900	754,310

**5 Revenues and segment information (Continued)**

- (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 profit/(loss), which is measured by profit after income tax excluding fair value changes on investment properties (net of deferred income tax in the United States), and their segment assets and segment liabilities which is measured in a manner consistent with that in the Condensed Consolidated Interim Financial Information.

There are no sales between the operating segments.

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 5 Revenues and segment information (Continued)

(d) Operating segments

	<b>Hong Kong</b>	<b>North</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>For the six months ended</b>			
<b>30th June 2023</b>			
Segment revenues			
Property rental	138,759	30,955	169,714
Property related services	14,217	–	14,217
Hotel operations	37,767	–	37,767
Catering operations	8,582	–	8,582
	<b>199,325</b>	<b>30,955</b>	<b>230,280</b>
Total segment revenues	<b>199,325</b>	<b>30,955</b>	<b>230,280</b>
Segment results – underlying loss			
– Property rental and related services	(5,286)	4,875	(411)
– Hotel and catering operations	(5,046)	–	(5,046)
Fair value gains/(losses) on investment properties	210,001	(79,421)	130,580
Deferred income tax, net	–	21,400	21,400
	<b>199,669</b>	<b>(53,146)</b>	<b>146,523</b>
Profit/(loss) for the period	<b>199,669</b>	<b>(53,146)</b>	<b>146,523</b>
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)
	<b>8,962</b>	<b>9,325</b>	<b>18,287</b>
Capital expenditure	<b>8,962</b>	<b>9,325</b>	<b>18,287</b>

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 5 Revenues and segment information (Continued)

#### (d) Operating segments (Continued)

	<b>Hong Kong</b> <i>HK\$'000</i>	<b>North</b> <i>America</i> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
<b>At 30th June 2023</b>			
Property, plant and equipment	1,988,835	6,832	1,995,667
Investment properties	9,257,100	686,993	9,944,093
Prepayments for non-current assets	130	–	130
Non-current assets (excluding financial assets at fair value through other comprehensive income)	11,246,065	693,825	11,939,890
Non-current financial assets at fair value through other comprehensive income	15,235	–	15,235
Current assets	256,818	25,733	282,551
Segment assets	11,518,118	719,558	12,237,676
Current liabilities	1,270,047	14,730	1,284,777
Non-current liabilities	1,490,611	219,622	1,710,233
Segment liabilities	2,760,658	234,352	2,995,010

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 5 Revenues and segment information (Continued)

#### (d) Operating segments (Continued)

	Hong Kong <i>HK\$'000</i>	North America <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the six months ended 30th June 2022			
Segment revenues			
Property rental	134,464	36,623	171,087
Property related services	13,511	–	13,511
Hotel operations	23,785	–	23,785
Catering operations	5,046	–	5,046
Total segment revenues	176,806	36,623	213,429
Segment results – underlying profit			
– Property rental and related services	39,370	13,647	53,017
– Hotel and catering operations	(11,610)	–	(11,610)
Fair value gains/(losses) on investment properties	318,492	(131,311)	187,181
Deferred income tax, net	–	32,830	32,830
Profit/(loss) for the period	346,252	(84,834)	261,418
Included in segment results:			
Finance income	67	64	131
Finance costs	(20,624)	(1,134)	(21,758)
Income tax expense (note)	(6,817)	(13)	(6,830)
Depreciation	(26,000)	(1,108)	(27,108)
Capital expenditure	10,540	2,915	13,455

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 5 Revenues and segment information (Continued)

#### (d) Operating segments (Continued)

	Hong Kong <i>HK\$'000</i>	North America <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 31st December 2022			
Property, plant and equipment	1,957,179	7,678	1,964,857
Investment properties	9,100,566	757,357	9,857,923
Prepayments for non-current assets	1,094	–	1,094
Non-current assets (excluding financial assets at fair value through other comprehensive income)	11,058,839	765,035	11,823,874
Non-current financial assets at fair value through other comprehensive income	15,845	–	15,845
Current assets	231,175	55,155	286,330
Assets classified as held for sale	7,800	–	7,800
Segment assets	11,313,659	820,190	12,133,849
Current liabilities	1,096,236	18,297	1,114,533
Non-current liabilities	1,662,936	241,260	1,904,196
Segment liabilities	2,759,172	259,557	3,018,729

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

	<b>Property, plant and equipment HK\$'000</b>	<b>Investment properties HK\$'000 (Note (a))</b>	<b>Total HK\$'000</b>
<b>Net book value or valuation</b>			
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
	<b>1,995,667</b>	<b>9,944,093</b>	<b>11,939,760</b>
At 30th June 2023	<b>1,995,667</b>	<b>9,944,093</b>	<b>11,939,760</b>
At 1st January 2022	1,998,645	9,554,052	11,552,697
Additions	5,736	7,719	13,455
Capitalised letting fees	–	2,513	2,513
Amortisation of capitalised letting fees	–	(2,642)	(2,642)
Depreciation	(27,108)	–	(27,108)
Disposals and write-off	(125)	–	(125)
Fair value gains	–	187,181	187,181
	<b>1,977,148</b>	<b>9,748,823</b>	<b>11,725,971</b>
At 30th June 2022	<b>1,977,148</b>	<b>9,748,823</b>	<b>11,725,971</b>
Additions	10,989	22,491	33,480
Transfer in/(out)	5,000	(5,000)	–
Transfer to assets classified as held for sale	–	(7,800)	(7,800)
Capitalised letting fees	–	3,194	3,194
Amortisation of capitalised letting fees	–	(2,783)	(2,783)
Depreciation	(27,631)	–	(27,631)
Disposals and write-off	(649)	–	(649)
Fair value gains	–	98,998	98,998
	<b>1,964,857</b>	<b>9,857,923</b>	<b>11,822,780</b>
At 31st December 2022	<b>1,964,857</b>	<b>9,857,923</b>	<b>11,822,780</b>

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

Note:

(a) Investment properties

The valuations of the investment properties at 30th June 2023 and 31st December 2022 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.

For 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, as well as discount rates, to arrive at the final valuation.

For properties under development, the residual method is 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.

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 7 Debtors and prepayments

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

	<b>As at 30th June 2023 HK\$'000</b>	<b>As at 31st December 2022 HK\$'000</b>
0 – 30 days	1,352	1,584
31 – 60 days	189	147
61 – 90 days	164	110
Over 90 days	1,637	1,686
	3,342	3,527

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.

### 8 Share capital

Ordinary shares, issued and fully paid:

	<b>Number of shares (thousands)</b>	<b>Share capital HK\$'000</b>
At 1st January 2023, 30th June 2023 and 31st December 2022	287,670	417,321

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 9 Long term bank loans – secured

	As at <b>30th June 2023</b> <i>HK\$'000</i>	As at 31st December 2022 <i>HK\$'000</i>
Bank loans		
– wholly repayable within five years	2,279,405	2,294,037
Amounts due within one year included under current liabilities	<u>(851,908)</u>	<u>(692,310)</u>
	<u><b>1,427,497</b></u>	<u><b>1,601,727</b></u>
The maturity of the long term bank loans is as follows:		
– within one year	851,908	692,310
– in the second year	1,427,497	1,222,876
– in the third to fifth year	<u>–</u>	<u>378,851</u>
	<u><b>2,279,405</b></u>	<u><b>2,294,037</b></u>

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\$8,416,396,000 (at 31st December 2022: HK\$8,372,418,000) 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 movement on the deferred income tax liabilities is as follows:

	<b>For the six months ended 30th June</b>		For the year ended 31st December
	<b>2023</b>	2022	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>	<i>HK\$'000</i>
At the beginning of the period/year	<b>301,675</b>	359,683	359,683
Credited to profit or loss (note 16)	<b>(19,608)</b>	(30,439)	(58,008)
	<b>282,067</b>	329,244	301,675

### 11 Creditors and accruals

Included in creditors and accruals are trade creditors of HK\$10,572,000 (at 31st December 2022: HK\$13,817,000) and the ageing analysis of the trade creditors based on invoice date was as follows:

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

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 12 Short term bank loans

	As at 30th June 2023 <i>HK\$'000</i>	As at 31st December 2022 <i>HK\$'000</i>
Short term bank loans		
– secured	280,000	280,000
– unsecured	18,000	–
	298,000	280,000

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, net

	For the six months ended 30th June	
	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Depreciation	24,034	27,108
Amortisation of capitalised letting fees	2,501	2,642
Provision for impairment of trade debtors	888	1,445
Donations	2,402	1,887
Outgoings, in respect of (note (a))		
– investment properties	33,025	28,974
– properties for sale	2,986	3,830
– property related services	13,125	7,951
– property, plant and equipment	1,503	1,462
– hotel and catering operations	31,814	22,036
Other employee benefit expenses, net (note (b))	40,574	36,578
Government grants (note (b))	–	(1,900)
Others	19,739	12,116
Total cost of sales, administrative expenses and other operating expenses, net	172,591	144,129

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 13 Cost and expenses, net (Continued)

Notes:

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

### 14 Other gains, net

	<b>For the six months ended 30th June</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Dividend income from financial assets at fair value through other comprehensive income	<b>688</b>	679
Gain on disposal of investment properties	<b>1,080</b>	–
Gain on disposal of assets classified as held for sale	<b>2,000</b>	–
Loss on disposal of property, plant and equipment, net	<b>(39)</b>	(115)
	<b>3,729</b>	564
	<b>3,729</b>	564

### 15 Finance income and costs

	<b>For the six months ended 30th June</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Finance income		
Interest income from banks	<b>564</b>	131
Finance costs		
Interest expenses on bank loans	<b>(62,848)</b>	(21,758)
	<b>(62,284)</b>	(21,627)
Finance costs, net	<b>(62,284)</b>	(21,627)

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 16 Income tax credit

Hong Kong Profits Tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits for the period. Except for the minimum United States state tax which has been paid during the period, no overseas taxation (2022: Nil) has been provided as there is no estimated taxable profit for the overseas subsidiaries for the period.

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

	<b>For the six months ended 30th June</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Current income tax		
– Hong Kong Profits Tax	(2,786)	(4,479)
– United States taxation	(13)	(13)
– Over provision in prior period	–	53
	(2,799)	(4,439)
Deferred income tax credit/(charge) (note 10)		
– Hong Kong	(1,792)	(2,391)
– United States	21,400	32,830
	19,608	30,439
	16,809	26,000

### 17 Earnings per share

The calculation of basic earnings per share is based on profit attributable to owners of the Company of HK\$123,594,000 (2022: HK\$236,439,000) and on 287,670,000 (2022: 287,670,000) ordinary shares in issue during the period.

As there are no dilutive potential ordinary shares for the six months ended 30th June 2023 and 2022, the diluted earnings per share is equal to the basic earnings per share.

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 18 Dividend

	<b>For the six months ended 30th June</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Interim, declared, of HK6 cents (2022: HK14 cents) per ordinary share	<b>17,260</b>	40,274

At a meeting held on 28th August 2023, the directors declared an interim dividend of HK6 cents per ordinary share for the year ending 31st December 2023. This declared dividend is not reflected as a dividend payable in this Condensed Consolidated Interim Financial Information, but will be reflected as an appropriation of retained profits for the year ending 31st December 2023.

### 19 Capital commitments

	<b>As at 30th June 2023 HK\$'000</b>	As at 31st December 2022 HK\$'000
Contracted but not provided for		
– investment properties	<b>10,447</b>	11,403
– property, plant and equipment	<b>2,194</b>	2,684
	<b>12,641</b>	14,087

## 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\$889,000 (2022: HK\$808,000) and HK\$271,000 (2022: HK\$273,000) respectively from related companies and persons based on prices and terms as agreed by the parties involved.

- (b) Key management remuneration

Remuneration for key managements, including amounts paid to the Company's executive directors and senior management, is as follows:

	<b>For the six months ended 30th June</b>	
	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Fees	<b>120</b>	117
Salaries	<b>8,765</b>	8,593
Housing and other allowances, benefits in kind	<b>11,229</b>	10,536
Retirement benefit costs	<b>54</b>	54
	<b>20,168</b>	19,300

## 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 28, 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 2023 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 selected explanatory notes. 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, 28th August 2023

## Chairman's Statement

### Result

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

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

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

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

### Dividend

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

## **Chairman's Statement** *(Continued)*

### **Outlook**

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

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

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

**William Ma Ching Wai**  
*Chairman*

Hong Kong, 28th August 2023

## Management Discussion and Analysis

### Business review

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

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

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

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

### Liquidity and financial resources

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

## Management Discussion and Analysis (*Continued*)

The cash flow position and funding needs are closely reviewed and monitored to ensure that the Group has a good degree of financial flexibility and liquidity while optimizing net financial costs. There are sufficient committed banking facilities available for the Group's current funding needs and future business requirements. The Group's financial position remains healthy. The Group has started to liaise with the banks to seek financing and refinancing of the loans that will fall due within one year and have received positive responses.

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

### Capital expenditure

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

### Capital structure of the Group

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

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

## Management Discussion and Analysis (Continued)

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

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

### Contingent liabilities

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

### Segment information

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

### Employees and emolument policy

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

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

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

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

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

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

## Interim Dividend and Record Date

The board of directors has resolved to declare an interim dividend of HK6 cents (2022: HK14 cents) per ordinary share, payable on 29th September 2023 to shareholders whose names standing on the register of members of the Company at the close of business on 13th September 2023 (the “Record Date”). In order to qualify for the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 13th September 2023.

## Directors’ and Chief Executive’s Interests in Shares

At 30th June 2023, 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited were as follows:

### Number of ordinary shares held at 30th June 2023

	Capacity		Total	Percentage
	Personal interest	Corporate interests		
		(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	27,727	–	27,727	0.0096%
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	–	–	–	–

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 2023, 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 2023, 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 2023

	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 2023, 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 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited 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 of Directors (the “Chairman”) was appointed as the chief executive of the Company (the “Chief Executive”) on 15th June 2017, since then Mr. Ma holds both positions as the Chairman and Chief Executive. The Board believes that vesting the roles of both Chairman and Chief Executive on the same individual will enable the Company to have a stable and consistent leadership and also facilitate the planning and execution of the Company’s strategy and is hence in the interest of the Company and its shareholders. The Board is of the view that the balance of power and authority is adequately ensured as all major decisions have been made in consultation with the Board and appropriate Board committees, as well as top management, and there are one non-executive director and three independent non-executive directors on the Board offering their experience, expertise, independent advice and views from different perspectives.

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

## Independent Review

The Audit Committee has reviewed, in the presence of the external auditor, PricewaterhouseCoopers (“PwC”), the Group’s principal accounting policies and the condensed consolidated interim financial information for the six months ended 30th June 2023, with no disagreement by the Audit Committee. The condensed consolidated interim financial information of the Group for the six months ended 30th June 2023 are unaudited, but have been reviewed by PwC, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A Report on Review of Interim Financial Information is set out on page 29.

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

Hong Kong, 28th August 2023