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**Tomson Group**

## **TOMSON GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 258)**

### **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2023**

The Board of Directors (the “Board”) of Tomson Group Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31st December, 2023 together with comparative figures for the corresponding year of 2022 as follows:

#### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Notes	<b>Year ended 31st December</b>	
		<b>2023</b>	<b>2022</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
Gross proceeds from operations	4&5	<b>567,364</b>	533,078
Revenue	4	<b>513,810</b>	460,049
Cost of sales		<b>(156,303)</b>	(145,710)
Gross profit		<b>357,507</b>	314,339
Net gain on financial assets at fair value through profit or loss		<b>2,287</b>	8,161
Other income		<b>117,503</b>	136,081
Other gains and losses	6	<b>(5,324)</b>	(27,605)
Selling expenses		<b>(95,578)</b>	(86,306)
Administrative expenses		<b>(134,372)</b>	(112,547)
Loss on fair value changes of investment properties		<b>(109,255)</b>	(75,204)
Finance costs	7	<b>(18,204)</b>	(14,835)
		<b>114,564</b>	142,084
Share of results of associates		<b>(2,044)</b>	(234)
Share of result of a joint venture		<b>22,645</b>	(15,289)
Profit before taxation	8	<b>135,165</b>	126,561
Taxation	9	<b>(90,201)</b>	(107,806)
Profit for the year		<b>44,964</b>	18,755
Profit for the year attributable to:			
Owners of the Company		<b>42,684</b>	17,168
Non-controlling interests		<b>2,280</b>	1,587
		<b>44,964</b>	18,755
Earnings per share (HK cents)	11		
– Basic		<b>2.12</b>	0.87

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

	<b>Year ended 31st December</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Profit for the year	<b>44,964</b>	18,755
	<hr/>	<hr/>
<b>Other comprehensive (expense) income</b>		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Exchange difference arising from translation of:		
– subsidiaries	<b>(380,156)</b>	(1,055,229)
– a joint venture	<b>(4,947)</b>	(14,822)
– associates	<b>(175)</b>	(804)
Reclassification adjustment from foreign currencies translation reserves:		
– release upon liquidation of an associate	–	(27)
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value (loss) gain on equity instrument at fair value through other comprehensive income (net of deferred tax)	<b>(6,316)</b>	33,180
	<hr/>	<hr/>
Other comprehensive expense for the year	<b>(391,594)</b>	(1,037,702)
	<hr/>	<hr/>
<b>Total comprehensive expense for the year</b>	<b>(346,630)</b>	(1,018,947)
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Total comprehensive expense attributable to:		
Owners of the Company	<b>(344,029)</b>	(1,004,197)
Non-controlling interests	<b>(2,601)</b>	(14,750)
	<hr/>	<hr/>
	<b>(346,630)</b>	(1,018,947)
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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31st December	
		2023	2022
		HK\$'000	HK\$'000
<b>Non-Current Assets</b>			
Fixed assets			
– Investment properties		6,993,381	7,794,927
– Property, plant and equipment		357,656	378,119
Goodwill		33,288	33,288
Interests in associates		7,003	9,222
Interest in a joint venture		170,734	153,036
Club debentures		515	515
Equity instrument at fair value through other comprehensive income		293,949	312,824
Pledged bank deposit		39,130	55,143
Other receivable		2,301	–
		7,897,957	8,737,074
<b>Current Assets</b>			
Properties under development		5,012,781	4,420,814
Properties held for sale		1,275,663	1,410,039
Trade and other receivables and prepayments	12	137,113	208,876
Financial assets at fair value through profit or loss		49,257	36,724
Inventories		3,195	3,369
Bank deposit		11,934	12,347
Cash and bank balances		3,526,296	3,966,071
		10,016,239	10,058,240
Assets classified as held for sale		447,015	–
		10,463,254	10,058,240
<b>Current Liabilities</b>			
Trade and other payables and accruals	13	1,065,997	796,136
Lease liability		6,401	4,209
Contract liability		–	121,653
Tax liabilities		3,749,466	3,796,411
Borrowings		193,539	26,939
		5,015,403	4,745,348
Liabilities associated with assets classified as held for sale		84,183	–
		5,099,586	4,745,348
<b>Net Current Assets</b>		5,363,668	5,312,892
<b>Total Assets Less Current Liabilities</b>		13,261,625	14,049,966

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	As at 31st December	
	2023	2022
	HK\$'000	HK\$'000
<b>Capital and Reserves</b>		
Share capital	1,026,073	985,512
Share premium and reserves	10,980,487	11,402,835
Equity attributable to owners of the Company	12,006,560	12,388,347
Non-controlling interests	136,611	318,235
<b>Total Equity</b>	<b>12,143,171</b>	<b>12,706,582</b>
<b>Non-Current Liabilities</b>		
Other payables	15,089	15,544
Lease liability	11,084	–
Borrowing	182,272	215,512
Deferred tax liabilities	910,009	1,112,328
	<b>1,118,454</b>	<b>1,343,384</b>
	<b>13,261,625</b>	<b>14,049,966</b>

Notes:

1. The Audit Committee of the Board of the Company has reviewed the consolidated financial statements of the Group for the year ended 31st December, 2023.

### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

### 3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1st January, 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates

### 3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

The application of the new and amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current and related amendments to Hong Kong Interpretation 5 (2020) <sup>2</sup>
Amendments to HKAS 1	Non-Current Liabilities with Covenants <sup>2</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>2</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1st January, 2024.

<sup>3</sup> Effective for annual periods beginning on or after 1st January, 2025.

The Directors of the Company anticipate that the application of all above amendments to HKFRSs will have no material impact on the Group's consolidated financial statements in the foreseeable future.

### 4. GROSS PROCEEDS FROM OPERATIONS AND REVENUE

Revenue represents the aggregate of revenue under the following headings:

- (i) Property investment
  - represents revenue from property management and rental income
- (ii) Property development and trading
  - represents gross revenue received and receivable from sale of properties
- (iii) Leisure
  - represents the income from golf club operations and its related services
- (iv) Media and entertainment
  - represents the gross revenue received and receivable from investment in the production of live entertainment shows, film distribution and related income

Gross proceeds from operations include the gross proceeds from sale of and dividend income received and receivable from financial assets at fair value through profit or loss ("FVTPL") under the business of securities trading, in addition to the above aggregated revenue.

#### 4. GROSS PROCEEDS FROM OPERATIONS AND REVENUE (continued)

Revenue and gross proceeds from each type of business consist of the following:

	2023 HK\$'000	2022 HK\$'000
Revenue from sale of properties	219,606	164,374
Revenue from rendering of services from golf club operations	51,361	44,994
Revenue from property management fee	32,011	31,428
Revenue from media and entertainment business	2,579	367
	<hr/>	<hr/>
<b>Revenue from contracts with customers</b>	<b>305,557</b>	241,163
Revenue from lease payments that are fixed	208,253	218,886
	<hr/>	<hr/>
<b>Total revenue</b>	<b>513,810</b>	460,049
Gross proceeds from sale of and dividend income from financial assets at FVTPL	53,554	73,029
	<hr/>	<hr/>
<b>Gross proceeds from operations</b>	<b><u>567,364</u></b>	<b><u>533,078</u></b>

#### 5. SEGMENT INFORMATION

The Group's operating and reportable segments are based on information reported to the chief operating decision makers, the executive Directors of the Company, for the purposes of resources allocation and performance assessment. In addition to those set out in Note 4(i) to (iv), the Group's operating segments under HKFRS 8 "Operating Segments" include securities trading segment which is dealing in financial assets at FVTPL.

	Property Investment HK\$'000	Property Development and Trading HK\$'000	Leisure HK\$'000	Media and Entertainment HK\$'000	Securities Trading HK\$'000	Total HK\$'000
<b>2023</b>						
<b>GROSS PROCEEDS FROM OPERATIONS</b>						
– SEGMENT REVENUE	<u>240,264</u>	<u>219,606</u>	<u>51,361</u>	<u>2,579</u>	<u>53,554</u>	<u>567,364</u>
<b>RESULTS</b>						
Segment profit (loss)	<u>54,091</u>	<u>44,994</u>	<u>(4,132)</u>	<u>(276)</u>	<u>2,104</u>	96,781
Other unallocated income						117,503
Unallocated expenses						(81,516)
Finance costs						(18,204)
						<hr/>
						114,564
Share of results of associates						(2,044)
Share of result of a joint venture						22,645
						<hr/>
Profit before taxation						<b><u>135,165</u></b>

## 5. SEGMENT INFORMATION (continued)

	Property Investment HK\$'000	Property Development and Trading HK\$'000	Leisure HK\$'000	Media and Entertainment HK\$'000	Securities Trading HK\$'000	Total HK\$'000
2022						
<b>GROSS PROCEEDS FROM OPERATIONS</b>						
– SEGMENT REVENUE	<u>250,314</u>	<u>164,374</u>	<u>44,994</u>	<u>367</u>	<u>73,029</u>	<u>533,078</u>
<b>RESULTS</b>						
Segment profit (loss)	<u>94,780</u>	<u>4,048</u>	<u>(8,923)</u>	<u>(650)</u>	<u>7,984</u>	97,239
Other unallocated income						136,108
Unallocated expenses						(76,428)
Finance costs						(14,835)
						<u>142,084</u>
Share of results of associates						(234)
Share of result of a joint venture						(15,289)
						<u>126,561</u>

Except for the presentation of segment revenue which is different from the reported revenue in the consolidated statement of profit or loss, the accounting policies of the operating segments are the same as the Group's accounting policies. For details of revenue from each type of business and reconciliation of segment revenue to the Group's revenue of HK\$513,810,000 (2022: HK\$460,049,000), please refer to Note 4.

Segment profit (loss) represents the results by each segment without allocation of central administration costs, directors' salaries, share of results of associates and a joint venture, other non-recurring income and expenses and finance costs. This is the measure reported to the executive Directors of the Company for the purposes of resource allocation and performance assessment.

Segment assets and liabilities are not presented as the chief operating decision makers review the consolidated financial position of the Group as a whole to assess their performance. The management focuses more on the results of the Group.

### Geographical Information

The Group's operations are located in Hong Kong, Macau and the Mainland of the People's Republic of China (the "Mainland China").

The Group's revenue from external customers based on the location of the operations and information about its non-current assets (excluding amounts due from an associate and a joint venture, club debentures, other receivable, pledged bank deposit and equity instrument at fair value through other comprehensive income ("FVTOCI")) by geographical location of the assets are detailed below:

5. **SEGMENT INFORMATION** (continued)

	<b>Revenue from external customers</b>		<b>Non-current assets</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Hong Kong	<b>2,579</b>	367	<b>252,502</b>	241,671
Macau	–	–	<b>3</b>	–
The Mainland China	<b>511,231</b>	459,682	<b>7,299,543</b>	8,116,907
	<b><u>513,810</u></b>	<b><u>460,049</u></b>	<b><u>7,552,048</u></b>	<b><u>8,358,578</u></b>

Analysis of the Group's revenue by each type of business is set out in Note 4.

6. **OTHER GAINS AND LOSSES**

	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Impairment losses on trade and other receivables reversed	<b>583</b>	964
Net loss on write off/disposal of property, plant and equipment	–	(19)
Net exchange loss	<b>(5,907)</b>	(28,577)
Gain on liquidation of an associate	–	27
	<b><u>(5,324)</u></b>	<b><u>(27,605)</u></b>

7. **FINANCE COSTS**

	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest on borrowings	<b>17,845</b>	14,583
Interest on lease liability	<b>359</b>	252
	<b><u>18,204</u></b>	<b><u>14,835</u></b>

8. **PROFIT BEFORE TAXATION**

	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	<b>36,900</b>	39,755
and after crediting:		
Other income		
– Interest income	<b>72,633</b>	70,210
– Dividend from unlisted equity instrument at FVTOCI	<b>18,470</b>	22,054
	<b><u>72,633</u></b>	<b><u>70,210</u></b>
	<b><u>18,470</u></b>	<b><u>22,054</u></b>

## 9. TAXATION

	2023 HK\$'000	2022 HK\$'000
The charge (credit) comprises:		
Mainland China Enterprise Income Tax (“EIT”)	55,862	55,745
Mainland China Land Appreciation Tax	111,150	75,495
Dividend withholding tax	1,112	5,222
Underprovision in prior years – Mainland China EIT	6,516	5,781
	<u>174,640</u>	<u>142,243</u>
Deferred tax credit	(84,439)	(34,437)
	<u>90,201</u>	<u>107,806</u>

The Hong Kong Profits Tax is calculated at 16.5% (2022: 16.5%). No provision for Hong Kong Profits Tax has been made since the assessable profit is wholly absorbed by tax losses brought forward for both years.

The income tax rate of the subsidiaries in the Mainland China is 25% (2022: 25%).

## 10. DIVIDEND

In 2023, a dividend of approximately HK\$167,537,000 (2022: HK\$108,406,000) in aggregate was paid to shareholders in respect of the interim dividend for the year ended 31st December, 2022 (2022: interim dividend for the year ended 31st December, 2021). Of the dividend paid during 2023, approximately HK\$129,779,000 were settled in fully paid shares under the Company’s scrip dividend scheme approved by the Board on 30th March, 2023.

Subsequent to the end of reporting period, the Directors have declared payment of an interim dividend of 10 HK cents per share (2022: 8.50 HK cents per share) amounting to approximately HK\$205,215,000 (2022: HK\$167,537,000) for the year ended 31st December, 2023.

## 11. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	2023 HK\$'000	2022 HK\$'000
<b>Earnings</b>		
Profit for the year attributable to owners of the Company for the purposes of basic earnings per share	<u>42,684</u>	<u>17,168</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>2,015,253,318</u>	<u>1,971,025,125</u>

No diluted earnings per share is presented as there was no potential ordinary share in issue during both years.

## 12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

The general credit term of the Group given to trade customers is 60 days. A longer credit period may be granted to customers with long business relationship.

Included in trade and other receivables and prepayments are trade receivables, net of allowance for credit losses and their aged analysis based on invoice date as at the end of the reporting period is as follows:

	2023 HK\$'000	2022 HK\$'000
0 – 3 months	<u>533</u>	<u>339</u>

## 13. TRADE AND OTHER PAYABLES AND ACCRUALS

Included in trade and other payables and accruals are trade payables and their aged analysis based on invoice date as at the end of the reporting period is as follows:

	2023 HK\$'000	2022 HK\$'000
0 – 3 months	263,059	24,125
4 – 6 months	7	22
7 – 12 months	1,188	49
Over 1 year	56,919	79,121
	<u>321,173</u>	<u>103,317</u>

## INTERIM DIVIDEND FOR THE YEAR ENDED 31ST DECEMBER, 2023

The Board of the Company has declared an interim dividend of 10 HK cents per share for the year ended 31st December, 2023 (2022: 8.50 HK cents per share) to shareholders whose names appear on the register of members of the Company on Friday, 3rd May, 2024 (the “Record Date”). Shareholders will be given an option to elect to receive shares of HK\$0.50 each in the capital of the Company (the “Share(s)”) credited as fully paid in lieu of cash in respect of all or part of the interim dividend (the “Scrip Dividend Scheme”).

The Scrip Dividend Scheme is conditional upon consent of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) to grant listing of and permission to deal in the new Shares to be allotted thereunder. For the purpose of determining the number of new Shares to be allotted under the Scrip Dividend Scheme, the market value of a new Share will be calculated as an amount equal to 95% of the average of the closing prices per Share traded on the Stock Exchange for the five consecutive trading days up to and including the Record Date. A circular providing full details of the Scrip Dividend Scheme, together with a form of election, will be sent to the shareholders of the Company in electronic form by email or in printed form by post (as the case may be) in due course. Cash dividend warrants and/or share certificates for the scrip dividend are expected to be despatched on Thursday, 13th June, 2024.

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed for the following periods:

- (a) For the purpose of determining the shareholders who qualify for the interim dividend for 2023, the register of members of the Company will be closed from Tuesday, 30th April, 2024 to Friday, 3rd May, 2024, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with Tricor Secretaries Limited, the Company's share registrar in the Hong Kong Special Administrative Region ("Hong Kong") of the People's Republic of China ("China"), at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 29th April, 2024 for registration; and
- (b) The Board of the Company has resolved to convene the annual general meeting of the Company for Thursday, 6th June, 2024 (the "2024 AGM"). For the purpose of determining the shareholders who are entitled to attend and vote at the 2024 AGM, the register of members of the Company will be closed from Friday, 31st May, 2024 to Thursday, 6th June, 2024, both days inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the 2024 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with Tricor Secretaries Limited, the Company's share registrar in Hong Kong, at the above address not later than 4:30 p.m. on Thursday, 30th May, 2024 for registration.

## GENERAL OVERVIEW

It is reported that there was a significant increase in the consolidated profit after taxation of the Group for the year ended 31st December, 2023, which was mainly attributable to the improvement in performance of the property development and trading business of the Group and in results of the Group's joint venture.

There was a rise in the revenue generated from the property development and trading segment during the year under review. However, an unrealized loss on fair value changes of the investment properties of the Group in Shanghai of China of HK\$109,255,000 (2022: HK\$75,204,000) was recorded upon market valuation as at year end pursuant to applicable accounting standards. Hence, it only resulted in a slight improvement in the segment profit of property development and investment business to HK\$99,085,000 for the year under review (2022: HK\$98,828,000).

During the year 2023, the Group recorded a net gain on trading securities investment of HK\$2,287,000 (2022: HK\$8,161,000) and received dividend from a long-term equity investment of the Group of HK\$18,470,000 (2022: HK\$22,054,000). There were an increment in the interest income to HK\$72,633,000 (2022: HK\$70,210,000) and a reduction in a net exchange loss to HK\$5,907,000 (2022: HK\$28,577,000), but both the administrative expenses and finance costs increased.

As a result, excluding the loss on fair value changes of the investment properties, the Group reported operating profit before taxation of HK\$223,819,000 for the year under review (2022: HK\$217,288,000).

In addition, the Group shared a net profit of a joint venture of HK\$22,645,000 (2022: net loss of HK\$15,289,000).

Taking account of taxation of HK\$90,201,000 (2022: HK\$107,806,000), it was reported a consolidated profit after taxation attributable to shareholders of the Company of HK\$42,684,000 for the year ended 31st December, 2023, a significant increase of approximately 1.49 times as compared with that of HK\$17,168,000 for the corresponding period in 2022. Basic earnings per share amounted to 2.12 HK cents (2022: 0.87 HK cents).

## **OPERATIONS REVIEW**

The Mainland of China, particularly Shanghai, is the principal base of the Group's operations.

For the year ended 31st December, 2023, the property investment segment was the Group's primary profit maker by contributing a segment profit of HK\$54,091,000 (2022: HK\$94,780,000), which was derived from the rental and property management fee from the investment properties of the Group in Shanghai, however, this was partly offset by the unrealized loss on fair value changes of these investment properties upon revaluation at year end.

The property development and trading segment was the secondary profit contributor of the Group and this generated a segment profit of HK\$44,994,000 (2022: HK\$4,048,000) which was attributable to the properties sales in Shanghai.

Securities trading business reported a segment profit of HK\$2,104,000 (2022: HK\$7,984,000) which was mainly attributable to the sale proceeds from the trading securities held by the Group in Hong Kong. This business ranked third in terms of profit contribution amongst the operating segments of the Group.

The other business segments of the Group reported loss during the year under review.

### **Property Development and Investment**

Property development and investment remained the core business and the principal source of profit of the Group for the year ended 31st December, 2023 by contributing a total segment profit of HK\$99,085,000 (2022: HK\$98,828,000). Tomson Riviera was the prime source of operating profit of the Group.

This business segment generated total revenue of HK\$459,870,000 which accounted for approximately 81.05% of the gross proceeds from operations of the Group for the year 2023 and was solely derived from the projects in Pudong of Shanghai, China. Nevertheless, an unrealized loss on fair value changes of the investment properties of the Group in Pudong of HK\$109,255,000 was recorded at year end. The property projects in Hong Kong and the Macao Special Administrative Region ("Macau") of China did not record any revenue.

#### ***Tomson Riviera, Shanghai***

Tomson Riviera is a notable high-rise residential development along the riverfront of Lujiazui of Pudong and right opposite the Bund. There are four residential towers of which two towers are earmarked for sale while the other two towers are for leasing to maximize the return on investment.

As at 31st December, 2023, the total residential gross floor area available for sale of Towers A and C was approximately 3,200 square meters while of the total residential gross floor area of Towers B and D of approximately 58,400 square meters, about 67% was leased.

For the year 2023, total revenue of HK\$293.39 million was recognized and this accounted for approximately 51.71% of the gross proceeds from operations of the Group. The revenue was principally attributable to sale proceeds recognized with the rest derived from rental income and property management fee.

### ***Commercial and Industrial Buildings, Shanghai***

Rental income and property management fee from the Group's commercial and industrial property portfolio in Pudong, which comprised, inter alia, Tomson Commercial Building, Tomson International Trade Building, Tomson Waigaoqiao Industrial Park, the commercial podium of Tomson Business Centre and the office premises on the entire 72nd Floor of Shanghai World Financial Center, provided a steady recurrent revenue of HK\$90.71 million to the Group and this accounted for approximately 15.99% of the gross proceeds from operations of the Group for the year under review. Nevertheless, the Group recorded an unrealized net loss on fair value changes of the aforesaid investment properties of HK\$109.26 million in the annual results of the Group for the year 2023.

### ***Miscellaneous Residential Developments in Shanghai***

Tomson Golf Villas and Garden have been developed in phases around the periphery of Tomson Shanghai Pudong Golf Club in Pudong since 1996 and there are now less than ten residential units and around one hundred car parking spaces available for sale. During the year under review, the project recognized revenue of HK\$75.78 million from sale of both residential unit and car parking spaces as well as leasing of the residential units and this represented approximately 13.35% of the gross proceeds from operations of the Group.

In addition, the Group holds less than ten car parking spaces at Xingguo Garden, a residential development of the Group in Puxi, for sale.

### ***Jinqiao Town Project, Shanghai***

The Group holds three land lots with aggregate site area of approximately 328,687.5 square meters located in Jinqiao Town of Pudong and to the north of a stream named Zhangjiabang for residential purpose. Real estate ownership certificates of the said land lots were obtained in June 2020. The project is known as "Tomson Foresta" and it is scheduled to complete the project development in six phases over the coming four years.

The first phase of the project is a low-density residential development with total gross floor area of approximately 25,900 square meters and the construction works are under way. Subject to the policies of and approval from the local government, it is expected to launch the first phase for sale in the second quarter of 2024 and deliver the properties to the buyers by the end of 2024.

Construction of the second and the third phases of the residential development of the project started in November 2022 and April 2023 respectively. There will be low-rise apartment buildings with total residential gross floor area of approximately 61,300 square meters and townhouses with total residential gross floor area of approximately 38,700 square meters. It is expected to complete the development of these two phases in 2026.

It is now targeted to carry out the construction of low-rise apartment buildings with total residential gross floor area of approximately 108,700 square meters in mid-2024 and resume in the end of 2024 the construction of a low-density residential development with total gross floor area of approximately 29,400 square meters, where the superstructure has been topped out.

The construction works of the last phase of the project are expected to commence in 2025 and will comprise townhouses with total residential gross floor area of approximately 55,800 square meters.

### ***One Penha Hill, Macau***

The Group holds a 70% interest in the development of a residential condominium, namely One Penha Hill, at Penha Hill within a designated World Heritage Zone of Macau.

The project is earmarked for sale purpose and no revenue was generated during the year under review under the impact of poor market sentiment. As at 31st December, 2023, residential units with saleable area of approximately 6,700 square meters were available for sale.

### ***Office premises in Tower II, Admiralty Centre, Hong Kong***

The Group acquired an office premises situated at the whole 13th Floor of Tower II, Admiralty Centre, Hong Kong by tender in 2022 as a strategic long-term investment for the Group. The Group recovered the possession of the property through legal procedures in the first half of 2023.

Having considered that the property is situated in a Grade A commercial-cum-office building in a strategic location in the key financial and commercial district in Hong Kong, the Group expects that the property will generate stable recurring rental income and it may be used as the Company's headquarter in Hong Kong at opportune time.

### **Hospitality and Leisure Industry**

#### ***Tomson Shanghai Pudong Golf Club, Shanghai***

The Group operates an 18-hole golf course of international standards, Tomson Shanghai Pudong Golf Club, in Pudong of Shanghai. The Club generated revenue of HK\$51,361,000, being approximately 9.05% of the gross proceeds from operations of the Group, and reported gross profit of HK\$26.33 million for the year ended 31st December, 2023. The revenue was mainly attributable to golfing activities of the Club and the annual membership fee was the secondary source of income. After making provision for depreciation of fixed assets, the Club reported a segment loss of HK\$4,132,000 for the year under review (2022: HK\$8,923,000).

#### ***InterContinental Shanghai Pudong, Shanghai***

The Group holds a 50% interest in InterContinental Shanghai Pudong hotel in Lujiazui of Pudong. The hotel reported an average occupancy rate of approximately 71.2% during the year under review and the Group shared a net profit of HK\$22,645,000 from this investment (2022: net loss of HK\$15,289,000). The great improvement in results was mainly attributable to the recovery of economic activities in post pandemic era. In addition, during the year 2023, the hotel confirmed with the local government the amount of the rental for provision of quarters to the medical professionals from other provinces in the first half of 2022 when the COVID-19 spread in Shanghai, and such amount was received in full. It is expected that the operation results of the hotel will be further improved in 2024. The hotel management will continue to focus on controlling operating costs, increasing marketing efforts on guest rooms operations and food and beverage operations to maintain the profitability of the hotel.

### **Securities Trading**

For the year under review, the Group's securities trading business in Hong Kong reported revenue of HK\$53,554,000 and this accounted for approximately 9.44% of the gross proceeds from operations of the Group. The revenue was mainly attributable to gross proceeds from sale of trading securities while the dividend income from those securities was the secondary source. After taking account of an unrealized gain on changes in fair value, the Group recorded a net gain on its trading securities investments of HK\$2,287,000 (2022: HK\$8,161,000).

As at 31st December, 2023, the aggregate fair value of the Group's listed securities investments held for trading amounted to HK\$49,257,000, representing approximately 0.27% of the Group's total assets. Those securities are in the property development and investment industry.

## **Media and Entertainment Business**

The Group has participated in the production of live entertainment shows for years and has also set up its film distribution business. Gross revenue received and receivable from this segment for the year ended 31st December, 2023 amounted to HK\$2,579,000 and this accounted for approximately 0.46% of the Group's gross proceeds from operations. The revenue for the year under review was solely derived from investments in the production of live entertainment shows in Hong Kong and a segment loss of HK\$276,000 (2022: HK\$650,000) was recorded. The Group intends to continue in participating in investments in various live performances under appropriate conditions in the future.

## **Investment Holding**

In addition to its own property development projects, the Group holds a 13.483% interest in the registered capital of Shanghai Zhangjiang Micro-electronics Port Co. Ltd. ("SZMP") as a long-term equity investment and the fair value of this investment amounted to HK\$293,949,000, representing approximately 1.60% of the Group's total assets, as at 31st December, 2023. SZMP is an unlisted company established in Shanghai and is principally engaged in property development and investment in Shanghai. Dividend of HK\$18,470,000 (2022: HK\$22,054,000) was received from SZMP during the year under review and an unrealized loss on change in fair value of such investment of HK\$8,421,000 was charged to the investment reserve of the Group in 2023 (2022: gain of HK\$44,240,000) pursuant to applicable accounting standards.

## **Discloseable Transaction**

As disclosed in the announcements published by the Company on 22nd September, 2023, 21st December, 2023 and 15th March, 2024, the Group has entered into an equity transfer agreement as supplemented by two supplemental agreements, pursuant to which the Group has agreed to sell and transfer 100% equity interest in Shanghai Cheng Qi Technology Limited, which is an indirect wholly owned subsidiary of the Company and holds the entire interests in a non-core project of the Group, Tomson Waigaoqiao Industrial Park, to an independent third party at a consideration of RMB405.84 million (the "Disposal"). Pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), the Disposal constitutes a discloseable transaction of the Company. The Group has received 40% of the consideration and the Disposal is expected to be completed in mid-April 2024 upon receipt of the remaining 60% of the consideration.

## **FINANCIAL REVIEW**

### **Share Capital**

The Company issued 81,122,062 new shares of HK\$0.50 each on 15th June, 2023 at a price of HK\$1.5998 per share to the shareholders of the Company who have elected to receive shares of the Company, credited as fully paid, in lieu of cash under scrip dividend scheme in respect of the interim dividend for the year ended 31st December, 2022. There were 2,052,147,187 issued shares in the capital of the Company as at 31st December, 2023.

### **Liquidity and Financing Position**

As at 31st December, 2023, total assets of the Group decreased by approximately 2.31% to HK\$18,361,211,000 (2022: HK\$18,795,314,000). Equity attributable to owners of the Company was HK\$12,006,560,000 (2022: HK\$12,388,347,000) in total, representing a decrease of approximately 3.08% which was mainly attributable to depreciation in value of Renminbi during the year under review, while the equity attributable to owners of the Company per share amounted to approximately HK\$5.85 (2022: HK\$6.29).

The Group's operations and investments for the year ended 31st December, 2023 were funded by cash on hand, revenue from operating and investing activities, and bank borrowings.

At the end of the reporting period, the cash and cash equivalents of the Group amounted to HK\$3,541,040,000 (2022: HK\$3,966,071,000), a decrease of approximately 10.72%. During the year under review, the Group achieved net cash inflow of HK\$102,810,000 from its investing activities. After taking account of net cash outflows of HK\$299,903,000 and HK\$100,603,000 from its operating and financing activities respectively, the Group recorded a net decrease in cash and cash equivalents of HK\$297,696,000 during the year under review (2022: HK\$136,246,000). The net cash outflow was mainly attributable to the payment of construction cost of the properties under development of the Group.

Cash and cash equivalents of the Group are mainly denominated in the local currencies of the jurisdictions in which it operates. Hence, of the Group's cash and cash equivalents of HK\$3,541,040,000 as at 31st December, 2023, around 88.32% and 10.04% were denominated in Renminbi and Hong Kong Dollar respectively.

As at 31st December, 2023, of the liabilities of the Group of HK\$6,218,040,000 (2022: HK\$5,967,079,000 excluding contract liability which represented the deposits received from sale of properties), about 60.30% were tax payables under current liabilities, about 14.64% were deferred tax liabilities, about 17.39% were trade and other payables and accruals, about 6.04% were borrowings, about 1.35% were liabilities classified as held for sale and the remainder was lease liability.

The Group's borrowings as at 31st December, 2023 amounted to HK\$375,811,000 (2022: HK\$242,451,000), equivalent to approximately 3.13% (2022: 1.96%) of the equity attributable to owners of the Company at the same date. All of the borrowings were under security and subject to floating interest rates. Approximately 55.43% of the borrowings were denominated in Renminbi while the rest was denominated in Hong Kong Dollar. Of these borrowings, approximately 51.50% were due for repayment within one year from the end of the reporting period, approximately 6.93% were repayable more than one year but not exceeding two years from the end of the reporting period, approximately 20.79% were due for repayment more than two years but not exceeding five years from the end of the reporting period while the remaining 20.78% was repayable more than five years from the end of the reporting period. The Group did not employ any other financial instruments for financing and treasury management.

At the end of the reporting period, the Group had commitments in relation to expenditure on properties under development of HK\$2,308,957,000 (2022: HK\$384,951,000) which were contracted but not provided for. The increase in commitments was mainly attributable to the development of Jinqiao Town project in Shanghai. The Group anticipates that these commitments will be funded from its future operating revenue, bank borrowings and other sources of finance where appropriate.

As at 31st December, 2023, the Group recorded a current ratio of 2.05 times (2022: 2.12 times) and a gearing ratio (total liabilities to equity attributable to the owners of the Company) of 51.79% (2022: 49.15%). There was no significant change in the current ratio while a slight rise in the gearing ratio was mainly attributable to raising of new borrowing.

### **Charge on Assets**

As at 31st December, 2023, assets of the Group with an aggregate carrying value of HK\$648,980,000 (2022: HK\$476,321,000) were pledged for securing the Group's borrowings of HK\$375,811,000 (2022: HK\$242,451,000).

## **Foreign Exchange Exposure**

The majority of the Group's assets and liabilities are denominated in Renminbi, and the liabilities are well covered by the assets. Should there be a depreciation in value of Renminbi, there may be an adverse impact on the Group's results and net asset value. The other assets and liabilities of the Group are denominated in either Hong Kong Dollar or United States Dollar. Hence, the Group anticipates that the exchange risk exposure is manageable.

## **Contingent Liabilities**

The Group had no material contingent liabilities as at 31st December, 2023 (2022: Nil).

## **PROSPECTS**

Worldwide economy has been recovering in the post pandemic era. However, the recent Israel-Palestine conflict and prolonged military conflicts between Russia and Ukraine result in severe uncertainties in the financial and political situation of the whole world and other geo-political factors have further negatively affected the global economic development. The Group would keep monitoring the international situation closely especially when contemplating any future development, and any financial impact on the operations of the Group, should this happen, would be reflected in the financial statements of the Group for the year 2024. Whilst property development and investment will remain the focus of the Group's business and investment strategies, the Board would regularly review the business portfolio of the Group and prudently explore and evaluate other potential investment opportunities. It will be the objective of the Group to maintain an optimum balance in the allocation of its resources both geographically and in different business segments.

The property market will likely be volatile in the short term under the weight of high interest rates and subdued sentiment. The Board is cautiously optimistic about the economic development of the Mainland of China in the long run. The Group has built up its reputation as a developer of high-end residential properties in the Mainland and will endeavour to maintain the momentum in its sale and leasing plans for the property portfolio. It is anticipated that Tomson Riviera and One Penha Hill will be the Group's principal sources of profit in the year 2024. At the same time, the Group is actively carrying out the construction works and preparing for the marketing plan of Jinqiao Town project in Pudong, Shanghai and this project will form an important component of the Group's property development and investment segment and will be the major profit contributor in next few years.

In light of volatility in the Hong Kong and global financial markets and economic conditions, the management will continue to adopt a conservative approach in managing the securities trading portfolio of the Group, with an emphasis on securities with steady recurrent yield.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the year ended 31st December, 2023, there was no purchase, sale or redemption made by the Company, or any of its subsidiaries, of the Company's listed securities.

## **CORPORATE GOVERNANCE PRACTICES**

The Board of the Company has reviewed the Company's corporate governance practices and considers that the Company has complied with all the applicable code provisions set out in Part 2 of Appendix C1 (previously known as Appendix 14) to the Listing Rules, the Corporate Governance Code (the "CG Code"), during the year ended 31st December, 2023 and up to the date of this annual results announcement, except that:

- (a) Madam Hsu Feng takes up both the posts of Chairman of the Board and Managing Director of the Company. While this is a deviation from the CG Code, dual role leadership provides the Group with a strong and consistent leadership and allows for more effective operation of the business. The Board is of the view that adequate check and balance of power is in place. Responsibilities for the Company's daily business management are shared amongst Madam Hsu and other members of the Executive Committee of the Board. Besides, all major decisions are made in consultation with members of the Board or appropriate committees of the Board in accordance with the provisions of the code on risk management and internal control of the Group.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT FOR THE YEAR 2023**

This annual results announcement is published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited and on the Company's website. The Annual Report 2023 of the Company will be published on the above websites by the end of April 2024, and such report or a notice of publication will be sent to the shareholders of the Company in electronic form by email or in printed form by post (as the case may be).

On behalf of the Board of  
**TOMSON GROUP LIMITED**  
**Hsu Feng**  
*Chairman and Managing Director*

Hong Kong, 26th March, 2024

*As at the date of this announcement, the Board of the Company comprises three executive Directors, Madam Hsu Feng (Chairman and Managing Director), Mr Albert Tong (Vice-Chairman) and Mr Tong Chi Kar Charles (Vice-Chairman), and three independent non-executive Directors, Mr Cheung Siu Ping, Oscar, Mr Lee Chan Fai and Mr Ng Chi Him.*