

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



**Tomson Group**

## **TOMSON GROUP LIMITED**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 258)

### **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE, 2024**

The Board of Directors (the “Board”) of Tomson Group Limited (the “Company”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30th June, 2024 together with comparative figures for the corresponding period of 2023 as follows:

#### **CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Unaudited)**

|  | <i>Notes</i> | <b>Six months ended 30th June</b> |                 |
|--|--------------|-----------------------------------|-----------------|
|  |              | <b>2024</b>                       | <b>2023</b>     |
|  |              | <b>HK\$'000</b>                   | <b>HK\$'000</b> |
| Gross proceeds from operations   | 4 & 5        | <b>133,553</b>                    | 341,648         |
| Revenue  | 4            | <b>129,565</b>                    | 304,291         |
| Cost of sales  |              | <b>(23,097)</b>                   | (124,383)       |
| Gross profit   |              | <b>106,468</b>                    | 179,908         |
| Net (loss) gain on financial assets at fair value through profit or loss |              | <b>(12,590)</b>                   | 828             |
| Other income   |              | <b>46,178</b>                     | 65,273          |
| Forfeiture of deposit  |              | <b>84,786</b>                     | –               |
| Other gains and losses   | 6            | <b>(3,164)</b>                    | (9,789)         |
| Selling expenses   |              | <b>(44,461)</b>                   | (52,070)        |
| Administrative expenses  |              | <b>(60,320)</b>                   | (74,437)        |
| Change in fair value on investment properties                            |              | <b>31,558</b>                     | (17,042)        |
| Finance costs  | 7            | <b>(7,728)</b>                    | (7,124)         |
|  |              | <b>140,727</b>                    | 85,547          |
| Share of results of associates   |              | <b>(110)</b>                      | (397)           |
| Share of result of a joint venture                                       |              | <b>7,602</b>                      | 8,314           |
| Profit before taxation   | 8            | <b>148,219</b>                    | 93,464          |
| Taxation   | 9            | <b>(45,588)</b>                   | (73,001)        |
| Profit for the period  |              | <b>102,631</b>                    | 20,463          |
| Profit (loss) for the period attributable to:                            |              |                                   |                 |
| Owners of the Company  |              | <b>103,669</b>                    | 19,387          |
| Non-controlling interests  |              | <b>(1,038)</b>                    | 1,076           |
|  |              | <b>102,631</b>                    | 20,463          |
| Earnings per share (HK cents)  | 11           |                                   |                 |
| – Basic  |              | <b>5.03</b>                       | 0.98            |

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME (Unaudited)**

|   | <b>Six months ended 30th June</b> |                  |
|---|-----------------------------------|------------------|
|   | <b>2024</b>                       | <b>2023</b>      |
|   | <b>HK\$'000</b>                   | <b>HK\$'000</b>  |
| Profit for the period   | <b>102,631</b>                    | 20,463           |
|   | <hr/>                             | <hr/>            |
| <b>Other comprehensive (expense) income</b>   |                                   |                  |
| <i>Items that may be subsequently reclassified to profit or loss:</i>   |                                   |                  |
| Exchange differences arising from translation of:   |                                   |                  |
| – subsidiaries  | <b>(260,671)</b>                  | (447,018)        |
| – a joint venture   | <b>(4,095)</b>                    | (6,097)          |
| – associates  | <b>(207)</b>                      | (231)            |
| <i>Item that will not be reclassified to profit or loss:</i>  |                                   |                  |
| Change in fair value on equity instrument at fair value through<br>other comprehensive income (net of deferred tax) | <b>(26,054)</b>                   | 1,226            |
|   | <hr/>                             | <hr/>            |
| Other comprehensive expense for the period  | <b>(291,027)</b>                  | (452,120)        |
| <b>Total comprehensive expense for the period</b>   | <b>(188,396)</b>                  | <b>(431,657)</b> |
|   | <hr/> <hr/>                       | <hr/> <hr/>      |
| Total comprehensive expense attributable to:  |                                   |                  |
| Owners of the Company   | <b>(187,358)</b>                  | (425,673)        |
| Non-controlling interests   | <b>(1,038)</b>                    | (5,984)          |
|   | <hr/>                             | <hr/>            |
|   | <b>(188,396)</b>                  | <b>(431,657)</b> |
|   | <hr/> <hr/>                       | <hr/> <hr/>      |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|   | <i>Notes</i> | (Unaudited)<br>30th June<br>2024<br>HK\$'000 | (Audited)<br>31st December<br>2023<br>HK\$'000 |
|---|--------------|--|--|
| <b>Non-Current Assets</b>   |              |  |  |
| Fixed assets  |              |  |  |
| – Investment properties   |              | 7,279,042                                    | 6,993,381                                      |
| – Property, plant and equipment                                       |              | 336,577                                      | 357,656  |
| Goodwill  |              | 33,288                                       | 33,288   |
| Interests in associates   |              | 6,686  | 7,003  |
| Interest in a joint venture   |              | 174,241                                      | 170,734  |
| Club debentures   |              | 515  | 515  |
| Equity instrument at fair value through<br>other comprehensive income |              | 252,176                                      | 293,949  |
| Pledged bank deposit  |              | –  | 39,130   |
| Other receivable  |              | 2,313  | 2,301  |
|   |              | <b>8,084,838</b>                             | <b>7,897,957</b>                               |
| <b>Current Assets</b>   |              |  |  |
| Properties under development  |              | 5,111,755                                    | 5,012,781                                      |
| Properties held for sale  |              | 1,256,229                                    | 1,275,663                                      |
| Trade and other receivables and prepayments                           | 12           | 178,398                                      | 137,113  |
| Financial assets at fair value through profit or loss                 |              | 46,023                                       | 49,257   |
| Inventories   |              | 3,447  | 3,195  |
| Restricted bank balance   |              | 2,751,826                                    | –  |
| Bank deposit  |              | 11,649                                       | 11,934   |
| Cash and bank balances  |              | 3,812,642                                    | 3,526,296                                      |
|   |              | <b>13,171,969</b>                            | <b>10,016,239</b>                              |
| Assets classified as held for sale                                    |              | –  | 447,015  |
|   |              | <b>13,171,969</b>                            | <b>10,463,254</b>                              |
| <b>Current Liabilities</b>  |              |  |  |
| Trade and other payables and accruals                                 | 13           | 896,862                                      | 1,065,997                                      |
| Lease liability   |              | 6,718  | 6,401  |
| Contract liabilities  |              | 2,726,280                                    | –  |
| Tax liabilities   |              | 3,640,206                                    | 3,749,466                                      |
| Borrowings  |              | 1,051,608                                    | 193,539  |
|   |              | <b>8,321,674</b>                             | <b>5,015,403</b>                               |
| Liabilities associated with assets classified as<br>held for sale     |              | –  | 84,183   |
|   |              | <b>8,321,674</b>                             | <b>5,099,586</b>                               |
| <b>Net Current Assets</b>   |              | <b>4,850,295</b>                             | <b>5,363,668</b>                               |
| <b>Total Assets Less Current Liabilities</b>                          |              | <b>12,935,133</b>                            | <b>13,261,625</b>                              |

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(continued)*

|  | <b>(Unaudited)</b><br><b>30th June</b><br><b>2024</b><br><b>HK\$'000</b> | (Audited)<br>31st December<br>2023<br>HK\$'000 |
|--|--|--|
| <b>Capital and Reserves</b>                  |  |  |
| Share capital                                | <b>1,083,198</b>   | 1,026,073                                      |
| Share premium and reserves                   | <b>10,704,885</b>  | 10,980,487                                     |
| Equity attributable to owners of the Company | <b>11,788,083</b>  | 12,006,560                                     |
| Non-controlling interests                    | <b>135,573</b>   | 136,611  |
| <b>Total Equity</b>                          | <b>11,923,656</b>  | 12,143,171                                     |
| <b>Non-Current Liabilities</b>               |  |  |
| Other payables                               | <b>16,261</b>  | 15,089   |
| Lease liability                              | <b>7,348</b>   | 11,084   |
| Borrowing                                    | –  | 182,272  |
| Deferred tax liabilities                     | <b>987,868</b>   | 910,009  |
|  | <b>1,011,477</b>   | 1,118,454                                      |
|  | <b>12,935,133</b>  | 13,261,625                                     |

*Notes:*

1. The condensed consolidated financial statements are unaudited, but have been reviewed by the Audit Committee of the Board of the Company.

**2. BASIS OF PREPARATION**

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

**3. PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th June, 2024 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31st December, 2023.

### 3. PRINCIPAL ACCOUNTING POLICIES (continued)

In the current interim period, the Group has applied the amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1st January, 2024 for the preparation of the Group’s condensed consolidated financial statements.

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or disclosures set out in these condensed consolidated financial statements.

### 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.

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

|  | <b>Six months ended 30th June</b> |                 |
|--|-----------------------------------|-----------------|
|  | <b>2024</b>                       | <b>2023</b>     |
|  | <b>HK\$’000</b>                   | <b>HK\$’000</b> |
| Revenue from sale of properties  | –                                 | 148,822         |
| Revenue from rendering of services from golf club operations                   | <b>22,602</b>                     | 24,275          |
| Revenue from property management fee   | <b>14,433</b>                     | 15,296          |
| Revenue from media and entertainment business                                  | –                                 | 1,596           |
| <b>Revenue from contracts with customers</b>                                   | <b>37,035</b>                     | 189,989         |
| Revenue from lease payments that are fixed                                     | <b>92,530</b>                     | 114,302         |
| <b>Total revenue</b>   | <b>129,565</b>                    | 304,291         |
| Gross proceeds from sale of and dividend income from financial assets at FVTPL | <b>3,988</b>                      | 37,357          |
| <b>Gross proceeds from operations</b>  | <b>133,553</b>                    | 341,648         |

## 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 Notes 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<br>Investment<br>HK\$'000 | Property<br>Development<br>and Trading<br>HK\$'000 | Leisure<br>HK\$'000 | Media and<br>Entertainment<br>HK\$'000 | Securities<br>Trading<br>HK\$'000 | Total<br>HK\$'000 |
|--|------------------------------------|--|---------------------|--|-----------------------------------|-------------------|
| <b><u>For the six months ended</u></b> |                                    |  |                     |  |                                   |                   |
| <b><u>30th June, 2024</u></b>          |                                    |  |                     |  |                                   |                   |
| <b>GROSS PROCEEDS FROM OPERATIONS</b>  |                                    |  |                     |  |                                   |                   |
| Segment revenue                        | <u>106,963</u>                     | <u>–</u>   | <u>22,602</u>       | <u>–</u>                               | <u>3,988</u>                      | <u>133,553</u>    |
| <b>RESULTS</b>                         |                                    |  |                     |  |                                   |                   |
| Segment profit (loss)                  | <u>93,979</u>                      | <u>(28,248)</u>                                    | <u>(3,608)</u>      | <u>(61)</u>                            | <u>(12,594)</u>                   | <u>49,468</u>     |
| Other unallocated income               |                                    |  |                     |  |                                   | 130,964           |
| Unallocated expenses                   |                                    |  |                     |  |                                   | (31,977)          |
| Finance costs                          |                                    |  |                     |  |                                   | (7,728)           |
|  |                                    |  |                     |  |                                   | <u>140,727</u>    |
| Share of results of associates         |                                    |  |                     |  |                                   | (110)             |
| Share of result of a joint venture     |                                    |  |                     |  |                                   | 7,602             |
|  |                                    |  |                     |  |                                   | <u>148,219</u>    |
| <b><u>For the six months ended</u></b> |                                    |  |                     |  |                                   |                   |
| <b><u>30th June, 2023</u></b>          |                                    |  |                     |  |                                   |                   |
| <b>GROSS PROCEEDS FROM OPERATIONS</b>  |                                    |  |                     |  |                                   |                   |
| Segment revenue                        | <u>129,598</u>                     | <u>148,822</u>                                     | <u>24,275</u>       | <u>1,596</u>                           | <u>37,357</u>                     | <u>341,648</u>    |
| <b>RESULTS</b>                         |                                    |  |                     |  |                                   |                   |
| Segment profit (loss)                  | <u>73,413</u>                      | <u>11,713</u>                                      | <u>(622)</u>        | <u>(213)</u>                           | <u>825</u>                        | <u>85,116</u>     |
| Other unallocated income               |                                    |  |                     |  |                                   | 65,273            |
| Unallocated expenses                   |                                    |  |                     |  |                                   | (57,718)          |
| Finance costs                          |                                    |  |                     |  |                                   | (7,124)           |
|  |                                    |  |                     |  |                                   | <u>85,547</u>     |
| Share of results of associates         |                                    |  |                     |  |                                   | (397)             |
| Share of result of a joint venture     |                                    |  |                     |  |                                   | 8,314             |
|  |                                    |  |                     |  |                                   | <u>93,464</u>     |

Except for the presentation of segment revenue which is different from the reported revenue in the condensed consolidated statement of profit or loss, the accounting policies of the operating segments are the same as the Group's accounting policies. The details of revenue from each type of business and reconciliation of segment revenue to the Group's revenue of HK\$129,565,000 (2023: HK\$304,291,000) are set out in 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 income, forfeiture of deposit, other gains and losses and finance costs. This is the measure reported to the executive Directors of the Company for the purposes of resources allocation and performance assessment.

**6. OTHER GAINS AND LOSSES**

|   | <b>Six months ended 30th June</b> |                 |
|---|-----------------------------------|-----------------|
|   | <b>2024</b>                       | <b>2023</b>     |
|   | <b>HK\$'000</b>                   | <b>HK\$'000</b> |
| Net impairment losses reversed on trade and other receivables | <b>108</b>                        | 188             |
| Net exchange loss   | <b>(3,272)</b>                    | (9,977)         |
|   | <u><b>(3,164)</b></u>             | <u>(9,789)</u>  |

**7. FINANCE COSTS**

|                             | <b>Six months ended 30th June</b> |                 |
|-----------------------------|-----------------------------------|-----------------|
|                             | <b>2024</b>                       | <b>2023</b>     |
|                             | <b>HK\$'000</b>                   | <b>HK\$'000</b> |
| Interest on borrowings      | <b>16,079</b>                     | 7,087           |
| Less: interest capitalized  | <b>(8,759)</b>                    | –               |
|                             | <u><b>7,320</b></u>               | <u>7,087</u>    |
| Interest on lease liability | <b>408</b>                        | 37              |
|                             | <u><b>7,728</b></u>               | <u>7,124</u>    |

**8. PROFIT BEFORE TAXATION**

|   | <b>Six months ended 30th June</b> |                 |
|---|-----------------------------------|-----------------|
|   | <b>2024</b>                       | <b>2023</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>15,644</b>                     | 12,186          |
| Depreciation of right-of-use assets   | <b>4,349</b>                      | 5,132           |
| and after crediting:  |                                   |                 |
| Other income  |                                   |                 |
| – Interest income   | <b>37,740</b>                     | 33,212          |
| – Dividend from unlisted equity instrument at fair value through other comprehensive income | <b>–</b>                          | 18,470          |
|   | <u><b>–</b></u>                   | <u>18,470</u>   |

## 9. TAXATION

|  | <b>Six months ended 30th June</b> |          |
|--|-----------------------------------|----------|
|  | <b>2024</b>                       | 2023     |
|  | <b>HK\$'000</b>                   | HK\$'000 |
| The charge (credit) comprises:   |                                   |          |
| The Mainland of the People's Republic of China<br>(the "Mainland China") Enterprise Income Tax | <b>13,087</b>                     | 41,328   |
| Mainland China Land Appreciation Tax   | –                                 | 74,467   |
| Dividend Withholding Tax   | <b>2,964</b>                      | –        |
| (Overprovision) underprovision in prior period<br>– Mainland China Enterprise Income Tax       | <b>(1,521)</b>                    | 5,584    |
|  | <b>14,530</b>                     | 121,379  |
| Deferred tax charge (credit)   | <b>31,058</b>                     | (48,378) |
| Total tax charges for the period   | <b>45,588</b>                     | 73,001   |

No provision for Hong Kong Profits Tax has been made since there was no assessable profit for the period (2023: the assessable profit was wholly absorbed by tax losses brought forward).

The Mainland China Land Appreciation Tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land use rights and all property development expenditures.

The Mainland China Enterprise Income Tax has been provided at 25% on the estimated assessable profit of the subsidiaries in the Mainland China for both periods.

## 10. DIVIDEND

The Directors of the Company do not recommend payment of an interim dividend for the period under review (for the six months ended 30th June, 2023: Nil).

In June 2024, an interim dividend of 10 HK cents per share for the year ended 31st December, 2023 (2023: interim dividend of 8.50 HK cents per share for 2022) amounting to approximately HK\$205,215,000 (2023: HK\$167,537,000) in aggregate was paid to shareholders. Of the dividend paid during 2024, approximately HK\$174,096,000 (2023: HK\$129,779,000) were settled in fully paid shares under the Company's scrip dividend scheme approved by the Board on 26th March, 2024.



## 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:

|   | <b>Six months ended 30th June</b> |                             |
|---|-----------------------------------|-----------------------------|
|   | <b>2024</b>                       | <b>2023</b>                 |
|   | <b>HK\$'000</b>                   | <b>HK\$'000</b>             |
| <b>Earnings</b>   |                                   |                             |
| Profit for the period attributable to owners of the Company for the purpose of basic earnings per share | <b><u>103,669</u></b>             | <b><u>19,387</u></b>        |
| <b>Number of shares</b>   |                                   |                             |
| Weighted average number of ordinary shares for the purpose of basic earnings per share                  | <b><u>2,062,819,020</u></b>       | <b><u>1,977,747,948</u></b> |

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

## 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. The Group seeks to maintain strict control over its outstanding receivables to minimize credit risks.

The following is an aged analysis of trade receivables, net of impairment losses, based on invoice date which approximated the revenue recognition date:

|              | <b>30th June</b>    | <b>31st December</b> |
|--------------|---------------------|----------------------|
|              | <b>2024</b>         | <b>2023</b>          |
|              | <b>HK\$'000</b>     | <b>HK\$'000</b>      |
| 0 – 3 months | <b><u>1,152</u></b> | <b><u>533</u></b>    |

## 13. TRADE AND OTHER PAYABLES AND ACCRUALS

The following is an aged analysis of trade payables based on invoice date:

|               | <b>30th June</b>      | <b>31st December</b>  |
|---------------|-----------------------|-----------------------|
|               | <b>2024</b>           | <b>2023</b>           |
|               | <b>HK\$'000</b>       | <b>HK\$'000</b>       |
| 0 – 3 months  | <b>133,457</b>        | <b>263,059</b>        |
| 4 – 6 months  | <b>35</b>             | <b>7</b>              |
| 7 – 12 months | <b>1,026</b>          | <b>1,188</b>          |
| Over 1 year   | <b>55,514</b>         | <b>56,919</b>         |
|               | <b><u>190,032</u></b> | <b><u>321,173</u></b> |

## **GENERAL OVERVIEW**

The Group reported a substantial increase in consolidated profit after taxation for the first half of 2024. It was mainly attributable to a forfeiture of deposit of HK\$84,786,000 upon termination of a disposal of 100% equity interest in a wholly owned subsidiary of the Company which is in possession of the legal title to Tomson Waigaoqiao Industrial Park. On the other hand, the gross proceeds from operations of the Group decreased to HK\$133,553,000 for the six months ended 30th June, 2024 (2023: HK\$341,648,000) since no sale proceeds could be recognized as revenue pursuant to the accounting standards. Excluding an unrealized net gain on fair value changes of its investment properties of HK\$31,558,000 (2023: loss of HK\$17,042,000) upon market valuation as at the period end pursuant to applicable accounting standards, the operating profit before taxation of the Group amounted to HK\$109,169,000 for the period under review (2023: HK\$102,589,000).

Taking account of taxation of HK\$45,588,000 (2023: HK\$73,001,000), the Group reported a consolidated profit after taxation attributable to shareholders of the Company of HK\$103,669,000 for the first half of 2024, a significant increase of approximately 4.35 times as compared with that of HK\$19,387,000 for the corresponding period in 2023. Basic earnings per share was 5.03 HK cents (2023: 0.98 HK cent).

The Board of the Company does not recommend payment of an interim dividend for the six months ended 30th June, 2024 (interim dividend for the six months ended 30th June, 2023: Nil).

## **OPERATIONS REVIEW**

The Group maintains its principal base of operations in the Mainland of the People's Republic of China ("China"), particularly Shanghai, during the period under review.

For the first six months of 2024, the property investment segment was the primary profit maker of the Group and this contributed a segment profit of HK\$93,979,000 (2023: HK\$73,413,000), which was attributable to the rental and property management fee from the investment properties of the Group in Shanghai in addition to the unrealized net gain on fair value changes of these investment properties upon revaluation at the period end.

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

### **Property Development and Investment**

Property development and investment remained the core business of the Group for the period under review. Property investment segment was the principal source of profit of the Group and generated revenue of HK\$106,963,000 which accounted for approximately 80.09% of the gross proceeds from operations of the Group for the six months ended 30th June, 2024. All the revenue was contributed by the projects in Pudong of Shanghai, China. In addition, an unrealized net gain on fair value changes of the investment properties of the Group in Shanghai of HK\$31,558,000 was recorded at the period end.

Property development and trading segment could not recognize any sale proceeds before the delivery of the properties to the buyers pursuant to the accounting standards and therefore reported loss.

As a result, the property segment reported a net segment profit of HK\$65,731,000 for the first half of 2024 (2023: HK\$85,126,000). Tomson Riviera was the prime source of operating profit of the Group. The property projects in the Macao Special Administrative Region ("Macao") and the Hong Kong Special Administrative Region ("Hong Kong") of China did not record any revenue.

### **Tomson Riviera, Shanghai**

Tomson Riviera comprises four residential towers erected along the riverfront of Lujiazui of Pudong and overlooking the Bund. To maximize the return on investment, two towers are earmarked for sale while the other two towers are for leasing.

As at 30th June, 2024, 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, around 64% was leased.

For the first six months of 2024, the project recognized total revenue of HK\$64.56 million which represented approximately 48.34% of the gross proceeds from operations of the Group. The revenue was principally attributable to rental income with the rest derived from 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\$41.80 million to the Group and this accounted for approximately 31.30% of the gross proceeds from operations of the Group for the period under review. In addition, the Group recorded an unrealized net gain on fair value changes of the aforesaid investment properties of HK\$31.56 million in the interim results of the Group for the first half of 2024.

### **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 period under review, the project recognized revenue of HK\$0.61 million from leasing of the residential units and this represented approximately 0.45% 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 in Puxi, for sale.

### **Tomson Foresta, 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. The Group is actively carrying out the construction works of the property project, namely "Tomson Foresta", and it is scheduled to complete the development in six phases over the coming four years.

The first phase of the project is comprised of 43 units of detached houses with total gross floor area of approximately 25,900 square meters and the construction works are under way. In the first half of 2024, this phase has been launched for sale and 40 units of the detached houses were sold. Sale deposit of HK\$2,726 million was received and will be recognized as revenue upon delivery of the properties to the buyers by the end of the first quarter of 2025.

Construction of the second and the third phases of the project is on schedule and is expected for completion in 2026. They will provide low-rise apartment buildings with total gross floor area of approximately 61,300 square meters and townhouses with total gross floor area of approximately 38,700 square meters respectively. Subject to the policies of and approval from the local government, it is targeted to launch the second phase for sale in the fourth quarter of 2024.

The Group has started the construction of the fourth phase of the project in 2024 and there will be low-rise apartment buildings with total gross floor area of approximately 108,700 square meters. It also targets to resume at the year end the construction of a low-density residential development with total gross floor area of approximately 29,300 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 gross floor area of approximately 55,800 square meters.

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

The Group holds a 70% interest in a residential condominium development, namely One Penha Hill, at Penha Hill within a designated World Heritage Zone of Macau. The project is earmarked for sale purpose and did not record any sale proceeds for the first half of 2024 under the impact of poor market sentiment. As at 30th June, 2024, 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 holds an office premises situated at the whole 13th Floor of Tower II, Admiralty Centre, Hong Kong as a strategic long-term investment. 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**

Tomson Shanghai Pudong Golf Club in Pudong generated revenue of HK\$22,602,000, being approximately 16.92% of the gross proceeds from operations of the Group, and reported gross profit of HK\$10.16 million for the six months ended 30th June, 2024. The revenue was mainly derived from golfing activities of the Club and the annual membership fee was the secondary source of income. The operation reported a segment loss of HK\$3,608,000 for the period under review (2023: HK\$622,000) after making provision for depreciation of fixed assets.

### **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 74% during the first half of 2024. The operation reported profit for the period under review and the Group shared a net profit of HK\$7,602,000 from this investment (2023: HK\$8,314,000). The hotel management will continue to focus on controlling operating costs as well as increasing marketing efforts on guest rooms operations and food and beverage operations to maintain the profitability of the hotel.

## **Securities Trading**

For the first six months of 2024, the Group's securities trading business in Hong Kong generated revenue of HK\$3,988,000 and this accounted for approximately 2.99% of the gross proceeds from operations of the Group. The revenue was mainly attributable to dividend income and was secondarily derived from sale of trading securities. After taking account of an unrealized loss on changes in fair value, a net loss on the trading securities investments of HK\$12,590,000 was recorded (2023: gain of HK\$828,000).

As at 30th June, 2024, the Group held listed trading securities investments of an aggregate fair value of HK\$46,023,000, representing approximately 0.22% of the Group's total assets. Those were securities 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. No revenue was recognized and a segment loss of HK\$61,000 (2023: HK\$213,000) was recorded during the period under review.

### **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\$252,176,000, representing approximately 1.19% of the Group's total assets as at 30th June, 2024. SZMP is an unlisted company established in Shanghai and is principally engaged in property development and investment therein. During the period under review, no dividend income from SZMP was recognized (2023: HK\$18,470,000) and an unrealized loss on change in fair value of such investment of HK\$34.74 million was charged to the investment reserve of the Group (2023: gain of HK\$1.63 million) pursuant to applicable accounting standards.

### **Discloseable Transaction**

As disclosed in the annual report for 2023 of the Company, the Group had entered into an equity transfer agreement as supplemented by two supplemental agreements (the "Equity Transfer Agreement"), pursuant to which the Group had 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 of Hong Kong Limited (the "Listing Rules"), the Disposal constituted a discloseable transaction of the Company.

As stated in the announcement of the Company on 17th April, 2024, the purchaser had failed to pay the consideration for the Disposal and any other accrued payment in full pursuant to the Equity Transfer Agreement. The Group has therefore given a notice to the purchaser to terminate the Equity Transfer Agreement with effect from 17th April, 2024 and has forfeited the deposit of the Disposal in the amount of HK\$84,786,000. After deducting the deposit of the Disposal and its entitlement to liquidated damages calculated pursuant to the Equity Transfer Agreement, the Group has returned without interest the balance of the consideration received to the purchaser (or to its related parties depending on the original payment arrangement). After the return of the aforesaid sums, all obligations and responsibilities of the Group against the purchaser under the Equity Transfer Agreement have been discharged.

## **FINANCIAL REVIEW**

### **Share Capital**

The Company issued 114,251,393 new shares of HK\$0.50 each on 13th June, 2024 at a price of HK\$1.5238 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 dividend of HK\$174.10 million in aggregate under scrip dividend scheme in respect of the interim dividend for the year ended 31st December, 2023. There were 2,166,398,580 issued shares in the capital of the Company as at 30th June, 2024.

## **Liquidity and Financing**

The Group's operations and investments for the six months ended 30th June, 2024 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\$3,812,642,000 (2023: HK\$3,771,927,000), an increase of approximately 1.08%. During the period under review, the Group achieved net cash inflows of HK\$75,040,000 and HK\$629,758,000 from its investing and financing activities respectively. Taking account of the net cash outflow of HK\$357,407,000 from its operating activities, the Group recorded a net increase in cash and cash equivalents of HK\$347,391,000 during the period under review (2023: net decrease of HK\$47,027,000). The net cash inflow was mainly attributable to the Group's new bank borrowings raised but this was partly offset by the repayment of the Group's bank borrowings and the Company's dividend payment.

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\$3,812,642,000 as at 30th June, 2024, around 90.20% and 8.27% were denominated in Renminbi and Hong Kong Dollar respectively.

As at 30th June, 2024, excluding contract liabilities which represented the deposits received from sale of properties, of the liabilities of the Group of HK\$6,606,871,000 (31st December, 2023: HK\$6,218,040,000), about 55.10% were tax payables under current liabilities, about 15.92% were borrowings, about 14.95% were deferred tax liabilities and about 13.82% were trade and other payables and accruals. The remainder was lease liability.

The Group's borrowings as at 30th June, 2024 amounted to HK\$1,051,608,000 (31st December, 2023: HK\$375,811,000), equivalent to approximately 8.92% (31st December, 2023: 3.13%) of the equity attributable to owners of the Company at the same date. All the borrowings were under security and subject to floating interest rates. Approximately 84.02% of the borrowings were denominated in Renminbi while the rest was denominated in Hong Kong Dollar. Of these borrowings, all were due for repayment within one year 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\$2,132,037,000 (31st December, 2023: HK\$2,308,957,000), which were contracted but not provided for. The commitments were mainly attributable to the development of Tomson Foresta 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 30th June, 2024, the Group recorded a current ratio of 1.58 times (31st December, 2023: 2.05 times) and a gearing ratio (total liabilities to equity attributable to owners of the Company) of 79.17% (31st December, 2023: 51.79%). The drop in current ratio and the rise in the gearing ratio were both mainly attributable to raising of new borrowings and an increase in contract liabilities which represented the deposits received from sale of Phase 1 of Tomson Foresta.

## **Charge on Assets**

As at 30th June, 2024, assets of the Group with an aggregate carrying value of HK\$2,176.23 million (31st December, 2023: HK\$648.98 million) were pledged for securing bank facilities of the Group.

## **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 results and net asset value of the Group. 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**

At the end of the reporting period, the Group had no material contingent liabilities (31st December, 2023: Nil).

## **PROSPECTS**

Global financial situation and economic development currently suffer from the trade barriers between various major economies as well as geo-political tensions and uncertainties. The Group would keep monitoring the international situation closely 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 sector will remain the focus of the Group's business and investment strategies, the Board of the Company 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.

Though the property market will 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 in Shanghai and Macau. It is anticipated that Tomson Riviera will be the Group's principal sources of profit for the year 2024 while Tomson Foresta forms an important component of the Group's property development and investment segment and will be the major profit contributor in next few years.

Considering 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 six months ended 30th June, 2024, there was no purchase, sale or redemption made by the Company, or any of its subsidiaries, of the Company's listed securities (including sale of treasury shares).

## **CORPORATE GOVERNANCE PRACTICES**

The Board of the Company considers that the Company has complied with all the applicable code provisions set out in Part 2 of Appendix C1 to the Listing Rules, the Corporate Governance Code (the “CG Code”), throughout the period of six months ended 30th June, 2024, 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 INTERIM RESULTS AND INTERIM REPORT FOR THE SIX MONTHS ENDED 30TH JUNE, 2024**

This interim results announcement is published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited and on the Company’s website. The Interim Report 2024 of the Company will be published on the above websites by the end of September 2024, and 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, 28th August, 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.*