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TAI SANG LAND DEVELOPMENT LIMITED

大生地產發展有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 89)

ANNOUNCEMENT OF 2015 RESULTS

FINANCIAL HIGHLIGHTS

For the year ended 31st December 2015

- Revenue increased by 11.1% to HK\$278.9 million.
- Profit for the year decreased by 55.3% to HK\$282.7 million.
- Underlying profit increased by 47.2% to HK\$63.9 million.
- Final dividend proposed of HK6 cents per ordinary share.

The board of directors of Tai Sang Land Development Limited (the “Company”) announced the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31st December 2015 are as follows:

**1. CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST DECEMBER 2015**

	<i>Note</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenues	(3)	278,891	251,007
Cost of sales	(4)	(82,633)	(78,683)
Gross profit		196,258	172,324
Fair value gains on investment properties		240,598	644,699
Other income, net	(5)	8,114	1,586
Administrative expenses	(4)	(104,465)	(94,209)
Other operating expenses	(4)	(9,653)	(11,801)
Operating profit		330,852	712,599
Finance income	(6)	28	43
Finance costs	(6)	(12,553)	(12,894)
Finance costs, net		(12,525)	(12,851)
Profit before income tax		318,327	699,748
Income tax expense	(7)	(35,578)	(67,653)
Profit for the year		282,749	632,095
Attributable to:			
Owners of the Company		263,268	620,250
Non-controlling interests		19,481	11,845
		282,749	632,095
Earnings per share (basic and diluted)	(8)	HK\$0.92	HK\$2.16

**2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2015**

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Profit for the year	282,749	632,095
Other comprehensive income		
<u>Items that may be reclassified subsequently to profit or loss</u>		
Net fair value (loss)/gain on available-for-sale financial assets	(3,171)	4,468
Recycle to profit or loss upon disposal of available-for-sale financial assets	(7,996)	–
Exchange translation differences	–	3
	(11,167)	4,471
<u>Items that will not be reclassified subsequently to profit or loss</u>		
Revaluation surplus upon transfer from property, plant and equipment	549,850	–
Other comprehensive income for the year	538,683	4,471
Total comprehensive income for the year	821,432	636,566
Total comprehensive income attributable to:		
Owners of the Company	803,603	623,390
Non-controlling interests	17,829	13,176
	821,432	636,566

**3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2015**

	<i>Note</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		1,319,481	757,442
Investment properties		6,381,584	5,927,858
Available-for-sale financial assets		53,100	56,489
Prepayments		13,894	6,479
		<u>7,768,059</u>	<u>6,748,268</u>
Current assets			
Properties for sale		101,713	100,789
Inventory		23	39
Debtors and prepayments	<i>(10)</i>	21,294	22,113
Current income tax recoverable		289	568
Cash and cash equivalents		57,501	40,637
		<u>180,820</u>	<u>164,146</u>
Total assets		<u>7,948,879</u>	<u>6,912,414</u>
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital		417,321	417,321
Reserves		5,960,915	5,200,463
		<u>6,378,236</u>	<u>5,617,784</u>
Non-controlling interests		194,290	180,905
		<u>6,572,526</u>	<u>5,798,689</u>
Non-current liabilities			
Long term bank loans – secured		519,364	265,889
Deferred income tax liabilities		275,501	243,221
		<u>794,865</u>	<u>509,110</u>
Current liabilities			
Rental and other deposits		62,609	59,585
Creditors and accruals	<i>(11)</i>	47,193	46,939
Current income tax liabilities		27,038	27,680
Short term bank loans – secured		302,000	462,800
Bank overdrafts – secured		–	527
Current portion of long term bank loans – secured		142,648	7,084
		<u>581,488</u>	<u>604,615</u>
Total equity and liabilities		<u>7,948,879</u>	<u>6,912,414</u>

(1) Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and available-for-sale financial assets at fair value.

The Group had net current liabilities of HK\$400,668,000 as at 31st December 2015. The current liabilities mainly included short term bank loans of HK\$302,000,000 and current portion of long term bank loan of HK\$142,648,000. Based on the Group’s history of refinancing, its available banking facilities and its assets backing, the directors consider that the Group will be able to obtain sufficient financial resources so as to enable it to operate and meet its liabilities as and when they fall due. The directors believe that the Group will continue as a going concern and consequently prepared the consolidated financial statements on a going concern basis.

Adoption of new HKFRSs

In 2015, the Group adopted the following amendments to HKFRSs, which are mandatory for accounting periods beginning on or after 1st January 2015. The adoption of these amendments to standards does not have any significant impact to the results and financial position of the Group.

HKAS 19 (Amendment)	Defined Benefit Plans: Employee Contributions
HKFRSs (Amendment)	Annual Improvements 2010-2012
HKFRSs (Amendment)	Annual Improvements 2011-2013

New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

New standards, amendments and improvements to existing standards that are not yet effective for the year ended 31st December 2015 and have not been early adopted by the Group

The following are new standards and amendments to existing standards that have been published and are relevant and mandatory for the Group’s accounting periods beginning on or after 1st January 2016, but have not been early adopted by the Group.

		Effective for annual periods beginning on or after
HKAS 1 (Amendment)	Disclosure Initiative	1st January 2016
HKAS 16 and HKAS 38 (Amendment)	Clarification of Acceptable Methods of Depreciation and Amortisation	1st January 2016
HKAS 27 (Amendment)	Equity Method in Separate Financial Statements	1st January 2016
HKFRS 9	Financial Instruments	1st January 2018
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investment Entities: Applying the Consolidation Exception	1st January 2016
HKFRS 14	Regulatory Deferral Accounts	1st January 2016
HKFRS 15	Revenue from Contracts with Customers	1st January 2018
HKFRSs (Amendment)	Annual Improvements 2012-2014	1st January 2016

The Group will adopt the above new standards and amendments to existing standards as and when they become effective. The Group has already commenced the assessment of the impact to the Group and is not yet in a position to state whether these would have a significant impact on its results of operations and financial position.

(2) Requirement in connection with publication of “non-statutory accounts” under section 436 of the New Hong Kong Company Ordinance (Cap. 622)

The financial information relating to the years ended 31st December 2015 and 2014 included in this preliminary announcement of annual results for the year ended 31st December 2015 does not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the New Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31st December 2014 to the Registrar of Companies as required by section 109(3) of the predecessor Hong Kong Companies Ordinance (Cap. 32).

The Company will deliver the financial statements for the year ended 31st December 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the New Hong Kong Companies Ordinance (Cap. 622) in due course.

The Company’s auditor has reported on the financial statements of the Group for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the New Hong Kong Companies Ordinance (Cap. 622).

(3) Revenues and segment information

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

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

There are no sales between the operating segments.

Operating segments

	Hong Kong <i>HK\$'000</i>	North America <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended 31st December 2015			
Segment revenues			
Property rental	192,818	56,251	249,069
Property related services	12,832	–	12,832
Hotel operations	15,361	–	15,361
Restaurant operations	1,629	–	1,629
	<hr/>	<hr/>	<hr/>
Total segment revenues	<u>222,640</u>	<u>56,251</u>	<u>278,891</u>
Segment results – underlying profit			
– Property rental and related services	49,484	15,596	65,080
– Hotel operations	1,408	–	1,408
– Restaurant operations	(2,578)	–	(2,578)
Fair value gains on investment properties	198,061	42,537	240,598
Deferred income tax, net	–	(21,759)	(21,759)
	<hr/>	<hr/>	<hr/>
Profit for the year	<u>246,375</u>	<u>36,374</u>	<u>282,749</u>
Included in segment results:			
Finance income	7	21	28
Finance costs	(9,781)	(2,772)	(12,553)
Income tax expense (note)	(13,806)	(13)	(13,819)
Depreciation	(13,368)	(1,616)	(14,984)
	<hr/>	<hr/>	<hr/>
Capital expenditure	<u>242,366</u>	<u>589</u>	<u>242,955</u>
At 31st December 2015			
Property, plant and equipment	1,305,504	13,977	1,319,481
Investment properties	5,632,550	749,034	6,381,584
Non-current prepayments	4,669	9,225	13,894
	<hr/>	<hr/>	<hr/>
Non-current assets (excluding available-for-sale financial assets)	6,942,723	772,236	7,714,959
Non-current available-for-sale financial assets	53,100	–	53,100
Current assets	147,271	33,549	180,820
	<hr/>	<hr/>	<hr/>
Segment assets	<u>7,143,094</u>	<u>805,785</u>	<u>7,948,879</u>
Current liabilities	568,010	13,478	581,488
Non-current liabilities	483,331	311,534	794,865
	<hr/>	<hr/>	<hr/>
Segment liabilities	<u>1,051,341</u>	<u>325,012</u>	<u>1,376,353</u>

	Hong Kong <i>HK\$ '000</i>	North America <i>HK\$ '000</i>	Total <i>HK\$ '000</i>
For the year ended 31st December 2014			
Segment revenues			
Property rental	175,852	48,666	224,518
Property related services	9,478	–	9,478
Hotel operations	16,163	–	16,163
Restaurant operations	848	–	848
	<u>202,341</u>	<u>48,666</u>	<u>251,007</u>
Total segment revenues			
Segment results – underlying profit			
– Property rental and related services	34,222	9,845	44,067
– Hotel operations	1,814	–	1,814
– Restaurant operations	(2,480)	–	(2,480)
Fair value gains on investment properties	533,775	110,924	644,699
Deferred income tax, net	–	(56,005)	(56,005)
	<u>567,331</u>	<u>64,764</u>	<u>632,095</u>
Profit for the year			
Included in segment results:			
Finance income	6	37	43
Finance costs	(9,963)	(2,931)	(12,894)
Income tax expense (note)	(11,635)	(13)	(11,648)
Depreciation	(16,099)	(1,215)	(17,314)
	<u>175,709</u>	<u>12,012</u>	<u>187,721</u>
Capital expenditure			
At 31st December 2014			
Property, plant and equipment	741,850	15,592	757,442
Investment properties	5,221,950	705,908	5,927,858
Non-current prepayments	6,479	–	6,479
	<u>5,970,279</u>	<u>721,500</u>	<u>6,691,779</u>
Non-current assets (excluding available-for-sale financial assets)			
Non-current available-for-sale financial assets	56,489	–	56,489
Current assets	138,019	26,127	164,146
	<u>6,164,787</u>	<u>747,627</u>	<u>6,912,414</u>
Segment assets			
Current liabilities	592,570	12,045	604,615
Non-current liabilities	217,926	291,184	509,110
	<u>810,496</u>	<u>303,229</u>	<u>1,113,725</u>
Segment liabilities			

Note: The amount excludes deferred income tax on fair value changes on investment properties.

(4) Cost and expenses

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Auditors' remuneration		
– audit services	2,656	2,460
– non-audit services	647	521
Bad debts written off	2	–
Depreciation	14,984	17,314
Outgoings in respect of		
– investment properties	44,246	43,312
– properties for sale	7,407	7,834
– property related services	11,593	10,103
– property, plant and equipment	2,700	1,212
– hotel operations	10,398	9,179
– restaurant operations	4,057	3,102
Operating lease rental for office premises to a related company	4,368	3,508
Employee benefit expense	79,567	72,458
Others	14,126	13,690
	<u>196,751</u>	<u>184,693</u>
Total cost of sales, administrative and other operating expenses	<u>196,751</u>	<u>184,693</u>

(5) Other income, net

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Dividend income from listed available-for-sale financial assets	1,419	2,151
Loss on disposal of property, plant and equipment, net	(1,083)	(565)
Gain on disposal of available-for-sale financial assets	7,778	–
	<u>8,114</u>	<u>1,586</u>

(6) Finance income and costs

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Finance income		
Interest income from banks	28	43
Finance costs		
Interest expenses		
– bank loans and overdrafts wholly repayable within five years	(23,233)	(15,717)
– bank loan wholly repayable after five years	–	(2,931)
	(23,233)	(18,648)
Less: Amount capitalised in property under development and investment property	10,680	5,754
	(12,553)	(12,894)
Finance costs, net	(12,525)	(12,851)

(7) Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits for the year. Except for the minimum United States state tax which has been paid during the year, no overseas taxation (2014: HK\$Nil) has been provided as there is no estimated taxable profit for the overseas subsidiaries for the year.

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current income tax		
– Hong Kong profits tax	(3,542)	(4,228)
– overseas taxation	(13)	(13)
– over provision in prior years	257	180
	(3,298)	(4,061)
Deferred income tax	(32,280)	(63,592)
	(35,578)	(67,653)

(8) Earnings per share

The calculation of basic earnings per share is based on profit attributable to owners of the Company of HK\$263,268,000 (2014: HK\$620,250,000) and on 287,669,676 (2014: 287,669,676) ordinary shares in issue during the year.

As there are no dilutive potential ordinary shares as at 31st December 2015 and 2014, the diluted earnings per share is equal to the basic earnings per share.

(9) Dividends

The dividend paid in 2015 and 2014 were HK\$28,767,000 (HK10 cents per share) and HK\$23,014,000 (HK8 cents per share) respectively. At a meeting held on 18th March 2016, the directors proposed a final dividend of HK6 cents per ordinary share. This proposed dividend is not reflected as a dividend payable in the consolidated financial statements, but will be reflected as an appropriation of retained profits for the year ending 31st December 2016 upon the approval by the shareholders.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interim, paid, of HK10 cents (2014: HK8 cents) per ordinary share	28,767	23,014
Final, proposed, of HK6 cents (2014: HK5 cents) per ordinary share	17,260	14,383
	<u>46,027</u>	<u>37,397</u>

(10) Debtors and prepayments

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade debtors	379	631
Prepayments, deposits and other debtors	20,915	21,482
	<u>21,294</u>	<u>22,113</u>

The trade debtors represent rental and management fee receivables. The Group normally does not grant credit period to rental receivables, and grants 30 days credit period to management fee receivables.

At 31st December 2015, the ageing analysis of the trade debtors was as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current	376	546
31-60 days	–	34
61-90 days	–	25
Over 90 days	3	26
	<u>379</u>	<u>631</u>

(11) Creditors and accruals

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade creditors	18,398	9,481
Other creditors	10,635	11,156
Accruals	18,160	26,302
	<hr/> 47,193 <hr/>	<hr/> 46,939 <hr/>

At 31st December 2015, the ageing analysis of the trade creditors was as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current	18,388	8,943
31-60 days	2	526
61-90 days	–	2
Over 90 days	8	10
	<hr/> 18,398 <hr/>	<hr/> 9,481 <hr/>

The financial figures in respect of the preliminary announcement of the Group's results for the year ended 31st December 2015 have been agreed by PricewaterhouseCoopers ("PwC") to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PwC in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC on the preliminary announcement.

PROPOSED FINAL DIVIDEND AND RECORD DATE

An interim dividend of HK10 cents (2014: HK8 cents) per share was paid to shareholders on 24th September 2015. The directors of the Company have resolved to recommend to shareholders at the annual general meeting the payment of a final dividend of HK6 cents (2014: HK5 cents) per share to the shareholders whose names appear on the register of members of the Company at the close of business on 25th May 2016 ("Record Date"). The total distribution for the financial year ended 31st December 2015 will be HK16 cents (2014: HK13 cents) per share. The proposed final dividend will be paid on 14th June 2016 following approval at the Annual General Meeting. In order to qualify for the proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 25th May 2016.

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting of the Shareholders of the Company will be held on 20th May 2016 (the "2016 AGM"). Notice of the 2016 AGM will be published and dispatched to the shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 13th May 2016 to Friday, 20th May 2016 (both dates inclusive), during the period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2016 AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Thursday, 12th May 2016.

CHAIRMAN'S STATEMENT

Result

I am pleased to report that the Group's consolidated profit for 2015 was HK\$282.7 million, a decrease of 55.3% as compared to HK\$632.1 million for 2014. Earnings per share were HK\$0.92 (2014: HK\$2.16), a drop of 57.4% over last year. The fair value gains on investment properties (net of deferred tax) for 2015 was HK\$218.8 million, a drop of HK\$369.9 million as compared to HK\$588.7 million for 2014.

The Group's underlying profit for 2015, being the consolidated profit excluding the effect of the fair value gains on investment properties (net of deferred tax), was approximately HK\$63.9 million, increased by HK\$20.5 million or 47.2% as compared to the corresponding figure of HK\$43.4 million for 2014. The increase in the underlying profit was mainly attributable to the growth in the rental income from Hong Kong and the USA properties.

The revenues of the Group for 2015 was HK\$278.9 million, increased HK\$27.9 million or 11.1% as compared to HK\$251.0 million for 2014.

As at 31st December 2015, the investment properties of the Group were revalued at HK\$6,381.6 million (31st December 2014: HK\$5,927.9 million). Total equity amounted to HK\$6,572.5 million (31st December 2014: HK\$5,798.7 million).

Dividend

The directors have resolved to recommend a final dividend of HK6 cents (2014: HK5 cents) per ordinary share.

Prospects

The recent years of changing local political environment have affected the economic and business environment of Hong Kong. The slowdown of economic activities globally as well as in China may have further effects on Hong Kong in the near future.

Although interest rate in USA has commenced to rise, it is anticipated that the rate will level out in 2016.

All factors considered, we anticipate the economy of Hong Kong will slow down in coming years.

The Group will, as in the past, maintain a prudent policy to minimize exposure to risks and endeavor to maintain a healthy business growth.

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

William Ma Ching Wai

Chairman

Hong Kong, 18th March 2016

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

In Hong Kong, the gross rental income for the year ended 31st December 2015 was HK\$192.8 million, an increase of 9.7% or HK\$17.0 million as compared to last year. There were significant growths in the rental contribution from Gateway ts by HK\$12.4 million or 13.4% as compared to last year. The rental contributions from the commercial, residential and industrial sectors were increased by 5% to 6% as compared to last year. The Group will endeavor to maintain the level of rental income in the coming year.

The hotel room charge income of Hotel LBP for the year ended 31st December 2015 was HK\$15.4 million, a decrease of 5% or HK\$0.8 million as compared to last year. The occupancy rate for 2015 was stable at about 94% in average. The profit generated from the hotel operations for the year ended 31st December 2015 was HK\$1.4 million, a decrease of 22.2% or HK\$0.4 million as compared to last year due to the increase in operation costs. The occupancy of Hotel LBP will remain steady in the coming year.

To offer support to Hotel LBP, we have started a restaurant, Gees, in the same building of the hotel at the latter half of 2014. The restaurant income from Gees for the year ended 31st December 2015 was HK\$3.1 million, including an amount of HK\$1.5 million received from Hotel LBP for the breakfast charges incurred by the hotel guests. The operating loss incurred by Gees for the year 2015 was HK\$2.6 million.

In the USA, the gross rental income from Montgomery Plaza for the year ended 31st December 2015 was HK\$56.3 million, an increase of 15.6% or HK\$7.6 million as compared to last year. The office spaces occupancy rate of Montgomery Plaza was 95% by the year end of 2015 and the weighted average office rent per square feet per annum was US\$47.6. During 2015, San Francisco's office market was robust with strong demand from the tech industry. The gross rental income will remain stable in the coming year.

Hotel development

The foundation work of the hotel development at No. 43 Heung Yip Road, Wong Chuk Hang has been substantially completed in 2015. By the fourth quarter of 2015, a revised plan to develop the site into a combo of hotel, offices and eating places has been submitted to the Town Planning Board. The development is now pending for the outcome of the revised plan application.

Financial Resources

During the year, the Group's total bank borrowings and overdraft increased by HK\$227.7 million to HK\$964.0 million (2014: HK\$736.3 million). The total equity increased by HK\$773.8 million to HK\$6,572.5 million (2014: HK\$5,798.7 million) and the long term bank loans outstanding as at 31st December 2015 was HK\$662.0 million (2014: HK\$272.9 million). The debt to equity ratio was 14.7% (2014: 12.7%).

By the end of December 2015, banking facilities in the aggregate principal amount of HK\$1,192 million were arranged to finance and refinance the land premium and construction costs of the hotel development to be erected at No.43 Heung Yip Road, Wong Chuk Hang.

There are sufficient committed banking facilities available for the Group's current funding needs and future business requirements. The Group's financial position remains healthy. There are no exposure to foreign exchange risk as the bank borrowings are in either Hong Kong or US dollars and the repayment of principal and interest will be made by the respective lending currency.

The Group has adopted and maintained the policy of reliance on short-term finances which is more economical because of lower interest rate. In light of the low debt ratio and long term harmonious relationship with our bankers, the Group considers that this policy will continue to be used to lower the operation costs and the current policy will not impose any liquidity risks.

Capital structure of the Group

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

The maturity of the Group's long term bank loans is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
– within one year	142,648	7,084
– in the second year	5,842	137,181
– in the third to fifth years	513,522	6,502
– after the fifth year	–	122,206
	662,012	272,973

The Group's bank borrowings of HK\$964.0 million (2014: HK\$736.3 million) are secured by certain properties with an aggregate carrying amount of HK\$4,722.8 million (2014: HK\$4,365.7 million) and the rental income thereon.

Details of number and remuneration of employees

As at 31st December 2015, the Group employed a total of 170 full-time employees which included the directors of the Company. In addition to salary payment, other benefits include discretionary bonus, insurance, medical schemes and mandatory provident fund schemes.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's issued shares during the year.

CORPORATE GOVERNANCE

The Company complied with the code provisions of Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the year ended 31st December 2015.

The Board of the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Listing Rules and all directors have confirmed that throughout 2015, they have complied with the provision of such Model Code.

AUDIT COMMITTEE'S REVIEW

The Audit Committee has reviewed, in the presence of the external auditor, PwC, the Group's principal accounting policies and the consolidated financial statements for the year ended 31st December 2015.

ANNUAL REPORT

The 2015 Annual Report containing all the information required by the Listing Rules will be published on the Stock Exchange's website and the Company's website at www.tsld.com.

By Order of the Board
William Ma Ching Wai
Chairman

Hong Kong, 18th March 2016

Registrar and Transfer office

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

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