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 2010 RESULTS

The Board of Directors of Tai Sang Land Development Limited (the "Company") announced the consolidated results of the Company and its subsidiary companies (collectively the "Group") for the year ended 31st December 2010 are as follows:

1. CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2010

	Note	**2010** *HK$'000*	2009 *HK$'000*
Revenues	*2*	**164,203**	193,741
Cost of sales	*3*	**(49,636)**	(58,393)
Gross profit		**114,567**	135,348
Fair value gains on investment properties		**663,769**	366,928
Other income and gains, net	*4*	**6,836**	35,228
Administrative expenses	*3*	**(73,961)**	(73,000)
Other operating expenses	*3*	**(13,868)**	(15,945)
Operating profit		**697,343**	448,559
Finance income	*5*	**32**	113
Finance costs	*5*	**(6,203)**	(9,914)
Finance costs, net		**(6,171)**	(9,801)
Profit before income tax		**691,172**	438,758
Income tax expense	*6*	**(110,549)**	(71,976)
Profit for the year		**580,623**	366,782
Attributable to:			
Equity holders of the Company		**558,755**	323,072
Non-controlling interests		**21,868**	43,710
		580,623	366,782
Dividends	*7*	**28,767**	66,164
Dividends per share	*7*		
Interim – paid		**HK 3 cents**	HK 3 cents
Special – paid		**–**	HK 3 cents
Final – proposed		**HK 7 cents**	HK 7 cents
Special – proposed		**–**	HK 10 cents
Total		**HK 10 cents**	HK 23 cents
Earnings per share (basic and diluted)	*8*	**HK$1.94**	HK$1.12

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2010

	2010	2009
	HK$'000	*HK$'000*
Profit for the year	**580,623**	366,782
Other comprehensive income		
Net fair value gain on available-for-sale financial assets	**14,750**	711
Impairment loss on available-for-sale financial assets transferred to income statement	**1,144**	13,633
Exchange translation differences	**34**	–
Release upon maturity of cash flow hedge	**–**	1,779
Other comprehensive income for the year	**15,928**	16,123
Total comprehensive income for the year	**596,551**	382,905
Total comprehensive income attributable to:		
Equity holders of the Company	**573,283**	339,050
Non-controlling interests	**23,268**	43,855
	596,551	382,905

3. CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER 2010

	Note	As at 31st December 2010 HK$'000	As at 31st December 2009 HK$'000 (Restated)	As at 1st January 2009 HK$'000 (Restated)
Non-current assets				
Property, plant and equipment		**165,363**	174,288	185,519
Investment properties		**3,808,829**	3,104,423	2,791,054
Available-for-sale financial assets		**71,451**	56,702	67,950
		4,045,643	3,335,413	3,044,523
Current assets				
Properties for sale		**111,337**	96,428	101,790
Available-for-sale financial assets		**3,332**	11,960	–
Debtors and prepayments	*9*	**25,199**	20,948	23,246
Current income tax recoverable		**1,324**	124	208
Cash and cash equivalents		**24,047**	56,516	29,922
		165,239	185,976	155,166
Current liabilities				
Rental and other deposits		**31,631**	26,569	31,440
Creditors and accruals	*10*	**32,444**	27,495	31,426
Derivative financial instruments		**–**	–	1,778
Current income tax liabilities		**27,656**	27,864	31,431
Short term bank loans – secured		**241,000**	200,000	231,000
Bank overdrafts – secured		**2**	–	1,492
Current portion of long term bank loans – secured		**1,859**	1,859	1,859
		334,592	283,787	330,426
Net current liabilities		**(169,353)**	(97,811)	(175,260)
Total assets less current liabilities		**3,876,290**	3,237,602	2,869,263
Non-current liabilities				
Long term bank loans – secured		**(133,323)**	(135,009)	(136,696)
Deferred income tax liabilities		**(465,629)**	(361,751)	(298,773)
		(598,952)	(496,760)	(435,469)
Net assets		**3,277,338**	2,740,842	2,433,794
Equity				
Capital and reserves attributable to the Company's equity holders				
Share capital		**287,670**	287,670	287,670
Reserves		**2,862,331**	2,317,814	2,044,929
Proposed dividends		**20,137**	48,904	14,383
		3,170,138	2,654,388	2,346,982
Non-controlling interests		**107,200**	86,454	86,812
Total equity		**3,277,338**	2,740,842	2,433,794

Notes:

1. Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets and derivative financial instruments at fair value.

The Group had net current liabilities of HK$169,353,000 as at 31st December 2010. The net current liabilities mainly included short term bank loans of HK$241,000,000, of which a loan of HK$200,000,000 was renewed in December 2010 and was subject to future annual renewal. 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.

In 2010, the Group adopted the following new/revised standards and amendments of HKFRSs, which include all Hong Kong Accounting Standards ("HKASs") and applicable Interpretations, which are effective for the accounting periods beginning on 1st January 2010 and relevant to its operation:

HKFRS 3 (Revised)	Business Combination
HKFRS 8 (Amendment)	Operating Segments
HKAS 1 (Amendment)	Presentation of Financial Statements
HKAS 7 (Amendment)	Statement of Cash Flows
HKAS 17 (Amendment)	Leases
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement

In November 2010, the HKICPA issued HK-Int 5 "Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause" which is effective immediately and is adopted by the Group for the year ended 31st December 2010.

Except that the adoption of HKAS 27 (Revised), HKFRS 3 (Revised), HKAS 17 (Amendment) and HK-Int 5 had resulted in a change in accounting policies as described below, the adoption of the other new HKFRSs in the current year did not have any significant effect on the consolidated financial statements or result in any substantial changes in the Group's significant accounting policies.

(i) HKAS 27 (Revised) required the effects of all transactions with non-controlling interests to be recorded in equity if there was no change in control. These transactions would no longer result in goodwill or gains and losses. When control over a previous subsidiary company was lost, any remaining interest in the entity was remeasured to fair value and the resulting gain or loss was recognised in the income statement.

HKFRS 3 (Revised) continued to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business were to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement. There was a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. When a business combination was achieved in stages, the acquirer should remeasure its previously held interest in the acquiree at its fair value at the date of control is obtained, recognising a gain or loss in the income statement. All acquisition related costs should be expensed.

The changes in the accounting policy in respect of the adoption of HKAS 27 (Revised) and HKFRS 3 (Revised) had been applied prospectively to transactions during the year ended 31st December 2010 and there was no significant effect on the consolidated financial statements.

(ii) HKAS 17 (Amendment) removed the specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating using the general principles of the standard. The change in the accounting policy in respect of the adoption of HKAS 17 (Amendment) had been applied retrospectively.

The Group made reassessment of the unexpired leasehold land located in Hong Kong as at 1st January 2010 on the basis of information existing at the inception of the lease, and concluded that the leasehold land in Hong Kong should be classified as finance lease as such arrangement has substantially transferred all risks and rewards incidental to ownership of the leasehold land to the Group notwithstanding that at the end of the lease term, title will not be passed to the Group.

Leasehold land had been reclassified to property, plant and equipment and amortisation of leasehold land had been reclassified to depreciation retrospectively. The effect of the adoption of the amendment on the consolidated balance sheet at 31st December 2010 was to increase property, plant and equipment by HK$85,608,000 with a corresponding reduction in leasehold land. The depreciation charge for the year ended 31st December 2010 increased by HK$2,327,000 with a corresponding reduction in the amortisation charge. As the adoption of the amendment applies retrospectively, it also resulted in an increase in property, plant and equipment of HK$87,936,000 and HK$90,263,000 with a corresponding reduction in leasehold land as at 31st December 2009 and 1st January 2009 respectively, and an increase in the depreciation charge for the year ended 31st December 2009 of HK$2,327,000 and a corresponding reduction in the amortisation charge for that year. Such reclassification had no effect on the results and net assets of the Group.

In addition, leasehold land included in properties for sale would be accounted for in accordance with HKAS 2 "Inventories". No amortisation on leasehold land was recognised and the leasehold land was measured at the lower of cost and net realisable value. However, no retrospective adjustment has been made to prior year financial statements as this change had no material impact to the consolidated financial statements.

(iii) HK-Int 5 clarifies that under existing HKAS 1, this requires the liability to be classified as current liability if the borrower does not have the unconditional right at the reporting date to defer settlement for at least twelve months after the balance sheet date.

The change in the accounting policy in respect of the adoption of HK-Int 5 had been applied retrospectively and there was no significant effect on the consolidated financial statements.

The HKICPA has issued certain new and revised standards, interpretations and amendments which are not yet effective for the year ended 31st December 2010. Those which are relevant to the Group's operation include:

HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets
HKAS 24 (Revised)	Related Party Disclosures
HKFRS 7 (Amendment)	Disclosures – Transfers of Financial Assets
HKFRS 9	Financial Instruments

Improvements to existing standards

HKAS 1 (Revised) (Amendment)	Presentation of Financial Statements
HKAS 27 (Revised) (Amendment)	Consolidated and Separate Financial Statements
HKAS 34 (Amendment)	Interim Financial Reporting
HKFRS 3 (Revised) (Amendment)	Business Combinations
HKFRS 7 (Amendment)	Financial Instruments: Disclosures

The Group has not early adopted these standards in the consolidated financial statements. The Group is not yet in a position to state whether any substantial changes to the Group's accounting policies and presentation of financial information will be resulted upon adoption of these standards, interpretations and amendments.

2. Revenues and segment information

The chief operating decision-maker has been identified as the Board of 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.

	Hong Kong *HK$'000*	**North America** *HK$'000*	**Total** *HK$'000*
For the year ended 31st December 2010			
Segment revenues			
Property rental	**123,947**	**32,794**	**156,741**
Property related services	**7,462**	**–**	**7,462**
Total segment revenues	**131,409**	**32,794**	**164,203**
Segment results – underlying profit/(loss)	**27,355**	**(5,631)**	**21,724**
Fair value gains on investment properties	**636,176**	**27,593**	**663,769**
Deferred income tax expense on fair value gains on investment properties	**(104,870)**	**–**	**(104,870)**
Profit for the year	**558,661**	**21,962**	**580,623**
Included in segment results:			
Impairment loss on available-for-sale financial assets	**(1,144)**	**–**	**(1,144)**
Finance income	**4**	**28**	**32**
Finance costs	**(3,352)**	**(2,851)**	**(6,203)**
Income tax expense (note)	**(5,667)**	**(12)**	**(5,679)**
Depreciation	**(11,158)**	**(1,504)**	**(12,662)**
Capital expenditure	**46,617**	**6,891**	**53,508**

	Hong Kong	North America	Total
	HK$'000	*HK$'000*	*HK$'000*
At 31st December 2010			
Property, plant and equipment	**149,955**	**15,408**	**165,363**
Investment properties	**3,470,250**	**338,579**	**3,808,829**
Non-current assets (excluding available-for-sale financial assets)	**3,620,205**	**353,987**	**3,974,192**
Non-current available-for-sale financial assets	**71,451**	**–**	**71,451**
Current assets	**148,868**	**16,371**	**165,239**
Segment assets	**3,840,524**	**370,358**	**4,210,882**
Current liabilities	**322,603**	**11,989**	**334,592**
Non-current liabilities	**465,629**	**133,323**	**598,952**
Segment liabilities	**788,232**	**145,312**	**933,544**

	Hong Kong	North America	Total
	HK$'000	*HK$'000*	*HK$'000*
For the year ended 31st December 2009 (Restated)			
Segment revenues			
Property rental	115,839	38,430	154,269
Property sales	32,000	–	32,000
Property related services	7,472	–	7,472
Total segment revenues	155,311	38,430	193,741
Segment results – underlying profit/(loss)	77,532	(3,882)	73,650
Fair value gains/(losses) on investment properties	455,920	(88,992)	366,928
Deferred income tax expense on fair value gains on investment properties	(73,796)	–	(73,796)
Profit/(loss) for the year	459,656	(92,874)	366,782
Included in segment results:			
Impairment loss on available-for-sale financial assets	(13,633)	–	(13,633)
Finance income	1	112	113
Finance costs	(4,279)	(5,635)	(9,914)
Income tax credit/(expense) (note)	1,833	(13)	1,820
Depreciation	(11,020)	(1,584)	(12,604)
Capital expenditure	24,366	2,361	26,727

	Hong Kong *HK$'000*	North America *HK$'000*	Total *HK$'000*
At 31st December 2009 (Restated)			
Property, plant and equipment	157,435	16,853	174,288
Investment properties	2,800,270	304,153	3,104,423
Non-current assets (excluding available-for-sale financial assets)	2,957,705	321,006	3,278,711
Non-current available-for-sale financial assets	56,702	–	56,702
Current assets	172,217	13,759	185,976
Segment assets	3,186,624	334,765	3,521,389
Current liabilities	272,961	10,826	283,787
Non-current liabilities	361,751	135,009	496,760
Segment liabilities	634,712	145,835	780,547

Note:

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

3. Cost and expenses

	2010 ***HK$'000***	2009 *HK$'000* (Restated)
Auditors' remuneration	**2,080**	1,983
Cost of sale of properties for sale	**–**	5,394
Depreciation	**12,662**	12,604
Outgoings in respect of		
– investment properties	**34,954**	37,888
– properties for sale	**7,183**	4,421
– property related services	**6,834**	7,314
– property, plant and equipment	**665**	3,376
Operating lease rental for office premises to a related company	**2,764**	2,626
Staff costs	**51,688**	50,089
Others	**18,635**	21,643
Total cost of sales, administrative and other operating expenses	**137,465**	147,338

4. Other income and gains, net

	2010	2009
	HK$'000	*HK$'000*
Dividend income from available-for-sale financial assets		
– listed	**1,078**	1,201
– unlisted	**4,320**	–
Gain on disposal of investment properties	**1,602**	43,921
Allowance received for disposal of investment properties	**–**	5,525
Gain/(loss) on disposal of property, plant and equipment, net	**58**	(1,786)
Impairment loss on available-for-sale financial assets	**(1,144)**	(13,633)
Forfeiture of unclaimed dividends payable	**922**	–
	6,836	35,228

5. Finance income and costs

	2010	2009
	HK$'000	*HK$'000*
Finance income		
Interest income from banks	**32**	113
Finance costs		
Interest expenses on bank loans and overdrafts wholly repayable within five years	**(6,203)**	(9,914)
Finance costs, net	**(6,171)**	(9,801)

6. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profit for the year. No overseas taxation has been provided as there is no estimated taxable profit of the overseas subsidiary companies for the year, except for minimum United States state tax (2009: HK$Nil).

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

	2010	2009
	HK$'000	*HK$'000*
Current income tax		
– Hong Kong profits tax	**(6,629)**	(8,976)
– overseas taxation	**(12)**	(13)
– under provision in prior years	**(29)**	(9)
	(6,670)	(8,998)
Deferred income tax		
– origination and reversal of temporary differences	**(104,041)**	(73,431)
– reversal upon disposal of investment properties	**162**	10,453
	(103,879)	(62,978)
	(110,549)	(71,976)

7. Dividends

	2010	2009
	HK$'000	*HK$'000*
Interim, paid, of HK3 cents (2009: HK3 cents) per ordinary share	**8,630**	8,630
Special, paid, of HK Nil cents (2009: HK3 cents) per ordinary share	**–**	8,630
Final, proposed, of HK7 cents (2009: HK7 cents) per ordinary share	**20,137**	20,137
Special, proposed, of HK Nil cents (2009: HK10 cents) per ordinary share	**–**	28,767
	28,767	66,164

At a meeting held on 18th March 2011, the directors proposed a final dividend of HK7 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 2011 upon the approval by the shareholders.

8. Earnings per share

The calculation of basic earnings per share is based on profit attributable to equity holders of the Company of HK$558,755,000 (2009: HK$323,072,000) and on 287,669,676 (2009: 287,669,676) ordinary shares in issue during the year.

As there are no dilutive potential ordinary shares as at 31st December 2010 and 2009, the diluted earnings per share is equal to the basic earnings per share.

9. Debtors and prepayments

	2010	2009
	HK$'000	*HK$'000*
Trade debtors	**1,325**	969
Prepayments, deposits and other debtors	**23,874**	19,979
	25,199	20,948

The trade debtors represent rental and management fee receivables. Sales are made on open account terms and the Group normally does not grant credit period to rental receivables, and grants 30 days credit period to management fee receivables.

At 31st December 2010, the ageing analysis of the Group's trade debtors was as follows:

	2010	2009
	HK$'000	*HK$'000*
Current	**434**	436
31-60 days	**275**	122
61-90 days	**218**	1
Over 90 days	**398**	410
	1,325	969

10. Creditors and accruals

	2010	2009
	HK$'000	*HK$'000*
Trade creditors	**11,328**	4,913
Other creditors	**11,209**	11,535
Accruals	**9,907**	11,047
	32,444	27,495

At 31st December 2010, the ageing analysis of the Group's trade creditors was as follows:

	2010	2009
	HK$'000	*HK$'000*
Current	**10,637**	3,100
31-60 days	**183**	84
61-90 days	**31**	–
Over 90 days	**477**	1,729
	11,328	4,913

11. Comparative figures

Certain comparative figures have been restated as a result of the adoption of new/revised standards and amendments of HKFRSs.

The financial figures in respect of the preliminary announcement of the Group's results for the year ended 31st December 2010 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 HK3 cents (2009: an interim dividend of HK3 cents and a special dividend of HK3 cents) per share were paid to shareholders on 22nd September 2010. The directors of the Company have resolved to recommend to shareholders at the Annual General Meeting the payment of a final dividend of HK7 cents (2009: a final dividend of HK7 cents and a special dividend of HK10 cents) per share to the shareholders whose names appear on the register of members of the Company on 23rd May 2011 ("Record Date"). The total distribution for the financial year ended 31st December 2010 will be HK10 cents (2009: HK23 cents) per share. The proposed final dividend will be paid on 31st May 2011 following approval at the Annual General Meeting.

ANNUAL GENERAL MEETING

It is proposed that the Annual General Meeting of the Shareholders of the Company will be held on 23rd May 2011. Notice of Annual General Meeting 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 Monday, 16th May 2011 to Monday, 23rd May 2011, both dates inclusive, during the period no transfer of shares will be registered. 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 Friday, 13th May 2011.

CHAIRMAN'S STATEMENT

Result

I am pleased to report that the Group's consolidated profit for 2010 was HK$580.6 million, compared to HK$366.8 million for 2009. Earnings per share were HK$1.94, an increase of 73.2% over last year. The consolidated profit for 2010 included fair value gains on investment properties (net of deferred tax) of HK$558.9 million, as compared to fair value gains on investment properties (net of deferred tax) of HK$293.1 million for 2009.

The Group's underlying profit for 2010 excluding the effect of fair value changes on investment properties, was approximately HK$21.7 million, decreased by HK$52.0 million or 70.6% as compared to the corresponding figure of HK$73.7 million for 2009. The decrease in the underlying profit was mainly attributable to the significant drop in the gains on disposal of properties in 2010. The gain on disposal of properties for 2010 was HK$1.6 million, dropped by HK$68.9 million as compared to HK$70.5 million in 2009. The drop was partly compensated by the increase in rental income and the decrease in interest expenses.

The revenues of the Group for 2010 was HK$164.2 million, representing a decrease of HK$29.5 million or 15.2% as compared with HK$193.7 million for 2009. The drop was because of no sales of property for sale in 2010, as compared to the sales of property for sale of HK$32.0 million in 2009.

As at 31st December 2010, the investment properties of the Group were revalued at HK$3,808.8 million (31st December 2009: HK$3,104.4 million). Total equity amounted to HK$3,277.3 million (31st December 2009: HK$2,740.8 million).

Dividend

The directors have resolved to recommend a final dividend of HK7 cents (2009: a final dividend of HK7 cents and a special dividend of HK10 cents) per ordinary share.

Business review

In Hong Kong, the gross rental income for the year ended 31st December 2010 was HK$123.9 million, an increase of 7% or HK$8.1 million as compared to the corresponding period last year. Following the completion of major renovation work at 190 Nathan Road, the rental contribution therefrom rebounded significantly by HK$9.9 million. As additional lifts and structural enhancement works were carried out at Tai Sang Container and Godown Centre, the rental contribution therefrom dropped by HK$1.9 million. The overall occupancy of the Group's property portfolio at Hong Kong maintained at about 97% as at the year end.

Further capital expenditures in the structural enhancement and upgrading of the Group's property mix were made during the year and higher rental rates were solicited and reflected on the rental income. The gross annual rental from 190 Nathan Road increased by 47% after major renovation. Upon the completion of the first phrase of upgrading in Tai Sang Container and Godown Centre by the end of 2010 and early 2011, rental in terms of demands and rates per square feet was increasing. In view of these fruitful results, the Group will continue to increase the capital expenditures in properties enhancement in the coming years.

In the USA, the gross rental income from Montgomery Plaza for the year ended 31st December 2010 was HK$32.8 million, a decrease of 14.6% or HK$5.6 million as compared to the corresponding period last year. The office spaces occupancy rate of Montgomery Plaza stabilized at about 81% at the year end of 2010 and the weighted average office rent per square feet per annum dropped to US$34.1. Fundamentals in San Francisco's office market stabilized during 2010, vacancy rates remained level, and office rental rates and net absorption also stabilized. Rental rates are expected to maintain at the current level.

Financial Resources

During the year, the Group's total bank borrowings increased by HK$39.3 million to HK$376.2 million. The total equity increased by HK$536.5 million to HK$3,277.3 million (2009: HK$2,740.8 million) and long term bank loans outstanding as at 31st December 2010 amounted to HK$135.2 million (2009: HK$136.9 million). The debt to equity ratio was 11.5% (2009: 12.3%).

There were sufficient committed banking facilities available for the Group's current funding needs and future business requirements. The Group's financial position remains healthy. Exposure to foreign exchange risk is kept to a minimum as the bank borrowings are in either Hong Kong or US dollars.

Prospects

Inflation in Hong Kong turns more evident in 2011. The recent rises in global food and commodity prices, coupled with the weak US dollar and strong RMB, have added to imported inflation. Business cost pressures from rising commercial rentals and labour cost also become increasingly visible as a consequence of the brisk expansion of the local economy.

Barring any unforeseen circumstances, the Group will continue to pursue its prudent policy and maintain stable earnings for the coming year.

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 2011

(a) 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 United States 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:

	2010	2009
	HK$'000	*HK$'000*
– within one year	**1,859**	1,859
– in the second year	**1,859**	1,859
– in the third to fifth years inclusive	**131,464**	133,150
	135,182	136,868

The Group's bank borrowings of HK$376.2 million (2009: HK$336.9 million) are secured by certain properties with an aggregate carrying amount of HK$1,921.7 million (2009: HK$1,607.9 million) and the rental income thereon.

(b) Significant investment held and their performance and future prospects

The Group held certain listed investments with fair value of HK$58.4 million as at 31st December 2010 as compared to HK$44.7 million as at 31st December 2009. The rise in fair value of certain listed securities in the amount of HK$14.8 million was recognized as a fair value gain in the investment revaluation reserve whereas impairment loss on a listed investment of HK$1.1 million was reflected in the Group's consolidated income statement.

The Group held 12% equity interest in The Yangtze Ventures Limited and The Yangtze Ventures II Limited (collectively "Yangtze"). The fair value of the Group's interest in Yangtze as at 31st December 2010 was HK$16.3 million as compared to the fair value of HK$24.0 million as at 31st December 2009. The drop in the fair value attributed to the settlement of shareholders' loan from Yangtze of HK$8.7 million.

(c) Details of number and remuneration of employees

Including the Directors of the Company, as at 31st December 2010 the Group employed a total of 143 full-time employees. 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 subsidiary companies has purchased or sold any of the Company's issued shares during the year.

CORPORATE GOVERNANCE

During the year ended 31st December 2010, the Company complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

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 2010, 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 2010.

ANNUAL REPORT

The 2010 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 2011

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 eleven Directors, of which Mr. Ma Ching Wai, William, Mr. Ma Ching Hang, Patrick, Mr. Ma Ching Kuen, Alfred, Ms. Ma Ching Sau, Amy, Ms. Ma Ching Man, Katy, Ms. Ma Ching Keung, Ruth and Mr. Ma Ching Yeung, Philip are Executive Directors, Mr. Cheung Wing Yui, Edward is Non-Executive Director, and Mr. Chau Kwok Fun, Kevin, Mr. Tan Soo Kiu and Mr. Wong Hing Kwok, William are Independent Non-Executive Directors.