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 2017 ANNUAL RESULTS

FINANCIAL HIGHLIGHTS

For the year ended 31st December 2017

- Revenue increased by 2.8% to HK$283.6 million.
- Profit for the year increased by 35.3% to HK$517.5 million.
- Underlying profit for the year was HK$43.9 million.
- Final dividend proposed of HK8 cents per ordinary share.

The board of directors of Tai Sang Land Development Limited (the "Company") announced the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st December 2017 are as follows:

1. CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31ST DECEMBER 2017

	Note	**2017**	2016
		HK$'000	*HK$'000*
Revenues	*(3)(a)*	**283,630**	276,033
Cost of sales	*(4)*	**(90,537)**	(83,951)
Gross profit		**193,093**	192,082
Fair value gains on investment properties		**391,152**	356,169
Other gains/(losses), net	*(5)*	**10,309**	(660)
Administrative expenses	*(4)*	**(115,956)**	(110,347)
Other operating expenses	*(4)*	**(10,120)**	(10,477)
Operating profit		**468,478**	426,767
Finance income	*(6)*	**94**	45
Finance costs	*(6)*	**(25,622)**	(15,922)
Finance costs, net		**(25,528)**	(15,877)
Profit before income tax		**442,950**	410,890
Income tax credit/(expense)	*(7)*	**74,543**	(28,370)
Profit for the year		**517,493**	382,520
Attributable to:			
Owners of the Company		**502,055**	373,607
Non-controlling interests		**15,438**	8,913
		517,493	382,520
Earnings per share (basic and diluted)	*(8)*	**HK$1.75**	HK$1.30

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2017

	2017	2016
	HK$'000	*HK$'000*
Profit for the year	**517,493**	382,520
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Net fair value gain/(loss) on available-for-sale financial assets	**1,514**	(500)
Recycle to profit or loss upon disposal and impairment of available-for-sale financial assets	**(4,773)**	1,008
Exchange translation differences	**(2)**	(15)
Other comprehensive income for the year	**(3,261)**	493
Total comprehensive income for the year	**514,232**	383,013
Total comprehensive income attributable to:		
Owners of the Company	**498,623**	374,315
Non-controlling interests	**15,609**	8,698
	514,232	383,013

3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2017

	Note	**2017**	2016
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**1,429,097**	1,339,535
Investment properties		**7,566,706**	6,918,146
Available-for-sale financial assets		**34,760**	51,373
Prepayments		**-**	10,868
		9,030,563	8,319,922
Current assets			
Properties for sale		**101,740**	101,740
Inventory		**50**	32
Debtors and prepayments	*(10)*	**41,737**	18,550
Current income tax recoverable		**91**	124
Cash and cash equivalents		**51,510**	72,382
		195,128	192,828
Total assets		**9,225,691**	8,512,750
Equity and liabilities			
Equity attributable to the owners of the Company			
Share capital		**417,321**	417,321
Reserves		**6,747,553**	6,289,203
		7,164,874	6,706,524
Non-controlling interests		**211,013**	199,383
Total equity		**7,375,887**	6,905,907

	Note	2017	2016
		HK$'000	*HK$'000*
Non-current liabilities			
Long term bank loans – secured		**734,210**	942,421
Deferred income tax liabilities		**247,906**	326,183
		982,116	1,268,604
Current liabilities			
Rental and other deposits		**86,921**	74,711
Creditors and accruals	*(11)*	**49,935**	66,284
Current income tax liabilities		**708**	1,402
Short term bank loans – secured		**345,991**	176,000
Current portion of long term bank loans – secured		**384,133**	19,842
		867,688	338,239
Total equity and liabilities		**9,225,691**	8,512,750

Notes:

(1) Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") and requirements of the Hong Kong Companies Ordinance. 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$672,560,000 as at 31st December 2017. The current liabilities mainly included short term bank loans of HK$345,991,000 and current portion of long term bank loans of HK$384,133,000. 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.

Changes in accounting policy and disclosures

(i) New and amended standards adopted by the Group

The following new standards and amendments to standards are relevant and mandatory to the Group for the first time for the financial year beginning on or after 1st January 2017:

HKAS 7 (Amendment)	Statement of Cash Flows
HKAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of these revised standards did not result in substantial changes to the accounting policies of the Group.

(ii) The following new standards and amendments to standards are relevant and mandatory to the Group for accounting period beginning on or after 1st January 2018 and have not been early adopted by the Group:

		Effective for accounting year beginning on or after
Annual Improvements Project	Annual Improvements 2014-2016 Cycle	1st January 2018
HKAS 40 (Amendment)	Transfers of Investment Property	1st January 2018
HKFRS 9	Financial Instruments	1st January 2018
HKFRS 15	Revenue from Contracts with Customers	1st January 2018
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments	1st January 2019
HKFRS 16	Leases	1st January 2019

The Group has already commenced an assessment of the impact of adopting the above new and amended standards. The Group is not yet in position to state whether they will have a significant impact on the Group's results of operations and financial position. The Group will adopt the above new and amended standards when they become effective.

(2) Requirement in connection with publication of "non-statutory accounts" under Section 436 of the Hong Kong Companies Ordinance Cap.622

The financial information relating to the years ended 31st December 2017 and 2016 included in this preliminary announcement of annual results for the year ended 31st December 2017 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 Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31st December 2016 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622) and will deliver the financial statements for the year ended 31st December 2017 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 Hong Kong Companies Ordinance (Cap. 622).

(3) Revenues and segment information

(a) Revenue recognised during the year are as follows:

	2017	2016
	HK$'000	*HK$'000*
Revenue		
Property rental		
– investment properties	**223,725**	217,546
– properties for sale	**27,140**	27,327
Property related services	**14,147**	13,926
Hotel operations	**15,988**	15,430
Catering operations	**2,630**	1,804
	283,630	276,033

(b) 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 (net of deferred income tax in the United States), and their segment assets and segment liabilities which is measured in a manner consistent with that in the financial statements.

There are no sales between the operating segments.

(c) Operating segments

	Hong Kong *HK$'000*	North America *HK$'000*	Total *HK$'000*
For the year ended 31st December 2017			
Segment revenues			
Property rental	**195,208**	**55,657**	**250,865**
Property related services	**14,147**	**-**	**14,147**
Hotel operations	**15,988**	**-**	**15,988**
Catering operations	**2,630**	**-**	**2,630**
Total segment revenues	**227,973**	**55,657**	**283,630**
Segment results – underlying profit			
– Property rental and related services	**34,273**	**12,473**	**46,746**
– Hotel operations	**1,729**	**-**	**1,729**
– Catering operations	**(4,586)**	**-**	**(4,586)**
Fair value gains/(losses) on investment properties	**421,317**	**(30,165)**	**391,152**
Deferred income tax credit, net	**-**	**82,452**	**82,452**
Profit for the year	**452,733**	**64,760**	**517,493**
Included in segment results:			
Finance income	**8**	**86**	**94**
Finance costs	**(21,812)**	**(3,810)**	**(25,622)**
Income tax expense *(note)*	**(7,895)**	**(14)**	**(7,909)**
Depreciation	**(15,323)**	**(2,515)**	**(17,838)**
Capital expenditure	**336,654**	**31,023**	**367,677**
At 31st December 2017			
Property, plant and equipment	**1,412,007**	**17,090**	**1,429,097**
Investment properties	**6,769,250**	**797,456**	**7,566,706**
Non-current assets (excluding available-for-sale financial assets)	**8,181,257**	**814,546**	**8,995,803**
Non-current available-for-sale financial assets	**34,760**	**-**	**34,760**
Current assets	**163,418**	**31,710**	**195,128**
Segment assets	**8,379,435**	**846,256**	**9,225,691**
Current liabilities	**849,673**	**18,015**	**867,688**
Non-current liabilities	**716,374**	**265,742**	**982,116**
Segment liabilities	**1,566,047**	**283,757**	**1,849,804**

	Hong Kong *HK$'000*	North America *HK$'000*	Total *HK$'000*
For the year ended 31st December 2016			
Segment revenues			
Property rental	189,020	55,853	244,873
Property related services	13,926	-	13,926
Hotel operations	15,430	-	15,430
Catering operations	1,804	-	1,804
Total segment revenues	220,180	55,853	276,033
Segment results			
– Property rental and related services	50,762	16,329	67,091
– Hotel operations	972	-	972
– Catering operations	(1,718)	-	(1,718)
Fair value gains on investment properties	315,603	40,566	356,169
Deferred income tax, net	-	(39,994)	(39,994)
Profit for the year	365,619	16,901	382,520
Included in segment results:			
Finance income	5	40	45
Finance costs	(12,811)	(3,111)	(15,922)
Income tax credit/(expense) *(note)*	11,638	(14)	11,624
Depreciation	(16,217)	(1,783)	(18,000)
Capital expenditure	206,930	13,653	220,583
At 31st December 2016			
Property, plant and equipment	1,326,085	13,450	1,339,535
Investment properties	6,116,150	801,996	6,918,146
Non-current prepayments	9,208	1,660	10,868
Non-current assets (excluding available-for-sale financial assets)	7,451,443	817,106	8,268,549
Non-current available-for-sale financial assets	51,373	-	51,373
Current assets	151,434	41,394	192,828
Segment assets	7,654,250	858,500	8,512,750
Current liabilities	327,200	11,039	338,239
Non-current liabilities	918,801	349,803	1,268,604
Segment liabilities	1,246,001	360,842	1,606,843

Note: The amount excludes net deferred income tax of North America segment.

(4) Cost and expenses

	2017	2016
	HK$'000	*HK$'000*
Auditors' remuneration		
– audit services	**2,660**	2,585
– non- audit services	**598**	560
Depreciation	**17,838**	18,000
Outgoings in respect of		
– investment properties	**46,716**	43,187
– properties for sale	**7,518**	8,201
– property related services	**13,818**	13,063
– property, plant and equipment	**2,422**	2,416
– hotel operations	**10,689**	11,022
– catering operations	**7,106**	3,766
Operating lease rental for office premises to a related company *(note)*	**3,803**	4,368
Employee benefit expense	**92,781**	85,247
Others	**10,664**	12,360
Total cost of sales, administrative expenses and other operating expenses	**216,613**	204,775

Note: The transaction was entered with a company with common key management personnel and was based on prices and terms as agreed between the parties involved.

(5) Other gains/(losses), net

	2017	2016
	HK$'000	*HK$'000*
Dividend income from available-for-sale financial assets	**5,743**	2,555
Loss on disposal of property, plant and equipment, net	**(207)**	(981)
Gain/(loss) on disposal of available-for-sale financial assets	**4,773**	(57)
Impairment on available-for-sale financial assets	**-**	(2,177)
	10,309	(660)

(6) Finance income and costs

	2017	2016
	HK$'000	*HK$'000*
Finance income		
Interest income from banks	**94**	45
Finance costs		
Interest expense on bank loans and overdrafts wholly repayable within five years	**(41,212)**	(31,213)
Less: Amount capitalised in property under development and investment property	**15,590**	15,291
	(25,622)	(15,922)
Finance costs, net	**(25,528)**	(15,877)

(7) Income tax credit/(expense)

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 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 (2016: HK$Nil) has been provided as there is no estimated taxable profit for the overseas subsidiaries for the year.

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

	2017	2016
	HK$'000	*HK$'000*
Current income tax		
– Hong Kong profit tax	**(4,019)**	(4,097)
– overseas taxation	**(14)**	(14)
	(4,033)	(4,111)
Deferred income tax credit/(expense)	**78,277**	(34,703)
	74,244	(38,814)
Over provisions in prior years from current income tax and deferred income tax, net	**299**	10,444
	74,543	(28,370)

(8) Earnings per share

The calculation of basic earnings per share is based on profit attributable to owners of the Company of HK$502,055,000 (2016: HK$373,607,000) and on 287,669,676 (2016: 287,669,676) ordinary shares in issue during the year.

As there are no dilutive potential ordinary shares as at 31st December 2017 and 2016, the diluted earnings per share is equal to the basic earnings per share.

(9) Dividends

The interim dividend paid in 2017 and 2016 were HK$23,014,000 (HK8 cents per share) and HK$28,767,000 (HK10 cents per share) respectively. At a meeting held on 23rd March 2018, the directors proposed a final dividend of HK8 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 2018 upon the approval by the Company's shareholders.

	2017	2016
	HK$'000	*HK$'000*
Interim, paid, of HK8 cents (2016: HK10 cents) per ordinary share	**23,014**	28,767
Final, proposed, of HK8 cents (2016: HK6 cents) per ordinary share	**23,014**	17,260
	46,028	46,027

(10) Debtors and prepayments

	2017	2016
	HK$'000	*HK$'000*
Trade debtors	**690**	499
Prepayments, deposits and other debtors	**41,047**	18,051
	41,737	18,550

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 2017, the ageing analysis of the trade debtors was as follows:

	2017	2016
	HK$'000	*HK$'000*
0-30 days	**690**	466
31-60 days	**-**	33
	690	499

(11) Creditors and accruals

	2017	2016
	HK$'000	*HK$'000*
Trade creditors	**6,941**	28,795
Other creditors	**13,412**	15,676
Accruals	**29,582**	21,813
	49,935	66,284

At 31st December 2017, the ageing analysis of the trade creditors was as follows:

	2017	2016
	HK$'000	*HK$'000*
0-30 days	**6,896**	28,776
31-60 days	**4**	16
61-90 days	**2**	-
Over 90 days	**39**	3
	6,941	28,795

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31st December 2017 as set out in the preliminary announcement have been agreed by the Group's auditor, 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 HK8 cents (2016: HK10 cents) per share was paid to shareholders on 26th September 2017. The directors of the Company have resolved to recommend to shareholders at the annual general meeting the payment of a final dividend of HK8 cents (2016: HK6 cents) per share to the shareholders whose names appear on the register of members of the Company at the close of business on 31st May 2018 ("Record Date"). The total distribution for the financial year ended 31st December 2017 will be HK16 cents (2016: HK16 cents) per share. The proposed final dividend will be paid on 20th June 2018 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 Thursday, 31st May 2018.

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting of the shareholders of the Company will be held on 28th May 2018 (the "2018 AGM"). Notice of the 2018 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 Monday, 21st May 2018 to Monday, 28th May 2018 (both dates inclusive), during the period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2018 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 Friday, 18th May 2018.

CHAIRMAN'S STATEMENT

Result

I am pleased to report that the Group's consolidated profit for 2017 was HK$517.5 million, an increase of HK$135.0 million or 35.3% as compared to HK$382.5 million for 2016. Earnings per share were HK$1.75 (2016: HK$1.3), a rise of 34.6% over last year. The consolidated profit for 2017 included fair value gains on investment properties (net of the relevant deferred tax in the United States) of HK$417.9 million (2016: HK$316.2 million) and a write back of deferred tax of HK$55.7 million due to the change in tax rate in the US.

Excluding the effect of the fair value gains on investment properties (net of the relevant deferred tax in the United States) and the write back of the deferred tax, the Group's underlying profit for 2017 was approximately HK$43.9 million. As discussed last year, the corresponding figure for 2016 included a write back of tax provisions upon the clearance of the Hong Kong profits tax position of a subsidiary. After excluding this one off item, the adjusted underlying profit for last year was approximately HK$40.2 million. When comparing to this adjusted underlying profit for last year, the underlying profit for 2017 increased HK$3.7 million or 9.2%, the increment was attributed to the increase in rental income from Gateway ts. Upon the completion of the renovation of Gateway ts, there will be further growth in rental income in coming year.

The revenues of the Group for 2017 was HK$283.6 million, increased HK$7.6 million or 2.8% as compared to HK$276.0 million for 2016.

As at 31st December 2017, the investment properties of the Group were revalued at HK$7,566.7 million (2016: HK$6,918.1 million). Total equity amounted to HK$7,375.9 million (2016: HK$6,905.9 million).

Dividend

The directors have resolved to recommend a final dividend of HK8 cents (2016: HK6 cents) per ordinary share.

Prospects

The Group's major properties at Tsing Yi Hong Kong and the USA are under major renovation in 2017, the vacancy on average was higher and so affecting the gross rental income for 2017. As the renovations in these properties were almost completed by end of 2017, the vacancy of these properties will fall and there will be a significant growth in the Group's gross rental income in the coming year.

In the coming year, the interest rate may likely increase by half to one percent, and the interest expenses of the Group will therefore increase accordingly. Upgrading and renovation of the other properties of the Group will continue in the coming years in order to keep the properties up to current standard so as to improve the future rental income.

The hotel and office combo development at Wong Chuk Hang will complete in early 2019 and it is expected that there will be rental contribution in mid-2019 onward.

The recent launching of tax reform and various policies in the USA will likely affect the economy there and the economic outlook of the USA is optimistic. However, the US government has advocated tightening policies against China trade recently, which may cause China to impose counter actions.

The economic outlook of Hong Kong is cautiously optimistic. Hong Kong and the Southeast Asia are likely to benefit from China's One Belt and One Road policy. Although it may take years and some difficulties may encounter in the initial stages, the effect of the policy will take times to mature and with a far-reaching impact.

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, 23rd March 2018

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

In Hong Kong, the gross rental income for the year ended 31st December 2017 was HK$195.2 million, an increase of HK$6.2 million or 3.3% as compared to last year. The increase in gross rental income was attributable to the increase in rental income from Gateway ts as renovation of certain floor areas has been completed by the third quarter of 2017 and were then occupied. It is expected that following the substantial completion of the renovation at Gateway ts by end of 2017, the vacated floors will be leased out and the gross rental income will increase significantly in the coming year.

The hotel room charge income of Hotel LBP for the year ended 31st December 2017 was HK$16.0 million, increased HK$0.6 million or 3.9% over last year. The occupancy rate for 2017 was stable at about 96% on average. The profit generated from the hotel operation for the year ended 31st December 2017 was HK$1.7 million, increased HK$0.7 million or 70% over last year due to the decrease in operating cost. The occupancy of Hotel LBP will remain steady in the coming year.

The catering income for the year ended 31st December 2017 was HK$2.6 million, increased HK$0.8 million or 44.4% as compared to last year. The increment was attributable to the catering income generated from the new factory canteen which has been in full operation since May 2017. The catering operating loss for the year ended 31st December 2017 was HK$4.6 million, an increase of HK$2.9 million over last year due to the increase in operating cost of the new factory canteen. Following the closure of Gees in January 2018, the operating loss from catering will be alleviated in coming year.

In the USA, the gross rental income from Montgomery Plaza for the year ended 31st December 2017 was HK$55.7 million, a decrease of HK$0.2 million or 0.4% as compared to last year. The office spaces occupancy rate of Montgomery Plaza was 94% by the year end of 2017 due to the undergoing of major renovation work, the weighted average office rent per square feet per annum was US$57.4. It is expected that the occupancy will increase upon the completion of the major renovation in 2018.

Financial Resources

During the year, the Group's total bank borrowings increased by HK$326.0 million to HK$1,464.3 million (2016: HK$1,138.3 million). The total equity increased by HK$470.0 million to HK$7,375.9 million (2016: HK$6,905.9 million) and the long term bank loans outstanding as at 31st December 2017 was HK$1,118.3 million (2016: HK$962.3 million). The debt to equity ratio was 19.9% (2016: 16.5%).

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 cost 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's 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:

	2017	2016
	HK$'000	*HK$'000*
– within one year	**384,133**	19,842
– in the second year	**334,572**	496,278
– in the third to fifth years	**399,638**	446,143
	1,118,343	962,263

The Group's bank borrowings of HK$1,329.3 million (2016: HK$1,088.3 million) are secured by certain properties with an aggregate carrying amount of HK$5,734.6 million (2016: HK$5,107.2 million) and the rental income thereon.

Details of number and remuneration of employees

As at 31st December 2017, the Group employed a total of 184 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 ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31st December 2017, except the following:

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. William Ma Ching Wai, the Chairman of the Board of Directors ("the Chairman") was appointed the Chief Executive of the Company on 15th June 2017, since then Mr. William Ma holds both positions as the Chairman and Chief Executive of the Company. The Board believes that vesting the roles of both Chairman and Chief Executive in the same person will enable the Company to have a stable and consistent leadership and also facilitate the planning and execution of the Company's strategy and is hence for the interest of the Company and its shareholders.

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 2017, 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 2017.

ANNUAL REPORT

The 2017 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, 23rd March 2018

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.