

*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.*



**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)**

**2019 INTERIM RESULTS**

**FINANCIAL HIGHLIGHTS**

For the six months ended 30th June 2019

- Revenue increased by 11.1% to HK\$184.6 million.
- Profit for the period decreased by 57.1% to HK\$196.9 million.
- Excluding the property revaluation gain and all related effects, underlying profit increased by 40.1% to HK\$49.3 million.
- Interim dividend declared of HK10 cents per ordinary share.

The board of directors of Tai Sang Land Development Limited (the “Company”) announced the unaudited Condensed Consolidated Interim Financial Information of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30th June 2019 as follows:

**1. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE SIX MONTHS ENDED 30TH JUNE 2019 – UNAUDITED**

		<b>For the six months ended 30th June</b>	
	<i>Note</i>	<b>2019</b>	2018
		<b>HK\$'000</b>	<b>HK\$'000</b>
Revenues	(2)(a)	<b>184,602</b>	166,169
Cost of sales	(3)	<u><b>(43,661)</b></u>	<u>(47,605)</u>
<b>Gross profit</b>		<b>140,941</b>	118,564
Fair value gains on investment properties		<b>162,111</b>	434,067
Other gains, net	(4)	<b>432</b>	3,151
Administrative expenses	(3)	<b>(58,817)</b>	(55,548)
Other operating expenses	(3)	<u><b>(2,572)</b></u>	<u>(7,033)</u>
<b>Operating profit</b>		<u><b>242,095</b></u>	<u>493,201</u>
Finance income	(5)	<b>352</b>	91
Finance costs	(5)	<u><b>(21,300)</b></u>	<u>(16,521)</u>
Finance costs, net		<u><b>(20,948)</b></u>	<u>(16,430)</u>
<b>Profit before income tax</b>		<b>221,147</b>	476,771
Income tax expense	(6)	<u><b>(24,270)</b></u>	<u>(17,808)</u>
<b>Profit for the period</b>		<u><b>196,877</b></u>	<u>458,963</u>
<b>Profit attributable to:</b>			
Owners of the Company		<b>188,054</b>	442,450
Non-controlling interests		<u><b>8,823</b></u>	<u>16,513</u>
		<u><b>196,877</b></u>	<u>458,963</u>
<b>Earnings per share (basic and diluted)</b>	(7)	<u><b>HK\$0.65</b></u>	<u>HK\$1.54</u>

**2. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30TH JUNE 2019 – UNAUDITED**

	<b>For the six months ended 30th June</b>	
	<b>2019</b>	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Profit for the period</b>	<b>196,877</b>	458,963
<b>Other comprehensive income</b>		
<u>Item that will not be reclassified to profit or loss</u>		
Changes in the fair value of financial assets at fair value through other comprehensive income	<u>(2,347)</u>	<u>(3,655)</u>
<b>Other comprehensive income for the period</b>	<b><u>(2,347)</u></b>	<b><u>(3,655)</u></b>
<b>Total comprehensive income for the period</b>	<b><u>194,530</u></b>	<b><u>455,308</u></b>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	<b>185,412</b>	440,459
Non-controlling interests	<b><u>9,118</u></b>	<u>14,849</u>
	<b><u>194,530</u></b>	<b><u>455,308</u></b>

**3. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2019 - UNAUDITED**

	<i>Note</i>	<b>As at 30th June 2019 HK\$'000</b>	<b>As at 31st December 2018 HK\$'000</b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>1,818,963</b>	1,693,970
Investment properties		<b>8,350,532</b>	8,158,136
Financial assets at fair value through other comprehensive income		<b>27,236</b>	29,583
		<b><u>10,196,731</u></b>	<u>9,881,689</u>
<b>Current assets</b>			
Properties for sale		<b>109,596</b>	109,596
Debtors and prepayments	(9)	<b>47,017</b>	45,327
Current income tax recoverable		<b>168</b>	94
Cash and cash equivalents		<b>69,379</b>	61,936
		<b><u>226,160</u></b>	<u>216,953</u>
<b>Total assets</b>		<b><u>10,422,891</u></b>	<u>10,098,642</u>
<b>Equity and liabilities</b>			
<b>Equity attributable to the owners of the Company</b>			
Share capital		<b>417,321</b>	417,321
Reserves		<b>7,336,183</b>	7,185,291
		<b>7,753,504</b>	7,602,612
<b>Non-controlling interests</b>		<b>232,322</b>	225,209
<b>Total equity</b>		<b><u>7,985,826</u></b>	<u>7,827,821</u>

	<i>Note</i>	<b>As at 30th June 2019 HK\$'000</b>	As at 31st December 2018 HK\$'000
<b>Non-current liabilities</b>			
Long term bank loans – secured		<b>683,085</b>	492,007
Deferred income tax liabilities		<b>320,903</b>	298,890
		<u><b>1,003,988</b></u>	<u>790,897</u>
<b>Current liabilities</b>			
Rental and other deposits		<b>88,335</b>	85,902
Creditors and accruals	<i>(10)</i>	<b>28,405</b>	35,744
Current income tax liabilities		<b>2,625</b>	1,251
Short term bank loans		<b>225,000</b>	381,991
Current portion of long term bank loans – secured		<b>1,081,566</b>	967,348
Bank overdrafts		<b>7,146</b>	7,688
		<u><b>1,433,077</b></u>	<u>1,479,924</u>
<b>Total equity and liabilities</b>		<u><b>10,422,891</b></u>	<u>10,098,642</u>

Notes:

## (1) Basis of preparation and accounting policies

This unaudited condensed consolidated interim financial information of the Group for the six months ended 30th June 2019 (the “Condensed Consolidated Interim Financial Information”) has been prepared under the historical cost convention, as modified by the revaluation of investment properties and financial assets at fair value through other comprehensive income at fair value, and in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial information relating to the year ended 31st December 2018 that is included in the Condensed Consolidated Interim Financial Information as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year 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 2018 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).

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

The Group had net current liabilities of HK\$1,206,917,000 as at 30th June 2019. The current liabilities mainly included short term bank loans of HK\$225,000,000 and current portion of long term bank loans of HK\$1,081,566,000. 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 Condensed Consolidated Interim Financial Information on a going concern basis.

Except as described below, the accounting policies and methods of computation used in the preparation of the Condensed Consolidated Interim Financial Information are consistent with those used in the annual report for the year ended 31st December 2018 (the “2018 Annual Report”). The Condensed Consolidated Interim Financial Information should be read in conjunction with the 2018 Annual Report, which has been prepared in accordance with the Hong Kong Financial Reporting Standards.

The following new standards and amendments to standards are relevant to the Group for the accounting period beginning on 1st January 2019:

Annual Improvements Project	Annual Improvements 2015-2017 Cycle
HKFRS 16	Leases
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments

The adoption of these new and amended standards did not result in a substantial impact to the results and financial position of the Group.

## (2) Revenue and Segment information

(a) Revenues recognised during the period are as follows:

	For the six months ended 30th June	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenues from external customers		
Property rental		
– investment properties	153,114	134,673
– properties for sale	12,379	13,441
Property related services	11,287	10,506
Hotel operations	7,822	7,549
	<u>184,602</u>	<u>166,169</u>

The Group's revenues from property related services and hotel operations are recognised over-time as the services are performed.

### (b) Operating segments

The chief operating decision-maker ("CODM") has been identified as the executive directors of the Company. The CODM 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 CODM considers the business from a geographic perspective and has identified the operating segments of the Group in Hong Kong and North America.

The CODM 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 Condensed Consolidated Interim Financial Information.

There are no sales between the operating segments.

	Hong Kong <i>HK\$'000</i>	North America <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>For the six months ended 30th June 2019</b>			
Segment revenues			
Property rental	129,229	36,264	165,493
Property related services	11,287	-	11,287
Hotel operations	7,822	-	7,822
Total segment revenues	<u>148,338</u>	<u>36,264</u>	<u>184,602</u>
Segment results – underlying profit			
– Property rental and related services	36,725	11,768	48,493
– Hotel operations	846	-	846
Fair value gains on investment properties	121,845	40,266	162,111
Deferred income tax, net	-	(14,573)	(14,573)
Profit for the period	<u>159,416</u>	<u>37,461</u>	<u>196,877</u>
Included in segment results:			
Finance income	155	197	352
Finance costs	(18,583)	(2,717)	(21,300)
Income tax expense ( <i>note</i> )	(9,684)	(13)	(9,697)
Depreciation	(6,987)	(1,784)	(8,771)
Capital expenditure	<u>156,646</u>	<u>8,055</u>	<u>164,701</u>
<b>At 30th June 2019</b>			
Property, plant and equipment	1,801,787	17,176	1,818,963
Investment properties	7,389,650	960,882	8,350,532
Non-current assets (excluding financial assets at fair value through other comprehensive income)	9,191,437	978,058	10,169,495
Non-current financial assets at fair value through other comprehensive income	27,236	-	27,236
Current assets	176,556	49,604	226,160
Segment assets	<u>9,395,229</u>	<u>1,027,662</u>	<u>10,422,891</u>
Current liabilities	1,413,074	20,003	1,433,077
Non-current liabilities	689,259	314,729	1,003,988
Segment liabilities	<u>2,102,333</u>	<u>334,732</u>	<u>2,437,065</u>



	Hong Kong <i>HK\$'000</i>	North America <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the six months ended 30th June 2018			
Segment revenues			
Property rental	116,432	31,682	148,114
Property related services	10,506	-	10,506
Hotel operations	7,549	-	7,549
Total segment revenues	<u>134,487</u>	<u>31,682</u>	<u>166,169</u>
Segment results – underlying profit			
– Property rental and related services	24,437	10,010	34,447
– Hotel operations	729	-	729
Fair value gains on investment properties	408,335	25,732	434,067
Deferred income tax, net	-	(10,280)	(10,280)
Profit for the period	<u>433,501</u>	<u>25,462</u>	<u>458,963</u>
Included in segment results:			
Finance income	7	84	91
Finance costs	(14,212)	(2,309)	(16,521)
Income tax expense ( <i>note</i> )	(7,515)	(13)	(7,528)
Depreciation	(7,439)	(1,584)	(9,023)
Capital expenditure	<u>187,783</u>	<u>4,219</u>	<u>192,002</u>
At 31st December 2018			
Property, plant and equipment	1,677,935	16,035	1,693,970
Investment properties	7,242,650	915,486	8,158,136
Non-current assets (excluding financial assets at fair value through other comprehensive income)	8,920,585	931,521	9,852,106
Non-current financial assets at fair value through other comprehensive income	29,583	-	29,583
Current assets	174,666	42,287	216,953
Segment assets	<u>9,124,834</u>	<u>973,808</u>	<u>10,098,642</u>
Current liabilities	1,462,604	17,320	1,479,924
Non-current liabilities	489,879	301,018	790,897
Segment liabilities	<u>1,952,483</u>	<u>318,338</u>	<u>2,270,821</u>

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

**(3) Cost and expenses****For the six months ended 30th June**

	<b>2019</b>	2018
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Depreciation	<b>8,771</b>	9,023
Outgoings in respect of		
– investment properties	<b>24,072</b>	24,966
– properties for sale	<b>4,145</b>	5,507
– property related services	<b>8,085</b>	10,049
– property, plant and equipment	<b>1,089</b>	877
– hotel operations	<b>5,141</b>	5,089
Operating lease rental for office premises to a related company	<b>1,884</b>	2,244
Other employee benefit expense	<b>34,409</b>	32,855
Others	<b>17,454</b>	19,576
	<u><b>105,050</b></u>	<u>110,186</u>

**(4) Other gains, net****For the six months ended 30th June**

	<b>2019</b>	2018
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Dividend income from financial assets at fair value through other comprehensive income	<b>682</b>	3,169
Loss on disposal of property, plant and equipment, net	<b>(250)</b>	(18)
	<u><b>432</b></u>	<u>3,151</u>

## (5) Finance income and costs

### For the six months ended 30th June

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Finance income		
Interest income from banks	<u>352</u>	<u>91</u>
Finance costs		
Interest expenses on bank loans and overdrafts	(38,798)	(26,920)
Less: Amount capitalised in property, plant and equipment	<u>17,498</u>	<u>10,399</u>
	<u>(21,300)</u>	<u>(16,521)</u>
Finance costs, net	<u>(20,948)</u>	<u>(16,430)</u>

## (6) Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits for the period. Except for the minimum United States state tax which has been paid during the period, no overseas taxation (2018: HK\$Nil) has been provided as there is no estimated taxable profit for the overseas subsidiaries for the period.

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

### For the six months ended 30th June

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Current income tax		
– Hong Kong profits tax	2,244	1,720
– Overseas taxation	<u>13</u>	<u>13</u>
	<u>2,257</u>	<u>1,733</u>
Deferred income tax expense	<u>22,013</u>	<u>16,075</u>
	<u>24,270</u>	<u>17,808</u>

## (7) Earnings per share

The calculation of basic earnings per share is based on profit attributable to owners of the Company of HK\$188,054,000 (2018: HK\$442,450,000) and on 287,670,000 (2018: 287,670,000) ordinary shares in issue during the period.

As there are no dilutive potential ordinary shares for the six months ended 30th June 2019 and 2018, the diluted earnings per share is equal to the basic earnings per share.

## (8) Dividend

### For the six months ended 30th June

	<b>2019</b>	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interim, declared, of HK10 cents (2018: HK10 cents) per ordinary share	<u><b>28,767</b></u>	<u>28,767</u>

At a meeting held on 23rd August 2019, the directors declared an interim dividend of HK10 cents per ordinary share for the year ending 31st December 2019. This declared dividend is not reflected as a dividend payable in this Condensed Consolidated Interim Financial Information, but will be reflected as an appropriation of retained profits for the year ending 31st December 2019.

## (9) Debtors and prepayments

Included in debtors and prepayments are trade debtors of HK\$1,010,000 (at 31st December 2018: HK\$499,000) and their ageing analysis of the trade debtors based on invoice date are as follows:

	<b>As at 30th June 2019</b>	As at 31st December 2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
0-30 days	<b>825</b>	426
31-60 days	<b>73</b>	73
61-90 days	<b>73</b>	-
Over 90 days	<b>39</b>	-
	<u><b>1,010</b></u>	<u>499</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 fees receivables.

## (10) Creditors and accruals

Included in creditors and accruals are trade creditors of HK\$9,302,000 (at 31st December 2018: HK\$6,317,000) and their ageing analysis is as follows:

	<b>As at 30th June 2019</b>	As at 31st December 2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
0-30 days	<b>9,232</b>	6,049
31-60 days	<b>57</b>	258
61-90 days	<b>5</b>	-
Over 90 days	<b>8</b>	10
	<u><b>9,302</b></u>	<u>6,317</u>

## CHAIRMAN'S STATEMENT

### Result

The Group's core property leasing business sustained its growth with 11.7% period-on-period increase and the revenues of the Group for the six months ended 30th June 2019 increased 11.1% to HK\$184.6 million (2018: HK\$166.2 million).

The Group's consolidated profit for the first half of 2019 fell 57.1% to HK\$196.9 million (2018: HK\$459.0 million) due to a smaller property revaluation gain when compared with the same period last year. Earnings per share decreased correspondently to HK\$0.65 (2018: HK\$1.54).

When excluding the property revaluation gain and all related effects, underlying profit for the first half of 2019 was approximately HK\$49.3 million, increased by HK\$14.1 million or 40.1% as compared to the corresponding figure of HK\$35.2 million for the same period of 2018.

At 30th June 2019, the investment properties of the Group were revalued at HK\$8,350.5 million (at 31st December 2018: HK\$8,158.1 million), increased by HK\$192.4 million or 2.4% for the first half of 2019. Total equity amounted to HK\$7,985.8 million (at 31st December 2018: HK\$7,827.8 million).

### Dividend

The directors have declared an interim dividend of HK10 cents (2018: HK10 cents) per ordinary share.

### Outlook

The US Federal Reserve started to lower the interest rates recently, global interest rates are likely to stay low for some time. However, the Sino-US trade war is escalating, with no clear solution in short run. The international trades of China is affected and Hong Kong is likely to take a hit as well. Together with the recent political affairs and protests in Hong Kong, the economic prospect for the second half of 2019 is not so optimistic, hopefully, the impact will not be too significant.

The Group takes a cautiously optimistic view on its operation. We will pay attention to the development of the current situations and will make appropriate adjustments if the circumstance merits. Barring any unforeseen circumstances, the Group will continue to pursue a prudent policy.

**William Ma Ching Wai**

*Chairman*

Hong Kong, 23rd August 2019

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Business review**

In Hong Kong, the gross rental income for the first half of 2019 was HK\$129.2 million, increased HK\$12.8 million or 11.0% as compared to the same period last year. This increment was attributable to a significant increase by 15.2% in gross rental income from Gateway ts whereas contribution from residential sectors reduced slightly by 3.0%.

The hotel operation remained stable and the occupancy rate for the first half of 2019 maintained at about 96% in average.

In the USA, the gross rental income from Montgomery Plaza was HK\$36.3 million for the first half of 2019, increased by HK\$4.6 million or 14.5%, as compared to the same period last year. The office spaces occupancy rate of Montgomery Plaza was 94% as at the half year end of 2019.

### **Liquidity and financial resources**

During the relevant period, the Group's total bank borrowings increased by HK\$147.8 million to HK\$1,996.8 million (at 31st December 2018: HK\$1,849.0 million), including outstanding long term bank loans of HK\$1,764.7 million (as at 31st December 2018: HK\$1,459.4 million). The total equity increased by HK\$158.0 million to HK\$7,985.8 million (at 31st December 2018: HK\$7,827.8 million). The debt to equity ratio was 25.0% (at 31st December 2018: 23.6%).

The cash flows position and funding needs are closely reviewed and monitored to ensure that the Group has a good degree of financial flexibility and liquidity while optimizing net financial costs. There are sufficient committed banking facilities available for the Group's current funding needs and future business requirement. 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.

## Capital structure of the Group

The capital structure of the Group has 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.

Bank borrowings amount to about HK\$1,871.8 million (at 31st December 2018: HK\$1,744.0 million) of the Group are secured by certain properties with an aggregate carrying amount of HK\$6,762.2 million (at 31st December 2018: HK\$6,490.8 million) and the rental income therefrom. Except for the overdraft facilities, interest on the Group's bank borrowings is based on the floating interest rate, i.e. spread plus HIBOR or LIBOR, whereas interest on the overdraft facilities is based on the Hong Kong bank's best lending rate and now is 5.125%.

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

	<b>As at 30th June 2019 HK\$'000</b>	As at 31st December 2018 HK\$'000
– within one year	<b>1,081,566</b>	967,348
– in the second year	<b>499,296</b>	492,007
– in the third to fifth year	<b>183,789</b>	-
	<b><u>1,764,651</u></b>	<u>1,459,355</u>

The long term bank loans due within one year included mainly the construction loan, in the amount of HK\$734.0 million (as at 31st December 2018: HK\$628.1 million), for financing the development at No. 43 Heung Yip Road, Aberdeen which is due to complete by the end of year 2019.

## Details of number and remuneration of employees

As at 30th June 2019, the Group employed a total of 159 full-time employees, including the directors. In addition to salary payment, other benefits include discretionary bonus, insurance, medical schemes and mandatory provident fund schemes.

## INTERIM DIVIDEND AND RECORD DATE

The board of directors has resolved to declare an interim dividend of HK10 cents (2018: HK10 cents) per ordinary share, payable on 26th September 2019 to shareholders whose names standing on the register of members at the close of business on 10th September 2019 (the "Record Date"). In order to qualify for the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 10th September 2019.

## PURCHASE, SALE OR REDEMPTION OF SHARES

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

## **CORPORATE GOVERNANCE**

The Company has complied with the code provisions of Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) during the period, 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. 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 is of the view that the balance of power and authority is adequately ensured as all major decisions have been made in consultation with the Board and appropriate Board committees, as well as top management, and there are one non-executive director and three independent non-executive directors on the Board offering their experience, expertise, independent advice and views from different perspectives.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Listing Rules as the Company’s code of conduct regarding directors’ securities transactions. On specific enquires made, all directors have confirmed that they have complied with the Model Code during the period.

## **INDEPENDENT REVIEW**

The interim results have been reviewed by the Audit Committee of the Company. The interim results for the six months ended 30th June 2019 are unaudited, but have also been reviewed by PricewaterhouseCoopers, the Company’s independent auditor, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A Report on Review of Interim Financial Information is included in the interim report to be sent to shareholders.

By Order of the Board  
**William Ma Ching Wai**  
*Chairman*

Hong Kong, 23rd August 2019

### **Registrar and Transfer Office**

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 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.*