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大生地產發展有限公司
TAI SANG LAND DEVELOPMENT LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock code : 89)

2020 INTERIM RESULTS

FINANCIAL HIGHLIGHTS

For the six months ended 30th June 2020

- Revenues decreased by 5.4% to HK\$174.6 million.
- Loss for the period of HK\$133.5 million (2019: profit of HK\$196.9 million).
- Excluding the property revaluation loss and all related effects, underlying profit decreased by 13.4% to HK\$42.7 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 2020 as follows:

**1. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30TH JUNE 2020 – UNAUDITED**

		For the six months ended 30th June	
	<i>Note</i>	2020	2019
		HK\$'000	HK\$'000
Revenues	(2)(a)	174,563	184,602
Cost of sales	(3)	<u>(33,787)</u>	<u>184,602</u>
Gross profit		140,776	140,941
Fair value (losses)/gains on investment properties		(192,940)	162,111
Other gains, net	(4)	603	432
Administrative expenses	(3)	(60,213)	(58,817)
Other operating expenses	(3)	<u>(8,828)</u>	<u>(2,572)</u>
Operating (loss)/profit		<u>(120,602)</u>	<u>242,095</u>
Finance income	(5)	637	352
Finance costs	(5)	<u>(22,565)</u>	<u>(21,300)</u>
Finance costs, net		<u>(21,928)</u>	<u>(20,948)</u>
(Loss)/profit before income tax		(142,530)	221,147
Income tax credit/(expense)	(6)	<u>8,988</u>	<u>(24,270)</u>
(Loss)/profit for the period		<u>(133,542)</u>	<u>196,877</u>
(Loss)/profit attributable to:			
Owners of the Company		(135,749)	188,054
Non-controlling interests		<u>2,207</u>	<u>8,823</u>
		<u>(133,542)</u>	<u>196,877</u>
(Loss)/earnings per share (basic and diluted)	(7)	<u>(HK\$0.47)</u>	<u>HK\$0.65</u>

**2. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30TH JUNE 2020 – UNAUDITED**

	For the six months ended 30th June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/profit for the period	(133,542)	196,877
Other comprehensive income		
<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	(7,115)	(2,347)
Revaluation surplus upon transfer from property, plant and equipment	<u>158,557</u>	<u>-</u>
Other comprehensive income for the period	<u>151,442</u>	<u>(2,347)</u>
Total comprehensive income for the period	<u>17,900</u>	<u>194,530</u>
Total comprehensive income attributable to:		
Owners of the Company	18,014	185,412
Non-controlling interests	<u>(114)</u>	<u>9,118</u>
	<u>17,900</u>	<u>194,530</u>

**3. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2020 - UNAUDITED**

	<i>Note</i>	As at 30th June 2020 <i>HK\$'000</i>	As at 31st December 2019 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		1,987,372	1,922,917
Investment properties		8,705,126	8,627,547
Financial assets at fair value through other comprehensive income		18,053	25,168
Prepayments for non-current assets		20,418	4,254
		<u>10,730,969</u>	<u>10,579,886</u>
Current assets			
Properties for sale		109,596	109,596
Debtors and prepayments	(9)	36,706	37,955
Current income tax recoverable		119	90
Cash and cash equivalents		246,532	111,644
		<u>392,953</u>	<u>259,285</u>
Total assets		<u><u>11,123,922</u></u>	<u><u>10,839,171</u></u>
Equity and liabilities			
Equity attributable to the owners of the Company			
Share capital		417,321	417,321
Reserves		7,537,109	7,553,615
		7,954,430	7,970,936
Non-controlling interests		230,594	232,462
Total equity		<u>8,185,024</u>	<u>8,203,398</u>

		As at 30th June 2020 HK\$'000	As at 31st December 2019 HK\$'000
Non-current liabilities			
Long term bank loans – secured		1,420,160	1,326,100
Deferred income tax liabilities		331,104	345,698
Lease liabilities		<u>527</u>	<u>579</u>
		<u>1,751,791</u>	<u>1,672,377</u>
Current liabilities			
Rental and other deposits		86,159	90,265
Creditors and accruals	(10)	102,374	66,337
Current income tax liabilities		5,880	4,297
Short term bank loans		478,957	287,854
Current portion of long term bank loans – secured		513,543	514,464
Lease liabilities		<u>194</u>	<u>179</u>
		<u>1,187,107</u>	<u>963,396</u>
Total equity and liabilities		<u>11,123,922</u>	<u>10,839,171</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 2020 (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 2019 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 2019 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\$794,154,000 as at 30th June 2020. The current liabilities mainly included short term bank loans of HK\$478,957,000 and current portion of long term bank loans of HK\$513,543,000. 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 2019 (the “2019 Annual Report”). The Condensed Consolidated Interim Financial Information should be read in conjunction with the 2019 Annual Report, which has been prepared in accordance with the Hong Kong Financial Reporting Standards.

The following amended standards and revised conceptual framework are relevant and mandatory to the Group for the accounting period beginning on 1st January 2020:

HKFRS 1 and HKAS 8 (Amendment)	Definition of Material
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting

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

(2) Revenues and Segment information

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

	For the six months ended 30th June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenues from external customers		
Property rental		
– investment properties	149,892	153,114
– properties for sale	12,958	12,379
Property related services (note)	11,010	11,287
Hotel operations (note)	703	7,822
	<u>174,563</u>	<u>184,602</u>

Note: 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>
For the six months ended 30th June 2020			
Segment revenues			
Property rental	124,680	38,170	162,850
Property related services	11,010	-	11,010
Hotel operations	703	-	703
Total segment revenues	<u>136,393</u>	<u>38,170</u>	<u>174,563</u>
Segment results – underlying profit			
– Property rental and related services	28,309	15,591	43,900
– Hotel operations	(1,160)	-	(1,160)
Fair value losses on investment properties	(116,650)	(76,290)	(192,940)
Deferred income tax, net	-	16,658	16,658
Loss for the period	<u>(89,501)</u>	<u>(44,041)</u>	<u>(133,542)</u>
Included in segment results:			
Finance income	440	197	637
Finance costs	(20,959)	(1,606)	(22,565)
Income tax expense (note)	(7,658)	(12)	(7,670)
Depreciation	(9,009)	(1,584)	(10,593)
Capital expenditure	<u>180,396</u>	<u>7,808</u>	<u>188,204</u>
At 30th June 2020			
Property, plant and equipment	1,973,564	13,808	1,987,372
Investment properties	7,754,080	951,046	8,705,126
Prepayment for non-current assets	20,418	-	20,418
Non-current assets (excluding financial assets at fair value through other comprehensive income)	9,748,062	964,854	10,712,916
Non-current financial assets at fair value through other comprehensive income	18,053	-	18,053
Current assets	336,844	56,109	392,953
Segment assets	<u>10,102,959</u>	<u>1,020,963</u>	<u>11,123,922</u>
Current liabilities	1,048,406	138,701	1,187,107
Non-current liabilities	1,559,767	192,024	1,751,791
Segment liabilities	<u>2,608,173</u>	<u>330,725</u>	<u>2,938,898</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 2019			
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 (note)	(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>
At 31st December 2019			
Property, plant and equipment	1,907,525	15,392	1,922,917
Investment properties	7,607,651	1,019,896	8,627,547
Prepayments for non-current assets	4,254	-	4,254
Non-current assets (excluding financial assets at fair value through other comprehensive income)	<u>9,519,430</u>	<u>1,035,288</u>	<u>10,554,718</u>
Non-current financial assets at fair value through other comprehensive income	25,168	-	25,168
Current assets	<u>210,984</u>	<u>48,301</u>	<u>259,285</u>
Segment assets	<u>9,755,582</u>	<u>1,083,589</u>	<u>10,839,171</u>
Current liabilities	822,767	140,629	963,396
Non-current liabilities	<u>1,463,696</u>	<u>208,681</u>	<u>1,672,377</u>
Segment liabilities	<u>2,286,463</u>	<u>349,310</u>	<u>2,635,773</u>

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

(3) Cost and expenses

	For the six months ended 30th June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Depreciation	10,593	8,771
Amortisation of capitalised letting fees	1,907	-
Outgoings, in respect of (note)		
– investment properties	16,851	24,072
– properties for sale	5,931	4,145
– property related services	8,221	8,085
– property, plant and equipment	1,048	1,089
– hotel operations	612	5,141
Operating lease rental for office premises to a related company	1,262	1,884
Other employee benefit expense	37,090	34,409
Others	19,313	17,454
Total cost of sales, administrative expenses and other operating expenses	102,828	105,050

Note: Outgoings mainly included building management fee, government rent and rates, repair and maintenance and employed benefit.

(4) Other gains, net

	For the six months ended 30th June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Dividend income from financial assets at fair value through other comprehensive income	685	682
Loss on disposal of property, plant and equipment, net	(82)	(250)
	603	432

(5) Finance income and costs**For the six months ended 30th June**

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Finance income		
Interest income from banks	<u>637</u>	<u>352</u>
Finance costs		
Interest expenses on bank loans and overdrafts	(35,627)	(38,798)
Less: Amount capitalised in property, plant and equipment	<u>13,062</u>	<u>17,498</u>
	<u>(22,565)</u>	<u>(21,300)</u>
Finance costs, net	<u>(21,928)</u>	<u>(20,948)</u>

(6) Income tax credit/(expense)

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 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 (2019: HK\$Nil) has been provided as there is no estimated taxable profit for the overseas subsidiaries for the period.

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

For the six months ended 30th June

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current income tax		
– Hong Kong profits tax	(5,594)	(2,244)
– United States taxation	<u>(12)</u>	<u>(13)</u>
	<u>(5,606)</u>	<u>(2,257)</u>
Deferred income tax credit/(expense)		
– Hong Kong	(2,064)	(7,440)
– United States	<u>16,658</u>	<u>(14,573)</u>
	<u>14,594</u>	<u>(22,013)</u>
	<u>8,988</u>	<u>(24,270)</u>

(7) (Loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on loss attributable to owners of the Company of HK\$135,749,000 (2019: profit of HK\$188,054,000) and on 287,670,000 (2019: 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 2020 and 2019, the diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share.

(8) Dividend

For the six months ended 30th June

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interim, declared, of HK10 cents (2019: HK10 cents) per ordinary share	<u>28,767</u>	<u>28,767</u>

At a meeting held on 21st August 2020, the directors declared an interim dividend of HK10 cents per ordinary share for the year ending 31st December 2020. 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 2020.

(9) Debtors and prepayments

Included in debtors and prepayments are trade debtors of HK\$1,197,000 (at 31st December 2019: HK\$1,813,000) and their ageing analysis of the trade debtors based on invoice date are as follows:

	As at 30th June 2020	As at 31st December 2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
0-30 days	1,197	1,771
31-60 days	<u>-</u>	<u>42</u>
	<u>1,197</u>	<u>1,813</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.

(10) Creditors and accruals

Included in creditors and accruals are trade creditors of HK\$6,188,000 (at 31st December 2019: HK\$10,308,000) and their ageing analysis is as follows:

	As at 30th June 2020	As at 31st December 2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
0-30 days	5,747	10,069
31-60 days	388	114
61-90 days	28	82
Over 90 days	<u>25</u>	<u>43</u>
	<u>6,188</u>	<u>10,308</u>

CHAIRMAN'S STATEMENT

Result

The Group's core property leasing business remained stable with 1.6% period-on-period drop whereas a significant decrease in the hotel room tariff was recorded due to renovation which commenced in mid-March this year. The revenue of the Group for the first half of 2020 decreased 5.4% to HK\$174.6 million (2019: HK\$184.6 million).

The Group recorded a consolidated loss of HK\$133.5 million (2019: profit of HK\$196.9 million) for the first half of 2020, due to property revaluation loss, particularly on the shops and commercial properties. Loss per share for the period was HK\$0.47 (2019: earnings per share HK\$0.65).

When excluding the effect of the property revaluation loss (net of the deferred tax in the United States) in the amount of HK\$176.2 million (2019 corresponding figure: gain of HK\$147.6 million), the underlying profit for the first half of 2020 was approximately HK\$42.7 million, decreased by HK\$6.6 million or 13.4% as compared to the corresponding figure of HK\$49.3 million for the same period of 2019.

As at 30th June 2020, the investment properties of the Group were revalued at HK\$8,705.1 million (at 31st December 2019: HK\$8,627.5 million), increased by HK\$77.6 million or 0.9% for the first half of 2020. The valuation of HK\$8,705.1 million has included additional properties into the investment properties portfolio due to the reclassification of property under development of HK\$283.3 million upon completion. Total equity amounted to HK\$8,185.0 million (at 31st December 2019: HK\$8,203.4 million).

Dividend

The directors have declared an interim dividend of HK10 cents (2019: HK10 cents) per ordinary share.

Outlook

The COVID-19 pandemic is not yet under control globally and will continue to adversely affect our domestic economy which is further affected by the current Sino-US relationship which is at a deadlock. It is expected that our Group's investment properties revaluation will continue to be so affected. Nevertheless, with ample supply of money, interest rates may stay at low levels in medium term without significant changes.

Hopefully by the end of this year, there will be vaccines for COVID-19 and the economic recovery of China will benefit the Greater Bay Area including Macau and Hong Kong. The recent enforcement of National Security Law in Hong Kong may have positive effect on the political and economic stabilization in Hong Kong in coming years.

The Group remains confident in Hong Kong and will continue to be cautious and 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, 21st August 2020

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

In Hong Kong, the gross rental income for the first half of 2020 was HK\$124.7 million, decreased by HK\$4.5 million or 3.5% as compared to the same period last year. The decrease was partly attributable to the rental concession given to tenants, mainly of shops and commercial units, and partly due to the slow-down in taking up new tenancies for vacant units.

Due to the renovation of Hotel LBP, the hotel room tariff for the first half of 2020 dropped by 91% as compared to the same period last year, to about HK\$0.7 million.

The office floors of the hotel-office mixed-use development at 43 Heung Yip Road have been completed by the end of March this year. The Group has since then occupied two office floors as office premises and will keep the remaining three office floors for rental purposes. Subject to the completion of the fitting out works of the hotel and the issuance of the hotel licence, the hotel may be put into operation by the end of this year or early next year.

In the USA, the gross rental income from Montgomery Plaza was HK\$38.2 million for the first half of 2020, increased by HK\$1.9 million or 5.2%, as compared to the same period last year. The office space occupancy rate of Montgomery Plaza was 91% as at the half year end of 2020.

Liquidity and financial resources

During the relevant period, the Group's total bank borrowings increased by HK\$284.3 million to HK\$2,412.7 million (at 31st December 2019: HK\$2,128.4 million), including outstanding long-term bank loans of HK\$1,933.7 million (as at 31st December 2019: HK\$1,840.6 million). The total equity decreased by HK\$18.4 million to HK\$8,185.0 million (at 31st December 2019: HK\$8,203.4 million). The debt to equity ratio was 29.5% (at 31st December 2019: 25.9%).

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 is 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\$2,377.7 million (at 31st December 2019: HK\$2,003.4 million) of the Group are secured by certain properties with an aggregate carrying amount of HK\$7,417.6 million (at 31st December 2019: HK\$7,176.6 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%.

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

	As at 30th June 2020 HK\$'000	As at 31st December 2019 HK\$'000
– within one year	513,543	514,464
– in the second year	22,000	22,000
– in the third to fifth year	1,398,160	1,304,100
	<u>1,933,703</u>	<u>1,840,564</u>

Details of number and remuneration of employees

As at 30th June 2020, 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 (2019: HK10 cents) per ordinary share, payable on 24th September 2020 to shareholders whose names standing on the register of members at the close of business on 8th September 2020 (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, 8th September 2020.

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 2020 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, 21st August 2020

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. Philip Ma Ching Yeung, Mr. Alfred Ma Ching Kuen and Ms. Amy Ma Ching Sau 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.