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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)

ANNOUNCEMENT OF 2025 ANNUAL RESULTS

FINANCIAL HIGHLIGHTS

For the year ended 31st December 2025

- Revenues decreased by 2.1% to HK\$471.3 million (2024: HK\$481.6 million).
- Excluding the fair value losses on investment properties, the earnings before interest, tax, depreciation, and amortisation was HK\$150.5 million (2024: HK\$166.9 million).
- Loss for the year of HK\$259.6 million (2024: HK\$340.2 million) included the fair value losses on investment properties (net of deferred income tax in the United States) of HK\$241.1 million (2024: HK\$301.2 million).
- Excluding the fair value losses on investment properties and all related effects, the Group recorded an underlying loss of HK\$18.4 million (2024: HK\$39.0 million).
- Final dividend proposed of HK5 cents (2024: HK5 cents) per ordinary share.

The board of directors (the “Board”) 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 2025 are as follows:

**1. CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST DECEMBER 2025**

| | <i>Notes</i> | 2025 HK\$'000 | 2024 <i>HK\$'000</i> |
|--|---------------|--------------------------------|-------------------------|
| Revenues | <i>(3)(a)</i> | 471,304 | 481,554 |
| Cost of sales | <i>(4)</i> | (177,303) | (182,945) |
| Gross profit | | 294,001 | 298,609 |
| Fair value losses on investment properties | | (245,001) | (329,252) |
| Other gains, net | <i>(5)</i> | 210 | 1,316 |
| Administrative expenses | <i>(4)</i> | (191,021) | (181,541) |
| Operating loss | | (141,811) | (210,868) |
| Finance income | <i>(6)</i> | 2,039 | 2,929 |
| Finance costs | <i>(6)</i> | (112,872) | (151,856) |
| Finance costs, net | | (110,833) | (148,927) |
| Loss before income tax | | (252,644) | (359,795) |
| Income tax (expense)/credit | <i>(7)</i> | (6,938) | 19,609 |
| Loss for the year | | (259,582) | (340,186) |
| Loss attributable to: | | | |
| Owners of the Company | | (257,607) | (333,408) |
| Non-controlling interests | | (1,975) | (6,778) |
| | | (259,582) | (340,186) |
| Loss per share (basic and diluted) | <i>(8)</i> | HK\$(0.90) | HK\$(1.16) |

**2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2025**

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|--------------------------------|-------------------------|
| Loss for the year | <u>(259,582)</u> | <u>(340,186)</u> |
| Other comprehensive income | | |
| <u>Items that will not be reclassified to profit or loss</u> | | |
| Changes in fair value of financial assets at fair value through other comprehensive income | 963 | 2,163 |
| Exchange translation difference | <u>17</u> | <u>(9)</u> |
| Other comprehensive income for the year | <u>980</u> | <u>2,154</u> |
| Total comprehensive income for the year | <u><u>(258,602)</u></u> | <u><u>(338,032)</u></u> |
| Total comprehensive income attributable to: | | |
| Owners of the Company | (257,046) | (332,269) |
| Non-controlling interests | <u>(1,556)</u> | <u>(5,763)</u> |
| | <u><u>(258,602)</u></u> | <u><u>(338,032)</u></u> |

**3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2025**

| | <i>Notes</i> | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|--------------|--------------------------------|-------------------------|
| Non-current assets | | | |
| Property, plant and equipment | | 1,911,401 | 1,952,774 |
| Investment properties | | 9,078,946 | 9,294,986 |
| Financial assets at fair value through other comprehensive income | | 18,376 | 17,308 |
| Prepayments for non-current assets | | 554 | 10 |
| | | <u>11,009,277</u> | <u>11,265,078</u> |
| Current assets | | | |
| Properties for sale | | 110,473 | 110,473 |
| Other inventories | | 262 | 261 |
| Debtors and prepayments | <i>(10)</i> | 32,936 | 33,035 |
| Current income tax recoverable | | 296 | 816 |
| Cash and cash equivalents | | 119,496 | 123,438 |
| | | <u>263,463</u> | <u>268,023</u> |
| Total assets | | <u>11,272,740</u> | <u>11,533,101</u> |
| Equity and liabilities | | | |
| Equity attributable to owners of the Company | | | |
| Share capital | | 417,321 | 417,321 |
| Reserves | | 7,564,510 | 7,844,569 |
| | | 7,981,831 | 8,261,890 |
| Non-controlling interests | | 274,454 | 279,356 |
| Total equity | | <u>8,256,285</u> | <u>8,541,246</u> |

**3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2025 (Continued)**

| | <i>Notes</i> | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|--------------|--------------------------------|-------------------------|
| Non-current liabilities | | | |
| Long term bank loans – secured | | 669,769 | 2,119,204 |
| Deferred income tax liabilities | | 229,411 | 229,189 |
| Derivative financial instruments | | 3,217 | - |
| Lease liabilities | | 663 | 375 |
| | | 903,060 | 2,348,768 |
| Current liabilities | | | |
| Rental and other deposits | | 94,582 | 98,292 |
| Creditors and accruals | <i>(11)</i> | 38,149 | 32,606 |
| Current income tax liabilities | | 2,765 | 1,384 |
| Short term bank loans | | 123,000 | 150,000 |
| Current portion of long-term bank loans – secured | | 1,854,666 | 360,540 |
| Lease liabilities | | 233 | 265 |
| | | 2,113,395 | 643,087 |
| Total liabilities | | 3,016,455 | 2,991,855 |
| Total equity and liabilities | | 11,272,740 | 11,533,101 |

Notes:

(1) Basis of preparation

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through other comprehensive income and derivative financial instruments which are measured at fair value.

HKFRS Accounting Standards comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards (“HKFRSs”),
- Hong Kong Accounting Standards (“HKASs”), and
- Interpretations developed by HKICPA.

The Group had net current liabilities of HK\$1,849,932,000 as at 31st December 2025 (2024: HK\$375,064,000). The current liabilities mainly included short term bank loans of HK\$123,000,000 (2024: HK\$150,000,000) and current portion of long term bank loans of HK\$1,854,666,000 (2024: HK\$360,540,000). Based on the Group’s history of generating cash from operations, 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 Group intends to refinance the facilities that will mature within one year. Subsequent to reporting date, the Group has obtained two loans facilities in aggregate amount of HK\$1,970,391,000 for the purpose of refinancing the current portion of long term bank loans of HK\$1,737,788,000 and corporate future funding needs. These new loans facilities will be matured in 2029 and 2031 respectively. The directors believe that the Group will continue as a going concern and consequently have prepared the consolidated financial statements on a going concern basis.

Changes in accounting policy and disclosures

(i) Amended standard adopted by the Group

The following amended standard is relevant and mandatory to the Group for the first time for the financial year beginning on or after 1st January 2025:

HKAS 21 (Amendments) Lack of Exchangeability

The adoption of this amended standard did not result in a substantial impact to the results and financial position of the Group.

(ii) New standards, amended standards, annual improvements and interpretation not yet adopted

The following new standards, amended standards, annual improvements and interpretation have been published that are not mandatory for 31st December 2025 reporting period and have not been early adopted by the Group:

| | | Effective for accounting year beginning on or after |
|---|---|---|
| HKFRS 9 and HKFRS 7 (Amendments) | Classification and Measurement of Financial Instruments | 1st January 2026 |
| HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 (Amendments) | Annual Improvements to HKFRS Accounting Standards – Volume 11 | 1st January 2026 |
| HKFRS 9 and HKFRS 7 (Amendments) | Contracts Referencing Nature-dependent Electricity | 1st January 2026 |
| HKFRS 18 | Presentation and Disclosure in Financial Statements | 1st January 2027 |
| HKFRS 19 | Subsidiaries without Public Accountability: Disclosures | 1st January 2027 |
| HKAS 21 (Amendments) | Translation to a Hyperinflationary Presentation Currency | 1st January 2027 |
| Hong Kong Interpretation 5 (Amendments) | Presentation of Financial Statements – Classification by the Borrower of a Term Loan that contains a Repayment on Demand Clause | 1st January 2027 |
| HKFRS 10 and HKAS 28 (Amendments) | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | To be determined |

The Group's directors have performed an assessment on these new standards, amended standards, annual improvements and interpretation, and have concluded on a preliminary basis that the adoption of these new standards, amended standards, annual improvements and interpretation are not expected to have a significant impact on the Group's financial performance and position when they become effective, except for HKFRS 18 which will impact the presentation of profit and loss. The Group is still in the process of evaluating the impact of adoption of HKFRS 18.

HKFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1st January 2027)

HKFRS 18 will replace HKAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of financial performance of similar entities and provide more relevant information and transparency to users. These include:

- (a) all income and expenses in the consolidated income statement are required to be classified into one of the five categories, namely operating, investing, financing, income taxes, and discontinued operations;
- (b) two newly-defined subtotals "operating profit" and "profit before financing and income taxes" are required to be presented in the consolidated income statement to increase comparability;
- (c) management-defined performance measures ("MPMs"), which are often non-HKFRS measures (e.g., earnings before interest, tax, depreciation and amortisation), are required to be disclosed in a single note in the consolidated financial statements;
- (d) enhanced guidance on the principles of aggregation and disaggregation of information is provided; and
- (e) operating profit subtotal is required to be used as the starting point for the consolidated statement of cash flows when presenting operating cash flows under the indirect method, and each of interest income, interest expense and dividend income should be classified under a single category.

The adoption of HKFRS 18 would not have any impact on the Group's profit/(loss) attributable to shareholders, but is expected to trigger certain changes in the presentation of consolidated income statement.

The Group is still in the process of assessing the impact of HKFRS 18 on the Group's consolidated financial statements, particularly with respect to the categorisation of income and expenses in the Group's consolidated income statement, the structure of the Group's consolidated income statement and consolidated statement of cash flows, and the additional disclosure required for MPMs.

There are no other new/revised HKFRS Accounting Standards not yet effective that are expected to have any material impact on the Group.

(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 2025 and 2024 included in this preliminary announcement of annual results for the year ended 31st December 2025 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 2024 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 2025 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) Revenues recognised during the year are as follows:

| | 2025 | 2024 |
|---|-----------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Revenues from external customers | | |
| Property rental | | |
| – investment properties | 309,624 | 322,219 |
| – properties for sale | 26,548 | 27,945 |
| Property related services <i>(note (i))</i> | 29,050 | 29,542 |
| Hotel operations <i>(note (i))</i> | 86,130 | 82,111 |
| Catering operations <i>(note (ii))</i> | 19,952 | 19,737 |
| | <u>471,304</u> | <u>481,554</u> |

Notes:

- (i) The Group's revenue from property related services and hotel operations are recognised over-time as the services are performed.
 - (ii) The Group's revenue from catering operations is recognised at a point in time.
- (b) 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 as Hong Kong and the United States ("US").

The CODM assesses the performance of the operating segments based on their underlying profit/(loss), which is measured by profit/(loss) after income tax excluding fair value changes on investment properties (net of deferred income tax in the US), and their segment assets and segment liabilities which are measured in a manner consistent with that in the consolidated financial statements.

There are no sales between the operating segments.

(c) Operating segments

| | Hong Kong <i>HK\$'000</i> | US <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|--|------------------------------|-----------------------|--------------------------|
| For the year ended 31st December 2025 | | | |
| Segment revenues | | | |
| Property rental | 287,536 | 48,636 | 336,172 |
| Property related services | 29,050 | - | 29,050 |
| Hotel operations | 86,130 | - | 86,130 |
| Catering operations | 19,952 | - | 19,952 |
| | <u>422,668</u> | <u>48,636</u> | <u>471,304</u> |
| Total segment revenues | | | |
| Segment results – underlying loss | | | |
| – Property rental and related services | (12,853) | (3,371) | (16,224) |
| – Hotel and catering operations | (2,211) | - | (2,211) |
| Fair value losses on investment properties | (224,573) | (20,428) | (245,001) |
| Deferred income tax, net | - | 3,854 | 3,854 |
| | <u>(239,637)</u> | <u>(19,945)</u> | <u>(259,582)</u> |
| Loss for the year | | | |
| Included in segment results: | | | |
| Finance income | 1,871 | 168 | 2,039 |
| Finance costs | (107,341) | (5,531) | (112,872) |
| Income tax expense (<i>note</i>) | (10,774) | (18) | (10,792) |
| Depreciation | (44,424) | (817) | (45,241) |
| Employee benefit expenses | (131,064) | (4,400) | (135,464) |
| | <u>10,283</u> | <u>22,503</u> | <u>32,786</u> |
| Capital expenditure | | | |
| | <u>10,283</u> | <u>22,503</u> | <u>32,786</u> |
| At 31st December 2025 | | | |
| Property, plant and equipment | 1,907,051 | 4,350 | 1,911,401 |
| Investment properties | 8,617,470 | 461,476 | 9,078,946 |
| Prepayments for non-current assets | 554 | - | 554 |
| | <u>10,525,075</u> | <u>465,826</u> | <u>10,990,901</u> |
| Non-current assets (excluding financial assets at fair value through other comprehensive income) | | | |
| | 10,525,075 | 465,826 | 10,990,901 |
| Non-current financial assets at fair value through other comprehensive income | 18,376 | - | 18,376 |
| Current assets | 231,476 | 31,987 | 263,463 |
| | <u>10,774,927</u> | <u>497,813</u> | <u>11,272,740</u> |
| Segment assets | | | |
| | <u>10,774,927</u> | <u>497,813</u> | <u>11,272,740</u> |
| Current liabilities | 2,011,251 | 102,144 | 2,113,395 |
| Non-current liabilities | 836,586 | 66,474 | 903,060 |
| | <u>2,847,837</u> | <u>168,618</u> | <u>3,016,455</u> |
| Segment liabilities | | | |
| | <u>2,847,837</u> | <u>168,618</u> | <u>3,016,455</u> |

(c) Operating segments (Continued)

| | Hong Kong <i>HK\$ '000</i> | US <i>HK\$ '000</i> | Total <i>HK\$ '000</i> |
|--|-------------------------------|------------------------|---------------------------|
| For the year ended 31st December 2024 | | | |
| Segment revenues | | | |
| Property rental | 292,877 | 57,287 | 350,164 |
| Property related services | 29,542 | - | 29,542 |
| Hotel operations | 82,111 | - | 82,111 |
| Catering operations | 19,737 | - | 19,737 |
| Total segment revenues | <u>424,267</u> | <u>57,287</u> | <u>481,554</u> |
| Segment results – underlying (loss)/profit | | | |
| – Property rental and related services | (36,742) | 1,972 | (34,770) |
| – Hotel and catering operations | (4,208) | - | (4,208) |
| Fair value losses on investment properties | (222,805) | (106,447) | (329,252) |
| Deferred income tax, net | - | 28,044 | 28,044 |
| Loss for the year | <u>(263,755)</u> | <u>(76,431)</u> | <u>(340,186)</u> |
| Included in segment results: | | | |
| Finance income | 2,414 | 515 | 2,929 |
| Finance costs | (145,381) | (6,475) | (151,856) |
| Income tax expense (<i>note</i>) | (8,409) | (26) | (8,435) |
| Depreciation | (44,727) | (817) | (45,544) |
| Employee benefit expenses | <u>(125,123)</u> | <u>(4,437)</u> | <u>(129,560)</u> |
| Capital expenditure | <u>10,715</u> | <u>5,073</u> | <u>15,788</u> |
| At 31st December 2024 | | | |
| Property, plant and equipment | 1,947,606 | 5,168 | 1,952,774 |
| Investment properties | 8,838,000 | 456,986 | 9,294,986 |
| Prepayments for non-current assets | 10 | - | 10 |
| Non-current assets (excluding financial assets at fair value through other comprehensive income) | <u>10,785,616</u> | <u>462,154</u> | <u>11,247,770</u> |
| Non-current financial assets at fair value through other comprehensive income | 17,308 | - | 17,308 |
| Current assets | <u>238,638</u> | <u>29,385</u> | <u>268,023</u> |
| Segment assets | <u>11,041,562</u> | <u>491,539</u> | <u>11,533,101</u> |
| Current liabilities | 628,856 | 14,231 | 643,087 |
| Non-current liabilities | <u>2,192,485</u> | <u>156,283</u> | <u>2,348,768</u> |
| Segment liabilities | <u>2,821,341</u> | <u>170,514</u> | <u>2,991,855</u> |

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

(4) Cost and expenses

| | 2025 | 2024 |
|---|-----------------|----------|
| | HK\$'000 | HK\$'000 |
| Auditors' remuneration | | |
| – audit services | 2,986 | 3,025 |
| – non-audit services | 1,371 | 1,137 |
| Depreciation | 45,241 | 45,544 |
| Amortisation of capitalised letting fees | 3,877 | 4,688 |
| Provision for impairment of trade debtors | 338 | 551 |
| Donations | 3,880 | 3,032 |
| Outgoings, in respect of <i>(note (a))</i> | | |
| – investment properties | 66,420 | 72,268 |
| – properties for sale | 7,784 | 6,324 |
| – property related services <i>(note (c))</i> | 25,532 | 27,028 |
| – property, plant and equipment | 3,814 | 5,019 |
| Outgoings, in respect of <i>(note (b))</i> | | |
| – hotel and catering operations <i>(note (c))</i> | 73,753 | 68,828 |
| Other employee benefit expenses | 88,382 | 86,496 |
| Others | 44,946 | 40,546 |
| Total cost of sales and administrative expenses | 368,324 | 364,486 |

Notes :

- (a) Outgoings mainly included building management fee, government rent and rates, repair and maintenance and employee benefits.
- (b) Outgoings mainly included food cost, commission expense, electricity charge, cleaning fee and employee benefits.
- (c) The employee benefit expenses included in outgoings, in respect of

| | 2025 | 2024 |
|---------------------------------|-----------------|----------|
| | HK\$'000 | HK\$'000 |
| – property related services | 502 | 763 |
| – hotel and catering operations | 46,580 | 42,301 |
| | 47,082 | 43,064 |

(5) Other gains, net

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|--------------------------------|-------------------------|
| Dividend income from financial assets at fair value through other comprehensive income | 909 | 925 |
| Gain on disposal of property, plant and equipment, net | 3,294 | 391 |
| Realised and unrealised losses on derivative financial instruments, net | <u>(3,993)</u> | <u>-</u> |
| | <u>210</u> | <u>1,316</u> |

(6) Finance income and costs

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|------------------------------------|--------------------------------|-------------------------|
| Finance income | | |
| Interest income from bank deposits | 2,039 | 2,929 |
| Finance costs | | |
| Interest expenses on bank loans | <u>(112,872)</u> | <u>(151,856)</u> |
| Finance costs, net | <u>(110,833)</u> | <u>(148,927)</u> |

(7) Income tax (expense)/credit

Hong Kong Profits Tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the year. Except for the minimum US state tax which has been paid during the year, no overseas taxation (2024: Nil) has been provided as there is no estimated taxable profit for the overseas subsidiaries for the year.

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

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--------------------------------|--------------------------------|-------------------------|
| Current income tax | | |
| – Hong Kong Profits Tax | (6,799) | (3,346) |
| – United States taxation | (18) | (26) |
| – Over provision in prior year | <u>101</u> | <u>89</u> |
| | <u>(6,716)</u> | <u>(3,283)</u> |
| Deferred income tax | | |
| – Hong Kong | (4,076) | (5,152) |
| – United States | <u>3,854</u> | <u>28,044</u> |
| | <u>(222)</u> | <u>22,892</u> |
| | <u>(6,938)</u> | <u>19,609</u> |

(8) Loss per share

The calculation of basic loss per share is based on loss attributable to owners of the Company of HK\$257,607,000 (2024: HK\$333,408,000) and on 287,670,000 (2024: 287,670,000) ordinary shares in issue during the year.

As there are no dilutive potential ordinary shares for the year ended 31st December 2025 and 2024, the diluted loss per share is equal to the basic loss per share.

(9) Dividends

The interim dividend paid in 2025 and 2024 were HK\$8,630,000 (HK3 cents per share) and HK\$11,507,000 (HK4 cents per share) respectively. At a meeting held on 27th March 2026, the directors proposed a final dividend of HK5 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 2026 upon the approval by the Company's shareholders.

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|--------------------------------|-------------------------|
| Interim, paid, of HK3 cents (2024: HK4 cents) per ordinary share | 8,630 | 11,507 |
| Final, proposed, of HK5 cents (2024: HK5 cents) per ordinary share | 14,383 | 14,383 |
| | <u>23,013</u> | <u>14,383</u> |
| | <u>23,013</u> | <u>25,890</u> |

(10) Debtors and prepayments

Included in debtors and prepayments are trade debtors, net, of HK\$1,146,000 (2024: HK\$1,817,000) and the ageing analysis of the trade debtors, net based on invoice date was as follows:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|------------|--------------------------------|-------------------------|
| 0-30 days | 655 | 1,450 |
| 31-60 days | 251 | 367 |
| 61-90 days | 240 | - |
| | <u>1,146</u> | <u>1,817</u> |
| | <u>1,146</u> | <u>1,817</u> |

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

(11) Creditors and accruals

Included in creditors and accruals are trade creditors of HK\$12,586,000 (2024: HK\$8,572,000) and the ageing analysis of the trade creditors based on invoice date was as follows:

| | 2025 | 2024 |
|--------------|------------------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| 0-30 days | 12,245 | 8,362 |
| 31-60 days | 156 | 179 |
| 61-90 days | - | 15 |
| Over 90 days | 185 | 16 |
| | <u>12,586</u> | <u>8,572</u> |

CHAIRMAN'S STATEMENT

Result

I would like to report the results of the Company and its subsidiaries (the “Group”) for the year ended 31st December 2025 that the total revenue of the Group for the year decreased by HK\$10.3 million or 2.1% to HK\$471.3 million (2024: HK\$481.6 million). The Group’s core property leasing business remained stable, with the total rental income down by 4.0% as compared to last year mainly due to the drop of rental income from the operation in the United States (“US”). Whereas, the revenue from the hotel and catering business increased by 4.2% as compared to last year.

The Group recorded a consolidated loss for the year ended 31st December 2025 of HK\$259.6 million (2024: HK\$340.2 million). Loss per share for the year was HK\$0.90 (2024: HK\$1.16). The consolidated loss for the year included the fair value losses on investment properties (net of US deferred income tax) of HK\$241.1 million (2024: HK\$301.2 million).

Excluding the fair value losses on investment properties, the Group’s earnings before interest, tax, depreciation and amortisation (“EBITDA”) for the year ended 31st December 2025 was HK\$150.5 million (2024: HK\$166.9 million) and the Group’s underlying loss for the year ended 31st December 2025 was HK\$18.4 million (2024: HK\$39.0 million). The underlying loss decreased by HK\$20.6 million mainly due to the decrease in interest expenses of HK\$39.0 million as a result of drop in interest rate during the year, however, adjusted further by the loss from US operation.

As at 31st December 2025, the valuation of the investment properties of the Group was HK\$9,078.9 million (2024: HK\$9,295.0 million), drop by HK\$216.1 million or 2.3% for the year. Total equity amounted to HK\$8,256.3 million (2024: HK\$8,541.2 million).

Final Dividend

The board of directors (the “Board”) has resolved to recommend a final dividend of HK5 cents (2024: HK5 cents) per ordinary share.

Prospects

The global landscape has entered an era of uncertainty, with geopolitical risks overshadowing trade tensions. Recent Middle East tensions have disrupted energy and supply chains, pushed oil price higher. This adds to the inflationary pressures to the global markets and directly impacts interest rate trajectories: the Federal Reserve Rate cut expectations have been delayed, while the European Central Bank faces high uncertainty.

These dynamics may have impacts on Hong Kong's property market as capital flows are shifting. Geopolitical risks and the RMB's strength have reinforced Hong Kong's role as a safe haven. Middle Eastern capital and talent may flow in, supporting both property sales and rental markets.

Despite global market volatility, stable interest rates and reduced supply and increased demand provide a solid foundation for Hong Kong's property market.

We are confident that our operations will remain stable and we will continue to be cautious and will make appropriate adjustments if the circumstance merit. Barring any unforeseen circumstances, the Group will continue to pursue a prudent policy.

In closing, I would like to express my appreciation to all of our staff for their long-term efforts and to the directors for their outstanding contributions. Meanwhile, I would also like to express my sincere gratitude towards our shareholders, customers and business partners for their longstanding support and recognition.

William Ma Ching Wai
Chairman

Hong Kong, 27th March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In Hong Kong, the total rental income for the year was HK\$287.5 million, slightly decreased by HK\$5.3 million or 1.8% as compared to last year. Despite the slight pick-up of rental income from residential properties during the year 2025, there were drops from the industrial and commercial properties in terms of occupancy and rent rate. The adsorption of industrial units, shops and commercial units may remain slow in the coming year.

The room tariff income and catering income from our hotels for the year was HK\$106.1 million, increased by HK\$4.2 million or 4.2% as compared to last year. The average occupancy rate of the Arca Hotel and the Figo Hotel for the year was 87.0% (2024: 81.2%) and 93.4% (2024: 94.0%) respectively. The average daily room rate (ADR) of the Arca Hotel and the Figo Hotel for the year was HK\$1,109 (2024: HK\$1,110) and HK\$1,271 (2024: HK\$1,284) respectively. The EBITDA of the Arca Hotel and the Figo Hotel for the year was HK\$10.6 million (2024: HK\$11.8 million) and HK\$4.6 million (2024: HK\$6.3 million) respectively. Attributed to the success of Hong Kong's Mega-events, there were notable increased in numbers and the variety of tourists coming to Hong Kong, which supported the rise in occupancy rate of the Arca Hotel during the year.

In US, the total rental income from Montgomery Plaza was HK\$48.6 million for the year, decreased by HK\$8.7 million or 15.1%, as compared to last year. As at 31st December 2025, the office space occupancy rate of Montgomery Plaza is 50% (2024: 55%). Rental and occupancy rates at the financial district in San Francisco did not turn around yet and hold steady throughout the year. However, as long as the AI boom continues, the office market remains stabilised, with the need for some talent agglomeration helping to offset the permanent drag associated with remote work.

Liquidity and financial resources

As at 31st December 2025, the Group's total bank borrowings increased by HK\$17.7 million to HK\$2,647.4 million (2024: HK\$2,629.7 million), including outstanding long term bank loans of HK\$2,524.4 million (2024: HK\$2,479.7 million). As at 31st December 2025, the total equity decreased by HK\$284.9 million to HK\$8,256.3 million (2024: HK\$8,541.2 million). The gearing ratio (total debt to equity ratio) as at 31st December 2025 was 32.1% (2024: 30.8%).

Subsequent to reporting date, the Group has obtained two loans facilities in aggregate amount of HK\$1,970.4 million for the purpose of refinancing the current portion of long term bank loans of HK\$1,737.8 million and corporate future funding needs. These new loans facilities will be matured in 2029 and 2031 respectively.

The cash flow position and funding needs are closely reviewed and monitored to ensure that the Group has a good degree of financial flexibility and liquidity while optimising net financial costs. 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.

Capital expenditure

Capital expenditure for the year amounted to HK\$32.8 million (2024: HK\$15.8 million) and capital commitments as at 31st December 2025 amounted to HK\$49.7 million (2024: HK\$13.6 million). Both capital expenditure and capital commitments were mainly related to the addition of property, plant and equipment, property improvement and construction work. The Group anticipates that such commitments will be funded by future operating income, bank borrowings and other sources of finance as appropriate.

Capital structure of the Group

The capital structure of the Group had not changed materially from the last annual report.

Treasury policies and objectives

The Group adopts a treasury policy that aims to better control its treasury operations and lower its borrowing cost. As such, the Group endeavours to maintain an adequate level of cash and cash equivalents to address short term funding needs. The Group also considers various funding sources depending on the Group's needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet the Group's financial obligations. The deposits of the Group at various licensed banks have been and will continue to be conducted in accordance with the Group's treasury policy. The Group reviews and evaluates the treasury policy from time to time to ensure its adequacy and effectiveness.

Foreign currency exchange risk

The Group's borrowings and cash and cash equivalents are primarily denominated in Hong Kong and US dollars and the repayment of principal and interest will be made in the respective lending currency. The Group therefore has no significant exposure to foreign exchange fluctuation.

As at 31st December 2025, the Group did not have any foreign currency hedging activity.

Secured bank borrowings and pledge of assets

Secured bank borrowings of the Group amounting to HK\$2,647.4 million (2024: HK\$2,629.7 million) were secured by certain investment properties and land and buildings with an aggregate carrying amount of HK\$7,683.6 million (2024: HK\$7,841.5 million) and the rental income therefrom. Interests on the Group's bank borrowings were based on the floating interest rates, i.e. spread plus Hong Kong Inter-bank Offered Rate or US Secured Overnight Financing Rate.

The Group entered into a fixed interest rate swap contract for a notional principal value of HK\$200 million at a fixed rate of 3.06% in April 2025, effectively stabilising funding costs and preventing it from becoming an excessive drag on operating results.

The maturity of the Group's long term bank loans as at 31st December 2025 is summarised as follows:

| | 2025 | 2024 |
|----------------------------|-------------------------|------------------|
| | HK\$'000 | HK\$'000 |
| within one year | 1,854,666 | 360,540 |
| in the second year | 31,380 | 1,834,951 |
| in the third to fifth year | 638,389 | 284,253 |
| | <u>2,524,435</u> | <u>2,479,744</u> |

Contingent liabilities

As at 31st December 2025, the Group has no significant contingent liabilities or guarantees (2024: Nil).

Segment information

Details of segment information of the Group are set out in note 3(c) to the consolidated financial statements in this announcement.

Employees and emolument policy

As at 31st December 2025, the Group employed a total of 267 (2024: 261) full-time employees which included the directors of the Company. In addition to salary payment, other benefits included discretionary bonus, insurance, medical schemes and mandatory provident fund schemes.

Employees of the Group are remunerated at a competitive level and are rewarded according to their performance and experience. The promotion and remuneration of the Group's employees are subject to annual review.

The emoluments of the directors of the Company are recommended by the remuneration committee to the Board's decision, having regard to the Group's operating results, individual responsibilities and performance, and comparable market statistics.

The Company has not adopted any share option scheme as an incentive to directors and eligible employees.

Significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures

There were no significant investments held, nor were there any material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31st December 2025.

Future plans for material investments and capital assets

The Group continues its efforts to upgrade and modernise our property portfolio. The Group will pay attention to the economic development and review our business plans for material investments and capital assets regularly.

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

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 shares during the year.

CORPORATE GOVERNANCE

The Company complied with the code provisions of Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the year ended 31st December 2025, except the following:

Under code provision C.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 as to maintain an effective segregation of duties. Mr. William Ma Ching Wai, the Chairman of the Board (the "Chairman") was appointed as the chief executive of the Company (the "Chief Executive") on 15th June 2017, since then Mr. Ma holds both positions as the Chairman and Chief Executive. The Board believes that vesting the roles of both Chairman and Chief Executive on the same individual 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 in 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 four 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") as set out in Appendix C3 to the Listing Rules as the Company's code of conduct regarding directors' securities transactions. On specific enquiries made, all directors have confirmed that they have complied with the Model Code during the year ended 31st December 2025.

PROPOSED FINAL DIVIDEND AND RECORD DATE

An interim dividend of HK3 cents (2024: HK4 cents) per share was paid to shareholders on 29th September 2025. The directors of the Company have resolved to recommend to shareholders at the annual general meeting the payment of a final dividend of HK5 cents (2024: HK5 cents) per share to the shareholders whose names appear on the register of members of the Company at the close of business on 28th May 2026, being the record date for determining shareholders' entitlement to the final dividend. The total distribution for the financial year ended 31st December 2025 will be HK8 cents (2024: HK9 cents) per share. The proposed final dividend will be paid on 17th June 2026 following the approval at the annual general meeting. In order to qualify for the proposed final dividend, all transfer documents 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 Thursday, 28th May 2026.

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting of the shareholders of the Company will be held on 22nd May 2026 (the "2026 AGM"). Notice of the 2026 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 Tuesday, 19th May 2026 to Friday, 22nd May 2026 (both dates inclusive), during the period no transfer of shares will be registered. The record date for determining the eligibility of shareholders to attend and vote at the 2026 AGM is Friday, 22nd May 2026. In order to be eligible to attend and vote at the 2026 AGM, all transfer documents 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 Monday, 18th May 2026.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

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 2025 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 audited consolidated financial statements for the year. The work performed by PwC in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by PwC on the preliminary announcement.

AUDIT COMMITTEE'S REVIEW

The audit committee of the Company 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 2025.

ANNUAL REPORT

The 2025 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, 27th March 2026

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 ten 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. Yiu Kei Chung, Mr. Aaron Tan Leng Cheng and Mr. Ho Chi Keung are independent non-executive directors.