TARGET

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TAI SANG LAND DEVELOPMENT LTD:
PUTTING ALL ONE'S EGGS IN A SINGLE BASKET IS INADVISABLE,
BUT THE MA FAMILY'S '*EGGS*', IN PART AT LEAST, SEEM
TO BE SOMEWHAT IMPERVIOUS OF THE NORM

For the first time in the past six Financial Years, Senior Management of Tai Sang Land Development Ltd (大生地產發展有限公司) (Code: 89, Main Board, The Stock Exchange of Hongkong Ltd) was forced to bite the proverbial bullet, announcing, on or about April 19, 2021, that the property-and-hotel-owning company had suffered a Net Loss Attributable to Shareholders of $HK155,943,000.00 in respect of the 2020 Financial Year, ended December 31.

That result compared with the Net Profit Attributable to Shareholders of $HK436,300,000.00, recorded in the 2019 Financial Year.

With regard to the Total Revenue, in respect of the 2020 Financial Year, it came in at about $HK351,654,000.00, a 5.04-percent decline, compared with the Total Revenue, recorded in the 2019 Financial Year.

The slide, down the greasy pole, of about 135.74 percent, from a Net Profit Attributable to Shareholders to a Net Loss Attributable to Shareholders, within the space of just one Financial Year, was due to a number of factors, some of which were penned by the Chairman of the Company, Mr William Ma Ching Wai (馬清偉), at Page Eight of the Company's Annual Report.

At this Page, Mr William Ma Ching Wai said, among other things:

> '*The Group's core property leasing business remained stable with a 2.1% year to year drop; whereas a more significant decrease in the hotel room tariff was recorded due to the closure of the hotel at Sheung Wan for renovation. The revenue of the Group for Year 2020 decreased 5.0% to HK$351.7 million (2019: HK$370.3 million).*
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> '*The Group recorded a consolidated loss of HK$153.0 million (2019: profit of HK$446.4 million) for Year 2020, due to property revaluation loss, particularly for the shops and commercial properties. Loss per share for the year was HK$0.54 (2019: earnings per share HK$1.52).*

‘*When excluding the effect of the property revaluation loss (net of the deferred tax in the United States) in the amount of HK$233.9 million (2019 corresponding figure: gain of HK$355.4 million), the underlying profit for 2020 was approximately HK$80.9 million, decreased by HK$10.1 million or 11.1% as compared to the corresponding figure of HK$91.0 million for 2019.*

‘*As at 31st December 2020, the investment properties of the Group were revalued at HK$8,656.3 million (2019: HK$8,627.5 million). Total equity amounted to HK$ 8,133.4 million (2019: HK$8,203.4 million).*’

Under the sub-heading, ‘***PROSPECTS***’, found at the foot of Page Eight of the 2020 Company’s Annual Report, Mr William Ma Ching Wai explained:

‘*The COVID-19 pandemic affected the economy of the world including Hong Kong throughout Year 2020, together with the social unrest in the second half of Year 2019, the economy of Hong Kong has been deeply hit for almost two years. Inevitably, all sectors of business have been affected. The Group’s situation however is relatively stable and satisfactory and demonstrated resilience as compared with other sectors of economy.*

‘*Following the wide applications of vaccines for COVID-19 across the world, it is expected the pandemic will gradually be under control this year. In addition to this, as interest rate may not rise in the near future, a bottom out of economies will likely be seen. We are therefore cautiously optimistic that more businesses will be picking up all over the world and in Hong Kong. Alongside, the occupancy of the Group’s investment property will be improved from the second half of 2021 whilst the new hotel of the Group will be put into operation.*

‘The Group will continue to be cautious and will pay attention to the development of the current situations. However, if the Hong Kong property market situation does not improve in 2021, the revaluation loss in our investment property portfolio may continue to adversely affect our 2021 result. Barring any unforeseen circumstances, the Group will continue to pursue a prudent policy.’

However, notwithstanding the strong suggestion of a rather bearish outlook in respect of the 2021 economy for the **H**ong**k**ong **S**pecial **A**dministrative **R**egion (**HKSAR**) of the **P**eople’s **R**epublic of **C**hina (**PRC**), Mr William Ma Ching Wai informed his shareholders:

‘*The directors have resolved to recommend a final dividend of HK12 cents (2019: HK12 cents) per ordinary share.’*

At the current share price of about $HK4.29, the 12-cent Final Dividend is equivalent to a yield of about 2.69 percent with regard to shareholders of the Company.

Since the Company's Directors, historically, are known to have recommended and distributed an Interim Dividend of 10 cents per share, the total distribution of dividends in the amount of 22 cents per share is equivalent to yield of about 5.13 percent.

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