

TARGET

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S A T U R D A Y

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HYSAN DEVELOPMENT COMPANY LTD: THE CHAIRMAN SHOWS HER METTLE

For the first time, during the past five Financial Years, Hysan Development Company Ltd (希慎興業有限公司) (Code: 14, Main Board, The Stock Exchange of Hongkong Ltd) was forced to bite the proverbial bullet and to declare that the Company had suffered a Net Loss Attributable to Shareholders in respect of the Financial Year, ended December 31, 2020.

At Page 156 of the 2020 Annual Report, Management recorded that, on a Turnover of about \$HK3,710,000,000.00, the Company had incurred a Net Loss Attributable to Shareholders of approximately \$HK2,547,000,000.00.

That Net Loss Attributable to Shareholders equated with approximately 68.65 percent of the entire 2020-Year's Turnover of the Company.

The 2020-Year's Results compared with the 2019 Financial Year's Results when the Company reported a Turnover of about \$HK3,988,000,000.00 on which the Net Profit Attributable to Shareholders had been recorded as being approximately \$HK4,845,000,000.00.

The 2019-Year's Net Profit Attributable to Shareholders, therefore, was about \$HK857,000,000.00, or 21.49 percent greater than the entire Turnover with regard to the 2019 Financial Year.

The Gross Profit Margin in respect of the 2020 Financial Year was 86.79 percent, little changed from the 2019 Financial Year when the figure came in at 86.56 percent.

The Net Profit Margin in respect of the 2019 Financial Year was about 121.49 percent.

And, then, came the crunch: The Net Loss Attributable to Shareholders with regard of the 2020 Financial Year of \$HK2,547,000,000.00.

With regard to the Net Assets of the Company, Page 133 of the 2020 Annual Report indicated an increase, Year-On-Year, of 0.98 percent, from the 2019 figure of \$HK13,253,000,000.00 to the 2020 figure of \$HK13,383,000,000.00.

In respect of the Company's total borrowings, Page 130 of the 2020 Annual Report indicated an increase, Year-On-Year, of about 51.41 percent – from the 2019-Year's figure of \$HK12,529,000,000.00 to the 2020-Year's figure of \$HK18,970,000,000.00.

The Activities Of Hysan Development Company Ltd

The principal activities of Hysan Development Company Ltd is that of property investment, management and development.

The Company's revenues and profits are derived from the leasing of investment properties, all of which are located in the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**.

The Company's portfolio of properties are said to comprise some 4.50 million square feet of retail, office and residential tenant space, nearly all of which are located at the Causeway Bay Area of Hongkong Island.

As at December 31, 2020, the Company's real-estate portfolio was professionally valued at about \$HK74,993,000,000.00, representing a decrease, Year-On-Year, of about 5.20 percent.

The following table is copied from Page 21 of the 2020 Annual Report:

	2020	2019	
	(\$HK million)	(\$HK million)	Percentage Change
Office Property	34,593	35,498	(2.50)
Retail Property	31,670	35,059	(9.70)
Residential Property	8,730	8,559	2.00
TOTAL:	74,993	79,116	(5.20)

Ms Irene Lee Yun Lien (利蘊蓮), the Chairman of the Hysan Development Company Ltd, has gone on record, stating, inter alia:

‘2020 was a most difficult year, for Hong Kong and for the rest of the world. As we enter the spring of 2021, we still have little clarity on our future.

‘We have had warnings of the arrival of the “new normal” leading to structural changes in the office and retail sectors over the past few years. Our new world reflects a changing of the guard – the next few waves of youth are replacing our baby boomer generation. The shorter-term shocks of the trade war, COVID-19 and social unrest have just accelerated the pace of change...

‘The outlook for 2021 is far from clear. A great deal depends on COVID-19 coming under control, not just in Hong Kong but also around the world. Here at Hysan, our balanced portfolio and financial strength provide a strong foundation for long-term growth. For now, we will do our best to look after and motivate our staff, inject new ideas, create community projects, and protect and enhance our assets. The world economy will continue to have ample liquidity, providing stimulus in a

low interest rate environment, and governments around the world will focus on restarting economies.

'Hong Kong is no different. We need to contain COVID-19, re-start our economy and improve livelihood.'

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