

TARGET

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MODERN LIVING INVESTMENTS HOLDINGS LTD: IS MANAGEMENT PLANNING TO TRANSFER ITS LISTING FROM THE GEM TO THE MAIN BOARD ?

Bearing in mind that Modern Living Investments Holdings Ltd (雅居投資控股有限公司) (Code: 8426, The Growth Enterprise Market [the GEM], The Stock Exchange of Hongkong Ltd) only has a history of one month more than three Financial Years as a company, whose shares are listed on the secondary equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), it is, certainly, off and running to a very good start.

On or about Thursday, March 31, 2022, Modern Living Investments Holdings Ltd published and disseminated its Annual Report in respect of the Company's Financial Year, ended December 31, 2021.

Mr Ho Chu Ming (何柱明), the Chairman of the Board of Directors of the Company, at Page Three of the 2021 Annual Report, headlined, '**BUSINESS REVIEW**', made the following comments:

'The year under review was full of challenges and difficulties, but the Group continued its efforts to stay competitive in the market. Under the Group's existing property management portfolio as at 31 December 2021, it has 23 public housing estates and 3 Home Ownership Scheme ("HOS") estates awarded by the Hong Kong Housing Authority ("HA").

'The total revenue of the Group for the year ended 31 December 2021 was approximately HK\$479.76 million (2020: HK\$459.42 million), representing an increase of approximately 4.43% as compared with last year. The operating profit of the Group for the year ended 31 December 2021 was approximately HK\$30.21 million (2020: HK\$22.19 million), representing an increase of approximately 36.14% as compared with last year. The increase in operating profit was mainly attributable to (i) increase in pricing of new property management service contracts; (ii) the upward adjustment on service fee for some of the Group's existing contracts in accordance with the adjustment mechanism as stipulated in those contracts; (iii) closer monitoring of various operating expense items

for cost control purpose; and (iv) receipt of job creation scheme subsidies for the new hires from the Hong Kong government.

‘The basic and diluted earnings per share for the year ended 31 December 2021 was HK3.18 cents (2020: earnings per share of HK2.43 cents)...’.

The business of the Company was presented at Page Four of the 2021 Annual Report, thusly:

‘The Group provides property management services in Hong Kong, with a primary focus on public housing. During the year ended 31 December 2021, Hong Kong Housing Authority (“HA”) was the Group’s sole customer and contributed all of the Group’s total revenue. The Group’s property management services include (i) estate management services (entailing general management, tenancy management, financial management, minor repairs and maintenance as well as project management services); (ii) security services; and (iii) cleaning services.

‘Looking forward, the property management services sector is still full of challenges. As the Group’s business is mainly focused on property management of public housing and subsidised housing, it is expected that the impact brought by the anticipated economic downturn in Hong Kong and coronavirus epidemic (sic) will not be significant to the Group’s business. Nevertheless, the Group will embrace these challenges by implementing proactive marketing strategies, investing more resources on human resources and the reinforcing on cost control measures.’

At Page 38 of the 2021 Annual Report of the Company, one was presented with the Consolidated Income Statement with regard to the 2021 Financial Year, ended December 31, the highlights of which included:

	For The Financial Year, Ended December 31		Percentage Increase/(Decrease)*
	2021	2020	
	All Figures Are Denominated In \$HK'000 (except where otherwise stipulated)		
Revenue	479,758	459,415	4.43
Other Income ¹	2,067	9,046	(77.15)
Operating Profits	30,209	22,192	36.13
Net Profit Attributable To Shareholders	25,457	19,440	30.95
Net Profit Margin*	5.31 percent	4.23 percent	25.53
Earnings Per Share	HK3.18 cents	HK2.43 cents	30.86

* These are **TARGET**’s calculations.

¹ At Note Seven to the Accounts, under the sub-heading, ‘**OTHER INCOME**’, found at Page 62 of the 2021 Annual Report, the table below is presented to act as exculpatory data in order to clarify the statistics:

	For The Financial Year, Ended December 31	
	2021	2020
	All Figure Are Denominated In \$HK’000	

Wage Subsidies Granted From The Employment Support Scheme Under Anti-Epidemic Fund	159	6,595
Job Creation Scheme Subsidies Granted From Civil Service Bureau Of The Government Of The Hongkong Special Administrative Region And The Hongkong Association Of Property Management Companies Ltd	1,765	Nil
Administrative Fee Received On Distribution Of Subsidies For Cleaners And Security Workers	Nil	2,187
Sundry Income	143	264
TOTAL	2,067	9,046

At Page 40 of the 2021 Annual Report, it was stated that Total Equity (Shareholders' Funds) stood at \$HK144,735,000, as at December 31, 2021, being an increase, Year-On-Year, of about 9.09 percent, compared to the 2020-Year's Total Equity of \$HK132,678,000.00.

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