

# TARGET

## Intelligence Report

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S A T U R D A Y

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### **KWONG MAN KEE GROUP LTD: CAN THE COMPANY SURVIVE THE PANDEMIC ?**

Kwong Man Kee Group Ltd (鄭文記集團有限公司) (Code: 8023, The Growth Enterprise Market [the GEM], The Stock Exchange of Hongkong Ltd) appears to be facing one of the worst periods in its history, going back at least 69 months to March 31, 2017.

In the Company's 2021/2022 Interim Report in respect of the six months, ended September 30, 2021, published and disseminated in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) on Thursday, November 11, 2021, the Company's tales of woe were spelled out, without any attempt to camouflage its very obvious problems, or to seek to embellish its pathetic situation that it presently faces with bland excuses.

At Page Two of this Interim Report, headlined, '**HIGHLIGHTS**', there are exactly four paragraphs, hereby reproduced verbatim:

- *'The revenue of the Group decreased by 19.0% from approximately HK\$63.8 million for the six months ended 30 September 2020 to approximately HK\$51.7 million for the six months ended 30 September 2021.*
- *'The Group's gross profit decreased by 24.4% from approximately HK\$23.7 million for the six months ended 30 September 2020 to approximately HK\$17.9 million for the six months ended 30 September 2021. The gross profit margin of the Group decreased from 37.1% for the six months ended 30 September 2020 to 34.6% for the same period ended 30 September 2021.*
- *'The profit of the Group decreased by 64.9% from approximately HK\$11.4 million for the six months ended 30 September 2020 to approximately HK\$4.0 million for the same period ended 30 September 2021.*
- *'The Board does not recommend the payment of interim dividend for the six months ended 30 September 2021 (2020: Nil).'*

On Thursday, February 10, 2022, the Company released its Third Quarterly Report in respect of nine months, ended December 31, 2021.

At Page Two of this Third Quarterly Report, also headlined, '**HIGHLIGHTS**', there are exactly four paragraphs, hereby reproduced verbatim:

- *'The revenue of the Group decreased by 20.4% from approximately HK\$96.5 million for the nine months ended 31 December 2020 to approximately HK\$76.8 million for the nine months ended 31 December 2021.'*
- *'The Group's gross profit decreased by 25.8% from approximately HK\$35.8 million for the nine months ended 31 December 2020 to approximately HK\$26.6 million for the nine months ended 31 December 2021. The gross profit margin of the Group decreased from 37.1% for the nine months ended 31 December 2020 to 34.6% for the same period ended 31 December 2021.'*
- *'The profit of the Group decreased by 74.0% from approximately HK\$16.7 million for the nine months ended 31 December 2020 to approximately HK\$4.3 million for the same period ended 31 December 2021.'*
- *'The Board does not recommend the payment of interim dividend for the nine months ended 31 December 2021 (2020: Nil).'*

At Pages Three and Four of the Third Quarterly Report, it was indicated that the Gross Profit Margin with regard to the nine months, ended December 31, 2021, was 34.60 percent, compared with 37.11 percent in respect of the like period in the 2020 Financial Year.

As for the Net Profit Attributable to Shareholders with regard to the nine months, ended December 31, 2021, it was about \$HK4,411,544, while the Net Profit Attributable to Shareholders for the nine months, ended December 31, 2020, came in at \$HK16,775,127.

The Net Profit Margin in respect of the nine months, ended December 31, 2021, was 5.74 percent, and that figure was a far distance from the Net Profit Margin of 17.39 percent in respect of the nine months, ended December 31, 2020.

As to Earnings Per Share Attributable to Shareholders, as at December 31, 2021, it was 74 cents.

That figure of 74 cents represented a reduction of 73.57 percent, compared to the figure of \$HK2.80, being the Earnings Per Share Attributable to Shareholders as at December 31, 2020.

In the 2021/2022 Interim Report, it was stated at Page Six that, as at September 30, 2021, bank borrowings stood at \$HK9,044,826.

In the Third Quarterly Report, there was no mention of bank borrowings.

At ... [CLICK TO ORDER FULL ARTICLE](#)

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