

# TARGET

## Intelligence Report

VOLUME XXIV No. 55

S A T U R D A Y

March 12, 2022

**SIS MOBILE HOLDINGS LTD:  
DON'T BE DAZZLED BY ONE YEAR'S GAINS;  
LOOK AT THE PROBLEMS, BUILDING ON THE HORIZON**

The financial results of SiS Mobile Holdings Ltd (新龍移動集團有限公司) (Code: 1362, Main Board, The Stock Exchange of Hongkong Ltd) in respect of six months, ended June 30, 2021, could be considered quite amazing ... considering the many challenges, brought about by the onslaught of the pandemic, now well known by its name: COVID-19.

Without any further ado, the following are the highlights of the Condensed Consolidated Statement of Profit or Loss, presented at Page Five of the 2021 Interim Report of the Company:

	Six Months, Ended June 30		Percentage Increase/(Decrease)*
	2021	2020	
	All Figures Are Denominated In \$HK'000 (except where otherwise stipulated)		
Revenue	940,694	189,850	395.49
Gross Profit	24,578	8,096	203.58
Gross Profit Margin*	2.61 percent	4.26 percent	(38.73)
Profit/(Loss) For The Period	7,234	(3,380)	314.02
Earnings/(Loss) Per Share	\$HK0.0258	(\$HK0.0121)	313.22

\* These are **TARGET**'s calculations.

At Page 18 of the 2021 Interim Report, one was told of the '**SIGNIFICANT INVESTMENTS**' of the Company, introduced by the following paragraph:

*'The listed securities held by the Group are held for long term investment purpose and value up by 7% during the six months ended 30 June 2021, as a result of improving performance in both USA and Hong Kong stock markets. The fair value gain HK\$980,000 was accounted for in other comprehensive income. During the interim period 2021, there was no addition or disposal to the portfolio. Received dividend income was HK\$169,000 (interim 2020: HK\$117,000).'*

*Fair value*

<u>Stock Code</u>	<u>Stock Name</u>	<u>As at 30 June 2021</u>		<u>% to total assets</u>	<u>gain/(loss)</u>
		<u>No. of shares</u>	<u>Fair Value (HK\$'000)</u>		<u>credited/ (charged) to inv. reserve during 2021 (HK\$'000)</u>
FEYE:US	Fire Eye Inc.	10,000	1,577	1.0%	(222)
NTNX.US	Nutanix Inc.	11,480	3,422	2.1%	568
1299.HK	AIA Group Limited (友邦保險控股有限公司)	25,000	2,413	1.5%	38
939.HK	China Construction Bank, Inc. (中國建設銀行股份有限公司)	300,000	1,833	1.1%	66
11.HK	Hang Seng Bank Limited (恒生銀行有限公司)	15,000	2,327	1.4%	322
6823.HK	HKT Limited (香港電訊有限公司)	100,000	1,058	0.7%	52
5.HK	HSBC Holdings Plc (滙豐控股有限公司)	38,178	1,712	1.1%	156
			14,342	8.9%	980

On Thursday August 26, 2021, at Pages Three and Four of the 2021 Interim Report, Mr Lim Kia Hong (林嘉豐), the Chairman of SiS Mobile Holdings Ltd, made the following comments:

## **‘RESULTS**

*‘Amidst a challenging business landscape brought about by the Covid-19 pandemic, revenue for the six months ended 30 June 2021 increased 395% from HK\$189,850,000 to HK\$940,694,000. Net Profit attributable to the owners of the Company for the interim period 2021 amounted to HK\$7,234,000 as compared to a net loss of HK\$3,380,000 in the corresponding period a year earlier.*

*‘Total assets of the Group increased to HK\$160,406,000 as at 30 June 2021. Net asset value grew 8% to HK\$112,880,000 in six months period.*

## **‘BUSINESS REVIEW**

*‘Like many businesses, we continue to transform our business to seek out new opportunities and prepare for new recovery as we await the pandemic to wane off with widespread vaccination.*

*‘Sales revenue grew considerably when compared to same period last year attributed primarily to the expansion of products range and accelerated activities in the channels. Despite the challenging retail landscape in the face of the on-going pandemic, the Group continued to establish new channels with many of its online business partners in the area of e-commerce business, expanded its mobile phone range and added onto it various 5G devices with the advent of 5G technology.*

## **‘PROSPECT**

*‘After a difficult year, there are some causes for optimism in 2021. With the vaccine, we have an opportunity to get Covid-19 under control.*

*'The Group foresees a number of risks to the Group's growth forecast in the remainder of the year and recognizes that the impact of Covid-19 remains a significant uncertainty. The world's shortage in material supplies across the different industries including mobile phones, computers, home appliances and motor vehicles could adversely affect the sales of mobile handsets with increase in consumer demand.'*

Mr Lim Kia Hong ... [CLICK TO ORDER FULL ARTICLE](#)

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