

TARGET

Intelligence Report

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UTS MARKETING SOLUTIONS HOLDINGS LTD: GOING FROM STRENGTH TO STRENGTH

Many A Publicly Listed Company Might Be Hard-Pressed To Better This Company's Five-Year Profits' Record

Considering that UTS Marketing Solutions Holdings Ltd (Code: 6113, Main Board, The Stock Exchange of Hongkong Ltd) has only had a physical presence on the premier equity market of The **H**ong**k**ong **S**pecial **A**dministrative **R**egion (**HKSAR**) of the **P**eople's **R**epublic of **C**hina (**PRC**) for the past five Financial Years, the Company's growth is not to be sneezed at.

The Company describes its business at Page 26 of the 2021 Annual Report as follows:

'The Group is principally engaged in provision of outbound telemarketing services of financial products, which include insurance products (conventional and takaful¹ insurance products), promoting credit cards and balance transfer, and soliciting donation programmes for our clients in Malaysia. Our current clienteles are mainly banks, insurance companies, takaful operators, and charitable organisations in Malaysia.'

¹ 'Takaful' is defined as follows: 'A type of insurance system, devised to comply with the sharia laws, in which money is pooled and invested.'

UTS Marketing Solutions Holdings Ltd obtained express permission for its shares to be listed on the Main Board of The Stock Exchange of Hongkong Ltd on July 12, 2017.

A total of 100,000,000 Shares were issued to the public at the price of \$HK1.38 per share in a Global Offering, the net proceeds of which came in at \$HK109.70 million, after all expenses were retired, equivalent to **Malaysian Ringgits (RM)** 60,275,000. (RM1.00 = \$HK1.86)

The Company, presently, operates in Malaysia, but its domicile is the Cayman Islands.

In the Company's 2021 Annual Report with regard to the Financial Year, ended December 31, Mr Ng Chee Wai, the Chairman of the Board of Directors and an Executive Director, had this to say:

‘The Group’s net profit for the Reporting Period amounted to approximately RM19.16 million, representing an increase of approximately RM3.09 million as compared to approximately RM16.07 million for the corresponding year ended 31 December 2020, which is mainly due to increase in revenue.

‘The overall average number of workstations ordered per month remained relatively constant at 1,055 for the year ended 31 December 2021, representing a slight drop if comparing to the average of 1,132 seats for the year ended 31 December 2020. The revenue generated per workstation per month improved by RM1,066 from RM6,177 for the year ended 31 December 2020 to RM7,243 for the year ended 31 December 2021, mainly due to higher billable rate from charitable organization and a new client on board since late 2020.

‘Looking forward, the Group is determined to continue to maintain its leading role in the telemarketing industry and further strengthen its market position as one of the leading outbound contact service providers in Malaysia by expanding capacity; capitalise on the potential of inbound contact services by setting up an inbound contact centre; and upgrade and enhance existing information technology system and develop a comprehensive system for billing and reconciliation services.

‘Last but not the least, with the rapid development in technology nowadays, the Group will continue to embrace innovations, and will try its best endeavours to turn every challenge into opportunity to provide the best services to its customers.’

At Pages 39 and 40 of the 2021 Annual Report, the ‘**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**’ and the ‘**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**’ were given, the highlights of which are hereby presented in the below-mentioned **TARGET** table:

	For The Financial Year, Ended December 31		Percentage Increase/(Decrease)*
	2021	2020	
	All Figures Are Denominated In RM’000 (except where otherwise stipulated)		
Revenue	91,697	83,904	9.29
Profit From Operations	26,440	17,939	47.39
Profit Before Taxation	25,801	17,426	48.06
Net Profit Attributable To Shareholders As Well As Comprehensive Income	19,156	16,074	19.17
Earnings Per Share	RM4.79 cents	RM4.02 cents	19.15
Net Assets (Shareholders’ Funds)	78,044	80,248	(2.75)

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

The Gearing Ratio of the Company, as at December 31, 2021, stood at five percent
‘MANAGEMENT DISCUSSION AND ANALYSIS’ stated at Page Seven of the 2021 Annual Report.

At Page 82 of the 2021 Annual Report, one was informed that, as at December 31, 2021, the Company *‘has available and unutilised facilities from banks, amounting to RM5,089,000 (2020: RM5,100,000). These facilities are secured by:*

(a) the Group’s pledged bank deposits of approximately RM4,377,000 (2020: RM3,903,000); and

(b) corporate guarantees provided by the Company.’

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