

TARGET

Intelligence Report

VOLUME XXIV No. 189

THURSDAY

September 1, 2022

CLIFFORD MODERN LIVING HOLDINGS LTD: THE COMPANY TAKES THE GAMBLE ON THE FUTURE PRICE OF SILVER

It appears that Clifford Modern Living Holdings Ltd (祈福生活服務控股有限公司) (Code: 3686, Main Board, The Stock Exchange of Hongkong Ltd) has entered into the very speculative business of gambling on the price of buying and selling silver bullion.

It is a fact that the Company outlaid 102.50 million renminbi (RMB)¹ – about \$HK137,945,698.00 – during the 2020 Financial Year, ended December 31, in purchasing 800,000 ounces of silver bullion.

At Page 18 of the 148-page, 2021 Annual Report of Clifford Modern Living Holdings Ltd, published and disseminated in the Hongkong Special Administrative Region (HKSAR) of the Peoples Republic of China (PRC) on or about Thursday, April 21, 2022, one was informed of the following, under the subheading, '*Investments in silver bullion*':

'The Group, utilizing its internal resources, purchased a total of 800,000 ounces of unallocated silver bullion through Standard Chartered Bank (Hong Kong) Limited (渣打銀行[香港]有限公司), a licensed bank in Hong Kong, during the year ended 31 December 2020 with the total consideration of approximately RMB102.5 million after recognizing a gain of RMB35.8 million in 2021. The Group recorded a loss in fair value of approximately RMB21.2 million during the year ended 31 December 2021 and the fair value as at 31 December 2021 amounted to RMB117.0 million... On 22 February, 3 March and 7 March 2022 (up to 4:30 p.m.), the Group disposed of a total of 200,000, 100,000 and 200,000 ounces of unallocated silver bullion respectively through Standard Chartered Bank (Hong Kong) Limited, and the aggregate sale proceeds (excluding transaction costs) amounted to approximately RMB79.0 million ... '.

¹ Renminbi (or RMB) is the legal tender of the People's Republic of China.

At Page 20 of the 2021 Annual Report, under the heading, '**SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**', one was informed of the following:

‘Disposal of investments in unallocated silver bullion

‘On 22 February 2022, 3 March 2022 and 7 March 2022, the Group disposed of 200,000 ounces, 100,000 ounces and 200,000 ounces of silver bullion with gross proceeds (excluding transaction cost) of approximately RMB30,300,000, RMB16,233,000 and RMB32,467,000 respectively. Upon completion of the disposal, the remaining silver bullion held by the Group was 300,000 ounces with estimated fair value of approximately RMB48,700,000 with reference to the market prices of unallocated silver bullion quoted by Standard Chartered Bank (Hong Kong) Limited on 7 March 2022...’.

Whether or not Management of Clifford Modern Living Holdings Ltd shall be able eke out a reasonable profit by trading in silver bullion appears to be somewhat questionable because, inter alia, this publicly listed company makes the claim of being ‘*a diversified service provider*’, involved in the following services:

Property Management Services;
Renovations and Fitting-Out Services;
Retail Services;
Off-campus Training Services;
Information Technology Services;
Ancillary Living Services;
Catering Services;
Property Agency Services;
Employment Placement Services, and,
Laundry Services.

Scanning the 148-page, 2021 Annual Report, which contains, amongst other things, the scant details of the present Senior Management of the Company, there appears to be no suggestion of any of the executives, having been gifted with a sufficiency of knowledge of trading in the chemical element, known popularly as silver, defined as being: ‘*A precious shiny greyish-white metal, the chemical element of atomic number 47.*’

The Financials Of Clifford Modern Living Holdings Ltd

At Page 62 of the 2021 Annual Report of Clifford Modern Living Holdings Ltd, the Consolidated Statement Of Profit Or Loss And Other Comprehensive Income were given as follows:

	For The Year, Ended December 31		Percentage Increase/(Decrease) *
	2021	2020	
	All Figures Are Denominated In RMB'000 (except where otherwise stipulated)		
Revenue	430,836	420,944	2.35
Gross Profit	194,627	183,755	5.92
Gross Profit Margin *	45.17 percent	43.65 percent	3.48
Profit Before Taxation	111,446	161,526	(31.00)
Profit And Total Comprehensive Income For The Year.	81,124	128,738	(36.99)

Attributable To Owners Of The Company			
Earnings Per Share For Profit Attributable To Owners Of The Company	0.080 RMB	0.127 RMB	(37.01)

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

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