

# TARGET

## Intelligence Report

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**TU YI HOLDING COMPANY LTD:  
IS THIS A TURNABOUT SITUATION,  
OR JUST MASSAGING STATISTICS ?**

Tu Yi Holding Company Ltd () (Code: 1701, Main Board, The Stock Exchange of Hongkong Ltd) is a company that was incorporated in the Cayman Islands on February 27, 2018, in preparation for its listing on the premier equity market of the **Hongkong Special Administrative Region (HKSAR)** of the People's Republic of China (**PRC**).

This Cayman Islands's incorporated company is the holding company for a group of companies that is engaged in the hospitality industry, with the base of operations, being the PRC, proper, being separate and distinct from the HKSAR of the PRC.

The first operating company of Tu Yi Holding Company Ltd was incorporated in the PRC in April of 2008.

It was founded by the triumvirate of Messrs Yu Ding Xin (), Pan Wei () and Xu Jiong () on April 29, 2008, with the incorporation of Tu Yi Group Company Ltd () in Hangzhou, the PRC.

As such, the group of companies, under the '*umbrella*' of Tu Yi Holding Company Ltd, is only about 11 years old.

On scanning the Company's financials, however, this group of companies has not, exactly, set the world on fire in its chosen niche of the hospitality industry as being '*a well-established and active outbound travel products and service provider in the PRC, with a particular focus in Japan bound package tours and related FIT Products (dynamically-packaged tours) to customers in Eastern China.*' (Page One of the Global Offer Prospectus of the Company)

In fact, **TARGET** () would not hesitate to describe this Company's performance in respect of the three Financial Years, ended December 31, 2018, as being abysmally inadequate.

Case in point: In the first half of the 2018 Financial Year, ended June 30, 2018, the Company recorded a Net Loss Attributable to Shareholders, amounting to 5.90 million renminbi.

### **The 2019 Interim Results**

On Monday, August 26, 2019, Management of Tu Yi Holding Company Ltd announced the results of the Company for the six months, ended June 30, 2019.

The following are some of the highlights of financials of the Company, as stated at Page One of this Announcement:

	<b>Six Months, Ended June 30</b>		
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>Percentage Change</u></b>
	(Denominated In Renminbi'000)		
Revenue	117,916	88,026	34.00
Gross Profit	36,951	17,367	112.60
Profit/(Loss) Attributable To Shareholders	11,179	(5,907)	Not Applicable
Adjusted Profit, Attributable To Shareholders After Excluding Listing Expenses	19,026	5,605	239.30

**TARGET** () takes exception to some of the statistics, stated above, because, in some cases, the statements

are downright misleading, alternatively, obscurant or obfuscatory, either by accident or design.

The Gross Revenue, for instance, increased by 112.77 percent, not, as stated, 112.60 percent. This error was, probably, to somebody, hitting the wrong key of its calculator.

But with regard to the Adjusted Profit, Attributable To Shareholders after Excluding Listing Expenses, these statistics were, clearly, designed, if anything, to draw a totally misleading result or, in the alternative, being obscurantist.

As stated at Note One at the bottom of Page One of the Interim Report, it was stated:

*‘For the six months ended 30 June 2018, the loss attributable to owners of the parent amounted to RMB5.9 million, which was mainly resulted from the recognition of listing expenses of RMB11.5 million. Excluding the listing expenses, the adjusted profit attributable to owners of the parent amounted to RMB5.6 million.’*

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