

TARGET

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AFFLUENT PARTNERS HOLDINGS LTD: THE REVERSE MIDAS TOUCH, INCARNATE

The definition of the word, '*affluent*' is, according to the Oxford English Dictionary, '*having a great deal of money; wealthy.*'

For the Senior Management of Affluent Partners Holdings Ltd (錢唐控股有限公司) (Code: 1466, Main Board, The Stock Exchange of Hongkong Ltd), it is well aware that it knows that this publicly listed company has not been affluent for, at least, the past six Financial Years, ended March 31, 2021.

In fact, the Company, on or about Tuesday, September 28, 2021, was forced to accept its fate, once again, obviously having long been reduced to the state of mendicancy, in the extreme, having to pass round the proverbial '*begging bowl*' in order to raise the relatively niggardly sum of \$HK5.20 million by selling 53,272,000 Placing Shares at 10.30 cents per share.

The Net Proceeds of this cash-raising exercise was utilised to repay some of the Company's loans plus accrued interest, with the remaining amount of money, used to bolster the General Working Capital.

On scanning one of the most-recent public announcements of the Company, the Placing Shares (mentioned above) had been taken up, in their entirety, by Pacific Wish Ltd (百事威有限公司), a company, legally and beneficially owned by Mr Vincent Chan Wing Sing (陳永勝), 50 percent, and Ms Emily Hui Ka Man (許嘉敏), 50 percent, both being '*Substantial Shareholders*', jointly owning 31.57 percent of the entire Issued and Fully Paid-Up Share Capital of Affluent Partners Holdings Ltd, as at March 31, 2021.

A Short History And The Business Of Affluent Partners Holdings Ltd

Affluent Partners Holdings Ltd obtained a listing of its shares on the premier equity market of The **H**ongkong Special Administrative **R**egion (**HKSAR**) of the **P**eople's **R**epublic of **C**hina (**PRC**) on or about October 17, 2014.

Senior Management of the Company has never considered recommended or paid a dividend to its shareholders since its shares were listed on the Main Board of The Stock Exchange of Hongkong Ltd.

The Principal Activities of the Company, today, were given at Page 41 of the 2021 Annual Report, as follows:

‘The Company is an investment holding company. During the year, the Group was principally engaged in the purchasing, processing, designing, production and wholesale distribution of pearls and jewellery products and operation of strategic investment and financial services.’

At Pages Six and Seven of the 2021 Annual Report, published and disseminated in the HKSAR on or about Thursday, July 22, 2021, the Chairman of the Board of Directors, Mr Cheng Chi Kin (鄭子堅), inter alia informed his shareholders of the following:

‘PERFORMANCE

‘Since January 2020, many countries have imposed travel restrictions, public health measures and quarantine requirement of travellers in order to contain the outbreak of coronavirus disease (COVID-19) (the “Outbreak”) which resulted in the weakened consumer sentiment in the world which reduced the total Group’s sales contribution in pearl and jewellery products. While the Outbreak is yet stable, we expect that the revenue from pearls and jewellery business will continue to further deteriorate. The Group will continue to observe the high-consumption products market, to review and adjust business development strategies in a timely manner and deploy cost control measures in a bid to deploy for steady performance in the future.

‘As the Group had recognised the impairment loss of its investment in the coworking spaces (“Campfire Group”) (Campfire Holdings Company Ltd and its subsidiaries) during last year, the Group further derecognised the investment in Campfire Group as investment in associate and recognised the investment as financial assets at fair value through other comprehensive income during FY21 (the Financial Year, ended March 31, 2021).

‘The Group, having considered the property market of the United Kingdom after Brexit and having regard to the outlook of global economy under the Outbreak, has endorsed the rescission of the sale and purchase agreement in respect of the UK property invested by the Sub-Fund and the release of the Company’s obligation in respect of the guarantee on the sale and purchase agreement. As a result, the Group has no remaining capital commitment to the Sub-Fund subsequent to the balance sheet date and the Group has recognised the impairment loss of its investment in the Sub-Fund during FY21.

‘PROSPECTS

‘Looking forward, with the real estate investment business and the co-working space industry, our targets are the countries along the Eurasia. We anticipate that the Strategic Investment and Financial Services Segment will diversify the income streams of the Group, and generate

additional investment returns on the available funds of the Company from time to time. We expect that the segment will be the growth driver of the Company and will actively make continuous efforts to find appropriate investment projects in the future...

‘The Group will further use its resources as a listed company to add value for the acquisition project to increase its profitability and return. Meanwhile, the Group will continue enhancing the development of the mature pearls and jewellery business, actively participating in various important jewellery & gem fairs around the world and optimising operation efficiency and productivity in a bid to stay competitive. While the Outbreak being yet stable, the Directors expected that the revenue from pearls and jewellery business will continue to further deteriorate.

‘With the existing Strategic Investment and Financial Services Segment, the Group will focus its investments and operations more in the real estate, coworking spaces and investment and asset management sectors especially in Europe and Asia.’

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