

TARGET

Intelligence Report

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T H U R S D A Y

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PERFECTECH INTERNATIONAL HOLDINGS LTD THE SPECULATIVE GAMBLE OF THE TWO EXECUTIVE DIRECTORS: TOYS, CHRISTMAS HATS AND HALLOWEEN MASKS, OR CRYPTOCURRENCES AND FUNDING SPUDDING ACTIVITIES ?

The definition of a speculation is given in the English Oxford Dictionary as being:

- (a) Investment in stocks, property, etc., in the hope of making a gain, but with the unflagging risk of incurring losses; and,
- (b) The forming of a theory or conjecture without firm evidence.

When Perfectech International Holdings Ltd (威發國際集團有限公司) (Code: 765, Main Board, The Stock Exchange of Hongkong Ltd) sought and obtained the right to have its shares, listed on the Premier equity market of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**, it was clearly stated that the Company was primarily engaged in the following businesses:

'Perfectech International Holdings Limited is a Hong Kong-based investment holding company principally engaged in the manufacture and sales of toy products. The Company mainly operates through two segments. Novelties and Decoration Products segment is engaged in the manufacture and sales of novelties and decoration products. Its main products include decoration products for festivals, such as Halloween masks and Christmas hats, among others. Toy Products segment is engaged in the manufacture and sales of toy products. The Company operates businesses in Hong Kong, Europe, America and Asia, among others.'

The Company's Listing Date was October 23, 1992, according to the database of **TOLFIN** (泰達資訊), the Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider.

At Page Three of the 2020 Annual Report of the Company, an '**OVERVIEW**' of the Company's business was said to include a précis of the original Company's profile as published as at the date of its listing:

*‘... together with its subsidiaries (collectively, the “**Group**”), principally engaged in the manufacture and sale of novelties, decoration and toy products.’*

The 2020 Annual Report of Perfectech International Holdings Ltd, with regard to the Principal Activities of the Company, are not too far off from the Company’s Profile when Senior Management informed The Stock Exchange of Hongkong Ltd as to its business activities.

However, on scanning the 2020 Annual Report of the Company, it is unconditionally stated that Senior Management fully intends to diversify the activities of the Company into that which could rightly be termed as extremely speculative businesses.

Further, Senior Management has, already, gone a long way down to yellow-brick path of realising its seemingly explicit future intentions.

All the above – and more – shall become only too evident as **TARGET** Subscribers scrutinize this **TARGET** report of the Company.

Before proceeding to furnish Subscribers with the nitty-gritty of that which this medium has discovered on studying and extrapolating and or interpolating that which has been presented to extant shareholders and prospective investors of the Company, one should be apprised of the facts that the Company has only posted Losses Attributable to Shareholders, during the past seven Financial Years.

The 2020 Annual Report Of Perfectech International Holdings Ltd

The 2020 Annual Report of Perfectech International Holdings Ltd was published and disseminated in the HKSAR on or about Wednesday, April 21, 2021.

At Page 48 of the 2020 Annual Report in respect of the Financial Year, ended December 31, 2020, one was presented with the ‘**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.**’

The following are the highlights, extracted from this Page:

	2020	2019	Percentage Increase/(Decrease) *
	All Figures Are Denominated In \$HK’000 (except where otherwise stipulated)		
Revenue	162,041	141,936	14.16
Gross Profit	54,122	30,541	77.21
Gross Profit Margin*	33.40	21.52	55.20
Administrative Expenses	(52,009)	(81,303)	(36.03)
Loss For The Year	(13,129)	(57,257)	(77.07)
Net Loss Attributable To Shareholders	(15,801)	(55,038)	(71.29)
Loss Per Share (in Hongkong cents)	(4.83)	(16.84)	(71.32)

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

The Total Equity of Perfectech International Holdings Ltd, as at December 31, 2020, stood at \$HK122,886,000.00, a fall of about 7.90 percent, compared to the 2019 figure of \$HK133,441,000.00.

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