

# TARGET

## Intelligence Report

VOLUME XXIV No. 147

T H U R S D A Y

July 14, 2022

### **KIU HUNG INTERNATIONAL HOLDINGS LTD: ANYBODY INTERESTED IN INVESTING IN THIS COMPANY ?**

While the sales of toys and gift items have been bringing in the meat and potatoes for Management of Kiu Hung International Holdings Ltd (僑雄國際控股有限公司) (Code: 381, Main Board, The Stock Exchange of Hongkong Ltd) for some time, it seems that some nutcase(s) have been persuading management to diversify the Company's corporate interests by investing heavily in businesses about which few (if any) of the Company's superintendence have little appreciable knowledge or expertise.

The use of the noun, '*nutcase*', rude though it might sound, at first blush, must be the correct nomenclature to describe those party(ies), who persuaded Management to diversify the Company's interests outside its proven, successful ventures, due to the horrific results of nearly all of those investments that have cost the Company many tens of millions of Hongkong dollars.

Many of these near useless corporate acquisitions, along with their financials in respect of the 2021 Financial Year, ended December 31, shall become readily evident on scanning this **TARGET** (泰達財經) Report.

### **The Multi-Million-Dollar Losses Of Kiu Hung International Holdings Ltd**

Kiu Hung International Holdings Ltd has been losing money for at least the past 14 Financial Years, ended December 31, 2021.

The aggregate Net Losses Attributable to Shareholders with regard, only, to the past 14 Financial Years, were \$HK2,831,858,000.00.

As at December 31, 2021, Total Equity (Shareholders' Funds) stood at \$HK212,194,000.00.

That figure of \$HK212,194,000.00 represented a decrease, Year-On-Year, of about 27.82 percent.

However, omitting '*Non-Controlling Interests*', amounting to \$HK77,067,000.00, Shareholders' Funds came in at \$HK135,127,000.00, representing a decrease, Year-On-Year, of about 52.90 percent.

## **PROMISSORY NOTES**

At the foot of Page 113 of the 2021 Annual Report of Kiu Hung International Holdings Ltd, the following intelligence was given:

*‘During the year ended 31 December 2020, the Group issued promissory notes with aggregate principal amount of approximately HK\$98,062,000 to (i) exchange for the promissory notes with aggregate principal amount of approximately HK\$53,672,000 and (ii) to set off against other payables and borrowings in aggregate of approximately HK\$44,390,000. The promissory notes are unsecured, interest bearing at 28% per annum and with maturity date of one month to six months from the date of issues.*

*‘During the year ended 31 December 2020, the promissory note with aggregate principal amount of HK\$30,000,000 was settled by issuing 300,000,000 ordinary shares of the Company at issue price of HK\$0.1 each. Those shares are the consideration paid for the extinguishment of the promissory note and were recognised and measured initially at fair value on the date the financial liability was extinguished. The difference between the amount of the issued shares at market price HK\$0.015 per share and the outstanding principal and all accrued interest up to the extinguished date of approximately HK\$25,500,000 was accounted for as a gain on extinguishment of financial liabilities by issue of ordinary shares ...*

*‘During the year ended 31 December 2021, the Group issued promissory notes with aggregate principal amount of approximately HK\$52,336,000 to set off against other payables in aggregate of approximately HK\$47,336,000 and borrowings in aggregate of approximately HK\$5,000,000. The promissory notes are unsecured, interest bearing at 28% per annum, overdue interest bearing at 30% per annum and with maturity date of one month from the date of issues.’*

In respect of the Total Borrowings of the Company, it stood at \$HK118,488,000.00, as at December 31, 2021.

The following statistics have been copied, verbatim, from Page 114 of the 2021 Annual Report, indicating a breakdown of the Total Borrowings of Kiu Hung International Holdings Ltd:

	<b><i>‘2021 HK\$’000</i></b>	<b><i>2020 HK\$’000</i></b>
<i>Bank loans</i>	<b><i>12,023</i></b>	<b><i>12,024</i></b>
<i>Other loans</i>	<b><i>106,465</i></b>	<b><i>107,736</i></b>
<i>Corporate bonds — unsecured</i>	<b><i>—</i></b>	<b><i>2,000</i></b>
	<b><i>118,488</i></b>	<b><i>121,760</i></b>
<i>Analysed as:</i>		
<i>Secured</i>	<b><i>85,084</i></b>	<b><i>73,187</i></b>
<i>Unsecured</i>	<b><i>33,404</i></b>	<b><i>48,573</i></b>

	<b><i>118,488</i></b>	<b><i>121,760</i></b>
<i>The carrying amounts of the above borrowings are repayable:</i>		
<i>On demand or within one year</i>	<b><i>109,808</i></b>	<b><i>55,732</i></b>
<i>More than one year but not exceeding two years</i>	<b><i>1,632</i></b>	<b><i>60,014</i></b>
<i>More than two years but not exceeding five years</i>	<b><i>3,522</i></b>	<b><i>4,928</i></b>
<i>More than five years</i>	<b><i>3,526</i></b>	<b><i>1,086</i></b>
	<b><i>118,488</i></b>	<b><i>121,760</i></b>
<i>Analysed as:</i>		
<i>Current</i>	<b><i>109,808</i></b>	<b><i>55,732</i></b>
<i>Non-current</i>	<b><i>8,680</i></b>	<b><i>66,028</i></b>
	<b><i>118,488</i></b>	<b><i>121,760</i></b>

In ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.***

*If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to [editor@targetnewspapers.com](mailto:editor@targetnewspapers.com). TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*