

TARGET

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**TREE HOLDINGS LTD:
IF ONE THINKS THAT THE 2022 FINANCIAL YEAR WAS PATHETIC,
WAIT FOR THE RESULTS OF THE 2023 FINANCIAL YEAR**

It is highly likely that quite a number of minority shareholders of Tree Holdings Ltd (齊家控股有限公司) (Code: 8395, The **G**rowth **E**nterprise **M**arket [the **GEM**], The Stock Exchange of Hongkong Ltd) could not have been very pleased on scanning the 156-Page Annual Report of the Company in respect of the Financial Year, ended March 31, 2022.

And Management's statements with regard to the financial prospects of the Company in respect of the current Financial Year, is suggestive, definitively, of being far from very appetising.

At Page 18 of the 2022 Annual Report of the Company, one learns the following, under the heading, '**FUTURE PROSPECTS**':

'This forthcoming financial year will continue to be challenging as retail market conditions remain competitive and weak consumer confidence and spending in Hong Kong prevails while impacted by the outbreak of the COVID-19. These factors will continue to impact our performance adversely for the forthcoming year. We will continue to focus on running our two TREE retail stores and also our e-commerce platform in Hong Kong. We will also keep expanding our business to provision of furniture rental. We will continue to consolidate and invest to build on our existing revenue streams while identifying new opportunities...'

At Page 64 of the 2022 Annual Report of the Company, one notes, the heading, '**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.**'

On studying the contents of this Page, especially, no doubt a number of minority shareholders might be inclined to describe that which they met their eyes as being, in a word, '*pathetic.*'

The following is this medium's precis of the table that covered the entire Page 64. **TARGET** (泰達財經) has taken the liberty of inserting, interspersed in this precis, other statistics that this medium deemed instructive:

	For The Financial Year, Ended March 31		Percentage Increase/(Decrease)*
	2022	2021	
	All Figures Are Denominated In \$HK'000 (except where otherwise stipulated)		
Revenue	95,913	120,551	(20.44)
Gross Profit	63,522	74,221	(14.42)
Gross Profit Margin*	66.23 percent	61.57 percent	7.57
Profit Before Income Tax	6,981	17,904	(61.01)
Net Profit For The Year Attributable To Shareholders Of The Company	5,230	14,559	(64.08)
Net Profit Margin*	5.45 percent	12.08 percent	(54.88)
Earnings Per Share Attributable To Shareholders Of The Company	0.33 cents	0.92 cents	(64.13)

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

At Page 107 of the 2022 Annual Report of Tree Holdings Ltd, under Note Four to the Accounts, one discovers a breakdown of the Company's Revenue as follows:

	2022 Financial Year	2021 Financial Year
	All Figures Are Denominated In \$HK'000	
Sales Of Furniture And Home Appliances	80,910	97,321
Distribution And License Fee Income	800	3,200
Food And Beverage Income	3,818	2,964
Commission Income	9,821	14,573
Consulting Income	511	2,493
Revenue From Other Sources: Rental Income	53	Nil
Total	95,913	120,551

At Page 155 of the 2022 Annual Report, it was indicated that the Net Debt to Equity Ratio, as at March 31, 2022, stood at 33.40 percent (2021: 32.10 percent).

The Principal Activities Of Tree Holdings Ltd

At Page 42 of the 2022 Annual Report of Tree Holdings Ltd, one was informed as to the business of the Company:

*‘Headquartered in Hong Kong, we engage in (i) the sale, distribution and rental of furniture and home accessories which is operating under the brand name “**TREE**”; (ii) the distribution and licensing of our intellectual property rights of “**TREE**”; (iii) the operation of TREE Café in our flagship store in Ap Lei Chau (the “**Flagship Store**”); (iv) the provision of home accessories agency services; (v) the provision of styling and consulting services; and (vi) the provision of consumer loan services.*

*‘As at the date of this report, we operated two “**TREE**” retail stores in Hong Kong namely, our Flagship Store and our Sha Tin store. We have commenced online sales since May 2019. We offer a variety of (a) furniture including tables, chairs, storage solutions, sofas and beds; and (b) home accessories including kitchenware, bed and bathroom related products, jars, cushions, mattresses, utensils and baskets.*

‘In addition, we acquired Italiving in December 2018, which is principally engaged in the provision of furniture agency service in Hong Kong. Furthermore, a subsidiary, Shanghai Italiving, was incorporated in July 2019, which is principally engaged in the sale and distribution of furniture, and the provision of styling and consulting services in the PRC.’

As at March 31, 2022, Tree Holdings Ltd had a workforce, numbering 72 employees.

The Chairman’s Statement

Mr Joseph Tong Tang (唐登) is ... [CLICK TO ORDER FULL ARTICLE](#)

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