

TARGET

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ALTUS HOLDINGS LTD: MANAGEMENT MIGHT LIKE TO CONSIDER, BRUSHING UP ON REHEARSING JAPANESE PAEANS

Under the existing Japan Corporate Income Tax Law with regard to Japanese Corporate entities, the Income Tax Rate in The Land of the Rising Sun is calculated at 33.58 percent of the estimated assessable profit of a corporate entity for a specific Financial Year.

The corporate tax rate in respect of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**, in contrast to the Japan Corporate Income Tax Law, is, at very highest level, 16.50 percent.

Altus Holdings Ltd (浩德控股有限公司) (Code: 8149, The **Growth Enterprise Market** [the **GEM**], The Stock Exchange of Hongkong Ltd), nevertheless, appears to be more than a little happy with its portfolio of 26 investment properties, all of which, by the way, are located in Japan – and this portfolio of Japanese properties has been bringing in, annually, reasonable rental income, in Japanese yen, of course, equivalent to approximately \$HK36.70 million in respect of the Financial Year, ended March 31, 2022.

But hold on there!

As Senior Management of Altus Holdings Ltd must have pointed out to the Japan Corporate Income Tax personnel, *'for certain Japanese subsidiaries under the TK Agreements -- Tokumei Kumiai Arrangements – the applicable Japanese withholding tax rate of those Japanese subsidiaries was 20.42% for the years ended 31 March 2022 and 2021.'* (Page 102 of the 2022 Annual Report)

Even so, the TK Agreement, at 20.42 percent, is, still, 19.20 percent higher than the HKSAR maximum tax rate, is it not?

The 2022 Annual Report Of Altus Holdings Ltd

On Tuesday, June 28, 2022, Management of Altus Holdings Ltd brought out its 2022 Annual Report in respect of the Financial Year, ended March 31, 2022.

At Page 51 of this 132-Page Report, the **'CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME'** was presented as follows:

	For The Year, Ended March 31		Percentage Increase/(Decrease)*
	2022	2021	
	All Figures Are Denominated In \$HK'000 (unless otherwise stipulated)		
Revenue	55,709	59,266	(6.00)
Profit Before Taxation	12,148	11,790	3.04
Profit For The Year	7,980	7,126	11.98
Net Profit Margin*	14.32 percent	12.02 percent	19.13
Net Profit Attributable To Shareholders Of The Company	6,980	6,294	10.90
Net Profit Margin*	12.53 percent	10.62 percent	17.98
Earnings Per Share Attributable To Shareholders Of The Company	0.87 cents	0.79 cents	10.13

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

At Page 52 of the 2022 Annual Report, under the heading, '**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**', it was shown that Secured Bank Borrowings, as at March 31, 2022, in respect of Current Loans, stood at \$HK60,796,000.00 (2021: \$HK64,726,000.00).

Under Note 26 to the Accounts (Pages 118-119 of the 2022 Annual Report), one learns about certain statistics in respect of '**SECURED BANK BORROWINGS**' as follows:

Carrying Amount Repayable (Based On Scheduled Repayment Dates Set Out In The Loan Agreements):	2022	2021
	All Figures Are Denominated In \$HK'000	
Within One Year	60,796	64,726
After One Year, But Within Two Years	9,749	10,643
After Two Years, But Within Five Years	27,318	31,229
After Five Years	78,782	95,250
TOTAL	176,645	201,848

At the following Page 119, one was apprised of the following:

'During the year, the Group obtained new loans in the amount of approximately HK\$36,200,000 (2021: HK\$48,044,000). The loans will be repayable from 2022 to 2043 (2021: 2021 to 2043). The proceeds were used for general working capital purpose and to finance the acquisition of investment properties.'

'The bank borrowings are secured by the land and building and certain investment properties of the Group as disclosed in notes 18 and 19 respectively.'

‘Certain bank borrowings are guaranteed by KK Ascent Plus, an associate of the Group, with guarantee fee paid during the year ended 31 March 2022 and 2021 as disclosed in notes 33(a) and 33(b).’

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