

# TARGET

## Intelligence Report

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T U E S D A Y

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### AUSUPREME INTERNATIONAL HOLDINGS LTD: CHUTZPAH !

According to Page 18 of the 2021-2022 Annual Report of Ausupreme International Holdings Ltd (澳至尊國際控股有限公司) (Code: 2031, Main Board, The Stock Exchange of Hongkong Ltd), one of the prime reasons that Management was forced to report the Net Loss of \$HK843,000.00 with regard to the Financial Year, ended March 31, 2022, was due, directly, to the Government of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

Under the heading of '**Overall Performance**', found at the first paragraph of Page 18, one learns the following:

*'For the year ended 31 March 2022, the Group's revenue amounted to HK\$128,726,000, representing an increase of 25.1% from HK\$102,907,000 for Year 2021. As a result of the Group's optimisation of sales channels and marketing strategies, the increase in sales of the Group outperformed the overall growth rate of the Hong Kong retail market. Nevertheless, the Group recorded a loss for the Year amounted to HK\$843,000 as compared to the profit for Year 2021 amounted to HK\$3,844,000. The change from profit to loss for the Year was mainly due to the absence of COVID-19 related grants from the Hong Kong Government and reduction of COVID-19 related rent concession income from various landlords for the Year which amounted to a total of more than HK\$11,000,000. Meanwhile, the outbreak of the Omicron variant in the fifth wave of the pandemic severely weakened consumption sentiment and also the sales of the Group in the first quarter of year 2022. The Company has been actively reviewing and enhancing its business plans to strengthen the long-term development of the Group.'*

At Page 135 of the 2021-2022 Annual Report of Ausupreme International Holdings Ltd, under Note Eight to the notes of the Company, headed, '**OTHER INCOME, OTHER GAINS AND LOSSES, NET**', the following table was presented:

For The Year, Ended March 31	
2022	2021
\$HK'000	\$HK'000

Bank Interest Income On Bank Deposits	102	1,088
Government Grants	1,432	10,156
Rent Concession Income	322	2,232
Others	<u>182</u>	<u>252</u>
<b>TOTAL:</b>	<b><u>2,038</u></b>	<b><u>13,728</u></b>

(Chutzpah is the quality of audacity, for good or for bad. It derives from the Hebrew word, ‘*ḥuṣpāh*’)

### **THE LISTING OF AUSUPREME INTERNATIONAL HOLDINGS LTD**

The principal activities of Ausupreme International Holdings Ltd were given at Page 43 of the 2021-2022 Annual Report as follows:

*‘... the principal activity of the Company is investment holding and the principal business activities of the Group are retail and wholesale of health and personal care products. The Group is a Hong Kong-based brand builder, retailer and wholesaler of health and personal care products focusing on the developing, marketing, selling and distributing of the branded products managed by the Group through “澳至尊” sales and distribution network.’*

The Listing of the entire Issued and Fully Paid-Up Share Capital of Ausupreme International Holdings Ltd on the premier equity market of The Stock Exchange of Hongkong Ltd was effected on or about September 12, 2016.

As at March 31, 2022, the Company could boast of having 18 specialty stores and 64 consignment counters in the HKSAR, the Macau Special Administrative Region (MSAR) of the PRC, and The Republic of Singapore.

At Page 134 of the 2021-2022 Annual Report of the Company, geographical information was partly presented in a tabular form:

*‘The Group’s major operations are located in Hong Kong, Mainland China, Macau and Singapore.’*

*‘Information about the Group’s revenue from external customers is presented based on the location where the goods are delivered. Information about the Group’s non-current assets, excluding deferred tax assets and financial instruments, is presented based on the geographical location of the assets.’*

	<b><i>Revenue from external customers</i></b>	
	<b><i>Year ended March 31</i></b>	
	<b><i>2022</i></b>	<b><i>2021</i></b>
	<b><i>\$HK’000</i></b>	<b><i>\$HK’000</i></b>
<i>Hong Kong</i>	<b><i>85,667</i></b>	<b><i>69,713</i></b>
<i>Mainland China</i>	<b><i>16,805</i></b>	<b><i>16,350</i></b>

Macau	24,673	15,478
Singapore	1,581	1,366
<b><u>TOTAL:</u></b>	<b><u>128,726</u></b>	<b><u>102,907</u></b>

At Page 88 of the 2021-2022 Annual Report of the Company, Management caused to have published the '***Consolidated Statement of Profit or Loss and Other Comprehensive Income***' in respect of the Financial Year, ended March 31, 2022:

	For The Financial Year, Ended March 31		Percentage Increase/(Decrease)*
	2022	2021	
	All Figures Are Denominated In \$HK'000 (except where otherwise stipulated)		
Revenue	128,726	102,907	25.09
Gross Profit	105,146	84,615	24.26
Gross Profit Margin*	81.68 percent	82.22 percent	(0.66)
Profit/(Loss) Before Taxation	(2,966)	3,474	(185.38)
Profit/(Loss) For The Year	(843)	3,844	(121.93)
Earnings/(Loss) Per Share	(0.11) cents	0.50 cents	(122.00)

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

At Page 90 of the 2021-2022 Annual Report of Ausupreme International Holdings Ltd, one was informed that the Net Assets of the Company (Shareholders' Funds), as at March 31, 2022, stood at \$HK166,565,000.00, representing a decrease of 5.48 percent, compared with the 2021 Financial Year's figure of \$HK176,227,000.00.

Bank borrowings ... [CLICK TO ORDER FULL ARTICLE](#)

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