

TARGET

Intelligence Report

VOLUME XXVI No. 59

SATURDAY

March 16, 2024

WUXI LIFE INTERNATIONAL HOLDINGS GROUP LTD: WOULD YOU CARE TO WAGER AS TO THE BUSINESS OF THIS COMPANY ?

Wuxi Life International Holdings Group Ltd (悟喜生活國際控股集團有限公司) (formerly known as Aurum Pacific (China) Group Ltd [奧栢中國集團有限公司] up until July 24, 2023) has filed Writs of Summons in the High Court and the District Court of The Hongkong Special Administrative Region (HKSAR) of The People's Republic of China (PRC), seeking, in aggregate, \$HK63,035,601.00.

With regard to the 13 Writs of Summons, the Plaintiffs have all been Aurum Pacific Finance Ltd (奧栢財務有限公司), a wholly owned subsidiary of Wuxi Life International Holdings Group Ltd (Code: 8148, The Growth Enterprise Market – The GEM – The Stock Exchange of Hongkong Ltd.

The above-mentioned 13 Defendants are alleged to have been borrowers of various amounts of money from Aurum Pacific Finance Ltd, a company, formerly engaged, specifically, in Money Lending.

At Page 117 of the 2022 Annual Report of Aurum Pacific (China) Group Ltd, under Note Seven to the Notes in respect of the Consolidated Financial Statements of the Company, one was informed of the following intelligence:

'DISCONTINUED OPERATION

'The Group's loans and interest receivables arose from the Money Lending Business of providing loans in Hong Kong with the money lenders licence granted under Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) held by AP Finance (Aurum Pacific Finance Ltd), a wholly owned subsidiary of the Company.

'Due to keen market competition, and the challenging environment together with the consideration of the risks associated with the possible default by the loan borrowers, owing to prolonged impact of COVID-19 pandemic, the Group did not renew its money lender licence after the licence expiration on 2 June 2021 and ceased the operation of the Money Lending Business with effect from September 2021.

‘As the business operation of the Money Lending Business is considered as a separate major line of business segment of the Group, it is accounted for as a discontinued operation from the year ended 31 December 2021.’

At Page Six of the 2022 Annual Report of Aurum Pacific (China) Group Ltd, under the heading, ‘**MANAGEMENT DISCUSSION AND ANALYSIS**,’ one was informed of the following, still on the subject of ‘**Discontinued operation:**’

‘Money lending business was discontinued during the year ended 31 December 2021. Profit for the Year from discontinued operation was approximately HK\$76,000 compared with loss of approximately HK\$77,009,000 in 2021. The significant change was mainly due to the cease of the operation of the segment and the significant impairment loss on the loan and interest receivables in 2021 while the Company tried it best to recover those long outstanding loan and interest receivables in the Year. There was a reversal of impairment loss on loan and interest receivables of approximately HK\$166,000 in the Year.’

THE INDEPENDENT AUDITOR’S REPORT

Messrs Fan, Chan and Company Ltd (范陳會計師行有限公司) was/is the Independent Auditor of Aurum Pacific (China) Group Ltd in respect of the 2022 Annual Report of the Company.

The Report of the Independent Auditor was ten pages long, starting from Page 48 and ending on Page 57 of the 2022 Annual Report.

At Page 49 of the Independent Auditor’s findings, under the heading, ‘**MATERIAL UNCERTAINTY RELATED TO GOING CONCERN**,’ Mr Leung Kwong Kin, for the firm of Fan, Chan and Company Ltd, it was stated:

‘We draw attention to note 2(b) of the consolidated financial statements, which stated that the Group incurred a net loss of HK\$21,325,000 and reported a net cash outflow of HK\$1,044,000 from operating activities, and as at 31 December 2022, the Group’s net current liabilities and total current liabilities amounted to HK\$1,903,000 and HK\$13,926,000 respectively while its total cash and cash equivalents amounted to HK\$4,445,000. These conditions, along with other matters as set forth in note 2(b) to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt over the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.’

At Page 54 of the Independent Auditor’s Report, one was informed, under the heading: ‘**OTHER INFORMATION**,’ of the following:

‘The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor’s report thereon.’

‘Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

‘In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.’

THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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