

TARGET

Intelligence Report

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SHINEROAD INTERNATIONAL HOLDINGS LTD: THERE IS A VERY OLD IDIOM THAT STATES THAT IT NEVER RAINS BUT IT POURS

Management of Shineroad International Holdings Ltd (欣融國際控股有限公司) (Code: 1587, Main Board, The Stock Exchange of Hongkong Ltd) suffered a material depreciation of its Net Profit Attributable To Shareholders with regard to its Financial Year, ended December 31, 2023, compared with the 2022 Financial Year, and, in addition, it was forced to admit to shareholders the following financial difficulty:

‘A provision of approximately RMB11 million for the impairment of trade receivables owed by a customer. This prudent decision was made after careful consideration by the management. Accordingly, the Group is in the course of consulting its PRC legal advisor, and is going to take legal action against the aforementioned customer, the Company will make further announcements as and when appropriate in accordance with the Listing Rules (of The Stock Exchange of Hongkong Ltd).’

In respect of the ‘**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**,’ found at Page 81 of the 2023 Annual Report of Shineroad International Holdings Ltd, the following table is self-explanatory:

	For The Financial Year, Ended December 31		Percentage Increase/(Decrease)*
	2023	2022	
	All Figures Are Denominated In Renminbi'000 (RMB) (except where otherwise stipulated)		
Revenue	683,591	728,308	(6.14)
Gross Profit	114,462	121,169	(5.54)
Gross Profit Margin*	16.74 percent	16.64 percent	0.60
Profit Before Taxation	31,878	65,469	(51.31)
Profit For The Year	20,257	47,662	(57.50)
Net Profit Attributable To Shareholders Of The Company	20,257	47,662	(57.50)
Earnings Per Share Attributable To Shareholders Of The Company (basic and diluted)	0.03	0.07	(57.14)

- * These are **TARGET**'s calculations.
- ** The functional currency of The People's Republic of China (PRC) is the Renminbi (RMB).

At Page 83 of the 2023 Annual Report of the Company, under the heading, '**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**,' the Net Assets of the Company (Shareholders' Funds) were presented:

	2023 <u>RMB'000</u>	2022 <u>RMB'000</u>	Percentage <u>Increase/(Decrease)</u>
Net Assets:	462,808	451,423	2.52

THE CHAIRMAN'S STATEMENT

Mr Huang Hai Xiao (黃海曉) is the Chairman of the Board of Directors of Shineroad International Holdings Ltd.

He was the Founder of the Company.

At pages four to six of the 2023 Annual Report, under the heading, '**BUSINESS REVIEW**,' the Chairman had this to impart to shareholders:

*'Our Group is one of the leading distributors of food ingredients and food additives in Asia with outstanding research and development capacity, which distinguishes us from other competitors in the industry and provides us with an (sic) unique edge to develop our reputation and diversified customer networks. Leveraging our research and development capability, we will continue to build long-term strategic alliance and co-develop with our customers, so as to stay on course with our mission "**To be the Most Reliable Partner in the Food Industry.**"'*

*'For the Reporting Year, our Group recorded a revenue of approximately RMB683.6 million, representing a decrease of approximately 6.14% as compared to that of the year ended 31 December 2022 (the "**Previous Year**") (RMB728.3 million). The profit for the Reporting Year was approximately RMB20.3 million, representing a decrease of approximately 57.44% compared with that of the Previous Year (RMB47.7 million); while our Group's basic and diluted earnings per share were RMB0.03, representing a decrease of RMB0.04 as compared with that of the Previous Year (RMB0.07).*

'China Operations

'Over the years, we have built strong relationships with our suppliers worldwide. Major suppliers, such as Nestlé from Switzerland, Mitsubishi from Japan, Sensient from the US, and Kerry from Ireland, have been cooperating with us for decades.

‘Meanwhile, our Group further obtained new distribution rights with focus on the nutrition and health industry:

- *Obtained the distribution right of L-malic acid (L-蘋果酸) of Huaheng Bio (華恒生物) from China in August 2023*
- *Obtained the distribution right of rice milk powder (米乳粉) of Shunxin Shengyuan (順鑫盛源) from China in August 2023*
- *Obtained the distribution right of MCG (微晶纖維素膠體) of Linrun (霖潤) from China in December 2023.’*

‘On the other hand ... [CLICK TO ORDER FULL ARTICLE](#)

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