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EVER HARVEST GROUP HOLDINGS LTD:
THANK YOU, BEIJING … AND, BY THE WAY,
PASS US THE CASH, IF YOU PLEASE

Ever Harvest Group Holdings Ltd () (Code: 1549, Main Board, The Stock Exchange of Hongkong Ltd), inter alia, relies very heavily on grants from the Government of the People's Republic of China (PRC).

Should the PRC Government determine to stop '*spoon-feeding*' this Company, then, its Bottom Line would sink very materially, and very dramatically.

In the 2015 Financial Year, PRC Government grants to Ever Harvest amounted to about 38 percent of the Net Profit Attributable to Shareholders.

While this intelligence might well scare the bejesus out of many a prospective investor, there are other little ditties, contained in the Global Offering Prospectus of Ever Harvest, dated June 23, 2016, that might well sicken potential, long-term investors.

The Initial Public Offering (IPO)

Ever Harvest made a Global Offering of 350 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of 30 cents to a high of 38 cents.

Investors of the Hongkong Special Administrative Region (HKSAR) of the PRC were Offered 35 million Shares and International Investors were Offered 315 million Shares.

At Page 104 of the Global Offering Prospectus, under the heading of '***OUR REASONS FOR LISTING***', it is stated:

> '*Our Company is seeking the Listing in order to (i) enhance our Group's corporate profile and assist in reinforcing its brand awareness and market reputation; (ii) enable our Group to have access to capital market for raising funds both at the time of Listing and at later stages in order to support our expansion plan and our strategy pursued as discussed in this prospectus; and (iii) offer our Company a broader shareholder base which will provide liquidity in the trading of the Shares. As stated above, we have formulated our future expansion strategies. In particular, it is expected substantial capital expenditure would be incurred for the implementation of our strategy of optimization of our vessel fleet, deepening our scope of services to include port and logistics related services and broadening our reach of routes and branches. In this light, the listing proceeds would equip us to pursue our strategy with the support of capital*.'

Then, at Page 31, under the heading of '***We may need additional financing to fund our operations and growth but we may be unable to obtain financing on terms acceptable to us***', one reads:

> '*Our Group may come across other opportunities to expand our business. In such circumstances, the proceeds from the Global Offering may not be sufficient to capitalise on and develop these opportunities and our Group may need to obtain additional financing to fund our future capital expenses. We may be unable to obtain any financing, comprising both new and replacement financing on commercially reasonable terms or at all. If we incur*

additional debt, our interest expense would increase. If we raise capital through the sale of equity securities, the percentage ownership of our existing stockholders would be diluted and any new equity securities also may have rights, preferences or privileges senior to those of our ordinary shares. If we are unable to obtain additional or replacement financing when we need it, our ability to fund our operations and meet our expansion plan would be materially and adversely affected.'

This medium's translation of the above:

This Company will, in due course, be either increasing loans from financial institutions or, alternatively, issuing New Shares when the spirit moves Management so to do.

At **...** **CLICK TO ORDER FULL ARTICLE**