

TARGET

Intelligence Report

VOLUME XXII No. 23

T H U R S D A Y

February 6, 2020

GREAT HARVEST MAETA GROUP HOLDINGS LTD:

MR AND MRS YAN KIM PO ARE HOLDING THIS COMPANY AFLOAT

It appears very evident that Great Harvest Maeta Group Holdings Ltd () (Code: 3683, Main Board, The Stock Exchange of Hongkong Ltd) is in deep financial trouble.

This Company is engaged in the chartering of dry bulk vessels and money lending. Its subsidiaries include Great Ocean Shipping Ltd (), Greater Shipping Company Ltd () and Joy Ocean Shipping Ltd ().

Through its subsidiaries, the Company is also engaged in the provision of marine transportation services and agency services.

Great Harvest Maeta Group Holdings Ltd brought out its Interim Results in respect of the six months, ended September 30, 2019 in which it was stated that the Net Loss Attributable to Shareholders was \$US3,877,000 (about \$HK30.24 million)

That result compared poorly with the like period in the 2018 Financial Year when the Net Profit Attributable to Shareholders was \$US7,899,000 (about \$HK61.61 million).

However, in respect of the 2018 Interim Report, the Company included an Extraordinary Profit of \$US13 million (about \$HK101.40 million), being *‘Reversal of impairment loss on property, plant and equipment.’*

At Pages 37 and 38 of the 2019-Year’s Interim Report, it was stated, inter alia, under the heading:

‘Going concern basis

‘As at 30 September 2019, the Group’s current liabilities exceeded its current assets by US\$6,655,000 (about \$HK51.91 million) which included borrowings and loans of US\$5,694,000 (about \$HK44.41 million) repayable within one year, while the Group’s cash and cash equivalents balance was US\$1,923,000 (about \$HK15 million).

‘These conditions indicate the existence of a material uncertainty which may cast significant doubt over the Group’s ability to continue as a going concern.

‘The directors of the Company have reviewed the Group’s cash flow projections in which the volatility of the shipping market has been considered, which cover a period of twelve months from 30 September 2019. The directors are of the opinion that, after taking into account the following plans and measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due within twelve months from 30 September 2019:

- ‘(i) On 31 March 2019, the ultimate holding company of the Group, together with the Company’s two directors, Mr. Yan Kim Po and Ms. Lam Kwan*, (collectively, the “Guarantors”), entered into a deed of funding undertakings to provide funding to the Group. The funding notice could be issued at the discretion of the Company to the ultimate holding company* and the Guarantors and the total amount of funding undertakings shall not exceed US\$30,000,000 (\$HK234 million). The funding deed is effective until 31 March 2021.*

‘The funding when provided shall be treated as an advance to the Company and be repayable by the Company at a suitable time to be agreed among the Company, the ultimate holding company and the Guarantors, but in any event shall only be repaid after at least twelve months from the funding draw down date.

‘The undertakings shall cease to have effect after twenty four months from the date of the deed or upon the Company or any member of the Group having obtained additional long-term external bank borrowings or other sources of long-term financing with a principal amount of not less than US\$30,000,000, whichever is the earlier.

‘As at 30 September 2019, the Group had obtained a total of US\$5,000,000 (\$HK39 million) of loan from the ultimate holding company under the terms of the deed, of which US\$1,500,000 (\$HK11.70 million) will be repayable by January 2020 and the remaining will be repayable by March 2021 and April 2021. The amount of available funding under the deed of funding undertakings was US\$25,000,000 (\$HK195 million) as at 30 September 2019.

‘(ii) The Group does not have any significant capital or other commitment as at 30 September 2019. In respect of the Group’s investment properties development in Hainan, the Group is in the process of applying for the land development approval. The Group does not have any significant commitment for capital expenditure of such developments at this stage and no significant expenditures in relation to such development will be committed by the Group before securing the necessary funding.

‘(iii) The Group will also continue to seek for other alternative financing and bank borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures...’.

* 1. Ms Lam Kwan () is the Chief Executive Officer of the Company, an Executive Director and the wife of Mr Yan Kim Po (), the Chairman of the Board of Directors and an Executive Director.

* 2. The Ultimate Holding Company of Great Harvest Maeta Group Holdings Ltd is Ablaze Rich Investments Ltd (), a company, domiciled in the **British Virgin Islands (BVI)** with limited liability. This company is said to own, beneficially, 70.83 percent of the entire Issued and Fully Paid-Up Share Capital of Great Harvest Maeta Group Holdings Ltd, as at March 31, 2019. The ultimate controlling shareholders of Ablaze Rich Investments Ltd are Mr Yan Kim Po and Ms Lam Kwan.

High Court Action, Number 26 of 2020

On ... [CLICK TO ORDER FULL ARTICLE](#)

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

*If readers feel that they would like to voice their opinions about that which they have read in **TARGET**, please feel free to e-mail your views to editor@targetnewspapers.com. **TARGET** does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*