

TARGET

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YI HUA HOLDINGS LTD:

WILL THE COMPANY BE ABLE TO SURVIVE THIS YEAR ?

Questions could be raised as to whether or not Yi Hua Holdings Ltd () (Code: 2213, Main Board, The Stock Exchange of Hongkong Ltd) is, truly, solvent: Having assets in excess of liabilities and, as such, be able to pay debts as they fall due.

On March 31, 2020, the Company, Chaired by Mr Chen Jian Ren (), informed shareholders of the financial situation that existed at the Company as at December 31, 2019.

In a 32-Page public announcement, headlined: '**ANNOUNCEMENT OF UNAUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019**', one was appraised, at Page One, of the Company's financials in the following thumbnail description:

'FINANCIAL HIGHLIGHTS

- Revenue decreased by 20.7% to approximately RMB613.2 million.
- Gross profit (revenue less purchases of and changes in inventories and constructions of and changes in completed properties held for sale) decreased by 7.4% to approximately RMB328.2 million.

- *Losses from disposal of subsidiaries amounted to RMB49.74 million.*
- *Provision for impairment of assets amounted to RMB287.1 million.*
- *Loss attributable to owners of the Company amounted to approximately RMB583.1 million.*
- *Basic losses per share for the year ended 31 December 2019 was RMB0.5813.'*

At Page 22 of this Announcement, one was told, also, of the following pending litigation:

'On 11 June 2019, an individual filed a lawsuit against the Company's delay repayment for principal of RMB50.8 million and relative interests of RMB6.7 million in the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the "HK High Court").

'On 9 December 2019, Head & Shoulders Securities Limited () ("H&S") filed a petition against the Company (the "Petition") for delaying in repayment of principal of RMB4.5 million and relative interests of RMB0.05 million in the HK High Court.

'On 26 December 2019, a bank filed a lawsuit against the Company's delay repayment for principal of RMB12.0 million and relative interests of RMB0.06 million in the HK High Court. The bank has applied to freeze equity interest of RMB12.0 million of a PRC subsidiary of the Company, and certain bank accounts of the Company.

'On 19 March 2020, an individual filed a petition against the Company for delaying in repayment of principal of RMB9.5 million and relative interests of RMB0.6 million in the HK High Court.

'Judicial proceedings for litigations listed above are being undertaken, with the hearing of the litigations be adjourned to dates to be fixed in view of public health consideration as announced by the Judiciary of Hong Kong.'

Then, at ... [CLICK TO ORDER FULL ARTICLE](#)

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