



COMPANY: China Harmony Auto Holding Ltd. (3836 HK)
INDUSTRY: Automotive Dealerships

<u>Price</u> (as of 11Nov2020 close)	<u>Market Cap</u>	<u>Average Daily Value</u> <u>Traded (30-Day)</u>
HK\$ 3.39	HK\$ ~ 5.5 billion	HK\$ ~ 17 million

China Harmony Auto Holding Limited (HKEX: 3836) (“Harmony” or the “Company”) operates ~75 car dealerships in China, distributing mid- to high-end luxury car brands including BMW, Lexus, Land Rover, Rolls Royce, & Ferrari. Harmony is also an after-sales service partner of Tesla (Nasdaq: TSLA) in China which drives additional investor interest.

Evidence revealed that Harmony’s Chairman Feng defrauded investors and fabricated Harmony’s financial statements.

First, Chairman Feng stole RMB 1 billion from Harmony. At the end of 2019, Harmony offset a RMB 1 billion cash loan to Chairman Feng using an abusive tax liabilities transfer. This transaction had serious negative repercussions for Harmony minority shareholders as it effectively erased the contractual obligation for Chairman Feng to repay RMB 1 billion to Harmony.

Second, Harmony generated fake cash from fake share sales. Harmony claimed to receive RMB 192 million in cash from selling shares of Henan Hexie Automobile Aftersales Services Co., Ltd. (河南和諧汽車維修服務有限公司, “IAC”) in April 2019. This never happened, and this was not the first time Harmony lied about cash receipts. In addition, Chinese filings revealed that Harmony never received RMB 347 million in cash from the sale of Green Field Motor Co., Ltd. (浙江綠野汽車有限公司, “GFMC”). To us these findings suggest that Harmony’s cash balance has been fabricated since 2015.

Third, Harmony lied about its profits in two ways: by failing to consolidate operating expenses from primary subsidiaries, and failing to write down losses from bad investments. In this report we highlight three separate entities which Harmony used to generate fake profits.

On January 7, 2020, Ernst & Young resigned as Harmony’s auditor. For its 2019 Annual Report, Harmony paid a different auditor, Zhonghui Anda CPA Limited, who resigned shortly thereafter in July 2020. We suspect both resignations were related to the write-off of the RMB 1 billion loan to Chairman Feng.

CCASS data shows that 94% of Harmony’s shares are in circulation despite Chairman Feng’s reported 44% ownership, suggesting undisclosed share pledges.

We are short Harmony and believe its stock is worthless.

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FAKE CASH FROM FAKE SALE OF IAC SHARES

Harmony claimed that it received RMB 192 million in cash proceeds from the disposal of 29% of IAC shares to a supposed independent third party in April 2019.¹

This is a lie. Harmony never received cash because there never was a share sale in April 2019.

In fact, Harmony owned 100% of IAC from 2011 until December 2019 and should have consolidated IAC's operating losses into its own financial statements.

PRC State Administration for Industry and Commerce (国家工商行政管理总局, "SAIC") filings revealed that IAC was 100% owned by Harmony subsidiary Henan Hexie Automobile Trading Co., Ltd. (河南和谐汽车贸易有限公司, "Henan Hexie") from 2011 until December 9, 2019.²

On December 10, 2019, IAC diluted Harmony's equity ownership to less than 20% via a shareholder resolution to increase IAC's share capital.

Harmony did not sell any IAC shares, so Harmony did not receive any cash in April 2019 nor in December 2019.



Shareholder Resolution

股东决定

The shareholders of Henan Hexie Automobiles Aftersales Services Co., Ltd. made the following decision on

河南和谐汽车维修服务有限公司股东于 2019 年 12 月

December 10, 2019 in the company's conference room:

10 日在本公司会议室作出如下决定:

a. Agreed to add Zhengzhou Wanyin Asset Management Co., Ltd, Xizang Lanherui Venture Capital

一、同意增加郑州万银资产管理有限公司、西藏蓝彻瑞创业

Partnership (Limited Partnership), Shanghai Dongyin Wujiong Venture Capital Management Center (Limited Partnership),

投资管理合伙企业 (有限合伙)、上海东银无穹创业投资管

Shanghai Mingwu Investment Consulting Firm, and Shenzhen Zhongzhahui Investment Co., Ltd. as the company's new

理中心 (有限合伙)、上海铭武投资咨询事务所、深圳市众

shareholders.

智汇投资有限公司为公司新股东。

Source: Paper SAIC Filings

IAC's December 2019 capital injection came from undisclosed related parties.

SAIC filings revealed that currently 25% of IAC shares are secretly controlled by Chairman Feng's brother.³

¹ Source: Harmony 2019 Annual Report – p.85

² In 2011 Harmony established its primary after-sales service entity Henan Hedebao Automobile Services Co., Ltd. (河南和德宝汽车服务有限公司, "Hedebao Auto"). Harmony's 2013 to 2015 Annual Reports disclosed 100% ownership of Hedebao Auto, which means Harmony consolidated Hedebao Auto's operational performance in Harmony's consolidated financial statements. Harmony's 2016 Annual Report dropped Hedebao Auto from its subsidiary list and changed the name of the entity to Henan Hexie Automobile Aftersales Services Co., Ltd. (河南和谐汽车贸易有限公司, "IAC").

³ See Appendix 1 – Undisclosed Related Parties

Another 29% of IAC is secretly owned by Chairman Feng via Zhengzhou Wanyin Asset Management Co., Ltd. (郑州万银资产管理有限公司, “Zhengzhou Wanyin”).⁴

变更记录 19 Record of Change 变更项目 ▼ 天眼查

序号	Date of Change 变更日期	Change Item 变更项目	Before Change 变更前	After Change 变更后
1	2019-12-12	市场主体类型变更	有限责任公司 (非自然人投资或控股的法人独资)	其他有限责任公司
2	2019-12-12	Change in Investors 投资人变更 (包括出资额、出资方式、出资日期、投资人名称等)	Henan Hexie 河南和谱汽车贸易有限公司;	Henan Hexie 河南和谱汽车贸易有限公司:19.8% 上海东银无穹创业投资管理中心 (有限合伙):0.7177% 深圳市众智汇投资有限公司:25.1196%; 上海铭武投资咨询事务所:0.2392%; 郑州万银资产管理有限公司:29.0038%; 西藏蓝荷瑞创业投资管理合伙企业 (有限合伙):25.1196%;
3	2019-12-12	高级管理人员备案 (董事、监事、经理等)	杨磊、陈翼	霍韶辉、 [新增] 曹艳凤、 [新增] 杨磊、 陈翼、 郭晓燕、 [新增] 艾晓云 [新增]
4	2019-12-12	其他事项备案	河南和谱汽车贸易有限公司;	河南和谱汽车贸易有限公司:19.8%; 上海东银无穹创业投资管理中心 (有限合伙):0.7177%; 深圳市众智汇投资有限公司:25.1196%; 上海铭武投资咨询事务所:0.2392%; 郑州万银资产管理有限公司:29.0038%; 西藏蓝荷瑞创业投资管理合伙企业 (有限合伙):25.1196%;
5	2019-12-12	实收资本变更 Change in Registered Capital	2000	27866.670000 (+ 1293.33%)
6	2019-12-12	注册资本变更 (注册资金、资金数额等变更)	2000 RMB20 million	RMB279 million 27866.670000 (+ 1293.33%)



Source: <https://www.tianyancha.com/company/2404239200>

Credit Reports are compiled by credit agencies certified by the PRC government with access to company-filed financial statements with the local PRC regulatory office.

Credit Report of Zhengzhou Wanyin revealed no asset, no revenue and no profit, making it incapable of paying the alleged RMB 192 million for IAC shares to Harmony.⁵

We believe that the evidence is clear.

Harmony lied about receiving cash payment of RMB 192 million for the disposal of IAC shares.

Harmony lied about its 100% ownership of IAC through December 2019 which concealed operating losses from Harmony’s consolidated financial statements.

And perhaps most importantly, Harmony’s lies about IAC afforded Chairman Feng a way to siphon RMB 1 billion into his own pocket without repayment.

⁴ See Appendix 1 – Undisclosed Related Parties

⁵ See Appendix 2 – Credit Reports

HARMONY ERASED RMB 1 BILLION LOAN TO CHAIRMAN

Chairman Feng was given RMB 1 billion loan from Harmony never to be repaid.

In 2017, Harmony disclosed that it lent IAC RMB 1 billion to support IAC's operations, equal to 100% of Harmony's reported 2017 profits.

Shortly thereafter, IAC turned around and lent the RMB 1 billion to Chairman Feng's private business, Hexie Industrial Group Co., Ltd. (河南和谐实业集团有限公司, "Hexie Private").⁶

At the end of 2019, Harmony offset the RMB 1 billion loan to Chairman Feng using an abusive tax liabilities transfer.

This transaction had serious negative repercussions for Harmony minority shareholders as it effectively erased the contractual obligation for Chairman Feng to repay RMB 1 billion to Harmony.

Hexie Private's 2019 Credit Report did not reveal any liability owed or received in 2019. Rather Hexie Private appears to be an empty shell company with no real revenues and no real assets.

We were unable to identify any disclosure in 2017 or 2018 about this "Assignment" prior to Harmony's 2019 Annual Report.

(b) Major non-cash transaction

On 1 June 2017, Henan Hexie Automobile Trading Co., Ltd. ("**Hexie Automobile**"), a subsidiary of the Company, entered into an assignment agreement with the then associate of the Group, Independent Aftersales Company, and Hexie Industrial Group, whereas Hexie Industrial Group agreed to take up certain tax liabilities of the Group amounted to RMB1,021,716,000 (the "**Assignment**"). Approval had been obtained from relevant regulator on 26 March 2018. During 2019, Hexie Automobile, Independent Aftersales Company and Hexie Industrial Group entered into a supplemental agreement to finalise the Assignment and accordingly the said sum of RMB1,021,716,000 included in amounts due from an associate were set-off against other payables and accruals and income tax payable in the consolidated statement of financial position.

Source: Harmony 2019 Annual Report – p. 173

SAIC filings revealed that Hexie Private shares the same phone number and email address as Harmony subsidiary Henan Hexie.



河南和谐实业集团有限公司 我要认证

存续 曾用名 小微企业

Phone: 电话: 0371-63910000 同电话企业 修改电话

Email: 邮箱: hx@hexieauto.com 查看更多

网址: 暂无网址 Website: No website

地址: 郑州市金水区未来大道71号未来花园H座7层02号

获取认证证书



Henan Hexie 河南和谐汽车贸易有限公司 我要认证

存续 和谐汽贸

Phone: 电话: 0371-63910000 同电话企业 修改电话

Email: 邮箱: hx@hexieauto.com 查看更多

网址: hexieauto.com

地址: 郑州市郑东新区商务内环路世贸大厦A座 附近公司

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Source: <https://www.tianyancha.com/company/1431336051>
<https://www.tianyancha.com/company/24800382>

⁶ Source: Harmony 2017 Annual Report – p. 155; <https://www.tianyancha.com/company/1431336051>

Credit Reports for Hexie Private revealed very little revenue and net losses.⁷

Hexie Private's balance sheet had little real assets other than "other receivables".

The lack of assets and revenue showed that Hexie Private did not have a credible business and had no chance to repay the RMB 1 billion loan.

We suspect that Hexie Private was used to pay out insiders from their fraudulent scheme.

In addition, Harmony's disclosed receivables did not match what IAC disclosed as payables owed in its Credit Reports.

Since 2017 Harmony made a series of loans to support IAC's operations.

As of CYE'18, Harmony had lent IAC a total of RMB 1.6 billion, including the RMB 1 billion subsequently advanced to Chairman Feng's Hexie Private.

Credit Reports for IAC revealed payable balances totaled only RMB 470 million and RMB 228 million as of CYE'18 & CYE'19, respectively, significantly less than the RMB 1.6 billion and RMB 748 million Harmony claimed to be owed as of CYE'18 & CYE'19, respectively.⁸

To us, the lack of IAC payables suggests that the RMB 1 billion loan to Chairman Feng's Hexie Private never resided on IAC's balance sheet, rather Harmony made the loan directly to Hexie Private.

Credit Reports for IAC revealed that Harmony overstated receivable owed from IAC by ~230% in both 2018 and 2019. In our opinion, Harmony's overstated receivables balance represents a combination of concealed fake Harmony profits and real cash that exited IAC to privately enrich insiders at the expense of Harmony minority shareholders.

Harmony Overstated Receivables Balance from IAC

RMB '000	CYE'18	CYE'19
<i>Reported by Harmony</i>		
Advances forwarded to Hexie Private	1,021,716	Offset
Loan to IAC	390,000	390,000
Advances Made to IAC	107,671	357,568
Interest receivables from IAC	71,887	
Total Harmony reported receivables from IAC	1,591,274	747,568
Total IAC Credit Reports payables balance	469,805	228,126
Harmony Receivables Overstatement	1,121,469	519,442
as %	239%	228%

Source: Harmony Annual Reports, IAC Credit Reports

⁷ See Appendix 2 – Credit Reports

⁸ See Appendix 2 – Credit Reports

APRIL 2020 ACQUISITION SIPHONED MILLIONS TO UNDISCLOSED INSIDERS

Harmony's April 2020 acquisition is a clear example where Harmony overpaid to acquire a company from an undisclosed related party.

Harmony disclosed in its 2020 Interim Report that it acquired Shijiazhuang Harmony Binchi Automobile Sales Services Co., Ltd. (石家庄和谐宾驰汽车销售服务有限公司, "Shijiazhuang Harmony") and three other companies from supposed independent third parties for a total cash consideration of RMB 154 million (RMB 84 million in goodwill).⁹

SAIC filings revealed Shijiazhuang Harmony only existed for 3 months prior to being acquired.

Shijiazhuang Harmony was established in January 2020 with a registered capital of RMB 20 million by Harmony President Liu Fenglei (刘风雷), clearly not an independent third party.

序号	变更日期	变更项目	变更前	变更后
1	2020-04-16	市场主体类型变更	有限责任公司 (自然人独资)	有限责任公司 (外商投资企业法人独资) Henan Hexie RMB20 million (addition)
2	2020-04-16	Change of Shareholder 投资人(股权)变更	Liu Fenglei RMB20 million (withdrawal) 刘风雷 出资 2000万人民币; [退出]	河南和谐汽车贸易有限公司 出资 2000万人民币; [新增]
3	2020-04-16	章程备案	无	新章程

Source: <https://www.tianyancha.com/company/3405695863>

⁹ Source: Harmony 2020 Interim Report – p.43

GFMC – ANOTHER LIE TO CONCEAL FAKE CASH

Evidence revealed that Harmony lied about cash inflows, cash outflows and impairment losses from another historical transaction.

In 2015, Harmony acquired 88% of Green Field Motor Co., Ltd. (浙江绿野汽车有限公司, “GFMC”) for a supposed RMB 292 million.¹⁰

On December 31, 2015, within just 7 months of investment, Harmony claimed that it had sold its entire 88% equity interests in GFMC to Zhejiang Aiche Internet Intelligent Electric Vehicle Co., Ltd. (浙江爱车互联网智能电动车有限公司, “Aiche”) for RMB 347 million.¹¹

SAIC filings revealed that GFMC was never sold to Aiche.

Accordingly, Harmony never received cash disposal proceeds of RMB 347 million from Aiche.

SAIC filings revealed that Harmony has and continues to own 88% of GFMC.



Source: <https://www.tianyancha.com/company/79193138>

Despite being an 88% majority owner of GFMC, Harmony never accounted for GFMC as a subsidiary or as an associate in its Annual Reports.

Harmony disclosed that GFMC had total assets of RMB 770+ million and generated losses for consecutive years.

The financial information of the Target prepared in accordance with applicable PRC accounting standards for the two financial years ended 31 December 2014 is set out below:

	Year ended 31 December 2014 approximately RMB	Year ended 31 December 2013 approximately RMB
Net loss before/after taxation	28,171,356	40,883,940

The book value of the total assets of the Target as at 31 December 2014 is RMB773,243,443 (equivalent to approximately HK\$966,554,300). According to the valuation report prepared by an independent valuer engaged by the Seller, the valuation of the total assets of the Target as determined by adopting the cost valuation approach as at 31 December 2014 is RMB783,282,790 (equivalent to approximately HK\$979,103,490).

Source: Harmony Announcement dated May 11, 2015

¹⁰ Source: Harmony Announcement dated May 11, 2015; Harmony Announcement dated June 25, 2015

¹¹ Source: Harmony Announcement dated January 4, 2016

Harmony's 2016 Annual Report disclosed that GFMC was suspended and under restructuring.

At the time shareholders were not given financial details on GFMC.

We suspect Harmony intentionally concealed GFMC's extensive losses and cash outflows to artificially inflate Harmony's reported financial statements.¹²

A PRC court judgement (suit #: (2016) 浙民终 524 号) revealed multiple lies about Harmony's ownership and liabilities associated with GFMC.

First, while Harmony disclosed that it paid RMB 292 million for 88% of GFMC, the PRC court judgement revealed that Harmony paid an extra RMB 45 million plus another RMB 9 million in fees in two additional secret Supplemental Agreements to help Harmony obtain GFMC equity from other shareholders.¹³

Second, the PRC court judgement revealed that Harmony reported to the court details about GFMC's balance sheet contrary to what was disclosed to investors.

The PRC court judgement disclosed that GFMC was on the brink of bankruptcy with ~RMB 200 million of total assets and ~RMB 500 million of debts as of early 2016.

也未摊销，故实际上当初审计报告反映的资产价值虚高。目前据测算，土地面积462亩，加上地上建筑物，估值约为4500万左右，即资产仅约2亿左右。而目前账面负债已经高达近5亿，还不包括或有债务，已经严重资不抵债。并且房产土地均已抵押给银行，如拍卖则价值更低，届时连银行负债都无法足额清偿。绿野公司实际已濒临破产。2、和谐汽车公司以审计报告为依据，并在中科宏易公司的蓄意鼓动下同意收购绿野公司。除上虞杭州

According to current estimates, the land area is 462 mu, plus the buildings on the ground, and the valuation is about RMB 45 million, that is, the assets total only about RMB 200 million. At present, the book value of debt has reached nearly RMB 500 million, excluding contingent debts, and the company is already seriously insolvent. In addition, the real estate and land have been mortgaged to the bank. If auctioned, the value will be lower, and even bank liabilities will not be able to be paid off in full. GFMC is actually on the verge of bankruptcy.

Source: (2016) 浙民终 524 号

Source: <https://www.qcc.com/case/533e8c35959bc5e6a04ddd5713a7c549.html>

GFMC was officially declared bankrupt by a PRC court in 2018.

In short, Harmony raised money from investors and paid RMB 346 million for 88% equity interest of GFMC in 2015 which should have been written down.¹⁴

¹² Source: Harmony 2016 Annual Report – p.8

¹³ Source: <https://www.qcc.com/case/533e8c35959bc5e6a04ddd5713a7c549.html>

¹⁴ 346 million = (292 million + 45 million + 9 million)

FMC SHARES SOLD TO CHAIRMAN AT 90% DISCOUNT FOR IMMEDIATE RMB 236 MILLION GAIN

Chairman Feng privately enriched himself with an immediate gain of RMB 236 million at the expense of Harmony minority shareholders by avoiding shareholder approval and buying FMC shares from Harmony at a 90% discount.

In March 2016, Harmony established Future Mobility Corporation Limited (“FMC HK”).

On December 23, 2016, Harmony invested in Future Mobility Corporation Limited Cayman (“FMC”) for total consideration of RMB 208 million plus operating cash loans to FMC HK.¹⁵

In 2017 Harmony sold 1,250,000 shares & 33% voting rights in FMC to Chairman Feng for RMB 59 million and reported a gain from the sale of RMB 29 million.

Importantly, Harmony used the transaction as an excuse to change its accounting policy for FMC from an associate to an available-for-sale investment.

Harmony recorded a gain of RMB 816 million from the revaluation, 80% of Harmony’s 2017 reported net profits.

In 2Q’18, FMC received additional financing which increased Harmony’s carrying valuation of its FMC ownership to RMB 1.4 billion as of CYE’18.¹⁶

Despite the increase in FMC’s valuation, in 2018 Harmony sold Chairman Feng an additional 9,000,000 FMC shares at a significantly discounted price of RMB 39.6 million. Harmony recorded an immediate loss of RMB 236 million.¹⁷

The only disclosure given for this egregious transaction is a footnote in Harmony’s 2018 Annual Report.

To us it is indefensible that Chairman Feng was able to benefit at the expense of shareholders and a clear oversight by Harmony’s Independent Non-Executive Directors.

Other income and gains, net

	For the six months ended 30 June 2018 Unaudited RMB'000	For the six months ended 30 June 2017 Unaudited RMB'000
Commission income	147,115	145,077
Advertisement support received from motor vehicle manufacturers	21,895	9,423
Bank interest income	11,085	17,343
Interest income from loans to an associate	32,389	–
Interest income from loans to a third party	2,054	4,374
Gain on deemed disposal of subsidiaries	–	36,185
Gain on deemed disposal of an associate	–	26,941
Gain on transferring an associate investment to available-for-sale investments	–	306,009
Loss on disposal of shares in a financial asset at fair value through profit or loss	(235,603)	–
Proceeds from disposal of shares in a financial asset at fair value through profit or loss		39,618

Source: Harmony 1H'18 Interim Report – p.37,26

¹⁵ Source: Harmony Announcement dated December 28, 2016

¹⁶ Source: Harmony 1H'18 Interim Report – p.46; Harmony 2018 Annual Report – p.173

¹⁷ Source: Harmony 2018 Annual Report – p.192

OVERSTATED PROFITS

Harmony overstated its purported profits by failing to consolidate operating expenses from primary subsidiaries and failing to write down its failed investments.

In this report we highlighted three separate entities in which Chairman Feng concealed ownership interests and obfuscated accounting policy applications between consolidated subsidiaries, alleged associates, and equity investments to fabricate Harmony's reported cash balance and profitability in its historical Annual Reports.

We highlight the 2 primary subsidiaries, IAC and GFMC, which Harmony should have consolidated since 2015.

Harmony falsified RMB 192 million of cash inflow gains from the alleged sale of IAC shares in April 2019.

Harmony owned 100% of IAC from 2011 until December 2019 and should have consolidated IAC's financial performance into its own financial statements.

Credit Reports for IAC and its various subsidiaries revealed little revenues, net losses and widening net liabilities.¹⁸

Harmony cumulatively omitted at least RMB 132 million in losses from IAC in 2018 & 2019.

Harmony owned 88% of GFMC from 2015 through GFMC's bankruptcy in 2018, with its liquidation proceedings continuing today. Harmony should have consolidated GFMC's losses in its own financial statements.

Due to GFMC's poor performance, Harmony should have completely written off its RMB 346 million investment in 2018.

Harmony's equity investment in FMC looks to be in trouble. Since June 2020, there have been multiple news reports confirming that FMC (under the brand name Byton) was in financial trouble and unable to pay its employees, and subsequently suspended operations and let go of its employees after getting US\$ millions in loans from the US Paycheck Protection Program.

Accordingly, Harmony should have recognized a RMB 1.4 billion impairment loss in 1H'20 for its investment in FMC.¹⁹

Chinese EV Startup BYTON to Suspend Operations for 6 Months, the Company's Future is Uncertain

Home > News > Content

[Summary] Electric vehicle startup Byton, which hoped to bring its futuristic M-Byte SUV to the market by this year, announced that it is suspending its operations for the next 6 months, beginning on July 1. Byton is suspending operations to review its business operations amid China's cooling auto market. However, sources inside and outside of the company said that the chances Byton will emerge from its self-imposed hiatus seems unlikely.

Eric Walz Jun 30, 2020 1:00 PM PT



The Byton M-Byte electric SUV

Boosted by generous government subsidies to build electric vehicles, a new crop of electric carmakers has emerged in China over the past few years. Among the most well known are Byton, Nio and Xpeng Motors. However, breaking into the world's biggest auto market and following in Tesla's lead has proved to be a daunting task for the young EV startups.

Byton suspending operations for six months due to financial trouble

The futuristic Chinese EV startup is in dire straits

By Sean O'Kane | @sokane1 | Jun 30, 2020, 3:23pm EDT

f t e SHARE



Chinese EV startup Byton is halting operations for at least six months due to financial problems that have been exacerbated by the COVID-19 pandemic, the company has confirmed to *The Verge*, following reports from *The Detroit Bureau* and local media. This

¹⁸ See Appendix 2 – Credit Reports

¹⁹ Source: *Harmony 2019 Annual Report* – p. 148; *Harmony 2020 Interim Report* – p. 37

一年花2億買零食、印一盒名片要4千元...豪華電動車拜騰宣布暫停營運，是另一場新創騙局？

2020.07.07 by  Dylan Yeh



圖片來源：高敬原攝影

豪華電動車拜騰 (Byton) 日前宣布營運生產至少停工半年，在四月解雇百餘員工後，就獲得新資保證貸款，拜騰至今未夠實車輛讓投資人擔心又是另一場新創騙局。

拜騰大潰敗揭秘：8億美元造車的巨資，是怎样“蒸发”的？

2020年07月04日 08:09 36氪

新浪财经APP | A | A | ☆ | 6 |



执剑一战，纵横异界大唐，游戏全是人！

全新仙侠网页游戏，6派12职业，上线VIP一直送到V15！自由选择门派，开启修仙之路！



来源：未来汽车日报

作者 | 张一 编辑 | 吴岩

第一款量产车型还没来得及驶下PPT。



封面来源：Unsplash

“没救了”，“可惜了”，“恨铁不成钢”。

Source: <https://www.futurecar.com/4007/Chinese-EV-Startup-BYTON-to-Suspend-Operations-for-6-Months-the-Company's-Future-is-Uncertain>

Source: <https://www.theverge.com/2020/6/30/21308389/byton-chinese-ev-startup-operations-suspended-furloughs>

Source: <https://tech.sina.com.cn/i/2020-07-04/doc-irczymn0429321.shtml>

Source: <https://www.bnext.com.tw/article/58384/chinese-ev-start-up-byton-to-suspend-production-from-july-1st-bailout-layoffs>

创事记



阅读时

01 青岛

02 宇航是个小奇

03 专家评处方药

04 华为供应链多

05 5G IP 制

MULTIPLE AUDITOR RESIGNATIONS SINCE JANUARY 2020

On January 7, 2020, Ernst & Young (“E&Y”) resigned as Harmony’s auditor.

E&Y was Harmony’s auditor since its IPO in 2013.

E&Y was replaced by Zhonghui Anda CPA Limited (“Zhonghui Anda”) who signed off on Harmony’s 2019 Annual Report in April 2020 after 3 months of engagement.

On July 13, 2020, Zhonghui Anda resigned.

Why did 2 separate auditors resign in 2020?

We suspect that Chairman Feng’s lies around IAC and the RMB 1 billion loan was the proverbial “*final straw that broke the camel’s back.*”

a. Multiple Resignations by INEDs and Senior Management

Since 2017, there have been multiple changes at the senior management level.

Since 2019, there have also been multiple resignations by the Independent Non-executive Directors, another red flag for Harmony shareholders.

Chief Financial Officer Qian Yewen was replaced on August 31, 2017.²⁰

Executive Director Yang Lei resigned on December 29, 2017.²¹

Non-executive Director Fan Qihui resigned on June 30, 2018.²²

Below is an updated list of INED changes from Harmony’s 2019 Annual Report.

Independent Non-executive Directors:

Mr. WANG Nengguang (appointed on February 4, 2019)

Mr. LAU Kwok Fan (appointed on June 14, 2019)

Mr. CHAN Ying Lung (appointed on March 27, 2020)

Mr. XIAO Changnian (resigned on February 4, 2019)

Mr. LIU Zhangmin (resigned on March 27, 2020)

Mr. XUE Guoping (resigned on March 27, 2020)

Source: *Harmony 2019 Annual Report – p. 41*

²⁰ Source: *Harmony Announcement dated August 31, 2017*

²¹ Source: *Harmony Announcement dated December 29, 2017*

²² Source: *Harmony Announcement dated July 3, 2018*

Appendix 1 – Undisclosed Related Parties

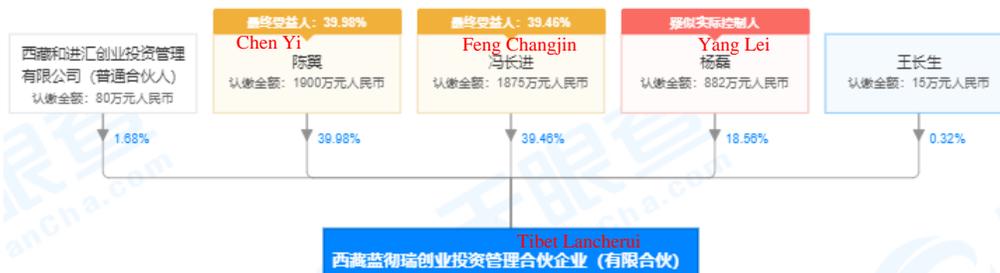
1. Tibet Lancherui

SAIC filings revealed that IAC is 25% owned by Tibet Lancherui Venture Capital Partnership (Limited Partnership) (西藏蓝彻瑞创业投资管理合伙企业 (有限合伙)), “Tibet Lancherui”.



Source: <https://www.tianyancha.com/company/2404239200>

SAIC filings of Tibet Lancherui revealed that it is 39% owned by Feng Changjin (冯长进), brother of Harmony Chairman Feng Changge (冯长革), 40% owned by Harmony Senior Management Chen Yi (陈翼), and 19% owned by Harmony Senior Management Yang Lei (杨磊).



Source: <https://www.tianyancha.com/company/3070613929>

2. Zhengzhou Wanyin

Zhengzhou Wanyin disclosed in SAIC filings that its contact phone number and email are 15249693962 and 954480710@qq.com respectively, which are shared by another company Henan Yonghong Investment Co., Ltd. (河南永弘投资有限公司, “Henan Yonghong”).

Henan Yonghong is wholly owned by Bao Fenglei (鲍风磊), who is the legal representative of Green Field Motor Co., Ltd. (浙江绿野汽车有限公司, “GFMC”).

郑州万银资产管理有限公司 我要认证

Zhengzhou Wanyin

存续 小微企业

Phone: 电话: 15249693962 [查看更多](#) [同电话企业](#) [修改电话](#) Mailbox: 邮箱: 954480710@qq.com [查看更多](#)

河南永弘投资有限公司 我要认证

Henan Yonghong

存续 小微企业

Phone: 电话: 15249693962 [查看更多](#) [同电话企业](#) [修改电话](#) Mailbox: 邮箱: 954480710@qq.com [查看更多](#)

Source: <https://www.tianyancha.com/company/1454469115> ; <https://www.tianyancha.com/company/1461819379>

3. FMC HK

Harmony's FMC Subscription announcement disclosed its intention to keep FMC HK "independently operated and driven by its management team". At that time, Carsten Breitfeld and Daniel Kirchert were the directors of FMC HK.

In order to make FMC HK successful, the Company believes that it is necessary to keep it independently operated and driven by its management team. The purpose of the transactions under the Series A SPA of FMC Cayman is to reorganize FMC HK's shareholding and corporate governance structures, so that its management team will hold substantial equity interest in FMC HK, which is consistent with most successful technology companies and paves the way for future financing of the project.

As at the date of the Series A SPA, Dr. Carsten Breitfeld and Dr. Daniel Kirchert are the directors and ultimate beneficial owners of FMC Cayman and the Management Holdco. Each of Dr. Carsten Breitfeld and Dr. Daniel Kirchert are also directors of FMC HK, as FMC HK is an insignificant subsidiary of the Company, they are directors of an insignificant subsidiary of the Company and are therefore not regarded as connected persons of the Company pursuant to rule 14A.09 of the Listing Rules. Therefore the transactions contemplated under the Series A SPA do not constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Source: Harmony Announcement dated December 28, 2016 – p.8,9

Harmony failed to disclose that Chairman Feng was the only director of FMC HK from its incorporation to December 6, 2016 and was solely responsible for FMC HK's use of at least RMB 103 million of borrowings from Harmony before September 30, 2016.

Carsten Breitfeld and Daniel Kirchert only became directors of FMC HK seventeen days before the FMC Subscription.

8 首任董事 First Directors							
A. 董事(自然人) Director (Natural Person)							
1 中文姓名 Name in Chinese	馮長革						
英文姓名 Name in English							
姓氏 Surname	FENG						
名字 Other Names	CHANGGE						
英文姓名 Name in English							
姓氏 Surname	Dr. Kirchert						
名字 Other Names	Daniel Isidor						
英文姓名 Name in English							
姓氏 Surname	Dr. Breitfeld						
名字 Other Names	Carsten Delf						
委任日期 Date of Appointment	<table border="1"> <tr> <td>06</td> <td>12</td> <td>2016</td> </tr> <tr> <td>日 DD</td> <td>月 MM</td> <td>年 YYYY</td> </tr> </table>	06	12	2016	日 DD	月 MM	年 YYYY
06	12	2016					
日 DD	月 MM	年 YYYY					

Source: FMC HK HKCR Filings

Appendix 2 – Credit Reports

Credit Reports are compiled by credit agencies certified by the PRC government with access to company-filed financial statements with the local PRC regulatory office.

a. Henan Hexie Automobile Aftersales Services Co., Ltd. (河南和諧汽車維修服務有限公司, “IAC”)

We obtained credit reports of IAC and its primary subsidiaries as measured by their reported number of employees in their SAIC filings.

Balance Sheet				Short-term loan		短期貸款			
RMB'000				人民币 千元		CYE2018		CYE2019	
Cash and cash equivalents	货币资金	54,306	1,329	Bills payable	应付票据	0	0		
Short-term investments	短期投资	0	0	Accounts payable	应付账款	0	0		
Bills receivable	应收票据	0	0	Advance receipts	预收账款	0	0		
Accounts receivable	应收账款	0	0	Salary payable	应付工资	646	1,443		
Other receivables	其他应收款	269	751	Employee benefits payable	应付福利费	0	0		
Prepayments	预付款项	49,788	49,788	Tax payable	应付税金	(119)	22		
Inventory	存货	0	0	Other payables	其它应付款	54,189	43,211		
Prepaid expenses	待摊费用	0	0	Withholding fees	预提费用	0	0		
Other current assets	其他流动资产	(415,616)	(184,915)	Other current liabilities	其他流动负债	0	0		
Total current assets	流动资产合计	(311,253)	(133,047)	Total current liabilities	流动负债合计	54,716	44,676		
Long-term investment	长期投资	339,300	388,520	Long-term liabilities	长期负债	0	0		
Net value of fixed assets	固定资产净值	86	86	Deferred tax liabilities	递延税款贷项	0	0		
Construction in progress	在建工程	1,590	0	Other liabilities	其他负债	0	0		
Intangible assets	无形资产	0	0	Total non-current liabilities	非流动负债合计	0	0		
Long-term prepaid expenses	长期待摊费用	0	0	Total Liabilities	负债合计	54,716	44,676		
Other long-term assets	其他长期资产	0	0	Paid-in capital	实收资本	20,000	278,667		
Other assets	其他资产	4,084	9,148	Capital reserve	资本公积	0	5,333		
Deferred tax assets	递延税款借项	0	0	Surplus reserve	盈余公积	0	0		
Total non-current assets	非流动资产合计	345,060	397,754	Undistributed profit	未分配利润	(40,909)	(63,969)		
Total assets	资产合计	33,807	264,707	Other rights	其他权益	0	0		
				Total owner's equity	所有者权益合计	(20,909)	220,031		

Source: IAC Credit Report

Credit Reports of IAC's primary subsidiaries revealed that all of them were loss-making in 2018 and 2019 with widening negative net assets.

Selected Financials of IAC Primary Subsidiaries

RMB'000		2018			2019		
Name	Number of Employee	Revenue	Net profit	Year-end net assets	Revenue	Net profit	Year-end net assets
安阳和谐汽车维修服务有限公司 Anyang Harmony Automobile Maintenance Service Co., Ltd.	12	2,371	(2,292)	(5,799)	3,637	(1,874)	(7,673)
新乡市新德宝汽车服务有限公司 Xinxiang Xindebao Automobile Service Co., Ltd.	153	1,506	(2,352)	(9,255)	3,454	(2,091)	(11,346)
焦作盛达和谐汽车销售服务有限公司 Jiaozuo Shengda Harmony Automobile Sales Service Co., Ltd.	19	3,321	(1,726)	(6,785)	3,189	(2,078)	(8,862)
开封悦达和谐汽车销售服务有限公司 Kaifeng Yueda Harmony Automobile Sales Service Co., Ltd.	17	2,851	(2,708)	(5,963)	2,310	(3,078)	(9,041)
三门峡和谐汽车销售服务有限公司 Sanmenxia Harmony Automobile Sales Service Co., Ltd.	25	5,972	(1,078)	(6,014)	6,843	(2,353)	(8,366)
漯河和谐汽车销售服务有限公司 Luohe Harmony Automobile Sales Service Co., Ltd.	19	1,686	(1,793)	(6,199)	1,807	(3,086)	(9,284)
Total	245	17,707	(11,949)	(40,015)	21,240	(14,560)	(54,572)
河南和谐汽车维修服务有限公司 IAC	46	0	(19,338)	(20,909)	574	(22,075)	220,031

Source: Credit Reports

b. Zhengzhou Wanyin

Credit Report of Zhengzhou Wanyin revealed that it had no asset, no revenue and no profit, making it incapable of paying the alleged RMB 192 million to Harmony.

Balance Sheet			Income Statement		
RMB'000	人民币千元	CYE2019	RMB'000	人民币千元	2019
Cash and cash equivalents	货币资金	208	Revenue	主营业务收入	0
Total current assets	流动资产合计	208	Cost of goods sold	减:主营业务成本	0
Total assets	资产合计	208	Business taxes and surcharges	减:主营业务税金及附加	0
Other payables	其它应付款	303	Gross profit	主营业务利润	0
Total current liabilities	流动负债合计	303	Other business income	加:其它业务利润	0
Total Liabilities	负债合计	303	Operating expenses	减:营业费用	0
Paid-in capital	实收资本	0	Administrative expenses	减:管理费用	(100)
Capital reserve	资本公积	0	Finance costs	减:财务费用	5
Surplus reserve	盈余公积	0	Operating profit	营业利润	(95)
Undistributed profit	未分配利润	(95)	Investment gains and losses	加:投资损益	0
Other rights	其他权益	0	Subsidized income	加:补贴收入	0
Total owner's equity	所有者权益合计	(95)	Asset impairment loss	减:资产减值损失	0
			Non-operating income	加:营业外收入	0
			Non-operating expenses	减:营业外支出	0
			Profit before tax	利润总额	(95)
			Income tax	减:所得税	0
			Net profit	净利润	(95)

Source: Zhengzhou Wanyin Credit Report

c. Hexie Private

Credit Reports revealed Hexie Private generated little revenues and net losses.

Hexie Private's balance sheet had little real assets other than "other receivables".

The lack of assets and revenue showed that Hexie Private did not have a credible business and had no chance to repay the RMB 1 billion loan to Harmony.

Balance Sheet			Income Statement		
RMB'000	人民币千元	CYE2019	RMB'000	人民币千元	2019
Cash and cash equivalents	货币资金	3,074	Revenue	主营业务收入	0
Other receivables	其他应收款	36,957	Cost of goods sold	减:主营业务成本	0
Total current assets	流动资产合计	40,031	Business taxes and surcharges	减:主营业务税金及附加	0
Net value of fixed assets	固定资产净值	7	Gross profit	主营业务利润	0
Total non-current assets	非流动资产合计	7	Other business income	加:其它业务利润	0
Total assets	资产合计	40,038	Operating expenses	减:营业费用	0
Accounts payable	应付账款	(8)	Administrative expenses	减:管理费用	(334)
Total current liabilities	流动负债合计	(8)	Finance costs	减:财务费用	39
Total non-current liabilities	非流动负债合计	0	Operating profit	营业利润	(295)
Total Liabilities	负债合计	(8)	Investment gains and losses	加:投资损益	0
Paid-in capital	实收资本	50,000	Subsidized income	加:补贴收入	0
Capital reserve	资本公积	0	Asset impairment loss	减:资产减值损失	0
Surplus reserve	盈余公积	0	Non-operating income	加:营业外收入	0
Undistributed profit	未分配利润	(9,954)	Non-operating expenses	减:营业外支出	0
Other rights	其他权益	0	Profit before tax	利润总额	(295)
Total owner's equity	所有者权益合计	40,046	Income tax	减:所得税	0
			Net profit	净利润	(295)

Source: Hexie Private Credit Report

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