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[For Immediate Release]



**EVER HARVEST GROUP HOLDINGS LIMITED**

**永豐集團控股有限公司**

## **Announces Details of Proposed Listing on the Main Board of The Stock Exchange of Hong Kong Limited**

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**Global Offering of 350,000,000 Shares  
Ranging from HK\$0.30 to HK\$0.38 per Offer Share**

### **Investment Highlights**

- Ranked 5<sup>th</sup> among all foreign trade transshipment service providers and 2<sup>nd</sup> among non-state owned enterprises in terms of container transshipment in TEUs in Guangzhou, Shenzhen and Hong Kong<sup>1</sup>
- One of the few well-established one-stop waterborne trade and freight service providers offering feeder shipping services and carrier owned container services in China and Hong Kong, as well as sea freight forwarding agency services; with 16 vessels in fleet
- 19 points of operation in Hong Kong and ports, including Fujian Province, Guangdong Province and the Guangxi Zhuang Autonomous Region and Hainan Province, and an international network of external agents covering Africa, America, Asia, Australia and Europe
- Broad customer base and strong customer relationships with the top five customers of up to 14 years
- Local economies and freight traffic of waterways in Southern China have grown rapidly, and the "One Belt, One Road" strategy of the Chinese government is bringing new opportunities to the waterborne trade and freight service industry
- Proven financial track record: in FY2015, gross profit and net profit rose to HK\$82,967,000 and HK\$39,169,000 respectively, with gross profit margin and net profit margin up to 18.1% and 8.5%, benefitting from the strategy of shifting emphasis onto feeder shipping services and carrier owned container services with higher margins
- Healthy financial position with a low gearing ratio and cash and cash equivalents of approximately HK\$57.4 million as at 31 December 2015
- With clear expansion plan to add three to four vessels to its fleet and extend scope of services to include developing container depot and associated logistics service center

(Hong Kong, 22 June 2016) **Ever Harvest Group Holdings Limited** ("Ever Harvest" or the "Group"), the second largest non-state owned foreign trade transshipment service providers in Guangzhou, Shenzhen and Hong Kong in terms of container transshipment volume in 2015, today announced the details of its proposed listing on the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK").

### **Offering Details**

Ever Harvest intends to offer 350,000,000 shares (subject to the over-allotment option) for its Global Offering, of which 90% will be for International Placing (subject to reallocation and the over-allotment option) and the remaining 10% for Hong Kong Public Offer (subject to reallocation). The indicative Offer Price range is set between HK\$0.30 and HK\$0.38 per Offer Share. Assuming no over-allotment option is exercised and an Offer Price of HK\$0.34 per Share (being the mid-point of the Offer Price range), net proceeds from the Global Offering are estimated at approximately HK\$90.9 million.

<sup>1</sup> Source: Euromonitor Report - based on container transshipment in TEUs in 2015

The Hong Kong Public Offer will begin at 9:00 am on 23 June 2016 (Thursday) and end at 12:00 noon on 28 June 2016 (Tuesday). The final Offer Price and allotment results will be announced on 5 July 2016 (Tuesday). Dealing of Ever Harvest's shares will commence on the Main Board of SEHK on 6 July 2016 (Wednesday) under the stock code 1549. Shares will be traded in board lots of 8,000 shares.

Guotai Junan Capital Limited is the Sole Sponsor of this listing and Guotai Junan Securities (Hong Kong) Limited is the Sole Global Coordinator and Sole Bookrunner, while Guotai Junan Securities (Hong Kong) Limited and Convoy Investment Services Limited are the Joint Lead Managers.

## **Corporate Highlights**

### ***Strong Base in Southern China and Extensive International Network***

Headquartered in Hong Kong, the Group has grown in the more than 22 years past to become a regional shipping carrier with a strong reputation. It mainly provides foreign trade transshipment services in Southern China with 19 points of operation in Hong Kong and ports locating in Fujian Province, Guangdong Province, the Guangxi Zhuang Autonomous Region and Hainan Province, and is also supported by an international network of external agents covering Africa, America, Asia, Australia and Europe. The Group recorded strong container transshipment performance at many ports in Southern China such as Shenzhen, Huangpu, Xiamen, Beihai, Fangchenggang and Fuzhou. Long-standing cooperation between the Group and the ports ensures smooth customs procedures, and particularly in Fuzhou, Quanzhou and Zhanjiang ports, it has strong presence and a leading position in terms of container transshipment volume.

### ***Unique Business Model Integrating Sea Freight Services to Achieve Synergies***

The Group is one of the few one-stop waterborne trade and freight service providers offering feeder shipping services, carrier owned container services and sea freight forwarding agency services. It also provides ancillary arrangement of containers, shipping logistics and customs clearance services to meet the diverse needs of customers. The Group achieves synergies with its three business functions sharing operational resources, including customer base, cargo space, shipping capacity, containers, human resources and IT system, and by the expansion of business network through engaging in feeder shipping services, as well as by building stable and strong business relationship with international container lines.

### ***Effective Management of Fleet and Containers to Achieve Operational Reliability, Flexibility and Efficiency***

The Group owns a reliable and flexible fleet comprising four vessels under the Usage Priority Agreements and 12 chartered vessels, with total capacity up to 472,903 TEUs as at 31 December 2015. Most of the vessels in the Group's fleet have been operating for less than 10 years, thus require lower repair and maintenance costs. The Group has a variety of containers including TEU and FEU standard containers, FEU high cube containers and FEU reefers for meeting different customer needs. It maintains long history working relationship with vessel owners, enabling flexible use of extension options.

### ***Broad Customer Base and Strong Customer Relationships***

Major customers of the Group's feeder shipping services are international container lines companies, while other customers comprise enterprises in various industry sectors, including consumer goods, commodities, metals, plastics, food, etc. The broad customer base allows the Group to disperse risk and mitigate the impact of periodic fluctuations in various aspects of the Chinese economy. The Group also maintains strong relationship with its customers especially the top five customers of up to 14 years. Capable of delivering high quality and reliable services, the Group is able to strengthen its relationship with its customers and build a solid reputation in the industry.

### ***Entering into Container Interchange Agreements to Enhance Operational Efficiency***

With strong presence in Southern China, the Group has entered into several container interchange agreements with international container lines companies, allowing it to use the containers from those companies at no cost within an agreed period in exchange for transporting back the containers to a specific port that it operates. Such arrangements enable the Group to reduce the average cost of containers used and the risk exposure from over-purchase of containers, and at the same time enhance its access to containers as well as strengthen its relationship with international container lines companies.

### **Future Strategies**

Local economies and freight traffic of waterways in Southern China are growing rapidly. According to the Ministry of Transport of the People's Republic of China, RMB127.8 billion was invested in inland and coastal construction between January and November 2015, of which RMB80 billion was invested in coastal ports. From 2010 to 2015, container throughput in China had increased at a CAGR of 7.5% from 146 million TEUs to 210 million TEUs. The Group has major presence in Fujian Province and Guangdong Province and also the Guangxi Zhuang Autonomous Region which are key regions with fast developing local economies and waterway freight traffic. Moreover, significant growth is expected of trade volumes between China and ASEAN countries, fostered by overall regional economic growth and the China-ASEAN Free Trade Area Agreement that provides low-tariff or low-tax incentives.

To capture the business opportunities, the Group will continually optimize its fleet of vessels and mix of resources to achieve operational and cost efficiency. It plans to add three to four vessels to its fleet in the coming two years possibly by way of entering into additional Usage Priority Agreement(s) to support its expansion and give it more flexibility in allocating resources among the different points of operation. It will also set up new branches and routes in China, targeting coastal ports as well as inland river ports with high trading volume and strong demand for feeder shipping services, and also expand its feeder shipping services to cover ASEAN countries.

In addition, the Group will extend its scope of services to include port and logistics related services. Benefiting from the "One Belt, One Road" strategy of the Chinese government, Fujian ports (including Pingtan Free Trade Zone) have great potential to serve as a platform for economic and trade cooperation on the Maritime Silk Road. The Group is exploring participation opportunities in Pingtan, Fujian Province, and plans to establish a container depot that provides services including stuffing and unstuffing of containers, repair and maintenance and warehousing and storing of containers and other relevant services. Meanwhile, the Group will also enhance operational efficiency and the quality of different services and strengthen cooperation with current customers and partners, and at the same time seek new customers to broaden and diversify its customer base.

**Mr. LAU Yu Leung, the Group's Founder, Chairman and Executive Director, said,** "It is a great moment for us that after two decades' of hard work in the waterborne trade and freight service industry, we are able to see Ever Harvest ready to make another important milestone in its development. We are confident of the development of the industry as we see in it not only business opportunities but also growth potential. With strong presence in Southern China and a seasoned management team, plus the listing which will strengthen our capital base and enhance our corporate profile, brand and market reputation, we will be able to develop our business at full strength."

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### **Use of Proceeds**

Assuming the over-allotment option is not exercised at the Offer Price of HK\$0.34 per Share (being the mid-point of the Offer Price range), after deducting the total estimated listing related expenses payable in the Global Offering, net proceeds are estimated at approximately HK\$90.9 million and will be used as:

<b>Purpose</b>	<b>Approximately</b>
Expand vessel fleet - add three to four vessels in the coming two years	45%
Develop container depot and associated logistics service center	40%
Acquire additional containers, and upgrade computer system and software	5%
General working capital	10%

### **Financial Highlights**

<i>(HK\$'000)</i>	<b>Year ended 31 March</b>		
	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Revenue</b>	591,028	594,751	459,171
<b>Gross Profit</b>	86,974	77,001	82,967
<b>Profit for the Year</b>	31,288	38,416	39,169
<b>Gross Profit Margin</b>	14.7%	12.9%	18.1%
<b>Net Profit Margin</b>	5.3%	6.5%	8.5%

### **Offering Details:**

<b>Issuer</b>	<b>Ever Harvest Group Holdings Limited</b>
<b>Listed On</b>	Main Board of The Stock Exchange of Hong Kong
<b>Stock Code</b>	1549.HK
<b>Offer Size</b>	350,000,000 shares (Subject to over-allotment option)
<b>Offer Structure</b>	International Placing: 315,000,000 shares, equivalent to 90% of the initial number of offer shares (Subject to reallocation and over-allotment option) Hong Kong Public Offer: 35,000,000 shares, equivalent to 10% of the initial number of offer shares (Subject to reallocation)
<b>Over-allotment Option</b>	52,500,000 shares, equivalent to 15% of the initial number of offer shares
<b>Offer Price Range</b>	HK\$0.30-HK\$0.38 per share
<b>Board Lot</b>	8,000 shares
<b>Sole Sponsor</b>	Guotai Junan Capital Limited
<b>Sole Global Coordinator and Sole Bookrunner</b>	Guotai Junan Securities (Hong Kong) Limited
<b>Joint Lead Managers</b>	Guotai Junan Securities (Hong Kong) Limited Convoy Investment Services Limited

### **About Ever Harvest Group Holdings Limited (永豐集團控股有限公司)**

Ever Harvest Group Holdings Limited is the second largest foreign trade transshipment service providers among non-state owned enterprises in Guangzhou, Shenzhen and Hong Kong in terms of transshipment volume in 2015. With over 22 years of experience in the industry, it is one of the few well-established one-stop waterborne trade and freight service providers offering feeder shipping services, carrier owned container services and sea freight forwarding agency services in China and Hong Kong. The Group has a total of 19 points of operation, including its headquarters in Hong Kong, branches and representative offices in Fujian Province, Guangdong Province, Guangxi Zhuang Autonomous Region and Hainan Province, and is also supported by an international network of external agents covering Africa, America, Asia, Australia and Europe.

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