EVER HARVEST GROUP HOLDINGS LIMITED
永 豐 集 團 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1549)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017

The board (the "Board") of directors (the "Directors") of Ever Harvest Group Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated results and the unaudited condensed consolidated statement of financial position of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the six months ended 30 June 2017 together with comparative figures for the corresponding period in 2016 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT
Six months ended 30 June 2017

		Six months ended 30 June	
		2017	2016
		(unaudited)	(unaudited)
	Note	***HK$'000***	*HK$'000*
Revenue	4	**173,696**	177,564
Cost of services		**(147,159)**	(138,234)
Gross profit		**26,537**	39,330
Other income	5	**2,987**	6,407
Administrative and other operating expenses		**(28,352)**	(42,594)
Finance costs	6	**(393)**	(356)
Profit before tax	6	**779**	2,787
Income tax expenses	7	**(669)**	(2,322)
Profit for the period		**110**	465
Attributable to:			
Equity holders of the Company		**110**	465
		HK cents	*HK cents*
Earnings per share attributable to equity holders of the Company			
Basic	9	**0.01**	0.04
Diluted	9	**n/a**	n/a

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June 2017

	Six months ended 30 June	
	2017	2016
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Profit for the period	**110**	465
Other comprehensive income (loss)		
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on consolidation	**1,181**	(759)
Change in fair value of available-for-sale financial assets	**649**	–
Total comprehensive income (loss) for the period	**1,940**	(294)
Total comprehensive income (loss) attributable to:		
Equity holders of the Company	**1,940**	(294)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2017

	Note	At 30 June 2017 (unaudited) HK$'000	At 31 December 2016 (audited) HK$'000
Non-current assets			
Property, plant and equipment		**21,074**	23,005
Current assets			
Available-for-sale financial assets		**5,550**	–
Trade and other receivables	10	**61,257**	68,707
Pledged bank deposits		**790**	796
Income tax recoverable		**1,544**	1,736
Bank balances and cash		**124,863**	124,931
		194,004	196,170
Current liabilities			
Trade and other payables	11	**64,119**	73,982
Current portion of obligations under finance leases		**1,436**	1,976
Income tax payable		**5,641**	4,995
Interest-bearing borrowings	12	**19,592**	15,367
		90,788	96,320
Net current assets		**103,216**	99,850
Total assets less current liabilities		**124,290**	122,855
Non-current liabilities			
Deferred tax liabilities		**2,706**	2,625
Non-current portion of obligations under finance leases		**929**	1,515
		3,635	4,140
NET ASSETS		**120,655**	118,715
Capital and reserves			
Share capital		**14,000**	14,000
Reserves		**106,655**	104,715
TOTAL EQUITY		**120,655**	118,715

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
Six months ended 30 June 2017

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 15 October 2015. The Company's immediate and ultimate holding company is Ever Winning Investment Company Limited, a company with limited liability incorporated in the British Virgin Islands (the "BVI"). The registered office of the Company is situated at PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands. The Company's principal place of business is situated at 28/F., Excel Centre, 483A Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong.

The principal activity of the Company is to act as an investment holding company. The Group is mainly engaged in rendering of sea freight transportation and freight forwarding services in Hong Kong and in the People's Republic of China (the "PRC").

In preparing for the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Initial Listing"), the Group underwent a group reorganisation (the "Reorganisation") to rationalise the group structure. As a result of the Reorganisation, the Company became the holding company of the companies comprising the Group (the "Combined Entities") on 4 May 2016.

The Group resulting from the Reorganisation is regarded as a continuing entity under the common control of Mr. Lau Yu Leung (the "Ultimate Controlling Party") prior to and after the Reorganisation, and that control is not transitory. Accordingly, the acquisition of the Combined Entities is accounted for as business combination under common control in accordance with Accounting Guideline 5 "Merger accounting under common control combination" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows of the Group have been prepared to include the results, changes in equity and cash flows of the Combined Entities as if the current group structure had been in existence since 1 January 2016 or since the respective dates of incorporation or acquisition by the Company, whichever period is shorter. Details of the Reorganisation are detailed in the section headed "History, Development and Reorganisation – Reorganisation" of the prospectus of the Company dated 23 June 2016.

The condensed consolidated financial statements for the six months ended 30 June 2017 (the "Interim Financial Statements") have been prepared in accordance with the Hong Kong Accounting Standard 34 "*Interim Financial Reporting*" ("HKAS 34") issued by the HKICPA and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The preparation of the Interim Financial Statements in conformity with HKAS 34 requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2016, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standard ("HKAS") and Interpretations issued by the HKICPA. They shall be read in conjunction with the Group's audited financial statements for the year ended 31 December 2016 (the "2016 Audited Financial Statements").

The Interim Financial Statements have been prepared on the historical costs basis except for available-for-sale financial assets which are measured at fair value, and presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company, and rounded to the nearest thousands unless otherwise indicated.

The accounting policies and methods of computation applied in the preparation of the Interim Financial Statements are consistent with those applied in preparing the 2016 Audited Financial Statements, except for the adoption of the accounting policy for available-for-sale financial assets as follows.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated at this category or not classified in any of the other categories of financial assets. They are measured at fair value with changes in value recognised as a separate component of equity until the assets are sold, collected or otherwise disposed of, or until the assets are determined to be impaired, at which time the cumulative gain or loss previously reported in other comprehensive income shall be reclassified to profit or loss as a reclassification adjustment.

When an available-for-sale financial asset is impaired, a cumulative loss comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and current fair value, less any previously recognised impairment loss in profit or loss, is reclassified from equity to profit or loss as a reclassification adjustment. Impairment losses recognised in profit or loss in respect of available-for-sale equity instrument are not reversed through profit or loss. Any subsequent increase in fair value of available-for-sale equity instrument after recognition of impairment loss is recognised in equity. Impairment loss of available-for-sale debt instruments is reversed through profit or loss, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised.

2. ADOPTION OF NEW/REVISED HKFRSs

The adoption of the following new/revised HKFRSs that are relevant to the Group and effective from the current period had no significant effects on the financial performance and financial position of the Group for the current and prior periods.

Amendments to HKAS 7	*Disclosure initiative*
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to HKFRSs	*Annual improvements to HKFRSs 2014-2016 cycle relating to the amendments of HKFRS 12*

The Group has not early adopted any new/revised HKFRSs that have been issued but are not yet effective for the financial period beginning on 1 January 2017. Except for HKFRS 16, the management does not anticipate that the adoption of these new/revised HKFRSs in future periods will have any material impact on the financial position, financial performance and cash flows of the Group.

HKFRS 16

HKFRS 16 "Leases", which is effective for annual periods beginning on or after 1 January 2019, significantly changes the lessee accounting by replacing the dual model under HKAS 17 with a single model which requires a lessee to recognise assets and liabilities for the rights and obligations created by leases unless the exemptions apply. Besides, among other changes, it requires enhanced disclosures to be provided by lessees and lessors. Based on the preliminary assessment, the management is of the opinion that the leases of certain properties and feeder vessels by the Group which are currently classified as operating leases under HKAS 17 will trigger the recognition of right-of-use assets and lease liabilities in accordance with HKFRS 16. In subsequent measurement, depreciation (and, if applicable, impairment loss) and interest will be recognised on the right-of-use assets and the lease liabilities respectively, of which the amount in total for each reporting period is not expected to be significantly different from the periodic operating lease expenses recognised under HKAS 17. Apart from the effects as outlined above, it is not expected that HKFRS 16 will have a significant impact on the future financial position, financial performance and cash flows of the Group upon adoption.

3. SEGMENT INFORMATION

The executive directors have been identified as the chief operating decision-makers. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The executive directors assess the performance of the Group's business from a route perspective for the feeder shipping services and the carrier owned container services and a collective perspective for sea freight forwarding agency services.

Segment results represent the gross profit earned or loss incurred by each segment without allocation of other income, administrative and other operating expenses, finance costs and income tax expenses.

	Sea freight forwarding agency services (unaudited) *HK$'000*	Fujian routes (unaudited) *HK$'000*	Guangxi routes (unaudited) *HK$'000*	Guangdong routes (unaudited) *HK$'000*	Hainan routes (unaudited) *HK$'000*	Total (unaudited) *HK$'000*
Six months ended 30 June 2017						
Revenue from external customers	**35,554**	**32,724**	**43,352**	**47,525**	**14,541**	**173,696**
Cost of services	**(32,245)**	**(27,287)**	**(36,010)**	**(39,591)**	**(12,026)**	**(147,159)**
Segment results	**3,309**	**5,437**	**7,342**	**7,934**	**2,515**	**26,537**
Unallocated income and expenses						
Other income						**2,987**
Administrative and other operating expenses						**(28,352)**
Finance costs						**(393)**
Profit before tax						**779**
Income tax expenses						**(669)**
Profit for the period						**110**

	Sea freight forwarding agency services (unaudited) *HK$'000*	Fujian routes (unaudited) *HK$'000*	Guangxi routes (unaudited) *HK$'000*	Guangdong routes (unaudited) *HK$'000*	Hainan routes (unaudited) *HK$'000*	Total (unaudited) *HK$'000*
Six months ended 30 June 2016						
Revenue from external customers	25,894	28,109	51,993	58,249	13,319	177,564
Cost of services	(22,717)	(20,788)	(37,891)	(46,621)	(10,217)	(138,234)
Segment results	3,177	7,321	14,102	11,628	3,102	39,330
Unallocated income and expenses						
Other income						6,407
Administrative and other operating expenses						(42,594)
Finance costs						(356)
Profit before tax						2,787
Income tax expenses						(2,322)
Profit for the period						465

4. REVENUE

	Six months ended 30 June	
	2017	2016
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Income from rendering of feeder shipping services	**121,614**	132,286
Income from rendering of carrier owned container services	**16,528**	19,384
Income from rendering of sea freight forwarding agency services	**35,554**	25,894
	173,696	177,564

5. OTHER INCOME

	Six months ended 30 June	
	2017	2016
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Bank interest income	**215**	39
Exchange gain, net	**–**	552
Gain on disposal of property, plant and equipment	**155**	–
Gain on sale of available-for-sale financial assets	**255**	–
Government grants	**2,120**	5,209
Sundry income	**242**	607
	2,987	6,407

6. PROFIT BEFORE TAX

This is stated after charging (crediting):

	Six months ended 30 June	
	2017	2016
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Finance costs		
Interest on interest-bearing borrowings	**251**	232
Finance charges on obligations under finance leases	**142**	124
	393	356
Other items		
Staff costs (including directors' remunerations)		
Employee benefits expenses	**14,675**	15,062
Contributions to defined contribution plans	**1,840**	2,215
	16,515	17,277
Depreciation (charged to "cost of services" and "administrative and other operating expenses", as appropriate)	**2,213**	2,228
Exchange loss (gain), net	**346**	(552)
Expenses for the Initial Listing	**–**	16,472
Operating lease payments on feeder vessels and barges (charged to "cost of services")	**28,759**	26,351
Operating lease payments on premises	**1,548**	1,712

7. TAXATION

	Six months ended 30 June	
	2017	2016
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax	**192**	1,141
PRC Enterprise Income Tax	**477**	1,181
	669	2,322
Deferred tax		
Changes in temporary differences	**–**	–
	669	2,322

The group entities established in the Cayman Islands and the BVI are exempted from income tax.

Hong Kong Profits Tax has been provided at the rate of 16.5% on the Group's estimated assessable profits arising from Hong Kong for the six months ended 30 June 2017 and 2016.

The Group's entities established in the PRC are subject to Enterprise Income Tax of the PRC at a statutory rate of 25% for the six months ended 30 June 2017 and 2016.

8. DIVIDENDS

The Board of the Company has resolved not to declare an interim dividend for the six months ended 30 June 2017.

On 29 February 2016, special dividends of HK$45,000,000 were declared to the then equity holders of the entities now comprising the Group prior to the completion of the Reorganisation and were fully paid on 6 June 2016.

9. EARNINGS PER SHARE

The calculation of the basic earnings per share for the period is based on the profit attributable to the equity holders of the Company for the six months ended 30 June 2017 of HK$110,000 *(2016: HK$465,000)* and on the weighted average number of 1,400,000,000 *(2016: 1,050,000,000, on the assumption that the Reorganisation and the issue of 1,049,990,000 ordinary shares of HK$0.01 each to the existing shareholders by way of capitalisation had been effective on 1 January 2016)* ordinary shares in issue during the period.

Diluted earnings per share is not presented as there were no potential ordinary shares outstanding during both periods.

10. TRADE AND OTHER RECEIVABLES

	At 30 June 2017 (unaudited) ***HK$'000***	At 31 December 2016 (audited) *HK$'000*
Trade receivables		
From third parties	**59,048**	66,531
Allowances for doubtful debts	**(3,237)**	(3,237)
	55,811	63,294
Other receivables		
Deposits, prepayments and other debtors	**5,446**	5,413
	61,257	68,707

Allowances for doubtful debts

	At 30 June 2017 (unaudited) ***HK$'000***	At 31 December 2016 (audited) *HK$'000*
At the beginning of the reporting period	**3,237**	–
Increase in allowances	**–**	3,237
At the end of the reporting period	**3,237**	3,237

The allowances for doubtful debts as at 30 June 2017 and 31 December 2016 were in connection with a major customer who was in the process of bankruptcy and liquidation.

The Group normally grants credit terms up to 120 days to its customers. The ageing analysis of trade receivables, net of allowances for doubtful debts, by invoice date is as follows:

	At 30 June 2017 (unaudited) *HK$'000*	At 31 December 2016 (audited) *HK$'000*
Within 30 days	**24,457**	25,658
31 – 60 days	**13,912**	19,347
61 – 90 days	**7,042**	7,303
Over 90 days	**10,400**	10,986
	55,811	63,294

Amount of approximately HK$19,592,000 included in the trade receivables were in connection with invoice discounting bank loan arrangements at 30 June 2017.

11. TRADE AND OTHER PAYABLES

	At 30 June 2017 (unaudited) *HK$'000*	At 31 December 2016 (audited) *HK$'000*
Trade payables		
To a related company	**771**	2,449
To third parties	**46,456**	50,149
	47,227	52,598
Other payables		
Accrued charges and other creditors	**16,892**	21,384
	64,119	73,982

The trade payables due to a related company ultimately controlled by the Ultimate Controlling Party are unsecured, interest-free and have a credit period of 30 days.

At the end of the reporting period, the ageing analysis of trade payables by invoice date is as follows:

	At 30 June 2017 (unaudited) *HK$'000*	At 31 December 2016 (audited) *HK$'000*
Within 30 days	**38,245**	37,615
31 – 60 days	**6,335**	10,386
61 – 90 days	**846**	1,559
Over 90 days	**1,801**	3,038
	47,227	52,598

12. INTEREST-BEARING BORROWINGS

	At 30 June 2017 (unaudited) *HK$'000*	At 31 December 2016 (audited) *HK$'000*
Secured bank borrowings repayable within one year	**19,592**	15,367

The Group's borrowings at 30 June 2017 bear interests ranging from approximately 2.6% to 3.2% per annum *(31 December 2016: 2.4% to 2.5% per annum)*.

At 30 June 2017, the Group had obtained banking facilities of totaling HK$30,000,000 *(31 December 2016: HK$35,000,000)* which are guaranteed by the Company.

The bank borrowings were secured by trade receivables in connection with invoice discounting bank loan arrangements of approximately HK$19,592,000 at 30 June 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

During the six months ended 30 June 2017, the Group recorded a revenue of approximately HK$173,696,000 (for the six months ended 30 June 2016: HK$177,564,000), representing a slight decrease of 2.2% over the same period last year. The Group recorded a gross profit of approximately HK$26,537,000 (for the six months ended 30 June 2016: HK$39,330,000), representing a decrease of 32.5% over the same period last year. The gross profit margin decreased from 22.1% to 15.3%. The Group's profit for the period decreased from approximately HK$465,000 to approximately HK$110,000. The Group's net profit margin decreased from 0.3% to 0.1% during the six months ended 30 June 2017.

BUSINESS OVERVIEW

During the six months ended 30 June 2017, China's exports value and imports value in the United States dollars ("US dollars") increased by 8.5% and 18.9% respectively as compared with the same period last year, according to the data released by the Ministry of Commerce of the PRC. Yet, keen price competition among the regional shipping carriers impacted the profitability of the Group, especially for those ports with relatively high profit margin previously.

Impacted by the tough operational environment, the Group's feeder shipping services and carrier owned container services recorded a decrease in shipment volume of 18,831 twenty-foot equivalent units (the "TEUs") or 9.8%, from 192,484 TEUs to 173,653 TEUs, and a decrease in gross profit of approximately HK$12,925,000 or 35.8%, from HK$36,153,000 to HK$23,228,000, for the six months ended 30 June 2017, as compared to the same period last year. Due to keen price competition, the Group recorded gross profit margin of the routes ranged from 16.6% to 17.3% (for the six months ended 30 June 2016: ranged from 20.0% to 27.1%).

During the six months ended 30 June 2017, the Group put more effort on the sea freight forwarding agency services as to diversify operational risks. The shipment volume of such services slightly increased from 7,546 TEUs to 8,290 TEUs, for the six months ended 30 June 2017, as compared to the same period last year.

The following table sets out the breakdown of revenue and TEUs by segment for the period:

	Six months ended 30 June					
	2017			2016		
	HK$'000 **(unaudited)**	**TEUs**	**Gross profit margin %**	*HK$'000* (unaudited)	TEUs	Gross profit margin %
Fujian routes	**32,724**	**22,758**	**16.6**	28,109	20,747	26.0
Guangxi routes	**43,352**	**56,050**	**16.9**	51,993	41,903	27.1
Guangdong routes	**47,525**	**83,690**	**16.7**	58,249	117,429	20.0
Hainan routes	**14,541**	**11,155**	**17.3**	13,319	12,405	23.3
Sea freight forwarding agency services	**35,554**	**8,290**	**9.3**	25,894	7,546	12.3
	173,696	**181,943**	**15.3**	177,564	200,030	22.1

The Group's operational costs totalled HK$147,159,000, representing an increase of HK$8,925,000 or 6.5% as compared with the same period last year. The change in operational costs was mainly due to (i) higher bunker charges which were in line with the increased international fuel price since second half of 2016; and (ii) higher freight charges due to increased shipping volume of the sea freight forwarding agency services.

The Group's administrative and other operating expenses totalled HK$28,352,000, representing a decrease of HK$14,242,000 or 33.4% as compared with the same period last year. The change in administrative and other operating expenses was mainly due to one-off expenses in relation to the Initial Listing incurred in the six months ended 30 June 2016 and no such expense was noted in the six months ended June 2017.

PROSPECTS

Volatility to China's economic growth, fluctuation of international fuel price, and keen price competition bring uncertainties to the Group. Over our 24 years history in the waterborne trade market, we experienced several economic cycles and industry storms, and thrived to expand our shipping network by capitalising market opportunities. In order to maximise and safeguard shareholders' interests, the Group has planned ahead for the upcoming challenges and set our investment strategies cautiously.

Acquisition of headquarter in Hong Kong and postponing the development of container depot in Pingtan Free Trade Zone

On 8 August 2017, Greater China Shipping Limited, a wholly-owned subsidiary of the Company entered into a provisional sale and purchase agreement with an independent third party to acquire an office premise in Hong Kong (the "Acquisition") at a consideration of HK$65,571,000 and it would be the headquarter of the Group. Details of the transaction were disclosed in the announcement of the Company dated 8 August 2017. At the date of this announcement, the Acquisition is not yet completed.

The existing headquarter of the Group in Hong Kong is rented under an operating lease which will expire in December 2018. The Acquisition will provide a self-owned office to the Group that (i) provides more spacious area to cater for the Group's future development; (ii) provides capital appreciation potential; (iii) reduces the Group's exposure to future rental expenditure increment; and (iv) ensures the continuity of its operation.

At the time of the Initial Listing, the Board originally considered the Group has no urgent needs to acquire an office premise for headquarter since the existing operating lease will only expire in December 2018. Thus, at the time of the Initial Listing, the Group planned to use 40% of net proceeds for development of container depot in Pingtan Free Trade Zone (the "Pingtan"), a region envisaged that there would be series of encouraging government policy and tax benefits thereby attracting the establishment of various industrial enterprises. However, in view of the unstable industry environment starting from late 2016, which was substantiated by the fact that some of the industry players delayed their investment in Pingtan, the Group considered that the investment in Pingtan would not be materialised within a short period of time. Given the uncertainties of the timing for utilisation of the investment sum, the Group has been considering whether there is better alternative for the net proceeds. After considering the benefits of the Acquisition stated above, the Directors decide that the Group should change the use of proceeds in a way to enhance the utilisation efficiency of the Company's fund so as to support the Group's operation.

Extend reach of routes

The Group is headquartered in Hong Kong and has grown to become a regional shipping carrier with 19 points of operation in Hong Kong, Fujian Province, Guangdong Province, Guangxi Zhuang Autonomous Region and Hainan Province. To broaden the customer base and diversify the operating risk, the Group has been continuously exploring to extend reach of routes in new ports located in the southern China since the Listing. After our thoughtful studies, profit margins of previous targeted ports are unsatisfactory due to adverse factors appeared since the second half of 2016. The Group will continue to seek opportunities in new ports and strive to diversify source of income.

Due to uncertainties of profit margins of new routes, the Board is reviewing the needs of acquiring new vessels. Despite the flexibility of resources new vessels would bring, the Board may consider alternative ways to support the possible new routes, for example, (i) rearrangement of existing shipping routes and (ii) chartering vessels with reasonable rental cost down.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group generally finances its operations with internally generated cash flow and banking facilities provided by its principal bankers in Hong Kong. As at 30 June 2017, the Group held bank balances and cash of approximately HK$124,863,000 (31 December 2016: approximately HK$124,931,000). The Group had interest-bearing borrowings of approximately HK$19,592,000 at 30 June 2017 (31 December 2016: approximately HK$15,367,000) with interests ranging from approximately 2.6% to 3.2% per annum (31 December 2016: 2.4% to 2.5% per annum). All bank borrowings were made from banks in Hong Kong and were repayable within one year. The carrying amounts of bank borrowings were denominated in both HK$ and the US dollars. The Group's gearing ratio as at 30 June 2017, calculated based on the total borrowings to the equity attributable to owners of the Company, was 18.2% (31 December 2016: 15.9%). We believe that the Group's cash holding, liquid asset value, future revenue and available banking facilities will be sufficient to fulfill the working capital requirements of the Group. There has been no material change in the capital structure of the Company during the six months ended 30 June 2017. The capital of the Company comprises ordinary shares and other reserves.

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the six months ended 30 June 2017. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the sufficient financial resources are available in order to meet its funding requirements and commitment timely.

Hedging and exchange rate exposure

The majority of the transactions, assets and liabilities of the Group was made in HK$, Renminbi and US dollars. During the six months ended 30 June 2017, no financial instruments were used for hedging purposes, and the Group did not commit to any financial instruments to hedge its exposure to exchange rate risk, as the expected exchange rate risk is not significant. The Directors and senior management will continue to monitor the foreign exchange exposure and will consider applicable hedging devices when necessary. The Group did not hedge against the foreign exchange rate risk as at 30 June 2017.

Charge on group assets

As at 30 June 2017, trade receivables amounted at approximately HK$19,592,000 were in connection with invoice discounting bank loan arrangements and bank deposits amounting to approximately HK$645,000 were pledged as security for bank facilities.

Contingent liabilities

As at 30 June 2017, the Group had no contingent liabilities.

USE OF PROCEEDS

The below table sets out the proposed applications of the net proceeds set out in the section "Future Plans and Use of Proceeds" of the prospectus dated 23 June 2016 (the "Prospectus") (based on the final offer price of HK$0.315) and the announcement dated 19 May 2017 regarding the change in use of proceeds, and usage up to the date of this announcement:

	Proposed application	**Actual usage up to the date of this announcement**
	HK$' million	*HK$' million*
Expansion of the Group's vessel fleets	36.1	–
Acquisition of headquarter in Hong Kong	32.2	12.1
Acquiring additional containers and upgrading computer system and software	4.0	2.6
General working capital	8.0	8.0
	80.3	22.7

SIGNIFICANT INVESTMENTS HELD

During the six months ended 30 June 2017, the Group did not hold any significant investment in equity interest in any other company.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the six months ended 30 June 2017, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the announcement of the Company dated 8 August 2017 and in the Prospectus, the Group did not have other future plans for material investments and capital assets.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2017, the Group had a total of 223 employees (31 December 2016: 257). Total staff costs (including Directors' emoluments) were approximately HK$16,515,000 for the six months ended 30 June 2017, as compared to approximately HK$17,277,000 for the same period last year.

Remuneration policy of the Group is reviewed regularly, making reference to legal framework, market condition and performance of the Group and individual staff (including Directors). The remuneration policy and remuneration packages of the executive Directors and members of the senior management of the Group are reviewed by the Remuneration Committee.

INTERIM DIVIDEND

The Board of the Company has resolved not to declare an interim dividend for the six months ended 30 June 2017.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities since the listing of the ordinary shares of the Company on 6 July 2016 (the "Listing Date") and up to the date of this announcement.

REVIEW OF INTERIM RESULTS

The Company established our audit committee which comprises four independent non-executive directors, namely Mr. Lee Ka Lun as the chairman of the audit committee, Mr. Lo Wan Sing Vincent, Mr. Lam Lo and Mr. Kam Leung Ming, all of whom possess experience in financial and/or general management. Our audit committee has also adopted written terms of reference which clearly set out its duties and obligations for ensuring compliance with the relevant regulatory requirements.

The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including the review of the unaudited financial statements of the Group for the six months ended 30 June 2017 and this announcement.

EVENTS AFTER THE REPORTING PERIOD

On 8 August 2017, Greater China Shipping Limited, a wholly-owned subsidiary of the Company entered into a provisional sale and purchase agreement with an independent third party to acquire an office premise in Hong Kong at a consideration of HK$65,571,000. Details of the transaction were disclosed in the announcement of the Company dated 8 August 2017. At the date of this announcement, the Acquisition is not yet completed.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 14 to the Listing Rules as its own code of corporate governance since the Listing Date. The Company has complied with the code provisions of the CG Code set out therein throughout the six months ended 30 June 2017.

By Order of the Board
Ever Harvest Group Holdings Limited
Lau Yu Leung
Chairman

Hong Kong, 29 August 2017

As at the date of this announcement, the executive Directors of the Company are Mr. Lau Yu Leung, Mr. Lau Tak Fung Wallace and Mr. Lau Tak Kee Henry; the non-executive Director of the Company is Madam Tong Hung Sum; the independent non-executive Directors of the Company are Mr. Lo Wan Sing Vincent, Mr. Lam Lo, Mr. Lee Ka Lun and Mr. Kam Leung Ming.