

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

VOLUNTARY ANNOUNCEMENT IN RELATION TO POSSIBLE ACQUISITION OF BARGES

This announcement is a voluntary announcement made by the Company.

MEMORANDUM OF UNDERSTANDING

The Board is pleased to announce that on 2 November 2018 (after trading hours), Millions Good Limited, a wholly-owned subsidiary of the Company, as the Purchaser, entered into the MOU with the Vendors, pursuant to which parties agreed to enter into further negotiation regarding a possible conditional acquisition by the Purchaser, and the possible conditional disposal by the Vendors, of the Barges.

Principal terms of the MOU are set out as follows:

Consideration

The MOU envisages that, subject to further negotiation between the Purchaser and the Vendors and subject to the entering into of Definitive Agreements to be entered into by the Purchaser and the Vendors, the consideration for the Proposed Acquisition shall be subject to further negotiation between the Purchaser and the Vendors upon valuation of the Barges by a third party valuer.

Due diligence review

Upon entering into the MOU, the Purchaser shall carry out due diligence in respect of the Proposed Acquisition, and the Vendors shall assist the Purchaser in its due diligence.

Conditions precedent

The MOU envisages that the Proposed Acquisition is conditional upon, inter alia, the signing of the Definitive Agreements, the Company and the parties having obtained all necessary approvals and permits as required for the Proposed Acquisition, and other conditions precedent customary for the transaction similar to the Proposed Acquisition.

Nature of the MOU

The MOU does not constitute any legally binding commitment in respect of the Proposed Acquisition, and is subject to further negotiation of the terms of the Definitive Agreements between the parties and the execution and completion of the Definitive Agreements, if any.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MOU

A master services agreement has been entered into between China-HK Shipping Limited and the Company on 30 June 2016, for a term commencing on 6 July 2016 and ending on 31 December 2018 for the provision of the Barge Services. China-HK Shipping Limited charters barges from the Vendors and provides the Barge Services. For the two years ended 31 December 2017 and 6 months ended 30 June 2018, the Group paid HK\$18,516,000, HK\$13,415,000 and HK\$5,874,000 respectively under the master services agreement.

As the master services agreement will expire on 31 December 2018, the Group believes that it is an appropriate time to review the master services agreement. The Group also considers that the acquisition of the Barges, being a vertical integration, will substantially reduce costs in relation to continuing provision of the Barge Services, and improve efficiency in providing Barge Services to the Group.

The Directors (excluding the independent non-executive Directors) consider that the Proposed Acquisition is in the interest of the Company and the Independent Shareholders of the Company as a whole.

INFORMATION ON THE VENDORS

Each of the Vendors is established in Hong Kong and is principally engaged in providing its self-owned barges for hire and transportation service.

As at the date of this announcement, Ever Harvest Marine Transport Limited is owned as to 50% by Mr. Lau Yu Leung and 50% by Madam Tong Hung Sum, each a Director and Controlling Shareholder.

As at the date of this announcement, Ever Harvest Harbour Transportation Limited is owned as to 50% by Mr. Lau Yu Leung and 50% by Madam Tong Hung Sum, each a Director and Controlling Shareholder.

| | |
|-------------------------------|--|
| “Barge Services” | the provision of barge services as midstream operator within Hong Kong waters comprising handling and storage of containers, lifting and shafting, and other handling services to the Group |
| “Board” | the board of Directors |
| “Company” | Ever Harvest Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange |
| “connected person(s)” | has the meaning ascribed thereto in the Listing Rules |
| “Controlling Shareholder(s)” | has the meaning ascribed thereto in the Listing Rules |
| “Definitive Agreements” | the definitive agreements to be entered into by the Purchaser and the Vendors in relation to the Proposed Acquisition |
| “Directors” | the directors of the Company |
| “EGM” | the extraordinary general meeting of the Company to be convened and held to approve, among other matters, the Definitive Agreements and the transactions contemplated thereunder |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Board Committee” | the independent committee of the Board (comprising all independent non-executive Directors) to be established to advise the Independent Shareholders in respect of the entering into of the Definitive Agreements and the transactions contemplated thereunder |
| “Independent Shareholders” | all Shareholders other than Mr. Lau Yu Leung, Madam Tong Hung Sum, Mr. Lau Tak Fung Wallace and Mr. Lau Tak Kee Henry, and those who have a material interest in the Definitive Agreements and the transactions contemplated thereunder |

| | |
|------------------------|--|
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “MOU” | the memorandum of understanding dated 2 November 2018 entered into between the Purchaser and the Vendors in relation to the Proposed Acquisition |
| “Proposed Acquisition” | the proposed acquisition of the Barges pursuant to the MOU |
| “Purchaser” | Millions Good Limited (万升有限公司), a wholly-owned subsidiary of the Company |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Vendor(s)” | <ol style="list-style-type: none"> (1) Ever Harvest Marine Transport Limited (永豐海運有限公司), a limited liability company established under the laws of Hong Kong (2) Ever Harvest Harbour Transportation Limited (永豐港口運輸有限公司), a limited liability company established under the laws of Hong Kong (3) Ever Harvest Cargo Express Limited (永豐貨運有限公司), a limited liability company established under the laws of Hong Kong |

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

Hong Kong, 2 November 2018

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