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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)

TERMINATION OF CONTINUING CONNECTED TRANSACTION

The Board announces that the Company has entered into the Termination Agreement with China-HK to terminate the Master Services Agreement 2019 with effect from 28 February 2019.

As China-HK is 100% owned by Mr. Lau Yu Leung, one of our Directors and Controlling Shareholders, and therefore a connected person of the Company. Accordingly, the Termination Agreement constitutes a connected transaction on the part of the Company under the Listing Rules.

As neither the Company nor China-HK is required to make any payment to each other under the Termination Agreement, the Termination Agreement is exempt from the announcement, reporting and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the announcements of the Company dated 20 December 2018 and 27 December 2018. As disclosed in the announcements, the Company entered into the Master Services Agreement 2019 with China-HK on 20 December 2018, in respect of the Group's purchase of barge services by the Group from China-HK, for a term of six months commencing on 1 January 2019 and ending on 30 June 2019, with an annual cap of HK\$7,500,000.

China-HK is incorporated in Hong Kong and is principally engaged in the provision of barge services. China-HK is 100% owned by Mr. Lau Yu Leung, a Director and Controlling Shareholder, and therefore a connected person of the Company.

TERMINATION AGREEMENT

The Company has entered into the Termination Agreement with China-HK to terminate the Master Services Agreement 2019 with effect from 28 February 2019. Pursuant to the Termination Agreement, (i) each of the Company and China-HK shall be responsible for all matters and costs in relation to terminating the Master Services Agreement 2019; (ii) the Company will be discharged from its payment and obligations under the Master Services Agreement 2019; and (iii) neither the Company nor China-HK would have any claim against each other as a result of the termination of the Master Services Agreement 2019.

The Board believes that entering into the Termination Agreement will not cause any material adverse impact to the Group's business and operational activities.

REASONS FOR ENTERING INTO THE TERMINATION AGREEMENT

Reference is also made to the announcements of the Company dated 2 November 2018 and 10 December 2018, and to the circular of the Company dated 25 January 2019, where Millions Good as purchaser entered into the Agreements pursuant to which Millions Good would acquire the Barges. The agreements and the transactions contemplated thereunder were approved by the Shareholders in an extraordinary general meeting of the Company held on 20 February 2019. The Group considers that following the said acquisition of Barges, we have the ability to provide barge services which overlaps with the barge services provided previously by China-HK to the Group, and it is not necessary for the Group to purchase barge services from China-HK. The entering into the Termination Agreement thereby terminating the Master Services Agreement 2019 allows the Group to utilise its resources effectively and to reduce its operating costs.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Termination Agreement have been arrived at after arm's length negotiations, entered into in the ordinary and usual course of business of the Company and are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As China-HK is 100% owned by Mr. Lau Yu Leung, one of our Directors and Controlling Shareholders, and therefore a connected person of the Company. Accordingly, the Termination Agreement constitutes a connected transaction on the part of the Company under the Listing Rules.

Pursuant to the articles of association of the Company and the Listing Rules, a Director shall not vote on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his associate(s) has/have a material interest, and if he shall do so his vote shall not be counted. Accordingly, all the executive Directors (namely, Mr. Lau Yu Leung, Mr. Lau Tak Fung Wallace and Mr. Lau Tak Kee Henry) and the non-executive Director (namely, Madam Tong Hung Sum) are required to abstain and have abstained from voting on the relevant Board resolutions to approve the Agreements and the transactions contemplated thereunder.

As neither the Company nor China-HK is required to make any payment to each other under the Termination Agreement, the Termination Agreement is exempt from the announcement, reporting and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings ascribed to them below:

“Agreements”	collectively, Agreement 1, Agreement 2 and Agreement 3
“Agreement 1”	the agreement dated 10 December 2018 entered into between Ever Harvest Harbour Transportation Limited, a company incorporated in Hong Kong, and Million Goods in relation to the acquisition of a barge named 永豐 112

“Agreement 2”	the agreement dated 10 December 2018 entered into between Ever Harvest Cargo Express Limited, a company incorporated in Hong Kong, and Million Goods in relation to the acquisition of a barge named Ever Harvest 113
“Agreement 3”	the agreement dated 10 December 2018 entered into between Ever Harvest Marine Transport Limited, a company incorporated in Hong Kong, and Million Goods in relation to the acquisition of a barge named Ever Harvest 118
“Barges”	barges named as 永豐 112, Ever Harvest 113 and Ever Harvest 118
“Board”	the board of Directors
“China-HK”	China-HK Shipping Limited, a company incorporated in Hong Kong
“Company”	Ever Harvest Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed thereto in the Listing Rules
“Controlling shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Directors”	directors of the Company
“Group”	the Company together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Master Services Agreement 2019”	the master services agreement entered into between the Company the master services agreement entered into between the Company and China-HK dated 20 December 2018 in relation to the purchase of barge services by the Group from China-HK for the term commencing on 1 January 2019 and ending on 30 June 2019;
“Millions Good”	Millions Good Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Termination Agreement”	the agreement dated 28 February 2019 entered into between the Company and China-HK to terminate the Master Services Agreement 2019
HK\$	Hong Kong Dollar, the lawful currency of the Hong Kong
“%”	per cent

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 28 February 2019

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.