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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the “Board”) of directors (the “Directors”) of Ever Harvest Group Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) for the year ended 31 December 2024 together with the comparative figures for the corresponding period in 2023 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

| | Notes | 2024 HK\$'000 | 2023 HK\$'000 |
|---|-------|------------------|------------------|
| Revenue | 4 | 403,359 | 392,220 |
| Cost of services | | (340,606) | (323,856) |
| Gross profit | | 62,753 | 68,364 |
| Other income, net | 5 | 16,571 | 15,069 |
| Reversal (Provision) of impairment losses on investment properties | | 1,967 | (1,967) |
| Reversal of loss allowance on trade and other receivables, net | | – | 328 |
| Administrative and other operating expenses | | (80,915) | (78,236) |
| Finance costs | 6 | (2,672) | (2,873) |
| (Loss) Profit before tax | 6 | (2,296) | 685 |
| Income tax expenses | 7 | (6,955) | (172) |
| (Loss) Profit for the year | | (9,251) | 513 |
| (Losses) Earnings per share | | HK cents | HK cents |
| Basic | 9 | (0.60) | 0.03 |
| Diluted | 9 | (0.60) | 0.03 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

| | 2024 | 2023 |
|---|------------------------------|-----------------------|
| | HK\$'000 | HK\$'000 |
| (Loss) Profit for the year | <u>(9,251)</u> | <u>513</u> |
| Other comprehensive expenses | | |
| <i>Item that may be reclassified subsequently to profit or loss</i> | | |
| Exchange difference on consolidation | <u>(96)</u> | <u>(6,544)</u> |
| Total comprehensive expenses for the year | <u><u>(9,347)</u></u> | <u><u>(6,031)</u></u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

| | <i>Notes</i> | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|---|--------------|--------------------------------|-------------------------|
| Non-current assets | | | |
| Property, plant and equipment | <i>10</i> | 100,893 | 107,918 |
| Investment properties | <i>11</i> | 56,176 | 56,799 |
| | | <u>157,069</u> | <u>164,717</u> |
| Current assets | | | |
| Financial assets at fair value through profit or loss | | 6,237 | 6,158 |
| Trade and other receivables | <i>12</i> | 78,060 | 72,824 |
| Income tax recoverable | | – | 3,051 |
| Pledged bank deposits | | 807 | 784 |
| Bank balances and cash | | 114,090 | 106,505 |
| | | <u>199,194</u> | <u>189,322</u> |
| Current liabilities | | | |
| Trade and other payables | <i>13</i> | 99,145 | 88,603 |
| Income tax payable | | 575 | – |
| Interest-bearing borrowings | <i>14</i> | 48,358 | 48,909 |
| Lease liabilities | | 1,303 | 1,133 |
| | | <u>149,381</u> | <u>138,645</u> |
| Net current assets | | <u>49,813</u> | <u>50,677</u> |
| Total assets less current liabilities | | <u>206,882</u> | <u>215,394</u> |
| Non-current liabilities | | | |
| Lease liabilities | | <u>1,870</u> | <u>1,035</u> |
| NET ASSETS | | <u>205,012</u> | <u>214,359</u> |
| Capital and reserves | | | |
| Share capital | | 15,500 | 15,500 |
| Reserves | | 189,512 | 198,859 |
| TOTAL EQUITY | | <u>205,012</u> | <u>214,359</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2024

1. GENERAL INFORMATION

Ever Harvest Group Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 15 October 2015 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 6 July 2016. 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 ultimate controlling party of the Group is Mr. Lau Yu Leung. The registered office of the Company is situated at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The Company’s principal place of business is situated at 17/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 Company together with its subsidiaries (the “Group”) are principally engaged in rendering of sea freight transportation and freight forwarding services in Hong Kong and in the People’s Republic of China (the “PRC”).

2. BASIS OF PREPARATION

Basis of preparation

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements under the Rules Governing the Listing of Securities on the Stock Exchange.

The consolidated financial statements are 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.

Adoption of new/revised HKFRSs

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2023 consolidated financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Group and effective from the current year:

| | |
|--------------------------------------|--|
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-current |
| Amendments to HKAS 1 | Non-current Liabilities with Covenants |
| Amendments to HK Interpretation 5 | Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause |
| Amendments to HKAS 7 and HKFRS 7 | Supplier Finance Arrangements |
| Amendments to HKFRS 16 | Lease Liability in a Sale and Leaseback |

The adoption of the above new/revised HKFRSs did not have significant impact on the consolidated financial statements.

Basis of measurement

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for financial assets at fair value through profit or loss (“FVPL”), which are measured at fair value.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Future changes in HKFRSs

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

| | |
|------------------------------------|--|
| Amendments to HKAS 21 | Lack of Exchangeability ¹ |
| Amendments to HKFRS 9 and HKFRS 7 | Amendments to the Classification and Measurement of Financial Instruments ² |
| Annual Improvements to HKFRSs | Volume 11 ² |
| Amendments to HKFRS 9 and HKFRS 7 | Contracts Referencing Nature-dependent Electricity ² |
| HKFRS 18 | Presentation and Disclosure in Financial Statements ³ |
| HKFRS 19 | Subsidiaries without Public Accountability: Disclosures ³ |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴ |

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ The effective date to be determined

The management does not anticipate that the adoption of these new/revised HKFRSs in future periods will have any material impact on the financial performance and financial position of the Group.

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, the carrier owned container services and the barge services and a collective perspective for sea freight forwarding agency services.

Segment results represent the gross profit earned or gross loss incurred by each segment without allocation of other income, net, (reversal) provision of impairment losses on investment properties, reversal of loss allowance on trade and other receivables, net, administrative and other operating expenses, finance costs and income tax expenses.

No analysis of the Group's assets and liabilities by operating segments is presented as it is not regularly provided to the chief operating decision-makers for review.

| | Sea freight forwarding agency services HK\$'000 | Fujian routes HK\$'000 | Guangxi routes HK\$'000 | Guangdong routes HK\$'000 | Hainan routes HK\$'000 | Unallocated HK\$'000 | Total HK\$'000 |
|--|--|---------------------------|----------------------------|------------------------------|---------------------------|-------------------------|-------------------|
| Year ended 31 December 2024 | | | | | | | |
| Revenue from external customers | 80,979 | 69,100 | 114,393 | 47,832 | 91,055 | – | 403,359 |
| Cost of services | (68,478) | (59,181) | (94,142) | (40,522) | (78,283) | – | (340,606) |
| Segment results | <u>12,501</u> | <u>9,919</u> | <u>20,251</u> | <u>7,310</u> | <u>12,772</u> | <u>–</u> | <u>62,753</u> |
| <i>Unallocated income and expenses</i> | | | | | | | |
| Other income | | | | | | | 16,571 |
| Reversal of impairment losses on investment properties | | | | | | | 1,967 |
| Administrative and other operating expenses | | | | | | | (80,915) |
| Finance costs | | | | | | | (2,672) |
| Loss before tax | | | | | | | (2,296) |
| Income tax expenses | | | | | | | (6,955) |
| Loss for the year | | | | | | | <u>(9,251)</u> |
| <i>Other information</i> | | | | | | | |
| Depreciation of property, plant and equipment | <u>–</u> | <u>708</u> | <u>1,066</u> | <u>1,484</u> | <u>881</u> | <u>5,273</u> | <u>9,412</u> |
| Depreciation of investment properties | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>2,590</u> | <u>2,590</u> |
| Gain on disposal of property, plant and equipment | <u>–</u> | <u>(1,013)</u> | <u>(26)</u> | <u>(181)</u> | <u>(8)</u> | <u>–</u> | <u>(1,228)</u> |
| Lease payments under short-term leases | <u>–</u> | <u>6,308</u> | <u>15,674</u> | <u>3,319</u> | <u>20,977</u> | <u>168</u> | <u>46,446</u> |
| Reversal of impairment losses on investment properties | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>(1,967)</u> | <u>(1,967)</u> |
| Capital expenditures | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>70</u> | <u>70</u> |

| | Sea freight forwarding agency services HK\$'000 | Fujian routes HK\$'000 | Guangxi routes HK\$'000 | Guangdong routes HK\$'000 | Hainan routes HK\$'000 | Unallocated HK\$'000 | Total HK\$'000 |
|--|--|---------------------------|----------------------------|------------------------------|---------------------------|-------------------------|-------------------|
| Year ended 31 December 2023 | | | | | | | |
| Revenue from external customers | 46,933 | 60,802 | 137,497 | 64,333 | 82,655 | – | 392,220 |
| Cost of services | <u>(37,877)</u> | <u>(51,254)</u> | <u>(113,913)</u> | <u>(53,231)</u> | <u>(67,581)</u> | <u>–</u> | <u>(323,856)</u> |
| Segment results | <u>9,056</u> | <u>9,548</u> | <u>23,584</u> | <u>11,102</u> | <u>15,074</u> | <u>–</u> | <u>68,364</u> |
| <i>Unallocated income and expenses</i> | | | | | | | |
| Other income, net | | | | | | | 15,069 |
| Impairment losses on investment properties | | | | | | | (1,967) |
| Reversal of loss allowance on trade and other receivables, net | | | | | | | 328 |
| Administrative and other operating expenses | | | | | | | (78,236) |
| Finance costs | | | | | | | <u>(2,873)</u> |
| Profit before tax | | | | | | | 685 |
| Income tax expenses | | | | | | | <u>(172)</u> |
| Profit for the year | | | | | | | <u>513</u> |
| <i>Other information</i> | | | | | | | |
| Depreciation of property, plant and equipment | <u>–</u> | <u>589</u> | <u>1,212</u> | <u>1,563</u> | <u>767</u> | <u>5,240</u> | <u>9,371</u> |
| Depreciation of investment properties | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>2,590</u> | <u>2,590</u> |
| Impairment losses on investment properties | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>1,967</u> | <u>1,967</u> |
| Lease payments under short-term leases | <u>–</u> | <u>11,826</u> | <u>30,430</u> | <u>3,051</u> | <u>17,859</u> | <u>302</u> | <u>63,468</u> |
| Reversal of loss allowance on trade and other receivables, net | <u>(3)</u> | <u>(4)</u> | <u>(272)</u> | <u>(9)</u> | <u>(40)</u> | <u>–</u> | <u>(328)</u> |
| Capital expenditures | <u>–</u> | <u>643</u> | <u>1,455</u> | <u>681</u> | <u>875</u> | <u>215</u> | <u>3,869</u> |

4. REVENUE

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Revenue from contracts with customers within HKFRS 15, recognised over time | | |
| Rendering of feeder shipping services | 286,101 | 308,326 |
| Rendering of carrier owned container services | 35,685 | 36,332 |
| Rendering of sea freight forwarding agency services | 80,979 | 46,933 |
| Rendering of barge services | 594 | 629 |
| | <u>403,359</u> | <u>392,220</u> |

5. OTHER INCOME, NET

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Bank interest income | 1,879 | 1,420 |
| Dividend income from financial assets at FVPL | 316 | 112 |
| Exchange gain, net | 254 | 1,584 |
| Gain on disposals of property, plant and equipment | 1,228 | 164 |
| Gain on lease modification | – | 5 |
| Government grants (<i>Note</i>) | 11,522 | 11,416 |
| Net gain (loss) on financial assets at FVPL | 79 | (1,579) |
| Rental income | 1,230 | 1,680 |
| Sundry income | 63 | 267 |
| | <u>16,571</u> | <u>15,069</u> |

Note: These government grants were mainly the incentives for rewarding the Group's efforts in stabilising container shipping capacity and laden containers, and were in the sole discretion of the local government, subject to relevant PRC laws, regulations and policies. Under the terms of grants, the Group has to fulfill certain containers shipping volume and obtain approval from local authorities.

6. (LOSS) PROFIT BEFORE TAX

This is stated after charging (crediting):

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Finance costs | | |
| Interest on interest-bearing borrowings | 2,562 | 2,779 |
| Finance charges on lease liabilities | <u>110</u> | <u>94</u> |
| | <u>2,672</u> | <u>2,873</u> |
| Other items | | |
| Staff costs (including directors' remuneration) | | |
| Salaries, bonus and allowances | 43,753 | 46,180 |
| Contributions to defined contribution plans (<i>Note</i>) | <u>3,902</u> | <u>4,267</u> |
| | <u>47,655</u> | <u>50,447</u> |
| Auditor's remuneration | | |
| — audit services | 730 | 785 |
| — other services | 121 | 135 |
| Depreciation of property, plant and equipment (charged to "Cost of services" and "Administrative and other operating expenses", as appropriate) | 9,412 | 9,371 |
| Depreciation of investment properties | 2,590 | 2,590 |
| Direct operating expenses relating to investment properties that generated rental income | 477 | 468 |
| Exchange gains, net | (254) | (1,584) |
| Gain on disposal of property, plant and equipment | (1,228) | (164) |
| Lease payments on feeder vessels and barges under short-term leases (charged to "Cost of services") | 46,278 | 63,166 |
| Lease payments on premises under short-term leases | 168 | 302 |
| Penalty (<i>Note 7i</i>) | 4,887 | – |
| Reversal of loss allowance on trade and other receivables, net | – | (328) |
| (Reversal) Provision of impairment losses on investment properties | <u>(1,967)</u> | <u>1,967</u> |

Note:

The Group has participated in a Mandatory Provident Fund Scheme (the "MPF Scheme") for its qualifying employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at the rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. Under the MPF Scheme, there will not be any forfeited contribution available to reduce the contribution payable by the Group.

In accordance with rules and regulations in the PRC, the employees of the Group's entities established in the PRC are required to participate in defined contribution retirement plans organised by local government. Contributions to those plans are expensed as incurred and other than these monthly contributions and the Group has no further obligation for the payment of the retirement benefits to its employees. No forfeited contributions were used to reduce the current year's level of contributions and no forfeited contribution was available at 31 December 2024 and 2023 to reduce future year's contributions.

The retirement benefits cost charged to profit or loss represents contributions payable to the schemes by the Group at rates specified in the rules of the MPF Scheme and the defined contribution retirement plans in the PRC.

7. TAXATION

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Current tax | | |
| Hong Kong Profits Tax | | |
| Current year | 190 | 834 |
| Under (Over) provision in prior years (<i>Note i</i>) | <u>6,765</u> | <u>(662)</u> |
| Total income tax expenses for the year | <u><u>6,955</u></u> | <u><u>172</u></u> |

Note:

- i* In August 2024, the Inland Revenue Department of the Government of the Hong Kong Special Administrative Region of The People's Republic of China (the "IRD") issued the official notices (the "Notices") in respect of the tax audit review conducted by the IRD on the tax positions of the Group for the years of assessment from 2014/15 to 2022/23, details of which are set out in the announcement of the Company dated 15 August 2024.

Upon the receipt of the Notices, the Group has recognised the under provision of tax expenses in prior years and tax penalties of approximately HK\$6,762,000 (*2023: nil*) and approximately HK\$4,887,000 (*2023: nil*), respectively, in the profit or loss for the year ended 31 December 2024.

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

For the years ended 31 December 2024 and 2023, the assessable profits of a Hong Kong incorporated subsidiary of the Group (as elected by the management of the Group) was subject to the two-tiered profits tax rates regime that the first HK\$2 million of assessable profits would be taxed at 8.25%, and assessable profits above HK\$2 million would be taxed at 16.5%. The Hong Kong Profits Tax of other Hong Kong incorporated subsidiaries of the Group was calculated at 16.5% of their respective estimated assessable profits for the both years, except for two (*2023: two*) of the subsidiaries in Hong Kong with estimated assessable profits for the year ended 31 December 2024 were wholly absorbed by unrelieved tax losses brought forward from previous years.

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 years ended 31 December 2024 and 2023. For the years ended 31 December 2024 and 2023, PRC Enterprise Income Tax has not been provided as the PRC subsidiaries have no assessable profits.

8. DIVIDENDS

The Board does not recommend the payment of a dividend for the year ended 31 December 2024 (2023: nil).

9. (LOSSES) EARNINGS PER SHARE

The calculation of the basic (losses) earnings per share attributable to the equity holders of the Company is based on the following data:

| | 2024 HK\$'000 | 2023 HK\$'000 |
|---|----------------------|----------------------|
| (Losses) Earnings | | |
| (Loss) Profit for the year attributable to the equity holders of the Company for the purpose of basic (losses) earnings per share | <u>(9,251)</u> | <u>513</u> |
| Number of shares | 2024 '000 | 2023 '000 |
| Weighted average number of ordinary shares for the purpose of calculating basic (losses) earnings per share | <u>1,550,000</u> | <u>1,550,000</u> |

Diluted (losses) earnings per share is same as basic (losses) earnings per share as there were no potential ordinary shares outstanding during years ended 31 December 2024 and 2023.

10. PROPERTY, PLANT AND EQUIPMENT

At 31 December 2024, the Group had five (2023: five) vessels under the Usage Priority Agreements (2023: the Usage Priority Agreements or the sales & purchase and supplemental transfer agreement (the "Transfer Agreements")). According to the Usage Priority Agreements (2023: the Usage Priority Agreements or the Transfer Agreements), the Group has the exclusive preferential right to use these five (2023: five) vessels and to acquire the interests or obtain the sales proceeds of disposal, which has to be approved by the Group in advance, of these five (2023: five) vessels. The Group considers that it, in substance, is able to use these five (2023: five) vessels and obtain the future economic benefits through the usage of these five (2023: five) vessels physically as if it was the legal owners throughout the period covered by the Usage Priority Agreements (2023: the Usage Priority Agreements or the Transfer Agreements). Accordingly, the aggregate net carrying amount of approximately HK\$19,786,000 (2023: approximately HK\$22,364,000) was recorded under property, plant and equipment.

11. INVESTMENT PROPERTIES

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Reconciliation of carrying amount | | |
| At the beginning of the reporting period | 56,799 | 61,356 |
| Depreciation | (2,590) | (2,590) |
| Reversal (Provision) of impairment | <u>1,967</u> | <u>(1,967)</u> |
| At the end of the reporting period | <u><u>56,176</u></u> | <u><u>56,799</u></u> |
| Cost | 73,367 | 73,367 |
| Accumulated depreciation and impairment losses | <u>(17,191)</u> | <u>(16,568)</u> |
| Net carrying amount | <u><u>56,176</u></u> | <u><u>56,799</u></u> |
| Fair value | <u><u>62,149</u></u> | <u><u>56,799</u></u> |

The investment properties with a total carrying amount of approximately HK\$56,176,000 (2023: approximately HK\$56,799,000) at 31 December 2024 were pledged to secure banking facilities granted to the Group.

12. TRADE AND OTHER RECEIVABLES

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Trade receivables | | |
| From third parties | 73,989 | 69,106 |
| Less: Loss allowance | <u>(2,734)</u> | <u>(2,734)</u> |
| | <u>71,255</u> | <u>66,372</u> |
| Other receivables | | |
| Deposits, prepayments and other debtors | <u>6,805</u> | <u>6,452</u> |
| | <u><u>78,060</u></u> | <u><u>72,824</u></u> |

All of the trade and other receivables that are classified as current assets are expected to be recovered or recognised as expense within 12 months.

At 31 December 2024, amount of approximately HK\$5,266,000 (2023: approximately HK\$2,080,000) included in the trade receivables were in connection with invoice discounting bank loan arrangements.

The loss allowance of approximately HK\$2,734,000 (2023: approximately HK\$2,734,000) at 31 December 2024 was mainly and specifically resulted from a then major customer who was in the process of bankruptcy and liquidation.

The Group normally grants credit terms up to 90 days (2023: up to 90 days) to its customers. The ageing analysis of trade receivables, net of loss allowance, by invoice date is as follows:

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|----------------|-------------------------|-------------------------|
| Within 30 days | 35,310 | 30,481 |
| 31–60 days | 23,713 | 21,455 |
| 61–90 days | 8,079 | 9,799 |
| Over 90 days | 4,153 | 4,637 |
| | <u>71,255</u> | <u>66,372</u> |

13. TRADE AND OTHER PAYABLES

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Trade payables | | |
| To third parties | <u>65,999</u> | <u>55,717</u> |
| Other payables | | |
| Accrued charges and other creditors (<i>Note i</i>) | 18,525 | 21,013 |
| Deposits received | <u>14,621</u> | <u>11,873</u> |
| | <u>33,146</u> | <u>32,886</u> |
| | <u>99,145</u> | <u>88,603</u> |

Note i: The amounts mainly included salary payables and provision of social security insurances.

The trade payables due to third parties are unsecured, interest-free and have a credit period of 30 days to 90 days.

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

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|----------------|-------------------------|-------------------------|
| Within 30 days | 40,435 | 34,085 |
| 31–60 days | 11,796 | 13,093 |
| 61–90 days | 6,269 | 7,876 |
| Over 90 days | 7,499 | 663 |
| | <u>65,999</u> | <u>55,717</u> |

14. INTEREST-BEARING BORROWINGS

| | 2024 HK\$'000 | 2023 HK\$'000 |
|---|------------------|------------------|
| Secured bank borrowings: | | |
| Current portion | <u>48,358</u> | <u>48,909</u> |
| (i) Bank borrowings of approximately HK\$5,266,000 (2023: approximately HK\$2,080,000) bear interests at Hong Kong Interbank Offered Rate (“HIBOR”) plus 1.7% per annum (2023: HIBOR plus 1.7% per annum) and are wholly repayable within one year since inception. The bank borrowings are secured by trade receivables of approximately HK\$5,266,000 (2023: approximately HK\$2,080,000) in connection with invoice discounting bank loan arrangements. | | |
| (ii) A mortgage loan of approximately HK\$18,092,000 (2023: approximately HK\$19,209,000) bears interest at the lower of HIBOR plus 1.25% per annum and the Hong Kong Dollar Prime Rate minus 2.7% per annum respectively (2023: lower of HIBOR plus 1.25% per annum and the Hong Kong Dollar Prime Rate minus 2.7% per annum), and is wholly repayable over five years. The mortgage loan is secured by the leasehold land and buildings of the Group of aggregate net carrying amount of approximately HK\$61,039,000 (2023: the leasehold land and buildings and investment properties of the Group of aggregate net carrying amount of approximately HK\$63,749,000 and approximately HK\$56,799,000 respectively). | | |
| (iii) A mortgage loan of approximately HK\$25,000,000 (2023: nil) bears interest at the lower of HIBOR plus 1.5% per annum and the Hong Kong Prime Rate minus 0.75% per annum respectively, and is wholly repayable over ten years. The mortgage loan is secured by the investment properties of the Group of aggregate net carrying amount of approximately HK\$56,176,000. | | |
| (iv) At 31 December 2023, a term loan of approximately HK\$25,620,000 bore interest at the 1 month HIBOR plus 1.75% per annum, and was wholly repayable over five years. The term loan was secured by the leasehold land and buildings and investment properties of the Group of aggregate net carrying amount of approximately HK\$63,749,000 and approximately HK\$56,799,000 respectively. The term loan was fully repaid during the year ended 31 December 2024. | | |
| (v) At 31 December 2023, a bank borrowing of approximately HK\$2,000,000 bore interest at HIBOR plus 1.7% per annum and was wholly repayable within one year since inception. The bank borrowing was secured by the leasehold land and buildings and investment properties of the Group of aggregate net carrying amount of approximately HK\$63,749,000 and approximately HK\$56,799,000 respectively. The bank borrowing was fully repaid during the year ended 31 December 2024. | | |

All the borrowings are with a clause in the terms that gives the lender an overriding right to demand repayment without notice at its sole discretion, is classified as current liabilities even though the management does not expect that the lender would exercise its rights to demand repayment.

The range of effective interest rates on the interest-bearing borrowings was 6.6% to 7.4% (2023: 3.3% to 7.4%) per annum. All the interest-bearing borrowings are denominated in HK\$.

At 31 December 2024, the Group had banking facilities totalling approximately HK\$134,500,000 (2023: approximately HK\$127,000,000) and undrawn amounts under these banking facilities of approximately HK\$86,142,000 (2023: approximately HK\$78,091,000).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

The Group is pleased to report the results for the year ended 31 December 2024.

During the year ended 31 December 2024, the Group recorded a revenue of approximately HK\$403,359,000 (2023: *approximately HK\$392,220,000*), representing an increase of 2.8% over the same period last year. The Group recorded a gross profit of approximately HK\$62,753,000 (2023: *approximately HK\$68,364,000*), representing a decrease of 8.2% over the same period last year. The gross profit margin decreased from 17.4% to 15.6%. The Group recorded a loss for the year of approximately HK\$9,251,000 (2023: *profit for the year of approximately HK\$513,000*).

BUSINESS OVERVIEW

During the year ended 31 December 2024, container throughput of Hong Kong port decreased by 5.0% as compared with the same period last year, according to the data released by the Marine Department of The Government of the Hong Kong Special Administrative Region of the PRC.

The Group's feeder shipping services, carrier owned container services and barge services recorded an increase in total shipment volume of 58,141 twenty-foot equivalent units (the "TEUs") or 16.3%, from 356,508 TEUs to 414,649 TEUs, and a decrease in gross profit of approximately HK\$9,056,000 or 15.3%, from approximately HK\$59,308,000 to approximately HK\$50,252,000, for the year ended 31 December 2024, as compared to the corresponding period last year. The decrease in the gross profit was mainly attributable to a decline in the average unit price of the Group's services, such decrease was mainly due to intensifying competition in mainland China's waterborne trade and freight sector, despite the increase in shipment volume.

The Group's sea freight forwarding agency services recorded an increase in shipment volume of 5,084 TEUs or 62.6%, from 8,127 TEUs to 13,211 TEUs, and an increase in gross profit of approximately HK\$3,445,000 or 38.0%, from approximately HK\$9,056,000 to approximately HK\$12,501,000, for the year ended 31 December 2024, as compared to the corresponding period last year. The increase in gross profit was mainly attributable to the increase in shipment volume of sea freight forwarding agency services, driven primarily by increased customer demand for the Group's services.

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

| | Year ended 31 December | | | | | |
|--|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2024 | | | 2023 | | |
| | <i>HK\$'000</i> | TEUs | Gross profit margin % | <i>HK\$'000</i> | TEUs | Gross profit margin % |
| Fujian routes | 69,100 | 65,047 | 14.4 | 60,802 | 43,649 | 15.7 |
| Guangxi routes | 114,393 | 125,857 | 17.7 | 137,497 | 108,283 | 17.2 |
| Guangdong routes | 47,832 | 157,775 | 15.3 | 64,333 | 148,980 | 17.3 |
| Hainan routes | 91,055 | 65,970 | 14.0 | 82,655 | 55,596 | 18.2 |
| Sea freight forwarding agency services | 80,979 | 13,211 | 15.4 | 46,933 | 8,127 | 19.3 |
| | <u>403,359</u> | <u>427,860</u> | <u>15.6</u> | <u>392,220</u> | <u>364,635</u> | <u>17.4</u> |

The Group's operational costs amounted to approximately HK\$340,606,000 representing an increase of approximately HK\$16,750,000 or 5.2% as compared with the same period last year. The change in operational costs was mainly due to the net effect of: (i) the increase in shipping volume of the Group services; (ii) the decrease in unit price of bunker charges; and (iii) the decrease in monthly rental charges of feeder vessels as compared to the corresponding period of last year.

The Group's other income amounted to approximately HK\$16,571,000, representing an increase of approximately HK\$1,502,000 as compared to the same period last year. The change in other income was mainly due to (i) the increase in income from the sales of scrap containers; and (ii) the increase in bank interest income.

PROSPECTS

Since Donald Trump assumed the office of U.S. President, changes in U.S. tariff policies have impacted the shipping market, contributing to market instability. Furthermore, the ongoing U.S.-China trade conflict has caused the shift of supply chains towards Southeast Asia, exerting pressure on cargo volumes from China. This may potentially lead to a reduction in Chinese exports, thereby affecting the Group's profitability in the coming year.

Over our long history in the waterborne trade market, although we experienced several economic cycles and industry storms, we were able to thrive to expand our shipping network by capitalising market opportunities. In order to address the significant challenges ahead, the management team is adopting a proactive approach by cost-saving measures, ensuring financial stability, and exploring new revenue streams.

The Group will continue to maintain strong relationship with customers, compete with competitors with high-quality service, effectively manage the vessel fleet and containers in order to maximise the reliability and flexibility of services, and take all possible measures to enhance the cost efficiency.

With the continuous efforts of the Group, the Group will continue to strive towards bringing returns to its shareholders in the long term.

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 31 December 2024, the Group held bank balances and cash denominated in HK\$, US dollars and Renminbi equivalent to approximately HK\$114,090,000 (2023: *approximately HK\$106,505,000*). The Group had mortgage loans of approximately HK\$43,092,000 as at 31 December 2024 (2023: *a mortgage loan of approximately HK\$19,209,000*) and were wholly repayable over five years. The Group's term loan was fully repaid during the year ended 31 December 2024 (2023: *approximately HK\$25,620,000*). Also, the Group had other bank borrowings of approximately HK\$5,266,000 as at 31 December 2024 (2023: *approximately HK\$2,080,000*) and were wholly repayable within one year since inception. The range of effective interest rates on the borrowings was 6.6% to 7.4% (2023: *3.3% to 7.4%*) per annum. All bank borrowings were made at floating interest rates. The carrying amounts of bank borrowings were denominated in HK\$. The Group's gearing ratio as at 31 December 2024, calculated based on the total borrowings (including lease liabilities) to the equity attributable to owners of the Company, was 25.1% (2023: *23.8%*).

The Group believes that its cash holding, liquid asset value, future revenue and available banking facilities will be sufficient to fulfill the working capital requirements of the Group.

There had been no material change in the capital structure of the Company during the year ended 31 December 2024. The capital of the Company comprises the shares and other reserves.

Treasury policies

The Group has adopted a prudent financial and surplus funds management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year ended 31 December 2024. 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 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 year ended 31 December 2024, 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 derivatives when necessary. The Group did not have any derivatives for hedging against the foreign exchange rate risk as at 31 December 2024.

Charge on group assets

As at 31 December 2024, leasehold land and buildings amounting to approximately HK\$61,039,000 (2023: *approximately HK\$63,749,000*), investment properties amounting to approximately HK\$56,176,000 (2023: *approximately HK\$56,799,000*), trade receivables amounting to approximately HK\$5,266,000 (2023: *approximately HK\$2,080,000*) in connection with invoice discounting bank loan arrangements and bank deposits amounting to approximately HK\$807,000 (2023: *approximately HK\$784,000*) were pledged as security for bank facilities.

Contingent liabilities

As at 31 December 2024, the Group had no contingent liabilities.

Dividend Policy

The declaration and payment of shareholder dividends and the amount thereof are at the discretion of the Board and depend upon various factors, including the results of operations, financial condition and future prospects of the Company and taking into account regulatory restrictions on the payment of shareholder dividends, as well as any other factors deemed relevant by the Board. The dividend policy shall be reviewed periodically and submitted to the Board for approval if amendments are required.

SIGNIFICANT INVESTMENTS HELD

During the year ended 31 December 2024, the Group did not hold any significant investment in equity interest in any other company.

PROPERTY HELD FOR INVESTMENT

The details of our Group's property held for investment as at 31 December 2024 are set out below:

| Address | Existing use | Lease term |
|---|---------------------|-------------------|
| 28/F., Excel Centre, 483A Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong | Office | Long term |

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year ended 31 December 2024, the Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Apart from those disclosed in this announcement, there were no material investments or additions of capital assets authorised by the Board as at the date of this announcement.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2024, the Group has a total of 176 employees (*31 December 2023: 182 employees*). The Group's remuneration policy is to compensate its employees based on their performance, qualifications and the Group's operating results. The total remuneration of employees includes basic salaries and cash bonus.

Directors and senior management of the Group receive compensation in the form of fees, salaries, allowances, discretionary bonus, defined contribution plans and other benefits in kind with reference to those paid by comparable companies, time commitment and the performance of the Group. The Group also reimburses its Directors and senior management for expenses which are necessarily and reasonably incurred for the provision of services to the Group or executing their functions in relation to the operations of the Group. The Group regularly reviews and determines the remuneration and compensation packages (including incentive plans) of its Directors and senior management, by reference to, among other things, market level of remuneration and compensation paid by comparable companies, the respective responsibilities of its Directors and senior management and the performance of the Group.

There was no consideration provided to or receivable by any third party for making available the services of a person as a Director, or in any other capacity while as a Director during the years ended 31 December 2024 and 2023.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a dividend for the year ended 31 December 2024.

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 during the year ended 31 December 2024.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company has reviewed together with the management the accounting principles and practices adopted by the Group and the annual results of the Group for the year ended 31 December 2024.

The figures in respect of the Company's consolidated statement of financial position, consolidated income statement and consolidated statement of comprehensive income, and related notes thereto for the year ended 31 December 2024 as set out in the announcement have been agreed by the Company's auditor, Forvis Mazars CPA Limited ("Forvis Mazars"), to the amounts set out in the Company's audited consolidated financial statements for the year ended 31 December 2024. The work performed by Forvis Mazars in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Forvis Mazars on the announcement.

CORPORATE GOVERNANCE PRACTICES

Adapting and adhering to recognised standards of corporate governance principles and practices has always been one of the top priorities of the Company. The Board believes that good corporate governance is one of the areas that lead to the success of the Company and in balancing the interests of shareholders, customers and employees, and the Board is devoted to ongoing enhancements of the efficiency and effectiveness of such principles and practices.

During the year ended 31 December 2024, the Company had duly complied with the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Listing Rules.

The Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements and to meet the rising expectations of the shareholders and investors.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in this announcement, there is no other important event affecting the Group which has occurred after the reporting period.

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

Hong Kong, 28 March 2025

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; and the independent non-executive Directors of the Company are Mr. Lo Wan Sing Vincent, Mr. Lam Lo, Mr. Lee Ka Lun and Mr. Kam, Eddie Shing Cheuk.