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Evershine Group Holdings Limited

永耀集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 8022)

MEMORANDUM OF UNDERSTANDING IN RELATION TO THE POSSIBLE ACQUISITION OF PROPERTY IN THE PRC

The Board announces that on 27 April 2015 (after the trading hours of the Stock Exchange), the Company entered into a non-legally binding Memorandum with the Vendor in relation to the Possible Acquisition of the Property.

The Property comprises of (a) the club house and the commercial complex on the 1st floor and 2nd floor (with saleable area 4,221.9 square meters); and (b) a hotel service apartment tower on the 4th floor to the 22nd floor with 249 units (with saleable area 22,258.94 square meters of a commercial complex known as the phase II of Yaoxing Peninsula Holiday Villa# (耀星半島假日莊園) which is situated at Lao Fan Dian Cun, Song County, Luoyang City, Henan Province, the PRC.

The Board wishes to emphasize that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition is materialised, it may constitute a notifiable transaction on the part of the Company.

Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company in compliance with the Listing Rules as and when appropriate.

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

On 27 April 2015 (after the trading hours of the Stock Exchange), the Company entered into a non-legally binding Memorandum with the Vendor in relation to the Possible Acquisition of the Property.

THE MEMORANDUM

Date: 27 April 2015

Parties: (i) the Company; and
(ii) the Vendor.

The Vendor is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Vendor and its beneficial owner is an Independent Third Party.

Major terms of the Memorandum

Under the Memorandum, subject to completion of the Due Diligence Inspection (as defined below) to the satisfaction of the Company and the entering into of the Sale and Purchase Agreement, the Company proposed to, by itself or through its wholly owned subsidiary, purchase the Property from the Vendor.

The Consideration shall be subject to further negotiation between the Company and the Vendor and shall be payable by the Company by way of cash and/or by way of allotment and issue of shares in the share capital of the Company or a combination of the above or any other forms as the parties may agree in writing.

Due diligence

Forthwith upon the execution of the Memorandum and subject to the Vendor's consent (the Vendor should not decline the reasonable requests from the Company or its advisors), the Company is entitled to designate its advisers and agents, including but not limited to its accountants, auditor, valuer, legal advisor, financial advisor and other professionals to conduct such review and inspection on the Property, including but not limited to physical, title, records, financial and other inspections in relation to the Property (the "**Due Diligence Inspection**"). The Vendor shall use its best endeavors to assist in the Due Diligence Inspection, including, without limitation, to provide such information and/or documents as may be reasonably required by the Company, its advisors and/or its agents appointed by the Company and to respond to the questions raised by them.

The Company should complete the relevant Due Diligence Inspection within six (6) months after the execution of the Memorandum (the "**Due Diligence Period**"). The Company should, within seven (7) days after the end of the Due Diligence Period, in writing notify the Vendor as to whether it intends to proceed with the Possible Acquisition (the "**Written Notice**").

The Deposit

In consideration of the Vendor agreeing to enter into the Memorandum on terms set out therein, the Company agreed to pay to the Vendor a deposit (the “**Deposit**”) in the sum of HK\$30,000,000 to the Vendor as refundable deposit upon the signing of the Memorandum. The payment of the Deposit has been funded by the internal resources of the Group.

In the event that the Sale and Purchase Agreement is entered into by the Company and the Vendor or, as the case may be, their respective nominees, the Deposit shall be applied as follows:–

- (1) to the extent that the whole or any part of the Consideration shall be payable by the Company to the Vendor by way of cash, the Deposit shall be applied towards the satisfaction of the Consideration, and any amount of the Deposit in excess of the cash portion of the Consideration shall be returned by the Vendor to the Company forthwith upon the signing of the Sale and Purchase Agreement, and in any event within fourteen (14) days from the date thereof; and
- (2) to the extent that the whole of the Consideration shall be payable by the Company to the Vendor by other kind of consideration other than cash, the Vendor shall return the Deposit in full to the Company forthwith upon the signing of the Sale and Purchase Agreement, and in any event within fourteen (14) days from the date thereof.

In the event that the Company is not satisfied with the results of the Due Diligence Inspection, the Deposit (without interest) shall be returned by the Vendor to the Company in full forthwith, and in any event within fourteen (14) days after the receipt of the Written Notice notifying the Vendor that the Company intends not to proceed with the Possible Acquisition.

In the event the Company intends to proceed with the Possible Acquisition but the Sale and Purchase Agreement is not entered into on or before the long stop date (the “**Long Stop Date**”), being the date falling thirty (30) days from the date of the Written Notice (or such later date as may be agreed in writing by the parties thereto), the Deposit (without interest) shall be returned by the Vendor to the Company in full forthwith, and in any event within fourteen (14) days after the Long Stop Date.

Sale and Purchase Agreement

In the event that the Company intends to proceed with the Possible Acquisition, the Company and the Vendor should endeavor to negotiate in good faith towards one another on the terms of the Sale and Purchase Agreement in ensuring that the Sale and Purchase Agreement be entered into upon the Vendor obtains the Property Ownership Certificate in respect of the Property and in any event on or before the Long Stop Date. The Sale and Purchase Agreement will contain, including but not limited to, representations, warranties, undertakings and indemnifications which are customary for the transactions having the nature of the Possible Acquisition, to be given by the Vendor to the Company.

Exclusive negotiation right

During the Due Diligence Period, the Company has exclusive negotiation right regarding the Possible Acquisition, and the Vendor shall not, and shall procure his advisors and agents to not to, negotiate with, or in any form, discuss with, or enter into any agreement or statement of intent of understanding with any third party in regard to the Possible Acquisition unless the Memorandum is terminated in accordance with the terms and conditions of the Memorandum.

INFORMATION ON THE PROPERTY

The Property comprises of (a) the club house and the commercial complex on the 1st floor and 2nd floor (with saleable area 4,221.9 square meters); and (b) a hotel service apartment tower on the 4th floor to the 22nd floor with 249 units (with saleable area 22,258.94 square meters of a commercial complex known as the phase II of Yaoxing Peninsula Holiday Villa# (耀星半島假日莊園) which is situated at Lao Fan Dian Cun, Song County, Luoyang City, Henan Province, the PRC.

The Company was advised by the Vendor that (a) the Vendor has entered into a pre-contract for sale and purchase with the developer of the Property in relation to the sale and purchase of the Property on 9 March 2015 and (b) the Property is still under construction as at the date of this announcement and is expected to be completed by the first quarter of 2017.

REASONS FOR THE POSSIBLE ACQUISITION

The Company is an investment holding company and the Group is principally engaged in the provision of travel agent services, advertising and marketing services, fashion garment trading and mobile application business in Hong Kong.

The Group has been actively seeking new revenue sources and favorable opportunities by ways of acquisitions and capital investment. The Board considers that the Possible Acquisition allows the Group to tap into the property market in the PRC and strengthens the Group's asset base and it is beneficial for the Group to seek suitable investment opportunities from time to time to diversify its existing business portfolio and to broaden the Group's source of income. Having considered the prospects of the property market in the PRC and the PRC economy in general, the Board is confident that the Possible Acquisition will contribute positively to the Group and will maximize the future contribution to the Group.

Having considered the above reasons, the Board is of the view that the entering into of the Memorandum and/or the Sale and Purchase Agreement are in the interests of the Company and the Shareholders as a whole.

GENERAL

The Memorandum does not constitute legally-binding commitment in respect of the Possible Acquisition. The Possible Acquisition is subject to, among others, the execution and completion of the Sale and Purchase Agreement.

The Board wishes to emphasize that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition is materialized, it may constitute a notifiable transaction on the part of the Company pursuant to Chapter 14 of the Listing Rules. In this regard, the Company will comply with the reporting, disclosure and/or Shareholders' approval requirements under the Listing Rules.

Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company in compliance with the Listing Rules as and when appropriate.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Company”	Evershine Group Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on GEM (stock code: 8022)
“Consideration”	the consideration for the Possible Acquisition
“Directors”	directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Memorandum”	the non-legally binding memorandum of understanding dated 27 April 2015 entered into between the Company and the Vendor setting out the preliminary understanding in relation to the Possible Acquisition
“Possible Acquisition”	the possible acquisition by the Company from the Vendor of the Property as contemplated under the Memorandum

“Property”	the property comprises of (a) the club house and the commercial complex on the 1st floor and 2nd floor (with saleable area 4,221.9 square meters); and (b) a hotel service apartment tower on the 4th floor to the 22nd floor with 249 units (with a saleable area 22,258.94 square meters of a commercial complex known as the phase II of Yaoxing Peninsula Holiday Villa# (耀星半島假日莊園) which is situated at Lao Fan Dian Cun, Song County, Luoyang City, Henan Province, the PRC
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Sale and Purchase Agreement”	the formal sale and purchase agreement which may or may not be entered into between the Company and the Vendor (or their nominee) in relation to the Possible Acquisition
“SFO”	The Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Prosperous Glory Limited, being a company incorporated in Hong Kong with limited liability
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong

By order of the Board
Evershine Group Holdings Limited
Wu Wenbei
Chairman and Executive Director

Hong Kong, 27 April 2015

The English translation of the Chinese names or words in this announcement, where indicated, are included for identification purpose only, and should not be regarded as the official English translations of such Chinese names or words.

As of the date hereof, the executive Directors are Mr. Wu Wenbei and Ms. Lin Yan Jenny; and the independent non-executive Directors are Ms. Lam Yuk Ying, Elsa, Mr. Liu Kwong Sang and Mr. He Qinglong.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and on the website of the Company at <http://www.8022hk.com>.