



Evershine Group Holdings Limited

永耀集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 8022)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2015

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This announcement, for which the directors of EVERSHINE GROUP HOLDINGS LIMITED (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors of the Company (the “Director(s)”), having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters the omission of which would make any statement in this announcement misleading.

HIGHLIGHTS

- The Group achieved a turnover of approximately HK\$8,959,000 (continuing operation: approximately HK\$8,449,000 and discontinued operation: approximately HK\$510,000) for the three months ended 31 March 2015 (2014: approximately HK\$5,025,000, continuing operation: approximately HK\$4,940,000 and discontinued operation: approximately HK\$85,000), representing an increase of approximately 78.3% as compared to the corresponding period in 2014.
- Loss from ordinary activities attributable to equity shareholders of the Company was approximately HK\$4,487,000 for the three months ended 31 March 2015 (loss in 2014: approximately HK\$3,123,000).
- Basic loss per share for continuing and discontinued operations for the three months ended 31 March 2015 was approximately HK0.63 cents (basic loss per share in 2014: approximately HK0.57 cents) and loss per share for continuing operation was approximately HK0.59 cents (basic loss per share for continuing operation in 2014: approximately HK0.53 cents).
- The Directors do not recommend the payment of any dividend for the three months ended 31 March 2015 (2014: Nil).

FIRST QUARTERLY RESULTS (UNAUDITED)

For the three months ended 31 March 2015

The board of Directors (the “Board”) of the Company hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the three months ended 31 March 2015 together with the unaudited comparative figures for the corresponding period in 2014 (the “Relevant Period”) as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited	
		Three months ended	
		31 March	
	Notes	2015	2014
			(Restated)
		HK\$'000	HK\$'000
TURNOVER	2		
CONTINUING OPERATIONS		8,449	4,940
DISCONTINUED OPERATIONS		510	85
		8,959	5,025
COST OF SERVICES		(7,930)	(4,068)
GROSS PROFIT		1,029	957
OTHER INCOME AND GAIN	2	44	64
OPERATING AND ADMINISTRATIVE EXPENSES		(5,220)	(4,245)
FINANCE COSTS	4	(856)	(171)
LOSS BEFORE TAXATION	5		
CONTINUING OPERATIONS		(4,468)	(3,003)
DISCONTINUED OPERATIONS		(535)	(392)
TAXATION	6	65	–

CONDENSED CONSOLIDATED INCOME STATEMENT (CONTINUED)

		Unaudited	
		Three months ended	
		31 March	
	Notes	2015	2014
			(Restated)
		HK\$'000	HK\$'000
LOSS FOR THE PERIOD			
CONTINUING OPERATIONS		(4,403)	(3,003)
DISCONTINUED OPERATIONS		(535)	(392)
		(4,938)	(3,395)
ATTRIBUTABLE TO:			
EQUITY SHAREHOLDERS OF THE COMPANY		(4,487)	(3,123)
NON-CONTROLLING INTERESTS		(451)	(272)
		(4,938)	(3,395)
LOSS PER SHARE			
	8		
FOR CONTINUING AND DISCONTINUED OPERATIONS			
– BASIC		(0.63) cents	(0.57) cents
– DILUTED		(0.63) cents	(0.57) cents
FOR CONTINUING OPERATIONS			
– BASIC		(0.59) cents	(0.53) cents
– DILUTED		(0.59) cents	(0.53) cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Three months ended	
	31 March	
	2015	2014
	HK\$'000	HK\$'000
LOSS FOR THE PERIOD	(4,938)	(3,395)
OTHER COMPREHENSIVE EXPENSE FOR THE PERIOD, NET OF TAX		
EXCHANGE DIFFERENCES ON TRANSLATION OF OVERSEAS FINANCIAL STATEMENTS OF SUBSIDIARIES	-	(2)
OTHER COMPREHENSIVE EXPENSE FOR THE PERIOD	-	(2)
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD	(4,938)	(3,397)
ATTRIBUTABLE TO:		
EQUITY SHAREHOLDERS OF THE COMPANY	(4,487)	(3,125)
NON-CONTROLLING INTERESTS	(451)	(272)
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD	(4,938)	(3,397)

Notes:

1. Basis of preparation and principal accounting policies

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

The accounting policies adopted in preparing the unaudited consolidated first quarterly results are consistent with those adopted in the preparation of the annual audited financial statements for the year ended 31 December 2014.

The results of subsidiaries acquired or disposed of during the period are included in the condensed consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intra-group transactions and balances within the Group have been eliminated on consolidation.

The consolidated first quarterly results have not been audited by the Company’s auditor, but have been reviewed by the Company’s audit committee.

2. Turnover, other income and gain

The Group is engaged in the provision of travel agent services, advertising and marketing services and mobile application services. On 28 December 2012, the Company exercised the put option and the discontinued operations for the artist management services and rental services as set out in note 7. Revenue recognized during the Relevant Period is as follows:

	Unaudited	
	Three months ended	
	31 March	
	2015	2014
	HK\$'000	HK\$'000
Turnover		
Continuing operations		
Revenue from travel agent services	8,269	3,065
Advertising and marketing services	180	1,875
Discontinued operations		
Artist management and rental income	510	85
Sub-total	8,959	5,025
Other income and gain		
Sundry income	44	–
Interest income	–	64
Sub-total	44	64
Total	9,003	5,089

3. Segmental information

The Group's operating activities are carried out in the People's Republic of China (the "PRC") and Hong Kong.

An analysis of the Group's revenues and results for the period by business segments is as follows:

(i) For the three months ended 31 March 2015 (Unaudited)

	Continuing operations			Discontinued operations	Total HK\$'000
	Travel agent services (the PRC) HK\$'000	Advertising and marketing services (Hong Kong) HK\$'000	Mobile application (Hong Kong) HK\$'000	Entertainment (Hong Kong) HK\$'000	
Turnover	8,269	180	-	510	8,959
Segment results	(31)	(469)	(39)	(535)	(1,074)
Unallocated items:					
Other income and gain					44
Operating and administrative expenses					(3,117)
Finance costs					(856)
Loss before taxation					(5,003)
Taxation					65
Loss for the period					(4,938)
Attributable to:					
Equity shareholders of the Company					(4,487)
Non-controlling interests					(451)
Loss for the period					(4,938)

3. Segmental information (Continued)

(ii) For the three months ended 31 March 2014 (Unaudited)

	Continuing operations			Discontinued operations	Total HK\$'000
	Travel agent services (the PRC) HK\$'000	Advertising and marketing services (Hong Kong) HK\$'000	Mobile application (Hong Kong) HK\$'000	Entertainment (Hong Kong) HK\$'000	
Turnover	3,065	1,875	-	85	5,025
Segment results	(122)	(177)	(50)	(392)	(741)
Unallocated items:					
Other income and gain					60
Operating and administrative expenses					(2,545)
Finance costs					(169)
Loss before taxation					(3,395)
Taxation					-
Loss for the period					(3,395)
Attributable to:					
Equity shareholders of the Company					(3,123)
Non-controlling interests					(272)
Loss for the period					(3,395)

4. Finance costs

	Unaudited	
	Three months ended	
	31 March	
	2015	2014
	HK\$'000	HK\$'000
Interest on promissory notes	855	169
Interest on finance lease	-	2
Others	1	-
	856	171

5. Loss before taxation

Loss before taxation is arrived at after charging:

	Unaudited	
	Three months ended	
	31 March	
	2015	2014
	HK\$'000	HK\$'000
Cost of services	7,930	4,068
Amortisation of intangible assets	654	25
Depreciation	185	323
Operating lease charges in respect of property rentals	256	291
Staff costs including directors' emoluments	1,310	1,279

6. Taxation

Taxation represents:

	Unaudited	
	Three months ended	
	31 March	
	2015	2014
	HK\$'000	HK\$'000
Deferred tax	65	–
	65	–

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits arising in Hong Kong during the Relevant Periods. PRC Enterprise Income Tax is computed according to the relevant legislation, interpretations and practices in respect thereof during the Relevant Period. The applicable PRC income tax rate is 25% (2014: 25%).

7. Discontinued operations

Fountain City Group

Pursuant to the agreement entered into between the Company and Diwang Limited (the “Vendor”) in connection to the acquisition of the 51% equity interest of Fountain City Holdings Limited and its subsidiaries (“Fountain City Group”) dated on 7 October 2010, the Vendor irrevocably granted to the Company the put option exercisable at any time and from time to time during the option period by notice in writing to the Vendor to require the Vendor to purchase all the option shares from the Company at the option exercise price.

The Company may only exercise the put option on the conditions that:

- (i) the gross profits of the Fountain City Group for the first period shall be less than HK\$15,000,000; or
- (ii) the gross profits of the Fountain City Group for the second period shall be less than HK\$30,000,000.

For the purpose of ascertaining the gross profits for the first period or as relevant, the second period, the Vendor and the Company shall jointly instruct and direct the auditors for the time being of the Fountain City Group to issue the auditors’ certificate stating the amount of actual gross profits for the first period or as relevant, the second period before the date falling two months from the end of the first period or as relevant, the end of the second period.

The rights of the Company to exercise the put option shall be restricted to within one month from the date of the issuance of the auditors’ certificate for the first period or as relevant, the second period (the “option period”) and the right of the Company to exercise the put option shall lapse after expiration of the relevant option period.

7. Discontinued operations (Continued)

Fountain City Group (Continued)

The Vendor has acknowledged to the Company that the actual gross profits for the second period is less than HK\$30,000,000 and the Vendor and the Company agreed to waive the requirement for the issuance of the auditors' certificate. The put option was exercised by the Company on 28 December 2012.

The directors has served an option notice on the Vendor under the agreement stating its intention to exercise the put option and required the Vendor to purchase the option shares from the Company at the pre-agreed option exercise price of HK\$58,680,000.

Completion of the disposal will take place 180 days of the later of: (i) the option notice being received by the Vendor; or (ii) any regulatory authorisations, consents or approvals being obtained.

Completion of the disposal is conditional upon satisfaction of any regulatory authorisations, consents or approvals being obtained (including all regulatory authorisations under the GEM Listing Rules in relation to the disposal and the passing of all the necessary resolution(s) by the independent shareholders pursuant to the GEM Listing Rules).

8. Loss per share

The calculation of the basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of HK\$4,487,000 (loss in 2014: HK\$3,123,000) and the weighted average of 714,657,000 (2014: 560,137,000) ordinary shares in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the period ended 31 March 2015 in respect of a dilution as the share options outstanding had an anti-dilutive effect on basic loss per share amounts presented.

9. Capital and reserves (Unaudited)

	Attribution to equity shareholders of the Company										
	Share capital	Share premium	Exchange reserve	Statutory reserve	Convertible bond reserve	Share option reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2014	280,068	474,962	801	53	-	-	44	(679,560)	76,368	(16,435)	59,933
Total comprehensive expenses for the period	-	-	(2)	-	-	-	-	(3,123)	(3,125)	(272)	(3,397)
As at 31 March 2014	280,068	474,962	799	53	-	-	44	(682,683)	73,243	(16,707)	56,536
At 1 January 2015	755,030	-	752	53	-	-	44	(699,486)	56,393	(19,657)	36,736
Total comprehensive expenses for the period	-	-	-	-	-	-	-	(4,487)	(4,487)	(451)	(4,938)
Issue of right issue	81,927	-	-	-	-	-	-	-	81,927	-	81,927
As at 31 March 2015	836,957	-	752	53	-	-	44	(703,973)	133,833	(20,108)	113,725

10. Share capital

	As at 31 March 2015		As at 31 December 2014	
	Number of shares '000 (Unaudited)	Amount HK\$'000 (Unaudited)	Number of shares '000 (Audited)	Amount HK\$'000 (Audited)
Issued and fully paid:				
At 1 January	560,137	755,030	560,137	280,068
Issue of right issue	280,068	81,927	–	–
Transfer from share premium upon abolition of par value	–	–	–	474,962
At end of period/year	840,205	836,957	560,137	755,030

Note: Par value of the Company's shares is retired and the relevant concepts of nominal value and share premium are abolished upon the commencement of the new Hong Kong Companies Ordinance on 3 March 2014.

11. Interim dividends

The Directors do not recommend any payment of dividend nor transfer of any amount to reserve for the three months ended 31 March 2015 (2014: Nil).

12. Non-adjusting post balance sheet events

During the three months ended 31 March 2015, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities except the proposed placing of 112,026,000 shares by the Company at a price of HK\$0.31 per Placing Share by way of placing. Completion of the Placing is subject to the fulfillment of the conditions precedent in the Placing Agreement. On 22 April 2015, all the conditions set out in the Placing Agreement have been fulfilled and completion of the Placing took place on 22 April 2015.

Details refer to the Company's announcements dated 14 April 2015 and 22 April 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Turnover

The unaudited consolidated turnover of the Group for the three months ended 31 March 2015 was approximately HK\$8,959,000 (2014: approximately HK\$5,025,000) representing an increase of approximately 78.3% over the corresponding period in 2014.

Gross profit

The gross profit for the three months ended 31 March 2015 was approximately HK\$1,029,000 (2014: approximately HK\$957,000).

Loss attributable to equity shareholders

The loss attributable to equity shareholders of the Company was approximately HK\$4,487,000 for the three months ended 31 March 2015 (loss in 2014: approximately HK\$3,123,000).

Basic loss per share

For the three months ended 31 March 2015, basic loss per share was approximately HK0.63 cents (basic loss per share in 2014: approximately HK0.57 cents).

Foreign currency risk

The majority of the Group's transactions, income and expenditure, bank loan and other borrowings are denominated in HK\$ and Renminbi ("RMB"). No hedging or other arrangements to reduce the currency risk have been implemented during the three months ended 31 March 2015 as the Board considers that the potential foreign exchange exposure of the Group is limited.

Contingent liabilities

As at 31 March 2015, the Group had no material contingent liabilities (31 December 2014: Nil).

Rights Issue on the basis of one rights share for every two shares held

On 12 December 2014, the Company proposed to raise approximately HK\$84 million, before expenses, by issuing 280,068,452 new shares (the “Rights Shares”) to the qualifying shareholders of the Company at a subscription price of HK\$0.30 per Rights Share by way of rights issue on the basis of one Rights Share for every two shares held on 23 December 2014. 280,068,452 Rights Shares have been issued on 9 February 2015. The net proceeds of the Group from the rights issue were approximately HK\$81,000,000.

Please refer to the Company’s announcements dated 12 December 2014 and 6 February 2015 and the Company’s prospectus dated 14 January 2015 for details.

Operational Review and Prospect

Last year, the Company has changed its name from TLT Lottotainment Group Limited to Evershine Group Holdings Limited. This name change provides us a new image moving forward and signifies a new direction and strategy of the Group – which is to increase synergy among the Group’s core businesses and seek new revenue sources and favorable opportunities by ways of acquisitions and capital investment.

The operation of the travel agency business has been unprofitable during the period. We will continue to take a prudent approach in further developing of the travel agency business.

Advertising and marketing business have recorded a loss during the period. The management team is in the course of reviewing the business plans and revenue model in addition to exploring collaboration opportunities to enhance the profitability of this business segment.

The mobile application business segment is a new contributor to the revenue of the Group last year and the management team believes the rapidly growing mobile application market will bring forth huge business opportunities. Through acquisition, the Group has participated in mobile game publishing and cloud marketing business. The management is confident that mobile application businesses will become a major contributor to the Group’s revenue in the coming years.

In 2015, ongoing improvements in the global economy are expected and this understanding will form the basis of developing the Group’s business strategies moving forward. We will ensure stable and healthy business growth by leveraging on our strengths and experiences, while actively seeking investment opportunities in various business segments.

Information on Possible Acquisitions

(i) *The memorandum of understanding in relation to a proposed acquisition*

On 5 December 2014, the Company and Starways Holding Inc. entered into a memorandum of understanding (the “MOU”) in relation to the proposed acquisition of the entire issued share capital of Great Empire International Group Limited (the “Target”). The Target indirectly holds a wholly-owned subsidiary in the PRC, namely 深圳市博泰生物技術應用管理有限公司 which engages in tumor treatment technology development and applications. The MOU is not legally binding with regard to the proposed acquisition, and the proposed acquisition may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

Details refer to the Company’s announcement dated 5 December 2014.

(ii) *The memorandum of understanding in relation to a proposed acquisition*

On 9 April 2015, the Company and Cheng Kwok Wo entered into a memorandum of understanding (the “MOU”) in relation to the proposed acquisition of 100% of the issued share capital of Fortune Ford Limited (the “Target Company”). The Target Company will procure a wholly owned subsidiary to be established in the PRC to purchase 90% of the equity interests of 柘城縣襄安陵有限公司, a company established in the PRC with limited liability, which holds 100% of the right for construction and trading of a cemetery named 柘城縣襄安陵公墓 located at Zhecheng County, Henan Province, the PRC. The MOU is not legally binding with regard to the proposed acquisition, it may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the shares.

Details refer to the Company’s announcement dated 9 April 2015.

(iii) *The memorandum of understanding in relation to a proposed acquisition*

On 27 April 2015, the Company and Prosperous Glory Limited entered into a memorandum of understanding (the “MOU”) in relation to the proposed acquisition of the Property (as defined below). 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 “Property”). The MOU is not legally binding with regard to the proposed acquisition. It may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

Details refer to the Company’s announcement dated 27 April 2015.

Update on Disposal of subsidiaries

(i) *Update on exercise of put option and settlement deed for Fountain City Group*

As disclosed in the Company’s announcement dated 28 December 2012, regarding the exercise of put option in relation to Fountain City group, on 28 December 2012, the Company and the Vendor, have agreed on the exercise by the Company of the Put Option of Fountain City Holdings Limited (the “Disposed Company”) to put back the Sale Shares to the Vendor at the Put Option Price of HK\$58,650,000 as the Vendor had acknowledged that the Disposed Company was loss making.

The Disposed Company was a 51% owned subsidiary of the Group. The principal business of the Disposed Company and its subsidiaries is (i) entertainment programme production; (ii) events organization; and (iii) TV-series production.

As disclosed in the Company’s announcement dated 26 August 2013, the Disposal was approved by the shareholders of the Company (the “Shareholders”) at the extraordinary general meeting held on 26 August 2013. Accordingly, the Completion shall take place on or before 24 February 2014 which is 180 days after the Disposals is approved by the Shareholders and the Option Exercise price shall be satisfied by the Vendor to the Purchaser on the same day. However the Vendor has failed to effect payments of the Option Exercise Price and the Loans pursuant to the Agreement and the Verbal Agreement.

As disclosed in the Company's announcement dated 24 March 2014, after negotiations with the Vendor and the Guarantor, the parties entered into a deed of settlement pursuant to which the Vendor and the Guarantor jointly and severally covenant to the Purchaser that they shall effect payment of the Option Exercise Price and the Loans in the aggregate amount of HK\$64,894,000 by four equal instalment payments of HK\$16,223,500 each with the first instalment payment to be made on or before 24 September 2014, the second instalment payment to be made on or before 24 December 2014, the third instalment payment to be made on or before 24 March 2015 and the fourth payment to be made on or before 24 June 2015.

On 30 December 2014, the Vendor effected partial payment of HK\$6,000,000 out of the aggregate amount of HK\$64,894,000 pursuant to the Settlement Deed.

After negotiations with the Vendor and the Guarantor, the parties have reached a settlement relating to the overdue of the outstanding balance of the settlement sum of HK\$58,894,000 (the "Outstanding Settlement Sum") and a supplemental deed (the "Supplemental Deed") was entered into among the Purchaser, the Vendor and the Guarantor on 20 March 2015, pursuant to which the Vendor and the Guarantor jointly and severally covenant to the Purchaser that the Outstanding Settlement Sum shall be paid and settled by two equal instalment payments of HK\$29,447,000 each, payable on or before the expiration of six months and twelve months from the date of the Supplemental Deed respectively.

The settlement was reached after arm's length negotiations between the Company, the Vendor and the Guarantor. In light of the global financial crisis and economic slowdown, which has adversely affected the ability of the Vendor and Guarantor to perform their respective obligations under the Settlement Deed, and the fact that the Vendor has made a payment of HK\$6,000,000 on 30 December 2014 reassures that the Vendor has the intention to settle the Outstanding Settlement Sum. The Company has decided to not include interest accrued on the Outstanding Settlement Sum in order to speed up the negotiation procedures. The Company believes the entering into of the Supplemental Deed will save legal and professional costs, however, the Company reserve it's rights to commence legal proceedings against the Vendor and/or the Guarantor if they fail to honour their payment obligations under the Supplemental Deed. All the Directors including the independent non-executive Directors have confirmed that the terms of the Supplemental Deed are fair and reasonable, are on normal commercial terms and are in the interests of the Company and its shareholders as a whole. The Company will provide periodic updates by way of announcement regarding the Disposal as and when appropriate.

Detail refer to the Company's announcements dated 8 January 2013, 26 August 2013, 24 March 2014 and 20 March 2015 and the Company's circular dated 8 August 2013.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2015, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealings by directors as referred to in Rule 5.46 of the GEM Listing Rules.

SHARE OPTION SCHEMES

A share option scheme was adopted on 30 July 2001, amended on 2 December 2008 by the Shareholders (the "Old Scheme") under which the Directors may, at their discretion, grant options to themselves and any employees of the Group entitling them to subscribe for shares representing up to a maximum of 10 per cent of the shares in the Company in issue from time to time (excluding shares which have been allotted and issued pursuant to the Old Scheme). The Old Scheme was terminated and a new share option scheme (the "New Scheme") was adopted on 9 May 2011 by the shareholder of the Company. The purpose of the New Scheme is to enable the Company to grant options to participants as incentives and rewards for their contribution to the Company or its subsidiaries.

There has no outstanding share option under the Old Scheme as at 1 January 2015 and 31 March 2015 and no options have been granted under the New Scheme since its adoption.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules ("Model Code"). The Company has confirmed, having made specific enquiry of the Directors, that all the Directors have complied with the required standards of dealings as set out in the Model Code throughout the period under review. The Company was not aware of any non-compliance during the three months ended 31 March 2015.

SUBSTANTIAL SHAREHOLDERS' INTEREST IN SHARES

As at 31 March 2015, other than the interests and short positions of the Directors or chief executives of the Company disclosed above, person or corporation who had interests in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long Positions in shares and underlying shares of the Company

Name of substantial shareholder	Capacity and nature of interests	Number of shares held	Number of underlying shares held	Total	Approximate percentage of the Company's issued share capital
Mr. Lau Yu	Beneficial Owner	194,713,000	0	194,713,000	23.17%
Ms. Yiu Wing Hei	Beneficial Owner	52,688,420	0	52,688,420	6.27%
Mr. Wong Tai Kuen	Beneficial Owner	52,686,000	0	52,686,000	6.27%

Save as disclosed above, as at 31 March 2015, the Directors or chief executives of the Company were not aware of any party who had an interest or short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or substantial shareholders as recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed under the sections "Share Option Schemes" and "Directors' and chief executives' interests and short position in the shares, underlying shares and debentures" above, at no time during the three months ended 31 March 2015 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the three months ended 31 March 2015, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

COMPETING INTERESTS

During the three months ended 31 March 2015, as far as the Directors are aware of, none of the Directors or the management shareholders of the Company (as defined in the GEM Listing Rules) has any interest in a business which competes or may compete with the business of the Group or has any other conflict of interest with the Group.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference based upon the guidelines recommended by the Hong Kong Institute of Certified Public Accountants. The primary duties of the audit committee of the Company (the "Audit Committee") are the review and supervision of the Company's financial and accounting policies and practices, financial controls, internal controls and risk management systems. The Audit Committee comprises three independent non-executive Directors, namely Mr. Liu Kwong Sang (Chairman), Ms. Lam Yuk Ying, Elsa, and Mr. He Qinglong.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group with the management of the Company and discussed auditing, internal control and financial reporting matters including the review of the unaudited consolidated financial statements for the three months ended 31 March 2015.

By order of the Board

Evershine Group Holdings Limited

Wu Wenbei

Chairman and Executive Director

Hong Kong, 11 May 2015

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