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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)

MAJOR TRANSACTION

Financial Adviser to the Company



Gram Capital Limited
嘉林資本有限公司

THE ACQUISITION

Reference is made to the announcement of the Company dated 9 April 2015 in relation to the MOU entered into between the Company and the Vendor regarding the Acquisition.

The Board is pleased to announce that, on 15 September 2015 (after trading hours), the Purchaser (being a wholly-owned subsidiary of the Company) and the Vendor entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of, the Sale Shares at the Consideration of HK\$110,000,000 to be settled by the combination of cash, the Convertible Bonds and the Promissory Note.

GEM LISTING RULES IMPLICATION

As the relevant percentage ratios of the Acquisition calculated pursuant to Rule 19.07 of the GEM Listing Rules exceed 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the approval by the Shareholders under Chapter 19 of the GEM Listing Rules.

The EGM will be convened for the purpose of considering and, if thought fit, approving the Acquisition and the transactions contemplated thereunder and the Specific Mandate. To the best of the knowledge and belief of the Directors, having made all reasonable enquiries, no Shareholder has a material interest in the transactions contemplated under the Agreement such that he or it shall abstain from voting at the EGM on an ordinary resolution to approve the Agreement and the transactions contemplated thereunder and the Specific Mandate.

GENERAL

A circular containing details regarding, among others, (i) further details of the Acquisition and the transactions contemplated thereunder; (ii) the valuation report of the Target Group; (iii) financial and other information of the Group; (iv) financial and other information of the Target Group; and (v) pro forma financial information of the Group as enlarged by the Acquisition, will be despatched to the Shareholders in accordance to the GEM Listing Rules as soon as practicable, which is expected to be on or before 8 October 2015.

BACKGROUND

Reference is made to the announcement of the Company dated 9 April 2015 in relation to the MOU entered into between the Company and the Vendor regarding the Acquisition.

The Board is pleased to announce that, on 15 September 2015 (after trading hours), the Purchaser (being a wholly-owned subsidiary of the Company) and the Vendor entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of, the Sale Shares at the Consideration of HK\$110,000,000 to be settled by the combination of cash, the Convertible Bonds and the Promissory Note.

THE ACQUISITION

Set out below are the principal terms of the Agreement:

Date

15 September 2015

Parties involved

- (i) the Purchaser; and
- (ii) the Vendor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Vendor and his associates are Independent Third Parties and do not hold any Shares or other convertible securities in the Company as at the date of this announcement; and (ii) there was no previous transaction or business relationship among the Company, the Vendor and/or his associates in the previous 12 months which would result in aggregation under Rule 19.22 of the GEM Listing Rules.

Subject matter

Pursuant to the Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of, the Sale Shares, representing the entire equity interest in the Target Company. Pursuant to the Agreement, the Vendor has warranted that the Target Company and its subsidiaries will have no outstanding liabilities, indebtedness, guarantee or other outstanding of whatever nature (whether actual or contingent) as at Completion.

Consideration

The Consideration is HK\$110,000,000 and shall be payable by the Purchaser in the following manner:

- (i) as to HK\$20,000,000 of the Consideration has been paid by the Company to the Vendor under the MOU, being the initial deposit (the “**Initial Deposit**”) and the partial payment towards the Consideration;
- (ii) as to HK\$10,000,000 of the Consideration (the “**Further Deposit**”, together with the Initial Deposit as the “**Deposit**”) shall be settled by the Purchaser by way of a cashier order issued by or a cheque drawn against a licensed bank in Hong Kong for the relevant sum and made payable to the Vendor (or as he may direct in writing) upon the entering into of the Agreement;
- (iii) as to HK\$49,680,000 of the Consideration, by procuring the Company to issue the Convertible Bonds to the Vendor upon Completion; and
- (iv) as to HK\$30,320,000 of the Consideration, by procuring the Company to issue the Promissory Notes to the Vendor upon Completion.

The Consideration of HK\$110,000,000 was arrived after arm's length negotiations between the Vendor and the Purchaser after taking into account of the preliminary valuation of the Target Group of approximately HK\$127 million as at 31 August 2015 prepared by an independent valuer based on income approach.

Principal assumptions applied in the aforesaid valuation includes the following:

- The discount rate of around 14.8% was applied in the valuation, with reference to five listed companies with business scopes and operations similar to those of the Target Group, namely Anxian Yuan China Holdings Limited (Stock Code: 922), Fu Shou Yuan International Group Limited (Stock Code: 1448), Sage International Group Limited (Stock Code: 8082), Grand Peace Group Holdings Limited (Stock Code: 8108) and Sino-Life Group Limited (Stock Code: 8296);
- Compared to similar interest in public companies, ownership interest is not readily marketable for closely held companies. Therefore, the value of a share of stock in a privately held company is usually less than an otherwise comparable share in a publicly held company. With reference to the 2015 edition of the Companion Guide to the FMV Restricted Stock Study, a marketability discount of 16.11% was adopted in arriving at the market value of the Target Group;
- The consolidated management accounts of the Target Group as at 31 August 2015 was adopted in the valuation;
- The management of the Target Group expected that the sales of cemeteries would commence in 2016, with average selling price of RMB25,000 per unit of cemetery;
- The operating costs of the Target Group would mainly include cost of goods sold, selling expense, administrative expense, depreciation and amortization expenses;
- The income tax expense was based on the corporate tax rate in the PRC of 25%;
- All relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Target Group operates or intends to operate would be officially obtained and renewable upon expiry;
- There will be sufficient supply of technical staff in the industry in which the Target Group operates, and the Target Group will retain competent management, key personnel and technical staff to support its ongoing operations and developments;
- There will be no major change in the current taxation laws in the localities in which the Target Group operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;
- There will be no major change in the political, legal, economic or financial conditions in the localities in which the Target Group operates or intends to operate, which would adversely affect the revenues attributable to and profitability of the Target Group; and
- Interest rates and exchange rates in the localities for the operation of the Target Group will not differ materially from those presently prevailing.

Details of the final valuation report on the Target Group and relevant comfort letters as required under Rule 19.62 of the GEM Listing Rules will be set out in the circular to be despatched to the Shareholders in respect of the Acquisition.

Conditions precedent

Completion is conditional upon each of the following being satisfied (or, where applicable, waived by the Purchaser):

- (a) the Purchaser being satisfied with the results of the due diligence review to be conducted on the assets, liabilities, operations and affairs of the Target Group;
- (b) all necessary consents and approvals required to be obtained on the part of the Vendor and the Purchaser in respect of the Agreement and the transactions contemplated thereby having been obtained;
- (c) the warranties given by the Vendor under the Agreement remaining true and accurate in all respects;
- (d) the Stock Exchange granting the listing of and permission to deal in, the Conversion Shares;
- (e) the passing by the Shareholders at the EGM to be convened and held of the necessary resolutions to approve the Agreement and the transactions contemplated thereunder, including but not limited to the allot and issue of the Conversion Shares;
- (f) the obtaining of a PRC legal opinion (in form and substance satisfactory to the Purchaser) from a PRC legal adviser appointed by the Purchaser in relation to the Agreement and the transactions contemplated thereby and such other matter as may be reasonably required in relation to the business to be carried out by the Operating Company; and
- (g) the obtaining of a valuation report (in form and substance satisfactory to the Purchaser) from a firm of independent professional valuers appointed by the Purchaser showing the valuation of the Target Group to be not less than HK\$123 million.

Condition (a) above may be waivable by the Purchaser in its absolute and sole discretion. The other conditions above shall not be waivable. If the above conditions have not been satisfied (or as the case may be, waived by the Purchaser in respect of condition (a) above) on or before 4:00 p.m. on 29 February 2016, or such later date as the Vendor and the Purchaser may agree in writing, subject to the full refund of the Deposit, the Agreement shall cease and determine and neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof. As at the date of this announcement, the Purchaser has no intention to waive any condition of the Agreement.

Completion

Upon compliance with or fulfilment (or waiver) of all the conditions set out in the condition precedents above, Completion shall take place on the Completion Date, or such later date as the Vendor and the Purchaser may agree.

Upon Completion, the Target Company, Zhengzhou Company and the Operating Company will become subsidiaries of the Company.

The Convertible Bonds

The principal terms of the Convertible Bonds are summarised as follows:

Issuer: The Company

Principal amount: HK\$49,680,000

Interest: The Convertible Bonds will bear interest from the date of issue at the rate of 2% per annum on the principal amount of the Convertible Bonds outstanding and will be payable by the Company annually in arrears on dates falling each anniversary of the date of issue of the Convertible Bond. Interest on the principal amount of the Convertible Bonds shall be calculated on a 365-day year basis

CB Maturity Date: The second anniversary of the date of issue of the Convertible Bonds

Conversion rights: Provided that (i) any conversion of the Convertible Bonds does not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Bondholder who exercise the Conversion Rights, whether or not such mandatory offer obligation is triggered off by the fact that the number of Conversion Shares to be allotted and issued upon the exercise of the Conversion Rights attaching to the Convertible Bonds (if applicable, including any Shares acquired by the parties acting in concert with the Bondholders) represents more than 30% (or such other percentage as stated in Rule 26 of the Takeovers Code in effect from time to time) of the then issued ordinary share capital of the Company or otherwise pursuant to other provisions of the Takeovers Code; and (ii) the public float of the Shares shall not be less than 25% (or any given percentage as required by the GEM Listing Rules) of the issued Shares of the Company at any one time in compliance with the GEM Listing Rules, the Bondholder shall, subject to compliance with relevant procedures, have the right at any time during the Conversion Period to convert the whole or part of the outstanding principal amount of the Convertible Bonds registered in its name into Shares provided further that any conversion shall be made in amounts of not less than a whole multiple of HK\$1,000,000 on each conversion save that if at any time the aggregate outstanding principal amount of the Convertible Bonds is less than HK\$1,000,000, the whole (but not part only) of the outstanding principal amount of the Convertible Bonds may be converted.

Conversion Price: The Conversion Price shall be initially equal to HK\$0.138 per Conversion Share, subject to adjustments of represents: (i) a discount of approximately 9.21% to the closing price of HK\$0.152 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 13.75% to the average closing price of HK\$0.160 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

Adjustment events: The Conversion Price shall from time to time be adjusted in the event of consolidation or sub-division.

If and whenever the Shares by reason of any consolidation or sub-division, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the revised number of Shares in issue and dividing the result by the number of Shares in issue.

For the avoidance of doubt, there will be no other adjustment to the Conversion Price other than as a result of consolidation or sub-division.

Conversion Shares: Based on the initial Conversion Price of HK\$0.138 and a number of 360,000,000 Conversion Shares will be allotted and issued upon exercise in full of the conversion rights attaching to the Convertible Bonds, such Conversion Shares represent:

- (i) approximately 37.81% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 27.43% of the existing issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon exercise in full of the conversion rights attaching to the Convertible Bonds.

The Conversion Shares shall be allotted and issued under the Specific Mandate to be sought at the EGM.

Early redemption: The Company may at any time before the CB Maturity Date by serving at least 14 days' prior written notice on the Bondholder with the total amount proposed to be redeemed from the Bondholder specified therein, redeem the Convertible Bonds (in whole or in part) at 100 per cent. to the principal amount of the Convertible Bonds to be redeemed.

The Bondholder may at any time before the CB Maturity Date by serving at least 14 days' prior written notice on the Company with the total amount proposed to be redeemed specified therein, demand the Company to redeem the Convertible Bonds at par upon the occurrence any of the following events (each an “**Event of Default**”):

- (i) **Payment default:** a default is made in the payment of principal amount, interest and entitlements due in respect of any of the Convertible Bonds and such default is not cured within 20 Business Days;
- (ii) **Other default:** a default is made by the Company in the performance or observance of any covenant, condition or provision contained in the instrument of the Convertible Bonds or in the Convertible Bonds and on its part to be performed or observed (other than the covenant to pay the principal, premium (if any), interest and entitlements in respect of any of the Convertible Bonds) and such default continues for the period of 20 Business Days next following the service by any Bondholder on the Company of notice specifying brief details of such default and requiring such default to be remedied;
- (iii) **Dissolution of the Company and Disposals:** a resolution is passed or an order of a court of competent jurisdiction is made that the Company be wound up or dissolved or the Company disposes of all or substantially all of its assets, otherwise, in any such case, than for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reorganisation, the terms of which shall have previously been approved in writing by an ordinary resolution by the Bondholder;
- (iv) **Encumbrances:** an encumbrancer takes possession or a receiver, administrator, manager or similar officer is appointed of the whole or a material part of the assets or undertaking of the Company;
- (v) **Distress etc.:** a distress, execution or seizure before judgment is levied or enforced upon or sued out against a material part of the property of the Company and is not discharged within 20 Business Days thereof;

- (vi) **Bankruptcy:** the Company becomes insolvent or is unable to pay its debts as and when they fall due or stops or suspends making payments (whether principal or interest) with respect to all or any class of debts or the Company shall initiate or consent to or suffer proceedings relating to itself under any applicable bankruptcy, reorganisation or insolvency law or takes any proceeding under any law for a readjustment or deferment of its obligations or make an assignment for the benefit of, or enter into any composition with, its creditors;
- (vii) **Cessation of listing and suspension of trading:** the Shares cease to be listed on the Stock Exchange or are suspended for the trading on the Stock Exchange for more than 90 consecutive trading days; or
- (viii) **Majority of board members:** the existing Directors of the Company as at the date of the Agreement no longer constitute the majority of board members of the Company.

Ranking: The Shares issued upon conversion of the Convertible Bonds will in all respects rank pari passu with the Shares in issue on the relevant Conversion Date as if the Shares issued on conversion had been issued on such date and accordingly shall entitle the holders to participate in all dividends or other distributions declared, paid or made on or after the relevant Conversion Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the relevant Conversion Date.

Transferability: With the prior written notification to the Company, the Convertible Bonds may be assigned or transferred to any transferee provided that any transfer or assignment of the Convertible Bonds made to any connected person of the Company (as defined under the GEM Listing Rules) shall be subject to compliance with the applicable GEM Listing Rules. The Convertible Bonds may be assigned or transferred in whole or in part (in whole multiples of HK\$1,000,000) of its outstanding principal amount and the Company shall facilitate any such assignment or transfer of the Convertible Bonds, including making any necessary applications to the Stock Exchange for the said approval (if required).

Application for listing: No application will be made for a listing of the Convertible Bonds on the Stock Exchange or any other stock exchange. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

Voting rights: The Bondholder shall not be entitled to attend or vote at any meetings of the Company by reason only of he/she/it being the Bondholder.

The Promissory Notes

The principal terms of the Promissory Notes are summarised as follows:

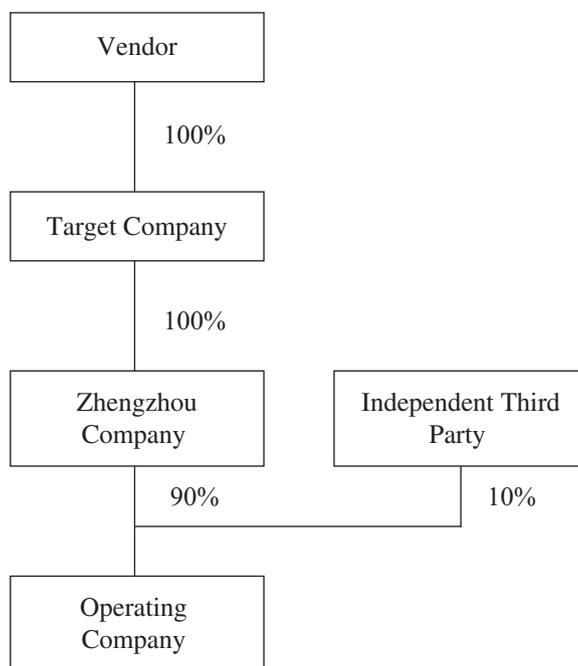
- Issuer: The Company
- Principal amount: HK\$30,320,000
- Interest: The principal amount of the Promissory Notes shall bear interest at the rate of 2% per annum from the date of issue until full repayment.
- PN Maturity Date: The first anniversary of the date of issuance of the Promissory Notes.
- Payment: The principal shall be paid to the Vendor in full on the PN Maturity Date, with all outstanding interest accrued thereon.

Principal may be prepaid in full or in part by the Company at any time together with interest accrued thereon without penalty.

INFORMATION ON THE TARGET GROUP

Shareholding structure of the Target Group

Set out below is the shareholding structure of the Target Group as at the date of this announcement:



Target Company

The Target Company is an investment holding company established in Hong Kong with limited liability on 2 February 2015. As at the date of this announcement, apart from its 100% equity interest in the Zhengzhou Company, the Target Company does not have any business operation.

Zhengzhou Company

The Zhengzhou Company is a wholly foreign owned enterprise and was established in the PRC on 16 June 2015. As at the date of this announcement, apart from its 90% equity interest in the Operating Company, the Zhengzhou Company does not have any business operation.

Operating Company

The Operating Company is a company established in the PRC with limited liability on 11 March 2015. As at the date of this announcement, the Operating Company is owned as to 90% by the Zhengzhou Company and 10% by an Independent Third Party.

The Operating Company is principally engaged in the construction and operation of a cemetery named 柘城縣襄安陵公墓 (Zhecheng County Xianganling Cemetery*) (the “**Cemetery**”). The construction and development of the Cemetery has been approved by 柘城縣人民政府 (People’s Government of Zhecheng County*), 柘城縣民政局 (Zhecheng County Civil Affairs Bureau*) and 河南省民政廳 (Civil Affairs Department of Henan Province). The Operating Company has obtained the operating permit in respect of the Cemetery. The Cemetery is situated on a land with land area of approximately 47 Mu (the “**Land**”) which is located at Zhecheng County, Henan Province, the PRC. The Land has been leased from an Independent Third Party (the “**Land Use Right Owner**”) with annual rental fee of RMB1,000 per Mu. The Operating Company and the Land Use Right Owner have on 31 August 2015 entered into an agreement for the acquisition of the use right of the Land by the Operating Company with a compensation amount of RMB250,000 per Mu. Before obtaining the use right of the Land, the Operating Company will continue to lease the Land in accordance with the terms of the lease.

It is the Operating Company’s plan to utilise as to 40% of total area of the Land, being approximately 18.8 Mu for the construction of infrastructure facilities, including greened area, road, public square, office building, etc.. The remaining of 60% total area of the Land, being approximately 28.2 Mu, is planned for the construction of 18,800 unit of cemeteries. The aforesaid construction work is expected to commence in December 2015 and the sales of cemeteries is expected to commence in January 2016.

The selling price of each unit of cemetery will be determined by the Operating Company with reference to its location and size. The average selling price of each unit of cemetery is RMB25,000.

Financial information of the Target Group

Set out below is the unaudited consolidated financial information of the Target Group for the period from 2 February 2015 (being the incorporation date of the Target Company) to 31 August 2015 prepared in accordance with the Hong Kong Financial Reporting Standards:

| | For the period from 2 February 2015 (being the incorporation date of the Target Company) to 31 August 2015 <i>HK\$'000</i> |
|-----------------|---|
| Loss before tax | (249) |
| Loss after tax | (249) |
| | As at 31 August 2015 <i>HK\$'000</i> |
| Net assets | 11,212 |

REASONS FOR THE ACQUISITION

The Group is engaged in the provision of travel agent services, advertising and marketing services, fashion garment trading and mobile application business.

The Group had been making loss since its financial year ended 2007. It is the Group's strategy 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 Company is also actively seeking investment opportunities in various business segments with the aim to improve the profitability of the Group.

Given the above, the Board considers that the Acquisition would enable the Group to expand its source of revenue to the cemetery business and diversify the Group's revenue base. Accordingly, the Directors are of the view that the Acquisition would be in the interests of the Company and the Shareholders as a whole and the terms of the Agreement are fair and reasonable and on normal commercial terms.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purpose only, set out below is a summary of the shareholdings in the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Conversion Shares upon the exercise of the conversion rights attaching to the Convertible Bonds at the initial Conversion Price in full, assuming there is no other change in the shareholding structure of the Company before the issue of the Conversion Shares:

| | As at the date of this announcement | | Immediately after allotment and issue of the Conversion Shares (assuming the exercise of the conversion rights attaching to the Convertible Bonds in full at the initial Conversion Price) | |
|------------------------------|-------------------------------------|----------------------|--|----------------------|
| | <i>Number of Shares</i> | <i>Approximate %</i> | <i>Number of Shares</i> | <i>Approximate %</i> |
| Mr. Lau Yu | 173,653,000 | 18.24 | 173,653,000 | 13.23 |
| The Vendor | – | – | 360,000,000 | 27.43 |
| Existing public Shareholders | 778,578,356 | 81.76 | 778,578,356 | 59.34 |
| Total | <u>952,231,356</u> | <u>100</u> | <u>1,312,231,356</u> | <u>100</u> |

GEM LISTING RULES IMPLICATION

As the relevant percentage ratios of the Acquisition calculated pursuant to Rule 19.07 of the GEM Listing Rules exceed 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the approval by the Shareholders under Chapter 19 of the GEM Listing Rules.

The EGM will be convened for the purpose of considering and, if thought fit, approving the Acquisition and the transactions contemplated thereunder and the Specific Mandate. To the best of the knowledge and belief of the Directors, having made all reasonable enquiries, no Shareholder has a material interest in the transactions contemplated under the Agreement such that he or it shall abstain from voting at the EGM on an ordinary resolution to approve the Agreement and the transactions contemplated thereunder and the Specific Mandate.

GENERAL

A circular containing details regarding, among others, (i) further details of the Acquisition and the transactions contemplated thereunder; (ii) the valuation report of the Target Group; (iii) financial and other information of the Group; (iv) financial and other information of Target Group; and (v) pro forma financial information of the Group as enlarged by the Acquisition, will be despatched to the Shareholders in accordance to the GEM Listing Rules as soon as practicable, which is expected to be on or before 8 October 2015.

DEFINITIONS

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

| | |
|--------------------|---|
| “Acquisition” | the acquisition of the Sale Shares pursuant to the Agreement |
| “Agreement” | the agreement dated 15 September 2015 entered into between the Purchaser and the Vendor in relation to the Acquisition |
| “associate(s)” | has the meaning ascribed thereto under the GEM Listing Rules |
| “Board” | the board of Directors |
| “Bondholder(s)” | holders of the Convertible Bonds |
| “Business Day(s)” | a day (other than a Saturday, Sunday or public holiday or a day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which the licensed banks in Hong Kong are generally open for business throughout their normal business hours |
| “BVI” | the British Virgin Islands |
| “CB Maturity Date” | the second anniversary of the date of issuance of the Convertible Bonds |
| “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) |
| “Completion” | completion of the Acquisition |
| “Completion Date” | the third Business Day after the date of fulfillment (or waiver) of all the conditions precedent as set out in the Agreement |
| “Consideration” | the consideration for the Acquisition in the amount of HK\$110,000,000 |

| | |
|--------------------------------|--|
| “Conversion Period” | the period commencing from the date of issue of the Convertible Bonds up to 4:00 p.m. (Hong Kong time) on the day immediately prior to and exclusive of the CB Maturity Date |
| “Convertible Bonds” | the convertible bonds in the agreed form in the principal amount of HK\$49,680,000 to be issued by the Company in favour of the Vendor at the Completion in part satisfaction of the Consideration |
| “Director(s)” | director(s) of the Company |
| “EGM” | the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder |
| “GEM” | the Growth Enterprise Market of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party(ies)” | third party(ies) and their ultimate beneficial owner(s) (if applicable) which are independent of the Company and its connected persons |
| “Last Trading Day” | 15 September 2015, being the last full trading day of the Shares on the Stock Exchange immediately prior to the publication of this announcement |
| “MOU” | the non-legally binding memorandum of understanding dated 9 April 2015 and entered into between the Company and the Vendor |
| “Mu” | Chinese Mu, one of which equals approximately 667 square meters |
| “Operating Company” | 柘城縣襄安陵有限公司 (Zhecheng County Xianganling Company Limited*), a company established in the PRC with limited liability |
| “PN Maturity Date” | the first anniversary of the date of issuance of the Promissory Notes |

| | |
|------------------------------|--|
| “PRC” | the People’s Republic of China |
| “Promissory Notes” | the promissory notes to be issued by the Company pursuant to the Agreement |
| “Purchaser” | Vital Fortune International Investment Limited, a company incorporated in the BVI with limited liability, being a wholly-owned subsidiary of the Company |
| “Sale Shares” | 10,001 shares of the Target Company, representing the entire issued share capital of the Target Company |
| “Share(s)” | ordinary share(s) in the issued and unissued capital of the Company |
| “Shareholder(s)” | the holder(s) of issued Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “substantial shareholder(s)” | has the meaning ascribed thereto under the GEM Listing Rules |
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers |
| “Target Company” | Fortune Ford Limited, a company incorporated in Hong Kong with limited liability |
| “Target Group” | The Target Company and its subsidiaries |
| “Vendor” | Mr. Cheng Kwok Wo |
| “Zhengzhou Company” | 鄭州鼎鑿瀚鑫貿易有限公司 (Zhengzhou Dingjun Hanxin Trading Company Limited*), a wholly foreign owned enterprise established in the PRC |
| “%” or “per cent.” | percentage or per centum |

By Order of the Board
Evershine Group Holdings Limited
Lau Yu
Chairman and executive Director

Hong Kong, 15 September 2015

As of the date hereof, the executive Directors are Mr. Lau Yu and Ms. Ang Lai Kuen; and the independent non-executive Directors are Ms. Lam Yuk Ying, Elsa, Mr. Liu Kwong Sang and Ms. Choy So Yuk, BBS, JP.

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 GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least seven days from the date of its posting and the Company’s website at <http://www.8022hk.com>.

** For identification purposes only*