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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

PLACING AGENT



KGI Asia Limited

PLACING OF NEW SHARES

On 12 November 2015 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has agreed to place, on a best effort basis, the Placing Shares comprising up to an aggregate of 190,446,000 new Shares at the Placing Price of HK\$0.198 per Placing Share on behalf of the Company to not less than six Placers who and whose ultimate beneficial owners are Independent Third Parties.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price of the Shares. The Directors consider that the terms of the Placing Agreement (including the Placing Price and the placing fee) and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The 190,446,000 Placing Shares represent approximately 20.00% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

GENERAL

The Placing Shares are to be issued under the General Mandate.

Assuming all the Placing Shares were allotted and issued, the gross proceeds of the Placing will amount to approximately HK\$37.7 million and the net proceeds receivable by the Company under the Placing, after deducting relevant expenses incurred in relation to the Placing, are estimated to be approximately HK\$37.2 million. The net proceeds will be used as general working capital of the Group, and as funds for its possible investment in the future should suitable opportunity arises.

Completion of the Placing is subject to the fulfillment of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

THE PLACING AGREEMENT

Date: 12 November 2015 (after trading hours of the Stock Exchange)

Parties: (1) Issuer: the Company; and
(2) Placing agent: KGI Asia Limited.

The Placing Agent has been appointed to place, on a best effort basis, up to 190,446,000 Placing Shares at the Placing Price. The Placing Agent is a licensed corporation to carry on business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent is an Independent Third Party.

The Placees

The Placing Shares will be placed, on a best effort basis, to not less than six Placees which will be professional, corporate, institutional and/or individual investors, who and whose ultimate beneficial owners are Independent Third Parties. It is not expected that any Placee will become a Substantial Shareholder immediately after completion of the Placing.

Number of Placing Shares

The 190,446,000 Placing Shares represent approximately 20.00% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

Placing Price

The Placing Price is HK\$0.198 per Placing Share. In line with the market practice, the Company will bear all costs and expenses of the Placing. Based on the estimated expenses for the Placing, the net Placing Price is approximately HK\$0.196 per Placing Share.

The Placing Price of HK\$0.198 per Placing Share represents:

- (i) a discount of approximately 12.8% to the closing price of HK\$0.227 per Share as quoted on the Stock Exchange on 12 November 2015, being the date of the Placing Agreement; and
- (ii) a discount of approximately 18.5% to the average of the closing prices of approximately HK\$0.243 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement.

The Placing Price was determined and negotiated on an arm's length basis between the Company and the Placing Agent with reference to the prevailing market price of the Shares. The Directors consider that the Placing Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Placing fee payable to the Placing Agent

The placing fee payable by the Company to the Placing Agent shall be 1.25% of the aggregate Placing Price of the Placing Shares successfully placed by the Placing Agent under the Placing Agreement.

The placing fee payable by the Company to the Placing Agent under the Placing Agreement is arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing fee charged by other placing agents. The Directors consider that the placing fee is fair and reasonable, in the interests of the Company and the Shareholders as a whole and is in line with the prevailing fee charged by other placing agents.

Rights

The Placing Shares, when allotted and issued, will rank equally in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued under the General Mandate. As at the date of this announcement, the General Mandate has not been utilised since it was granted on 19 June 2015 and the number of new Shares that could be issued by the Company under the General Mandate is 190,446,271 Shares. The maximum of 190,446,000 Placing Shares to be allotted and issued will utilise approximately 99.99% of the General Mandate. Accordingly, the issue of the Placing Shares will not be subject to the approval of the Shareholders.

Conditions of the Placing

The Placing is conditional upon:

- (i) the granting by the GEM Listing Committee of the Stock Exchange of the listing of, and permission to deal in, all of the Placing Shares; and
- (ii) each of the Company and the Placing Agent having obtained all necessary consents and approvals in relation to the Placing, if applicable.

In the event that the conditions of the Placing are not fulfilled by 30 November 2015 (or such later date as may be agreed by the Placing Agent and the Company), all rights, obligations and liabilities of the parties to the Placing Agreement in relation to the Placing shall cease and determine and none of the parties shall have any claim against any other party in respect of the Placing save for any antecedent breaches.

Completion of the Placing

Completion of the Placing will take place on or before the fifth Business Day following the fulfillment of all the conditions of the Placing or such other date as may be agreed by the Company and the Placing Agent.

Termination

The Placing Agent has the right to terminate the Placing Agreement by notice in writing to the Company prior to 9:00 a.m. on the Completion Date, if in its reasonable opinion, the success of the Placing would be materially and adversely affected by any of the force majeure events provided in the Placing Agreement.

If, at or prior to 9:00 a.m. on the Completion Date, (a) the Company commits any material breach of or omits in any material respect to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or (b) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of this announcement; or (c) the Placing Agent shall become aware of the fact that any of the representations or warranties on the part of the Company contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated as at the Completion Date and the Placing Agent(s) should determine in its reasonable discretion that any such untrue or inaccurate representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing, then, in any such case, the Placing Agent shall be entitled by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

The Company may, in its reasonable opinion, after consultation with the Placing Agent, terminate the Placing Agreement by notice in writing to the Placing Agent at any time up to 9:00 a.m. on the Completion Date if there is a breach of the warranties, representations and undertakings given by the Placing Agent in the Placing Agreement and such breach is considered by the Company on reasonable grounds to be material.

Upon termination of the Placing Agreement pursuant to the abovementioned paragraphs, all obligations of the Company and the Placing Agent shall cease and no party to the Placing Agreement shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement, save of any antecedent breaches and those obligations of the Company which are intended or expressed to survive the termination thereof.

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

REASONS FOR THE PLACING

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

The Directors consider that the Placing represents an opportunity to provide additional working capital for the Group while broadening its shareholder and capital base thereby increasing the liquidity of the Shares.

As such, the Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and that the terms of the Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

Assuming all the Placing Shares were allotted and issued, the gross proceeds of the Placing will amount to approximately HK\$37.7 million and the net proceeds receivable by the Company under the Placing, after deducting relevant expenses incurred in relation to the Placing, are estimated to be approximately HK\$37.2 million.

The net proceeds will be used as general working capital of the Group, and as funds for its possible investment in the future should suitable opportunity arises.

EQUITY FUND RAISING ACTIVITY IN PAST 12 MONTHS

During the past 12 months immediately preceding the date of this announcement, the Company has conducted the following equity fund raising activity:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
12 December 2014	Rights issue on the basis of one rights share for every two Shares	Approximately HK\$81 million	(i) approximately HK\$20 million for repayment of promissory note in the principal amount of HK\$20 million; (ii) approximately HK\$30 million for potential acquisition(s); and (iii) HK\$31 million as general working capital of the Group.	(i) approximately HK\$43 million were used for the repayment of promissory note; (ii) approximately HK\$13 million were used for the settlement of a purchase order of a subsidiary for a collection of fashion garments; and (iii) approximately HK\$25 million was used as general working capital of the Group.
14 April 2015	Placing of up to 112,026,000 new Shares at the placing price of HK\$0.31 per placing share	Approximately HK\$34 million	As general working capital of the Group.	(i) HK\$30 million was used as the deposit for the potential acquisition of Fortune Ford Limited as disclosed in the circular of the Company dated 7 November 2015 (ii) Approximately HK\$4 million was used as general working capital of the Group

Save as disclosed above, the Company has not conducted any equity fund raising exercise during the past twelve months immediately preceding the date of this announcement.

CHANGES OF SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 952,231,356 Shares in issue. The shareholding structure of the Company as at the date of this announcement and immediately after completion of the Placing is as follows:

Shareholders	As at the date of this announcement		Immediately after completion of the Placing (assuming the Placing Shares are subscribed in full)	
	Number of Shares	Approximate percentage (%)	Number of Shares	Approximate percentage (%)
Lau Yu (<i>Note</i>)	173,653,000	18.24%	173,653,000	15.20%
Tutuncu Oguz	146,196,000	15.35%	146,196,000	12.79%
<i>Public Shareholders</i>				
Placees	–	–	190,446,000	16.67%
Other public Shareholders	632,382,356	66.41%	632,382,356	55.34%
Total	952,231,356	100%	1,142,677,356	100%

Note: Mr. Lau Yu is an executive Director and the chairman of the Company.

Completion of the Placing is subject to the fulfillment of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public in Hong Kong) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“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 Date”	a date falling on or before the fifth Business Day following the fulfillment of all the conditions of the Placing or such other date as may be agreed by the Company and Placing Agent
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company convened and held on 19 June 2015 to allot, issue and deal with new Shares not exceeding 20% of the total number of Shares in issue as at the date of passing of the resolution, i.e. a total of 190,446,271 Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company or Directors, chief executive, or Substantial Shareholders of the Company or any of its subsidiaries or their respective associates
“Placee(s)”	any person(s) or entity(ies) whom the Placing Agent and/or any of its agent(s) has procured to subscribe for any of the Placing Shares pursuant to and in accordance with the Placing Agreement
“Placing”	the offer by way of private placing of the Placing Shares by the Placing Agent to not less than six Placees upon the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	KGI Asia Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Placing Agreement”	the conditional placing agreement dated 12 November 2015 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	the placing price of HK\$0.198 per Placing Share
“Placing Share(s)”	up to an aggregate of 190,446,000 new Shares to be placed under the Placing
“Share(s)”	ordinary share(s) in the issued and unissued capital of the Company
“Shareholders”	holders of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Evershine Group Holdings Limited
Lau Yu
Chairman and Executive Director

Hong Kong, 12 November 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 “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>.