THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Evershine Group Holdings Limited (the "**Company**"), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

Evershine Group Holdings Limited
永耀集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 8022)

(I) MAJOR TRANSACTION;
(II) PROPOSED RE-ELECTION OF A DIRECTOR; AND
(III) NOTICE OF EGM

Financial adviser to the Company

Gram Capital Limited
嘉林資本有限公司

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out from pages 5 to 28 of this circular. A notice convening the EGM to be held at 27/F., The Sun's Group Centre, 200 Gloucester Road, Wanchai, Hong Kong on Monday, 23 November 2015 at 3:00 p.m. or any adjournment is set out from pages 100 to 102 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying form of proxy to the Company's Hong Kong share registrar and transfer office, Hong Kong Registrars Limited at Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM. Completion and return of the proxy form shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so desire.

This circular will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at http://www.8022hk.com.

7 November 2015

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

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

"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
"Announcement"	the announcement of the Company dated 15 September 2015 in relation to the Acquisition
"Articles of Association"	the articles of association of the Company as amended and adopted from time to time
"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
"Cemetery"	柘城縣襄安陵公墓 (Zhecheng County Xianganling Cemetery*)
"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
"Conversion Shares"	the Shares to be allotted and issued upon conversion of the Convertible Bonds
"Convertible Bonds"	the convertible bonds in the agreed form in the principal amount of HK$49,680,000 to be issued by the Company in favour of the Vendor at the Completion in part satisfaction of the Consideration
"Director(s)"	director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder
"Enlarged Group"	the Group after completion of the Acquisition
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries
"HK$"	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

"Land"	A land with land area of approximately 47 Mu where the Cemetery is situated on, which is located at Zhecheng County, Henan Province, the PRC
"Land Compensation"	the compensation amount RMB250,000 per Mu for the acquisition of the Land Use Right by the Operating Company (i.e. RMB11.75 million in total)
"Land Use Right"	the use right of the Land
"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 the Announcement
"Latest Practicable Date"	5 November 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"MOU"	the non-legally binding memorandum of understanding dated 9 April 2015 and entered into between the Company and the Vendor
"Ms. Ang"	Ms. Ang Lai Kuen, an executive Director
"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

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"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" or "Mr. Cheng"	Mr. Cheng Kwok Wo
"Zhengzhou Company"	鄭州鼎鋆瀚鑫貿易有限公司 (Zhengzhou Dingjun Hanxin Trading Company Limited*), a wholly foreign owned enterprise established in the PRC
"%" or "per cent."	percentage or per centum

In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

If there is any inconsistency between the Chinese names of the PRC entities mentioned in this circular and their English translations, the Chinese names shall prevail.

* *For identification purposes only*

Evershine Group Holdings Limited
永耀集團控股有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 8022)

Executive Directors:
Mr. Lau Yu *(Chairman)*
Ms. Ang Lai Kuen

Independent non-executive Directors:
Ms. Lam Yuk Ying, Elsa
Mr. Liu Kwong Sang
Ms. Choy So Yuk, *BBS, JP.*

Registered office:
16th Floor
Zoroastrian Building
101 Leighton Road
Causeway Bay
Hong Kong

7 November 2015

To the Shareholders

Dear Sir or Madam,

I. MAJOR TRANSACTION; AND
II. PROPOSED RE-ELECTION OF A DIRECTOR

INTRODUCTION

The Acquisition

Reference is made to the Announcement regarding the Acquisition.

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.

This circular provides you with information regarding, amongst 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; (v) pro forma financial information of the Enlarged Group; and (vi) the notice of the EGM.

Re-election of a Director

In accordance with article 101 of the Articles of Association, any Director so appointed shall hold office only until the next following general meeting, or if earlier, the next following extraordinary general meeting, of the Company and shall then be eligible for re-election. Accordingly, Ms. Ang, an executive Director, is subject to retirement by re-election at the EGM and being eligible, shall offer herself for re-election at the EGM.

This circular also provides you with relevant information regarding the re-election of Director.

I. 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 Latest Practicable Date; 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 valuation of the Target Group of approximately HK$127 million as at 31 August 2015 (the "**Valuation**") prepared by Roma Appraisals Limited, an independent valuer, based on income approach.

Factors considered by Roma Appraisals Limited in the Valuation include, amongst others, the nature and prospect of the Target Group, the financial condition of the Target Group, the economic outlook in general and the specific economic environment and market elements affecting the business, industry and market, etc. The Land Compensation of RMB11.75 million payable by the Operating Company had also been taken into account in arriving the Valuation (included as an expected cash outflow in the discounted cash flow model).

The Company had assessed Roma Appraisals Limited's experience in conducting business valuation and valuation on properties for the funeral related business such as cemetery. The valuation report on the Target Group is set out in Appendix IV to this circular.

The Board noticed that Zhengzhou Company acquired 90% of the equity interests in the Target Company at cash consideration of RMB9 million in June 2015. Nevertheless, the Board was not involved in such acquisition and had no right to affect the terms of such acquisition. The Consideration was merely based on the aforesaid basis of Consideration (i.e. arm's length negotiations between the Vendor and the Purchaser after taking into account of the Valuation of approximately HK$127 million as at 31 August 2015).

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 resolution(s) to approve the Agreement and the transactions contemplated thereunder, including but not limited to the allotment 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 Latest Practicable Date, the Purchaser has no intention to waive any condition of the Agreement.

As at the Latest Practicable Date, none of the conditions precedent has been fulfilled.

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.

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, which was determined by the Company and the Vendor after arm's length negotiation with reference to historical and current borrowing rates (including historical interest rates of debt instruments) of the Group, 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 (the "**Conversion Price**"), subject to adjustments, and represents: (i) a discount of approximately 45.88% to the closing price of HK$0.255 per Share as quoted on the Stock Exchange on the Latest Practicable Date; (ii) 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 (iii) 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 Latest Practicable Date; 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.

The allotment and issue of the Conversion Shares will not result in a change of control of the Company.

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:

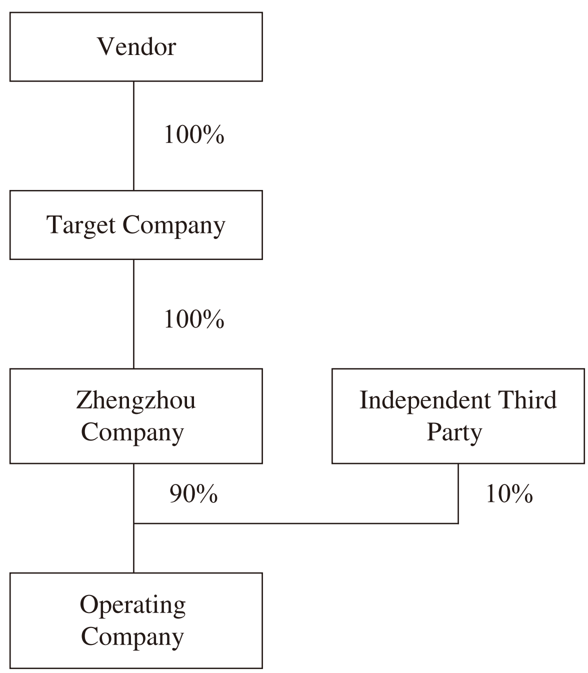
Issuer:	The Company
Principal amount:	HK$30,320,000
Interest:	The principal amount of the Promissory Notes shall bear interest at the rate of 2% per annum from the date of issue until full repayment. The interest rate was determined by the Company and the Vendor after arm's length negotiation with reference to historical and current borrowing rates (including historical interest rates of debt instruments) of the Group.
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 Latest Practicable Date:



Target Company

The Target Company is an investment holding company established in Hong Kong with limited liability on 2 February 2015. As at the Latest Practicable Date, 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 Latest Practicable Date, 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 Latest Practicable Date, the Operating Company is owned as to 90% by the Zhengzhou Company and 10% by an Independent Third Party (the "**OPCO Minority Shareholder**").

The Cemetery

The Operating Company is principally engaged in the construction and operation of the Cemetery named 柘城縣襄安陵公墓 (Zhecheng County Xianganling 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) ("**Henan CAD**"). The Operating Company has obtained the operating right of the Cemetery (which represents the legal right under the PRC laws to operate the Cemetery) for a term up to 1 July 2050 and the operating permit in respect of the Cemetery (which is the permission to operate the Cemetery) (the "**Operating Permit**") for a term up to 28 February 2016, which can be applied for renewal on an annual basis. As confirmed by the PRC legal adviser of the Company, as long as the operation of the Cemetery complies with applicable laws and regulations, Henan CAD will normally accept the renewal application of the Operating Permit. The PRC legal adviser of the Company also confirmed that the Operating Company has obtained all relevant licenses and approvals to conduct its principal business.

The Land

The Cemetery is situated on the Land with land area of approximately 47 Mu which is located at Zhecheng County, Henan Province, the PRC. The Land which is classified as a collective land with no specified time limit of land use (i.e. the stated land use period is "long term") has been leased from an Independent Third Party (the "**Land Use Right Owner**") with annual rental fee of RMB1,000 per Mu. Pursuant to the existing lease agreement, (i) the current lease term of the Land is from 15 March 2015 to 1 July 2020; (ii) the Operating Company has the right to request the Land Use Right Owner to extend the lease term for a period of 20 years (i.e. extend to 1 July 2040) under the same terms and conditions of the existing lease agreement; (iii) after the said extension of lease term (if any), the Operating Company also has the right to request the Land Use Right Owner to extend the lease term for a further period of 10 years (i.e. extend to 1 July 2050) under the same terms and conditions of the existing lease agreement; and (iv) the Land Use Right Owner has no right to reject the aforesaid request(s) for extension of the lease term by the Operating Company unless the Operating Company breaches the terms of the existing lease agreement.

According to《中華人民共和國土地管理法》(The Land Administration Law of the PRC*) issued on 28 August 2004,《關於進一步規範和加強公墓建設管理的通知》(Notice on further regulation and enhancing management of cemetery construction*) issued on 26 December 2008 and《河南省民政廳關於規範公墓用地的通知》(Notice on cemeteries land regulation by Civil Affairs Department of Henan Province*) issued on 10 March 2014, collective land shall not be used for non-agricultural construction purposes by way of leasing and operational cemeteries should complete relevant land acquisition and terminate their existing lease agreement (according to their land use situation) as soon as practicable. As such, the Operating Company is required to complete the acquisition of the Land Use Right and obtain the Land Use Right by completing the land grant formalities. As at the Latest Practicable Date, the Operating Company has not received any notice from the relevant authorities requesting it to take immediate action to complete the acquisition of the Land Use Right and there has been no penalty on the Operating Company in relation to the Land Use Right.

For the purpose of obtaining the Land Use Right, the Operating Company and the Land Use Right Owner have on 31 August 2015 entered into an agreement (as supplemented by a supplemental agreement dated 13 October 2015) (the "**Land Acquisition Agreement**") for the acquisition of the Land Use Right by the Operating Company with the Land Compensation of RMB250,000 per Mu (including the land premium and relevant tax payable to 柘城縣國土資源局 (The Land and Resources Bureau of Zhecheng County*, the "**Zhecheng County LRB**")) by 31 December 2016. As at the Latest Practicable Date, the Land Compensation has not been paid.

Further to the entering into of the Land Acquisition Agreement, the Operating Company shall take the following steps to obtain the Land Use Right (the "**Land Use Right Formalities**"):

1. The Operating Company shall pay the Land Compensation to Zhecheng County LRB;

2. Zhecheng County LRB will transfer the Land Compensation to the Land Use Right Owner after retaining the land premium and relevant tax according to relevant laws and regulations, as a compensation for the acquisition of the Land;

3. Zhecheng County LRB will report the acquisition of the Land Use Right to 河南省人民政府 (People's Government of Henan Province*, the "**Henan Government**") for approval;

4. subsequent to the approval of the acquisition of the Land Use Right by the Henan Government and payment of the Land Compensation to the Land Use Right Owner, the Operating Company will execute the Land Use Right grant agreement with Zhecheng County LRB whereas the land premium and relevant tax payable to Zhecheng County LRB under the said Land Use Right grant agreement would have been retained by Zhecheng County LRB under step 2 above and be applied herein; and

5. Zhecheng County LRB shall grant the Land Use Right to the Operating Company upon completion of the above Land Use Right Formalities.

The PRC legal adviser of the Company does not foresee any legal obstacles for the Operating Company to complete the Land Use Right Formalities and obtain the Land Use Right. The Operating Company is expected to obtain the Land Use Right by 31 December 2016.

Should the Operating Company has funding need for the Land Compensation, the Operating Company will be financed by its then shareholders in proportion to their respective equity interest in the Operating Company (i.e. upon Completion, the Operating Company will be financed by the Enlarged Group and the OPCO Minority Shareholder in the proportion of 90:10, if and when necessary). Before obtaining the Land Use Right, the Operating Company will continue to lease the Land in accordance with the terms of the existing lease agreement. The Operating Company will terminate the existing lease agreement with the Land Use Right Owner after obtaining the Land Use Right.

Business plan

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 (the "**Infrastructure Construction**"), including greened area, road, public square, office building, decoration, etc. The remaining of 60% total area of the Land, being approximately 28.2 Mu, is planned for the construction of 18,800 units of cemetery. The aforesaid construction work is expected to commence in December 2015 and the sales of cemeteries is expected to commence in January 2016.

The Infrastructure Construction for the Cemetery is not expected to be complicated and is expected to be completed in around two months. The cost of the Infrastructure Construction is estimated to be approximately RMB9 million.

The construction work of each unit of cemetery is simple and can be completed within one hour. The Operating Company planned to construct (i) 500 units of cemetery in December 2015; (ii) 1,800 units of cemetery in each of the year from 2016 to 2025; and (iii) 300 units of cemetery in 2026.

Save as and except for the Land Compensation and the cost of the Infrastructure Construction, the capital expenditure of the Operating Company shall also include, amongst others, furniture and fixtures, vehicles and office equipment.

Operation of the Cemetery can be commenced upon completion of the Infrastructure Construction and the construction of the first batch of cemeteries (i.e. 500 units of cemetery in December 2015).

Sales of cemeteries can be commenced before completion of the Infrastructure Construction. 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 in 2016 with an expected growth rate of 5% per annum. The Operating Company planned to establish three physical sale offices in Zhencheng County for the promotion and sales of the Cemetery. The Operating Company targets to sell 1,800 units of cemetery in each of the year from 2016 to 2025 and 800 units of cemetery in 2026. The Operating Company shall also charge an annual management and maintenance fee of RMB260 per unit of cemetery in 2016 with an expected growth rate of 5% per annum.

According to a news article titled "河南陵園公司試水資本市場, 欲融資開發旅遊業" published by 中國經濟週刊 (China Economic Weekly) in March 2015 (the "**News Article**"), the average price of a cemetery in Henan Province with area of one square meter rose sharply from RMB13,000 in 2008 to RMB23,000 in 2015. Having considered that there may be pricing difference across different locations in Henan, the average selling price of each unit of cemetery was determined with reference to the business plan and the market positioning of the Operating Company. The annual management and maintenance fee were determined with reference to the business plan, the market positioning of the Operating Company and market practices. The growth rate of the above was estimated with reference to the growing trend of the cemetery prices and the growth rate of gross domestic product in the PRC.

After completion of the sales of all 18,800 units of cemetery, the Operating Company will continue to charge management and maintenance fee.

Operating expenses of the Operating Company includes, amongst others, administration expenses, selling and distribution expenses and rental of the Land (before completion of the acquisition of the Land Use Right).

Key members of management team

Key members of management team of the Operating Company whose role and qualifications are set out as follows:

Mr. He Zhigang (賀志剛) ("**Mr. He**"), aged 37, joined the Operating Company in July 2015 as its chief executive officer of the Operating Company and is in charge of the overall management and operation of the Operating Company and the Cemetery. Mr. He is experienced in property projects, road construction projects and cemetery business. From 2008 to 2015, Mr. He was involved in development, management, operation and sales of three cemeteries in Xinxiang (新鄉市), Mengzhou (孟州市) and Yuzhou (禹州市) (all of them are located in Henan Province, the PRC).

Mr. Cheng, aged 55, joined the Operating Company in July 2015 as its general manager of the Operating Company and assists the chief executive officer for the daily management and operation of the Operating Company and the Cemetery. Mr. Cheng worked in a law firm from 1976 to 1999. He was an associate of the Chartered Institute of Legal Executive in 1994 and became a fellow since 1996. Since 2000, Mr. Cheng started his own business in commercial field and owned certain investment management and consultation companies in Baise (百色市), Pingguo (平果市) in Guangxi Province and Chongqing (重慶市), the PRC, with more than 50 employees.

Mr. Chen Yingping (陳應平) ("**Mr. Chen**"), aged 47, is the deputy general manager (project) and head of planning department of the Operating Company since October 2015. Mr. Chen is responsible for planning, operation and sale of the Cemetery and the management and training of the sales team of the Operating Company. In 2000, Mr. Chen started to participate in the development and construction of the Beimang Cemetery (北邙陵園) in Luoyang, Henan Province. From 2006 to 2015, Mr. Chen worked for the Operating Company of the Longpan Cemetery (龍盤陵園) in Luoyang, Henan Province, as executive director and general manager and was responsible for the overall management, operation and sales of the Operating Company, which comprised 68 employees.

Mr. Wang Chunguang (王春光) ("**Mr. Wang**"), aged 35, joined the Operating Company in July 2015 as its deputy general manager (engineering) and the head of engineering department of the Operating Company. Mr. Wang is responsible for the supervision of the Infrastructure Construction and the construction of the units of cemetery. Mr. Wang is a degree holder of engineering management with ten years of experience in construction and engineering business.

The Company has no intention to discontinue the employment of the employees of the Operating Company upon the Completion. With the support of the existing management team of the Operating Company and the diversified experience of the Board, the Board does not foresee any difficulty in managing the operation of the Operating Company, which is considered to be a new business of the Enlarged Group.

Financial information of the Target Group

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

	For the period from 2 February 2015 (date of incorporation of the Target Company) to 31 August 2015
	HK$'000
Loss before tax	(249)
Loss after tax	(249)

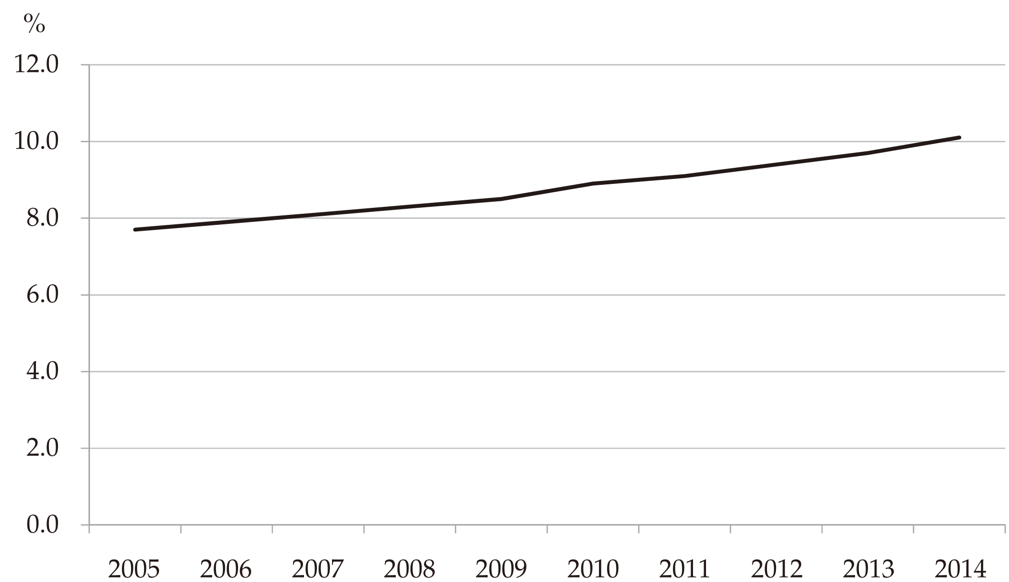
	As at 31 August 2015
	HK$'000
Net assets	11,212

INDUSTRY OVERVIEW

As of 2014, the PRC was the most populous country in the world with over a population of 1,360 million, according to the "2014 World Population Data Sheet" published by the Population Reference Bureau in August 2014.

The PRC has been experiencing rapid growth in population aging. The aging population has brought severe demographic challenges for the country. According to the statistics sourced from the National Bureau of Statistics of China, the proportion of population aged 65 years and above kept increasing over the past decade, from 7.7% in 2005 to 10.1% in 2014. The below chart shows the historical proportion of population for the age group 65 and above in the PRC from 2005 to 2014:

Historical proportion of population for the age group 65 and above in the PRC from 2005 to 2014



Source: National Bureau of Statistics of China

The PRC's death rate is on steady rise as a result of the aging population. The National Bureau of Statistics of China states that PRC had a crude death rate of 7.2 per 1,000 people in 2014. The high number of deaths in the PRC, as a result of the growing base of elderly people, has led to strong demand for funeral services including cemeteries.

According to the Henan Province National Economy and Social Development Statistical Reports published by the National Bureau of Statistics of China, the number of death population has increased from 71 million in 2012 to 75 million in 2014; the death rate increased from 6.7% in 2012 to 7.2% in 2014. The average cremation rate over this period was around 42%, while the burial rate was between 60% and 70% in Henan Province.

The burial services segment experienced the high growth in the PRC death care services industry among funeral services, remains disposal and other product sales and services. Due to the growing demand for burial services and scarcity of land as a result of tight control, the burial price in the PRC has been soaring in recent years. According to the News Article, the average price of a cemetery in Henan Province with area of one square meter rose sharply from RMB13,000 in 2008 to RMB23,000 in 2015.

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.

Having considered the potential prospects of the funeral business as illustrated in the section headed "Industry overview" above, the Company decided to take the opportunity to proceed with the Acquisition.

The Board considers that although the Acquisition may not increase synergy among the Group's core businesses, it 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.

As at the Latest Practicable Date, the Board does not have (i) any intention, arrangement, agreement, understanding or negotiation (concluded or otherwise) on any disposal, termination or scaling-down of the Group's existing business; and (ii) any intention to change the composition of the Board and key management of the Company upon the completion of the Acquisition.

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 Latest Practicable Date; 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 Latest Practicable Date		**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)**	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*
Mr. Lau Yu	173,653,000	18.24	173,653,000	13.23
Tutuncu Oguz	146,196,000	15.35	146,196,000	11.14
The Vendor	–	–	360,000,000	27.43
Existing public Shareholders	632,382,356	66.41	632,382,356	48.20
Total	952,231,356	100	1,312,231,356	100

FINANCIAL EFFECT OF THE ACQUISITION

Upon the Completion, the Target Company, Zhengzhou Company and the Operating Company will become subsidiaries of the Company and the profit and loss and assets and liabilities of the Target Group will be consolidated to the financial statements of the Group. The unaudited pro forma financial information of the Enlarged Group is set out in Appendix III to this circular.

Based on the unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to this circular, the unaudited pro forma consolidated total assets of the Group would increase from approximately HK$203,932,000 as at 30 June 2015 to approximately HK$292,434,000 and the unaudited pro forma consolidated total liabilities of the Group would increase from approximately HK$60,772,000 as at 30 June 2015 to approximately HK$127,085,000, as a result of the Acquisition.

In light of the future prospects of the Target Company, the Directors are of the view that the Acquisition would likely to have a positive impact on the future turnover and earnings of the Enlarged Group.

Shareholders should note that since the fair value of the assets and liabilities of the Target Company may be different at Completion as compared to their respective values used in the preparation of the unaudited pro forma financial information of the Enlarged Group, the actual amounts of assets and liabilities to be recorded in the financial statements of the Group may be different from the estimated amounts shown in Appendix III to this circular. As the above information is for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the results and financial position of the Enlarged Group for any future financial periods or dates.

RISK FACTORS

Set out below are the principal risk factors which may be associated with the business of the Target Group:

Risk in relation to penetration into a new business

The Group is principally engaged in the provision of travel agent services, advertising and marketing services, fashion garment trading and mobile application business. The Acquisition allows the Group to penetrate into a new business. The Enlarged Group may not be able to overcome all of the possible challenges which may arise and the business, financial condition and results of operation of the Enlarged Group may be affected.

As such, the Company intends to retain the existing employees of the Operating Company upon Completion and the management of the Enlarged Group will closely monitor the operation and performance of the Target Group, with the support of the existing management of the Operating Company.

The Valuation of the Target Group in the valuation report may be different from the actual realisable value

The Valuation contained in the valuation report as set out in Appendix IV to this circular, are prepared based on the valuation methodology, bases and assumptions with reference to, among other things, the projections of the future cash flows, of the Target Group. The Valuation may be different from the Target Group's actual realisable value.

Success of the business performance of the Operating Company is subject to the full implementation of its business plan

As the operation of the Operating Company is yet to commence, the success of the business performance of the Operating Company is subject to the full and successful implementation of its business plan in accordance with planned schedule and sales target (in both quantity and selling price), which may be affected by external factors such as market demand and economic condition.

The management of the Enlarged Group will use its best endeavour to execute the business plan of the Operating Company and make necessary adjustments to the same to tackle any change in market demand and economic condition.

The business operation of the Operating Company is subject to applicable regulations

The PRC funeral industry is subject to applicable regulations such as《殯葬管理條例》(Regulations on Administration of Funerals and Interment*) issued on 9 November 2012,《河南省殯葬管理辦法》(Henan Provincial Administrative Measures for Funerals and Interment) issued on 1 December 1999 and amended on 26 November 2004, and《商丘市殯葬管理實施辦法》(Shangqiu Municipal Measures for Implementing the Administration of Funerals and Interment) issued on 14 April 2000. As such, the Operating Company must ensure continuous compliance with applicable laws, regulations and codes in the PRC to avoid any fines or any form of sanctions. Any change to or tightening of the relevant laws, rules and regulations, may materially affect the business, financial condition, results of operations and prospects of the Operating Company. For instance, the Cemetery is the only approved cemetery within a 40 km radius. In the event of the government relax such policy, it may result in the emergence of competitors and the results of operation of the Operating Company may be adversely affected.

In the event of **any non-compliance/breach of the relevant laws and regulations** by the Operating Company, the relevant authorities may, depending on the nature, extent and severity of the non-compliance/breach, (i) **impose orders for corrections** to be made within specified time limit, and if the Operating Company fails to comply with such orders, execute such orders on a compulsory basis; (ii) **impose fine** on the Operating Company; (iii) **impose orders for cessation of operation of the Cemetery**; and/or (iv) **confiscate any illegal gains** of the Operating Company (if any). If **such non-compliance/breach constitutes a crime**, the Operating Company shall be **investigated for their criminal liability** according to the PRC law.

In this regard, the management of the Enlarged Group will, with the assistance of its PRC legal advisers, closely monitor and ensure the compliance of relevant laws and regulations by the Operating Company to avoid any legal consequences as aforesaid.

The Land Use Right

Although there has been no penalty on the Operating Company in relation to the Land Use Right, the Operating Company is still required to complete the acquisition of the Land Use Right and obtain the Land Use Right by completing the Land Use Right Formalities. Should the Operating Company **fail to obtain the Land Use Right**, the Operating Company will be subject to the **risk of potential disciplinary actions** (for example, should the failure to obtain the Land Use Right be considered as a non-compliance issue, **it may post obstacles for the annual renewal application of the Operating Permit**) (the "**Land Use Right Risk**"). Nevertheless, the Directors considered the Risk to be tolerable in view of the following factors:

1. The existing Operating Permit was granted by Henan CAD in **March 2015**. At that time, the Land had been leased to the Operating Company for the

construction and operation of the Cemetery. Henan CAD did not refuse to grant the Operating Permit at that time due to the fact that the Land was leased and the Land Use Right was not obtained by the Operating Company;

2. As at the Latest Practicable Date, the Operating Company **has not received any notice from the relevant authorities requesting it to take immediate action** to complete the acquisition of the Land Use Right and **there has been no penalty on the Operating Company** in relation to the Land Use Right;

3. Relevant policies require operational cemeteries to complete relevant land acquisition and terminate their existing lease agreement (according to their land use situation) **as soon as practicable**. Given that the Operating Company had entered into the Land Acquisition Agreement as a first step of complying the Land Use Right Formalities, the PRC legal adviser of the Company is of the view that the Operating Company is taking actions to comply with relevant policies as soon as practicable; and

4. The PRC legal adviser of the Company **does not foresee any legal obstacles** for the Operating Company to complete the Land Use Right Formalities and obtain the Land Use Right.

The Operating Company will use its best endeavour to complete the Land Use Right Formalities and obtain the Land Use Right.

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, as at the Latest Practicable Date, 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.

II. RE-ELECTION OF A DIRECTOR

Reference is made to the announcement of the Company dated 26 June 2015 in relation to the appointment of Ms. Ang as an executive Director. In accordance with the article 101 of the Articles of Association, any Director so appointed shall hold office only until the next following general meeting, or if earlier, the next following extraordinary general meeting, of the Company and shall then be eligible for re-election. Accordingly, Ms. Ang is subject to retirement by re-election at the EGM and being eligible, shall offer herself for re-election at the EGM. Details of Ms. Ang's biographical are set out below:

Ms. Ang, aged 48, has over 20 years of experience in financial control, company secretary, corporate advisory, accounting and financial management. Ms. Ang also held senior finance and management positions with public companies and private companies in Hong Kong. She is a Certified Public Accountant (Practising), a fellow member of the Association of Chartered Certified Accountants and an associate member of both the Chartered Institute of Management Accountants and the Hong Kong Institute of Certified Public Accountants.

Ms. Ang has entered into a service contract with the Company for a term of two years. Ms. Ang will receive a Director's fee in the amount of HK$40,000 per month, and her remuneration is subject to determination by the Board from time to time with reference to her duties and responsibilities with the Company, the Company's performance and prevailing market situation.

Save as disclosed above, Ms. Ang does not hold any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years preceding the Latest Practicable Date, or any other position with the Company and other members of the Group or possess any other major professional qualifications.

Ms. Ang does not have any relationship with any Directors, senior management or substantial shareholders (as defined in the GEM Listing Rules) or controlling shareholders (as defined in the GEM Listing Rules) of the Company and has no other interests or short positions in the shares or debentures of the Company and its associated corporations which are required to be disclosed pursuant to Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Save as disclosed above, there is no other information which is required to be disclosed pursuant to any of the requirements set out in Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

EGM

A notice convening the EGM to be held at 27/F., The Sun's Group Centre, 200 Gloucester Road, Wanchai, Hong Kong on Monday, 23 November 2015 at 3:00 p.m. or any adjournment is set out from pages 100 to 102 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying form of proxy to the Company's Hong Kong share registrar and transfer office, Hong Kong Registrars Limited at Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM. Completion and return of the proxy form shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so desire.

RECOMMENDATIONS

The Directors consider that the terms of the Agreement are on normal commercial terms and are fair and reasonable so far as the Shareholders are concerned, and that the Acquisition is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Agreement and the transactions contemplated thereunder and the Specific Mandate.

The Directors believe that the re-election of Ms. Ang as an executive Director is in the interests of the Company as well as the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution in relation to the re-election of Ms. Ang as an executive Director to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

1. THREE YEAR FINANCIAL INFORMATION

Financial information of the Group (i) for the six months ended 30 June 2015 is disclosed in the interim report of the Company for the six months ended 30 June 2015 on 13 August 2015, from pages 2 to 24; (ii) for the year ended 31 December 2012 is disclosed in the annual report of the Company for the year ended 31 December 2012 on 27 March 2013, from pages 46 to 176; (iii) for the year ended 31 December 2013 is disclosed in the annual report of the Company for the year ended 31 December 2013 on 28 March 2014, from pages 47 to 160; and (iv) for the year ended 31 December 2014 is disclosed in the annual report of the Company for the year ended 31 December 2014 on 30 March 2015, from pages 50 to 156, which were published on both the Stock Exchange website (www.hkexnews.hk) and the Company's website (http://www.8022hk.com).

2. INDEBTEDNESS STATEMENT

As at 30 September 2015, the indebtedness of the Enlarged Group was as follows:

Other Loan

The Group had other loan of approximately HK$2,000,000 which were secured by a charge over the entire issued share capital of a subsidiary of the Group with 1% over Prime Lending Rate per annum.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Enlarged Group did not have outstanding at the close of business on 30 September 2015 any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the existing cash and bank balances available and also the effect of the Acquisition, the Enlarged Group has sufficient working capital for its present requirements and for at least 12 months from the date of this circular in the absence of unforeseen circumstances.

4. FINANCIAL AND TRADING PROSPECT OF THE ENLARGED GROUP

Liquidity and financial resources

As at 30 June 2015, the total assets of the Group was approximately HK$204 million (31 December 2014: HK$132 million), including cash and bank balances and restricted bank deposits of approximately HK$29 million (31 December 2014: HK$9 million). The gearing ratio of the Group expressed in total debt as a percentage of net assets was 42.45% (31 December 2014: 258.51%). The Group changed to net current assets and net assets position of approximately HK$76 million and HK$143 million respectively (31 December 2014: net current liabilities and net assets position of approximately HK$18 million and HK$37 million respectively). The gearing ratio and the financial positions were greatly improved as at 30 June 2015 when compared with 31 December 2014 which is due to the financing activities including rights issue, placing of new shares and settlement of promissory notes during the six months ended 30 June 2015.

Charges on Group's assets

On 11 December 2014, a secured and unguaranteed loan facility amounting to HK$2,000,000 has been granted to the Group ("**Loan Facility**"). The Loan Facility was secured by a charge over the entire issued and paid up capital of a subsidiary of the Company – Argos (China) Investment Limited. The interest rate is 1% over Prime Lending Rate per annum.

The Group shall repay the Loan Facility upon expiry of 6 months after the drawdown date.

On 29 May 2015, the maturity date of the loan has been extended to 24 December 2015.

Turnover

The unaudited consolidated turnover of the Group for the six months ended 30 June 2015 was approximately HK$15,368,000 (2014: approximately HK$13,941,000) representing an increase of approximately 10% over the corresponding period in 2014, which is mainly attributable to an increase of travel agent services income and an increase in rental income from discontinued operations.

Loss for the period

The loss for the period of the Company was approximately HK$9,710,000 for the six months ended 30 June 2015 (2014: approximately HK$10,399,000), representing a decrease of approximately 7% over the corresponding period in 2014, which is mainly attributable to a decrease in loss from discontinued operations. It consists of an increase in rental income and a decrease in operating and administrative expenses.

Loss attributable to equity shareholders

The loss attributable to equity shareholders of the Company was approximately HK$8,829,000 for the six months ended 30 June 2015 (2014: approximately HK$9,195,000).

Basic loss per share

For the six months ended 30 June 2015, basic loss per share was approximately HK1.07 cents (2014: approximately HK1.64 cents).

Foreign currency risk

The majority of the Group's transactions, income and expenditure, bank loan and other borrowings are denominated in HK$ and RMB, no hedging or other arrangements to reduce the currency risk have been implemented during the six months ended 30 June 2015 as the Board considers that the potential foreign exchange exposure of the Group is limited.

Contingent liabilities

As at 30 June 2015, the Group had no material contingent liabilities (31 December 2014: Nil).

Operational Review and Prospect

In 2014, the Company has changed its name from TLT Lottotainment Group Limited to Evershine Group Holdings Limited. This name change provides the Group 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 six months ended 30 June 2015. The Group will continue to take a prudent approach in further developing of the travel agency business.

Advertising and marketing business has recorded a loss during the six months ended 30 June 2015. The management team of the Group 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 since 2014 and the management team of the Group believes the rapidly growing mobile application market will bring forth positive business opportunities. Through acquisition, the Group has participated in mobile game publishing and cloud marketing business. The management team of the Group is confident that mobile application businesses will become a key contributor to the Group's revenue in the coming future.

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.

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, representing the entire issued share capital of the Target Company. 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.

PART A. ACCOUNTANTS' REPORT OF THE TARGET GROUP

The following is the text of a report received from the reporting accountants, Elite Partners CPA Limited, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this circular.

開元信德會計師事務所有限公司
ELITE PARTNERS CPA LIMITED
Certified Public Accountants

Suites 2B-4A, 20/F., Tower 5,
China Hong Kong City,
33 Canton Road, Tsim Sha Tsui,
Kowloon, Hong Kong

7 November 2015

The Board of Directors
EVERSHINE GROUP HOLDINGS LIMITED
16th Floor, Zoroastrian Building
101 Leighton Road
Causeway Bay
Hong Kong

Dear Sir or Madam,

We report on the financial information of Fortune Ford Limited (the "**Target Company**") and its subsidiaries (hereinafter collectively referred to as the "**Target Group**"), which comprise the consolidated statement of financial position as at 31 August 2015, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Target Group for period from 2 February 2015 (date of incorporation of the Target Company) to 31 August 2015 (the "**Relevant Period**"), together with the explanatory notes thereto (the "**Financial Information**"). This Financial Information has been prepared by the director of the Target Company for inclusion in Appendix II to the circular issued by Evershine Group Holdings Limited (the "**Company**") dated 7 November 2015 (the "**Circular**") in connection with the proposed acquisition of entire equity shares interest in the Target Company by the Company.

The Target Company was incorporated in Hong Kong with limited liability on 2 February 2015. The principal activity of the Target Company is investment holding.

As at the date of this report, the Target Company has the following subsidiaries:

Name of Subsidiaries	Legal form, date and place of establishment operation	Paid up capital	Proportion ownership interest held by the Target Company	Principle activity
鄭州鼎鋆瀚鑫貿易有限公司 (Zhengzhou Dingjun Hanxin Trading Company Limited*) ("**Zhengzhou Company**")	Limited liability company, established on 16 June 2015, the People's Republic of China	USD1,000,000	100% (direct)	Investment holding
柘城縣襄安陵有限公司 (Zhecheng County Xianganling Company Limited*) ("**Operating Company**")	Limited liability company, established on 11 March 2015, the People's Republic of China	RMB1,000,000	90% (indirect)	Construction and operation of a cemetery

The Target Group has adopted 31 December as their financial year end date and no audited financial statements have been prepared since its incorporation.

For the purpose of this report, the director of the Target Company have prepared the consolidated financial statements of the Target Group for the Relevant Period (the "**Underlying Financial Statements**") in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") with no adjustments made thereon and in accordance with the applicable disclosure provision of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Growth Enterprise Market on The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**").

DIRECTOR'S RESPONSIBILITIES FOR THE FINANCIAL INFORMATION

The director of the Target Company is responsible for the preparation of the Financial Information that gives a true and fair view in accordance with HKFRSs issued by HKICPA, the requirements of the Hong Kong Companies Ordinance and the applicable disclosure provision of the GEM Listing Rules, and for such internal control as the director of the Target Company determined is necessary to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error. The director of the Target Company is also responsible for the contents of the Circular in which this report is included.

* *For identification purposes only*

REPORTING ACCOUNTANT'S RESPONSIBILITIES FOR THE FINANCIAL INFORMATION

It is our responsibility to form an independent opinion on the Financial Information for the Relevant Period based on our audit. We conducted our audit in accordance with Hong Kong Standards on Auditing and the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

OPINION

In our opinion, for the purpose of this report, the Financial Information gives true and fair view of the state of affairs of Target Group as at 31 August 2015 and of the result and cash flows for the Relevant Period then ended in accordance with HKFRSs.

I. FINANCIAL INFORMATION OF THE TARGET GROUP

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	For the period from 2 February 2015 (date of incorporation of the Target Company) to 31 August 2015 *HK$'000*
Revenue	*6*	–
Administrative expenses		(249)
Loss before taxation	*7*	(249)
Income tax expense	*10*	–
Loss for the period		(249)
Attributable to:		
owners of the Company		(228)
non-controlling interest		(21)
		(249)
Loss for the period		(249)
Other comprehensive expense		
Exchange loss on translation of financial statements of foreign operation		(244)
Other comprehensive expense for the period		(244)
Total comprehensive expense for the period		(493)
Attributable to:		
owners of the Company		(472)
non-controlling interest		(21)
		(493)

Consolidated Statement of Financial Position

		At 31 August 2015
	Notes	*HK$'000*
Non-current assets		
Property, plant and equipment	*13*	7
Intangible assets	*14*	10,940
		10,947
Current assets		
Prepayments, deposits and other receivables	*15*	417
Cash and bank balances		78
		495
Current liabilities		
Other payables and accruals		230
		230
Net current assets		265
Total assets less current liabilities		11,212
Net assets		11,212
Capital and reserves		
Share capital	*16*	10,493
Reserves		(472)
		10,021
Non-controlling interest		1,191
Total equity		11,212

Consolidated Statement of Changes in Equity

	Attributable to the owner of the Company					
	Share capital	**Exchange reserve**	**Accumulated losses**	**Total**	**Non-controlling interest**	**Total equity**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 2 February 2015 (date of incorporation of the Target Company)	–	–	–	–	–	–
Loss for the period	–	–	(228)	(228)	(21)	(249)
Translation differences on foreign operation	–	(244)	–	(244)	–	(244)
Total comprehensive income for the year	–	(244)	(228)	(472)	(21)	(493)
Issuance of shares	10,493	–	–	10,493	–	10,493
Acquisition of an intangible assets through acquisition of subsidiaries	–	–	–	–	1,212	1,212
At 31 August 2015	10,493	(244)	(228)	10,021	1,191	11,212

Consolidated Statement of Cash Flows

	For the period from 2 February 2015 (date of incorporation of the Target Company) to 31 August 2015
	HK$'000
Cash flows from operating activities	
Loss before taxation	(249)
Movement in working capital	
Change in prepayments, deposits and other receivables	1,126
Change in other payables and accruals	(142)
Cash generated from operating activities	735
Cash flows from investing activities	
Purchase of property, plant and equipment	(7)
Acquisition of intangible assets through acquisition of subsidiary	(10,900)
Cash used in investing activities	(10,907)
Cash flows from financing activities	
Proceeds from issuance of shares	10,493
Cash generated from financing activities	10,493
NET INCREASE IN CASH AND CASH EQUIVALENTS	321
Effect of foreign exchange rate changes, net	(243)
Cash and cash equivalents at the end of the period	78

II. NOTES TO THE FINANCIAL INFORMATION OF THE TARGET GROUP

1. CORPORATION INFORMATION

The Target Company was incorporated in the Hong Kong with limited liability. The address of the registered office is Room 803, 8 Floor, Yue Xiu Bldg, 160–174 Lockhart Rd, Wan Chai, Hong Kong.

The Target Company and its subsidiaries (collectively the "**Target Group**") are principally engaged in construction and operation of a cemetery located in People's Republic of China (the "**PRC**").

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purpose of preparing and presenting the Target Group Financial Information of the Relevant Period, the Target Group has consistently applied all the HKFRSs which are effective for the Target Group's accounting periods beginning on 2 February 2015 (date of incorporation of the Target Company) throughout the Relevant Period.

At the date of this report, the Target Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective during the Relevant Period:

HKFRS 9	Financial instruments[1]
HKFRS 15	Revenue from contracts with customers[3]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[2]
Amendments to HKAS 1	Disclosure initiative[2]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[2]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012–2014 cycle[2]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[2]
Amendments to HKAS 27	Equity method in separate financial statements[2]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[2]

1 Effective for annual periods beginning on or after 1 January 2018.
2 Effective for annual periods beginning on or after 1 January 2016.
3 Effective for annual periods beginning on or after 1 January 2017.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The director of the Target Company anticipate that the adoption of HKFRS 9 in the future may affect the amounts reported in respect of the Target Group's financial assets, however, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 Revenue from Contracts with Customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The director of the Target Company anticipate that the application of HKFRS 15 in the future may impact the amounts reported and/or disclosures made in the Financial Information. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Target Company performs a detailed review.

Except for the above, the director of the Target Company reviewed and assessed that the application of other new or revised HKFRSs in the Relevant Period has had no material effect on the amounts reported and disclosures set out in the Financial Information.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The Financial Information has been prepared in accordance with the following accounting policies which conform to HKFRSs. These policies have been consistently applied throughout the Relevant Period. In addition, the Financial Information included applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market on The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and by the Hong Kong Companies Ordinance.

The Financial Information contained in Circular does not constitute Target Company's statutory financial statements for either of the period ended 31 August 2015.

The Target Company was incorporated on 2 February 2015 and has not prepared and presented any statutory financial statements since incorporation. Consequently, no auditor report nor statutory financial statement have been delivered to the Registrar of Companies.

The Financial Information has been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Target Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Basis of consolidation

The Financial Information incorporate the financial statements of the Target Company and entities controlled by the Target Company and its subsidiaries. Control is achieved when the Target Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Target Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Target Group obtains control over the subsidiary and ceases when the Target Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Target Group gains control until the date when the Target Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Target Group, liabilities incurred by the Target Group to the former owners of the acquiree and the equity interests issued by the Target Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income taxes" and HKAS 19 "Employee benefits" respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Target Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based payment" at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current assets held for sale and discontinued operations are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another HKFRSs.

Acquisition of assets

For the acquisition of assets effected through a non-operating corporate structure that does not represent a business, it is considered that the transaction does not meet the definition of business combination. Accordingly the transaction is accounted for as the acquisition of asset and such transaction does not give rise to goodwill.

Revenue recognition

No revenue generated from the Target Group during the Relevant Period.

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. In periods where revenue is generated from the operating rights, amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Foreign currencies

In preparing the financial statements of equity of Target Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the Relevant Period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

Retirement benefits costs

Payments to defined contribution retirement plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Impairment of tangible and intangible assets other than goodwill

At the end of each of the Relevant Period, the Target Group reviews the carrying amounts of its tangible assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Target Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised when an equity of Target Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Target Group's financial assets are loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the Relevant Period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each of the Relevant Period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investments have been affected.

Objective evidence of impairment could include:

– significant financial difficulty of the issuer or counterparty; or

– breach of contract, such as default or delinquency in interest or principal payments; or

– it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Target Group's past experience of collecting payments, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and bills receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Target group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

– *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of the Target Group after deducting all of its liabilities. Equity instruments issued by the Target Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities including trade and bills payables, other payables and bank borrowing are subsequently measured at amortised cost using the effective interest method.

– *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial liability, or, (where appropriate), a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

– *Financial liabilities*

Financial liabilities (i.e. other payables) are subsequently measured at amortised cost, using the effective interest method.

Derecognition

The Target Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Target Group derecognises financial liabilities when, and only when, the Target Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease.

Operating lease payments are recognised as an expenses on a straight line basis over the term of the relevant lease. Benefits received and receivable as in incentive to enter into an operating lease are recognised as a reduction of rental expenses over the lease term on a straight line basis.

Cash and cash equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and bank deposits that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value.

Related parties

A party is considered to be related to the Target Group if:

(a) the party is a person or a close member of that person's family and that person:

(i) has control or joint control over the Target Group;

(ii) has significant influence over the Target Group; or

(iii) is a member of the key management personnel of the Target Group or of a parent of the Target Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Target Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity;

(iii) the entity and the Target Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Target Group or an entity related to the Target Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a); or

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key.

4. CRITICAL ACCOUNTING JUDGMENT

In the application of the Target Group's accounting policies, which are described in Note 3, management of the Target Group is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following is the critical judgement, apart from those involving estimations (see below), that the management have made in the process of applying the Target Group's accounting policies and that have the most significant effect on the amounts recognised in the Financial Information.

Estimated useful lives of property, plant and equipment

Management of the Target Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles.

Management of the Target Group will increase the depreciation charges where useful lives are less than previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

Estimation of impairment of intangible assets

The Target Group performs annual assessments on whether there has been impairment of intangible assets in accordance with the significant accounting policy stated in impairment of tangible and intangible assets other than goodwill. The recoverable amounts of cash generating units are determined based on value in use calculations. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the value-in-use calculations. As at 31 August 2015, the carrying amount of intangible assets is approximately HK$10,940,000.

5. REVENUE AND SEGMENT INFORMATION

For the purposes of resources allocation and performance assessment, the director of the Target Company, regularly review revenue for major services and market segments. However, no operating segment is presented as the Target Group basically operated in one single operating segment i.e. managing of cemetery and trading of graves during the Relevant Period.

Geographical segment information

During the Relevant Period, the Target Group's operations and its non-current assets and principally located in PRC, accordingly no geographical segment information is presented.

6. REVENUE

No revenue generated from the Target Group during the Relevant Period.

7. LOSS BEFORE TAXATION

The Target Group's loss before taxation for the Relevant Period is arrived at after charging:

	For the period from 2 February 2015 (date of incorporation of the Target Company) to 31 August 2015
	HK$'000
Employee benefit expense (excluding director's remuneration)	
– Salaries, allowances and benefits in kind	96
– Retirement benefit schemes contributions	–
	96
Auditors' remunerations	–
Operating lease rentals in respect of: land and building	26

8. DIRECTOR'S REMUNERATION

The remuneration paid and payable of the director of Target Company during the Relevant Period are analysed as follows:

	Fee	**Salaries and other benefits**	**Retirement benefits scheme contribution**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Cheng Kwok Wo (appointed on 18 February 2015)	–	–	–	–
Yip Shu Tai (appointed on 2 February 2015 and resigned on 18 February 2015)	–	–	–	–

During the Relevant Period, no remunerations of directors of Target Group are paid which have been classified as those fall within HK$ Nil to HK$1,000,000.

There was no arrangement under which a director waived or agreed to waive any remuneration during the Relevant Period.

9. INDIVIDUALS WITH HIGHEST REMUNERATIONS

The five individuals whose remunerations were the highest in the Target Group for the Relevant Period do not include any director. The remunerations paid and payable to the remaining 5 highest paid individual during the period are as follows:

	For the period from 2 February 2015 (date of incorporation of the Target Company) to 31 August 2015
	HK$'000
Salaries, wages and other benefits	33
Retirement benefit scheme contributions	–
	33

The remunerations of each of the highest paid individual fall within HK$ nil to HK$1,000,000.

10. INCOME TAX EXPENSE

	For the period from 2 February 2015 (date of incorporation of the Target Company) to 31 August 2015
	HK$'000
Current tax:	
Hong Kong Profits Tax	–
PRC Profits Tax	–

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profit arising in Hong Kong during the Relevant Period.

Under the Enterprise Income Tax Law of the People's Republic of China ("**PRC**"), the enterprise income tax rate applicable to the Group's Companies operating in the PRC is 25%.

No provision for Hong Kong Profits Tax and the PRC Enterprise Tax has been made as the companies comprising of the Target Group have no assessable profits for the Relevant Period in the relevant tax jurisdictions.

The tax charge for the Relevant Period can be reconciled to loss before taxation per the consolidated statements of profit or loss and other comprehensive income as follows:

	For the period from 2 February 2015 (date of incorporation of the Target Company) to 31 August 2015
	HK$'000
Loss before tax	(249)
Tax at Hong Kong Profits Tax rate of 16.5%	(41)
Effect of different tax rates of subsidiaries operating in other jurisdiction	18
Tax effect of unused tax losses not recognised	23
Tax expenses at effective tax rate	–

11. LOSS PER SHARE

No loss per share information has been presented as its inclusion, for the purpose of this report, was not considered meaningful.

12. DIVIDEND

No dividend has been declared during the Relevant Period.

13. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and office equipment
	HK$'000
Cost:	
At 2 February 2015 (date of incorporation of the Target Company)	–
Addition	7
At 31 August 2015	7
Accumulated depreciation:	
At 2 February 2015 (date of incorporation of the Target Company)	–
Charge for the period	–
At 31 August 2015	–
Carrying Amount:	
At 31 August 2015	7

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Furniture, fixtures and office equipment	20%

14. INTANGIBLE ASSETS

	Operating rights
	HK'000
Cost:	
At 2 February 2015 (date of incorporation of the Target Company)	–
Acquisition of a subsidiary	10,940
At 31 August 2015	10,940

The operating rights represents the cost of acquisition of the Operating Company as disclosed in Note 17. The useful life of operating rights is 50 years. Since the projects was still under the planning stage and yet to commence the operation, no amortisation were provided.

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At 31 August 2015
	HK$'000
Prepayments	94
Deposits and other receivables	323
	417

Other receivables were neither past due nor impaired.

16. SHARE CAPITAL

Issued and fully paid:

	No. of ordinary shares	
		HK$'000
At 2 February 2015 (date of incorporation of the Target Company) *(Note i)*	10,000	10
Allotment of shares *(Note ii)*	1	10,483
At 31 August 2015	10,001	10,493

Note:

(i) On incorporation, 10,000 ordinary shares of HK$1 each were issued for cash consideration as initial subscription capital of the Target Company.

(ii) On 13 August 2015, the issued share capital of the company was increased to HK$10,493,000 by allotment of 1 shares of HK$10,483,000 for capitalisation of loan from a shareholder amounted to HK$10,483,000. Such shares rank pari passu in all respects with the existing shares of the company.

17. ACQUISITION OF AN INTANGIBLE ASSETS THROUGH ACQUISITION OF SUBSIDIARY

On 25 June 2015, the wholly-owned subsidiary, 鄭州鼎鋆瀚鑫貿易有限公司 (Zhengzhou Dingjun Hanxin Trading Company Limited) ("**Zhengzhou Company**") entered into an agreement with Ms. Wang Qing Fang and Mr. Wang Zhi Qun for the acquisition of the 90% shares of 柘城縣襄安陵有限公司 (Zhencheng County Xianganling Company Limited*) ("**Operating Company**") at cash consideration of RMB9,000,000 (equivalents to HK$10,900,800.)

Operating Company is a company established in the PRC with limited liability. It is principally engaged in construction and operation of a cemetery.

Operating Company has not carried out any significant business transactions on acquisition date. In the opinion of the director, the acquisition did not constitute an acquisition of business in substance. The acquisition of the Operating Company was then considered as acquisition of assets through acquisition of subsidiary. Therefore, the acquisition was not accounted for as a business combination in accordance with the requirements of HKFRSs.

Assets and liabilities arising from the acquisition were as follows:

	HK$'000
Cash and bank balances	1
Other receivables	1,544
Other payables	(373)
Intangible assets	10,940
Total identifiable net assets at fair value	12,112
Non-controlling interest	(1,211)
	10,901
Total purchase consideration:	
Cash	10,901

An analysis of the cash flows in respect of the acquisition is as follows:

Cash consideration	(10,901)
Cash and cash equivalents acquired	1
Net cash outflow of cash and cash equivalents	(10,900)

18. CAPITAL RISK MANAGEMENT

The Target Group manages its capital to ensure that the entities in the Target Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Target Group consists of cash and cash equivalents and equity attributable to owners of the Target Company, comprising share capital and reserves.

Management of the Target Group review the capital structure on a continuous basis taking into account the cost of capital and the risks associate with the capital. The Target Group will balance its overall capital structure through payment of dividends, new share issues as well as the issue of new debt, if necessary.

19. FINANCIAL INSTRUMENTS

Categories of financial instruments

Financial assets

	At 31 August 2015
	HK$'000
Financial assets	
Other receivables	323
Cash and bank balances	78
	401

Financial liabilities

	At 31 August 2015
	HK$'000
Financial liabilities	
Other payables	230

(a) Financial risk management objectives and policies

The Target Group's major financial instruments include other receivables, bank balances and cash and other payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

The Target Group has no significant concentrations of credit risk.

Liquidity risk

In the management of the liquidity risk, the Target Group monitors and maintains a level of cash and cash equivalents deemed adequate by the shareholders to finance the Target Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Target Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Target Group can be required to pay. The table includes both contractual interest and principal cash flows.

	Within 1 year	Total undiscounted cash flow	Carrying amount
	HKD'000	*HKD'000*	*HKD'000*
At 31 August 2015			
Other payables and accruals	230	230	230

(b) Fair value measurements of financial instruments

At the end of the Relevant Period, the Target Group did not have any assets and liabilities that were measured at the fair value measurements hierarchy.

The directors of the Target Company consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

20. COMMITMENT

Capital commitment

As at 31 August 2015, the Target Group has the following capital commitment:

	HK$'000
Contracted but not accounted for	
– Acquisition of land use rights	13,535

21. EVENTS AFTER THE END OF THE RELEVANT PERIOD

There was no significant event took place subsequent to 31 August 2015.

22. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Target Group have been prepared in respect of any period subsequent to 31 August 2015.

Yours faithfully,
Elite Partners CPA Limited
Certified Public Accountants

Yip Kai Yin
Practising Certificate Number: P05131
Hong Kong

PART B. MANAGEMENT DISCUSSION AND ANALYSIS OF THE RESULTS OF TARGET GROUP

The discussion of the financial condition and results of operations of the Target Group (is based upon) and should be read in conjunction with Accountant's Reports set out in Appendix II to this circular. Set out below is the management discussion and analysis of the Target Group for the corresponding period:

Business Review and Prospect

Fortune Ford Limited and its subsidiaries (collectively the "**Target Group**") are 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 Target Group has obtained the operating rights 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.

The Target Group plans 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 60% of 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.

As part of its business plan, enable the Company to expand its source of revenue to the cemetery business and diversify the Group's revenue base.

Financial Review

Revenue

No revenue generated from the Target Group during the Relevant Period.

Administrative expenses

Administrative expenses primarily consist of rental expenses, salaries, benefits and other remuneration of administrative employees and preliminary expenses for incorporation. For the period from 2 February 2015 (date of incorporation of the Target Company) to 31 August 2015 recorded approximately HK$249,000.

Loss for the period and loss attributable to the owner of Target Company

The loss for the period from 2 February 2015 (date of incorporation of the Target Company) to 31 August 2015 of the Target Group and loss attributable to the owner of Target Company were approximately HK$249,000 and HK$227,000 respectively.

Capital expenditure

Capital expenditure consists primarily of payments for furniture, fixture and office equipment. For the period from 2 February 2015 (date of incorporation of the Target Company) to 31 August 2015, The Target Group incurred capital expenditure in the amount of approximately HK$7,000.

Liquidity and capital resources

As at 31 August 2015, the total assets of the Target Group were approximately HK$11,442,000, including cash and bank balances of approximately HK$78,000. The gearing ratio of the Target Group expressed in total debt as a percentage of net assets was 2.1%. The Target Group recorded net current assets and net assets position of approximately HK$265,000 and HK$11,212,000 respectively.

Charges on Assets

As at 31 August 2015, the Target Group did not have any charges on assets.

Commitment

As at 31 August 2015, the Target Group has a capital commitment of approximately HK$13,535,000 for the acquisition of land use rights.

Contingent liabilities

As at 31 August 2015, the Target Group did not have any contingent liabilities.

Employees and Remuneration Policy

As at 31 August 2015, the total number of employees of the Target Group was 17. The subsidiaries of the Target Group in the PRC participated in employee benefit plans, including pension, medical and other welfare benefits, organised by the government authorities in accordance with relevant regulations. Except for the above social security benefits, the subsidiaries had no other material commitment to other employee welfare benefits. According to the relevant regulations, premium and welfare benefit contributions were remitted to the social welfare authorities and were calculated based on percentages of the total salary of employees, subject to certain ceiling.

Material Acquisition

On 25 June 2015, the wholly-owned subsidiary, 鄭州鼎鋆瀚鑫貿易有限公司 (Zhengzhou Dingjun Hanxin Trading Company Limited) ("**Zhengzhou Company**") entered into an agreement with Ms. Wang Qing Fang and Mr. Wang Zhi Qun for the acquisition of the 90% shares of 柘城縣襄安陵有限公司 (Zhecheng County Xianganling Company Limited*) ("**Operating Company**") at cash consideration of RMB9,000,000 (equivalents to HK$10,900,800).

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

Foreign exchange exposure

The majority of the Target Group's transactions was denominated in HK$ and Renminbi ("**RMB**"), no hedging or other arrangements to reduce the currency risk have been implemented during the period from 2 February 2015 (date of incorporation of the Target Company) to 31 August 2015 as the director of Target Group considers that the potential foreign exchange exposure of the Target Group is limited.

* *For identification purposes only*

The following is the text of a report received from ELITE PARNTERS CPA LIMTIED, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

開元信德會計師事務所有限公司
ELITE PARTNERS CPA LIMITED
Certified Public Accountants

Suites 2B-4A, 20/F., Tower 5,
China Hong Kong City,
33 Canton Road, Tsim Sha Tsui, Kowloon,
Hong Kong

7 November 2015

The Board of Directors
Evershine Group Holdings Limited
16th Floor, Zoroastrian Building
101 Leighton Road
Causeway Bay
Hong Kong

Dear Sir or Madam,

We have completed our assurance engagement to report on the compilation of the Unaudited Pro Forma Financial Information of Evershine Group Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**"), and Fortune Ford Limited and its subsidiaries (the "**Target Group**") (collectively the "**Enlarged Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only.

The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 June 2015, and related notes (the "**Unaudited Pro Forma Financial Information**") as set out on pages 62 to 68 in Appendix III of the Company's circular dated 7 November 2015 (the "**Circular**"), in connection with the proposed acquisition of Fortune Ford Limited (the "**Acquisition**") by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages 65 to 68.

The Unaudited Pro Forma Financial Information has been compiled by the Directors of the Company to illustrate the impact of the Acquisition on the Group's consolidated financial position as at 30 June 2015 as if the Acquisition had taken place at 30 June 2015. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's condensed financial statements for the six months ended 30 June 2015, on which an interim report has been published.

DIRECTORS' RESPONSIBILITIES FOR THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on Growth Enterprises Market of the Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

REPORTING ACCOUNTANTS' RESPONSIBILITES

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the significant event or Acquisition on unadjusted financial information of the Group as if the Acquisition had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Acquisition as at 30 June 2015 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Acquisition, and to obtain sufficient appropriate evidence about whether:

– The related pro forma adjustments give appropriate effect to those criteria; and

– The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or Acquisition in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Yours faithfully,
Elite Partners CPA Limited
Certified Public Accountants

Yip Kai Yin
Practising Certificate Number: P05131
Hong Kong

A. INTRODUCTION TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following is an illustrative unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group ("**Unaudited Pro Forma Financial Information**"), which has been prepared on the basis of the notes set forth below for the purpose of illustrating the effects of the Acquisition, as if it has taken place on 30 June 2015.

This Unaudited Pro Forma Financial Information has been prepared by the Directors of for illustrative purposes only, based on their judgments, estimations and assumptions, and because of its hypothetical nature, it may not give a true picture of the financial position of the Enlarged Group had the Acquisition been completed on 30 June 2015 or any future date.

The Unaudited Pro Forma Financial Information has been compiled based on the condensed consolidated statement of financial position of the Group as at 30 June 2015 included in the published 2015 interim report of the Company and the consolidated statement of financial position of the Target Group as at 31 August 2015 as set out in the Accountant's Report in Appendix II to this circular after giving effect to the unaudited pro forma adjustments as described in the accompanying notes.

The Unaudited Pro Forma Financial Information should be read in conjunction with other financial information included elsewhere in this Circular.

The Unaudited Pro Forma Financial Information set out in this Circular does not constitute the Company's statutory annual consolidated financial statements for the period ended 30 June 2015.

The Company's statutory financial statement was the audited consolidated financial statements for the year ended 31 December 2014 which have been delivered to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on these statutory financial statements which was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis; and did not contain a statement under either sections 406(2), 407(2) or (3) of the Companies Ordinance.

B. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

	The Group as at 30 June 2015 (Unaudited)	The Target Group as at 31 August 2015 (Audited)	Sub-total	Pro forma adjustments		The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*
Non-current assets						
Property, plant and equipment	675	7	682			682
Intangible assets	37,013	10,940	47,953	107,060	5	155,013
Interests in associates	19,247	–	19,247			19,247
Goodwill	11,614	–	11,614			11,614
	68,549	10,947	79,496			186,556
Current assets						
Inventories	13,026	–	13,026			13,026
Trade and other receivables	33,428	417	33,845	(20,000)	4	13,845
Restricted bank deposits	2,151	–	2,151			2,151
Cash and cash equivalents	26,954	78	27,032	(10,000)	4	17,032
	75,559	495	76,054			46,054
Assets classified as held for sales	59,824	–	59,824			59,824
	135,383	495	135,878			105,878
Current liabilities						
Trade and other payables	20,621	230	20,851			20,851
Short-term loan	2,000	–	2,000			2,000
Promissory notes	–	–	–	26,960	4	26,960
	22,621	230	22,851			49,811

	The Group as at 30 June 2015 (Unaudited)	The Target Group as at 31 August 2015 (Audited)	Sub-total	Pro forma adjustments	Notes	The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*
Liabilities directly associated with Assets classifies as held for sales	37,003	–	37,003			37,003
	59,624	230	59,854			86,814
Net current assets	75,759	265	76,024			19,064
Total assets less current liabilities	144,308	11,212	155,520			205,620
Non-current liabilities						
Convertible bonds	–	–	–	39,123	4	39,123
Deferred tax liability	1,148	–	1,148			1,148
	1,148	–	1,148			40,271
NET ASSETS	143,160	11,212	154,372			165,349
CAPITAL AND RESERVES						
Share capital	871,164	10,493	881,657	(10,493)	6	871,164
Reserves	(707,466)	(472)	(707,938)	10,764	4	(697,174)
Total equity attributable to Shareholders of the company	163,698	10,021	173,719			173,990
Non-controlling interests	(20,538)	1,191	(19,347)	10,706	5	(8,641)
TOTAL EQUITY	143,160	11,212	154,372			165,349

C. NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION

1. The condensed consolidated statement of financial position of the Group as at 30 June 2015 is extracted from the condensed consolidated statement of financial position of the Group as set out in the interim report of the Company as at 30 June 2015.

2. The balances are extracted from the consolidated statement of financial position of the Target Group as at 31 August 2015 as set out in the accountant's report of the Target Company in Appendix II to this circular.

3. In preparation of the Unaudited Pro Forma Financial Information of the Enlarged Group, since the Target Group did not commence the business yet, it is assumed that the Acquisition did not constitute an acquisition of business but an acquisition of net assets of Target Group in substance. In such cases, under Hong Kong Financial Reporting Standard 3 "Business Combination", if the acquisition of a group of assets that does not constitute a business, the acquirer shall identify and recognise the individual identifiable assets acquired and liabilities assumed. The cost of the group of assets shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.

4. The adjustment reflects the consideration for the Acquisition to be satisfied by the Company amounted to approximately HK$106,375,000. Pursuant to the Agreement, the consideration for the Acquisition would be satisfied by cash consideration and issuance of Promissory Notes and Consideration Shares. The assumed fair value of the consideration for the acquisition represents as follows:

	HK$'000
Cash consideration *(Note (i))*	30,000
Promissory notes *(Note (ii))*	26,960
Convertible bonds *(Note (iii))*	49,415
	106,375

Note:

(i) Cash consideration represented HK$20,000,000 deposit paid by the Company to the non-legally binding memorandum of understanding dated 9 April 2015 and entered into between the Company and the Vendor and HK$10,000,000 further deposit shall be settled by the Purchaser by way of a cashier order issued and made payable to the Vendor upon the entering into of the agreement.

(ii) The Promissory Notes has a principal amount of HK$30,320,000 carrying interest rate 2% per annum and a repayment term of first anniversary year from the date of issue (the "**PN Maturity Date**"). The Company may repay in full or in part by the Company at any time during the PN Maturity Date together with interest accrued without penalty.

The assumed fair value of the promissory notes of approximately HK$26,960,000 represents the present value of the promissory notes carried at effective interest rate of 14.68%.

(iii) The convertible bonds has a principal amount of HK$49,680,000 and a repayment term of second anniversary years from the date of issue (the "**CB Maturity Date**"). The company may early redeem 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 assumed fair value of the debt and equity component of the convertible bonds was estimated to be HK$39,123,000 and HK$10,292,000 respectively on the initial recognition date. In subsequent periods, the debt component is carried at amortised cost using the effective interest method. The effective interest rate of the debt component is 15.07% per annum. The derivative component is measured at fair value at the date of issues and in subsequent periods with changes in fair value recognised in profit or loss.

The assumed fair value of (i) the identifiable assets and liabilities of the Target Group; (ii) convertible bonds and (iii) promissory notes will be re-assessed at the actual completion date of the Acquisition, the amount of intangible assets to be recognised in connection with the Acquisition at the completion date are therefore subject to changes from the pro forma amounts shown above.

5. The adjustment represent the assumed fair value of the assets acquired subject to change at the actual completion date and may be substantially different from this provisional amount used in this Unaudited Pro Forma Financial Information.

For the purpose of the Unaudited Pro Forma Financial Information, the consideration of approximately HK$106,375,000 has taken to be the fair value of the assets acquired. The assumed fair value of identifiable assets and liabilities of the Target Group were summarised as follow:

	Carrying amount	**Fair value adjustment**	**Assumed fair value**
	HKD'000	*HKD'000*	*HKD'000*
Property, plant and equipment	7	–	7
Intangible assets	10,940	107,060	118,000
Trade and other receivables	417	–	417
Cash and bank balances	78	–	78
Trade and other payables	(230)	–	(230)
	11,212	107,060	118,272

For the purpose of preparing the Unaudited Pro Forma Financial Information, the Directors have estimated the fair value of the intangible assets of HK$118,000,000, being the operating rights, with reference to the valuation report prepared by Roma Appraisals Limited, an independent valuer (the "**Valuer**"). The directors of the Company have reviewed the carrying value of intangible assets of the Enlarged Group which will arise from the Acquisition in accordance with Hong Kong Accounting Standard 36 Impairment of Assets ("**HKAS 36**"), taking into account the independent valuation report, carried out by Roma Appraisals Limited.

The Valuer has adopted the income-based approach in arriving at the fair value of the operating rights. In particular, the excess earnings method was adopted. The excess earnings method estimates the fair value of the operating rights as the present value of the profits attributable to the operating rights after deducting the proportion of profits that are attributable to other contributory assets, which include fixed assets, working capital and assembled workforce that were used to support the realization of cash flows from the operating rights. The excess earnings were the profit after deducting all the charges for contributory assets, which were then discounted at an appropriate discount rate to arrive at the fair value of the operating rights.

The valuer has adopted certain specific assumptions in the valuation of the operating rights and the major assumptions are as follows:

- The useful life of the operating rights was assumed to be up to 1 July 2050;

- The valuation was mainly based on the projections of the future cash flows of the Target Group as provided by the management. The projections outlined in the financial information provided are reasonable, reflecting market conditions and economic fundamentals, and will be materialized;

- 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 their ongoing operations and developments;

- There will be no major changes 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 changes 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.

Taking into consideration of the assumptions stated in the valuation report and the latest market environment in the assessment of impairment of intangible assets in accordance with HKAS 36, the directors of the Company are of the opinion that there are no indications that the values of the intangible assets may be impaired, as shown in the Unaudited Pro Forma Financial Information of the Enlarged Group as at 30 June 2015. The reporting accountants of the Acquisition concurred with the assessment of impairment of intangible assets by the directors of the Company, in accordance with HKAS 36, in the unaudited pro forma statement of financial position of the Enlarged Group as at 30 June 2015.

6. The adjustment represents the elimination of the share capital and the pre-acquisition reserves of the Target Group upon completion of the Acquisition.

The following is the text of a report prepared for the purpose of incorporation in this circular from Roma Appraisals Limited, an independent valuer, in connection with its valuation as at 31 August 2015 of the market value of 100% equity interest in the Target Group.

ROMA

Unit 3806, 38/F, China Resources Building
26 Harbour Road, Wan Chai, Hong Kong
Tel (852) 2529 6878 Fax (852) 2529 6806
E-mail info@romagroup.com
http://www.romagroup.com

7 November 2015

Evershine Group Holdings Limited
16th Floor, Zoroastrian Building,
101 Leighton Road,
Causeway Bay,
Hong Kong

Case Ref: KY/BVPPA2869/JUL15(a)

Dear Sir/Madam,

Re: Valuation of 100% Equity Interest in Fortune Ford Limited and Its Subsidiaries

In accordance with the instructions from Evershine Group Holdings Limited (hereinafter referred to as the "**Company**") to us to conduct a business valuation on 100% equity interest in Fortune Ford Limited (hereinafter referred to as the "**Target Company**") and its subsidiaries (collectively referred to as the "**Target Group**"). We are pleased to report that we have made relevant enquiries and obtained other information which we considered relevant for the purpose of providing our valuation as at 31 August 2015 (hereinafter referred to as the "**Date of Valuation**").

This report states the purpose of valuation, scope of work, economic overview, industry overview, overview of the Target Group, basis of valuation, investigation and analysis, valuation methodology, major assumptions, information reviewed, limiting conditions, remarks and opinion of value. Site visit photos are included in appendix I of this report.

1. PURPOSE OF VALUATION

This report is prepared solely for the use of the directors and management of the Company. In addition, Roma Appraisals Limited ("**Roma Appraisals**") acknowledges that this report may be made available to the Company for public documentation purpose and included in the Company's circular only.

Roma Appraisals assumes no responsibility whatsoever to any person other than the Company in respect of, or arising out of, the contents of this report. If others choose to rely in any way on the contents of this report they do so entirely at their own risk.

2. SCOPE OF WORK

Our valuation conclusion is based on the assumptions stated herein and on information provided by the management of the Company, the management of the Target Group and/or their representative(s) (together referred to as the "**Management**").

In preparing this report, we have had discussions with the Management in relation to the development, operations and other relevant information of the Target Group. As part of our analysis, we have reviewed such financial information and other pertinent data concerning the Target Group provided to us by the Management and have considered such information and data as attainable and reasonable.

We have no reason to believe that any material facts have been withheld from us. However, we do not warrant that our investigations have revealed all of the matters which an audit or more extensive examination might disclose.

We do not express an opinion as to whether the actual results of the business operation of the Target Group will approximate those projected because assumptions regarding future events by their nature are not capable of independent substantiation.

In applying these projections to the valuation of the market value of the Target Group, we are making no representation that the business expansion will be successful, or that market growth and penetration will be realized.

3. ECONOMIC OVERVIEW

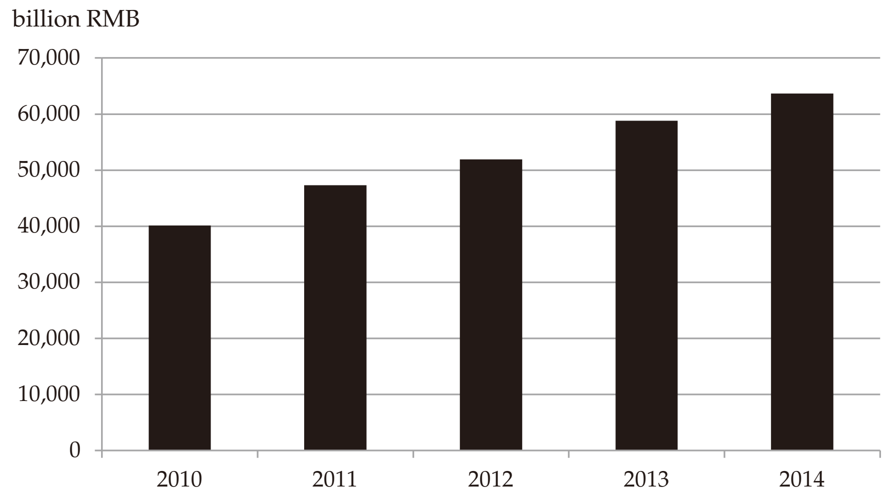
3.1 Overview of the Economy in China

According to the National Bureau of Statistics of China, the nominal gross domestic product ("**GDP**") of China in the first quarter of 2015 was RMB14,066.7 billion, a year over year increase of 7% comparing to March 2014. China was the third largest economy in the world, ranked after the European Union and the United States, in terms of nominal GDP measured by the International Monetary Fund ("**IMF**") in 2014. Despite the global financial crisis in late 2008, the Chinese economy continued to be supported by the Chinese government through spending in infrastructure and real estates.

Throughout 2009, the global economic downturn reduced foreign demand for Chinese exports for the first time in many years. The government vowed to continue reforming the economy and emphasized the need to increase domestic consumption in order to make China less dependent on foreign exports. China's economy rebounded quickly in 2010, outperforming all other major economies with robust GDP growth and the economy remained in strong growth since 2011.

Over the past five years from 2010 to 2014, compound annual growth rate of China's nominal GDP was 12.2%, the Chinese government targeted to grow its GDP by around 7.0% for the period from 2011 to 2015. Figure 1 further illustrates the nominal GDP of China from 2010 to 2014.

Figure 1 – China's Nominal GDP from 2010 to 2014

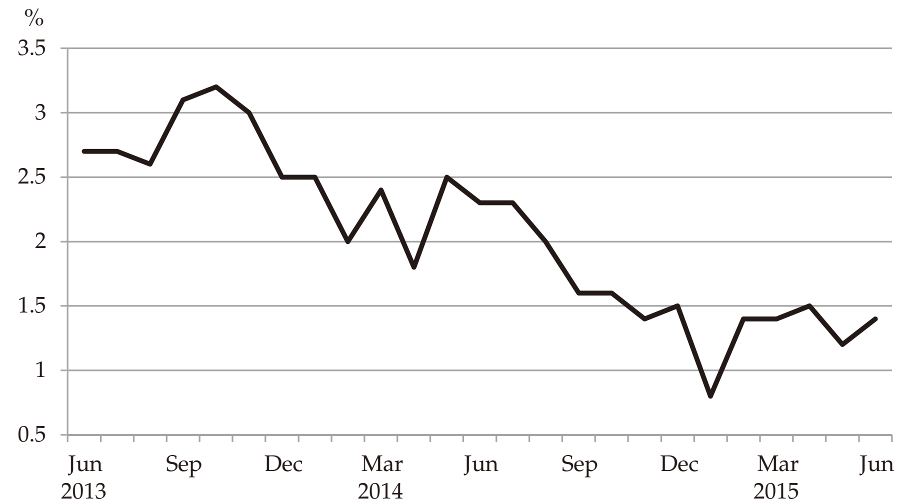


Source: National Bureau of Statistics of China

3.2 Inflation in China

Tackling inflation problem has long been the top priority of the Chinese government as high prices are considered as one of the causes of social unrest. For such a fast-growing economy, the middle-class' demand for food and commodities has been rising continuously. Inflation in China has been driven mainly by food prices, which have been stayed high in 2011. According to the National Bureau of Statistics of China, the consumer price index demonstrated an uptrend in the first half of 2011. Thanks to the government's policies in suppressing commodity prices, the inflation slowed in the second half of 2011 and first half of 2012 and maintained at around 2% to 3% during 2013. During 2014, the inflation dropped and reached 1.5% in December 2014. Figure 2 shows the year-over-year change in consumer price index of China from June 2013 to June 2015.

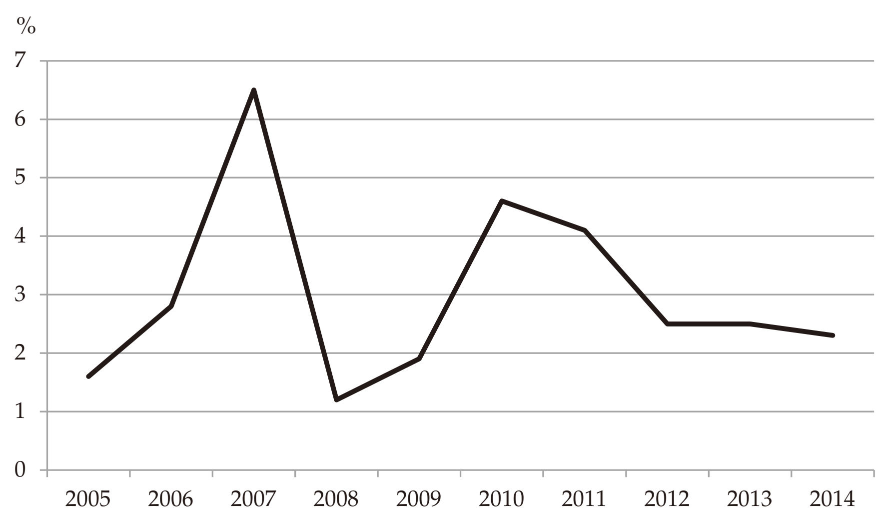
Figure 2 – Year-over-year Change in China's Consumer Price Index from June 2013 to June 2015



Source: Bloomberg

China's inflation rate was volatile during the past decade. According to the IMF, the inflation rate in China increased from 2.8% in 2006 to 6.5% in 2007, and then dropped to 1.2% and 1.9% in 2008 and 2009 respectively. The inflation rate increased to 4.6% in 2010 and maintained at 4.1% in 2011. The inflation dropped again to 2.5% in 2012 and 2013, and further to 2.3% in 2014. According to IMF's forecast, the long-term inflation rate of China is expected to be around 3.0%. Figure 3 shows the historical trend of China's inflation rate from 2005 to 2014.

Figure 3 – China's Inflation Rate from 2005 to 2014



Source: IMF

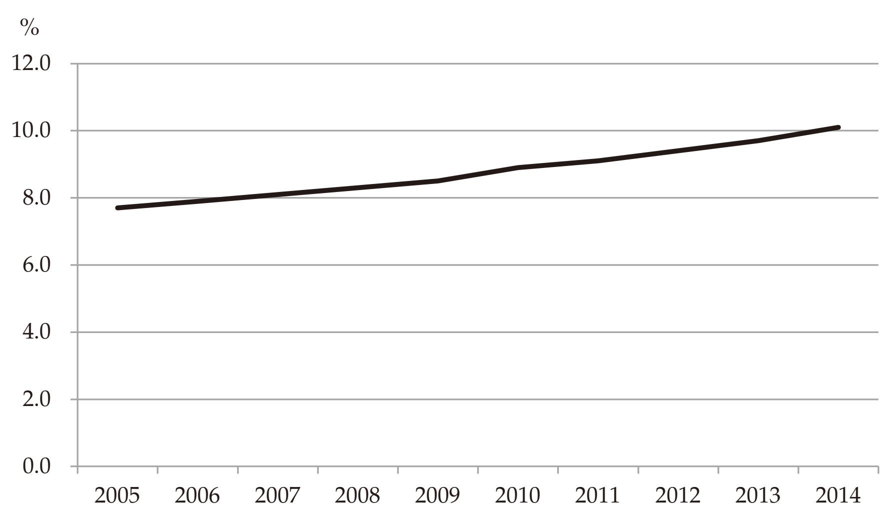
4. INDUSTRY OVERVIEW

4.1 Overview of the Funeral Services Industry in China

As of 2014, China was the most populous country in the world with over a population of 1,360 million, according to the "2014 World Population Data Sheet" published by the Population Reference Bureau ("**PRB**") in August 2014.

China has been experiencing rapid growth in population aging. The aging population has brought severe demographic challenges for the country. According to the statistics sourced from the National Bureau of Statistics of China, the proportion of population aged 65 years and above kept increasing over the past decade, from 7.7% in 2005 to 10.1% in 2014. Figure 4 shows the historical proportion of population for the age group 65 and above in China from 2005 to 2014.

Figure 4 – Historical Proportion of Population for the Age Group 65 and Above in China from 2005 to 2014



Source: National Bureau of Statistics of China

China's death rate is on steady rise as a result of the aging population. The National Bureau of Statistics of China states that China had a crude death rate of 7.2 per 1,000 people in 2014. The high number of deaths in China, as a result of the growing base of elderly people, has led to strong demand for funeral services including cemeteries.

According to the Henan Province National Economy and Social Development Statistical Reports published by the National Bureau of Statistics of China, the number of death population has increased from 71 million in 2012 to 75 million in 2014; the death rate increased from 6.7% in 2012 to 7.2% in 2014. The average cremation rate over this period was around 42%, while the burial rate was between 60% and 70% in Henan Province.

The burial services segment experienced the highest growth in China's death care services industry among funeral services, remains disposal and other product sales and services. Due to the growing demand for burial services and scarcity of land as a result of tight control, the burial price in China has been soaring in recent years. An article on the death care industry in China published by the Market Mogul has revealed that a unit of space for graveyard in Beijing costs at least RMB8,000 per square meter and the highest price could be RMB350,000 per square meter. The price for a graveyard even is higher than the average property price in the capital of China. In Henan, according to a news article titled "河南陵園公司試水資本市場, 欲融資開發旅遊業" published by 中國經濟周刊 ("**China Economic Weekly**") in March 2015, the average price of a cemetery with area of one square meter rose sharply from RMB13,000 in 2008 to RMB23,000 in 2015.

5. OVERVIEW OF THE TARGET GROUP

The Target Company is an investment holding company established in Hong Kong with limited liability on 2 February 2015. Apart from its 100% equity interest in 鄭州鼎鋆瀚鑫貿易有限公司 (Zhengzhou Dingjun Hanxin Trading Company Limited) (hereinafter referred to as the "**Zhengzhou Company**"), the Target Company does not have any business operation.

The Zhengzhou Company is a wholly foreign owned enterprise and was established in the People's Republic of China ("**PRC**") on 16 June 2015. Apart from its 90% equity interest in 柘城縣襄安陵有限公司 (Zhecheng County Xianganling Company Limited) (hereinafter referred to as the "**Operating Company**"), the Zhengzhou Company does not have any business operation.

The Operating Company is a company established in the PRC with limited liability on 11 March 2015. The Operating Company is owned as to 90% by the Zhengzhou Company. 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) (hereinafter referred to as 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 (hereinafter referred to as the "**Land**") which is located at Zhecheng County, Henan Province, the PRC. The Land has been leased from an independent third party (hereinafter referred to as 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 utilize 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.

6. BASIS OF VALUATION

Our valuation is conducted on a market value basis. According to the International Valuation Standards established by the International Valuation Standards Council in 2011, **market value** is defined as "the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

7. INVESTIGATION AND ANALYSIS

Our investigation included discussions with members of the Management in relation to the development, operations and other relevant information of the Target Group. In addition, we have made relevant inquiries and obtained further information and statistical figures regarding the economy and funeral services industry in China as we considered necessary for the purpose of the valuation.

As part of our analysis, we have reviewed such financial information and other pertinent data concerning the Target Group provided to us by the Management and have considered such information and data as attainable and reasonable. We also performed a visit to the Cemetery and had meetings with the Management in July 2015.

The valuation of the Target Group requires consideration of all pertinent factors, which may or may not affect the operation of the business and its ability to generate future investment returns. The factors considered in our valuation include, but are not necessarily limited to, the following:

- The nature and prospect of the Target Group;
- The financial condition of the Target Group;
- The economic outlook in general and the specific economic environment and market elements affecting the business, industry and market;
- Relevant licenses and agreements;
- The business risks of the Target Group such as the ability in maintaining competent technical and professional personnel; and
- Investment returns and market transactions of entities engaged in similar lines of business.

8. VALUATION METHODOLOGY

There are generally three accepted approaches to obtain the market value of the Target Group, namely the Market-Based Approach, Income-Based Approach and Asset-Based Approach. Each of these approaches is appropriate in one or more circumstances, and sometimes, two or more approaches may be used together. Whether to adopt a particular approach will be determined by the most commonly adopted practice in valuing business entities that are similar in nature.

8.1 Market-Based Approach

The Market-Based Approach values a business entity by comparing prices at which other business entities in a similar nature changed hands in arm's length transactions. The underlying theory of this approach is that one would not pay more than one would have to for an equally desirable alternative. By adopting this approach, the valuer will first look for valuation indication of prices of other similar business entities that have been sold recently.

The right transactions employed in analyzing indications of values need to be sold at an arm's length basis, assuming that the buyers and sellers are well informed and have no special motivations or compulsions to buy or to sell.

8.2 Income-Based Approach

The Income-Based Approach focuses on the economic benefits due to the income producing capability of the business entity. The underlying theory of this approach is that the value of the business entity can be measured by the present worth of the economic benefits to be received over the useful life of the business entity. Based on this valuation principle, the Income-Based Approach estimates the future economic benefits and discounts them to their present values using a discount rate appropriate for the risks associated with realizing those benefits.

Alternatively, this present value can be calculated by capitalizing the economic benefits to be received in the next period at an appropriate capitalization rate. This is subject to the assumption that the business entity will continue to maintain stable economic benefits and growth rate.

8.3 Asset-Based Approach

The Asset-Based Approach is based on the general concept that the earning power of a business entity is derived primarily from its existing assets. The assumption of this approach is that when each of the elements of working capital, tangible and intangible assets is individually valued, their sum represents the value of a business entity and equals to the value of its invested capital ("**equity and long term debt**"). In other words, the value of the business entity is represented by the money that has been made available to purchase the business assets needed.

This money comes from investors who buy stocks of the business entity ("**equity**") and investors who lend money to the business entity ("**debt**"). After collecting the total amounts of money from equity and debt, and converted into various types of assets of the business entity for its operation, their sum equals the value of the business entity.

8.4 Business Valuation

As advised by the Management, the Target Company and the Zhengzhou Company were investment holdings companies without any business operations as at the Date of Valuation. Therefore, we first estimated the market value of 100% equity interest of the Operating Company in our valuation.

In the process of valuing the Operating Company, we have taken into account of the uniqueness of its operation and the funeral services industry it is participating. The Market-Based Approach was not adopted because most of the important assumptions of the comparable transactions, such as discount or premium on the transaction prices or considerations, were hidden. The Asset-Based Approach was also not adopted because it could not capture the future earning potential and thus market value of the Operating Company. We have therefore considered the adoption of the Income-Based Approach in arriving at the market value of the Operating Company.

8.4.1 Discounted Cash Flow

Under the Income-Based Approach, we have adopted the discounted cash flow ("**DCF**") method, which is based on a simple reversal calculation to restate all future cash flows in present terms. The expected free cash flow for each year was determined as follows:

Expected Free Cash Flow = Net Profit + Depreciation + After-Tax Interest Expense - Change in Net Working Capital - Capital Expenditure

The present value of the expected free cash flows was calculated as follows:

$$PVCF = CF_1/(1+r)^1 + CF_2/(1+r)^2 + \cdots + CF_n/(1+r)^n$$

In which
PVCF = Present value of the expected cash flows;
CF = Expected cash flow;
r = Discount rate; and
n = Number of years.

To adopt this method, we obtained the weighted average cost of capital ("**WACC**") for the Operating Company as a basic discount rate. WACC of the Operating Company is the minimum required return that the Operating Company must earn to satisfy its various capital providers including shareholders and debt holders. WACC calculation takes into account the relative weights of debt and equity. It is computed using the formula below:

$$WACC = W_e \times R_e + W_d \times R_d \times (1 - T_c)$$

In which
R_e = *Cost of equity;* R_d = *Cost of debt;*
W_e = *Weight of equity value to enterprise value;*
W_d = *Weight of debt value to enterprise value; and*
T_c = *Corporate tax rate.*

8.4.2 Cost of Debt

The cost of debt was determined by the expected borrowing rate of the Operating Company. Since the interest expenses paid on debts are tax-deductible for the Operating Company, the cost of the Operating Company to get debt funds is less than the required rate of return of the suppliers of the debt capital. The after-tax cost of debt was calculated by multiplying one minus the corporate tax rate by the cost of debt.

8.4.3 Cost of Equity

The cost of equity was determined using the Capital Asset Pricing Model ("**CAPM**"), which describes the relationship between the risk of the Operating Company and expected return to investors. It is calculated by the following formula:

$$R_e = R_f + \beta \times \text{Market Risk Premium} + \text{Other Risk Premium}$$

In which
R_e = *Cost of equity;*
R_f = *Risk-free rate; and*
β = *Beta coefficient.*

8.4.4 Discount Rate for the Operating Company

In the process of determining the WACC, we adopted several listed companies with business scopes and operations similar to those of the Operating Company as comparable companies. The comparable companies were selected mainly with reference to the following selection criteria:

- The companies are principally engaged in the funeral services industry;
- The companies have sufficient listing and operating histories;
- The companies have major operating segments in China; and
- The financial information of the companies is available to the public.

Based on the aforementioned selection criteria under the search engine supported by Bloomberg, five Hong Kong listed companies were obtained while we did not find any PRC and overseas listed companies, due to the scarcity of PRC and overseas listed companies engaged in funeral services industry in the PRC. Under best-effort basis, we are of the opinion that this sample size is fair and representative. Details of the exhaustive list of comparable companies adopted were listed as follows:

Company Name	Stock Code	Listing Location	Business Description
Anxian Yuan China Holdings Ltd	922.HK	Hong Kong	Anxian Yuan China Holdings Limited is a holding company. The company, through its subsidiaries, operates in a range of sectors. Anxian's principal activity is operating in the cemetery business.
Fu Shou Yuan International Group Ltd	1448.HK	Hong Kong	Fu Shou Yuan International Group, Ltd. is a death care service provider in China. The company operates cemeteries and funeral facilities.
Sage International Group Ltd	8082.HK	Hong Kong	Sage International Group Limited is principally engaged in the funeral and burial business in China. The company offers online subscriptions on cemeteries Sage owns, finds Feng Shui ground remotely, and provides financing to needy families on funeral and group purchasing needs.
Grand Peace Group Holdings Ltd	8108.HK	Hong Kong	Grand Peace Group Holdings Limited is an investment holding company. The company's principal activities are the provision of funeral services and sale of funeral related products.
Sino-Life Group Ltd	8296.HK	Hong Kong	Sino-Life Group Ltd provides funeral services in Taiwan and China.

Source: Bloomberg

Below is the summary of the key parameters of the WACC of the Operating Company adopted as at the Date of Valuation:

	Key Parameters	**As at 31 August 2015**
a)	Risk-free Rate	3.40%
b)	Market Expected Return	12.93%
c)	Market Risk Premium	9.53%
d)	Beta Coefficient	0.79
e)	Other Risk Premium	2.00%
f)	Size Premium	3.87%
g)	Cost of Equity	16.76%
h)	Cost of Debt	5.15%
i)	Weight of Equity Value to Enterprise Value	85.03%
j)	Weight of Debt Value to Enterprise Value	14.97%
k)	Corporate Tax Rate	25.00%
	WACC	**14.80%**

Notes:

a) Since the Operating Company is mainly operating in China, the risk-free rate adopted was the yield rate of China 10-year government bond as at the Date of Valuation as extracted from Bloomberg.

b) Since the Operating Company is mainly operating in China, the market expected return adopted was the expected return in China stock market as at the Date of Valuation as extracted from Bloomberg.

c) The market risk premium adopted was the difference between the market expected return and the risk-free rate adopted.

d) To reflect the industry risk of the companies engaged in funeral services industry in Hong Kong, the beta coefficient adopted was the median adjusted beta of the comparable companies as extracted from Bloomberg.

e) The other risk premium was adopted to reflect the start-up risks of the Operating Company, due to the fact that the Operating Company would be a company with shorter operating history as compared to the comparable companies.

f) Stocks of smaller companies usually have lower valuations for the same cash flows because they have a higher cost of capital and higher returns on average due to higher size premiums. The size premium adopted was the size premium for micro-cap companies with reference to the 2014 Valuation Handbook published by Duff & Phelps, LLC.

g) The cost of equity was determined based on Capital Asset Pricing Model ("**CAPM**").

h) As advised by the Management, the cost of debt adopted was China above 5-years benchmark lending rate as at the Date of Valuation as extracted from Bloomberg.

i) To capture the optimal capital structure of the comparable companies, the weight of equity value to enterprise value adopted was derived from the median debt-to-equity ratio of the comparable companies as at the Date of Valuation as extracted from Bloomberg.

j) To capture the optimal capital structure of the comparable companies, the weight of debt value to enterprise value adopted was derived from the median debt-to-equity ratio of the comparable companies as at the Date of Valuation as extracted from Bloomberg.

k) As advised by the Management, the corporate tax rate adopted was the corporate tax rate in China.

We adopted the WACC of 14.80% as the discount rate for the valuation as at the Date of Valuation.

We hence obtained the market value of 100% equity interest of the Target Group by adding non-operating assets/liabilities of the Target Company and the Zhengzhou Company (including deposit and prepayment and bank and cash balances) as at the Date of Valuation to the market value of 90% equity interest of the Operating Company.

8.4.5 Marketability Discount

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. We have made reference to the result of the restricted stock study published in "A Companion Guide to the FMV Restricted Stock Study 2015 Edition" by FMV Opinions, Inc., one of the national preeminent firms offering a broad range of financial advisory services to private and public companies. According to the study, 727 private placement transactions of unregistered common stock issued by publicly traded companies from July 1980 through September 2014 were examined and the median marketability discount was 16.11%. Therefore, a marketability discount of 16.11% was adopted in arriving at the market value of the Target Group as at the Date of Valuation.

8.4.6 Sensitivity Analysis

To determine how the different values of an independent variable would impact a particular dependent variable under a given set of assumptions, we carried out a sensitivity analysis on the market value of the Target Group in respect of 1% and 2% deviation in the discount rate from the status quo. The results of the sensitivity analysis were as follows:

Change in Discount Rate	**Applied Discount Rate**	**Market Value of the Target Group** *(HK$)*
+2%	16.80%	114,000,000
+1%	15.80%	120,000,000
0%	14.80%	127,000,000
-1%	13.80%	134,000,000
-2%	12.80%	142,000,000

9. MAJOR ASSUMPTIONS

We have adopted certain specific assumptions in our valuation and the major ones are as follows:

- The valuation was mainly based on the projections of the future cash flows from September 2015 to June 2050 as provided by the Management, after considering the operating rights of the Cemetery for a term up to 1 July 2050. The projections outlined in the financial information provided are reasonable, reflecting market conditions and economic fundamentals, and will be materialized;

- The consolidated management accounts of the Target Group as at 31 August 2015 was adopted in the valuation;

- The area of the Land is approximately 47 Mu (i.e. approximately 31,349 square meters). Based on the business plan of the Target Group, each cemetery would possess an area of 1 square meter and the green rate would be 40%. Therefore, there would be 18,800 cemeteries for sales;

- There would be two revenue streams for the Target Group, namely (i) sales of cemeteries and (ii) cemetery management fee;

- The Management expected that the sales of cemeteries would commence in 2016, while the number of cemeteries sold would be 1,800 per annum from 2016 to 2025 and 800 in 2026;

- As disclosed in section 4 of this report, the average price of a cemetery with area of one square meter was about RMB23,000 in Henan in 2015 according to the news article published by China Economic Weekly. Having considered that there may be pricing difference across different locations in Henan and made reference to (i) the prices stated in the letters of intent signed between the Operating Company and its potential clients; and (ii) the business plan and the market positioning of the Operating Company, the average selling price of each unit of cemetery would be set as RMB25,000 and it was expected to grow at 5% per annum;

- The cemetery management fee would be set as RMB260 per unit per annum in 2016 and it was expected to grow at 5% per annum;

- The cost of sales of the Target Group included three components, namely (i) building costs of cemeteries, (ii) land amortization and (iii) infrastructure depreciation. The building costs of cemeteries would be set as RMB2,450 per unit in 2016 and it was expected to grow at 5% per annum. As disclosed in section 5 of this report, the compensation amount of the Land was RMB250,000 per Mu. The land amortization per unit was arrived by "Area of the Land of 47 Mu x Compensation Amount of the Land of RMB250,000 per

Mu/Number of Cemeteries of 18,800". The infrastructure depreciation per unit was arrived by "Capital Expenditure for the Infrastructure of RMB9,172,341/Number of Cemeteries of 18,800";

- According to the agreement entered between the Operating Company and the Land Use Right Owner on 31 August 2015 (as supplemented by a supplemental agreement dated 13 October 2015), the land compensation of RMB11.75 million (i.e. RMB250,000 per Mu x 47 Mu) has been included in the cash outflow of the valuation;

- Although the Operating Company has not obtained the Land Use Right as at the Date of Valuation, the Management advised that the operation of the Cemetery would not be affected since the Operating Company could continue to lease the Land in accordance with the terms of the lease;

- The PRC legal adviser of the Company does not foresee any legal obstacles for the Operating Company to complete the Land Use Right Formalities and obtain the Land Use Right. The Operating Company will use its best endeavour to complete the Land Use Right Formalities and obtain the Land Use Right. The Land Use Right is expected to be obtained by 31 December 2016;

- The operating expenses of the Target Group would include selling expense, administrative expense, land rental expense and depreciation expense;

- The selling expense will be approximately RMB6.42 million per annum in 2016 with an expected growth rate of 5% per annum from 2017 to 2026. The expected growth rate was estimated with reference to the growth rate of gross domestic product in the PRC. Given that all unit of cemeteries are planned to be sold out in 2026, there will be no selling expense from 2027 onwards;

- The administrative expense will be approximately RMB3.47 million per annum in 2016 with an expected growth rate of 5% per annum from 2017 to 2050 (except 2027). The expected growth rate was estimated with reference to the growth rate of gross domestic product in the PRC. The administrative expense to be incurred from 2027 onwards will drop sharply as all unit of cemeteries are planned to be sold out in 2026;

- The Land has been leased from the Land Use Right Owner in 2015 and 2016 with an annual rental fee of RMB1,000 per Mu. The rental expense will be approximately RMB15,667 (i.e. RMB1,000 per Mu x 47 Mu x 1/3 year) in 2015 and RMB47,000 (i.e. RMB1000 per Mu x 47 Mu) in 2016 respectively (assuming that the Land Use Right can be obtained by 31 December 2016);

- The depreciation expense was estimated by the straight-line depreciation of the existing fixed assets of book value of RMB5,978 as at the Date of Valuation and the forecasted capital expenditure for fixed assets such as furniture and fixtures, vehicles and office equipment, which will be injected every five years with the start-up capital expenditure of RMB1,300,000 in 2015 provided by the Management with a useful life of 5 years;

- The income tax expense was based on the corporate tax rate in China 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.

10. INFORMATION REVIEWED

Our opinion requires consideration of relevant factors affecting the market value of the Target Group. The factors considered included, but were not necessarily limited to, the following:

- Consolidated management accounts and financial statements of the Target Group;
- Financial projection and business plan of the Target Group;
- Market trends of the funeral services industry, including burial services, funeral services and auxiliary services;
- General descriptions in relation to the Target Group; and
- Economic outlook in China.

We have discussed the details with the Management. We have also conducted research from various sources to verify the reasonableness and fairness of information provided and we believe that such information is reasonable and reliable. We had assumed the accuracy of information provided and relied on such information to a considerable extent in arriving at our opinion.

11. LIMITING CONDITIONS

The valuation reflects facts and conditions existing at the Date of Valuation. Subsequent events or circumstances have not been considered and we are not required to update our report for such events and conditions.

We would particularly point out that our valuation was based on the information such as the financial projection, company background and business nature of the Target Group provided to us.

To the best of our knowledge, all data set forth in this report are reasonable and accurately determined. The data, opinions, or estimates identified as being furnished by others that have been used in formulating this analysis are gathered from reliable sources; yet, no guarantee is made nor liability assumed for their accuracy.

We have relied on the historical and/or prospective information provided by the Management and other third parties to a considerable extent in arriving at our opinion of value. The information has not been audited or compiled by us. We are not in the position to verify the accuracy of all information provided to us. However, we have had no reason to doubt the truth and accuracy of the information provided to us and to doubt that any material facts have been omitted from the information provided. No responsibilities for the operation and financial information that have not been provided to us are accepted.

We assumed that the Management is competent and perform duties under the company regulation. Also, ownership of the Target Group was in responsible hands, unless otherwise stated in this report. The quality of the Management may have direct impact on the viability of the business as well as the market value of the Target Group.

We have not investigated the title to or any legal liabilities of the Target Group and have assumed no responsibility for the title to the Target Group appraised.

Our conclusion of the market value was derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. The conclusion and various estimates may not be separated into parts, and/or used out of the context presented herein, and/or used together with any other valuation or study.

We assume no responsibility whatsoever to any person other than the directors and the Management in respect of, or arising out of, the content of this report. If others choose to rely in any way on the contents of this report, they do so entirely at their own risk.

No change to any item in any part of this report shall be made by anyone except Roma Appraisals. We have no responsibility for any such unauthorized change. Neither all nor any part of this report shall be disseminated to the public without the written consent and approval of Roma Appraisals through any means of communication or referenced in any publications, including but not limited to advertising, public relations, news or sales media.

This report may not be reproduced, in whole or in part, and utilized by any third parties for any purpose, without the written consent and approval of Roma Appraisals.

The working papers and models for this valuation are being kept in our files and would be available for further references. We would be available to support our valuation if required. The title of this report shall not pass to the Company until all professional fee has been paid in full.

12. REMARKS

Unless otherwise stated, all monetary amounts stated in this valuation report are in Hong Kong Dollars (HK$). The exchange rate adopted in the valuation was approximately RMB1= HK$1.215 which was the prevailing exchange rate as sourced from Bloomberg as at the Date of Valuation.

We hereby confirm that we have neither present nor prospective interests in the Company, the Target Group and their associated companies, or the values reported herein.

13. OPINION OF VALUE

Based on the investigation and analysis stated above and on the valuation method employed, the market value of 100% equity interest in the Target Group as at the Date of Valuation, in our opinion, was reasonably stated as **HK$127,000,000 (HONG KONG DOLLARS ONE HUNDRED AND TWENTY SEVEN MILLION ONLY)**.

Yours faithfully,
For and on behalf of
Roma Appraisals Limited
Kelvin Luk
ICVS
Director

Note:

Mr. Luk is a member of the International Association of Consultants, Valuators and Analysts (IACVA). He has over ten years of experience in business valuation and consultation. Roma Appraisals has been engaged by Hong Kong Life Sciences and Technologies Group Limited (Stock Code: 8085.HK), Sino-Life Group Limited (Stock Code: 8296.HK) and a private company holding a cemetery in Xi'an to provide professional valuation and advisory services in relation to the valuation targets in funeral industry.

PHOTOS OF THE SITE VISIT

Entrance of the Cemetery

Graveyard Inside the Cemetery

The following is the text of the letter dated 7 November 2015 from Elite Partners CPA Limited, Certified Public Accountants for the purpose of incorporation in this circular.

開元信德會計師事務所有限公司
ELITE PARTNERS CPA LIMITED
Certified Public Accountants

Suites 2B–4A, 20/F., Tower 5,
China Hong Kong City,
33 Canton Road, Tsim Sha Tsui,
Kowloon, Hong Kong

7 November 2015

The Board of Directors
Evershine Group Holdings Limited
16th Floor, Zoroastrian Building
101 Leighton Road
Causeway Bay
Hong Kong

Dear Sir or Madam,

Evershine Group Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") Comfort letter on profit forecast underlying the valuation of Fortune Ford Limited (the "Target Company") and its subsidiaries (collectively referred to as the "Target Group") in connection to the proposed acquisition of the group

We report on the calculations of the discounted future estimated cash flows on which the valuation (the "**Valuation**") prepared by Roma Appraisals Limited dated 7 November 2015, in respect of the Valuation of the Target Group as at 31 August 2015 in connection with proposed acquisition of entire issued share capital of the Target Company, will be included in a circular dated 7 November 2015 to be issued by the Company in connection with the proposed acquisition (the "**Circular**"). Capitalised terms used in this letter have the same meanings as defined in the Circular dated 7 November 2015 unless the context otherwise requires.

The Valuation which is determined based on the discounted cash flows and is regarded as a profit forecast under Rule 19.61 of the Rules Governing the Listing of Securities on Growth Enterprises Market The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**").

Respective responsibilities of the directors of the Company and the reporting accountant

The directors of the Company are solely responsible for the preparation of the profit forecast including the assumptions, for the purpose of business valuation of the Target Companies based on discounted cash flow method. The profit forecast has been prepared using a set of assumptions (the "**Assumptions**") that include hypothetical assumptions about future events and management's actions that are not necessarily expected to occur. Even if the events anticipated occur, actual results are still likely to be different from the profit forecast and the variation may be material. The Directors are responsible for the reasonableness and validity of the Assumptions.

It is our responsibility to form an opinion, based on our work on the profit forecast and to report our opinion solely to you, as a body, solely for the purpose of reporting under Rule 19.62 of the GEM Listing Rules and for no other purpose. We have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and express no opinion on the reasonableness and validity of the Assumptions on which the profit forecast is based. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

Basis of opinion

We carried out our work in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Hong Kong Standard on Investment Circular Reporting Engagements 500 "Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company's directors have properly compiled the profit forecast in accordance with the assumptions made by the directors and as to whether the profit forecast is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. We accept no responsibility to any other person in respect of, arising out of in connection with our work. Our work does not constitute any valuation of the Target Group. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the profit forecast has been properly compiled in accordance with the Assumptions made by the Directors and is presented on a basis consistent in all material aspects with the accounting policies currently adopted by the Company.

Yours faithfully,
Elite Partners CPA Limited
Certified Public Accountants

Yip Kai Yin
Practising Certificate Number: P05131

The following is the text of the letter dated 7 November 2015 from Gram Capital Limited, for the purpose of incorporation in this circular.

Gram Capital Limited
嘉林資本有限公司

Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

7 November 2015

The Board of Directors
Evershine Group Holdings Limited
16th Floor, Zoroastrian Building
101 Leighton Road
Causeway Bay
Hong Kong

Dear Sirs,

We refer to the valuation report (the "**Valuation Report**") dated 7 November 2015 and prepared by Roma Appraisals Limited (the "**Valuer**") in relation to the business valuation on 100% equity interest in the Target Company and its subsidiaries as at 31 August 2015 (the "**Market Value**"). The Valuation Report is included in Appendix IV to the circular of Evershine Group Holdings Limited (the "**Company**") dated 7 November 2015 (the "**Circular**"). Capitalised terms used herein shall have the same meanings as those defined in the Circular unless the context requires otherwise.

According to the Valuation Report, the Valuer considered the adoption of the income-based approach in arriving at the Market Value. Under the income-based approach, the Valuer adopted the discounted cash flow method, which is based on a simple reversal calculation to restate all future cash flows in present terms. We note that the Market Value, which has been arrived based on discounted cash flow method, is regarded as profit forecast (the "**Profit Forecast**") under Rule 14.61 of the Listing Rules.

We have discussed with the management of the Company and the Valuer regarding the bases and assumptions of the Valuation Report, and have reviewed the letter dated 7 November 2015 issued by Elite Partners CPA Limited, the auditor of the Company, as set out in Appendix V to the Circular. Elite Partners CPA Limited is of the opinion that, so far as the accounting policies and calculations are concerned, the Profit Forecast has been properly compiled in accordance with the assumptions made by the Directors and is presented on a basis consistent in all material aspects with the accounting policies currently adopted by the Company.

On the basis of the foregoing and the calculations reviewed by Elite Partners CPA Limited, we are of the opinion that the Profit Forecast underlying the Market Value, for which the Directors are jointly and severally responsible, has been made after due care and enquiry.

Yours faithfully,
For and on behalf of
Gram Capital Limited
David Kwan
Director

1. RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

2. SHARE CAPITAL

The issued share capital of the Company as at the Latest Practicable Date and 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) were and are expected to be as follows:

***Issued and to be issued*:**	
952,231,356	Shares
360,000,000	Conversion Shares to be issued upon exercise of the conversion rights attaching to the Convertible Bonds in full at the initial Conversion Price
1,312,231,356	Shares

3. DISCLOSURE OF INTERESTS

(a) Interests of Directors, supervisors and chief executive of the Company

As at the Latest Practicable Date, the interests or short positions of the Directors or supervisors or chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the 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 any such Director or chief executive was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors of listed issuers to be notified to the Company and the Stock Exchange were as follows:

(i) *Long positions the Shares:*

Name	Beneficial interest	Total number of Shares	Approximate percentage of the Company's issued share capital
Lau Yu	173,653,000	173,653,000	18.24%

Note:

Mr. Lau Yu is an executive Director of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, the chief executive of the Company nor their associates, had any other interests or short positions in the Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (a) 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 any such Director or chief executive of the Company is taken or deemed to have under such provisions of the SFO); or which (b) were required to be entered into the register maintained by the Company, pursuant to Section 352 of the SFO; or which (c) were required, pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors of listed issuers to be notified to the Company or the Stock Exchange.

(b) Substantial Shareholders and persons having 5% or more shareholding

As at the Latest Practicable Date, the register of substantial shareholders maintained under Section 336 of the SFO shown that the Company has been notified of the following interests, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and the chief executive of the Company.

Name	Capacity/ Nature of interest	Total number of Shares *(Note 1)*	Approximate percentage of the Company's issued share capital
Tutuncu Oguz	Beneficial Interest	146,196,000(L)	15.35%

Note:

1. The letter "L" denotes long position in the shares of the Company.

Save as disclosed above, as at the Latest Practicable Date, the Directors and chief executive of the Company were not aware of any person (other than a Director or chief executive of the Company) who had any other interests or short positions in the Shares or underlying Shares and debentures of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or proposed Directors had any existing service contract or proposed service contract with any member of the Enlarged Group which will not expire or is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their respective close associates had any interest in a business which competes or may compete with the businesses of the Group, or have or may have any other conflicts of interest with the Enlarged Group.

6. MATERIAL INTERESTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in the assets which had been, since 31 December 2014, being the date to which the latest published audited consolidated accounts of the Company were made up, acquired or disposed of by or leased to any member of the Enlarged Group, or were proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which was significant in relation to the business of the Enlarged Group.

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against the Group.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2014 (being the date to which the latest published consolidated audited financial statements of the Group were made up).

9. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Enlarged Group within two years immediately preceding the Latest Practicable Date and are or may be material:

(a) the supplemental loan agreement dated 30 September 2013 entered into between the Company as borrower and Mr. Chan Wing Chiu as lender in relation to the extension of the loan facility of outstanding principal amount of HK$32,000,000 at an agreed interest rate of 1.5% per month to 31 December 2013 or the completion date of the open offer of the Company as announced on 23 August 2013, whichever is earlier;

(b) the sale and purchase agreement (the "**Grace Profit Acquisition Agreement**") dated 29 October 2013 entered into between China Well Investments Reward Inc. and United Path Inc. as vendors (the "**Vendors**") and Prosperous Link Investments Limited (a wholly-owned subsidiary of the Company) ("**Prosperous Link**") as purchaser in relation to the sale and purchase of the entire issued share capital of and the shareholder's loan due from Grace Profit Corporations Limited for an aggregate consideration of HK$100,000,000;

(c) the written notice dated 29 July 2014 and served by Prosperous Link to the Vendors terminating the Grace Profit Acquisition Agreement;

(d) the sale and purchase agreement dated 13 August 2014 and entered into between Mr. Frank Yu as vendor and the Company as purchaser in relation to the sale and purchase of the entire issued share capital of Worthy Victory Limited for a consideration of HK$30,000,000;

(e) the sale and purchase agreement dated 12 November 2014 and entered into between Mr. Chan Ernest Kar Kit and Ms. Chung Kit Yee Kitty as vendors and the Company as purchaser in relation to the sale and purchase of the entire issued share capital of and the shareholder's loan due from Patalogue Limited for a consideration of HK$18,000,000;

(f) the non-legally binding memorandum of understanding dated 5 December 2014 entered into between the Company as proposed purchaser and Starways Holding Inc. as the proposed vendor in relation to the possible acquisition of the entire issued share capital of Great Empire International Group Limited;

(g) the underwriting agreement dated 12 December 2014 entered into between the Company as issuer and President Securities (Hong Kong) Limited as underwriter in relation to the rights issue of 280,068,452 Shares on the basis of one rights Share for every two then existing Shares at the subscription price of HK$0.30 per rights Share;

(h) the placing agreement dated 14 April 2015 entered into between the Company as issuer and KGI Asia Limited as placing agent in relation to the placing of 112,026,000 placing Shares at the placing price of HK$0.31 per placing Share;

(i) the agreement dated 15 March 2015 and entered into among the Operating Company, 柘城縣民政局 (Zhecheng County Civil Affairs Bureau*), 柘城縣殯儀館 (Zhecheng County Funeral Parlour*), Ms. Wang Qing Fang and Mr. Wang Zhi Qun (who disposed 90% equity interest in the Operating Company to Zhengzhou Company in June 2015 and to the best knowledge and belief of the Board, are Independent Third Parties) for the grant of the operating rights of the Cemetery to the Operating Company;

(j) the agreement dated 25 June 2015 entered into among the Zhengzhou Company (as purchaser), Ms. Wang Qing Fang and Mr. Wang Zhi Qun (as vendors) for the acquisition of the 90% equity interest in the Operating Company at cash consideration of RMB9,000,000; and

(k) the agreement dated 31 August 2015 (as supplemented by a supplemental agreement dated 13 October 2015) and entered into between the operating company and the Land Use Right Owner for the acquisition of the use right of the Land by the operating company with a compensation amount of RMB250,000 per Mu (including the amount payable to relevant authorities); and

(l) the Agreement.

10. QUALIFICATIONS AND CONSENTS OF EXPERTS

The following is the qualification of each of the experts who has given its opinion or advice which are contained in this circular:

Name	Qualification
Gram Capital Limited (”**Gram Capital**”)	A Licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO
Elite Partners CPA Limited (“**Elite Partners**”)	Certified Public Accountants
Roma Appraisals Limited	Independent valuer

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letters, reports and/or opinion, as the case may be, and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, each of the above experts did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, each of the above experts did not have, directly or indirectly, any interest in any assets which had since 31 December 2014 (being the date to which the latest published consolidated audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

11. MISCELLANEOUS

(i) The company secretary of the Company is Ms. Leung Pui Ki. She is graduated from the University of Hertfordshire in the United Kingdom with a Bachelor degree in Business Administration. She is an associate member of the Institute of Chartered Secretaries and Administrators in the United Kingdom and an associate member of the Hong Kong Institute of Chartered Secretaries. Ms. Leung has over 15 years of experience in the company secretarial field.

(ii) The compliance officer of the Company is Mr. Lau Yu ("**Mr. Lau**"), an executive Director and the Chairman of the Board and holds a Bachelor of Business Administration degree from the School of Finance in the University of Hawaii. Mr. Lau has over 20 years of solid experience in international trading of mineral resources and metals, including coal, coke, iron ore and steel. With his extensive experience in the trading of coke and metallurgy, Mr. Lau has established a strong network around the world and has extensive investment experience in areas including finance, real estates, manufacturing, natural resources and IT. Mr. Lau has been an executive director of Loudong General Nice Resources (China) Holdings Limited (stock code: 988) since September 2008. He has been appointed as an executive director of Abterra Limited (listed on the Singapore Stock Exchange) since October 2006 and subsequently appointed as the chief executive officer of Abterra Limited since November 2006. Mr. Lau has also been appointed as an executive director, vice chairman of the board of directors and member of the audit committee, the nominating committee and the remuneration committee of Digiland International Limited (listed on the Singapore Exchange) since July 2012 and the non-executive director of Pluton Resources Limited (listed on the Australian Securities Exchange) since April 2013.

(iii) As at the Latest Practicable Date, the Audit Committee comprises three independent non-executive Directors, namely Mr. Liu Kwong Sang (Chairman), Ms. Choy So Yuk, BBS, JP, and Ms. Lam Yuk Ying, Elsa. Brief biographies of the independent non-executive Directors are set out below:

Mr. Liu Kwong Sang ("**Mr. Liu**"), aged 53, has been practising as a Certified Public Accountant in Hong Kong with more than 25 years of experience. Mr. Liu graduated with honours from the Hong Kong Polytechnic University with a bachelor degree in Accountancy (with honours) and obtained the master in business administration degree from the University of Lincoln, the United Kingdom. He is an associate member of the Institute of Chartered Accountants in England and Wales, fellow members of the Association of Chartered Certified Accountants, Institute of Financial Accountants, the United Kingdom, the Institute of Public Accountants, Australia, the Hong Kong

Institute of Certified Public Accountants, the Taxation Institute of Hong Kong, a Certified Tax Adviser, and the Society of Registered Financial Planners. Mr. Liu is currently an independent non-executive director of Polytec Asset Holdings Limited (stock code: 208) since 2000, China National Culture Group Limited (stock code: 745) since 2004 and abc Multiactive Limited (stock code: 8131) since 2004. He was the independent non-executive director of Dragonite International Limited (stock code: 329) from April 2010 to September 2014.

Ms. Choy So Yuk, BBS, JP ("**Ms. Choy**"), aged 64, obtained her Bachelor of Science and Master of Philosophy degrees from the University of Hong Kong in 1974 and 1980 respectively. Ms. Choy was the founding managing director of SHK International Services Limited (which was subsequently acquired by Ms. Choy and changed its name to Oriental-Western Promotions Limited). Ms. Choy holds a wide variety of political, social and academic positions, such as a deputy of the National People's Congress of China and a director of Fujian Middle School. Ms. Choy was a member of the Fujian Provincial Committee of the Chinese People's Political Consultative Conference and a member of the Legislative Council in Hong Kong from 1998 to 2008. Ms. Choy has been appointed as an independent non-executive director of Ping Shan Tea Group Limited (stock code: 364) since August 2002 and an independent non-executive director of Loudong General Nice Resources (China) Holdings Limited (stock code: 988) since June 2009.

Ms. Lam Yuk Ying, Elsa ("**Ms. Lam**"), aged 55, holds, Type 1 (Dealing in Securities), Type 2 (Dealing in futures contracts) and Type 9 (Asset Management) regulated activities license issued by the Securities and Futures Commission. Ms. Lam has over 10 years of experience in the securities industry and more than 15 years of experience in the treasury function in several major banks. Ms. Lam was an executive director of Value Convergence Holdings Limited (Stock Code: 821) from 23 February 2011 to 28 December 2012. Ms. Lam currently is a director of VC Asset Management Limited, a wholly-owned subsidiary of Value Convergence Holdings Limited. Ms. Lam was also an associate director of Excalibur Hong Kong and held senior positions at Glory Sky Global Markets Limited and Kingston Securities Limited. She was also the head of the treasury department of KBC Bank N.V.

(iv) The registered office of the Company is at 16th Floor, Zoroastrian Building, 101 Leighton Road, Causeway Bay, Hong Kong.

The Hong Kong share registrar and transfer office of the Company is Hong Kong Registrars Limited located at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(v) The English text of this circular shall prevail over the Chinese text in the event of inconsistency.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company in Hong Kong at 16th Floor, Zoroastrian Building, 101 Leighton Road, Causeway Bay, Hong Kong during normal business hours on any business day from the date of this circular up to and including the date of the EGM:

(a) the articles of association of the Company;

(b) the annual reports of the Company for the two financial years ended 31 December 2013 and 31 December 2014;

(c) the accountants' report on the Target Group as set out in Appendix II to this circular;

(d) the report on unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to this circular;

(e) the valuation report of the Target Group as set out in Appendix IV to this circular;

(f) the written consents referred to in the paragraph under the heading "Qualifications and consents of experts" in this appendix;

(g) the material contracts referred to in the paragraph under the heading "Material contracts" in this appendix;

(h) the letter from Elite Partners in relation to the valuation report on the Target Group;

(i) the letter from Gram Capital in relation to the valuation report on the Target Group; and

(j) this circular.

Evershine Group Holdings Limited
永耀集團控股有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 8022)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**Meeting**") of Evershine Group Holdings Limited (the "**Company**") will be held at 27/F., The Sun's Group Centre, 200 Gloucester Road, Wanchai, Hong Kong on Monday, 23 November 2015 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions with or without amendments:

ORDINARY RESOLUTIONS

1. "**THAT**

(a) the conditional sale and purchase agreement dated 15 September 2015 (the "**Agreement**") and entered into between Mr. Cheng Kwok Wo as vendor (the "**Vendor**") and Vital Fortune International Investment Limited, a wholly owned subsidiary of the Company as purchaser (the "**Purchaser**"), pursuant to which, among other things, the Vendor shall sell and the Purchaser shall acquire the entire issued share capital of Fortune Ford Limited (a copy of which has been produced to the Meeting marked "A" and initialed by the Chairman of the Meeting for the purpose of identification) and the transactions contemplated thereunder (including but not limited to the issue of the Convertible Bonds (as defined below) and the allotment and issue of the Conversion Shares (as defined below)) be and are hereby approved, confirmed and ratified;

(b) the issue of the convertible bonds (the "**Convertible Bonds**") in the principal amount of HK$49,680,000 by the Company to the Vendor (or at his direction) to settle part of the consideration payable by the Purchaser under the Agreement in accordance with the terms and conditions of the Agreement and all transactions contemplated be and is hereby approved, confirmed and ratified;

(c) the allotment and issue of new ordinary shares (the "**Conversion Share(s)**") in the share capital of the Company at the initial conversion price of HK$0.138 per Conversion Share which may fall to be issued upon exercise of the conversion rights attaching to the Convertible Bonds to the relevant holder(s) of the Convertible Bonds be and are hereby approved, confirmed and ratified;

(d) subject to The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Conversion Shares to be allotted and issued, the directors (the "**Directors**") of the Company be and are hereby granted a specific mandate (the "**Specific Mandate**") to allot and issue the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds pursuant to the Agreement. The Specific Mandate is in addition to, and shall not prejudice nor revoke any existing or such other general or special mandates which may from time to time be granted to the Directors prior to passing of this resolution;

(e) the issue of the promissory notes (the "**Promissory Notes**") in the aggregate principal amount of HK$30,320,000 by the Company to the Vendor (or at his direction) to settle part of the consideration payable by the Vendor in accordance with the terms and conditions of the Agreement and all transactions contemplated thereunder be and is hereby approved, confirmed and ratified; and

(f) any Director be and is hereby authorised to do all such further acts and things, negotiate, approve, agree, sign, initial, ratify and/or execute such further documents, instruments and agreements (whether under common seal or not) and to take all steps and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated in the Agreement and the transactions contemplated thereunder as he/she may in his/her absolute discretion consider necessary, desirable or expedient to give effect to the Agreement and the implementation of all transactions contemplated thereunder and to agree with such variation, amendment or waiver as, in the opinion of the Directors, in the interest of the Company and its shareholders as a whole."

2. "**THAT** Ms. Ang Lai Kuen be re-elected as an executive director of the Company."

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

Hong Kong, 7 November 2015

Registered office:
16th Floor, Zoroastrian Building
101 Leighton Road
Causeway Bay
Hong Kong

Notes:

1. A member entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the Meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

2. Whether or not you are able to attend the Meeting, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the Company's Hong Kong share registrar and transfer office, Hong Kong Registrars Limited at Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Meeting or any adjournment thereof should you so wish. Delivery of an instrument appointing a proxy shall not preclude you from attending and voting in person at the Meeting and in such event, the instrument appointing a proxy shall be deemed revoked.