THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, a 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 together with the enclosed proxy form to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 8022)

MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF THE TARGET COMPANIES AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial adviser to the Company

ASIAN CAPITAL (CORPORATE FINANCE) LIMITED
卓亞(企業融資)有限公司

Capitalised terms used in this cover page shall have the same meanings as those defined in 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 10 June 2016 at 3:00 p.m. is set out from pages EGM-1 to EGM-2 of this circular. A proxy form for use at the EGM is enclosed. Whether or not you intend to attend the EGM, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, 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 but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. 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 http://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.

24 May 2016

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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.

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

"Accounts Date"	31 December 2015
"Acquisition Agreements"	collectively, the SH Agreement and the SP Agreement
"Apportionment Account"	the apportionment accounts of each Target Company covering the apportionment of management fees, rates and government rent in respect of each Property and rental receivable under the respective tenancy agreement, showing the amount that the Vendor shall be responsible/entitled for the period up to and inclusive of the Date of SH Completion and/or the Date of SP Completion (as the case may be) and the amount that the Company is responsible/entitled for the period as from but exclusive of the Date of SH Completion and/or the Date of SP Completion (as the case may be)
"associate(s)"	having the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Business Day"	9:30 a.m. to 5:00 p.m. on any day (other than a Saturday) on which banks in Hong Kong are open for the transaction of normal banking business
"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 Account"	the management accounts of each Target Company comprising the unaudited statement of financial position (consolidated or otherwise) and the unaudited statement of profit or loss and other comprehensive income of each Target Company, prepared in accordance with generally accepted accounting principles, standards and practices in Hong Kong, for the period from the date immediately after the Accounts Date up to and inclusive of the Date of SH Completion and/or the Date of SP Completion (as the case maybe) certified to be true and correct by a director of each Target Company

"connected person(s)"	has the meaning ascribed thereto under the GEM Listing Rules
"controlling Shareholder(s)"	controlling shareholder(s) (having the meaning ascribed thereto under the GEM Listing Rules) of the Company
"Date of SH Completion"	a date on or before 30 June 2016 or such other date the Company and the Vendor may agree in writing, being the date of SH Completion
"Date of SP Completion"	a date on or before 30 June 2016 or such other date the Company and the Vendor may agree in writing, being the date of SP Completion
"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 Acquisition Agreements, and the transactions contemplated thereunder
"Enlarged Group"	the Group after completion of the Proposed 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
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	third party(ies) independent of the Company and its connected persons
"Latest Practicable Date"	19 May 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

"Mortgage Amount"	the total outstanding amount (including all principal and interest and other monies payable) under the mortgage, calculated up to and inclusive of the Date of SH Completion or the Date of SP Completion (as the case maybe)
"Properties"	collectively, Property A and Property B
"Property A"	the whole of the 15th Floor of Henan Building, Nos. 90 and 92 Jaffe Road and Nos. 15–19 Luard Road, Wanchai, Hong Kong
"Property B"	the whole of the 16th Floor of Henan Building, Nos. 90 and 92 Jaffe Road and Nos. 15–19 Luard Road, Wanchai, Hong Kong
"Proposed Acquisition"	the proposed acquisition of the SH Sale Share, the SH Sale Loan, the SP Sale Share and the SP Sale Loan by the Company from the Vendor pursuant to the SH Agreement and SP Agreement collectively
"Registrar"	the branch share registrar of the Company in Hong Kong, Hong Kong Registrars Limited at Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong
"SH Agreement"	the agreement for the sale and purchase of the SH Sale Share of Target Company A and SH Sale Loan, as amended or supplemented from time to time
"SH Completion"	completion of the transactions contemplated under the SH Agreement
"SH Consideration"	the consideration under the SH Agreement
"SH Sale Loan"	all amounts, including principal and interest, owing by the Target Company A to the Vendor as at the Date of SH Completion
"SH Sale Share"	the 50,000 ordinary share of US$1.00 in the issued share capital of Target Company A representing the entire issued share capital of Target Company A as at the date of SH Agreement and on SH Completion
"Share(s)"	ordinary share(s) in the share capital of the Company
"Shareholder(s)"	the holder(s) of issued Shares

"SP Agreement"	the agreement for the sale and purchase of the SP Sale Share of Target Company B and SP Sale Loan, as amended or supplemented from time to time
"SP Completion"	completion of the transactions contemplated under the SP Agreement
"SP Consideration"	the consideration under the SP Agreement
"SP Sale Loan"	all amounts, including principal and interest, owing by the Target Company B to the Vendor as at the Date of SP Completion
"SP Sale Share"	the 50,000 ordinary share of US$1.00 in the issued share capital of Target Company B representing the entire issued share capital of Target Company B as at the date of SP Agreement and on SP Completion
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Companies"	collectively, Target Company A and Target Company B, and each a "Target Company"
"Target Company A"	Spring Hero Developments Limited, a company incorporated in the British Virgin Islands with limited liability, the owner of Property A
"Target Company B"	Sharp Pick Ventures Limited, a company incorporated in the British Virgin Islands with limited liability, the owner of Property B
"Vendor"	an individual, being the sole director and shareholder of the Target companies
"Warranties"	the representations, warranties, undertakings made or given by the Vendor to the Company as contained in the SH Agreement and/or SP Agreement
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"US$"	United States dollars, the lawful currency of the United States of America
"%"	per cent

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)*
Mr. Bülent Yenal

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

Alternative Director:
Mr. Hung Tat Chi Alan
(alternate to Mr. Bülent Yenal)

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

24 May 2016

To the Shareholders,

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF THE TARGET COMPANIES

INTRODUCTION

Reference is made to the announcement issued by the Company dated 24 March 2016 (the "**Announcement**") in relation to the Proposed Acquisition.

The purpose of this circular is to provide you with information in respect of, (i) further details of the Acquisition Agreements; (ii) the financial information of the Group and the Target Companies; (iii) the pro forma financial information of the Enlarged Group; (iv) the valuation of the Properties; (v) other information as required under the GEM Listing Rules; and (vi) the notice of EGM.

THE ACQUISITION AGREEMENTS

Set out below are the principal terms of the Acquisition Agreements.

The SH Agreement

Date

24 March 2016 (after trading hours)

Parties

(i) the Company; and

(ii) the Vendor

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor is an Independent Third Party as at the date of the SH Agreement and the Latest Practicable Date.

Asset to be acquired

According to the SH Agreement, the Vendor shall sell and the Company shall acquire the SH Sale Share and the SH Sale Loan. The SH Sale Share represents the entire issued share capital of the Target Company A as at the Latest Practicable Date. Upon the SH Completion, Target Company A will become a wholly-owned subsidiary of the Company.

SH Consideration

The SH Consideration shall be calculated as follows:

SH Consideration = HK\$49,000,000.00 + Sum X_A – Sum Y_A

where:

Sum X_A = the aggregate amount of the following tangible assets of Target Company A:

(a) refundable utility deposits, transferable management fee deposit and building fund deposit for installation of the public meter charges in respect of Property A which are subsisting;

(b) amount payable by the Company (if any) under the Apportionment Account of Target Company A; and

(c) cash and bank balance as shown in the Completion Account of Target Company A (if any).

Sum Y_A = the aggregate amount of the liabilities of Target Company A as at Date of SH Completion, including the Mortgage Amount of Property A but excluding the SH Sale Loan, as shown in the Completion Account of Target Company A, and the amount payable by the Vendor (if any) under the Apportionment Account of Target Company A.

Based on the Accountant's Report of Target Company A as contained in Appendix II to this circular, the amount of the SH Sale Loan, Sum X_A and Sum Y_A as at 31 December 2015 is HK$21,875,698, HK$14,397 and HK$22,000,000 respectively. The SH Consideration (subject to adjustment) based on the Accountant's Report of Target Company A as at 31 December 2015 is HK$27,014,397. To the understanding of the Directors, the amount of the SH Sale Loan will increase on the Date of the SH Completion only for the repayment of interest for the mortgage attaching to the Property A.

The SH Consideration shall be paid by the Company to the Vendor and/or such parties as the Vendor may direct in the following manner:

(a) the cash deposit in the amount of HK$2,450,000 paid by the Company to the Vendor's solicitors within ten (10) Business Days from the date of the SH Agreement;

(b) upon the SH Completion, the Company shall provide to the Vendor a promissory note, which will mature in 2 years after the day of issue, duly executed by the Company in favour of the Vendor in the form to be agreed by the Company and the Vendor, the essential terms of which shall include the following:

   (i) full payment of the balance of the SH Consideration together with interest shall be paid by the Company to the Vendor within two (2) years from the Date of the SH Completion;

   (ii) promissory note is redeemable by the Company by giving out not less than one (1) month's written prior notice to the Vendor; and

   (iii) interest : 6% per annum as interest is payable by the Company in respect of any outstanding balance of the SH Consideration.

As at the Latest Practicable Date, the Company had paid the cash deposit of HK$2,450,000 to the Vendor, solicitors pursuant to the SH Agreement. The principal amount of the promissory note based on the Accountant's Report of Target Company A as at 31 December 2015 is HK$24,564,397 (subject to adjustment).

Upon the SH Completion, the Company shall provide to the Vendor a personal guarantee (in a form of satisfactory to the Vendor) duly executed by Mr. Bülent Yenal, being an Executive Director, and attested by solicitors irrevocably and unconditionally guarantee full and punctual payment of the balance of SH Consideration together with interest payable by the Company to the Vendor.

The Vendor shall, at its costs and expenses, prepare and deliver to the Company at least three (3) Business Days before the Date of SH Completion the Apportionment Account and the draft Completion Account of Target Company A.

The Vendor agrees that the Company may require the Completion Account of Target Company A to be audited after SH Completion, and, if the Company so requires, the Vendor shall at its own costs and expenses arrange for the audit of the Completion Accounts of Target Company A and deliver the audited Completion Accounts of Target Company A within 3 months after the SH Completion. The difference between the SH Consideration paid by the Company and that calculated with reference to the audited Completion Account of Target Company A shall be repaid by the Vendor to the Company (in the case of excess) or repaid by the Company to the Vendor (in the case of shortfall) within seven (7) Business Days of production of such Completion Account.

Non-discharge of mortgage

The Company acknowledges and agrees that, subject to the approval of the mortgagee of Property A, the Company shall be solely and absolutely responsible to repay all other relevant payments to the mortgagee of Property A as from the Date of SH Completion and the Vendor is not required to discharge the mortgage upon SH Completion.

Conditions precedent

SH Completion is conditional upon the satisfaction (or waiver, if applicable) of, inter alia, the following conditions precedent:

(a) the Vendor having shown and proved that Target Company A has a good title to the Properties and can give a good title to Property A in accordance with Sections 13 and 13A of the Conveyancing and Property Ordinance (Cap.219 of the Laws of Hong Kong);

(b) there having been no outstanding notices, orders, complaints or requirements issued by any governmental body, authority or department, the owners' committee of the building, or the owner or the occupier of any adjourning or neighbouring property to Target Company A in respect of Property A or any part thereof or requiring compliance with the terms of the government lease in respect of Property A;

(c) Target Company A having no liabilities or indebtedness (whether actual or contingent) upon SH Completion other than the SH Sale Loan and the relevant mortgage;

(d) there having been no breach of the Warranties from the date of the SH Agreement up to and inclusive of the Date of SH Completion;

(e) satisfactory completion by the Company of legal and accounting due diligence on various aspects of Target Company A before SH Completion;

(f) the Vendor having delivered to the Company all title deeds and documents in respect of Property A including all tenancy agreements;

(g) there having been no breach of any terms or conditions in the relevant mortgage and loan documents on the part of the Company as a result of the transactions contemplated under SH Agreement;

(h) there having been no objection or demand for repayment of the relevant Mortgage Amount by the Mortgagee upon SH Completion;

(i) the Company having obtained (where applicable) the approval of the Shareholders of the SH Agreement and the transactions contemplated as required by the GEM Listing Rules; and

(j) the Company having compiled with and to the satisfaction of the Stock Exchange all requirements under the GEM Listing Rules in relation to the sale of the SH Sale Share and other transactions contemplated.

The Company may waive (in whole or in part) any of the conditions referred to in conditions (a) to (h) above and such waiver shall be effective only if it is made in writing and notified to the Vendors' solicitors.

The SP Agreement

Date

24 March 2016 (after trading hours)

Parties

(i) the Company; and

(ii) the Vendor

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor is an Independent Third Party as at the date of the SP Agreement and the Latest Practicable Date.

Asset to be acquired

According to the SP Agreement, the Vendor shall sell and the Company shall acquire the SP Sale Share and the SP Sale Loan. The SP Sale Share represents the entire issued share capital of Target Company B as at the Latest Practicable Date. Upon the SP Completion, Target Company B will become a wholly-owned subsidiary of the Company.

SP Consideration

The SP Consideration shall be calculated as follows:

SP Consideration = HK$49,000,000.00 + Sum X_B – Sum Y_B

where:

Sum X_B = the aggregate amount of the following tangible assets of Target Company B:

(a) refundable utility deposits, transferable management fee deposit and building fund deposit for installation of the public meter charges in respect of Property B which are subsisting;

(b) amount payable by the Company (if any) under the Apportionment Account of Target Company B; and

(c) cash and bank balance as shown in the Completion Account of Target Company B (if any).

Sum Y_B = the aggregate amount of the liabilities of Target Company B as at Date of SP Completion, including the Mortgage Amount of Property B but excluding the SP Sale Loan, as shown in the Completion Account of Target Company B, and the amount payable by the Vendor (if any) under the Apportionment Account of Target Company B.

Based on the Accountant's Report of Target Company B as contained in Appendix II to this circular, the amount of the SP Sale Loan, Sum X_B and Sum Y_B as at 31 December 2015 is HK$22,498,978, HK$4,866 and HK$21,000,000 respectively. The SP Consideration (subject to adjustment) based on the Accountant's Report of Target Company B as at 31 December 2015 is HK$28,004,866. To the understanding of the Directors, the amount of the SP Sale Loan will increase on the Date of the SP Completion only for the repayment of interest for the mortgage attaching to the Property B.

The SP Consideration shall be paid by the Company to the Vendor and/or such parties as the Vendor may direct in the following manner:

(a) the cash deposit in the amount of HK$2,450,000 paid by the Company to the Vendor's solicitors within ten (10) Business Days from the date of the SP Agreement;

(b) upon the SP Completion, the Company shall provide to the Vendor a promissory note, which will mature in 2 years after the day of issue, duly executed by the Company in favour of the Vendor in the form to be agreed by the Company and the Vendor, the essential terms of which shall include the following:

    (i) full payment of the balance of the SP Consideration together with interest shall be paid by the Company to the Vendor within two (2) years from the Date of SP Completion;

(ii) promissory note is redeemable by the Company by giving out not less than one (1) month's written prior notice to the Vendor; and

(iii) interest : 6% per annum as interest is payable by the Company in respect of any outstanding balance of the SP Consideration.

As at the Latest Practicable Date, the Company had paid the cash deposit of HK$2,450,000 to the Vendor's solicitors pursuant to the SP Agreement. The principal amount of the promissory note based on the Accountant's Report of Target Company B as at 31 December 2015 is HK$25,554,866 (subject to adjustment).

Upon the SP Completion, the Company shall provide to the Vendor a personal guarantee (in a form of satisfactory to the Vendor) duly executed by Mr. Bülent Yenal, being an Executive Director, and attested by solicitors irrevocably and unconditionally guarantee full and punctual payment of the balance of SP Consideration together with interest payable by the Company to the Vendor.

The Vendor shall, at its costs and expenses, prepare and deliver to the Company at least three (3) Business Days before the Date of SP Completion the Apportionment Account and the draft Completion Account of Target Company B.

The Vendor agrees that the Company may require the Completion Account of Target Company B to be audited after Completion, and, if the Company so requires, the Vendor shall at its own costs and expenses arrange for the audit of the Completion Accounts of Target Company B and deliver the audited Completion Accounts of Target Company B within 3 months after SP Completion. The difference between the SP Consideration paid by the Company and that calculated with reference to the audited Completion Account of the Target Company B shall be repaid by the Vendor to the Company (in the case of excess) or repaid by the Company to the Vendor (in the case of shortfall) within seven (7) Business Days of production of such Completion Account.

Non-discharge of mortgage

The Company acknowledges and agrees that, subject to the approval of the mortgagee of Property B, the Company shall be solely and absolutely responsible to repay all mortgage loan repayments and all other relevant payments to the mortgagee of Property B as from the Date of SP Completion and the Vendor is not required to discharge the mortgage upon SP Completion.

Conditions precedent

SP Completion is conditional upon the satisfaction (or waiver, if applicable) of, inter alia, the following conditions precedent:

(a) the Vendor having shown and proved that Target Company B has a good title to the Properties and can give a good title to Property B in accordance with Sections 13 and 13A of the Conveyancing and Property Ordinance (Cap.219 of the Laws of Hong Kong);

(b) there having been no outstanding notices, orders, complaints or requirements issued by any governmental body, authority or department, the owners' committee of the building, or the owner or the occupier of any adjourning or neighbouring property to Target Company B in respect of Property B or any part thereof or requiring compliance with the terms of the government lease in respect of Property B;

(c) Target Company B having no liabilities or indebtedness (whether actual or contingent) upon SP Completion other than the SP Sale Loan and the relevant mortgage;

(d) there having been no breach of the Warranties from the date of the SP Agreement up to and inclusive of the Date of SP Completion;

(e) satisfactory completion by the Company of legal and accounting due diligence on various aspects of Target Company B before SP Completion;

(f) the Vendor having delivered to the Company all title deeds and documents in respect of Property B including all tenancy agreements;

(g) there having been no breach of any terms or conditions in the relevant mortgage and loan documents on the part of the Company as a result of the transactions contemplated under SP Agreement;

(h) there having been no objection or demand for repayment of the relevant Mortgage Amount by the Mortgagee upon SP Completion;

(i) the Company having obtained (where applicable) the approval of the Shareholders of the SP Agreement and the transactions contemplated as required by the GEM Listing Rules; and

(j) the Company having compiled with and to the satisfaction of the Stock Exchange all requirements under the GEM Listing Rules in relation to the sale of the SP Sale Share and other transactions contemplated.

The Company may waive (in whole or in part) any of the conditions referred to in conditions (a) to (h) above and such waiver shall be effective only if it is made in writing and notified to the Vendors' solicitors.

For the avoidance of doubt, SH Completion and SP Completion are not inter-conditional.

Basis of the consideration of the Proposed Acquisition

The HK$49.0 million contained in the SH Consideration and the SP Consideration formulae is arrived at after arm's length negotiations between the Company and the Vendor with reference to the market value of the Properties assessed by ROMA Appraisals Limited.

The Company submits that the difference between the assessed fair value of the Properties (HK$89.0 million) and the notional value adopted in the consideration formulae (HK$98.0 million) is, from the Company's perspective, the implied finance costs.

By excluding all of the adjusting factors (i.e. Sum X_A, Sum Y_A, Sum X_B and Sum Y_B), the Company is effectively acquiring the Properties with a fair value of HK$89.0 million by (i) paying cash deposits of HK$4.9 million, and (ii) issuing promissory notes with a face value of HK$93.1 million, which requires the Company to pay HK$104.27 million (including principal and interests thereon) within two years from the date of completion. Such financing arrangement, when compared with acquiring the Properties in cash at their fair value of HK$89.0 million, implies an effective interest rate of approximately 12.0% per annum. In respect of the implied effective interest rate, the Company is of the view that such interest rate approximates to the Group's current borrowing costs.

The aggregate value of the consideration for the Proposed Acquisition is arrived at after arm's length negotiations between the Company and the Vendor, taking into account (a) the assessment on the market value of the Properties (HK$89.00 million) by reference to the selling prices of commercial building units in the neighboring area; (b) the valuation report of the Properties issued by ROMA Appraisals Limited, which is contained in Appendix V to this circular; (c) the adjusted net assets value of the Target Companies of approximately HK$41.26 million as at 31 December 2015; and (d) the payment terms, which include the issuance promissory note by the Company to the Vendor within two (2) years from the Date of SH Completion or the Date of SP Completion (as the case maybe).

The total adjusted net assets value of the Target Companies as at 31 December 2015 were derived based on the total net liabilities of the Target Companies as at 31 December 2015 (approximately HK$1.74 million), after deducting the total mortgage amount of HK$43.00 million.

Pursuant to the Acquisition Agreements, the final Consideration will be determined based on the Completion Account. The Board is of the view that having the Completion Account audited provides the Company higher degree of assurance in determining the Consideration, however, given that the audit procedure could take weeks to complete, the SH Consideration and the SP Consideration can only be determined based on the Completion Account at the Date of SH Completion and/or the Date of SP Completion. Nevertheless, according to the Acquisition Agreements, the Company, as the Purchaser, has the option to require the Completion Account to be audited after the completion of each Proposed Acquisition and the Consideration shall be adjusted accordingly. The Company will require the Completion Account to be audited in the case that it is materially different from the Accountant's Report contained in Appendix II to the Circular. Any excess or shortfall of final Consideration shall be paid by the Vendor or the Company in cash within 7 Business Days of production of the audited Completion Account. The Board considers such arrangement is fair and reasonable.

INFORMATION ON THE TARGET COMPANIES

Target Company A

Spring Hero Developments Limited, being Target Company A, is an investment holding company incorporated in the British Virgin Islands on 18 February 2015 with limited liability. Target Company A owns the entire interest of Property A. Property A is located at 15th Floor of Henan Building, Nos. 90 and 92 Jaffe Road and Nos. 15-19 Luard

Road, Wanchai, Hong Kong with gross floor area of approximately 3,505 square feet and saleable floor area of approximately 2,346 square feet.

As at the Latest Practicable Date, Property A is divided into two premises and each of them is subject to a tenancy agreement. The particulars of the relevant tenancy agreements are as follows:

Room 1501, 15/F, Henan Building

Date of tenancy agreement:	23 February 2016
Gross floor area:	1,375 square feet
Usage:	Office
Term:	Two years from 1 March 2016 to 28 February 2018
Monthly rental (inclusive of management fees):	HK$57,200

Room 1502, 15/F, Henan Building

Date of tenancy agreement:	1 March 2016
Gross floor area:	1,732 square feet
Usage:	Office
Term:	Six months from 1 March 2016 to 31 August 2016
Monthly rental (exclusive of management fees):	HK$83,136
Monthly surcharge (inclusive of management fees etc):	HK$7,478

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, both tenants in Property A, together with their ultimate beneficial owner(s), are Independent Third Parties.

Set out below are the financial information of Target Company A extracted from the accountant's reports (as set out in Appendix II to this circular) for the period from 18 February 2015, being its date of incorporation, to 31 March 2015 and the nine months ended 31 December 2015:

Statement of profit or loss and other comprehensive income

	Nine months ended 31 December 2015 *HK$*	**Period from 18 February 2015 to 31 March 2015** *HK$*
Revenue	67,065	–
Loss before tax	1,354,898	–
Loss and total comprehensive expense for the period	1,354,898	–

Statement of financial position

	As at 31 December 2015 *HK$*	**As at 31 March 2015** *HK$*
Total assets	43,028,657	2,007,180
Total liabilities	43,996,055	1,619,680
Net (liabilities) assets	(967,398)	387,500

Target Company B

Sharp Pick Ventures Limited, being Target Company B, is an investment holding company incorporated in the British Virgin Islands on 13 February 2015 with limited liability. Target Company B owns the entire interest of Property B. Property B is located at 16th Floor of Henan Building, Nos. 90 and 92 Jaffe Road and Nos. 15-19 Luard Road, Wanchai, Hong Kong with gross floor area of approximately 3,470 square feet and saleable floor area of approximately 2,324 square feet.

As at the Latest Practicable Date, Property B is subject to a tenancy agreement and the particulars of which are as follows:

Date of tenancy agreement:	1 March 2016
Gross floor area:	3,470 square feet
Usage:	Office
Term:	Two years from 1 March 2016 to 28 February 2018
Monthly rental (exclusive of management fees):	HK$166,560
Monthly surcharge (inclusive of management fees etc):	HK$13,305

The tenant in Property B is a wholly-owned subsidiary of the Company.

Set out below are the financial information of Target Company B extracted from the accountant's reports (as set out in Appendix II to this circular) for the period from 13 February 2015, being its date of incorporation, to 31 March 2015 and the nine months ended 31 December 2015:

Statement of profit or loss and other comprehensive income

	Nine months ended 31 December 2015	**Period from 13 February 2015 to 31 March 2015**
	HK$	*HK$*
Revenue	232,714	–
Loss before tax	1,158,329	–
Loss and total comprehensive expense for the period	1,158,329	–

Statement of financial position

	As at 31 December 2015 *HK$*	As at 31 March 2015 *HK$*
Total assets	42,957,169	2,004,280
Total liabilities	43,727,998	1,616,780
Net (liabilities) assets	(770,829)	387,500

INFORMATION OF THE GROUP

The Company is incorporated in Hong Kong with limited liability and the shares of which are listed on the GEM. The principal business activity of the Company is investment holding.

The Group is principally engaged in provision of travel agent services, advertising and marketing services, fashion garment trading and mobile application business. The Group has also commenced the funeral business in the People's Republic of China.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Group is actively seeking favourable investment opportunities in various business segments with the aim to improve the profitability of the Group. The Group has also entered into several memorandums of understanding with various parties regarding acquisition of various businesses and assets. Since the current office space has been utilised to a maximal extent for the existing business segments, namely mobile application, fashion garment trading and funeral business. It is believed that additional space is needed for the proposed expansion and development in the future.

To cope with the future expansion and development of the Group's business, the Group has been searching for additional space for proposed expansion. A subsidiary of the Company has been using Property B and the Directors are of the view that the Properties are suitable for the Group's expansion and additional needs of office space in the long run.

Regarding the two premises rented to the Independent Third Parties in Property A, the tenancy agreements will expire on 31 August 2016 and 28 February 2018 respectively. The short-term tenancy agreements provide the Group with more flexibility in the usage of the premises. The Group plans to use the premises as office upon expiry of the current tenancy agreements. Further, to the extent that the premises are not fully utilised by the Group, any surplus space will be leased out to generate stable rental income to the Group.

After considering the above factors and the basis of the consideration, the Directors are of the view that the entering into of the Acquisition Agreements and the terms and conditions of the Proposed Acquisition (including the consideration and payment terms) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Board noted that the reporting accountants, after considering the Target Companies' net liabilities position, issued a disclaimer opinion (as set out in Appendix II to this circular) in respect of the Target Companies' going concern assumption. As the Group in the Proposed Transaction does not only acquire the SH Sale Share and the SP Sale Share but also the SH Sale Loan and the SP Sale Loan, the Board is of the view that the SH Sale Loan and the SP Sale Loan will, after the SH Completion and the SP Completion, become intra-group loans and will not affect the Group's working capital as a whole. Further, as reported in the unaudited pro forma financial information of the Enlarged Group contained in the Appendix III of this circular, the Group's net asset value would increase from HK$216.8 million to HK$217.3 million should the Proposed Transaction be completed on 31 December 2015. Since the Group plans to use the premises as office upon expiry of the current tenancy agreements, it is expected that the Group's rental expenses for office will decrease significantly. Further, to the extent that the premises are not fully utilised by the Group, any surplus space will be leased out to generate stable rental income to the Group.

In addition to the enhancement in net asset value of the Group, the Board is of the view that acquisition of the premises also serves the purposes of cost saving as well as diversifying the Group's revenue base, and hence the Acquisition Agreements are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

Pursuant to Rule 19.22 of the GEM Listing Rules, transactions completed within a 12-month period or otherwise related are required to be aggregated in determining the percentage ratio(s). As both SP Agreement and SH Agreement were entered into between the Company and the Vendor, the transactions contemplated under both SP Agreement and SH Agreement are required to be aggregated under the GEM Listing Rules.

As the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition exceed 25% but below 100%, the Proposed Acquisition constitutes a major transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting, announcement and Shareholders' approval requirements.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders or any of its associates has any material interest in the Acquisition Agreements and the transactions contemplated thereunder, and no Shareholder would be required to abstain from voting on the resolution(s) in respect of the Proposed Acquisition at the EGM.

EGM

The EGM will be convened and held to consider and, if thought fit, to approve, among other matters, the Proposed Acquisition. Any vote of the Shareholders at the EGM will be taken by poll.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder or any of its associates has any material interest in the Acquisition Agreements and the transactions contemplated thereunder, and no Shareholder would be required to abstain from voting on the resolution(s) in respect of the Proposed Acquisition at the EGM.

Set out on pages EGM-1 to EGM-2 of this circular is a notice convening the EGM to be held at 27/F, The Sun's Group Centre, 200 Gloucester Road, Wanchai, Hong Kong on 10 June 2016 at 3:00 p.m..

The form of proxy for use at the EGM is enclosed. Whether or not you are able to attend (if you are so entitled to) the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return them to the Company's branch share registrar, 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 later than 48 hours before the time designated for holding the EGM. Completion and return of the relevant form of proxy will not preclude you from attending and voting in person at the meetings or at any adjourned meetings should you so wish.

RECOMMENDATION

The Board considers that the terms of the Acquisition Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions 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
Hung Tat Chi Alan
Alternate Director

1. THREE YEAR FINANCIAL INFORMATION

Financial information of the Group (i) 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; (ii) 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; and (iii) for the year ended 31 December 2015 is disclosed in the annual report of the Company for the year ended 31 December 2015 on 30 March 2016, from pages 60 to 160, which were published on both the Stock Exchange website (http://www.hkgem.com) and the Company's website (http://www.8022hk.com).

2. INDEBTEDNESS STATEMENT

As at 31 March 2016, the indebtedness of the Enlarged Group was as follows:

(i) Other Loans, Secured and Unguaranteed

As at 31 March 2016, the Enlarged Group had other loans of approximately HK$2,000,000 which were secured by a charge over the entire issued and paid up capital of a subsidiary of the Enlarged Group and unguaranteed.

(ii) Promissory notes

The Enlarged Group had an outstanding principal of promissory note of approximately HK$30,320,000. The interest rate charged is 2% per annum and the settlement date is 30 November 2016.

(iii) Other indebtedness

The Enlarged Group had outstanding indebtedness of HK$45,883,000 due to the shareholders' of Target Company A and Target Company B ("Sales Loan"), which was unsecured, non-interest bearing and repayable on demand. The Sales Loan is a part of the consideration for the Proposed Acquisition.

(iv) Other borrowings, Secured and Guaranteed

The Enlarged Group had outstanding other borrowings of HK$43,000,000 at fixed interest rate of 21.6% per annum and were secured by the investment properties and prepaid lease payments with carrying amount of HK$5,384,000 and HK$78,831,000, respectively. The Vendor had undertaken to provide personal guarantee in relation to the other borrowings granted.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Enlarged Group did not have any outstanding indebtedness, 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 at the close of business on 31 March 2016.

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 Proposed 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 31 December 2015, the total assets of the Group was approximately HK$309 million (31 December 2014: HK$132 million), including cash and bank balances and restricted bank deposits of approximately HK$43 million (31 December 2014: HK$9 million). The gearing ratio of the Group expressed in total debt as a percentage of net assets was 42.35% (31 December 2014: 258.51%). The Group changed to net current assets and net assets position of approximately HK$81 million and HK$217 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 31 December 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 year ended 31 December 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 under the Loan Facility has been extended to 24 December 2015.

On 24 December 2015, the Company and Ringloma Limited as lender have entered into a Memorandum of Understanding (MOU) regarding the possible disposal of the entire equity interests of Argos (China) Investment Limited.

Turnover

The audited consolidated turnover of the Group for year ended 31 December 2015 was approximately HK$73,772,000 (2014: approximately HK$45,792,000) representing an increase of approximately 61% over the corresponding period in 2014, which is mainly attributable to an increase of mobile application income and an increase in trading income.

Loss for the period

The loss for the year of the Company was approximately HK$13,530,000 for the year ended 31 December 2015 (2014: approximately HK$23,148,000), representing a decrease of approximately 42% over the corresponding period in 2014, which is mainly attributable to gain on disposal of subsidiaries.

Loss attributable to equity shareholders

The loss attributable to equity shareholders of the Company was approximately HK$11,996,000 for the year ended 31 December 2015 (2014: approximately HK$19,926,000).

Basic loss per share

For the year ended 31 December 2015, basic loss per share was approximately HK1.42 cents (2014: approximately HK3.56 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 year ended 31 December 2015 as the Board considers that the potential foreign exchange exposure of the Group is limited.

Contingent liabilities

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

Operational Review and Prospect

2015 was a challenging year for the Group as to continue focusing on the strategy of increasing synergy among the Group's core businesses and seek new revenue sources and favourable opportunities by ways of acquisitions and capital investments.

The travel agency business and the advertising and marketing business have been unprofitable during the year. The economic downturn from the second half of the year has been tough on the Group's businesses in these segments. Following the completion of disposal of a then wholly-owned subsidiary of the Company (i.e. Creative Star Limited) as disclosed in the announcement of the Company dated 30 March 2016, the Group had ceased to carry on the business of advertising and marketing services.

The mobile application business segment has become a new contributor to the revenue of the Group. Yet the performance of this business was lower than expected. This is due to continuous changing of market practices in terms of payment gateway integration, mobile application publishing and market acceptance. The Group has worked closely with the mobile application developer for continuous development and enhancement of the application.

The Group has started its trading business in commodities (i.e. coal) since the last quarter of 2015 and has established an experienced team led by the Chairman of the Group to handle the transactions. The management team of the Group believes that the commodities price is stable at current level and therefore the trading activities will become more robust in the coming future.

In 2016, the Group will continue to focus on the strategy of increasing synergy among the Group's core businesses and seek new revenue sources and favourable opportunities by ways of acquisitions and capital investments.

Upon the completion of acquisition of Fortune Ford Limited on 30 November 2015, our company has entered in the cemetery service segment. Due to the growing demand for legitimate burial and increasing price in burial plot in PRC, we believe our cemetery business will be benefited from it in 2016 and hence expand its source of revenue to the cemetery business and diversify the Group's revenue base.

On 16 March 2016, the Company entered into the non-legally binding memorandum of understanding with the vendor in relation to the possible acquisition of 30% of the issued shares in Topbridge Industrial Company Limited ("**Topbridge**"). Topbridge intends to build and operate a resort which locates in the wetland, Dong Ting Hu, Hunan Province, the PRC with an area of approximately 300 km^2 in the wetland.

On 6 May 2016, the Company and the 6th Engineering Bureau of China City Construction Holding Group Company (the "**Construction Company**") entered into a strategic cooperation agreement in which the Company has the intention to participate in the engineering and construction works in relation to the proposed land development and large scale project(s) of the Company in Europe and will take the role as a developer and has nominated the Construction Company as its technical engineering consultant. For details of the strategic cooperation agreement, please refer to the announcement of the Company dated 6 May 2016.

Apart from the aforementioned new business opportunities, the Group had ceased to carry business of advertising and marketing services and will continue to work on the existing mobile application business and fashion garment trading business.

Looking forward to 2016, the Group is optimistic and will continue to adopt sound and flexible strategies to ensure stable and healthy business growth by leveraging on our strengths and experiences.

The followings are the texts of reports, prepared for the purpose of incorporation in this circular, received from the independent reporting accountants, SHINEWING (HK) CPA Limited, Certified Public Accountants, Hong Kong.

ACCOUNTANT'S REPORT ON THE TARGET COMPANY A

SHINEWING (HK) CPA Limited
43/F., Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

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

24 May 2016

Dear Sirs,

INTRODUCTION

We set out below our report on the financial information of Spring Hero Developments Limited ("**Spring Hero**"), which comprises the statements of financial position as at 31 March 2015 and 31 December 2015, the statements of profit or loss and other comprehensive income and statements of changes in equity for the period from 18 February 2015 (date of incorporation) to 31 March 2015 and the nine months ended 31 December 2015 (the "**Relevant Periods**") and together with the notes thereto (the "**Financial Information**"). The Financial Information has been prepared by the sole director of Spring Hero for inclusion in Appendix II to the circular dated 24 May 2016 (the "**Circular**") issued by Evershine Group Holdings Limited (the "**Company**") in connection with the proposed acquisition of the entire equity interests in Spring Hero (the "**Acquisition**").

Spring Hero was incorporated in the British Virgin Islands (the "**BVI**") with limited liability on 18 February 2015. Spring Hero is principally engaged in property holding. The addresses of the registered office and the principal place of business of Spring Hero are NovaSage Chambers, P.O. Box 4389, Road Town, Tortola, BVI and Room 2001, 20/F., Mongkok Commercial Centre, 16 Argyle Street, Mongkok, Kowloon, Hong Kong, respectively.

At the date of this report, no audited financial statements have been prepared for Spring Hero as there is no statutory audit requirement under the relevant rules and regulations in its jurisdiction of incorporation. For the purpose of this report, we have, however, reviewed all relevant transactions of Spring Hero for the Relevant Periods and carried out such procedures as we considered necessary for inclusion of the financial information of Spring Hero in the Financial Information.

BASIS OF PREPARATION

The Financial Information for the Relevant Periods was prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). Spring Hero has adopted 31 March as its financial year end date.

For the purpose of this report, the sole director of Spring Hero has prepared the financial statements of Spring Hero for the Relevant Periods in accordance with HKFRSs issued by the HKICPA (the "**Underlying Financial Statements**"). We have carried out independent audit procedures on the Underlying Financial Statements in accordance with Hong Kong Standards of Auditing issued by the HKICPA and carried out such additional procedures as are necessary in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

The Financial Information has been prepared by the sole director of Spring Hero based on the Underlying Financial Statements on the basis set out in note 2 to the Financial Information, and in accordance with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND REPORTING ACCOUNTANTS

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

Our responsibility is to form an independent opinion on the Financial Information based on our procedures and to report our opinion thereon to you.

BASIS FOR DISCLAIMER OF OPINION

As a basis for forming an opinion on the Financial Information, for the purpose of this report, we have examined the Underlying Financial Statements and have carried out such appropriate procedures as we considered necessary in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

Due to the matters as described below, we were unable to conclude whether any adjustment is necessary to the Underlying Financial Statements for the Relevant Periods in preparing our report for inclusion in the Circular.

FUNDAMENTAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

As explained in note 2 to the Financial Information, which indicates that Spring Hero had net current liabilities of HK$40,684,287 and net liabilities of HK$967,398 as at 31 December 2015, and these conditions indicate the existence of material uncertainty which may cast significant doubt about the ability of Spring Hero to continue as a going concern. The Financial Information has been prepared on a going concern basis, the validity of which is dependent upon future funding availability. However, the uncertainty surrounding the outcome of future funding availability raises significant doubt about Spring Hero's ability to continue as a going concern. We consider that the fundamental uncertainty in relation to whether the adoption of the going concern basis is appropriate is so extreme that we have disclaimed our opinion. The Financial Information does not include any adjustments that would result if Spring Hero is unable to continue as going concern.

DISCLAIMER OF OPINION

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion. Accordingly, we do not express an opinion on the Financial Information.

I. FINANCIAL INFORMATION

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	**Period from 18 February 2015 (date of incorporation) to 31 March 2015** *HK$*	**Nine months ended 31 December 2015** *HK$*
Revenue	*8*	–	67,065
Cost of sales		–	(10,060)
Gross profit		–	57,005
Administrative expenses		–	(619,903)
Finance cost	*9*	–	(792,000)
Loss before tax	*10*	–	(1,354,898)
Income tax	*11*	–	–
Loss and total comprehensive expense for the period		–	(1,354,898)

Note: Loss per share information is not presented as such information is not considered meaningful in the context of this report.

STATEMENTS OF FINANCIAL POSITION

	Notes	**As at 31 March 2015** *HK$*	**As at 31 December 2015** *HK$*
Non-current assets			
Investment property	*13*	–	2,761,106
Prepaid lease payment	*14*	–	36,955,783
Deposit for the acquisition of investment property	*15*	2,007,180	–
		2,007,180	39,716,889
Current assets			
Prepaid lease payment	*14*	–	3,297,371
Prepayment		–	14,397
		–	3,311,768
Current liabilities			
Amount due to the shareholder	*16*	1,619,680	21,875,698
Other borrowings	*17*	–	22,000,000
Accruals and deposit received	*18*	–	120,357
		1,619,680	43,996,055
Net current liabilities		(1,619,680)	(40,684,287)
Net assets (liabilities)		387,500	(967,398)
Capital and reserve			
Share capital	*20*	387,500	387,500
Accumulated losses		–	(1,354,898)
		387,500	(967,398)

STATEMENTS OF CHANGES IN EQUITY

	Share capital *HK$*	**Accumulated losses** *HK$*	**Total** *HK$*
Issue of ordinary shares upon incorporation *(note 20)*	387,500	–	387,500
Results and total comprehensive income for the period	–	–	–
At 31 March 2015	387,500	–	387,500
Loss and total comprehensive expense for the period	–	(1,354,898)	(1,354,898)
At 31 December 2015	387,500	(1,354,898)	(967,398)

II. NOTES TO THE FINANCIAL INFORMATION

1. GENERAL

Spring Hero was incorporated in the British Virgin Islands (the "**BVI**") with limited liability on 18 February 2015. The addresses of its registered office and the principal place of business are NovaSage Chambers, P.O. Box 4389, Road Town, Tortola, BVI and Room 2001, 20/F., Mongkok Commercial Centre, 16 Argyle Street, Mongkok, Kowloon, Hong Kong, respectively.

As at 31 March 2015, 31 December 2015 and at the date of this report, Spring Hero was wholly owned by Mr. Chiu Ngai Hung. The principal activity of Spring Hero is property holding.

The Financial Information is presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of Spring Hero. HK$ is the currency of the primary economic environment in which Spring Hero operates.

2. BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

As at 31 December 2015, Spring Hero had net current liabilities of HK$40,684,287 and net liabilities of HK$967,398. These conditions indicate the existence of material uncertainty which may cast significant doubt about Spring Hero's ability to continue as a going concern. The Financial Information has been prepared by the sole director of Spring Hero on a going concern basis as the shareholder has agreed to provide financial support to Spring Hero to maintain as a going concern and not to demand for any repayment of the amount due to the shareholder of HK$21,875,698 as at 31 December 2015 until Spring Hero is in a financial position to do so. In addition, after the completion of the Acquisition, the Company has agreed to provide adequate funds for Spring Hero to meet its liabilities as they fall due.

Accordingly, the sole director of Spring Hero is of the opinion that it is appropriate to prepare the Financial Information on a going concern basis. The Financial Information does not include any adjustments relating to the carrying amounts and reclassification of assets and liabilities that might be necessary should Spring Hero be unable to continue as a going concern.

No statement of cash flows has been prepared by Spring Hero for the Relevant Periods as it does not hold a bank account nor any cash on hand. All cash transactions were processed by the shareholder on behalf of Spring Hero.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purpose of preparing and presenting the Financial Information for the Relevant Periods, Spring Hero has consistently applied all of the new and revised Hong Kong Accounting Standards ("**HKASs**"), HKFRSs, amendments and interpretations (hereinafter collectively referred to as "**new and revised HKFRSs**") issued by the HKICPA which are effective for the financial year beginning on 18 February 2015 (date of incorporation) and throughout the Relevant Periods.

Spring Hero has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9 (2014)	Financial Instruments[2]
HKFRS 14	Regulatory Deferral Accounts[1]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle[1]
Amendments to HKAS 1	Disclosure initiatives[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptance Methods of Depreciation and Amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[1]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]

1 Effective for annual periods beginning on or after 1 January 2016.
2 Effective for annual periods beginning on or after 1 January 2018.
3 Effective date not yet be determined.

The sole director of Spring Hero anticipates that except as described below, the application of other new and revised HKFRSs will not have no material impact on the results and the financial position of Spring Hero.

HKFRS 9 (2014) ***Financial Instruments***

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 which incorporated all requirements in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("**FVTOCI**") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The sole director of Spring Hero does not anticipate that the adoption of HKFRS 9 (2014) will have a material impact on Spring Hero's Financial Information.

HKFRS 15 ***Revenue from Contracts with Customers***

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. Thus, HKFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

i) Identify the contract with the customer;
ii) Identify the performance obligations in the contract;
iii) Determine the transaction price;
iv) Allocate the transaction price to the performance obligations; and
v) Recognise revenue when (or as) the entity satisfies a performance obligation.

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows 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.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2018 with early application permitted. The sole director of Spring Hero anticipates that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in Spring Hero's Financial Information. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until Spring Hero performs a detailed review.

Annual Improvements to HKFRSs 2012-2014 Cycle

The *Annual Improvements to HKFRSs 2012-2014 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 clarify that changing from one of the disposal methods (i.e. disposal through sale or disposal through distribution to owners) to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in HKFRS 5. Besides, the amendments also clarify that changing the disposal method does not change the date of classification.

The amendments to HKFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in HKFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to HKFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

The amendments to HKAS 19 clarify that the market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

HKAS 34 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'. The amendments to HKAS 34 clarify that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report. The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

The sole director of Spring Hero does not anticipate that the amendments included in the *Annual Improvements to HKFRSs 2012-2014 Cycle* will have a material effect on Spring Hero's Financial Information.

Amendments to HKAS 1 *Disclosure Initiative*

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and
(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The sole director of the Spring Hero does not anticipate that the application of Amendments to HKAS 1 in the future may have a material impact on the Spring Hero's Financial Information.

Amendments to HKAS 16 and HKAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*

The amendments to HKAS 16 prohibit the use of revenue-based depreciation methods for property, plant and equipment under HKAS 16. The amendments to HKAS 38 introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. This presumption can be rebutted only in the following limited circumstances:

i) when the intangible asset is expressed as a measure of revenue;
ii) when a high correlation between revenue and the consumption of the economic benefits of the intangible assets could be demonstrated.

The amendments to HKAS 16 and HKAS 38 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied prospectively.

As Spring Hero uses straight-line method for depreciation of investment property and amortisation of prepaid lease payment, the sole director of Spring Hero does not anticipate that the application of the amendments to HKAS 16 and HKAS 38 will have a material impact on Spring Hero's Financial Information.

4. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the Financial Information includes applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

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 in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether the price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The principal accounting policies are set out below:

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for services rendered in the normal course of business.

Rental income from properties letting under operating leases is recognised on a straight-line basis over the terms of relevant lease.

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 leases.

Spring Hero as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

Leasehold land and buildings

When a lease includes both land and building elements, Spring Hero assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to Spring Hero, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease.

Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as prepaid lease payments in the statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from "loss before tax" as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Spring Hero's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liabilities is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which Spring Hero expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred income tax are recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Deposit for the acquisition of investment property

Deposit for the acquisition of investment property is initially recognised at cost, less impairment loss, if any.

At the end of the reporting period, Spring Hero reviews the carrying amount of the deposit for the acquisition of investment property to determine whether there is any indication that the deposit has suffered an impairment loss. If any such indication exists, the recoverable amount of the deposit is estimated in order to determine the extent of the impairment loss, if any.

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 is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognised as income immediately.

Financial instruments

Debt and equity instruments issued by Spring Hero 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 as equity instruments.

Financial liabilities

Financial liabilities are recognised in the statement of financial position when Spring Hero becomes a party to the contractual provision of the instrument.

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

Financial liabilities including amount due to the shareholder, other borrowings and accruals and deposit received 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 premiums 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.

Equity instruments

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

Derecognition

A financial liability is derecognised when, and only when, Spring Hero's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment losses on tangible assets

At the end of the reporting period, Spring Hero reviews the carrying amounts of its tangible 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, Spring Hero 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 unit, 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 the 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 the 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 the cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

Fair value measurement

When measuring fair value for the purpose of impairment assessment, Spring Hero 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Spring Hero uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, Spring Hero categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, Spring Hero determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of Spring Hero's accounting policies, which are described in note 4, the sole director of Spring Hero is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 on-going 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.

Critical judgements in applying accounting policies

The following is the critical judgment that the sole director of Spring Hero has made in the process of applying the entity's accounting policies and that has the most significant effect on the amounts recognised in the Financial Information.

Allocation between the prepaid lease payment and the investment property

When a lease includes both land and building elements, the sole director of Spring Hero assesses the classification of each element as a finance lease or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to Spring Hero. Separate measurement of the land and building elements is not required when the lessee's interest in both land and buildings is classified as an investment property which the fair value model is being adopted.

As Spring Hero has adopted the cost model for the investment property and the land portion of the investment property is under an operating lease, the land portion is classified as prepaid lease payment under an operating lease while the building portion of the investment property is classified as investment property. At 31 March 2015, there were no investment property and prepaid lease payment held by Spring Hero. At 31 December 2015, the carrying amounts of the investment property and the prepaid lease payment are HK$2,761,106 and HK$40,253,154, respectively.

Going concern consideration

The assessment of the going concern assumption involves making a judgement by the sole director of Spring Hero, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The sole director of Spring Hero considers that Spring Hero has the ability to continue as a going concern and the major events or conditions, which may give rise to liquidity risk, that individually or collectively may cast significant doubt about the going concern assumption are set out in note 2.

Key sources of estimation uncertainty

Impairment of investment property and prepaid lease payment

At 31 December 2015, the sole director of Spring Hero reviews the carrying amounts of the investment property and prepaid lease payment of HK$2,761,106 and HK$40,253,154 respectively and identifies there is indication that those assets may suffer an impairment loss. Accordingly, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The estimates of the recoverable amount of the investment property and prepaid lease payment is determined using fair value less cost of disposal, by comparing the recent market transactions of identical properties situated nearby. Based on the estimated recoverable amounts, no impairment loss has been recognised in respect of the investment property and prepaid lease payment at 31 December 2015.

Depreciation and estimated useful life of investment property

Investment property is depreciated on a straight-line basis over the shorter of its lease term or estimated useful life. The determination of the useful life involves management's estimation based on Spring Hero's business model and its asset management policy. The sole director of Spring Hero assesses the useful life of the investment property annually and if the expectation differs from the original estimates, such differences may impact the depreciation in the year and the estimates will be changed in the future period. At 31 December 2015, the carrying amount of investment property is HK$2,761,106 net of accumulated depreciation of HK$38,314.

Amortisation and estimated useful life of prepaid lease payment

Prepaid lease payment is amortised on a straight-line basis over the shorter of its lease term or estimated useful life respectively. The determination of the useful life involves management's estimation based on Spring Hero's business model and its asset management policy. The sole director of Spring Hero assesses the useful life of the prepaid lease payment annually and if the expectation differs from the original estimates, such differences may impact the amortisation in the year and the estimates will be changed in the future period. At 31 December 2015, the carrying amount of prepaid lease payment is HK$40,253,154 net of accumulated amortisation of HK$558,571.

Income tax

As at 31 December 2015, deferred tax asset of HK$6,936 has been recognised for the nine months ended 31 December 2015 in respect of the unused tax losses of HK$42,037. No deferred tax asset has been recognised of unused tax losses of HK$793,281 due to the unpredictability profits stream. The realisability of the deferred tax asset mainly depends on whether sufficient future profits will be available in the future. In case where the actual profits generated are more than expected, a material recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which recognition takes place.

6. CAPITAL RISK MANAGEMENT

Spring Hero manages its capital to ensure that Spring Hero will be able to continue as a going concern while maximising the return to the shareholder through the optimisation of the debt and equity balance. Spring Hero's overall strategy remains unchanged throughout the Relevant Periods.

The capital structure of Spring Hero consists of amount due to the shareholder, other borrowings and equity attributable to owner of Spring Hero, comprising share capital and reserve.

The sole director of Spring Hero reviews the capital structure on a regular basis. As part of this review, the sole director of Spring Hero considers the cost of capital and the risks associated with each class of capital. Based on the recommendations of the sole director of Spring Hero, Spring Hero will balance its overall capital structure through the payment of dividends, issuance of new shares as well as the issue of new debts or the repayment of existing debts.

7. FINANCIAL INSTRUMENTS

(a) Category of financial instruments

	As at 31 March 2015 *HK$*	As at 31 December 2015 *HK$*
Financial liabilities		
At amortised cost	1,619,680	43,996,055

(b) Financial risk management objectives and policies

Spring Hero's financial instruments represent amount due to the shareholder, other borrowings and accruals and deposit received. Details of the amount due to the shareholder, other borrowings and accruals and deposit received are disclosed in notes 16, 17 and 18 to the Financial Information respectively. The risks associated with these financial instruments include interest rate risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management of Spring Hero manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Interest rate risk

Spring Hero is exposed to fair value interest rate risk in relation to fixed-rate other borrowings (see note 17). Spring Hero currently does not have an interest rate hedging policy. However, management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

Spring Hero's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

Liquidity risk

Spring Hero was exposed to liquidity risk. As at 31 March 2015 and 31 December 2015, Spring Hero had net current liabilities of HK$1,619,680 and HK$40,684,287 respectively. The ability of Spring Hero to operate as a going concern depended on the ongoing support from its shareholder and/or the Company.

In the management of the liquidity risk, Spring Hero obtains financing deemed adequate by the management to finance Spring Hero's operations. The factors that may cast doubt on Spring Hero's ability to continue as a going concern and the measures taken are set out in note 2.

The following table details Spring Hero's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which Spring Hero can be required to pay. The maturity dates for non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows at 31 March 2015 and 31 December 2015.

	As at 31 March 2015		
	Within one year or on demand	Total contractual undiscounted cash flows	Carrying amount
	HK$	*HK$*	*HK$*
Non-derivative financial liabilities			
Amount due to the shareholder	1,619,680	1,619,680	1,619,680

	As at 31 December 2015		
	Within one year or on demand	Total contractual undiscounted cash flows	Carrying amount
	HK$	*HK$*	*HK$*
Non-derivative financial liabilities			
Amount due to the shareholder	21,875,698	21,875,698	21,875,698
Other borrowings	23,584,000	23,584,000	22,000,000
Accruals and deposit received	120,357	120,357	120,357
Total	45,580,055	45,580,055	43,996,055

8. REVENUE

Revenue represents rental income from the operating lease of the investment property.

	Period from 18 February 2015 (date of incorporation) to 31 March 2015	Nine months ended 31 December 2015
	HK$	*HK$*
Gross rental income	–	67,065
Less: outgoings classified as cost of sales	–	(10,060)
Net rental income	–	57,005

9. FINANCE COST

	Period from 18 February 2015 (date of incorporation) to 31 March 2015	Nine months ended 31 December 2015
	HK$	*HK$*
Interest expenses on other borrowings	–	792,000

10. LOSS BEFORE TAX

	Period from 18 February 2015 (date of incorporation) to 31 March 2015	Nine months ended 31 December 2015
	HK$	*HK$*
Loss before tax has been arrived at after charging:		
Amortisation of prepaid lease payment	–	558,571
Depreciation for investment property	–	38,314
Director's emoluments *(note 12)*	–	–
Auditor's remuneration	–	–

11. INCOME TAX

No provision for Hong Kong Profits Tax has been made for the period from 18 February 2015 (date of incorporation) to 31 March 2015 and the nine months ended 31 December 2015 as there are no assessable profits generated for the Relevant Periods.

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

	Period from 18 February 2015 (date of incorporation) to 31 March 2015	Nine months ended 31 December 2015
	HK$	*HK$*
Loss before tax	–	(1,354,898)
Calculated at a tax rate of 16.5%	–	(223,558)
Tax effect of expenses not deductible for tax purpose	–	92,667
Tax effect of tax losses not recognised	–	130,891
Income tax	–	–

Details of the deferred taxation are disclosed in note 19.

12. DIRECTOR'S EMOLUMENTS

No emolument was paid to the sole director, Mr. Chiu Ngai Hung, being the chief executive of Spring Hero, during the Relevant Periods.

No emoluments were paid by Spring Hero to any directors of Spring Hero as an inducement to join or upon joining Spring Hero, or as compensation for loss of office for the Relevant Periods.

No director has waived any emoluments during the Relevant Periods.

13. INVESTMENT PROPERTY

	HK$
COST	
At 18 February 2015 (date of incorporation) and 31 March 2015	–
Addition	2,799,420
At 31 December 2015	2,799,420
DEPRECIATION	
At 18 February 2015 (date of incorporation) and 31 March 2015	–
Provided for the period	38,314
At 31 December 2015	38,314
CARRYING VALUES	
At 31 March 2015	–
At 31 December 2015	2,761,106

On 30 October 2015, Spring Hero has completed the purchase of the investment property in Hong Kong with consideration of HK$40,143,569, with directly attributable expenses of HK$3,467,576. HK$40,811,725 has been classified as prepaid lease payment upon the date of the purchase, while remaining portion of HK$2,799,420 has been classified as investment property.

The fair value of the investment property and the prepaid lease payment as at 31 December 2015 was approximately HK$44,500,000. The valuation was determined by the sole director of Spring Hero by market comparison approach with reference to the price per square feet calculated based on recent market prices for similar properties in the similar locations and conditions. The valuation of the fair value of the investment property and the prepaid lease payment is grouped into fair value hierarchy Level 2. In estimating the fair value of the investment property and the prepaid lease payment, the highest and best use of the property is their current use.

There were no transfers between levels of fair value hierarchy during the nine months ended 31 December 2015.

The above investment property is depreciated on a straight-line basis over the term of the lease.

At 31 December 2015, the investment property has been pledged to secure the other borrowings as disclosed in note 17.

14. PREPAID LEASE PAYMENT

	As at 31 March 2015 *HK$*	As at 31 December 2015 *HK$*
Analysed for reporting purposes as:		
Current asset	–	3,297,371
Non-current asset	–	36,955,783
	–	40,253,154

The above prepaid lease payment is amortised on a straight-line basis over the term of the lease.

At 31 December 2015, the prepaid lease payment was pledged as security for the other borrowings as disclosed in note 17.

15. DEPOSIT FOR THE ACQUISITION OF INVESTMENT PROPERTY

In March 2015, Spring Hero entered into a provisional sale and purchase agreement for the acquisition of the investment property in Hong Kong and a non-refundable deposit of HK$2,007,180 was paid in such respect. The acquisition of the investment property was completed on 30 October 2015 and the deposit for the acquisition of the investment property has been utilised during the nine months ended 31 December 2015.

16. AMOUNT DUE TO THE SHAREHOLDER

The amount is unsecured, interest-free and repayable on demand.

17. OTHER BORROWINGS

	As at 31 March 2015 *HK$*	As at 31 December 2015 *HK$*
Other borrowings, secured and classified as current liabilities	–	22,000,000

At 31 December 2015, the other borrowings of HK$22,000,000 from finance companies with money lender's licences (the "**Lenders**") are repayable on 29 April 2016, which is 6 months after the drawdown date. Monthly interests of HK$396,000 are paid during the loans period while the principal amounts of HK$22,000,000 will be paid on 29 April 2016 in accordance with the loan agreement entered on 30 October 2015.

At 31 December 2015, the other borrowings of HK$22,000,000 are fixed-rate borrowings carrying interest rate of 21.6% per annum. The other borrowings were secured by the investment property and prepaid lease payment with carrying amounts of HK$2,761,106 and HK$40,253,154 respectively.

The shareholder of Spring Hero had undertaken to provide personal guarantee in relation to the other borrowings granted.

18. ACCRUALS AND DEPOSIT RECEIVED

	As at 31 March 2015 HK$	As at 31 December 2015 HK$
Accrued expense	–	24
Rental deposit received	–	120,333
	–	120,357

19. DEFERRED TAXATION

The following are the major deferred tax (liability) asset recognised and movements thereon during the Relevant Periods:

	Accelerated tax depreciation HK$	Tax losses HK$	Total HK$
At 18 February 2015 (date of incorporation) to 31 March 2015	–	–	–
(Charged) credited to profit or loss	(6,936)	6,936	–
At 31 December 2015	(6,936)	6,936	–

At 31 December 2015, Spring Hero has unused tax losses of HK$835,318 available for offset against future profits. Deferred tax asset of HK$6,936 has been recognised for the nine months ended 31 December 2015 in respect of unused tax losses of HK$42,037. No deferred tax asset has been recognised in respect of the remaining unused tax losses of HK$793,281 due to unpredictability of future profits streams. The unused tax losses can be carried forward indefinitely.

20. SHARE CAPITAL

	As at 31 March 2015	As at 31 December 2015
Authorised and issued:		
50,000 ordinary shares of United States dollars ("**US$**") 1 each	US$50,000	US$50,000
Equivalent to HK$	HK$387,500	HK$387,500

Upon incorporation, the authorised share capital of Spring Hero was US$50,000, equivalent to HK$387,500, divided into 50,000 ordinary shares of US$1 each, of which 50,000 ordinary shares of US$1 each were allotted and issued at par for the initial working capital of Spring Hero.

21. OPERATING LEASE COMMITMENT

Spring Hero as lessor

Property rental income earned during the nine months ended 31 December 2015 was HK$67,065. The property, including investment property and prepaid lease payment, is expected to generate rental yields of 0.9% on an ongoing basis. As at 31 December 2015, the property held have committed tenants for the next 2 months. Subsequent to the nine months ended 31 December 2015, lease is negotiated for an average term of 2 years and rental is fixed throughout the lease period.

At 31 March 2015 and 31 December 2015, Spring Hero had contracted with tenants for the following future minimum lease payments:

	As at 31 March 2015	As at 31 December 2015
	HK$	*HK$*
Within one year	–	66,000

22. COMMITMENT

	As at 31 March 2015	As at 31 December 2015
	HK$	*HK$*
Capital expenditure in respect of the purchase of investment property and prepaid lease payment contracted for but not provided in the Financial Information	38,136,389	–

On 27 March 2015, Spring Hero entered into a provisional sale and purchase agreement with an independent third party to Spring Hero for the acquisition of the investment property and the prepaid lease payment in Hong Kong with aggregate consideration of HK$40,143,569. Non-refundable deposit of HK$2,007,180 was paid in such respect, while remaining consideration of HK$38,136,389 was being unpaid as at 31 March 2015.

The formal sale and purchase agreement for the acquisition was entered on 11 May 2015 and the remaining consideration of HK$38,136,389 has been fully paid up to 30 October 2015, the date of the completion of the purchase of the investment property and the prepaid lease payment.

23. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the Financial Information, Spring Hero has the following related party transaction:

Personal guarantee from the sole director

For the period from 18 February 2015 (date of incorporation) to 31 March 2015, there is no personal guarantee provided by the sole director. During the nine months ended 31 December 2015, a personal guarantee was provided by the sole director to secure the other borrowings of Spring Hero as set out in note 17.

Compensation to key management personnel

The sole director of Spring Hero considers that he is the only key management personnel of the Spring Hero and no remuneration has been paid to him by Spring Hero and its related companies during the Relevant Periods.

III. EVENT AFTER THE REPORTING PERIODS

On 29 April 2016, the other borrowings of HK$22,000,000 fell due and accrued interest of HK$91,134 has been charged by the Lenders from 30 April 2016 to 6 May 2016, based on the interest rate of 21.6% per annum.

On 6 May 2016, a renewal agreement has been entered between Spring Hero, the sole director of Spring Hero as guarantor, and the Lenders for the renewal of the maturity date of the other borrowings of HK$22,000,000 for one year to 5 May 2017 (the "Renewal Agreement"). In accordance with the Renewal Agreement, the interest rate of other borrowings was 16.5% per annum while other terms and conditions remained the same as the loan agreement entered on 30 October 2015.

IV. SUBSEQUENT FINANCIAL STATEMENTS

As at the date of this report, no audited financial statements have been prepared by Spring Hero in respect of any period subsequent to 31 December 2015.

Yours faithfully,
SHINEWING (HK) CPA Limited
Certified Public Accountants

Pang Wai Hang
Practising Certificate Number: P05044
Hong Kong
24 May 2016

ACCOUNTANT'S REPORT ON THE TARGET COMPANY B

信永中和
ShineWing

SHINEWING (HK) CPA Limited
43/F., Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

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

24 May 2016

Dear Sirs,

INTRODUCTION

We set out below our report on the financial information of Sharp Pick Ventures Limited ("**Sharp Pick Ventures**"), which comprises the statements of financial position as at 31 March 2015 and 31 December 2015, the statements of profit or loss and other comprehensive income and statement of changes in equity for the period from 13 February 2015 (date of incorporation) to 31 March 2015 and for the nine months ended 31 December 2015 (the "**Relevant Periods**") and together with the notes thereto (the "**Financial Information**"). The Financial Information has been prepared by the sole director of Sharp Pick Ventures for inclusion in the Appendix II to the circular dated 24 May 2016 (the "**Circular**") issued by Evershine Group Holdings Limited (the "**Company**") in connection with the proposed acquisition of the entire equity interest in Sharp Pick Ventures (the "**Acquisition**").

Sharp Pick Ventures was incorporated in the British Virgin Islands (the "**BVI**") with limited liability on 13 February 2015. Sharp Pick Ventures is principally engaged in property holding. The addresses of the registered office and the principal place of business of Sharp Pick Ventures are NovaSage Chambers, P.O. Box 4389, Road Town, Tortola, BVI and Room 2001, 20/F., Mongkok Commercial Centre, 16 Argyle Street, Mongkok, Kowloon, Hong Kong, respectively.

At the date of this report, no audited financial statements have been prepared for Sharp Pick Ventures as there is no statutory audit requirement under the relevant rules and regulations in its jurisdictions of incorporation. For the purpose of this report, we have, however, reviewed all relevant transactions of Sharp Pick Ventures for the Relevant Periods and carried out such procedures as we considered necessary for inclusion of the financial information relating to Sharp Pick Ventures in the Financial Information.

BASIS OF PREPARATION

The Financial Information for the Relevant Periods was prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). Sharp Pick Ventures has adopted 31 March as its financial year end date.

For the purpose of this report, the sole director of Sharp Pick Ventures has prepared the financial statements of Sharp Pick Ventures for the Relevant Periods in accordance with HKFRSs issued by the HKICPA (the "**Underlying Financial Statements**"). We have carried out independent audit procedures on the Underlying Financial Statements in accordance with Hong Kong Standards of Auditing issued by the HKICPA and carried out such additional procedures as are necessary in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

The Financial Information has been prepared by the sole director of Sharp Pick Ventures based on the Underlying Financial Statements on the basis set out in note 2 to the Financial Information, and in accordance with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND REPORTING ACCOUNTANTS

The sole director of Sharp Pick Ventures is responsible for the preparation of the Financial Information that gives a true and fair view in accordance with HKFRSs issued by the HKICPA, the disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules, and for such internal control as the sole director of Sharp Pick Ventures determines is necessary to enable the preparation of the Financial Information that is free from material misstatements, whether due to fraud or error. The directors of the Company are responsible for the contents of the Circular in which this report is included.

Our responsibility is to form an independent opinion on the Financial Information based on our procedures and to report our opinion thereon to you.

BASIS FOR DISCLAIMER OF OPINION

As a basis for forming an opinion on the Financial Information, for the purpose of this report, we have examined the Underlying Financial Statements and have carried out such appropriate procedures as we considered necessary in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

Due to the matters as described below, we were unable to conclude whether any adjustment is necessary to the Underlying Financial Statements for the Relevant Periods in preparing our report for inclusion in the Circular.

FUNDAMENTAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

As explained in note 2 to the Financial Information, which indicates that Sharp Pick Ventures had net current liabilities of HK$40,428,715 and net liabilities of HK$770,829 as at 31 December 2015, and these conditions indicate the existence of material uncertainty which may cast significant doubt about the ability of Sharp Pick Ventures to continue as a going concern. The Financial Information has been prepared on a going concern basis, the validity of which is dependent upon future funding availability. However, the uncertainty surrounding the outcome of future funding availability raises significant doubt about Sharp Pick Ventures's ability to continue as a going concern. We consider that the fundamental uncertainty in relation to whether the adoption of the going concern basis is appropriate is so extreme that we have disclaimed our opinion. The Financial Information does not include any adjustments that would result if Sharp Pick Ventures is unable to continue as going concern.

DISCLAIMER OF OPINION

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion. Accordingly, we do not express an opinion on the Financial Information.

I. FINANCIAL INFORMATION

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	**Period from 13 February 2015 (date of incorporation) to 31 March 2015** *HK$*	**Nine months ended 31 December 2015** *HK$*
Revenue	*8*	–	232,714
Cost of sales		–	(34,907)
Gross profit		–	197,807
Administrative expenses		–	(600,136)
Finance cost	*9*	–	(756,000)
Loss before tax	*10*	–	(1,158,329)
Income tax	*11*	–	–
Loss and total comprehensive expense for the period		–	(1,158,329)

Note: Loss per share information is not presented as such information is not considered meaningful in the context of this report.

STATEMENTS OF FINANCIAL POSITION

	Notes	**As at 31 March 2015** *HK$*	**As at 31 December 2015** *HK$*
Non-current assets			
Investment property	*13*	–	2,735,218
Prepaid lease payment	*14*	–	36,922,668
Deposit for the acquisition of investment property	*15*	2,004,280	–
		2,004,280	39,657,886
Current assets			
Prepaid lease payment	*14*	–	3,294,417
Prepayment		–	4,866
		–	3,299,283
Current liabilities			
Amount due to the shareholder	*16*	1,616,780	22,498,978
Other borrowings	*17*	–	21,000,000
Deposit received		–	229,020
		1,616,780	43,727,998
Net current liabilities		(1,616,780)	(40,428,715)
Net assets (liabilities)		387,500	(770,829)
Capital and reserve			
Share capital	*19*	387,500	387,500
Accumulated losses		–	(1,158,329)
		387,500	(770,829)

STATEMENTS OF CHANGES IN EQUITY

	Share capital *HK$*	Accumulated losses *HK$*	Total *HK$*
Issue of ordinary shares upon incorporation *(note 19)*	387,500	–	387,500
Results and total comprehensive income for the period	–	–	–
At 31 March 2015	387,500	–	387,500
Loss and total comprehensive expense for the period	–	(1,158,329)	(1,158,329)
At 31 December 2015	387,500	(1,158,329)	(770,829)

II. NOTES TO THE FINANCIAL INFORMATION

1. GENERAL

Sharp Pick Ventures was incorporated in the British Virgin Islands (the "**BVI**") with limited liability on 13 February 2015. The addresses of its registered office and the principal place of business are NovaSage Chambers, P.O. Box 4389, Road Town, Tortola, BVI and Room 2001, 20/F., Mongkok Commercial Centre, 16 Argyle Street, Mongkok, Kowloon, Hong Kong, respectively.

As at 31 March 2015, 31 December 2015 and at the date of this report, Sharp Pick Ventures was wholly owned by Mr. Chiu Ngai Hung. The principal activity of Sharp Pick Ventures is property holding.

The Financial Information is presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of Sharp Pick Ventures. HK$ is the currency of the primary economic environment in which Sharp Pick Ventures operates.

2. BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

As at 31 December 2015, Sharp Pick Ventures had net current liabilities of HK40,428,715 and net liabilities of HK$770,829. These conditions indicate the existence of material uncertainty which may cast significant doubt about Sharp Pick Ventures' ability to continue as a going concern. The Financial Information has been prepared by the sole director of Sharp Pick Ventures on a going concern basis as the shareholder has agreed to provide financial support to Sharp Pick Ventures to maintain as a going concern and not to demand for any repayment of the amount due to the shareholder of HK$22,498,978 as at 31 December 2015 until Sharp Pick Ventures is in a financial position to do so. In addition, after the completion of the Acquisition, the Company has agreed to provide adequate funds for Sharp Pick Ventures to meet its liabilities as they fall due.

Accordingly, the sole director of Sharp Pick Ventures is of the opinion that it is appropriate to prepare the Financial Information on a going concern basis. The Financial Information does not include any adjustments relating to the carrying amounts and reclassification of assets and liabilities that might be necessary should Sharp Pick Ventures be unable to continue as a going concern.

No statement of cash flows has been prepared by Sharp Pick Ventures for the Relevant Periods as it does not hold a bank account nor any cash on hand. All cash transactions were processed by the shareholder on behalf of Sharp Pick Ventures.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purpose of preparing and presenting the Financial Information for the Relevant Periods, Sharp Pick Ventures has consistently applied all of the new and revised Hong Kong Accounting Standards ("**HKASs**"), HKFRSs, amendments and interpretations (hereinafter collectively referred to as "**new and revised HKFRSs**") issued by the HKICPA which are effective for the financial year beginning on 13 February 2015 (date of incorporation) and throughout the Relevant Periods.

New and revised HKFRSs issued but not yet effective

Sharp Pick Ventures has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9 (2014)	Financial Instruments[2]
HKFRS 14	Regulatory Deferral Accounts[1]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle[1]
Amendments to HKAS 1	Disclosure initiatives[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptance Methods of Depreciation and Amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plant[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[1]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]

1 Effective for annual periods beginning on or after 1 January 2016.
2 Effective for annual periods beginning on or after 1 January 2018.
3 Effective date not yet be determined.

The sole director of Sharp Pick Ventures anticipates that, except as described below, the application of other new and revised HKFRSs will have no material impact on the results and the financial position of Sharp Pick Ventures.

HKFRS 9 (2014) ***Financial Instruments***

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 which incorporated all requirements in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("**FVTOCI**") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The sole director of Sharp Pick Ventures does not anticipate that the adoption of HKFRS 9 (2014) will have a material impact on Sharp Pick Ventures' Financial Information.

HKFRS 15 ***Revenue from Contracts with Customers***

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. Thus, HKFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

i) Identify the contract with the customer;
ii) Identify the performance obligations in the contract;
iii) Determine the transaction price;
iv) Allocate the transaction price to the performance obligations; and
v) Recognise revenue when (or as) the entity satisfies a performance obligation.

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows 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.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2018 with early application permitted. The sole director of Sharp Pick Ventures anticipates that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in Sharp Pick Ventures' Financial Information. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until Sharp Pick Ventures performs a detailed review.

Annual Improvements to HKFRSs 2012-2014 Cycle

The *Annual Improvements to HKFRSs 2012-2014 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 clarify that changing from one of the disposal methods (i.e. disposal through sale or disposal through distribution to owners) to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in HKFRS 5. Besides, the amendments also clarify that changing the disposal method does not change the date of classification.

The amendments to HKFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in HKFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to HKFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

The amendments to HKAS 19 clarify that the market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

HKAS 34 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'. The amendments to HKAS 34 clarify that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report. The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

The sole director of Sharp Pick Ventures does not anticipate that the amendments included in the *Annual Improvements to HKFRSs 2012-2014 Cycle* will have a material effect on Sharp Pick Ventures' Financial Information.

Amendments to HKAS 1 *Disclosure Initiative*

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and
(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The sole director of Sharp Pick Ventures does not anticipate that the application of Amendments to HKAS 1 in the future may have a material impact on Sharp Pick Ventures' Financial Information.

Amendments to HKAS 16 and HKAS 38 ***Clarification of Acceptable Methods of Depreciation and Amortisation***

The amendments to HKAS 16 prohibit the use of revenue-based depreciation methods for property, plant and equipment under HKAS 16. The amendments to HKAS 38 introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. This presumption can be rebutted only in the following limited circumstances:

i) when the intangible asset is expressed as a measure of revenue; and
ii) when a high correlation between revenue and the consumption of the economic benefits of the intangible assets could be demonstrated.

The amendments to HKAS 16 and HKAS 38 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied prospectively.

As Sharp Pick Ventures uses straight-line method for depreciation of investment property and amortisation of prepaid lease payment, the sole director of Sharp Pick Ventures does not anticipate that the application of the amendments to HKAS 16 and HKAS 38 will have a material impact on Sharp Pick Ventures' Financial Information.

4. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the Financial Information includes applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

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 in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether the price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The principal accounting policies are set out below:

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for services rendered in the normal course of business.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

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 leases.

Sharp Pick Ventures as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of relevant lease.

Leasehold land and buildings

When a lease includes both land and building elements, Sharp Pick Ventures assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to Sharp Pick Ventures, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease.

Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as prepaid lease payments in the statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from "loss before tax" as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Sharp Pick Ventures' liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liabilities is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which Sharp Pick Ventures expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred income tax are recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Deposit for the acquisition of investment property

Deposit for the acquisition of investment property are initially recognised at cost, less impairment loss, if any.

At the end of the reporting period, Sharp Pick Ventures reviews the carrying amount of the deposit for the acquisition of investment property to determine whether there is any indication that the deposit has suffered an impairment loss. If any such indication exists, the recoverable amount of the deposit is estimated in order to determine the extent of the impairment loss, if any.

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 is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognised as income immediately.

Financial instruments

Debt and equity instruments issued by Sharp Pick Ventures 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 as equity instruments.

Financial liabilities

Financial liabilities are recognised in the statement of financial position when Sharp Pick Ventures becomes a party to the contractual provisions of the instrument.

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

Financial liabilities including amount due to the shareholder, other borrowings and deposits received 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 premiums 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.

Equity instruments

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

Derecognition

A financial liability is derecognised when, and only when, Sharp Pick Ventures's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment losses on tangible assets

At the end of the reporting period, Sharp Pick Ventures reviews the carrying amounts of its tangible 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, Sharp Pick Ventures 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 unit, 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 the 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 the 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 the cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

Fair value measurement

When measuring fair value for the purpose of impairment assessment, Sharp Pick Ventures 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Sharp Pick Ventures uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, Sharp Pick Ventures categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, Sharp Pick Ventures determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of Sharp Pick Ventures' accounting policies, which are described in note 4, the sole director of Sharp Pick Ventures is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 on-going 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.

Critical judgements in applying accounting policies

The following is the critical judgment that the sole director of Sharp Pick Ventures has made in the process of applying the entity's accounting policies and that has the most significant effect on the amounts recognised in the Financial Information.

Allocation between the prepaid lease payment and the investment property

When a lease includes both land and building elements, the sole director of Sharp Pick Ventures assesses the classification of each element as a finance lease or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to Sharp Pick Ventures. Separate measurement of the land and building elements is not required when the lessee's interest in both land and buildings is classified as an investment property which the fair value model is being adopted.

As Sharp Pick Ventures has adopted the cost model for the investment property and the land portion of the investment property is under an operating lease, the land portion is classified as prepaid lease payment under an operating lease while the building portion of the investment property is classified as investment property. At 31 March 2015, there were no investment property and prepaid lease payment held by Sharp Pick Ventures. At 31 December 2015, the carrying amounts of the investment property and the prepaid lease payment are HK$2,735,218 and HK$40,217,085, respectively.

Going concern consideration

The assessment of the going concern assumption involves making a judgement by the sole director of Sharp Pick Ventures, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The sole director of Sharp Pick Ventures considers that Sharp Pick Ventures has the ability to continue as a going concern and the major events or conditions, which may give rise to liquidity risk, that individually or collectively may cast significant doubt about the going concern assumption are set out in note 2.

Key sources of estimation uncertainty

Impairment of investment property and prepaid lease payment

At 31 December 2015, the sole director of Sharp Pick Ventures reviews the carrying amounts of the investment property and prepaid lease payment of HK$2,735,218 and HK$40,217,085 respectively and identifies there is indication that those assets may suffer an impairment loss. Accordingly, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The estimates of the recoverable amount of the investment property and prepaid lease payment is determined using fair value less cost of disposal, by comparing the recent market transactions of identical properties situated nearby. Based on the estimated recoverable amounts, no impairment loss has been recognised in respect of the investment property and finance lease payment at 31 December 2015.

Depreciation and estimated useful life of investment property

Investment property is depreciated on a straight-line basis over the shorter of its lease term or estimated useful life. The determination of the useful life involves management's estimation based on Sharp Pick Ventures's business model and its asset management policy. The sole director of Sharp Pick Ventures assesses the useful life of the investment property annually and if the expectation differs from the original estimates, such differences may impact the depreciation in the year and the estimates will be changed in the future period. At 31 December 2015, the carrying amount of investment property is HK$2,735,218 net of accumulated depreciation of HK$37,955.

Amortisation and estimated useful life of prepaid lease payment

Prepaid lease payment is amortised on a straight-line basis over the shorter of its lease term or estimated useful life. The determination of the useful life involves management's estimation based on Sharp Pick Ventures's business model and its asset management policy. The sole director of Sharp Pick Ventures assesses the useful life of the prepaid lease payment annually and if the expectation differs from the original estimates, such differences may impact the depreciation in the year and the estimates will be changed in the future period. At 31 December 2015, the carrying amount of the prepaid lease payment is HK$40,217,085 net of accumulated amortisation of HK$558,071.

Income tax

As at 31 December 2015, deferred tax asset of HK$6,871 has been recognised for the nine months ended 31 December 2015 in respect of the unused tax losses of HK$41,643. No deferred tax asset has been recognised of unused tax losses of HK$597,240 due to the unpredictability profits stream. The realisability of the deferred tax asset mainly depends on whether sufficient future profits will be available in the future. In case where the actual profits generated are more than expected, a material recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which recognition takes place.

6. CAPITAL RISK MANAGEMENT

Sharp Pick Ventures manages its capital to ensure that Sharp Pick Ventures will be able to continue as a going concern while maximising the return to the shareholder through the optimisation of the debt and equity balance. Sharp Pick Ventures's overall strategy remains unchanged throughout the Relevant Periods.

The capital structure of Sharp Pick Ventures consists of amount due to the shareholder, other borrowings and equity attributable to owner of Sharp Pick Ventures, comprising share capital and reserve.

The sole director of Sharp Pick Ventures reviews the capital structure on a regular basis. As part of this review, the sole director of Sharp Pick Ventures considers the cost of capital and the risks associated with each class of capital. Based on the recommendations of the sole director of Sharp Pick Ventures, Sharp Pick Ventures will balance its overall capital structure through the payment of dividends, issuance of new shares as well as the issue of new debts or the repayment of existing debts.

7. FINANCIAL INSTRUMENTS

(a) Category of financial instruments

	As at 31 March 2015 *HK$*	As at 31 December 2015 *HK$*
Financial liabilities		
At amortised cost	1,616,780	43,727,998

(b) Financial risk management objectives and policies

Sharp Pick Ventures' financial instruments represent amount due to the shareholder, other borrowings and deposit received. Details of the amount due to the shareholder and other borrowings are disclosed in notes 16 and 17 to the Financial Information respectively. The risks associated with these financial instruments include interest rate risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management of Sharp Pick Ventures manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Interest rate risk

Sharp Pick Ventures is exposed to fair value interest rate risk in relation to fixed-rate other borrowings (see note 17). Sharp Pick Ventures currently does not have an interest rate hedging policy. However, management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

Sharp Pick Ventures' exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

Liquidity risk

Sharp Pick Ventures was exposed to liquidity risk. As at 31 March 2015 and 31 December 2015, Sharp Pick Ventures had net current liabilities of HK$1,616,780 and HK$40,428,715, respectively. The ability of Sharp Pick Ventures to operate as a going concern depended on the ongoing support from its shareholder and/or the Company.

In the management of the liquidity risk, Sharp Pick Ventures obtains financing deemed adequate by the shareholder to finance its operations. The factors that may cast doubt on Sharp Pick Ventures' ability to continue as a going concern and the measures taken are set out in note 2.

The following table details Sharp Pick Ventures' remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which Sharp Pick Ventures can be required to pay. The maturity dates for non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows at 31 March 2015 and 31 December 2015.

	As at 31 March 2015		
	Within one year or on demand	**Total contractual undiscounted cash flows**	**Carrying amount**
	HK$	*HK$*	*HK$*
Non-derivative financial liabilities			
Amount due to the shareholder	1,616,780	1,616,780	1,616,780

	As at 31 December 2015		
	Within one year or on demand	**Total contractual undiscounted cash flows**	**Carrying amount**
	HK$	*HK$*	*HK$*
Non-derivative financial liabilities			
Amount due to the shareholder	22,498,978	22,498,978	22,498,978
Other borrowings	22,512,000	22,512,000	21,000,000
Deposit received	229,020	229,020	229,020
Total	45,239,998	45,239,998	43,727,998

8. REVENUE

Revenue represents rental income from the operating lease of the investment property.

	Period from 13 February 2015 (date of incorporation) to 31 March 2015	**Nine months ended 31 December 2015**
	HK$	*HK$*
Gross rental income	–	232,714
Less: outgoings classified as cost of sales	–	(34,907)
Net rental income	–	197,807

9. FINANCE COST

	Period from 13 February 2015 (date of incorporation) to 31 March 2015	**Nine months ended 31 December 2015**
	HK$	*HK$*
Interest expenses on other borrowings	–	756,000

10. LOSS BEFORE TAX

	Period from 13 February 2015 (date of incorporation) to 31 March 2015	Nine months ended 31 December 2015
	HK$	*HK$*
Loss before tax has been arrived at after charging:		
Amortisation of prepaid lease payment	–	558,071
Depreciation for investment property	–	37,955
Director's emoluments *(note 12)*	–	–
Auditor's remuneration	–	–

11. INCOME TAX

No provision for Hong Kong Profits Tax has been made for the period from 13 February 2015 (date of incorporation) to 31 March 2015 and the nine months ended 31 December 2015 as there are no assessable profits generated for the Relevant Periods.

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

	Period from 13 February 2015 (date of incorporation) to 31 March 2015	Nine months ended 31 December 2015
	HK$	*HK$*
Loss before tax	–	(1,158,329)
Calculated at a tax rate of 16.5%	–	(191,124)
Tax effect of expenses not deductible for tax purposes	–	92,580
Tax effect of tax loss not recognised	–	98,544
Income tax	–	–

Details of the deferred taxation are disclosed in note 18.

12. DIRECTOR'S EMOLUMENTS

No emolument was paid to the sole director, Mr. Chiu Ngai Hung, being the chief executive of Sharp Pick Ventures, during the Relevant Periods.

No emoluments were paid by Sharp Pick Ventures to any directors of Sharp Pick Ventures as an inducement to join or upon joining Sharp Pick Ventures, or as compensation for loss of office for the Relevant Periods.

No director has waived any emoluments during the Relevant Periods.

13. INVESTMENT PROPERTY

	HK$
COST	
At 13 February 2015 (date of incorporation) and 31 March 2015	–
Addition	2,773,173
At 31 December 2015	2,773,173
DEPRECIATION	
At 13 February 2015 (date of incorporation) and 31 March 2015	–
Provided for the period	37,955
At 31 December 2015	37,955
CARRYING VALUES	
At 31 March 2015	–
At 31 December 2015	2,735,218

On 30 October 2015, Sharp Pick Ventures has completed the purchase of the investment property in Hong Kong with consideration of HK$40,085,674, with directly attributable expenses of HK$3,462,655. HK$40,775,156 has been classified as prepaid lease payment upon the date of the purchase, while remaining portion of HK$2,773,173 has been classified as investment property.

The above investment property is depreciated on a straight-line basis over the term of the lease.

The fair value of the investment property and the prepaid lease payment as at 31 December 2015 was approximately HK$44,500,000. The valuation was determined by the sole director of the Sharp Pick Ventures by market comparison approach with reference to the price per square feet calculated based on recent market prices for similar properties in the similar locations and conditions. The valuation of the fair value of the investment property and the prepaid lease payments is grouped into fair value hierarchy Level 2. In estimating the fair value of the investment property and the prepaid lease payment, the highest and best use of the property is their current use.

There were no transfers between levels of fair value hierarchy during the nine months ended 31 December 2015.

The above investment property is depreciated on a straight-line basis over the term of the lease.

At 31 December 2015, the investment property has been pledged to secure the other borrowings as disclosed in note 17.

14. PREPAID LEASE PAYMENT

	As at 31 March 2015 HK$	As at 31 December 2015 HK$
Analysed for reporting purposes as:		
Current asset	–	3,294,417
Non-current asset	–	36,922,668
	–	40,217,085

The above prepaid lease payment is amortised on a straight-line basis over the term of the lease.

At 31 December 2015, the prepaid lease payment has been pledged as security for the other borrowings as disclosed in note 17.

15. DEPOSIT FOR THE ACQUISITION OF INVESTMENT PROPERTY

In March 2015, Sharp Pick Ventures entered into a provisional sale and purchase agreement for the acquisition of the investment property and a non-refundable deposit of HK$2,004,280 was paid in such respect. The acquisition of the investment property was completed on 30 October 2015 and the deposit for the acquisition of the investment property has been utilised during the nine months ended 31 December 2015.

16. AMOUNT DUE TO THE SHAREHOLDER

The amount is unsecured, interest-free and repayable on demand.

17. OTHER BORROWINGS

	As at 31 March 2015 HK$	As at 31 December 2015 HK$
Other borrowings, secured and shown under current liabilities	–	21,000,000

At 31 December 2015, the other borrowings of HK$21,000,000 from finance companies with money lender's licences (the "**Lenders**") are repayable on 29 April 2016, which is 6 months after the drawdown date. Monthly interests of HK$378,000 are paid during the loans period while the principal amounts of HK$21,000,000 will be paid on 29 April 2016 in accordance with the loan agreement entered on 30 October 2015.

At 31 December 2015, the other borrowings of HK$21,000,000 are fixed-rate borrowings carrying interest rate of 21.6% per annum. The other borrowings were secured by the investment property and prepaid lease payment with carrying amounts of HK$2,735,218 and HK$40,217,085 respectively.

The shareholder of Sharp Pick Ventures had undertaken to provide personal guarantee in relation to the other borrowings granted.

18. DEFERRED TAXATION

The following are the major deferred tax (liability) asset recognised and movements thereon during the Relevant Periods:

	Accelerated tax depreciation	**Tax losses**	**Total**
	HK$	*HK$*	*HK$*
At 13 February 2015 (date of incorporation) and 31 March 2015	–	–	–
(Charged) credited to profit or loss	(6,871)	6,871	–
At 31 December 2015	(6,871)	6,871	–

At 31 December 2015, Sharp Pick Ventures has unused tax losses of HK$638,883 available for offset against future profits. Deferred tax asset of HK$6,871 has been recognised for the nine months ended 31 December 2015 in respect of unused tax losses of HK$41,643. No deferred tax asset has been recognised in respect of the remaining unused tax losses of HK$597,240 due to unpredictability of future profits streams. The unused tax losses can be carried forward indefinitely.

19. SHARE CAPITAL

	As at 31 March 2015	**As at 31 December 2015**
Authorised and issued:		
50,000 ordinary shares of United States dollars ("**US$**") 1 each	US$50,000	US$50,000
Equivalent to HK$	HK$387,500	HK$387,500

Upon incorporation, the authorised share capital of Sharp Pick Ventures was US$50,000, equivalent to HK$387,500, divided into 50,000 ordinary shares of US$1 each, of which 50,000 ordinary shares of US$1 each were allotted and issued at par for the initial working capital of Sharp Pick Ventures.

20. OPERATING LEASE COMMITMENT

Sharp Pick Ventures as lessor

Property rental income earned during the nine months ended 31 December 2015 was HK$232,714. The property, including investment property and prepaid lease payment, is expected to generate rental yields of 3.2% on an ongoing basis. As at 31 December 2015, the property held have committed tenants for the next 2 months. Subsequent to the nine months ended 31 December 2015, lease is negotiated for an average term of 2 years and rental is fixed throughout the lease period.

At 31 March 2015 and 31 December 2015, Sharp Pick Ventures had contracted with tenants for the following future minimum lease payments:

	As at 31 March 2015	As at 31 December 2015
	HK$	*HK$*
Within one year	–	225,326

21. COMMITMENT

	As at 31 March 2015	As at 31 December 2015
	HK$	*HK$*
Capital expenditure in respect of the purchase of investment property and prepaid lease payment contracted for but not provided in the Financial Information	38,081,394	–

On 27 March 2015, Sharp Pick Ventures entered into a provisional sale and purchase agreement with an independent third party to Sharp Pick Ventures for the acquisition of the investment property and the prepaid lease payment in Hong Kong with aggregate consideration of HK$40,085,674. Non-refundable deposit of HK$2,004,280 was paid in such respect, while remaining consideration of HK$38,081,394 was being unpaid as at 31 March 2015.

The formal sale and purchase agreement for the acquisition was entered on 11 May 2015 and the remaining consideration of HK$38,081,394 has been fully paid up to 30 October 2015, the date of the completion of the purchase of the investment property and the prepaid lease payment.

22. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the Financial Information, Sharp Pick Ventures has the following related party transaction:

Personal guarantee from the sole director

For the period from 13 February 2015 (date of incorporation) to 31 March 2015, there is no personal guarantee provided by the sole director.

During the nine months ended 31 December 2015, a personal guarantee was provided by the sole director to secure the other borrowings of Sharp Pick Ventures as set out in note 17.

Compensation to key management personnel

The sole director of Sharp Pick Ventures considers that he is the only key management personnel of Sharp Pick Ventures and no remuneration has been paid to him by Sharp Pick Ventures and its related companies during the Relevant Periods.

III. EVENT AFTER THE REPORTING PERIODS

On 29 April 2016, the other borrowings of HK$21,000,000 fell due and accrued interest of HK$86,992 has been charged by the Lenders from 30 April 2016 to 6 May 2016, based on the interest rate of 21.6% per annum.

On 6 May 2016, a renewal agreement has been entered between Sharp Pick Ventures, the sole director of Sharp Pick Ventures as guarantor, and the Lenders for the renewal of the maturity date of the other borrowings of HK$21,000,000 for one year to 5 May 2017 (the "Renewal Agreement"). In accordance with the Renewal Agreement, the interest rate of other borrowings was 16.5% per annum while other terms and conditions remained the same as the loan agreement entered on 30 October 2015.

IV. SUBSEQUENT FINANCIAL STATEMENTS

As at the date of this report, no audited financial statements have been prepared by Sharp Pick Ventures in respect of any period subsequent to 31 December 2015.

Yours faithfully,
SHINEWING (HK) CPA Limited
Certified Public Accountants
Hong Kong

Pang Wai Hang
Practising Certificate Number: P05044

The following is the text of a report, prepared for the sole purpose of inclusion in this Circular from the independent reporting accountants of the Target Company, Elite Partners CPA Limited, Certified Public Accountants.

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

10th Floor,
8 Observatory Road,
Tsim Sha Tsui,
Kowloon, Hong Kong

24 May 2016

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

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information (the "**Unaudited Pro Forma Financial Information**") of Evershine Group Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the Directors of the Company for illustrative purposes only.

The Unaudited Pro Forma Financial Information consists of the unaudited pro forma consolidated statement of financial position as at 31 December 2015 and related notes as set out on pages III-5 to III-9 in Appendix III of the circular of the Company dated 24 May 2016 (the "**Circular**"). The applicable criteria on the basis of which the Directors of the Company have compiled the Unaudited Pro Forma Financial Information are described on Appendix III-4 to the Circular.

The Unaudited Pro Forma Financial Information has been complied by the Directors of the Company to illustrate the impact of the proposed acquisition of 100% equity interests in Spring Hero Developments Limited (the "**Target Company A**") and Sharp Pick Ventures Limited (the "**Target Company B**") on the Group's consolidated statement of financial position as at 31 December 2015.

DIRECTORS' RESPONSIBILITY FOR THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The directors of the Company 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' RESPONSIBILITIES

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 owned 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 accountants complies with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the Directors of the Company 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.

The purpose of Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction 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 event or transaction at 31 December 2015 or 1 January 2016 would have been as presented.

For the 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.

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 of the Company in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, 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' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction 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 on the Enlarged Group has been properly compiled by the Directors of the Company on the basis stated;

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

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

Yours faithfully,
Elite Partners CPA Limited
Certified Public Accountants
Hong Kong

Yip Kai Yin
Practising Certificate Number: P05131

B. UNAUDITED PRO FORMA FINANCIAL INFORMATION ON THE ENLARGED GROUP

Introduction

The accompanying unaudited pro forma financial information (the "**Unaudited Pro Forma Financial Information**") of the Enlarged Group (as defined in this circular) has been prepared by the Directors (as defined in this circular) in accordance with Rule 7.31 of The Rules Governing the Listing of Securities on Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, for illustrative purposes only, to provide information about how the proposed Acquisition (as defined in this circular) as detailed in the "Letter from the Board" included in this circular might have affected the financial position of the Group as if the Acquisition had been completed on 31 December 2015 in respect of the unaudited pro forma statement of financial position of the Enlarged Group.

The unaudited pro forma statement of financial position of the Enlarged Group has been prepared based on: (i) the audited consolidated statement of financial position of the Group as at 31 December 2015, which was extracted from the published annual report of the Company for the year ended 31 December 2015; and (ii) the audited statements of financial position of Target Company A and Target Company B as at 31 December 2015, which were extracted from the accountants' reports thereon set out in Appendix II to this circular, and adjusted on a pro forma basis to reflect the effect of the Acquisition as explained in the accompanying notes that are directly attributable to the Acquisition and not relating to future events or decisions, and are factually supportable.

The accompanying Unaudited Pro Forma Financial Information of the Enlarged Group is prepared by the Directors based on a number of assumptions, estimates, uncertainties and currently available information. As a result of these assumptions, estimates, uncertainties, the accompanying Unaudited Pro Forma Financial Information of the Enlarged Group does not purport to describe the actual results of operations, financial position or cash flows of the Enlarged Group that would have been attained had the Acquisition been completed on the dates indicated herein. Furthermore, the accompanying Unaudited Pro Forma Financial Information of the Enlarged Group does not purport to predict the financial position of the Enlarged Group.

The Unaudited Pro Forma Financial Information of the Enlarged Group should be read in conjunction with the financial information of the Group as set out in the published annual report of the Company for the year ended 31 December 2015, the accountants' reports of Target Company A and Target Company B as set out in Appendix II to this circular respectively, the Company's announcement dated 24 March 2016 and other financial information included elsewhere in this circular.

(B) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

I. Unaudited pro forma consolidated statement of financial position of the Enlarged Group as at 31 December 2015

	The Group as at 31 December 2015 (Audited) HK$'000	Target Company A as at 31 December 2015 (Audited) HK$'000	Target Company B as at 31 December 2015 (Audited) HK$'000	Sub-total HK$'000	Pro forma adjustments HK$'000	Notes	The Enlarged Group HK$'000
Non-current assets							
Property, plant and equipment	1,165	–	–	1,165	89,000	7	90,165
Investment property	–	2,761	2,735	5,496	104	3	–
					(5,600)	7	
Prepaid lease payment	–	36,956	36,923	73,879	2,930	3	–
					(76,809)	7	
Intangible assets	144,260	–	–	144,260			144,260
Goodwill	10,997	–	–	10,997			10,997
Interests in associates	19,272	–	–	19,272			19,272
	175,694	39,717	39,658	255,069			264,694
Current assets							
Inventories	14,984	–	–	14,984			14,984
Prepaid lease payment	–	3,297	3,294	6,591	(6,591)	7	–
Trade and other receivables	65,160	14	5	65,179			65,179
Deposit for acquisition of subsidiaries	10,000	–	–	10,000			10,000
Restricted bank deposits	2,550	–	–	2,550			2,550
Cash and cash equivalents	40,188	–	–	40,188	(4,900)	4	35,288
	132,882	3,311	3,299	139,492			128,001
Total assets	308,576	43,028	42,957	394,561			392,695

	The Group as at 31 December 2015 (Audited) *HK$'000*	Target Company A as at 31 December 2015 (Audited) *HK$'000*	Target Company B as at 31 December 2015 (Audited) *HK$'000*	Sub-total *HK$'000*	Pro forma adjustments *HK$'000*	Notes	The Enlarged Group *HK$'000*
Current liabilities							
Trade and other payables	23,200	120	229	23,549			23,549
Short-term loan	2,000	–	–	2,000			2,000
Amount due to the shareholder	–	21,876	22,499	44,375	(44,375)	4	–
Other borrowings	–	22,000	21,000	43,000			43,000
Promissory notes	27,170	–	–	27,170			27,170
	52,370	43,996	43,728	140,094			95,719
Net current assets/ (liabilities)	80,512	(40,685)	(40,429)	(602)			32,282
Total assets less current liabilities	256,206	(968)	(771)	254,467			296,976
Non-current liabilities							
Convertible bonds	38,523	–	–	38,523			38,523
Promissory note	–	–	–	–	40,258	5	40,258
Deferred tax liabilities	916	–	–	916			916
	39,439	–	–	39,439			79,697
Net assets	216,767	(968)	(771)	215,028			217,279
Capital and reserves							
Share capital	908,401	388	388	909,177	(776)	6	908,401
Reserves	(700,335)	(1,356)	(1,159)	(702,850)	2,515	6	(699,823)
					512	4	
Total equity attributable to equity Shareholders of the Company	208,066	(968)	(771)	206,327			208,578
Non-controlling interests	8,701	–	–	8,701			8,701
Total equity/(Capital deficiencies)	216,767	(968)	(771)	215,028			217,279

NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

1. The amounts are extracted from the audited consolidated statement of financial position of the Group as at 31 December 2015 as set out in the Company's published annual report for the year ended 31 December 2015.

2. The audited consolidated statements of financial position of Target Company A and Target Company B as at 31 December 2015 are extracted from the Accountant's Reports on both Target Companies as set out in Appendix II to this circular.

3. Upon completion of the Acquisition, the identifiable assets and liabilities of Target Company A and Target Company B will be accounted for the unaudited pro forma consolidated statement of financial position of the Enlarged Group at their fair values as required by the acquisition method in accordance with HKFRS 3 (Revised) "Business Combinations" ("**HKFRS 3 (Revised)**").

   For the purpose of the Unaudited Pro Forma Financial Information and for illustrative purpose only, Target Company A and Target Company B have carried out an illustrative consideration allocation exercise in accordance with the requirements of HKFRS 3 (Revised). Details of the identifiable assets and liabilities of Target Company A and Target Company B to be accounted for the unaudited pro forma statement of financial position of the Enlarged Group and the calculation are as follows:

Target Company A	**Carrying amount**	**Fair value adjustment**	**Fair value**
	HK$'000	*HK$'000*	*HK$'000*
Investment property	2,761	39	2,800
Prepaid lease payment	40,253	1,447	41,700
Prepayment	14		14
Accruals and deposit received	(120)		(120)
Amount due to the shareholder	(21,876)		(21,876)
Other borrowings	(22,000)		(22,000)
Net identifiable assets of Target Company A	(968)		518

Target Company B	**Carrying amount**	**Fair value adjustment**	**Fair value**
	HK$'000	*HK$'000*	*HK$'000*
Investment property	2,735	65	2,800
Prepaid lease payment	40,217	1,483	41,700
Prepayment	5		5
Deposit received	(229)		(229)
Amount due to the shareholder	(22,499)		(22,499)
Other borrowings	(21,000)		(21,000)
Net identifiable assets of Target Company B	(771)		777

   The Directors have determined the fair value of the identifiable assets and liabilities of Target Company A and Target Company B, in particular, investment properties held by both Target Companies, with reference to valuation report prepared by an independent valuer, Roma Appraisals Limited. The valuation was carried out on a fair value basis in accordance with HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors. The fair value of investment properties and prepaid lease payment of Target Company A and Target Company B were approximately HK$44,500,000 and HK$44,500,000 as set out in the Valuation Report in Appendix V to this Circular. On Completion, the fair value will have to be reassessed based on upcoming condition at the date of Completion.

4. The adjustment reflects the business combination of Target Company A and Target Company B as summarised below:

Target Company A	*HK$'000*
Considerations:	
Cash	2,450
Promissory note	19,731
Total consideration	22,181
Less: Fair value of net identifiable assets	(518)
Less: Shareholder's loan	(21,876)
	(213)

Target Company B	*HK$'000*
Considerations:	
Cash	2,450
Promissory note	20,527
Total consideration	22,977
Less: Fair value of net identifiable assets	(777)
Less: Shareholder's loan	(22,499)
	(299)

5. The adjustment represents the promissory note of principal amount to HK$24,564,000 and HK$25,555,000 with interest rate 6% per annum and mature in 2 years after the day of issue, which will be issued for the Acquisition of Target Company A and Target Company B respectively. The fair value of the promissory note of HK$19,731,000 and HK$20,527,000 respectively was estimated by using the discounted cash flow approach at an effective interest rate of 18.07% and 18.07% respectively. The effective interest rate is calculated at:

Spot interest rate (i)	0.37%
Credit spread (ii)	12.10%
Other risk premium (iii)	5.00%
Country risk (iv)	0.60%

(i) The spot interest rate is reference to 2 years Hong Kong Government Bonds interest rate.

(ii) The credit spread is reference to Standard & Poor's credit rating CCC default credit spread commensurate with market data.

(iii) The other risk premium is reference to illiquidity premium of the nature of promissory note.

(iv) The country risk account for United States and Hong Kong country risk premium.

As disclosed in the Company's annual report 2015, as at 31 December 2015, the Group's short-term loan carried effective interest rate of 6% per annum while the debt portion of the Group's convertible bonds carried effective interest rate of 16.789% per annum. After considering the terms of the Group's short-term loan (which was repayable within six months and secured) and the Group's convertible bonds (which were repayable in 2017 and unsecured), the Group considers that the terms of the Group's convertible bonds are more comparable to those of the promissory notes and thus the Group adopts its effective interest rate to evaluate that of the promissory note.

In respect of the effective interest rate, the Company is of the view that such interest rate approximates to the Group's current borrowing costs observed from the Group's recent borrowings with terms comparable to the aforementioned promissory note.

On Completion, the fair value of the promissory note will have to be reassessed as at the Completion Date.

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

7. The adjustment represents the reclassification from investment properties and prepaid lease payment to property, plant and equipment subsequent to the Acquisition of Target Company A and Target Company B, as the Directors are of the view that the properties was proposed to be used for administrative purpose.

8. Apart from the above, no other adjustments have been made to reflect any trading result or other transactions of the Group and the Target Company A and Target Company B entered into subsequent to 31 December 2015. Unless otherwise stated, the adjustments above were not expected to have a continuing effect on the Enlarged Group.

TARGET COMPANY A

Business Overview

Target Company A was incorporated in the BVI with limited liability on 18 February 2015.

The principal activity of Target Company A is property holding.

The accountant's report of Target Company A for the period from 18 February 2015 (date of incorporation) to 31 March 2015 and nine months ended 31 December 2015 is set out in Appendix II to this circular.

Financial Overview

Target Company A recorded no revenue during the period from 18 February 2015 (date of incorporation) to 31 March 2015 and recorded a revenue of HK$67,065 for the nine months ended 31 December 2015. The revenue represented the rental income received from leasing of the investment property.

Property A was acquired by Target Company A on 30 October 2015, together with a lease having a term of 2 years from 1 March 2014 to 29 February 2016 and a monthly rent of HK$33,000 for part of Property A.

Liquidity, Financial Resources and Capital Structure

As at 31 December 2015, Target Company A had current liabilities due to its shareholder of HK$21,875,698, which is unsecured, interest-free and repayable on demand, and other borrowings of HK$22,000,000, the borrowings are secured by the investment property and the prepaid lease payment and carrying interest rate of 21.6% per annum, repayable on 29 April 2016. The shareholder of Target Company A (i.e. the Vendor) had undertaken to provide a personal guarantee in relation to the other borrowings granted. On 6 May 2016, the other borrowings have been renewed to maturity date of 5 May 2017 with interest rate of 16.5% per annum.

The total deficit of Target Company A was HK$967,398 as at 31 December 2015.

Pledge of assets

As at 31 December 2015, Target Company A had pledged its investment property and prepaid lease payment for short term other borrowings.

Contingent liabilities

As at 31 December 2015, Target Company A did not have any contingent liabilities.

Gearing Ratio

Being defined as total liabilities divided by total assets, the gearing ratio of Target Company A as at 31 December 2015 was approximately 102.2%.

Foreign Currency Exposure

As Target Company A's monetary assets and liabilities are all denominated in HK$ and Target Company A conducts its business transactions only in HK$, the currency risk of Target Company A is remote and Target Company A does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when needed.

Material Investments, Capital Assets, Acquisition and Disposal

During the period from 18 February 2015 (date of incorporation) to 31 March 2015 and nine months ended 31 December 2015, Target Company A did not hold any significant investments except the investment property, and did not have any material acquisitions and disposals of subsidiaries and associated companies.

Other than holding the investment property, Target Company A did not have any future plans for material investments or capital assets as at the Latest Practicable Date.

TARGET COMPANY B

Business Overview

Target Company B was incorporated in the BVI with limited liability on 13 February 2015.

The principal activity of Target Company B is property holding.

The accountant's report of Target Company B for the period from 13 February (date of incorporation) to 31 March 2015 and nine months ended 31 December 2015 is set out in Appendix II to this circular.

Financial Overview

Target Company B recorded no revenue during the period from 13 February 2015 (date of incorporation) to 31 March 2015 and recorded a revenue of HK$232,714 for the nine months ended 31 December 2015. The revenue represented the rental income received from leasing of the investment property.

Property B was acquired by Target Company B on 30 October 2015, together with a lease having a term of 4 months from 24 October 2015 to 23 February 2016 and a monthly rent of HK$114,510.

Liquidity, Financial Resources and Capital Structure

As at 31 December 2015, Target Company B had current liabilities due to its shareholder of HK$22,498,978, which is unsecured, interest-free and repayable on demand, and other borrowings of HK$21,000,000, the borrowings are secured by the investment property and the prepaid lease payment and carrying interest rate of 21.6% per annum, repayable on 29 April 2016. The shareholder of Target Company B (i.e. the Vendor) had undertaken to provide a personal guarantee in relation to the other borrowings granted. On 6 May 2016, the other borrowings have been renewed to maturity date of 5 May 2017 with interest rate of 16.5% per annum.

The total deficit of Target Company B was HK$770,829 as at 31 December 2015.

Pledge of assets

As at 31 December 2015, Target Company B had pledged its investment property and prepaid lease payment for short term other borrowings.

Contingent liabilities

As at 31 December 2015, Target Company B did not have any contingent liabilities.

Gearing Ratio

Being defined as total liabilities divided by total assets, the gearing ratio of Target Company B as at 31 December 2015 was approximately 101.8%.

Foreign Currency Exposure

As Target Company B's monetary assets and liabilities are all denominated in HK$ and Target Company B conducts its business transactions only in HK$, the currency risk of Target Company B is remote and Target Company B does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when needed.

Material Investments, Capital Assets, Acquisition and Disposal

During the period from 13 February 2015 (date of incorporation) to 31 March 2015 and nine months ended 31 December 2015, Target Company B did not hold any significant investments except the investment property, and did not have any material acquisitions and disposals of subsidiaries and associated companies.

Other than holding the investment property, Target Company B did not have any future plans for material investments or capital assets as at the Latest Practicable Date.

The following is the text of a report prepared for the purpose of incorporation in this circulars received from Roma Appraisals Limited, an independent valuer, in connection with its valuation as at 29 February 2016 of the property.

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

24 May 2016

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

Dear Sir/Madam,

Re: Property Valuation of 15th and 16th floor, Henan Building, Nos.90 & 92 Jaffe Road, Nos.15-19 Luard Road, Wan Chai, Hong Kong

In accordance with your instruction for us to value the property intended to be acquired by Evershine Group Holdings Limited (the "**Company**") and/or its subsidiaries' (together with the Company referred to as the "**Group**") in Hong Kong, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at 29 February 2016 (the "**Date of Valuation**") for the purpose of incorporation in the circular of the Company dated 24 May 2016.

1. BASIS OF VALUATION

Our valuation of the property is our opinion of the market value of the concerned property which we would define as intended to mean "the estimated amount for which an asset or liability 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".

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

2. VALUATION METHODOLOGY

We have valued the property by the direct comparison approach assuming sale of the property in its existing state with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market.

3. TITLE INVESTIGATION

For the property in Hong Kong, we have carried out land search at the Land Registry. However, we have not scrutinized all the original documents to verify ownership or to ascertain the existence of any lease amendments which may not appear on the copies handed to us.

4. VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the property in the market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the value of such property. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property and no allowance has been made for the property to be sold in one lot or to a single purchaser.

5. SOURCE OF INFORMATION

In the course of our valuation, we have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of property, particulars of occupation, floor areas, ages of building and all other relevant matters which can affect the value of the property. All documents have been used for reference only.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

6. VALUATION CONSIDERATION

We have inspected the exterior and, where possible, the interior of certain property. No structural survey has been made in respect of the property. However, in the course of our inspection, we did not note any serious defects. We are not, however, able to report that the property is free from rot, infestation or any other structural defects. No tests were carried out on any of the building services.

We have not carried out on-site measurement to verify the floor areas of the property under consideration but we have assumed that the floor areas shown on the documents handed to us are correct. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificate is based on information contained in the documents provided to us by the Group and are therefore approximations.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property are free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

Our valuation is prepared in compliance with the requirements set out in Chapter 8 of the Rules Governing the Listing of Securities on the Growth Enterprise Market issued by the Stock Exchange of Hong Kong Limited, and in accordance with the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

7. REMARKS

Unless otherwise stated, all monetary amounts stated in our valuation are in Hong Kong Dollars (HK$).

Our Valuation Certificate is attached.

Yours faithfully,
For and on behalf of
Roma Appraisals Limited

Dr. Alan W K Lee
BCom(Property) MFin PhD(BA)
MHKIS RPS(GP) AAPI CPV CPV(Business)
Director

Note: Dr. Alan W K Lee is a Registered Professional Surveyor (General Practice), a member of Hong Kong Institute of Surveyors and an Associate of Australian Property Institute. He has over 12 years' valuation experience in Hong Kong, Macau, the PRC, the Asia Pacific Region and European countries.

VALUATION CERTIFICATE

Property intended to be acquired by the Group for owner-occupation in Hong Kong

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 29 February 2016
15th and 16th floors, Henan Building, Nos.90 & 92 Jaffe Road, Nos.15-19 Luard Road, Wan Chai, Hong Kong 60/820th equal and undivided shares of and in the Remaining Portion of Sub-Section 1 of Section E, the Remaining Portion of Section E, the Remaining Portion of Section H, Section I and the Remaining Portion of Section J of Inland Lot No.2817.	The property comprises 2 floors of a 23-storey office building, known as Henan Building, completed in 1985. The total saleable area of the property is approximately 4,670 sq.ft. The property is held under government lease for a term of 99 years renewable for 99 years commencing on 26 March 1929. The government rents payable for the lots are as follows: **Sub-Section Lots of Inland Lot No.2817** — **Government rent (HK$ per annum)** Sub-Section 1 of Section E — HK$16 the Remaining Portion of Section E — HK$12 Section H — HK$18 Section I — HK$16 The Remaining Portion of Section J — HK$16	As advised by the Group, unit 1501 of the property is subject to a tenancy agreement. Details please refer to note 4. The remaining portion of the property is vacant as at the Date of Valuation.	HK$89,000,000

Notes:

1. For 15th floor of the property, the registered owner of the property is Spring Hero Developments Limited vide Memorial No. 15112400480066 dated 30 October 2015.

2. For 16th floor of the property, the registered owner of the property is Sharp Pick Ventures Limited vide Memorial No. 15112300560045 dated 30 October 2015.

3. The property is subject to the following encumbrances:

   a. Deed of Mutual Covenant and Management Agreement vide Memorial No.UB5453340 dated 8 August 1992;

b. Mortgage in favour of Speedy Finance Limited, Oi Wah Property Credit Limited and Easy Promise Limited vide Memorial No.15112400480078 dated 30 October 2015 (Remarks: HK$7,700,000.00(1st loan), HK$7,700,000.00 (2nd loan) and HK$6,600,000.00(3rd loan) The specific amount: HK$22,000,000.00) (For 15th floor only);

c. Assignment of rental in favour of Speedy Finance Limited, Oi Wah Property Credit Limited and Easy Promise Limited vide Memorial No.15112400480081 dated 30 October 2015 (For 15th floor only);

d. Mortgage in favour of Speedy Finance Limited, Oi Wah Property Credit Limited and Easy Promise Limited vide Memorial No.15112300560054 dated 30 October 2015 (For 16th floor only); and

e. Assignment of rental in favour of Speedy Finance Limited, Oi Wah Property Credit Limited and Easy Promise Limited vide Memorial No.15112300560065 dated 30 October 2015 (For 16th floor only).

4. Pursuant to a Tenancy Agreement dated 12 February 2014, unit 1501 of the property is subject to a tenancy agreement for a term of 2 years commencing on 1 March 2014 and expiring on 29 February 2016 at a monthly rent of HK$33,000 inclusive of government rent but exclusive of rates, management fees and other outgoings.

5. The property lies within an area zoned as "Commercial" under Wan Chai Outline Zoning Plan No. S/H5/27.

6. The property is located in the office district in Wan Chai, Hong Kong. Developments in the vicinity comprise a mixture of retail/commercial/office buildings, hotels, tenement blocks, government offices, and public facilities including sport centre and playground. The pedestrian flow in the surrounding area is moderate. Public transportation facilities such as franchised buses and taxis are conveniently along Luard Road and Hennessy Road. The MTR (Wan Chai) Station is situated at about 5 minutes' walking distance from the property.

7. Our inspection was performed by Ms. Winnie Ko (BSc (Hons) Estate Management) in March 2016.

8. The apportionments of the land and building values of the property as at 29 February 2016 are as follows:

Floor	**Land Value**	**Building Value**	**Market Value**
15th floor	HK$41,700,000	HK$2,800,000	HK$44,500,000
16th floor	HK$41,700,000	HK$2,800,000	HK$44,500,000
		Total:	HK$89,000,000

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. DISCLOSURE OF INTERESTS

(a) Interests of Directors, supervisors and chief executives 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	1,502,677,356	11.56%

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	332,367,000 (L)	22.12%
Cheng Kwok Wo	Beneficial Interest	213,459,000 (L)	14.21%
Boyraci Osman	Beneficial Interest	80,000,000 (L)	5.32%

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.

3. SERVICES 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).

4. DIRECTOR'S 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.

5. 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 2015, 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.

6. 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 Enlarged Group.

7. 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 2015 (being the date to which the latest published consolidated audited financial statements of the Group were made up).

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

(b) 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;

(c) 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;

(d) 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;

(e) 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;

(f) the agreement dated 15 March 2015 and entered into among 柘城縣襄安陵有限公司 (Zhecheng County Xianganling Company Limited*) (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 鄭州鼎鋆瀚鑫貿易有限公司 (Zhengzhou Dingjun Hanxin Trading Company Limited*) (the "**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, which is located at Zhecheng County, Henan Province, the People's Republic of China, to the Operating Company at nil consideration;

(g) the provisional sale and purchase agreement entered into between Spring Hero and an independent third party for the acquisition of the investment property in Hong Kong with consideration of HK$40,143,569. The formal sale and purchase agreement for the acquisition was entered on 11 May 2015;

(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 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;

(j) 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 owner of the land use right for the acquisition of the use right of a land (with land area of approximately 47 Mu where the cemetery is situated on, which is located at Zhecheng County, Henan Province, the People's Republic of China) by the Operating Company with a compensation amount of RMB250,000 per Mu (including the amount payable to relevant authorities);

(k) the agreement dated 15 September 2015 entered into between Vital Fortune International Investment Limited, a wholly-owned subsidiary of the Company, and Mr. Cheng Kwok Wo in relation to the sale and purchase of the entire issued shares of Fortune Ford Limited at a consideration of HK$110,000,000;

(l) the placing agreement dated 12 November 2015 entered into between the Company as issuer and KGI Asia Limited as placing agent in relation to the placing of 190,446,000 placing Shares at the placing price of HK$0.198 per placing Share;

(m) the non-legally binding memorandum of understanding dated 14 December 2015 entered into between the Company as proposed purchaser and Mr. Li Yang Qin and Ms. Deng Xianggui as the proposed vendor in relation to the possible acquisition of up to 100% of the issued share capital of Color Bridge Industrial Company Limited and up to 90% of the issued share capital of Color-Bridge Printing & Packaging Company Limited;

(n) the non-legally binding memorandum of understanding dated 24 December 2015 entered into between Ringloma Limited as proposed purchaser and Mega Field International Limited, a wholly owned subsidy of the Company, as the proposed vendor in relation to the possible acquisition of the entire issued share capital of Argos (China) Investment Limited;

(o) the non-legally binding memorandum of understanding dated 5 February 2016 entered into between the Company and 中城建第六工程局集團有限公司 (The 6th Engineering Bureau of China City Construction Holding Group Company*), a state-owned enterprise in the People's Republic of China, in relation to the possible cooperation in the engineering and construction works of land development and large scale project(s) of the Company in Turkey;

(p) the lease agreement dated 18 February 2016 entered into between the Operating Company and the lessor, being an Independent Third Party, in which the Operating Company to rent the land with land area of approximately 82.9 Mu located at Zhecheng County, Henan Province, the People's Republic of China for a term of 20 years commencing from 1 January 2016, with a rental of RMB5,000 per Mu per annum for the first 54 months during the term of the lease agreement and RMB4,500 per Mu per annum for the remaining term of the lease agreement;

(q) the non-legally binding memorandum of understanding dated 16 March 2016 entered into between the Company as proposed purchaser and Ms. Lee Sze Yan as proposed vendor, in relation to the possible acquisition of at least 5% and up to 30% of the issued share capital of Topbridge Industrial Company Limited;

(r) the sale and purchase agreement dated 30 March 2016 entered into between the Company and Mr. Wong Ka Fai in respect of the disposal of the entire issued share capital of Creative Star Limited for a consideration of HK$8;

(s) the strategic cooperation agreement dated 6 May 2016 entered into between the Company and The 6th Engineering Bureau of China City Construction Holding Group Company in relation to the possible cooperation in the engineering and construction works of land development and large scale project(s) of the Company in Europe at nil consideration; and

(t) the SH Agreement and the SP Agreement.

9. 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
Elite Partners CPA Limited	Certified Public Accountants
SHINEWING (HK) CPA Limited	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.

* *For identification purposes only*

As at the Latest Practicable Date, each of the above experts did not have any shareholding in any member of the Enlarged 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 2015 (being the date to which the latest published consolidated audited financial statements of the Enlarged Group were made up) been acquired or disposed of by or leased to any member of the Enlarged Group, or are proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

10. 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 three financial years ended 31 December 2015;

(c) the accountant's reports of the Target Companies 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 Properties as set out in Appendix V 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; and

(h) this circular.

11. MISCELLANEOUS

(i) The company secretary of the Company is Ms. Leung Pui Ki ("**Ms. Leung**"). She 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 four independent non-executive Directors, namely Mr. Liu Kwong Sang (Chairman), Ms. Choy So Yuk, BBS, JP, Ms. Lam Yuk Ying, Elsa, and Mr. Leung Man Chun. Brief biographies of the independent non-executive Directors are set out below:

Mr. Liu Kwong Sang ("**Mr. Liu**"), aged 55, 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 a fellow 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 65, 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 being 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 56, 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.

Mr. Leung Man Chun ("**Mr. Leung**"), aged 28, has been engaging in financial services sector for over 6 years, along with ample experience in an international accounting firm and an international bank. Mr. Leung is a member of the Hong Kong Institute of Certified Public Accountants and currently serves as a corporate finance principal for a professional firm. Mr. Leung obtained a bachelor's degree in social sciences from Hong Kong Baptist University in 2009. Mr. Leung has been appointed as an independent non-executive director of Aurum Pacific (China) Group Limited (Stock code: 8148) since 23 February 2016.

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

The branch share registrar of the Company in Hong Kong 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.

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 10 June 2016 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 24 March 2016 (the "**SH Agreement**") and entered into between the sole shareholder (the "**Vendor**") of Spring Hero Developments Limited ("**Target Company A**") and the Company, pursuant to which, among other things, the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell 50,000 ordinary shares of Target Company A, representing the entire issued share capital of Target Company A, and the entire shareholder's loan owed by Target Company A to the Vendor (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 or incidental to the SH Agreement be and are hereby approved, ratified and confirmed; and

(b) any one or more of the directors of the Company be and is/are hereby authorized to do all such acts and things and execute all such documents, including under the seal of the Company, where applicable, as he/she/they may consider necessary, desirable or expedient to complete, implement and give effect to any and all of the foregoing arrangements for the proposed acquisitions pursuant to the SH Agreement."

2. **"THAT**

(a) the conditional sale and purchase agreement dated 24 March 2016 (the "**SP Agreement**") and entered into between the Vendor and the Company, pursuant to which, among other things, the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell all 50,000 ordinary shares of and Sharp Pick Ventures Limited ("**Target Company B**"), representing the entire issued share capital of Target Company B, and the entire shareholder's loan owed by Target Company B to the Vendor (a copy of which has been produced to the Meeting marked "B" and initialed by the Chairman of the Meeting for the purpose of identification) and the transactions contemplated thereunder or incidental to the SP Agreement be and are hereby approved, ratified and confirmed; and

(b) any one or more of the directors of the Company be and is/are hereby authorized to do all such acts and things and execute all such documents, including under the seal of the Company, where applicable, as he/she/they may consider necessary, desirable or expedient to complete, implement and give effect to any and all of the foregoing arrangements for the proposed acquisitions pursuant to the SP Agreement."

By Order of the Board
Evershine Group Holdings Limited
Hung Tat Chi Alan
Alternate Director

Hong Kong, 24 May 2016

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 branch share registrar of the Company in Hong Kong, 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.