



## **Evershine Group Holdings Limited**

**永耀集團控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 8022)**

### **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2016**

#### **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

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

## HIGHLIGHTS

- The Group achieved a turnover of approximately HK\$29,403,000 (continuing operation: approximately HK\$27,297,000 and discontinued operation: approximately HK\$2,106,000) for the three months ended 31 March 2016 (2015: approximately HK\$8,959,000, continuing operation: approximately HK\$8,269,000 and discontinued operation: approximately HK\$690,000), representing an increase of approximately 228% as compared to the corresponding period in 2015, which is mainly attributable to the trading business.
- The loss for the period of the company was approximately HK\$5,576,000 for the three months ended 31 March 2016 (2015: approximately HK\$4,938,000), representing an increase of loss approximately 13% over the corresponding period in 2015.
- Loss from ordinary activities attributable to equity shareholders of the Company was approximately HK\$5,166,000 for the three months ended 31 March 2016 (loss in 2015: approximately HK\$4,487,000), representing an increase of loss approximately 15% over the corresponding period in 2015.
- Basic loss per share for continuing and discontinued operations for the three months ended 31 March 2016 was approximately HK0.39 cents (basic loss per share in 2015: approximately HK0.63 cents) and loss per share for continuing operation was approximately HK0.35 cents (basic loss per share for continuing operation in 2015: approximately HK0.55 cents).
- The Directors do not recommend the payment of any dividend for the three months ended 31 March 2016 (2015: Nil).

## FIRST QUARTERLY RESULTS (UNAUDITED)

For the three months ended 31 March 2016

The board of Directors (the “Board”) of the Company hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the three months ended 31 March 2016 together with the unaudited comparative figures for the corresponding period in 2015 (the “Relevant Period”) as follows:

### CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited Three months ended 31 March	
	Notes	2016 HK\$'000	2015 HK\$'000 (Restated)
<b>CONTINUING OPERATIONS</b>			
TURNOVER	2	27,297	8,269
COST OF SERVICES		(26,576)	(7,804)
<hr/>			
GROSS PROFIT		721	465
OTHER INCOME AND GAIN	2	4,352	44
OPERATING AND ADMINISTRATIVE EXPENSES		(9,221)	(3,653)
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<b>LOSS FROM OPERATIONS</b>		<b>(4,148)</b>	<b>(3,144)</b>
FINANCE COSTS	4	(1,025)	(856)
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<b>LOSS BEFORE TAXATION</b>	5	<b>(5,173)</b>	<b>(4,000)</b>
TAXATION	6	425	65
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LOSS AFTER TAXATION FROM CONTINUING OPERATIONS		(4,748)	(3,935)
<b>DISCONTINUED OPERATIONS</b>			
LOSS FROM DISCONTINUED OPERATIONS		(828)	(1,003)
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<b>LOSS FOR THE PERIOD</b>		<b>(5,576)</b>	<b>(4,938)</b>

## CONDENSED CONSOLIDATED INCOME STATEMENT (CONTINUED)

		Unaudited	
		Three months ended	
		31 March	
	Notes	2016	2015
		HK\$'000	HK\$'000
			(Restated)
<b>ATTRIBUTABLE TO:</b>			
<b>EQUITY SHAREHOLDERS OF THE COMPANY</b>			
– FROM CONTINUING OPERATIONS		(4,669)	(3,933)
– FROM DISCONTINUED OPERATIONS		(497)	(554)
		<b>(5,166)</b>	<b>(4,487)</b>
<b>NON-CONTROLLING INTERESTS</b>			
– FROM CONTINUING OPERATIONS		(79)	(2)
– FROM DISCONTINUED OPERATIONS		(331)	(449)
		<b>(410)</b>	<b>(451)</b>
LOSS FOR THE PERIOD		<b>(5,576)</b>	<b>(4,938)</b>
<b>LOSS PER SHARE</b>			
FROM CONTINUING AND DISCONTINUED OPERATIONS			
– BASIC AND DILUTED	8	<b>(0.39 cents)</b>	(0.63 cents)
FROM CONTINUING OPERATIONS			
– BASIC AND DILUTED	8	<b>(0.35 cents)</b>	(0.55 cents)
FROM DISCONTINUED OPERATIONS			
– BASIC AND DILUTED	8	<b>(0.04 cents)</b>	(0.08 cents)

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Three months ended	
	31 March	
	2016	2015
	HK\$'000	HK\$'000
<b>LOSS FOR THE PERIOD</b>	<b>(5,576)</b>	(4,938)
<b>OTHER COMPREHENSIVE EXPENSES FOR THE PERIOD, NET OF TAX</b>		
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		
EXCHANGED DIFFERENCES ON TRANSLATION OF FINANCIAL STATEMENTS OF OVERSEAS SUBSIDIARIES	<b>(1,112)</b>	–
OTHER COMPREHENSIVE EXPENSES FOR THE PERIOD	<b>(1,112)</b>	–
<b>TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD</b>	<b>(6,688)</b>	(4,938)
ATTRIBUTABLE TO:		
EQUITY SHAREHOLDERS OF THE COMPANY	<b>(6,281)</b>	(4,487)
NON-CONTROLLING INTERESTS	<b>(407)</b>	(451)
<b>TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD</b>	<b>(6,688)</b>	(4,938)

Notes:

**1. Basis of preparation and principal accounting policies**

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

The accounting policies adopted in preparing the unaudited consolidated first quarterly results are consistent with those adopted in the preparation of the annual audited financial statements for the year ended 31 December 2015.

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

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

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

## 2. Turnover, other income and gain

The Group is engaged in the provision of travel agent services, fashion garment trading and mobile application business, trading business and the cemetery business. On 28 December 2012, the Company exercised the put option and the discontinued operations for the artist management services and rental services as set out in note 7. On 30 March 2016, the Company disposed the sale share of Creative Star Limited. With effect from completion of the disposal, the Group ceased to carry on the business of advertising and marketing services. Details refer to Company's announcement dated 30 March 2016.

Revenue recognized during the Relevant Period is as follows:

	<b>Unaudited</b>	
	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2016</b>	<b>2015</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Turnover		
Continuing operations		
Trading business	<b>19,924</b>	–
Revenue from travel agent services	<b>7,303</b>	8,269
Services income from mobile application	<b>70</b>	–
Sub-total	<b>27,297</b>	8,269
Discontinued operations		
Advertising and marketing services	<b>2,106</b>	180
Artist management and rental income	<b>–</b>	510
Sub-total	<b>29,403</b>	8,959
Other income and gain		
Gain on disposal of subsidiaries	<b>3,794</b>	–
Sundry income	<b>532</b>	44
Interest income	<b>26</b>	–
Sub-total	<b>4,352</b>	44
Total	<b>33,755</b>	9,003

### 3. Segmental information

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

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

(i) For the three months ended 31 March 2016 (Unaudited)

	Continuing operations				Discontinued operations		Total HK\$'000
	Travel agent services HK\$'000	Mobile application HK\$'000	Trading HK\$'000	Cemetery Services HK\$'000	Advertising and marketing services HK\$'000	Entertainment HK\$'000	
<b>Revenue</b>	7,303	70	19,924	-	2,106	-	29,403
Elimination of inter-segment revenue	-	-	-	-	-	-	-
Consolidated revenue	7,303	70	19,924	-	2,106	-	29,403
<b>Profit/(Loss)</b>							
Reportable segment profit/(loss)	(21)	(2,437)	55	(806)	(828)	-	(4,037)
Elimination of inter-segment profits	-	-	-	-	-	-	-
Report segment profit/(loss) derived from the Group's external customers	(21)	(2,437)	55	(806)	(828)	-	(4,037)
Unallocated items:							
Other income and gain							4,352
Operating and administrative expenses							(5,291)
Finance costs							(1,025)
Loss before taxation							(6,001)
Taxation							425
Loss for the period							(5,576)
Attributable to:							
Equity shareholders of the Company							(5,166)
Non-controlling interests							(410)
Loss for the period							(5,576)



### 3. Segmental information (Continued)

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

	Continuing operations		Discontinued operations		Total HK\$'000
	Travel agent services HK\$'000	Mobile application HK\$'000	Advertising and marketing services HK\$'000	Entertainment HK\$'000	
<b>Revenue</b>	8,269	-	180	510	8,959
Elimination of inter-segment revenue	-	-	-	-	-
Consolidated revenue	8,269	-	180	510	8,959
<b>Profit/(Loss)</b>					
Reportable segment loss	(31)	(39)	(469)	(535)	(1,074)
Elimination of inter-segment profits	-	-	-	-	-
Report segment loss derived from the Group's external customers	(31)	(39)	(469)	(535)	(1,074)
Unallocated items:					
Other income and gain					44
Operating and administrative expenses					(3,117)
Finance costs					(856)
Loss before taxation					(5,003)
Taxation					65
Loss for the period					(4,938)
Attributable to:					
Equity shareholders of the Company					(4,487)
Non-controlling interests					(451)
Loss for the period					(4,938)

**4. Finance costs**

	<b>Unaudited</b>	
	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2016</b>	2015
	<b>HK\$'000</b>	HK\$'000
Interest on promissory notes	<b>1,025</b>	855
Others	<b>-</b>	1
	<b>1,025</b>	856

**5. Loss before taxation**

Loss before taxation is arrived at after charging:

	<b>Unaudited</b>	
	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2016</b>	2015
	<b>HK\$'000</b>	HK\$'000
Cost of services	<b>29,089</b>	7,930
Amortisation of intangible assets	<b>2,900</b>	654
Depreciation	<b>54</b>	185
Operating lease charges in respect of property rentals	<b>394</b>	256
Staff costs including directors' emoluments	<b>2,167</b>	1,310

## 6. Taxation

Taxation represents:

	<b>Unaudited</b>	
	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2016</b>	2015
	<b>HK\$'000</b>	HK\$'000
Deferred tax	<b>425</b>	65
	<b>425</b>	65

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits arising in Hong Kong during the Relevant Periods. PRC Enterprise Income Tax is computed according to the relevant legislation, interpretations and practices in respect thereof during the Relevant Period. The applicable PRC income tax rate is 25% (2015: 25%).

## 7. Discontinued operations

### *Fountain City Group*

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

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

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

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

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

## **7. Discontinued operations (Continued)**

### *Fountain City Group (Continued)*

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

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

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

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

Disposal of Fountain City Group has been completed during the year ended 31 December 2015.

### *Creative Star Group*

On 30 March 2016, the Company as vendor and Mr. Wong Ka Fai as purchaser entered into of the Sale and Purchase Agreement pursuant to which the Company agreed to sell and the Purchaser agreed to acquire the Sale Share for a cash consideration of HK\$8. With effect from completion of the Disposal, the Group will cease to carry on the business of advertising and marketing services.

Details refer to Company's announcement dated 30 March 2016.

## **8. Loss per share**

The calculation of the basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of HK\$5,166,000 (loss in 2015: HK\$4,487,000) and the weighted average of 1,317,386,000 (2015: 714,657,000) ordinary shares in issue during the period.

The diluted loss per share for the three months ended 31 March 2016 and 2015 is the same as the basic earnings per share as there were no dilutive potential ordinary shares outstanding during both period.

## 9. Capital and reserves (Unaudited)

	Attribution to equity shareholders of the Company							Non-controlling interests	Total equity
	Share capital	Exchange reserve	Statutory reserve	Convertible bond reserve	Other reserve	Accumulated losses	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2015	755,030	752	53	-	44	(699,486)	56,393	(19,657)	36,736
Total comprehensive expenses for the period	-	-	-	-	-	(4,487)	(4,487)	(451)	(4,938)
Issue of right issue	81,927	-	-	-	-	-	81,927	-	81,927
As at 31 March 2015	836,957	752	53	-	44	(703,973)	133,833	(20,108)	113,725
At 1 January 2016	908,401	(13)	53	11,063	44	(711,482)	208,066	8,701	216,767
Total comprehensive expenses for the period	-	-	-	-	-	(5,166)	(5,166)	(410)	(5,576)
Disposal of subsidiaries	-	-	-	-	-	-	-	3,355	3,355
Exercise of convertible notes	49,680	-	-	(11,063)	-	-	38,617	-	38,617
Exchange difference on translation of financial statement of overseas subsidiaries	-	(1,115)	-	-	-	-	(1,115)	3	(1,112)
As at 31 March 2016	958,081	(1,128)	53	-	44	(716,648)	240,402	11,649	252,051

## 10. Share capital

	As at 31 March 2016		As at 31 December 2015	
	Number of shares '000 (Unaudited)	Amount HK\$'000 (Unaudited)	Number of shares '000 (Audited)	Amount HK\$'000 (Audited)
<b>Issued and fully paid:</b>				
At 1 January	1,142,677	908,401	560,137	755,030
Issue of right issue	-	-	280,068	81,927
Issue of Placing Share	-	-	302,472	71,444
Exercise of convertible notes	360,000	49,680	-	-
At end of period/year	1,502,677	958,081	1,142,677	908,401

## 11. Interim dividends

The Directors do not recommend any payment of dividend nor transfer of any amount to reserve for the three months ended 31 March 2016 (2015: Nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Financial Review**

#### *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.

The maturity date of the loan is on 24 June 2015.

On 29 May 2015, the Company has requested, and the Lender has accepted to extend the maturity date of the Loan Facility until 24 December 2015.

On 24 December 2015, the Company and the Lender have entered into a memorandum of understanding ("MOU") regarding the possible disposal of the entire equity interests of Argos (China) Investment Limited.

For details, please refer to the announcement dated 24 December 2015.

#### *Turnover*

The unaudited consolidated turnover of the Group for the three months ended 31 March 2016 was approximately HK\$29,403,000 (2015: approximately HK\$8,959,000) representing an increase of approximately 228% over the corresponding period in 2015.

#### *Loss for the period*

The loss for the period of the Company was approximately HK\$5,576,000 for the three months ended 31 March 2016 (2015: approximately HK\$4,938,000), representing an increase of loss approximately 13% over the corresponding period in 2015.

### *Loss attributable to equity shareholders*

Loss from ordinary activities attributable to equity shareholders of the Company was approximately HK\$5,166,000 for the three months ended 31 March 2016 (loss in 2015: approximately HK\$4,487,000), representing an increase of loss approximately 15% over the corresponding period in 2015.

### *Basic loss per share*

For the three months ended 31 March 2016, basic loss per share was approximately HK0.39 cents (basic loss per share in 2015: approximately HK0.63 cents).

### *Foreign currency risk*

The majority of the Group's transactions, income and expenditure, bank loan and other borrowings are denominated in HK\$ and Renminbi ("RMB"). No hedging or other arrangements to reduce the currency risk have been implemented during the three months ended 31 March 2016 as the Board considers that the potential foreign exchange exposure of the Group is limited.

### *Contingent liabilities*

As at 31 March 2016, the Group had no material contingent liabilities (31 December 2015: Nil).

### *Information required under Section 436 of the Companies Ordinance*

The financial information relating to the Company for the period ended 31 March 2016 and 2015 included in this announcement is derived from, but does not constitute the Company's statutory annual consolidated financial statements for these two years.

The Company will deliver the financial statements for the year ended 31 December 2015 to the Registrar of Companies of Hong Kong within the prescribed time limit as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “Companies Ordinance”).

The Company’s auditor has reported on the financial statements of the Group for both the years ended 31 December 2015 and 2014. The auditor’s reports was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

### **Exercise of conversion rights attaching to the Convertible Notes**

Pursuant to the sale and purchase agreement dated 15 September 2015, Mr. Cheng Kwok Wo has exercised the conversion rights attaching to the convertible notes. On 20 January 2016 and 15 March 2016, 181,159,420 and 178,840,580 of new shares have been allotted and issued at the conversion price of HK\$0.138 per conversion share respectively.

Please refer to the Company’s announcements dated 30 November 2015 and the Company’s circular dated 7 November 2015 for details.

### **Operational Review and Prospect**

#### *Travel agency business*

The financial results of the travel agency business has dropped drastically due to slower economy and strong competition. The operating cost has been increasing as a result the business is unprofitable. The Group has entered into an memorandum of understanding with an independent party for the possible disposal of the travel agency business at the end of 2015.



### *Marketing and advertising business*

The performance of the advertising and marketing business has been disappointing. This is due to a shift from media marketing to internet marketing. On 30 March 2016, the Group ceased to carry on the business of advertising and marketing services. Details refer to Company's announcement dated 30 March 2016.

### *Mobile application business*

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 is working closely with the mobile application developers for continuous development and enhancement of the applications.

### *Trading business*

The Group has started its trading business in commodities since the last quarter of 2015. We have established an experienced team lead by the Chairman of the Group to handle the transactions. We believe the commodities prices is consolidating at current level and therefore the trading activities will become more robust in the coming days. The Group intends to obtain banking facilities for further development of the trading business.

### *Cemetery business*

The Group has entered in the cemetery business in the PRC through the acquisition of the entire issued share capital of Fortune Ford Limited which was completed on 30 November 2015. The cemetery services segment is experiencing reform in the PRC that favours officially approved operators. Due to the growing demand for legitimate burial and limited supply, the price of burial plot in the PRC has been soaring in recent years. It is a valuable opportunity for the Group to be able to participate in this business sector. We believe the contribution of the cemetery business would be significant in the coming years.

## **Major Transaction**

### *The agreement in relation to acquisition*

On 24 March 2016, the Company and the sole director and shareholder of Spring Hero Developments Limited (“Target Company A”) (the “Vendor C”) entered into the SH Agreement, pursuant to which the Company has conditionally agreed to acquire and the Vendor C has conditionally agreed to sell the SH Sale Share and the SH Sale Loan. Target Company A is the owner of 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 A”) and its principal business activity is holding a property;

On 24 March 2016, the Company and the sole director and shareholder of Sharp Pick Ventures Limited (“Target Company B”) (the “Vendor C”) entered into the SP Agreement, pursuant to which the Company has conditionally agreed to acquire and the Vendor C has conditionally agreed to sell the SP Sale Share and the SP Sale Loan. Target Company B is the owner of the whole of the 16th Floor of Henan Building, Nos. 90 and 92 Jaffe Road and Nos. 15–19 Luard Road, Wanchai, Hong Kong (“Property B”) and its principal business activity is holding a property.

Upon the SH Completion and the SP Completion, the Target Companies will become wholly-owned subsidiaries of the Company.

As the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Proposed 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.

The Circular containing, among other things, further details about the Proposed Acquisition and the notice convening the EGM, will be despatched to the Shareholders on or before 20 May 2016.

Details refer to the Company’s announcements dated 24 March 2016, 19 April 2016 and 6 May 2016.

## Information on Possible Acquisitions

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

On 14 December 2015, the Company entered into a non-legally binding memorandum of understanding (the “MOU I”) with Li Yang Qin and Deng Xianggui (together the “Vendors”) in relation to the proposed acquisition of 100% issued shares in Color Bridge Industrial Company Limited (“CBI”) and 90% issued shares in Color-Bridge Printing & Packaging Company Limited (“CBPP”) (the “Proposed Acquisition”). CBI is a company incorporated in Hong Kong with limited liability and is principally engaged in property investment. CBPP is a company incorporated in Hong Kong with limited liability and is principally engaged in color printing works.

Upon the signing of the MOU I, the Company will pay to the Vendors the sum of HK\$10,000,000 as deposit (the “Deposit I”), which will be fully refunded subject to the terms and conditions of the MOU I.

In the event that the Proposed Acquisition will not be proceeded with, the Vendors should within seven (7) days after the receipt of the written notice given by the Company to the Vendors refund the Deposit I in full without any deduction to the Company without interest. In any event, the Vendors shall immediately refund the Deposit I in full without interest to the Company upon the termination of the MOU I, save and except a formal agreement is executed on or before 6 months of the MOU I.

It is the intention of the parties to the MOU I to apply the Deposit I towards the consideration of the Proposed Acquisition upon the entering into of the formal agreement subject to the terms and conditions therein.

As a security for the refund of the Deposit I, each of the Vendors shall upon the signing of the MOU I execute share charges in such form and substance to the satisfaction of the Company to charge all CBI Shares and CBPP Shares held by each of the Vendors in favour of the Company.

Details refer to the Company’s announcement dated 14 December 2015.

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

On 5 February 2016, the Company and the 6th Engineering Bureau of China City Construction Holding Group Company (the “Construction Company”) entered into a non-legally binding memorandum of understanding (the “MOU II”). The Construction Company is a company established in the PRC and is principally engaged in construction, project planning and design, cultural and tourist real estate development and capital management.

Under the MOU II, the Construction 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 Turkey (the “Project(s)”) and will underwrite the relevant Project engineering works in accordance with the intention and design of the Company.

The parties to the MOU II shall negotiate in good faith to agree the detailed terms of cooperation and will reflect the same in the formal cooperation agreement. After the signing of the MOU II, the Company shall provide relevant land information and development plans relating to the relevant Project(s) to allow the Construction Company to discuss and give suggestions on the design and feasibility of the Project(s).

Upon the implementation of the Project(s), the parties to the MOU II shall obtain all necessary approvals to enter into binding formal cooperation agreement(s). The terms of the cooperation agreement(s) shall be subject to negotiations between the parties.

On 6 May 2016, the Company entered into the Agreement with the Construction Company in relation to the Strategic Cooperation.

The Company has intention to participate property investments and development project(s) in Europe (the “Project(s)”) and has nominated the Construction Company as its technical engineering consultant for the Project(s). Pursuant to the Agreement, the Company and the Construction Company shall negotiate in good faith in respect of every Project(s) in Europe and enter into relevant Project(s) agreement(s) which would set out the scope of services, fees and the corresponding duties of the parties.

The Construction Company shall provide relevant technical engineering consultancy services to the Company in respect of every Project(s), which may include but not limited to the following consultancy works, such as feasibility studies, project design, blueprints, engineering quotes and budgets, testing and checking, procurement of materials, engineering and construction works, engineering supervision and inspection.

- (ii) *The memorandum of understanding in relation to a proposed acquisition (Continued)*  
The Company shall provide all necessary information and data to allow the Construction Company to conduct relevant works and shall pay relevant fee(s) in accordance with the terms of the Project(s) agreement(s).

Subject to the payment of all consultancy fees in accordance with the Project(s) agreement(s), all copyrights of the technical documents provided by the Construction Company shall be transferred to the Company and the Company shall be entitled to utilize such documents for the Project(s).

The Agreement shall be effective from the date of signing. Each of the Company and The 6th Engineering Bureau of China City Construction Holding Group Company shall be entitled to terminate the Agreement with one month prior written notice.

Details please refer to the Company's announcement dated 5 February 2016 and 6 May 2016.

- (iii) *The memorandum of understanding in relation to a proposed acquisition*  
On 16 March 2016, the Company entered into the non-legally binding memorandum of understanding (the "MOU III") with Lee Sze Yan (the "Vendor B") in relation to the possible acquisition of issued shares in Topbridge Industrial Company Limited ("Topbridge").

Under the MOU III, the Company intends to acquire and the Vendor B intend to sell the sale shares at a consideration to be agreed by the parties. The sale shares shall represent at least 5% and up to 30% of the issued share capital of the Topbridge. The consideration may be settled by the Company in cash and/or by allotment and issue of shares in the share capital of the Company or a combination of the above or any other forms as the parties thereto may agree in writing. Topbridge is a company incorporated in Hong Kong with limited liability and the Vendor B is the legal and beneficial owner of the entire issued share capital of 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<sup>2</sup> in the wetland.

Details please refer to the Company's announcement dated 16 March 2016.

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

As at 31 March 2016, the following Directors or chief executives of the Company had the following interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealings by directors as referred to in Rule 5.46 of the GEM Listing Rules.

<b>Name of Director</b>	<b>Capacity/nature of interests</b>	<b>Number of ordinary share(s) held</b>	<b>Number of underlying share(s) held</b>	<b>Approximate percentage of the Company's issued share capital</b>
Mr. Lau Yu	Beneficial Owner	173,653,000	–	11.56%

All the interests disclosed above represent long position in the shares.

Save as disclosed above, as at 31 March 2016, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or 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, or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Rule 5.46 of the GEM Listing Rules.

## **SHARE OPTION SCHEMES**

The share option scheme adopted on 9 May 2011 (the “2011 Share Option Scheme”) by the Shareholders was terminated and a new share option scheme was adopted on 1 February 2016 (the “2016 Share Option Scheme”) by the Shareholders. The purpose of the 2016 Share Option Scheme is to enable the Company to grant Share Options to the Eligible Participants (as defined below) as incentives or rewards for their contribution to the long term development of the Group and to provide the Group with a more flexible means to reward, remunerate, compensate, attract, retain and/or provide benefits to the Eligible Participants. The 2016 Share Option Scheme was adopted for a period of 10 years commencing from 1 February 2016 and will remain in force until 31 January 2026.

Eligible Participant under the 2016 Share Option Scheme includes any full-time or part-time employees, consultants or potential employees, executives or officers (including executive, non-executive and independent non-executive directors) of the Company or any of its subsidiaries and any suppliers, customers, consultants, agents and advisers who, in the sole opinion of the Board, will contribute or has contributed to the Company and/or any of its subsidiaries.

The subscription price shall be determined by the Board in its absolute discretion but in any event shall be at least the higher of:

- (i) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant which must be a business day; and
- (ii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant.

Upon acceptance of the options, the grantee shall pay HK\$1.00 to the Company as consideration for the grant. The acceptance of an offer of the grant of the option must be made within 14 days from the date of grant. Unless otherwise determined by the Board in the relevant offer letter to a grantee, there is no minimum period for which any option must be held before it can be exercised and no performance target which needs to be achieved by a grantee before the options can be exercised. An option may be exercised in accordance with the terms of the 2016 Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

Based on 1,323,836,776 shares in issue as at the date of adoption of the 2016 Share Option Scheme, the maximum number of shares to be issued upon the exercise of options that may be granted under the 2016 Share Option Scheme are 132,383,677 shares, being 10% of the shares in issue as at the date of adoption. The total number of shares available for issue under the 2016 Share Option Scheme is 132,383,677 Shares, representing 8.81% of the total number of Shares in issue as at the date of this announcement.

Pursuant to the GEM Listing Rules, the total number of shares which may be issued upon the exercise of all options to be granted under the 2016 Share Option Scheme must not, in aggregate, exceed 10% of the shares in issue as at the date of adoption of the 2016 Share Option Scheme. The Board shall not grant any options which would result in the maximum aggregate number of shares which may be issued upon exercise of all outstanding options granted but yet to be exercised under the 2016 Share Option Scheme and any other share option schemes adopted by the Company exceeding, in aggregate, 30% of the shares in issue from time to time.

The total number of shares issued and to be issued upon exercise of the options granted under the 2016 Share Option Scheme and any other share option schemes of the Company to each Eligible Participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue (the "Individual Limit"). Any further grant of options to an Eligible Participant which would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such Eligible Participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant exceeding the Individual Limit shall be subject to approval of the Shareholders in general meeting with such Eligible Participant and his close associates (or his associates if such Eligible Participant is a connected person) abstaining from voting.

Any grant of options to a connected person (as defined in the GEM Listing Rules) must be approved by all Independent Non-executive Directors (excluding any Independent Non-executive Director who is the proposed grantee). Where options are proposed to be granted to a connected person who is also a substantial shareholder (as defined in the GEM Listing Rules) of the Company or an Independent Non-executive Director or any of their respective associates, and the proposed grant of options, when aggregated the options already granted to such connected person in the past 12 months period, would entitle that person to receive more than 0.1% of the total issued shares of the Company for the time being and the value of which is in excess of HK\$5,000,000, then the proposed grant must be subject to the approval of the shareholders at the general meeting. Apart from the connected person involved, all other connected persons of the Company must abstain from voting in such general meeting (except where any connected person intends to vote against the proposed grant).



There is no outstanding share option under the 2011 Share Option Scheme as at 1 January 2016 and 31 March 2016. As at the date of this announcement, no options have been granted under the 2016 Share Option Scheme since its adoption.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard as set out in the Rules 5.48 to 5.67 of the GEM Listing Rules. The Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard and code of conduct throughout the period under review. The Company was not aware of any non-compliance during the three months ended 31 March 2016.

## **SUBSTANTIAL SHAREHOLDERS OF INTEREST IN SHARES**

As at 31 March 2016, other than the interests and short positions of the Directors or chief executives of the Company disclosed above, person or corporation who had interests or short position in the shares or underlying shares or debentures of the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who was, directly or indirectly, interested in 5% or more of the number of shares carrying rights to vote in all circumstances at general meetings of the Company, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

### **Long Positions in Shares**

<b>Name of substantial shareholders</b>	<b>Capacity and nature of Interests</b>	<b>Number of shares held</b>	<b>Approximate percentage of the Company's issued share capital</b>
Mr. Tutuncu Oguz	Beneficial Owner	332,367,000	22.12%
Mr. Cheng Kwok Wo	Beneficial Owner	203,439,000	13.54%
Mr. Boyraci Osman	Beneficial Owner	80,000,000	5.32%

Save as disclosed above, as at 31 March 2016, the Directors or chief executives of the Company were not aware of any party who had an interest or short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly interested in 5% or more of the number of shares carrying rights to vote in all circumstances at general meetings of the Company, or substantial shareholders as recorded in the register required to be kept by the Company under Section 336 of the SFO.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES**

Apart from the share option scheme referred as above, at no time during the three months ended 31 March 2016 was any of the Company or of its associated corporations a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age 18, had any right to subscribe for the shares in, or debentures of, the Company, or had exercised any such rights.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

During the three months ended 31 March 2016, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

## **MANAGEMENT CONTRACTS**

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the period under review.

## **DIRECTORS' INTERESTS IN COMPETING BUSINESS**

During the three months ended 31 March 2016, same as disclosed elsewhere in this announcement, as far as the Directors are aware of, none of the Directors or the management shareholders of the Company or any of its respective associates (as defined in the GEM Listing Rules) has any interest in a business which competes or may compete with the business of the Group or has any other conflict of interest with the Group.

## **AUDIT COMMITTEE**

As at 31 March 2016, the audit committee of the Company (the “Audit Committee”) comprised four independent non-executive Directors, namely, Mr. Liu Kwong Sang, Ms. Lam Yuk Ying, Elsa, Ms. Choy So Yuk, *BBS, JP* and Mr. Leung Man Chun. Mr. Liu Kwong Sang is the chairman of the Audit Committee and applies his professional qualifications in accounting and financial expertise in directing the Audit Committee. The unaudited consolidated financial statements for the three months ended 31 March 2016 has been reviewed by the Audit Committee.

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

Hong Kong, 12 May 2016

*As of the date hereof, the executive Directors are Mr. Lau Yu and Mr. Bülent Yenil (Mr. Hung Tat Chi Alan as alternate Director); and the independent non-executive Directors are Ms. Lam Yuk Ying, Elsa, Mr. Liu Kwong Sang, Ms. Choy So Yuk, BBS, JP and Mr. Leung Man Chun.*