



## **Evershine Group Holdings Limited**

**永耀集團控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 8022)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016**

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

**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 and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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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\$50,912,000 (continuing operation: approximately HK\$48,806,000 and discontinued operation: approximately HK\$2,106,000) for the six months ended 30 June 2016 (2015: approximately HK\$15,368,000, continuing operation: approximately HK\$13,775,000 and discontinued operation: approximately HK\$1,593,000), representing an increase of approximately 231% as compared to the corresponding period in 2015, which is mainly attributable to an increase in commodities trading business.
- The loss for the period of the company was approximately HK\$15,552,000 for the six months ended 30 June 2016 (2015: approximately HK\$9,710,000), representing an increase of loss approximately 60% over the corresponding period in 2015.
- Loss from ordinary activities attributable to equity shareholders of the Company was approximately HK\$15,074,000 for the six months ended 30 June 2016 (loss in 2015: approximately HK\$8,804,000), representing an increase in loss of approximately 71% over the corresponding period in 2015.
- Basic loss per share for continuing and discontinued operations for the six months ended 30 June 2016 was approximately HK1.06 cents (2015: approximately HK1.07 cents) and loss per share for continuing operation was approximately HK1.03 cents (2015: approximately HK0.94 cents).
- The Directors do not recommend any payment of interim dividend nor transfer of any amount to reserve for the six months ended 30 June 2016 (2015: Nil).

## INTERIM RESULTS (UNAUDITED)

For the six months ended 30 June 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 six months and three months ended 30 June 2016 together with the unaudited comparative figures for the corresponding period in 2015 (the “Relevant Periods”) as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Unaudited Six months ended 30 June		Unaudited Three months ended 30 June	
		2016 HK\$'000	2015 HK\$'000 (Restated)	2016 HK\$'000	2015 HK\$'000 (Restated)
<b>Continuing operations</b>					
Turnover	2	48,806	13,775	21,509	5,506
Cost of services		(47,703)	(12,845)	(21,127)	(5,041)
Gross profit		1,103	930	382	465
Other income and gain	2	4,431	304	79	260
Operating and administrative expenses		(19,988)	(8,087)	(10,767)	(4,434)
<b>Loss from operations</b>		<b>(14,454)</b>	<b>(6,853)</b>	<b>(10,306)</b>	<b>(3,709)</b>
Finance costs	4	(1,186)	(856)	(161)	–
Loss before taxation	5	(15,640)	(7,709)	(10,467)	(3,709)
Taxation	6	916	(3)	491	(68)
Loss after taxation from continuing operations		(14,724)	(7,712)	(9,976)	(3,777)
<b>Discontinued operations</b>					
Loss from discontinued operations		(828)	(1,998)	–	(995)
<b>Loss for the period</b>		<b>(15,552)</b>	<b>(9,710)</b>	<b>(9,976)</b>	<b>(4,772)</b>

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

	Notes	Unaudited Six months ended 30 June		Unaudited Three months ended 30 June	
		2016 HK\$'000	2015 HK\$'000 (Restated)	2016 HK\$'000	2015 HK\$'000 (Restated)
<b>Attributable to:</b>					
<b>Equity shareholders of the Company</b>					
– From continuing operations		<b>(14,577)</b>	(7,711)	<b>(9,908)</b>	(3,778)
– From discontinued operations		<b>(497)</b>	(1,093)	<b>-</b>	(539)
		<b>(15,074)</b>	(8,804)	<b>(9,908)</b>	(4,317)
<b>Non-controlling interests</b>					
– From continuing operations		<b>(147)</b>	(1)	<b>(68)</b>	1
– From discontinued operations		<b>(331)</b>	(905)	<b>-</b>	(456)
		<b>(478)</b>	(906)	<b>(68)</b>	(455)
<b>Loss for the period</b>		<b>(15,552)</b>	(9,710)	<b>(9,976)</b>	(4,772)
<b>Loss per share</b>					
From continuing and discontinued operations					
– Basic and Diluted	9	<b>(1.06 cents)</b>	(1.07 cents)	<b>(0.66 cents)</b>	(0.47 cents)
From continuing operations					
– Basic and Diluted	9	<b>(1.03 cents)</b>	(0.94 cents)	<b>(0.66 cents)</b>	(0.41 cents)
From discontinued operations					
– Basic and Diluted	9	<b>(0.03 cents)</b>	(0.13 cents)	<b>(0 cents)</b>	(0.06 cents)

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited		Unaudited	
	Six months ended		Three months ended	
	30 June		30 June	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Loss for the period</b>	<b>(15,552)</b>	(9,710)	<b>(9,976)</b>	(4,772)
<b>Other comprehensive income for the period, net of tax</b>				
Items that may be reclassified subsequently to profit or loss				
Exchanged differences on translation of overseas financial statements of subsidiaries	<b>(1,594)</b>	–	<b>(482)</b>	–
Other comprehensive income for the period	<b>(1,594)</b>	–	<b>(482)</b>	–
<b>Total comprehensive expenses for the period</b>	<b>(17,146)</b>	(9,710)	<b>(10,458)</b>	(4,772)
Attributable to:				
Equity shareholders of the Company	<b>(16,640)</b>	(8,804)	<b>(10,359)</b>	(4,317)
Non-controlling interests	<b>(506)</b>	(906)	<b>(99)</b>	(455)
<b>Total comprehensive expenses for the period</b>	<b>(17,146)</b>	(9,710)	<b>(10,458)</b>	(4,772)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2016 HK\$'000 (Unaudited)	As at 31 December 2015 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment		53,452	1,165
Investment properties		44,949	–
Intangible assets	10	138,459	144,260
Interests in associates		19,272	19,272
Goodwill		10,997	10,997
		<b>267,129</b>	175,694
<b>Current assets</b>			
Inventories		48,113	14,984
Trade and other receivables	11	73,455	65,160
Deposit for acquisition of subsidiaries		10,000	10,000
Restricted bank deposits		2,517	2,550
Cash and cash equivalents		11,798	40,188
		<b>145,883</b>	132,882
<b>Current liabilities</b>			
Trade and other payables	12	32,179	23,200
Short-term loan		45,000	2,000
Promissory notes	13	28,195	27,170
		<b>105,374</b>	52,370
<b>Net current assets</b>		<b>40,509</b>	80,512
<b>Total assets less current liabilities</b>		<b>307,638</b>	256,206
<b>Non-current liabilities</b>			
Convertible note		25,800	38,523
Promissory notes	13	40,245	–
Deferred tax liability		–	916
		<b>66,045</b>	39,439
<b>NET ASSETS</b>		<b>241,593</b>	216,767
<b>CAPITAL AND RESERVES</b>			
Share capital	14	958,081	908,401
Reserves		(728,038)	(700,335)
<b>Total equity attributable to equity shareholders of the Company</b>		<b>230,043</b>	208,066
<b>Non-controlling interests</b>		<b>11,550</b>	8,701
<b>TOTAL EQUITY</b>		<b>241,593</b>	216,767

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### Attribution to equity shareholders of the Company

	Share capital	Exchange reserve	Statutory reserve	Convertible bond reserve	Other reserve	Accumulated losses	Total	Non- controlling interests	Total equity
	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
Issue of right shares	81,927	-	-	-	-	-	81,927	-	81,927
Issue of placing shares	34,207	-	-	-	-	-	34,207	-	34,207
Total comprehensive expenses for the period	-	-	-	-	-	(8,804)	(8,804)	(906)	(9,710)
At 30 June 2015 (Restated)	871,164	752	53	-	44	(708,290)	163,723	(20,563)	143,160
Issue of convertible bonds	-	-	-	11,063	-	-	11,063	-	11,063
Issue of placing shares	37,237	-	-	-	-	-	37,237	-	37,237
Disposal of subsidiaries	-	-	-	-	-	-	-	17,124	17,124
Acquisition of subsidiaries	-	-	-	-	-	-	-	12,740	12,740
Total comprehensive expenses for the period	-	(765)	-	-	-	(3,192)	(3,957)	(600)	(4,557)
At 31 December 2015	908,401	(13)	53	11,063	44	(711,482)	208,066	8,701	216,767
Total comprehensive expenses for the period	-	-	-	-	-	(15,074)	(15,074)	(478)	(15,552)
Exercise of convertible bonds	49,680	-	-	(11,063)	-	-	38,617	-	38,617
Disposal of subsidiaries	-	-	-	-	-	-	-	3,355	3,355
Exchange difference on translation of financial statement of overseas subsidiaries	-	(1,566)	-	-	-	-	(1,566)	(28)	(1,594)
At 30 June 2016	958,081	(1,579)	53	-	44	(726,556)	230,043	11,550	241,593

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2016

	Unaudited	
	Six months ended 30 June	
	2016	2015
	HK\$'000	HK\$'000
Net cash outflow from operating activities	<b>(42,548)</b>	(16,693)
Net cash outflow from investing activities	<b>(10,565)</b>	(36,276)
Net cash inflow from financing activities	<b>25,690</b>	72,760
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Net (decrease)/increase in cash and cash equivalents	<b>(27,423)</b>	19,791
Cash and cash equivalents at the beginning of period	<b>40,188</b>	7,163
Effect of foreign exchange rate changes	<b>(967)</b>	–
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Cash and cash equivalents at the end of period	<b>11,798</b>	26,954
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Analysis of balances of cash and cash equivalents:		
Cash and cash equivalents	<b>11,798</b>	26,954
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Notes:

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

The Group's unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS"), 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 financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules.

The accounting policies adopted in preparing the unaudited consolidated interim results are consistent with those adopted in the preparation of the annual audited consolidated 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 statement of profit or loss 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 unaudited condensed consolidated interim financial statements of the Group have been prepared in accordance with the HKAS 34 "Interim Financial Reporting" issued by the HKICPA.

The unaudited condensed consolidated interim financial statements of the Group have not been audited by the Company's auditors, 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, commodities trading business and the cemetery business. 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:

	Unaudited Six months ended 30 June		Unaudited Three months ended 30 June	
	2016 HK\$'000	2015 HK\$'000 (Restated)	2016 HK\$'000	2015 HK\$'000 (Restated)
Turnover				
Continuing operations				
Trading business	<b>32,399</b>	–	<b>12,475</b>	–
Revenue from travel agent services	<b>16,331</b>	13,775	<b>9,028</b>	5,506
Service income from mobile application	<b>76</b>	–	<b>6</b>	–
Sub-total	<b>48,806</b>	13,775	<b>21,509</b>	5,506
Discontinued operations				
Advertising and marketing services income	<b>2,106</b>	530	–	350
Artist management income and rental income	–	1,063	–	553
	<b>2,106</b>	1,593	–	903
Sub-total	<b>50,912</b>	15,368	<b>21,509</b>	6,409
Other income and gain				
Gain on disposal of subsidiaries	<b>3,794</b>	–	–	–
Sundries	<b>611</b>	301	<b>79</b>	257
Interest income	<b>26</b>	3	–	3
Sub-total	<b>4,431</b>	304	<b>79</b>	260
Total	<b>55,343</b>	15,672	<b>21,588</b>	6,669

### 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 six months ended 30 June 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>	16,331	76	32,399	-	2,106	-	50,912
Elimination of inter-segment revenue	-	-	-	-	-	-	-
Consolidated revenue	16,331	76	32,399	-	2,106	-	50,912
<b>Profit</b>							
Reportable segment loss	(50)	(4,931)	(636)	(1,521)	(828)	-	(7,966)
Elimination of inter-segment profits	-	-	-	-	-	-	-
Reported segment loss derived from the Group's external customers	(50)	(4,931)	(636)	(1,521)	(828)	-	(7,966)
Unallocated items:							
Other income and gain							4,431
Operating and administrative expenses							(11,747)
Finance costs							(1,186)
Loss before taxation							(16,468)
Taxation							916
Loss for the period							(15,552)
Attributable to:							
Equity shareholders of the Company							(15,074)
Non-controlling interests							(478)
Loss for the period							(15,552)

### 3. Segmental information (Continued)

(ii) For the six months ended 30 June 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>	13,775	32	2,060	1,063	16,930
Elimination of inter-segment revenue	-	(32)	(1,530)	-	(1,562)
Consolidated revenue	13,775	-	530	1,063	15,368
<b>Profit</b>					
Reportable segment profit/(loss)	(3)	(7)	782	(1,188)	(416)
Elimination of inter-segment profits	-	(32)	(1,530)	-	(1,562)
Reported segment loss derived from the Group's external customers	(3)	(39)	(748)	(1,188)	(1,978)
Unallocated items:					
Other income and gain					301
Operating and administrative expenses					(7,174)
Finance costs					(856)
Loss before taxation					(9,707)
Taxation					(3)
Loss for the period					(9,710)
Attributable to:					
Equity shareholders of the Company					(8,804)
Non-controlling interests					(906)
Loss for the period					(9,710)

**4. Finance costs**

	<b>Unaudited</b>		<b>Unaudited</b>	
	<b>Six months ended</b>		<b>Three months ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2016</b>	2015	<b>2016</b>	2015
	<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
Interest on promissory notes	<b>1,025</b>	855	–	–
Others	<b>161</b>	1	<b>161</b>	–
	<b>1,186</b>	856	<b>161</b>	–

**5. Loss before taxation**

Loss before taxation is arrived at after charging:

	<b>Unaudited</b>		<b>Unaudited</b>	
	<b>Six months ended</b>		<b>Three months ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2016</b>	2015	<b>2016</b>	2015
	<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
Amortisation of intangible assets	<b>5,800</b>	844	<b>2,900</b>	190
Depreciation	<b>254</b>	415	<b>200</b>	230
Operating lease charges in respect of property rentals	<b>1,341</b>	1,768	<b>947</b>	1,512
Staff costs including directors' emoluments	<b>3,387</b>	2,874	<b>1,220</b>	1,564

## 6. Taxation

No provision for Hong Kong Profits Tax has been made as the Group has no estimated 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 Periods. The applicable PRC income tax rate is 25%.

## 7. Directors' Remuneration

Directors' remuneration disclosed pursuant to the GEM Listing Rules and section 383(1) of the Hong Kong Companies Ordinance, are as follows:

	<b>Directors' Fees HK\$'000</b>	<b>Salaries, allowances and benefits in kind HK\$'000</b>	<b>Retirement scheme contributions HK\$'000</b>	<b>Total</b>
<b>For the six months ended 30 June 2016 (unaudited):</b>				
<b>Executive Directors</b>				
Lau Yu (note v)	-	-	-	-
Ang Lai Kuen (note vi)	170	-	6	176
Bülent Yenal (note ix)	-	-	-	-
<b>Alternate Director</b>				
Hung Tat Chi Alan (note x)	120	-	6	126
<b>Independent Non-Executive Directors</b>				
Choy So Yuk (note vii)	60	-	-	60
Lam Yuk Ying Elsa (note iii)	60	-	-	60
Liu Kwong Sang (note iv)	60	-	-	60
Leung Man Chun (note xi)	40	-	-	40
	<b>510</b>	<b>-</b>	<b>12</b>	<b>522</b>

## 7. Directors' Remuneration (Continued)

	Directors' Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Retirement scheme contributions HK\$'000	Total
<b>For the six months ended</b>				
<b>30 June 2015 (unaudited):</b>				
<b>Executive Directors</b>				
Lau Yu (note v)	–	–	–	–
Ang Lai Kuen (note vi)	7	–	–	7
Lin Yan Jenny (note i)	–	190	8	198
Wu Wenbei (note ii)	–	265	–	265
<b>Independent Non-Executive Directors</b>				
Choy So Yuk (note vii)	17	–	–	17
Lam Yuk Ying Elsa (note iii)	70	–	–	70
Liu Kwong Sang (note iv)	70	–	–	70
He Qinglong (note viii)	57	–	–	57
	221	455	8	684

### Notes:

- (i) Lin Yan Jenny, appointed as executive Director on 27 May 2013 and retired as executive Director on 20 May 2014, re-appointed as an executive Director on 23 May 2014 and resigned as executive Director on 10 June 2015.
- (ii) Wu Wenbei, appointed as executive Director on 20 June 2013 and chairman of the Company on 1 October 2014 and retired as executive Director and the chairman of the Company on 19 June 2015.

## 7. Directors' Remuneration (Continued)

Notes: (Continued)

- (iii) Lam Yuk Ying Elsa, appointed as independent non-executive Director on 2 September 2013.
- (iv) Liu Kwong Sang, appointed as independent non-executive Director on 16 January 2014 and retired as independent non-executive Director on 20 May 2014 and re-appointed as an independent non-executive Director on 23 May 2014.
- (v) Lau Yu, appointed as executive Director on 12 May 2015 and chairman of the Company on 19 June 2015.
- (vi) Ang Lai Kuen, appointed as executive Director on 26 June 2015 and resigned as executive Director on 18 April 2016.
- (vii) Choy So Yuk, BBS, JP, appointed as independent non-executive Director on 12 May 2015.
- (viii) He Qinglong, appointed as independent non-executive Director on 1 December 2014 and retired as independent non-executive Director on 19 June 2015.
- (ix) Bülent Yenal, appointed as executive Director on 11 January 2016.
- (x) Hung Tat Chi Alan, appointed as alternate Director to Mr. Bülent Yenal on 11 January 2016.
- (xi) Leung Man Chun, appointed as independent non-executive Director on 1 March 2016.

Mr. Bülent Yenal and Mr. Lau Yu have not entered into service contracts with the Company. There was no salary and director's fee payable to Mr. Bülent Yenal for his service as an executive Director, but he will be entitled to discretionary bonus as the remuneration committee of the Board may determine.

There was no amount paid to any Directors as an inducement to join or upon joining the Group or as compensation for loss of office. Mr. Lau Yu has agreed to waive his remuneration for the period ended 30 June 2016. Save for the above, there was no arrangement under which a director waived or agreed to waive any remuneration for the six months ended 30 June 2016 and the corresponding period in 2015.



## **8. Discontinued operations**

### *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.

## **9. Loss per share**

The calculation of the basic loss per share is based on loss attributable to ordinary equity shareholders (the "Shareholders") of the Company for the six months and three months ended 30 June 2016 of HK\$15,074,000 and HK\$9,908,000 respectively (2015: loss of HK\$8,804,000 and HK\$4,317,000 respectively) and the weighted average of 1,415,000,000 and 1,503,000,000 (2015: 823,184,000 and 926,379,000) ordinary shares respectively in issue during the period.

The diluted loss per share for the period is equal to the basic loss per share as the share options were anti-dilutive.

## **10. Intangible assets**

- (a) Travel agency licenses represent the rights to operate travel agency business within and outside the PRC. The useful life of travel agency licenses is 10 years.
- (b) Operating rights, which was acquired through acquisition of a subsidiary, represented the Group hold the PRC operating rights of a mobile game app of the name "Ninja in Barrel". The useful life of operating rights is 3 years.
- (c) Mobile application, which was acquired through business combination, represented an application specifically built for mobile device user named "Patalogue". The useful life of mobile application is 5 years.
- (d) Operating right of cemetery was acquired through acquisition of asset through acquisition of subsidiary, The useful life of cemetery is 10 years. No amortisation has been recognised since acquisition as the asset was not available for use.

## 11. Trade and other receivables

	<b>As at 30 June 2016 HK\$'000 (Unaudited)</b>	As at 31 December 2015 HK\$'000 (Audited)
Trade debtors (note a & b)	<b>33,245</b>	38,479
Other receivables	<b>11,902</b>	4,605
Rental and other deposits	<b>22,035</b>	20,742
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Loans and receivables	<b>67,182</b>	63,826
Prepayments	<b>6,273</b>	1,334
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	<b>73,455</b>	65,160
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(a) *Ageing analysis*

The ageing analysis of trade debtors at the reporting date is as follows:

	<b>As at 30 June 2016 HK\$'000 (Unaudited)</b>	As at 31 December 2015 HK\$'000 (Audited)
Within 1 month	<b>486</b>	8,112
More than 1 month but within 3 months	–	30,101
More than 3 months but within 6 months	<b>26,303</b>	16
More than 6 months	<b>6,456</b>	250
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	<b>33,245</b>	38,479
<hr/>		

## 11. Trade and other receivables (Continued)

### (b) Trade debtors that are not impaired

The ageing analysis of trade debtors that are neither individually nor collectively considered to be impaired are as follows:

	<b>As at 30 June 2016 HK\$'000 (Unaudited)</b>	As at 31 December 2015 HK\$'000 (Audited)
Neither past due nor impaired	<b>33,245</b>	38,229
Less than 1 month past due	<b>–</b>	250
	<b>33,245</b>	38,479

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

## 12. Trade and other payables

	<b>As at 30 June 2016 HK\$'000 (Unaudited)</b>	As at 31 December 2015 HK\$'000 (Audited)
Trade creditors (note a)	<b>14,608</b>	7,976
Other payables and accrued charges	<b>6,906</b>	6,535
Amounts due to related persons	<b>2,336</b>	3,659
Other taxes and government surcharges payables	<b>7</b>	3
	<b>23,857</b>	18,173
Financial liabilities measured at amortised cost	<b>23,857</b>	18,173
Receipts in advance (note b)	<b>8,322</b>	5,027
	<b>32,179</b>	23,200

## 12. Trade and other payables (Continued)

### (a) Ageing analysis

The ageing analysis of trade creditors at the reporting date is as follows:

	<b>As at 30 June 2016 HK\$'000 (Unaudited)</b>	As at 31 December 2015 HK\$'000 (Audited)
Within 1 month	<b>323</b>	1,900
More than 1 month but within 3 months	<b>7,422</b>	4,283
More than 3 months	<b>6,863</b>	1,793
	<b>14,608</b>	7,976

(b) The amounts represent prepaid service income from customers, for which the related services are expected to be rendered within one year from the reporting date.

## 13. Promissory notes

	<b>As at 30 June 2016 HK\$'000 (Unaudited)</b>	As at 31 December 2015 HK\$'000 (Audited)
At 1 January	<b>27,170</b>	43,000
Promissory notes issued	<b>40,245</b>	26,829
Settlement of promissory notes	–	(43,000)
Interest paid	–	(856)
Interest charge	<b>1,025</b>	1,197
	<b>68,440</b>	27,170

### 13. Promissory notes (Continued)

Notes:

- (a) On 30 November 2015, the Company issued promissory notes in the principal amount of HK\$30,320,000 (the "PN 6") for acquisition of entire issue share capital of Fortune Ford Limited. PN 6 bears an interest of 2% per annum and falls due on 30 November 2016. The fair value of PN 6 was approximately HK\$26,829,000.

Due to the short maturity date, the carrying amount of promissory note approximates to its fair value.

- (b) On 27 June 2016, the Company issued promissory notes in the principal amount of HK\$48,432,000 (the "PN 7") for acquisition of entire issue share capitals of Spring Hero Developments Limited and Sharp Pick Ventures Limited. PN 7 bears an interest of 6% per annum and falls due on 27 June 2018. The fair value of PN 7 was approximately HK\$40,245,000.

### 14. Share capital

	As at 30 June 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	<b>1,142,677</b>	<b>908,401</b>	560,137	755,030
Issue of right shares	–	–	280,068	81,927
Issue of placing shares	–	–	302,472	71,444
Exercise of convertible notes	<b>360,000</b>	<b>49,680</b>	–	–
At end of period/year	<b>1,502,677</b>	<b>958,081</b>	1,142,677	908,401

**15. Acquisition of properties through acquisition of subsidiaries**

In June 2016, the Company acquired 100% property interests in 15th and 16th Floor of Henan Building, Nos. 90 and 92 Jaffe Road and Nos. 15-19 Luard Road, Wanchai, Hong Kong through the acquisition of 100% equity interest in Spring Hero Developments Limited and Sharp Pick Ventures Limited with total gross floor area of approximately 6,975 square feet and total saleable floor area of approximately 4,670 square feet. The consideration of HK\$45,145,000 has been satisfied by the issue of promissory notes with principal amount of approximately HK\$48,432,000 and cash of HK\$4,900,000. The properties acquired was classified as investment properties by the acquiree companies and were at the time of acquisition, rented to the Group's companies and other lessees. At the date of acquisition, the Group recognised investment property of HK\$45 million and property, plant and equipment of \$45 million based on the floor areas leased out to other leasees and floor areas. The fair value of the consideration and net assets of Spring Hero Developments Limited and Sharp Pick Ventures Limited were revalued at the date of acquisition and the cash flow effect as follows:

The total net assets of Spring Hero Developments Limited and Sharp Pick Ventures Limited at the date of acquisition are as follows:

	<b>Spring Hero Developments Limited Fair value HK\$'000</b>	<b>Sharp Pick Ventures Limited Fair value HK\$'000</b>
Property, plant and equipment	–	44,830
Investment properties	44,983	–
Deposit, prepayment and other receivables	9	–
Accruals, deposits received and other payable	(794)	(883)
Loans payable	(22,000)	(21,000)
	<hr/>	<hr/>
Net identifiable assets and liabilities/Consideration	22,198	22,947
	<hr/>	<hr/>
Consideration satisfied by		
– Cash	2,450	2,450
– Promissory notes	19,748	20,497
	<hr/>	<hr/>
	22,198	22,947
	<hr/>	<hr/>
Analysis of the net outflow of cash and cash equivalents		
Cash consideration paid	2,450	2,450
	<hr/>	<hr/>
Net cash outflow	2,450	2,450

## 16. Disposal of subsidiaries

On 30 March 2016, the Group completed the disposal of the entire issued share capital of Creative Star Limited 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.

	HK\$'000
Account and other receivables	804
Cash and cash equivalents	15
Accounts and other payables	(7,962)
<hr/>	
Net liabilities disposed	(7,143)
Non-controlling interest	3,349
<hr/>	
	(3,794)
Consideration satisfied by cash	–
Less: Investment cost	–
Gain on disposal	(3,794)
<hr/>	
Analysis of the net outflow of cash and cash equivalents:	
Total Cash Consideration	–
Cash and cash equivalents disposed	(15)
<hr/>	
Net cash outflow	(15)
<hr/>	

## 17. Commitments

### (a) Operating lease commitments

As lessee

As at 30 June 2016, the Group had total future minimum lease payments under non-cancellable operating leases falling as follows:

	<b>As at 30 June 2016 HK\$'000 (Unaudited)</b>	As at 31 December 2015 HK\$'000 (Audited)
Within one year	<b>785</b>	1,099
In the second to fifth years	–	352
<hr/>		
	<b>785</b>	1,451
<hr/>		

## 17. Commitments (Continued)

### (a) Operating lease commitments (Continued)

As lessee (Continued)

The Group is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of 1 to 4 years. The leases did not include extension options. None of the leases includes contingent rentals.

As lessor

As at 30 June 2016, the Group had total future minimum lease receivable under non-cancellable operating leases with its tenants falling due as follows:

	<b>As at 30 June 2016 HK\$'000 (Unaudited)</b>	As at 31 December 2015 HK\$'000 (Audited)
Within one year	-	-
In the second to fifth years	-	-
	-	-

### (b) Capital commitment

As at 30 June 2016, the Group had the following capital commitment:

	<b>As at 30 June 2016 HK\$'000 (Unaudited)</b>	As at 31 December 2015 HK\$'000 (Audited)
Contracted but not provided for		
— Capital injection of a subsidiary	<b>3,503</b>	3,583

## 18. Interim dividend

The Directors do not recommend any payment of interim dividend nor transfer of any amount to reserve for the six months ended 30 June 2016 (2015: Nil).



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Financial Review**

#### *Liquidity and Financial Resources*

As at 30 June 2016, the total assets of the Group was approximately HK\$413 million (31 December 2015: HK\$309 million), including cash and bank balances of approximately HK\$14 million (31 December 2015: HK\$43 million). The gearing ratio of the Group expressed in total debt as a percentage of net assets was 71% (31 December 2015: 42.35%). The Group remained as net current assets and net assets position of approximately HK\$40.5 million and HK\$242 million respectively (31 December 2015: net current assets and net assets position of approximately HK\$80.5 million and HK\$217 million respectively). The gearing ratio was increased as at 30 June 2016 when compared with 31 December 2015 which is due to the issuance of promissory notes regarding the acquisition of Spring Hero Developments Limited and Sharp Pick Ventures Limited during the six months ended 30 June 2016.

#### *Charges on Group's Assets*

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

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

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

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 Company's announcement dated 24 December 2015.

### *Securities for the loans*

On 24 March 2016, the Company and the sole director and shareholder of Spring Hero Developments Limited (“Target Company A” or 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. There was a loan of HK\$22 million bearing an interest rate of 16.5% per annum and secured by the Target Company A’s property.

On 24 March 2016, the Company and the sole director and shareholder of Sharp Pick Ventures Limited (“Target Company B” or 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. There was a loan of HK\$21 million bearing an interest rate of 16.5% per annum and secured by the Target Company’s B property.

Subsequent to the completion of the acquisition, the term loans with a total principal amount of the \$43 million have been renewed on 18 July 2016. The term loans bear interest rate of 16.0% per annum with repayment period of 12 months. The loans were secured by first legal charges of the two aforementioned properties, the Company’s corporate guarantee, share mortgages of the Company’s two subsidiaries holding the two properties, debentures incorporating first floating charges over all assets of the Company’s two subsidiaries and rental assignment placed on one of the Company’s subsidiaries.

### *Turnover*

The unaudited consolidated turnover of the Group for the six months ended 30 June 2016 was approximately HK\$50,912,000 (2015: approximately HK\$15,368,000) representing an increase of approximately 231% over the corresponding period in 2015, which is mainly attributable to an increase in commodities trading business.

### *Loss for the period*

The loss for the period of the Company was approximately HK\$15,552,000 for the six months ended 30 June 2016 (2015: approximately HK\$9,710,000), representing an increase of loss of approximately 60% over the corresponding period in 2015, which is mainly attributable to an increase in operating and administrative expenses.

#### *Loss attributable to equity shareholders*

The loss attributable to equity shareholders of the Company was approximately HK\$15,074,000 for the six months ended 30 June 2016 (2015: approximately HK\$8,804,000).

#### *Basic loss per share*

For the six months ended 30 June 2016, basic loss per share was approximately HK1.06 cents (2015: approximately HK1.07 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 six months ended 30 June 2016 as the Board considers that the potential foreign exchange exposure of the Group is limited.

#### *Commitments*

The details of the capital commitments incurred during the period ended 30 June 2016 are set out in note 17.

#### *Contingent liabilities*

As at 30 June 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 30 June 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 has delivered the financial statements for the year ended 31 December 2015 to the Registrar of Companies of Hong Kong 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 the year ended 31 December 2015. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; 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.

## **Issue of Convertible Notes**

Pursuant to the Company's announcement dated 3 June 2016, the Company has completed the issue of convertible notes of principal amount of HK\$30,000,000 (the "Convertible Notes A"). On the assumption that the Convertible Notes A would be converted into conversion shares (the "Conversion Shares") in full at the initial conversion price of HK\$0.4 per Conversion Share, the 75,000,000 Conversion Shares represent approximately 4.99% of the existing issued share capital of the Company and approximately 4.75% of the issued share capital of the Company as to be enlarged by the allotment and issue of the Conversion Shares. The net proceeds of the subscription of approximately HK\$25 million will be applied towards appropriate acquisition and investment opportunities of the Group and the considerations thereof and general working capital of the Group.

Please refer to the Company's announcements dated 16 May 2016 and 3 June 2016 for details.

## **Employees and Remuneration Policy**

The total of employee remuneration, including that of the Directors, for the six months ended 30 June 2016 amounted to approximately HK\$3,897,000. The Group remunerates its employees based on their performance, experience and the prevailing industry practice.

## **Operational Review and Prospect**

### *Travel agency business*

The financial results of the travel agency business were unsatisfied due to slower economy and stronger competition. The operating cost has been increasing as a result the business is unprofitable. The Group has entered into a 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*

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 performance of the mobile application 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. As a result, the mobile application has to be frequently updated to cope with the payment calculation policy of the mobile service providers in China, and therefore, severely impeded the development and enhancement schedule of the mobile application.

#### *Commodities 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. The commodities trading business has become a new contributor to the revenue of the Group. 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. The operating subsidiary of the cemetery has rented a piece of land adjacent to the cemetery and is applying for enlarging the size of the cemetery to 136 Mu. Once approved, the total saleable burial plot will be increased substantially. The 1st phase renovation of the cemetery is expected to be finished before end of August 2016. 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” or 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” or 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.

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.

Upon the SH Completion and the SP Completion, the Target Companies will become wholly-owned subsidiaries of the Company and the acquisition was completed on 27 June 2016.

Details refer to the Company’s announcements dated 24 March 2016, 19 April 2016, 6 May 2016, 20 May 2016, 27 June 2016, 5 July 2016 and circular dated 24 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 (the “Long Stop Date”).

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.

On 14 June 2016, the Vendors and the Company by way of extension letter, have extended the Long Stop Date to 30 September 2016.

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.

The Company has identified the Property Project in Turkey. In order to conduct feasibility study regarding the initial design of the Property Project and also to provide the construction blueprint of the Property Project, on 16 May 2016 (after trading hours), Ottoman Evershine Development Limited, a wholly owned subsidiary of the Company, entered into the Consultancy Agreement with The 6th Engineering Bureau of China City Construction Holding Group Company regarding the provision of technical engineering consultancy services by The 6th Engineering Bureau of China City Construction Holding Group Company.

Details please refer to the Company's announcements dated 5 February 2016, 6 May 2016, 16 May 2016 and 18 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 30 June 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	272,929,000	–	18.16%

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

Save as disclosed above, as at 30 June 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 30 June 2016. As at the date of this announcement, no options have been granted under the 2016 Share Option Scheme since its adoption.

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

Other than as disclosed under the sections "Share Option Schemes" and "Directors' and chief executives' interests and short position in the shares, underlying shares and debentures" above, at no time during the six months ended 30 June 2016 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

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

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules ("Model Code"). The Company has confirmed, having made specific enquiry of the Directors, that all the Directors have complied with the required standards of dealings as set out in the Model Code throughout the period under review. The Company was not aware of any non-compliance during the six months ended 30 June 2016.

## **SUBSTANTIAL SHAREHOLDERS' INTEREST IN SHARES**

As at 30 June 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	345,792,000	23.01%
Mr. Boyraci Osman	Beneficial Owner	95,513,000	6.36%

Save as disclosed above, as at 30 June 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.

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

During the six months ended 30 June 2016, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

## **COMPETING INTERESTS**

During the six months ended 30 June 2016, as far as the Directors are aware of, none of the Directors or the management shareholders of the Company (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**

The Company has established an audit committee with written terms of reference based upon the guidelines recommended by the Hong Kong Institute of Certified Public Accountants. The primary duties of the audit committee of the Company (the "Audit Committee") are the review and supervision of the Group's financial and accounting policies and practices, financial controls, internal controls and risk management systems. 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.

The Audit Committee has reviewed with the management of the Company, the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited consolidated financial statements for the six months ended 30 June 2016.

## **CORPORATE GOVERNANCE**

For the six months ended 30 June 2016, the Company has complied with all the code provisions as set out in the Corporate Governance Code (the “CG Code”) in Appendix 15 of the GEM Listing Rules except for the code provisions A.2.1, A.4.1, A.6.7 and E.1.2 of the CG Code, as set out below.

According to code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. During the period under review, Mr. Lau Yu is the chairman of the Company but the Company does not have a chief executive officer (the “CEO”). The Board will keep reviewing the current structure of the Board from time to time and should candidates with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the post of the CEO as appropriate and will make further announcement in due course.

According to code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term of service. None of the independent non-executive Directors have entered into a service contract or an appointment letter with the Company for a specific term of service but their appointments are subject to retirement by rotation and offers themselves for re-election at the annual general meeting at least once for every three years in accordance with the articles of association of the Company. The Company believes such practice meets the same objective and is no less exacting than those prescribed under code provision A.4.1.

Under the code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. In addition, Under the code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting and he should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. During the six months ended 30 June 2016, the annual general meeting of the Company held on 17 May 2016 and an extraordinary general meeting of the Company held on 10 June 2016, the chairmen/chairladies of the Board committees of the Company were absent for other business engagement. But the absented Directors have appointed the Chairman, other executive Directors or another member of the committee as their representative at the respective general meetings to answer questions of the shareholders of the Company. In the future, the Company will try its best to encourage and ensure the independent non-executive Directors will attend the general meetings.



## **CHANGES IN INFORMATION OF DIRECTORS**

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the Company discloses the changes in information of the Directors as follows:

On 11 January 2016, Mr. Bülent Yenel (“Mr. Yenel”) has been appointed as executive Director and Mr. Hung Tat Chi Alan has been appointed as alternate Director to Mr. Yenel.

On 1 March 2016, Mr. Leung Man Chun has been appointed as an independent non-executive Director and a member of the audit committee, the remuneration committee and the nomination committee of the Company.

On 18 April 2016, Ms. Ang Lai Kuen has resigned as an executive Director.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

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

Hong Kong, 8 August 2016

*As of the date hereof, the executive Directors are Mr. Lau Yu and Mr. Bülent Yenel (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.*