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Evershine Group Holdings Limited

永耀集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 8022)

MAJOR AND CONNECTED TRANSACTION SUPPLEMENTAL DEED IN RELATION TO ACQUISITION OF AN ADDITIONAL 30% EQUITY INTEREST IN THE TARGET COMPANY INVOLVING THE ISSUE OF THE PROMISSORY NOTE

Reference is made to the Announcement of Evershine Group Holdings Limited (the “**Company**”) dated 6 June 2017 in relation to, among other things, the acquisition of the Sale Shares, representing 30% equity interest in the Target Company involving the issue of the Promissory Note. Unless the context otherwise requires, terms used in this announcement shall have the same meanings as those defined in the Announcement.

THE SUPPLEMENTAL DEED

The Board announces that on 6 November 2017, the parties to the Sale and Purchase Agreement, namely, the Purchaser, the Vendor and the Target Company, entered into the Supplemental Deed to the Sale and Purchase Agreement pursuant to which the parties have agreed to certain amendments to the terms of the Sale and Purchase Agreement.

Payment of Consideration

As set out in the Announcement, pursuant to the Sale and Purchase Agreement, the total consideration for the Acquisition was USD6.55 million (approximately equivalent to HK\$51.09 million) which shall be satisfied by i) an upfront refundable cash deposit of USD2 million (approximately equivalent to HK\$15.60 million) which shall be paid within seven Business Days from the date of the Sale and Purchase Agreement; and ii) the Purchaser by procuring the Company to issue a Promissory Note in the principal amount of USD4.55 million (approximately equivalent to HK\$35.49 million) which shall carry an interest rate of 13% per annum, which is to be delivered to the Vendor by Purchaser on the date of Closing and is payable on the second anniversary date from the date of issue in favour of the Vendor.

Pursuant to the Supplemental Deed, it has been agreed that the Consideration for the Acquisition shall be an amount of up to USD6.55 million and the Consideration shall be payable by the Purchaser to Vendor in three tranches:

- (a) the refundable cash deposit of USD2 million shall be payable by the Purchaser to the Vendor in cash within seven Business Days from the date of Sale and Purchase Agreement (or such later date as the parties hereto may agree);
- (b) as to USD3,438,770 shall be payable by the Purchaser to the Vendor by way of the delivery of the Promissory Note A in the principal amount of USD3,438,770 on the date of Closing; and
- (c) as to the Deferred Consideration of up to USD1,111,230 shall be payable by the Purchaser to the Vendor by way of the delivery of the Promissory Note B in the principal amount of up to USD1,111,230 (subject to adjustment) within seven Business Days of the date the Valuer provides the signed valuation report together with the Valuation Certificate of the fair value of the Projects on the Deferred Consideration Date. It has been agreed that the Deferred Consideration Date, on which date all the Title Documents in relation to the Projects shall be obtained by the Target Company, shall be on or before 30 September 2019 (or such later date as the Vendor and the Purchaser may mutually agree in writing).

Deferred Consideration

Pursuant to the Supplemental Deed, it is agreed the Deferred Consideration will be calculated as the lower of (1) the Adjusted Fair Value of the Projects as at the Deferred Consideration Date or (2) USD1,111,230.

Adjusted Fair Value

Pursuant to the Supplemental Deed, it is agreed that Adjusted Fair Value of the Projects shall be an amount equal to thirty per cent (30%) of fair value of the Projects at the Deferred Consideration Date as contained in the Valuation Certificate less the actual costs (including but not limited to any construction and development costs) incurred in respect of the Projects up to and including the Deferred Consideration Date.

Guarantee

Pursuant to the Supplemental Deed, the Vendor irrevocably warrants and guarantees to the Purchaser that the Adjusted Fair Value of the Projects shall not be less than zero. In the event that the Adjusted Fair Value of the Projects shall be negative in value, the Purchaser shall not be obliged to pay any of the Deferred Consideration and the Company shall not issue the Promissory Note B, and the Vendor shall pay the Purchaser in cash an amount equivalent to the Adjusted Fair Value (expressed in absolute value) within seven Business Days of the Deferred Consideration Date.

Valuation Report

Pursuant to the Supplemental Deed, it is agreed that the valuation report on the Projects shall be prepared by an independent professional Valuer to be appointed by the Target Company and agreed by the Vendor and the Purchaser within one month from the Deferred Consideration Date. The costs and expenses of the Valuer shall be borne by the Target Company. The Vendor and the Purchaser shall supply to the Valuer such information and records and allow the Valuer such access to their respective properties and facilities as the Valuer may reasonably require for their preparation of the valuation report.

The Directors (including the independent non-executive Directors) are of the view that the Supplemental Deed and the transactions contemplated thereunder are on normal commercial terms or better in the ordinary and usual course of business of the Group, and in the interests of the Company and its shareholders as a whole.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Adjusted Fair Value”	an amount equal to thirty per cent (30%) of fair value of the Projects at the Deferred Consideration Date as contained in the Valuation Certificate less the actual costs (including but not limited to any construction and development costs) incurred in respect of the Projects up to and including the Deferred Consideration Date
“Announcement”	announcement of the Company dated 6 June 2017
“Consideration”	The total consideration for the Acquisition, which amount shall be up to USD6.55 million and subject to adjustment based on the Adjusted Fair Value of the Projects
“Deferred Consideration”	the remaining balance of the Consideration of up to USD 1,111,230 (subject to adjustment) that shall be payable by the Purchaser to the Vendor by way of the delivery of the Promissory Note B within seven Business Days of the date the Valuer provides signed copies of the valuation report together with the Valuation Certificate of the fair value of the Projects
“Deferred Consideration Date”	the date on which all the Title Documents are obtained by the Company, which shall be not later than 30 September 2019 (or such later date as the Vendor and the Purchaser may mutually agree in writing)

“Projects”	the construction projects to be engaged by the Target Company known as Project Iclaliye and Project Hurrem
“Promissory Notes”	the Promissory Note A and Promissory Note B in the aggregate principal amount of up to USD4,550,000 in the agreed form to be issued by the Company for the purpose of settling part of the Consideration and each payable by the Company on or before the second anniversary date from the date of issue
“Promissory Note A”	the promissory note in the principal amount of USD3,438,770 to be issued by the Company on the date of Closing
“Promissory Note B”	the promissory note in the principal amount of up to USD1,111,230 (subject to adjustments) to be issued by the Company within seven Business Days of the date of the Valuation Certificate
“Supplemental Deed”	a supplemental deed dated 6 November 2017 to the Sale and Purchase Agreement
“Title Documents”	all the relevant title documents including but not limited to all the relevant occupancy permit(s) in relation to the Projects
“Value Certificate”	a certificate of the fair value of the Projects provided by the Valuer as at the Deferred Consideration Date
“Valuer”	an independent professional valuer to be appointed by the Target Company and agreed by the Vendor and the Purchaser

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board of
Evershine Group Holdings Limited
Chan Ming Kei
Executive Director and Company Secretary

Hong Kong, 6 November 2017

As at the date hereof, the executive Directors are Mr. Chan Ming Kei, Mr. Hung Tat Chi Alan and Mr. Ling Ko Yin Jason; the non-executive Director is Mr. Chan Wai Kit; and the independent non-executive Directors are Ms. Choy So Yuk, BBS, JP, Ms. Lam Yuk Ying Elsa and Mr. Leung Man Chun.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and on the Company’s website at www.evershinegroup.com.hk.