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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)

MEMORANDUM OF UNDERSTANDING IN RESPECT OF POSSIBLE ACQUISITION OF PROPERTIES IN TURKEY

This announcement is made by the Company on a voluntary basis.

The Board is pleased to announce that on 9 May 2018 (after trading hours), the Purchaser, an indirect wholly owned subsidiary of the Company, entered into the non-legally binding MOU with the Vendor in relation to the Proposed Acquisition.

THE MOU

Date: 9 May 2018 (after trading hours)

Parties:

- (i) The Vendor
- (ii) The Purchaser

The Vendor is a company incorporated in Turkey and is one of the beneficiary owners and a substantial shareholder of the property development project (the “**Project**”) located in Bodrum Province, Gündoğan District, Turkey (the “**Property**”), which consists of 20 villas and 17 apartments holiday units with construction area of 10,000m² (ten thousand square meters) and saleable area of 8,000m² (eight thousand square meters). The Project is expected to be completed within the year of 2019.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

The Purchaser is a company incorporated in Turkey and is an indirect wholly owned subsidiary of the Company.

Major terms of the MOU

Pursuant to the MOU, the Purchaser has the intention to acquire and the Vendor has the intention to sell or cause to sell a certain amount of villa(s) and/or apartment(s) of the Property (the “**Selected Property(ies)**”).

The proposed acquisition of the Selected Properties (the “**Proposed Acquisition**”) is subject to, among others, the execution and completion of the formal sale and purchase agreement (“**Formal Agreement**”) by the parties.

The consideration and the payment method for the Proposed Acquisition shall be subject to further negotiations between the parties but the final consideration for the Proposed Acquisition (the “**Final Consideration**”) shall not exceed US\$30,000,000 (US Dollars Thirty Million) and shall be determined under the Formal Agreement.

The Purchaser shall conduct legal due diligence review, independent valuation review and inspection on the Property.

It is the intention of the parties that the Purchaser shall have the rights (the “**Put Option**”) within a period of 18 months after the date of completion the Formal Agreement and at its full discretion to sell all or part of the Selected Property(ies) to the Vendor at the price equivalent to the 130% of the Final Consideration of relevant Selected Property(ies).

Under the MOU, the Purchaser has exclusive negotiation right regarding the Proposed Acquisition for a period of six (6) months (“**Exclusive Period**”) from the date of this MOU. During the Exclusive Period, the Vendor agrees that it shall not directly or indirectly negotiate or agree with any other party relating to the Proposed Acquisition or do anything which is inconsistent with the Proposed Acquisition.

The MOU shall terminate upon the earlier of; (i) expiry of the Exclusive Period; or (ii) execution of the Formal Agreement relating to the Proposed Acquisition; or (iii) not less than seven (7) days’ written notice of termination of the MOU being given by any party to the other.

Reasons for the entering into of the MOU

The Company is a company incorporated in Hong Kong with limited liability. The principal activities of the Group involve trading business, property development and investment business, money lending business, cemetery business and mobile application business.

The Property is located in Bodrum, a city on the southern coast of Bodrum Peninsula, Turkey. Being a gateway to nearby beach towns and resorts and a famous destination for sailing activities, tourism has become one of the major activities in Bodrum over the years and experienced economic development. Over a million of visitors including local and foreign visitor travel to the city each summer. Today, there are large number of restaurants and shops in Bodrum and English is widely spoken. The city is well served with air transportation network locally and internationally that hundreds of flights land every week. In regards to the property market, according to a year-end report from the Turkish Statistical Institute, Turkey saw a 22% spike in home sales to foreign buyers in 2017.

The Board is of the view that the acquisition of properties in Bodrum aligns with the activities and plan of the property development and investment segment of the Group.

The Board has actively seeking appropriate opportunities to maximize the return of its shareholders. Given the potential growth in the property market in Turkey and the protection under the Put Option, the Group considers that the terms and conditions of the MOU is in the benefits of the Group.

The Board is of the view that the terms of the MOU are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

The Board wishes to emphasise that the MOU does not create legally binding obligation to consummate the Proposed Acquisition and the Proposed Acquisition may or may not proceed. Shareholders and potential investors of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcement(s) in respect of the Proposed Acquisition will be made by the Company as and when appropriate in compliance with the GEM Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Evershine Group Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on GEM (stock code: 8022)
“connected persons”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	any person(s) or company(ies) and its/their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and connected persons of the Company in accordance with the GEM Listing Rules
“MOU”	the non-legally binding memorandum of understanding dated 9 May 2018 and entered into between the Vendor and the Purchaser
“PRC”	the People’s Republic of China
“Purchaser”	Ottoman Evershine İnşaat Proje Ticaret Anonim Şirketi, a company incorporated in Turkey and a wholly owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Seba İnşaat Anonim Şirketi, a company incorporated in Turkey
“%”	per cent
“HK\$”	Hong Kong dollars
“US\$”	United States dollars, the lawful currency of the United States of America

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

Hong Kong, 9 May 2018

As of the date hereof, the executive Directors are 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 website of the Company at <http://www.evershinegroup.com.hk>