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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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Financial adviser to the Company

AmCap

Ample Capital Limited

豐盛融資有限公司

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 3 January 2020 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 360,708,000 Subscription Shares at the Subscription Price of HK\$0.026 per Subscription Share. The Subscription Shares represent (i) approximately 20.00% of the existing total number of issued Shares, being 1,803,541,356 Shares, as at the date of this announcement; and (ii) approximately 16.67% of the enlarged total number of issued Shares of 2,164,249,356 Shares immediately following Completion, assuming that there will be no change in the total number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and Completion. The gross proceeds and net proceeds from the issue of the Subscription Shares are estimated to be approximately HK\$9.38 million and HK\$9.32 million, respectively. The Company intends to use the net proceeds for the purpose of repayment of the outstanding indebtedness and general working capital of the Group.

Completion is subject to fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 3 January 2020 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 360,708,000 Subscription Shares at the Subscription Price of HK\$0.026 per Subscription Share.

The Subscription Agreement

Date: 3 January 2020 (after trading hours)

Parties: (1) the Company, as Issuer and
(2) Mr. Wong Tai Kuen, an individual, as Subscriber

Subscription Shares: 360,708,000 Subscription Shares

Subscription Price: HK\$0.026 per Subscription Share

Mr. Wong Tai Kuen is a Hong Kong resident and a private investor. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Subscriber is an Independent Third Party.

The Subscription Shares

Pursuant to the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 360,708,000 Subscription Shares, representing:

- (1) approximately 20.00% of the existing total number of issued Shares, being 1,803,541,356 Shares, as at the date of this announcement; and
- (2) approximately 16.67% of the enlarged total number of issued Shares of 2,164,249,356 Shares immediately following Completion, assuming that there will be no change in the total number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and Completion.

Subscription Price

The Subscription Price of HK\$0.026 per Subscription Share represents:

- (i) a discount of approximately 7.14% to the closing price of HK\$0.028 per Share as quoted on the Stock Exchange on 3 January 2020, which is the date of the Subscription Agreement;
- (ii) a discount of approximately 10.34% to the average closing price of approximately HK\$0.029 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the date of the Subscription Agreement; and
- (iii) a discount of approximately 16.13% to the average closing price of approximately HK\$0.031 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to the date of the Subscription Agreement.

The Subscription Price was determined after arm's length negotiation between the Company and the Subscriber with reference to, among other matters, the prevailing market prices of the Shares.

The Directors consider that the terms of the Subscription Agreement (including the Subscription Price) are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Taking into account the expenses of the Subscription in the amount of approximately HK\$60,000, the net price per Subscription Share will be approximately HK\$0.0258.

Ranking of the Subscription Shares

The Subscription Shares will be issued under the General Mandate and will rank, when issued and fully paid up, pari passu in all respects with all of the Shares in issue as at the date of allotment and issue of the Subscription Shares.

Lock-up period

The Subscriber unconditionally and irrevocably undertakes with the Company that within a period of six (6) months from the date of issue of the Subscription Shares, he will not, save with the prior written consent of the Company (provided that such consent shall not be unreasonably withheld or delayed), dispose of any of the Subscription Shares allotted and issued to him pursuant to the Subscription Agreement or any interests therein.

Conditions

Completion is conditional upon the fulfilment or waiver (as the case may be) of the following conditions:

- (1) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Subscription Shares and such approval has not been revoked prior to Completion;
- (2) there shall not have occurred any material breach or any event render untrue or inaccurate in any material respect, any of the warranties under the Subscription Agreement;
- (3) the Shares remaining listed and traded on the Stock Exchange at all times from the date of the Subscription Agreement up to the date of Completion, save for any temporary suspension not exceeding seven (7) consecutive trading days (other than any temporary suspension relating to the clearance of any announcement in respect of the Subscription Agreement), or such longer period as the Subscriber may accept; and
- (4) no indication being received on or before the date of Completion from the Stock Exchange and/or the Securities and Futures Commission of Hong Kong to the effect that the listing of the Shares or Subscription Shares (as the case may be) on the Stock Exchange will or may be withdrawn or objected to (or conditions will or may be attached thereto) as a result of Completion or in connection with the terms of the Subscription Agreement.

If the above conditions are not fulfilled or waived on or before 3 February 2020 or such later date as may be agreed between the parties, the Subscription Agreement will lapse and become no further effect and the parties will be released from all obligations thereunder, save for, among others, the liabilities for any antecedent breaches thereof. The condition set out in (1) above is not waivable by the Company or the Subscriber.

Completion

Completion will take place on the fifth Business Day following the fulfillment or waiver (as the case may be) of all Conditions Precedent, or such other date as the parties to the Subscription Agreement may agree in writing.

GENERAL MANDATE

The Subscription Shares will be allotted and issued by the Company pursuant to the General Mandate which has been granted to the Directors to allot and issue up to 360,708,271 Shares, representing 20% of the total number of Shares in issue as at the date of the AGM.

As at the date of this announcement, the Company has conditionally agreed to allot or issue 360,708,000 Shares under the General Mandate. Accordingly, the General Mandate is sufficient for the allotment and issue of the Subscription Shares, and the issue of the Subscription Shares is not subject to the approval of the Shareholders.

APPLICATION FOR LISTING

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Group principally engages in trading business, cemetery business, property development and investment business, money lending business and mobile application business.

The Directors are of the view that the Subscription can strengthen the financial position of the Group and provide funding to the Group to meet any future development and obligations. The Subscription also represents a good opportunity to broaden capital base of the Company. The Directors consider that the Subscription is in the interest of the Company and the Shareholders as a whole.

As disclosed above, assuming the Subscription Shares are issued, the net proceeds from the Subscription are estimated to be approximately HK\$9.32 million. It is intended that the net proceeds from the Subscription will be applied for the repayment of the outstanding indebtedness and the general working capital of the Group.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Details of the fund raising activities carried out by the Company in the past twelve (12) months immediately preceding the date of this announcement are set out below:

Date of announcement	Event	Net proceeds and early redemption	Actual use of proceeds
13 November 2018	Issue of convertible notes in the principal amount up to HK\$300,000,000	One note with an amount of HK\$1,000,000 was converted and 864,000 Shares were issued on 25 February 2019. Net proceeds of HK\$980,000 was received from this conversion. There was early redemption of the outstanding convertible notes on 13 November 2019.	General working capital of the Group

Save as disclosed above, the Company had not conducted any other fund raising activity in the past twelve (12) months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Subscription (assuming there will be no other change in the issued share capital of the Company other than the issue of the Subscription Shares) between the date of this announcement and Completion are set out as follows:

Shareholders	As at the date of this announcement		Upon allotment and issue of the Subscription Shares	
	No. of Shares	%	No. of Shares	%
Chiu Ngai Hung	260,526,000	14.45%	260,526,000	12.04%
Boyraci Osman	193,362,000	10.72%	193,362,000	8.93%
Lau Yu (<i>Note</i>)	165,919,000	9.20%	165,919,000	7.66%
The Subscriber	3,000,000	0.16%	363,708,000	16.81%
Other public Shareholders	1,180,734,356	65.47%	1,180,734,356	54.56%
Total	1,803,541,356	100.00%	2,164,249,356	100.00%

Note: Mr. Lau Yu beneficially owned 165,919,000 Shares, of which 164,653,000 Shares were owned by Noble Ace Investments Ltd., a company wholly owned by Mr. Lau Yu.

Completion is subject to fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“AGM”	the annual general meeting of the Company held on 13 June 2019 at which the General Mandate was granted to the Directors
“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays and Sundays) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Evershine Group Holdings Limited, a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on the GEM (Stock Code: 8022)
“Completion”	completion of the Subscription
“Director(s)”	director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue or deal with up to 360,708,271 Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party”	third party independent of, not connected or acting in concert (as defined in the Codes on Takeovers and Mergers and Share Buy-backs) with the Company and any of its connected persons or any of their respective associates (as defined under the GEM Listing Rules)
“Subscription”	the subscription of the Subscription Shares under the Subscription Agreement
“Subscription Agreement”	the conditional Subscription agreement entered into between the Company and the Subscriber dated 3 January 2020 in relation to the Subscription under the General Mandate
“Subscription Price”	HK\$0.026 per Subscription Share
“Subscription Shares”	360,708,000 new Shares to be issued and allotted by the Company to the Subscribers, representing approximately 20.00% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.67% of the enlarged issued share capital of the Company immediately after Completion
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

On behalf of the Board
Evershine Group Holdings Limited
Hung Tat Chi Alan
Executive Director

Hong Kong, 3 January 2020

As of the date hereof, the executive Directors are Mr. Hung Tat Chi Alan, Mr. Ling Ko Yin Jason and Ms. Keung Yat Fai Janice; 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>