



Evershine Group Holdings Limited

永耀集團控股有限公司

(Incorporated in Hong Kong with limited liability)  
Stock Code : 8022

Third Quarterly Report **2015**

## **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 report, for which the directors of EVERSHINE GROUP HOLDING 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 report 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 report misleading.*

## HIGHLIGHTS

- The Group achieved a turnover of approximately HK\$20,839,000 (continuing operation: approximately HK\$19,266,000 and discontinued operation: approximately HK\$1,573,000) for the nine months ended 30 September 2015 (2014: approximately HK\$24,049,000, continuing operation: approximately HK\$22,842,000 and discontinued operation: approximately HK\$1,207,000), representing a decrease of approximately 13.34% as compared to corresponding period in 2014, which is mainly attributable to a decrease of income from travel agent services and advertising and marketing services.
- The loss for the period of the Company was approximately HK\$14,740,000 for the nine months ended 30 September 2015 (2014: approximately HK\$14,804,000), representing a decrease of approximately 0.4% over the corresponding period in 2014.
- Loss from ordinary activities attributable to equity shareholders of the Company was approximately HK\$13,428,000 for the nine months ended 30 September 2015 (loss in 2014: approximately HK\$13,157,000), representing an increase of approximately 2% over the corresponding period in 2014.
- Basic loss per share for continuing and discontinued operations for the nine months ended 30 September 2015 was approximately HK1.55 cents (2014: approximately HK2.35 cents) and loss per share for continuing operation was approximately HK1.45 cents (2014: approximately HK2.13 cents).
- The Directors do not recommend any payment of dividend nor transfer of any amount to reserve for the nine months ended 30 September 2015 (2014: Nil).

## THIRD QUARTERLY RESULTS (UNAUDITED)

For the nine months ended 30 September 2015

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 nine months and three months ended 30 September 2015 together with the unaudited comparative figures for the corresponding periods in 2014 (the “Relevant Periods”) as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Unaudited Nine months ended 30 September		Unaudited Three months ended 30 September	
		2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
<b>Continuing operations</b>					
Turnover	2	<b>19,266</b>	22,842	<b>4,961</b>	9,707
Cost of services		<b>(17,748)</b>	(21,055)	<b>(4,616)</b>	(9,341)
Gross profit		<b>1,518</b>	1,787	<b>345</b>	366
Other income and gain	2	<b>464</b>	94	<b>160</b>	20
Operating and administrative expenses		<b>(14,205)</b>	(11,617)	<b>(5,065)</b>	(3,122)
<b>Loss from operations</b>		<b>(12,223)</b>	(9,736)	<b>(4,560)</b>	(2,736)
Finance costs	4	<b>(856)</b>	(2,842)	–	(1,267)
Loss before taxation	5	<b>(13,079)</b>	(12,578)	<b>(4,560)</b>	(4,003)
Taxation	6	<b>62</b>	–	<b>65</b>	–
Loss after taxation from continuing operations		<b>(13,017)</b>	(12,578)	<b>(4,495)</b>	(4,003)
<b>Discontinued operations</b>					
Loss from discontinued operations		<b>(1,723)</b>	(2,226)	<b>(535)</b>	(402)
<b>Loss for the period</b>		<b>(14,740)</b>	(14,804)	<b>(5,030)</b>	(4,405)

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

	Notes	Unaudited		Unaudited	
		Nine months ended		Three months ended	
		30 September		30 September	
		2015	2014	2015	2014
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Attributable to:</b>					
<b>Equity shareholders of the Company</b>					
– From continuing operations		(12,549)	(11,903)	(4,326)	(3,638)
– From discontinued operations		(879)	(1,254)	(273)	(324)
		(13,428)	(13,157)	(4,599)	(3,962)
<b>Non-controlling interests</b>					
– From continuing operations		(468)	(675)	(169)	(365)
– From discontinued operations		(844)	(972)	(262)	(78)
		(1,312)	(1,647)	(431)	(443)
Loss for the period		(14,740)	(14,804)	(5,030)	(4,405)
<b>Loss per share</b>					
From continuing and discontinued operations					
– Basic and Diluted	8	(1.55 cents)	(2.35 cents)	(0.48 cents)	(0.71 cents)
From continuing operations					
– Basic and Diluted	8	(1.45 cents)	(2.13 cents)	(0.45 cents)	(0.65 cents)
From discontinued operations					
– Basic and Diluted	8	(0.10 cents)	(0.22 cents)	(0.03 cents)	(0.06 cents)

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

	Unaudited Nine months ended 30 September		Unaudited Three months ended 30 September	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Loss for the period</b>	<b>(14,740)</b>	(14,804)	<b>(5,030)</b>	(4,405)
<b>Other comprehensive income for the period, net of tax</b>				
Exchanged differences on translation of overseas financial statements of subsidiaries	<b>(124)</b>	(1)	<b>(124)</b>	1
Other comprehensive income for the period	<b>(124)</b>	(1)	<b>(124)</b>	1
<b>Total comprehensive expenses for the period</b>	<b>(14,864)</b>	(14,805)	<b>(5,154)</b>	(4,404)
Attributable to:				
Equity shareholders of the Company	<b>(13,551)</b>	(13,158)	<b>(4,722)</b>	(3,961)
Non-controlling interests	<b>(1,313)</b>	(1,647)	<b>(432)</b>	(443)
<b>Total comprehensive expenses for the period</b>	<b>(14,864)</b>	(14,805)	<b>(5,154)</b>	(4,404)

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 third quarterly results are consistent with those adopted in the preparation of the annual audited consolidated financial statements for the year ended 31 December 2014.

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 third quarterly 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, advertising and marketing services, fashion garment trading and service income from mobile application. On 28 December 2012, the Company exercised the put option and the discontinued operations for the artist management services as set out in note 7. Revenue recognized during the Relevant Period is as follows:

	Unaudited Nine months ended 30 September		Unaudited Three months ended 30 September	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Turnover				
Continuing operations				
Revenue from travel agent services	18,555	18,909	4,812	8,884
Advertising and marketing services income	695	3,933	133	823
Service income from mobile application	16	–	16	–
<b>Sub-total</b>	<b>19,266</b>	22,842	<b>4,961</b>	9,707
Discontinued operations				
Artist management income	1,573	1,207	510	401
<b>Total</b>	<b>20,839</b>	24,049	<b>5,471</b>	10,108
Other income and gain				
Continuing operations				
Sundries	301	8	–	2
Interest income	163	86	160	18
<b>Sub-total</b>	<b>464</b>	94	<b>160</b>	20
Discontinued operations				
Sundries	–	587	–	587
<b>Total</b>	<b>464</b>	681	<b>160</b>	607



### 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 nine months ended 30 September 2015 (Unaudited)

	Continuing operations			Discontinued operations	Total HK\$'000
	Travel agent services (the PRC) HK\$'000	Advertising and marketing services (Hong Kong) HK\$'000	Mobile application (Hong Kong) HK\$'000	Entertainment (Hong Kong) HK\$'000	
<b>Revenue</b>	<b>18,555</b>	<b>2,225</b>	<b>48</b>	<b>1,573</b>	<b>22,401</b>
Elimination of inter-segment revenue	-	(1,530)	(32)	-	(1,562)
Consolidated revenue	<b>18,555</b>	<b>695</b>	<b>16</b>	<b>1,573</b>	<b>20,839</b>
<b>Profit</b>					
Reportable segment profit/(loss)	(70)	373	(23)	(1,722)	(1,442)
Elimination of inter-segment profits	-	(1,530)	(32)	-	(1,562)
Reported segment loss derived from the Group's external customers	(70)	(1,157)	(55)	(1,722)	(3,004)
Unallocated items:					
Other income and gain					440
Operating and administrative expenses					(11,382)
Finance costs					(856)
Loss before taxation					(14,802)
Taxation					62
Loss for the period					(14,740)
Attributable to:					
Equity shareholders of the Company					(13,428)
Non-controlling interests					(1,312)
Loss for the period					(14,740)

### 3. Segmental information (Continued)

(ii) For the nine months ended 30 September 2014 (Unaudited)

	Continuing operations			Discontinued operations	
	Travel agent services (the PRC) HK\$'000	Advertising and marketing services (Hong Kong) HK\$'000	Securities (Hong Kong) HK\$'000	Entertainment (Hong Kong) HK\$'000	Total HK\$'000
<b>Revenue</b>					
Consolidated revenue	18,909	3,933	–	1,207	24,049
<b>Profit</b>					
Reportable segment loss derived from the Group's external customers	(80)	(1,669)	(50)	(2,226)	(4,025)
Unallocated items:					
Other income and gain					681
Operating and administrative expenses					(8,618)
Finance costs					(2,842)
Loss before taxation					(14,804)
Taxation					–
Loss for the period					(14,804)
Attributable to:					
Equity shareholders of the Company					(13,157)
Non-controlling interests					(1,647)
Loss for the period					(14,804)

4. **Finance costs**

	Unaudited Nine months ended 30 September		Unaudited Three months ended 30 September	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest on promissory notes	855	2,637	-	1,265
Interest on finance leases	-	5	-	2
Others	1	200	-	-
	<b>856</b>	2,842	-	1,267

5. **Loss before taxation**

Loss before taxation is arrived at after charging:

	Unaudited Nine months ended 30 September		Unaudited Three months ended 30 September	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cost of services	17,748	21,088	4,616	9,342
Amortisation of intangible assets	1,266	74	422	25
Depreciation	596	1,013	181	305
Operating lease charges in respect of property rentals	2,611	2,709	843	920
Staff costs including directors' emoluments	4,041	3,772	1,167	1,262

**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. Discontinued operations**

*Fountain City Group*

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

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

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

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

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

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

The Directors has served an option notice on the Vendor under the agreement stating its intention to exercise the put option and required the Vendor to purchase the option shares from the Company at the pre-agreed option exercise price of HK\$58,650,000.

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

## 7. Discontinued operations (Continued)

### *Fountain City Group (Continued)*

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

## 8. Loss per share

The calculation of the basic loss per share is based on loss attributable to ordinary equity shareholders of the Company for the nine months and three months ended 30 September 2015 of approximately HK\$13,428,000 and HK\$4,599,000 respectively (2014: approximately HK\$13,157,000 and HK\$3,962,000 respectively) and the weighted average of 866,673,000 and 952,231,000 (2014: 560,137,000 and 560,137,000) 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 outstanding convertible bonds and share options were anti-dilutive.

## 9. Capital and reserves (Unaudited)

	Attribution to equity shareholders of the Company						Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Statutory reserve HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000			
At 1 January 2014	280,068	474,962	801	53	44	(679,560)	76,368	(16,435)	59,933
Total comprehensive income/ (expenses) for the period	-	-	-	-	-	(13,157)	(13,157)	(1,647)	(14,804)
Exchange difference on translation of financial statements of overseas subsidiaries	-	-	(1)	-	-	-	(1)	-	(1)
As at 30 September 2014	280,068	474,962	800	53	44	(692,717)	63,120	(18,082)	45,128
At 1 January 2015	755,030	-	752	53	44	(699,486)	56,393	(19,657)	36,736
Total comprehensive income/ (expenses) for the period	-	-	-	-	-	(13,428)	(13,428)	(1,312)	(14,740)
Issue of right shares	81,927	-	-	-	-	-	81,927	-	81,927
Issue of placing shares	34,207	-	-	-	-	-	34,207	-	34,207
Exchange difference on translation of financial statements of overseas subsidiaries	-	-	(123)	-	-	-	(123)	(1)	(124)
As at 30 September 2015	871,164	-	629	53	44	(712,914)	158,976	(20,970)	138,006

**10. Share capital**

	As at 30 September 2015		As at 31 December 2014	
	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>560,137</b>	<b>755,030</b>	560,137	280,068
Transfer from share premium upon abolition of par value	–	–	–	474,962
Issue of right shares	<b>280,068</b>	<b>81,927</b>	–	–
Issue of placing shares	<b>112,026</b>	<b>34,207</b>	–	–
<b>At the end of period</b>	<b>952,231</b>	<b>871,164</b>	560,137	755,030

**11. Dividend**

The Directors do not recommend any payment of dividend nor transfer of any amount to reserve for the nine months ended 30 September 2015 (2014: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

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

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

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

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

#### *Turnover*

The unaudited consolidated turnover of the Group for the nine months ended 30 September 2015 was approximately HK\$20,839,000 (2014: approximately HK\$24,049,000) representing a decrease of approximately 13.34% over the corresponding period in 2014, which is mainly attributable to a decrease of income from travel agent services and advertising and marketing services.

#### *Loss for the period*

The loss for the period of the Company was approximately HK\$14,740,000 for the nine months ended 30 September 2015 (2014: approximately HK\$14,804,000), representing a decrease of approximately 0.4% over the corresponding period in 2014.

#### *Loss attributable to equity shareholders*

The loss attributable to equity shareholders of the Company was approximately HK\$13,428,000 for the nine months ended 30 September 2015 (2014: approximately HK\$13,157,000), representing an increase of approximately 2% over the corresponding period in 2014.

#### *Basic loss per share*

For the nine months ended 30 September 2015, basic loss per share was approximately HK1.55 cents (2014: approximately HK2.35 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 nine months ended 30 September 2015 as the Board considers that the potential foreign exchange exposure of the Group is limited.

### *Contingent liabilities*

As at 30 September 2015, the Group had no material contingent liabilities (31 December 2014: Nil).

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

The financial information relating to the Company for the period ended 30 September 2015 and 2014 included in this report 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 2014 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 2014. 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.

### **Rights Issue on the basis of one rights share for every two shares held**

On 12 December 2014, the Company proposed to raise approximately HK\$84 million, before expenses, by issuing 280,068,452 new shares (the "Rights Shares") to the qualifying shareholders of the Company at a subscription price of HK\$0.30 per Rights Share by way of rights issue on the basis of one Rights Share for every two shares held on 23 December 2014. 280,068,452 Rights Shares have been issued on 9 February 2015. The net proceeds of the Group from the rights issue were approximately HK\$81,000,000.

Please refer to the Company's announcements dated 12 December 2014 and 6 February 2015, Company's prospectus dated 14 January 2015 and the Company's 2014 annual report released on 30 March 2015 for details.



## **Placing of new shares**

On 14 April 2015, the Company entered into the Placing Agreement with KGI Asia Limited (the “Placing Agent”) pursuant to which the Placing Agent agreed to place, on a best effort basis, the Placing Shares comprising up to an aggregate of 112,026,000 new Shares at the Placing Price of HK\$0.31 per Placing Share on behalf of the Company to not less than six Placees who and whose ultimate beneficial owners are Independent Third Parties. On 22 April 2015, an aggregate of 112,026,000 Placing Shares under the Placing have been successfully placed by the Placing Agent under the Placing Agreement, at the placing price of HK\$0.31 per Placing Share to not less than six Placees pursuant to the terms of the Placing Agreement. The gross proceeds from the Placing are approximately HK\$34.7 million, and the net proceeds of the Placing, after deduction of the placing commission and other related expenses, amount to approximately HK\$34 million. The Directors expected that the net proceeds will be applied for general working capital of the Group.

Please refer to the Company’s announcements dated 14 April 2015 and 22 April 2015 for details.

## **Operational Review and Prospect**

Last year, the Company has changed its name from TLT Lottotainment Group Limited to Evershine Group Holdings Limited. This name change provides us a new image moving forward and signifies a new direction and strategy of the Group – which is to increase synergy among the Group’s core businesses and seek new revenue sources and favorable opportunities by ways of acquisitions and capital investment.

The operation of the travel agency business has been unprofitable during the period. We will continue to take a prudent approach in further developing of the travel agency business.

Advertising and marketing business have recorded a loss during the period. The management team has adjusted the business plans and revenue model in addition to exploring collaboration opportunities to enhance the profitability of this business segment.

The Company has acquired the PRC operating rights of a mobile game by the name “Ninja In Barrel” (the “Game”) last year. The Company has officially launched the Chinese version of the Game in September 2015 in China adopting the Chinese name “奔跑吧！木桶”，which is available for download on the game portal operated by China Mobile. The Company believes there is an increasing trend of individuals in the PRC who are willing to spend money on playing mobile games and seeks to take advantage of the lucrative market.

The Company has also acquired Patalogue, a mobile marketing tool that runs on iOS, last year. The Company believes that Patalogue would benefit from the growing demand of O to O solutions and the changes in shopping habits of consumers. The management team has decided to revamp Patalogue in keeping with recent industry trends to enhance its competitiveness in the market.

On 10 September 2015, the Company, through a wholly owned subsidiary, obtained the legal title to operate a trading company, 深圳市俊安鑫盛貿易有限公司 (Shenzhen General Nice Xinsheng Trading Limited\*) (the "Trading Company") located in Shenzhen. The Trading Company is engaged in the import and export of various products. The directors believe the Trading Company will improve the profitability of the Group and is in line with the strategy of the Company to seek new sources of revenue.

The decline in turnover of the Group is due mainly to the slowdown in PRC economy. The management team believes that diversification is the key to maintaining a steady income. The Group will continue to seek new investment opportunities in other business segments and regions while developing and growing the existing businesses.

\* For identification purposes only

## Major Transaction

### *The agreement in relation to acquisition*

On 9 April 2015, the Company and Cheng Kwok Wo (the "Vendor A") entered into a memorandum of understanding (the "MOU 2") in relation to the proposed acquisition of 100% of the issued share capital of Fortune Ford Limited (the "Target Company"). Upon the entering into of the MOU 2, the Company paid to the Vendor A the sum of HK\$20,000,000 as deposit, which will be fully refunded to the Company subject to the terms and conditions of the MOU 2. The Target Company will procure a wholly owned subsidiary to be established in the PRC to purchase 90% of the equity interests of 柘城縣襄安陵有限公司, a company established in the PRC with limited liability, which holds 100% of the right for construction and trading of a cemetery named 柘城縣襄安陵公墓 located at Zhecheng County, Henan Province, the PRC. The MOU 2 is not legally binding with regard to the proposed acquisition, it may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the shares.

On 15 September 2015 (after trading hours), the Purchaser (being a wholly-owned subsidiary of the Company) and the Vendor A entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor A has conditionally agreed to dispose of, the Sale Shares at the Consideration of HK\$110,000,000 to be settled by the combination of cash, the Convertible Bonds and the Promissory Note. As the relevant percentage ratios of the Acquisition calculated pursuant to Rule 19.07 of the GEM Listing Rules exceed 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the approval by the Shareholders under Chapter 19 of the GEM Listing Rules.

The extraordinary general meeting (the "EGM") will be convened for the purpose of considering and, if thought fit, approving the Acquisition and the transactions contemplated thereunder and the Specific Mandate. To the best of the knowledge and belief of the Directors, having made all reasonable enquiries, no Shareholder has a material interest in the transactions contemplated under the Agreement such that he or it shall abstain from voting at the EGM on an ordinary resolution to approve the Agreement and the transactions contemplated thereunder and the Specific Mandate.

A circular containing details regarding, among others, (i) further details of the Acquisition and the transactions contemplated thereunder; (ii) the valuation report of the Target Group; (iii) financial and other information of the Group; (iv) financial and other information of the Target Group; and (v) pro forma financial information of the Group as enlarged by the Acquisition, will be despatched to the Shareholders in accordance to the GEM Listing Rules as soon as practicable, which is expected to be on or before 9 November 2015.

Details refer to the Company's announcement dated 9 April 2015, 15 September 2015, 8 October 2015 and 26 October 2015.

## Information on Possible Acquisitions

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

On 5 December 2014, the Company and Starways Holding Inc. entered into a memorandum of understanding (the "MOU 1") in relation to the proposed acquisition of the entire issued share capital of Great Empire International Group Limited (the "Target"). The Target indirectly holds a wholly-owned subsidiary in the PRC, namely 深圳市博泰生物技術應用管理有限公司 which engages in tumor treatment technology development and applications. The MOU 1 is not legally binding with regard to the proposed acquisition, and the proposed acquisition may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

On 5 June 2015, the Company and Starways Holding Inc. agreed by way of extension letter to extend the inspection period for a further 3 months. The extended inspection period shall end on 5 September 2015.

The extended inspection period has ended and the Company has decided not to proceed with the acquisition of the Target.

Details refer to the Company's announcement dated 5 December 2014.

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

On 27 April 2015, the Company and Prosperous Glory Limited (the "Vendor") entered into a memorandum of understanding (the "MOU 3") in relation to the proposed acquisition of the Property (as defined below). The Property comprises of (a) the club house and the commercial complex on the 1st floor and 2nd floor (with saleable area 4,221.9 square meters); and (b) a hotel service apartment tower on the 4th floor to the 22nd floor with 249 units (with saleable area 22,258.94 square meters of a commercial complex known as the phase II of Yaoxing Peninsula Holiday Villa (耀星半島假日莊園) which is situated at Lao Fan Dian Cun, Song County, Luoyang City, Henan Province, the PRC (the "Property"). In consideration of the Vendor agreeing to enter into the MOU 3, the Company paid to the Vendor the sum of HK\$30,000,000 as deposit which will be fully refunded to the Company subject to the terms and conditions of the MOU 3.

On 12 May 2015, the Company and the Vendor entered into a termination agreement (the "Termination Agreement"), pursuant to which the parties thereto have agreed to terminate the MOU 3 with immediate effect in consideration of the Vendor agreeing to pay the Company a sum of HK\$30,000,000 in cash upon signing of the Termination Agreement, and in consideration of each of the Vendor and the Company agreeing to release and discharge each other from their respective past, present and future duties, obligations and liabilities as set out in the MOU 3, notwithstanding any clauses therein.

Details refer to the Company's announcements dated 27 April 2015 and 12 May 2015.

## **Update on Disposal of Subsidiaries**

### *Update on exercise of put option and settlement deed for Fountain City Group*

As disclosed in the Company's announcement dated 28 December 2012, regarding the exercise of put option in relation to Fountain City group, on 28 December 2012, the Company and the Vendor, have agreed on the exercise by the Company of the Put Option of Fountain City Holdings Limited (the "Disposed Company") to put back the Sale Shares to the Vendor at the Put Option Price of HK\$58,650,000 as the Vendor had acknowledged that the Disposed Company was loss making.

The Disposed Company was a 51% owned subsidiary of the Group. The principal business of the Disposed Company and its subsidiaries is (i) entertainment programme production; (ii) events organization; and (iii) TV-series production.

As disclosed in the Company's announcement dated 26 August 2013, the Disposal was approved by the shareholders of the Company (the "Shareholders") at the extraordinary general meeting held on 26 August 2013. Accordingly, the Completion shall take place on or before 24 February 2014 which is 180 days after the Disposal is approved by the Shareholders and the Option Exercise price shall be satisfied by the Vendor to the Purchaser on the same day. However the Vendor has failed to effect payments of the Option Exercise Price and the Loans pursuant to the Agreement and the Verbal Agreement.

As disclosed in the Company's announcement dated 24 March 2014, after negotiations with the Vendor and the Guarantor, the parties entered into a deed of settlement pursuant to which the Vendor and the Guarantor jointly and severally covenant to the Purchaser that they shall effect payment of the Option Exercise Price and the Loans in the aggregate amount of HK\$64,894,000 by four equal instalment payments of HK\$16,223,500 each with the first instalment payment to be made on or before 24 September 2014, the second instalment payment to be made on or before 24 December 2014, the third instalment payment to be made on or before 24 March 2015 and the fourth payment to be made on or before 24 June 2015.

On 30 December 2014, the Vendor effected partial payment of HK\$6,000,000 out of the aggregate amount of HK\$64,894,000 pursuant to the Settlement Deed.

After negotiations with the Vendor and the Guarantor, the parties have reached a settlement relating to the overdue of the outstanding balance of the settlement sum of HK\$58,894,000 (the “Outstanding Settlement Sum”) and a supplemental deed (the “Supplemental Deed”) was entered into among the Purchaser, the Vendor and the Guarantor on 20 March 2015, pursuant to which the Vendor and the Guarantor jointly and severally covenant to the Purchaser that the Outstanding Settlement Sum shall be paid and settled by two equal instalment payments of HK\$29,447,000 each, payable on or before the expiration of six months and twelve months from the date of the Supplemental Deed respectively.

The settlement was reached after arm’s length negotiations between the Company, the Vendor and the Guarantor. In light of the global financial crisis and economic slowdown, which has adversely affected the ability of the Vendor and Guarantor to perform their respective obligations under the Settlement Deed, and the fact that the Vendor has made a payment of HK\$6,000,000 on 30 December 2014 reassures that the Vendor has the intention to settle the Outstanding Settlement Sum. The Company has decided to not include interest accrued on the Outstanding Settlement Sum in order to speed up the negotiation procedures. The Company believes the entering into of the Supplemental Deed will save legal and professional costs, however, the Company reserves its rights to commence legal proceedings against the Vendor and/or the Guarantor if they fail to honour their payment obligations under the Supplemental Deed. All the Directors including the independent non-executive Directors have confirmed that the terms of the Supplemental Deed are fair and reasonable, are on normal commercial terms and are in the interests of the Company and its shareholders as a whole. The Company will provide periodic updates by way of announcement regarding the Disposal as and when appropriate.

On 25 September 2015 and 30 October 2015, the Company received the partial settlements of HK\$15,000,000 and HK\$14,447,000 respectively.

Detail refer to the Company’s announcements dated 8 January 2013, 26 August 2013, 24 March 2014 and 20 March 2015 and the Company’s circular dated 8 August 2013.

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

As at 30 September 2015, 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.

Name of Director	Capacity/nature of interests	Number of ordinary share(s) held	Number of underlying share(s) held	Approximate percentage of the Company's issued share capital
Mr. Lau Yu	Beneficial Owner	173,653,000	–	18.24%

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

Save as disclosed above, as at 30 September 2015, 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

A share option scheme was adopted on 30 July 2001, amended on 2 December 2008 by the Shareholders (the “Old Scheme”) under which the Directors may, at their discretion, grant options to themselves and any employees of the Group entitling them to subscribe for shares representing up to a maximum of 10 per cent of the shares in the Company in issue from time to time (excluding shares which have been allotted and issued pursuant to the Old Scheme). The Old Scheme was terminated and a new share option scheme (the “New Scheme”) was adopted on 9 May 2011 by the Shareholders. The purpose of the New Scheme is to enable the Company to grant options to participants as incentives and rewards for their contribution to the Company or its subsidiaries.

There is no outstanding share option under the Old Scheme as at 1 January 2015 and 30 September 2015 and no options have been granted under the New 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 nine months ended 30 September 2015 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 nine months ended 30 September 2015.

## **SUBSTANTIAL SHAREHOLDERS’ INTEREST IN SHARES**

As at 30 September 2015, the Company has not been notified by any person (other than the Directors or chief executives) who had an interest or short position in the shares or 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 nominal value of any class of share capital 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 nine months ended 30 September 2015, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities.

## **COMPETING INTERESTS**

During the nine months ended 30 September 2015, 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 three independent non-executive Directors, namely Mr. Liu Kwong Sang (Chairman), Ms. Choy So Yuk, BBS, JP, and Ms. Lam Yuk Ying, Elsa.

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 nine months ended 30 September 2015.

By order of the Board  
**Evershine Group Holdings Limited**  
**Lau Yu**

*Chairman and executive Director*

Hong Kong, 9 November 2015

*As of the date hereof, the executive Directors are Mr. Lau Yu and Ms. Ang Lai Kuen; and the independent non-executive Directors are Ms. Lam Yuk Ying, Elsa, Mr. Liu Kwong Sang and Ms. Choy So Yuk, BBS, JP.*