



**EVER SMART INTERNATIONAL HOLDINGS LIMITED**

**永駿國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**Stock Code : 8187**

**THIRD QUARTERLY RESULTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017**

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

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*This announcement, for which the directors (the “**Directors**”) of Ever Smart International Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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.*

## RESULTS

The board (the “**Board**”) of directors (“**Directors**”) of Ever Smart International Holdings Limited (the “**Company**”) presents the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively the “**Group**”) for the three and nine months ended 30 September 2017, together with the comparative unaudited figures of the corresponding period in 2016.

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

*For the three and nine months ended 30 September 2017*

		(Unaudited) Three months ended 30 September		(Unaudited) Nine months ended 30 September	
	Notes	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000
Revenue	4	66,022	67,618	157,033	179,251
Cost of sales		(58,677)	(60,300)	(140,671)	(160,115)
Gross profit		7,345	7,318	16,362	19,136
Other income		1,125	3,620	2,432	6,069
Other expenses		(1,253)	(2,819)	(2,698)	(3,505)
Other gains and losses		54	6	53	44
Selling and distribution expenses		(2,616)	(2,475)	(8,271)	(6,751)
Administrative expenses		(4,213)	(4,779)	(12,997)	(12,431)
Listing expenses write back (charge)		–	496	–	(9,263)
Finance costs		(253)	(210)	(754)	(638)
<b>Profit (loss) before taxation</b>		<b>189</b>	<b>1,157</b>	<b>(5,873)</b>	<b>(7,339)</b>
Income tax expense	5	(30)	(497)	(30)	(1,018)
<b>Profit (loss) for the period</b>	6	<b>159</b>	<b>660</b>	<b>(5,903)</b>	<b>(8,357)</b>
<b>Other comprehensive (expense) income:</b>					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Exchange differences arising on translation of foreign operations		(5)	(96)	(29)	48
<b>Total comprehensive income (expense) for the period</b>		<b>154</b>	<b>564</b>	<b>(5,932)</b>	<b>(8,309)</b>
<b>Earnings (loss) per share</b>					
– Basic (HK cents)	8	0.03	0.14	(1.23)	(2.02)

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2017

	Attributable to owners of the Company					
	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Capital reserve HK\$'000	Retained profits (accumulated losses) HK\$'000	Total equity HK\$'000
At 1 January 2016 (Audited)	–	–	201	(67)	15,632	15,766
Exchange differences arising on the translation of foreign operations	–	–	48	–	–	48
Loss for the period	–	–	–	–	(8,357)	(8,357)
Total comprehensive income (expense) for the period	–	–	48	–	(8,357)	(8,309)
Issue of new shares	1,200	58,800	–	–	–	60,000
Issue of shares by capitalisation of share premium account	3,600	(3,600)	–	–	–	–
Transaction costs attributable to issue of new shares	–	(8,283)	–	–	–	(8,283)
At 30 September 2016 (Unaudited)	<u>4,800</u>	<u>46,917</u>	<u>249</u>	<u>(67)</u>	<u>7,275</u>	<u>59,174</u>
At 1 January 2017 (Audited)	<b>4,800</b>	<b>46,917</b>	<b>309</b>	<b>(67)</b>	<b>1,961</b>	<b>53,920</b>
Exchange differences arising on the translation of foreign operations	–	–	(29)	–	–	(29)
Loss for the period	–	–	–	–	(5,903)	(5,903)
Total comprehensive expense for the period	–	–	(29)	–	(5,903)	(5,932)
At 30 September 2017 (Unaudited)	<u>4,800</u>	<u>46,917</u>	<u>280</u>	<u>(67)</u>	<u>(3,942)</u>	<u>47,988</u>

*Note:* Capital reserve represents i) the difference between the carrying amount of the non-controlling interests and the fair value of the consideration paid for the acquisition of additional 60% non-controlling interest in a subsidiary, Alliance International Sourcing Limited (“Alliance”) and ii) an amount of HK\$10,000 representing the sum of the share capital of certain group entities including Ever Smart International Enterprise Limited, Dodge & Swerve Limited and Alliance which have been transferred to capital reserve as part of the Group reorganisation during the year ended 31 December 2015.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the nine months ended 30 September 2017*

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 6 February 2015. The shares of the Company were listed on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 30 May 2016. Its parent and ultimate holding company is Asia Matrix Investments Limited (“**Asia Matrix**”), a company incorporated in the British Virgin Islands. The ultimate controlling shareholder of the Group is Mr. Ho Kin Wai (“**Controlling Shareholder**”).

The registered office of the Company is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and principal place of business of the Company is Unit 03, 15/F, 909 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong. The Company is an investment holding company. The principal activities of the Group are design, development, sourcing, marketing and sale of footwear.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is different from the functional currency of the Company, being United States dollars. The management of the Group considers that presenting the unaudited condensed consolidated financial statements in HK\$ is preferable as the Company listed its shares on the Stock Exchange and most of its potential investors are located in Hong Kong.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing Securities on the GEM of the Stock Exchange.

## 3. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis.

Except as described below, the accounting policies and the methods of computation used in the unaudited condensed consolidated financial statements for the nine months ended 30 September 2017 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2016.

For the nine months ended 30 September 2017, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA that are relevant for the preparation of the Group’s unaudited condensed consolidated financial statements.

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014 – 2016 Cycle

The application of the amendments to HKFRSs during the nine months ended 30 September 2017 has had no material effect on the amounts reported in these unaudited condensed consolidated financial statements and/or on the disclosure set out in these unaudited condensed consolidated financial statements.

#### 4. REVENUE

The revenue of the Group arose from footwear design and development, production management (including quality control) and logistics management service.

	(Unaudited) Three months ended 30 September		(Unaudited) Nine months ended 30 September	
	2017 HK'000	2016 HK'000	2017 HK'000	2016 HK'000
Design, development, sourcing, marketing and sale of footwear	<u>66,022</u>	<u>67,618</u>	<u>157,033</u>	<u>179,251</u>

#### 5. INCOME TAX EXPENSE

	(Unaudited) Three months ended 30 September		(Unaudited) Nine months ended 30 September	
	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000
Hong Kong Profits Tax charge ( <i>note i</i> )				
– current year	–	276	–	597
– underprovision in prior years	–	63	–	63
People's Republic of China (“PRC”) Enterprise Income Tax (“EIT”) charge ( <i>note ii</i> )	30	162	30	381
Deferred tax credit	–	(4)	–	(23)
	<u>30</u>	<u>497</u>	<u>30</u>	<u>1,018</u>

*Notes:*

##### (i) Hong Kong

No provision of Hong Kong Profit Tax has been made in the unaudited condensed consolidated financial statements as the Group has no assessable profit for the nine months ended 30 September 2017.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the nine months ended 30 September 2016.

##### (ii) PRC

PRC EIT is calculated based on the statutory rate of 25% of the assessable profit for the subsidiary established in the PRC for the nine months ended 30 September 2017 and 2016, as determined in accordance with the relevant income tax rules and regulations in the PRC.

## 6. PROFIT (LOSS) FOR THE PERIOD

	(Unaudited) Three months ended 30 September		(Unaudited) Nine months ended 30 September	
	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Profit (loss) for the period has been arrived at after charging (crediting):				
Directors' remuneration	<b>1,072</b>	931	<b>3,214</b>	2,531
Other staff costs (excluding directors' remuneration)				
– Salaries, bonuses and other benefits	<b>3,700</b>	3,050	<b>11,815</b>	9,058
– Retirement benefit scheme contributions	<b>334</b>	307	<b>1,005</b>	996
Total staff costs	<b>5,106</b>	4,288	<b>16,034</b>	12,585
Depreciation of property, plant and equipment	<b>302</b>	254	<b>826</b>	723
Cost of inventories recognised as an expense	<b>58,677</b>	60,300	<b>140,671</b>	160,115
Operating lease minimum rental expense in respect of rental premises	<b>385</b>	238	<b>1,018</b>	880
Interest income	<b>(30)</b>	(19)	<b>(86)</b>	(22)

## 7. DIVIDEND

No dividends were paid, declared or proposed during the nine months ended 30 September 2017 and 2016. The directors of the Company do not recommend payment of dividend for the nine months ended 30 September 2017 (for the nine months ended 30 September 2016: Nil).

## 8. EARNINGS (LOSS) PER SHARE

	(Unaudited) Three months ended 30 September		(Unaudited) Nine months ended 30 September	
	2017	2016	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Earnings (loss):</b>				
Earnings (loss) for the purpose of calculating basic earnings (loss) per share (earnings (loss) for the period attributable to the owners of the Company)	<u>159</u>	<u>660</u>	<u>(5,903)</u>	<u>(8,357)</u>
	(Unaudited) Three months ended 30 September		(Unaudited) Nine months ended 30 September	
	2017	2016	2017	2016
	'000	'000	'000	'000
<b>Number of shares:</b>				
Weighted average number of ordinary shares for the purpose of calculating basic earnings (loss) per share	<u>480,000</u>	<u>480,000</u>	<u>480,000</u>	<u>414,307</u>

No diluted earnings (loss) per share is being presented for three months and nine months periods ended 30 September 2017 and 2016 as there is no potential ordinary share in issue during both periods.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

The Group's revenue decreased by approximately 12.4% from approximately HK\$179.3 million for the nine months ended 30 September 2016 to approximately HK\$157.0 million for the nine months ended 30 September 2017. The Group's sales to customers with shipment destination to the United Kingdom (the "UK") and other European countries decreased by approximately 55.1% from approximately HK\$62.7 million for the nine months ended 30 September 2016 to approximately HK\$28.1 million for the corresponding period in 2017. Various uncertainties clouded the European economy during 2017, including the continuous impact of Brexit on the UK's economy, the instabilities caused by the migrant crisis in Europe and the tension arising from various terrorist attacks, which have adversely affected customer sentiment. The decrease in revenue during the period under review as compared to the corresponding period in 2016 mainly resulted from such instability events in Europe.

During the nine months ended 30 September 2017, the Group's gross profit decreased by approximately 14.5% from approximately HK\$19.1 million for the nine months ended 30 September 2016 to approximately HK\$16.4 million for the nine months ended 30 September 2017. The Group's cost of sales comprises purchase cost and other costs including mainly staff costs, sample and molding fees and other overheads. The purchase cost to sales ratio was approximately 83.8% for the nine months ended 30 September 2017 comparing to approximately 84.7% for the nine months ended 30 September 2016. As a result mainly of the foregoing, the Group's gross profit margin decreased from approximately 10.7% for the nine months ended 30 September 2016 to approximately 10.4% for the nine months ended 30 September 2017.

Other income decreased to approximately HK\$2.4 million for the nine months ended 30 September 2017 from approximately HK\$6.1 million for the corresponding period in 2016, primarily attributable to a decrease in claims received of approximately HK\$2.1million which mainly represents the compensation the Group received from its footwear suppliers primarily for product quality defects and incorrect packaging reworks. In addition, there was a decrease in molding and samples income of approximately HK\$1.8 million for the nine months ended 30 September 2017 as compared with the corresponding period in 2016 which was mainly due to the decrease in income for making of molding and samples from customer. Other expenses decreased to approximately HK\$2.7 million for the nine months ended 30 September 2017 from approximately HK\$3.5 million for the corresponding period in 2016. The decrease is primarily attributable to a decrease in claims paid of approximately HK\$1.1 million which represents the compensation paid to the Group's customers for product quality defects and incorrect packaging reworks.



Selling and distribution expenses increased to approximately HK\$8.3 million for the nine months ended 30 September 2017 from approximately HK\$6.8 million for the corresponding period in 2016, which was mainly due to an increase in salary for sales staff of approximately HK\$2.2 million as compared with the corresponding period in 2016 as a result of the employment of additional sales staff for increasing the Group's efforts in approaching potential and existing customers for business opportunities and broadening the Group's customer base and product offerings. Such increase in salary of sales staff was partially offset by the decrease in freight expense for the delivery of footwear to customers of approximately HK\$0.3 million for the nine months ended 30 September 2017 as compared with the corresponding period in 2016 which was mainly due to the decrease in sales to customers with shipment destination to the UK. In addition, there was a decrease in commission paid of approximately HK\$0.2 million for the nine months ended 30 September 2017 as compared with the corresponding period in 2016 which was mainly due to the decrease in sales.

As a result of the foregoing, the Group recorded a net loss for the nine months ended 30 September 2017 of approximately HK\$5.9 million, as compared to a net loss of approximately HK\$8.4 million for the corresponding period in 2016.

### **Business Review and Outlook**

The Group is principally engaged in the provision of footwear design and development, production management (including quality control) and logistics management service. The Group offers formal and casual footwear for men, women and children to its customers. Over the years of its operations since 2009, the Group has built a diverse global customer portfolio comprising mainly international wholesaler and retailers which are brand owners and/or licensees of formal and casual footwear.

The successful listing of the Company's shares on the GEM on 30 May 2016 by way of placing was a milestone for the Group in improving capital strength and corporate governance as well as enhancing its competitive edge. Various uncertainties clouded the European economy during 2017, including the continuous impact of Brexit on the UK's economy, the instabilities caused by the migrant crisis in Europe and the tension arising from various terrorist attacks, which have adversely affected customer sentiment. The Group's major customers, particularly in the UK and other European countries, faced greater challenges in their businesses which resulted in a weaker performance of the Group during the period under review.

Looking forward, despite the weakened market sentiments of the footwear industry, the Group will continue to implement the business strategies as set out in the Company's prospectus dated 20 May 2016 ("**Prospectus**") in support of the Group's business objectives of maintaining its growth in the footwear design and development, production management and logistics management service industry and enhancing its overall competitiveness and market share. In order to deal with the challenging market conditions, the Group will continue to maintain close working relationships with our customers by visiting them and attending sales conferences to understand their latest business development and product requirements and explore business opportunities by approaching potential customers through referrals by existing customers. The Group will also participate in major footwear trade shows and fairs to market the Group's quality products and services.

In May 2017, the Group entered into a tenancy agreement with a landlord in relation to the lease of a property for office and showroom in Dongguan City, Guangdong, the PRC for a term of five years commencing from May 2017. The leasing of the property is for the purpose of implementing the Group's business objective of broadening customer base and product offerings as disclosed in the section headed "Future plans and use of proceeds – Use of proceeds" in the Prospectus. Having considered the current uncertain global economic environment, the Board of Directors of the Company considers that the leasing of the property for office and showroom in the PRC would allow the Group to deploy its financial resources more effectively as the rental expense for the PRC office will be lower than that of a comparable Hong Kong office.

In June 2017, the Group entered into International Merchandising License Agreement ("**License Agreement**") with ENS Global Marketing Limited (the "**Licensing Agent**") and SEMK Products Limited (the "**Licensor**"), pursuant to which the Licensor and the Licensing agent granted to the Group a non-exclusive right and licence to utilize the "**B. Duck**" brand (the "**Licensed Brand**") for the manufacture, distribution, advertising, promotion and sales of the Licensed Brand's footwear in Hong Kong and the PRC. Pursuant to the terms of the Licensing Agreement, the license period for the first year from 1 January 2018 to 31 December 2018 is subject to a cooling-off period (the "**Cooling-off Period**") which was expired on 30 September 2017. In September 2017, the parties to the Licensing Agreement had agreed to extend the Cooling-off Period for a further period of three (3) months to 29 December 2017. Save for the aforesaid, all terms and conditions set out in the Licensing Agreement remain of full force and effect.

## DIRECTORS' INTERESTS IN SECURITIES

As at 30 September 2017, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred therein; or (c) pursuant to Rule 5.46 of the GEM Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

### Long position in shares or underlying shares of the Company

Name of Director	Capacity	Number of shares or underlying shares held			Percentage of issued share capital
		Ordinary shares	Share options	Total	
Mr. Ho Kin Wai (“Mr. Ho”)	Interest of controlled corporation ( <i>Note</i> )	360,000,000 ordinary shares	–	360,000,000	75%

*Note:* These 360,000,000 shares are held by Asia Matrix. Mr. Ho beneficially owns 100% of the issued share capital of Asia Matrix.

### Long position in the ordinary shares of associated corporation

Name of Director	Name of associated corporation	Capacity/ Nature	No. share(s) held	Percentage of issued share capital
Mr. Ho	Asia Matrix	Beneficial owner	1	100%

Save as disclosed above, as at 30 September 2017, none of the Directors or chief executive of the Company had any interest or short position in shares, debentures or underlying shares of the Company and its associated corporations which was required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred therein; or (c) pursuant to Rule 5.46 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

## INTERESTS DISCLOSABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at 30 September 2017, so far as known to any Director or chief executive of the Company, the following persons had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept under Section 336 of the SFO:

### Long position in shares or underlying shares of the Company

Name of shareholder	Capacity	Number of shares or underlying shares held	Percentage of issued share capital
Asia Matrix	Beneficiary owner	360,000,000	75%
Mr. Ho	Interest in a controlled corporation (Note)	360,000,000	75%

*Note:* These 360,000,000 shares are held by Asia Matrix, the entire issued share capital of which is beneficially owned as to 100% by Mr. Ho. Mr. Ho is deemed to be interested in all the shares held by Asia Matrix under the SFO. Mr. Ho is an executive director of the Company and Asia Matrix.

Save as disclosed above, as at 30 September 2017, the Directors were not aware of any other persons who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept under Section 336 of the SFO.

## PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period ended 30 September 2017, the Company or its subsidiaries did not redeem, purchase or sell any of the Company's listed securities.

## 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 than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company also made specific enquiry with all Directors, and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors during the period under review.

## **INTEREST OF THE COMPLIANCE ADVISER**

The Company and Kingston Corporate Finance Limited had mutually agreed to terminate the compliance adviser's agreement with effect from 10 October 2017. The Company had appointed Orient Capital (Hong Kong) Limited (the "**Compliance Adviser**") as the new compliance adviser to the Company pursuant to Rule 6A.27 of the GEM Listing Rules with effect from 31 October 2017.

As confirmed by the Company's Compliance Adviser, save for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 30 October 2017, none of the Compliance Adviser or its directors, employees or close associates (as defined under the GEM Listing Rules) had any interest in the Group or in the share capital of any member of the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

## **INTERESTS IN COMPETING BUSINESS**

For the nine months ended 30 September 2017, none of the Directors, controlling shareholders or substantial shareholders of the Company or any of their respective close associates (all as defined under the GEM Listing Rules) are engaged in any business that competes or may compete, directly or indirectly, with the business of the Group or have any other conflicts of interest with the Group nor are they aware of any other conflicts of interest which any such persons has or may have with the Group.

## **AUDIT COMMITTEE**

The Company established the Audit Committee on 11 May 2016 with written terms of reference in compliance with the code provisions of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the Audit Committee are to make recommendation to the Board on the appointment and removal of external auditors; review financial statements and material advice in respect of financial reporting; and oversee internal control procedures of the Company.

The Audit Committee currently consists of three members, namely Mr. Yuen Poi Lam William (Chairman), Mr. Lu Tak Ming and Mr. Liu Chun Kit, all being independent non-executive Directors. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the nine months ended 30 September 2017 and this announcement, and is of the view that the financial statements and announcement have complied with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

## EVENT AFTER THE REVIEW PERIOD

On 10 October 2017, the Company was informed by Asia Matrix, which is legally and beneficially wholly-owned by Mr. Ho, that Asia Matrix entered into the sale and purchase agreement (“**Sale and Purchase Agreement**”) with Jimu Group Holdings Limited (the “**Offeror**”), a company incorporated in the BVI with limited liability. Pursuant to the Sales and Purchase Agreement, the Offeror agreed to acquire and Asia Matrix agreed to sell 350,400,000 shares of the Company (“**Sale Share**”), representing 73% equity interest in the Company for the consideration of HK\$292,794,240, equivalent to HK\$0.8356 per Sale Share, which was agreed between the Offeror and Asia Matrix after arm’s length negotiations. Completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement (“**Completion**”) took place on 11 October 2017. As a result of the Completion, the Offeror acquired 50% or more of the voting rights of the Company and had therefore incurred an obligation to make an unconditional mandatory offer under the Takeovers Code for all the issued shares of the Company (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). For details, please refer to joint announcement of the Company and the Offeror dated 20 October 2017.

By order of the Board  
**Ever Smart International Holdings Limited**  
**Ho Kin Wai**  
*Chairman*

Hong Kong, 13 November 2017

*As at the date of this announcement, the Company’s executive directors are Mr. Ho Kin Wai and Mr. Ho Kin Pong; and the Company’s independent non-executive directors are Mr. Yuen Poi Lam William, Mr. Lu Tak Ming and Mr. Liu Chun Kit.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the Company’s website at [esmart.hk](http://esmart.hk).*