

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

INSIDE INFORMATION BRAND LICENSING FOR FOOTWEAR

This announcement is made by Ever Smart International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 11 April 2017 in relation to the entering into a non-legally binding Memorandum of Understanding for the licensing of a brand in connection with the manufacture, distribution, advertising, promotion and sale of certain articles of merchandise.

The Company is pleased to announce that on 27 June 2017, Ever Smart International Enterprise Limited (the “**Licensee**”), a wholly owned subsidiary of the Company, SEMK Products Limited (the “**Licensor**”) and ENS Global Marketing Limited (the “**Licensing Agent**”) entered into an International Merchandising License Agreement (the “**License Agreement**”), pursuant to which the Licensor and the Licensing Agent granted to the Licensee and its associates (as defined under the GEM Listing Rules) a non-exclusive right and license to utilize the “**B. Duck**” brand for footwear.

Principal terms of the License Agreement are set out below.

THE LICENSE AGREEMENT

Date: 27 June 2017

Parties:

- (1) the Licensor, as the licensor
- (2) the Licensee, as the licensee
- (3) the Licensing Agent, as the exclusive agent of the Licensor

To the best knowledge, information and belief of the directors of the Company (the “**Directors**”) having made all reasonable enquiries, each of the Licensor and the Licensing Agent is a third party independent of and not connected with the Company and its connected persons (has the meaning ascribed to it in the GEM Listing Rules) and not otherwise a connected person of the Company.

Licensed brand

The names, characters, symbols, designs, likeness and visual representations of the characters entitled “**B. Duck**” (the “**Licensed Brand**”).

Licensed article and territory

The manufacture, distribution, advertising, promotion and sale of the Licensed Brand’s footwear (the “**Licensed Articles**”) in Hong Kong and the People’s Republic of China.

Terms

Research and development period is from 1 July 2017 to 31 December 2017.

License period is from 1 January 2018 to 31 December 2018 (the “**1st Year**”), which can be extended for one year from 1 January 2019 to 31 December 2019 (the “**2nd Year**”) and further extended for one year from 1 January 2020 to 31 December 2020 (the “**3rd Year**”) at the sole and absolute discretion of the Licensee by giving notice to the Licensor prior to the expiry of the 1st Year (for extension to the 2nd Year) and the 2nd Year (for extension to the 3rd Year).

The 1st Year is subject to a cooling-off period (the “**Cooling-off Period**”) from the date of the License Agreement to 30 September 2017 (which may be extended by all parties’ agreement). During the Cooling-off Period, the Licensee may terminate the License Agreement by giving the Licensor and Licensing Agent a 7 days’ notice in writing. If the License Agreement is terminated as such by the Licensee, any guaranteed minimum annual royalty paid by the Licensee shall be refunded in full to the Licensee within 7 days from the date of termination.

Royalty payable

Royalty shall be reported and paid on a quarterly basis, which is on the basis of a percentage of the retail price or a percentage of the wholesales price of the Licensed Articles based on the sales quantities. A guaranteed minimum annual royalty in the amount of HK\$500,000 for the 1st Year, HK\$1,000,000 for the 2nd Year and HK\$1,500,000 for the 3rd Year shall be paid in advance within the Cooling-off Period, on or before 30 January 2019 (if the license period is extended to the 2nd Year) and on or before 30 January 2020 (if the license period is extended to the 3rd Year), respectively. The royalty has been arrived at after arm’s length negotiations among the Licensee, the Licensor and the Licensing Agent.

Outsourcing

The Licensee has the right to delegate the utilization of and/or sub-license the Licensed Brand in connection to the Licensed Articles to any of its associates (as defined in the GEM Listing Rules).

INFORMATION ON THE GROUP

The Company is a holding company, and together with its subsidiaries are principally engaged in the provision of footwear design and development, production management (including quality control) and logistics management service.

INFORMATION ON THE LICENSOR AND THE LICENSING AGENT

The Licensor is principally engaged in trademark licensing business mainly based on the fictional characters created, developed and owned by the Licensor.

The Licensing Agent has been appointed as the exclusive agent of the Licensor and granted a right to secure and develop licensees for the Licensor.

By order of the Board
Ever Smart International Holdings Limited
Ho Kin Wai
Chairman and Executive Director

Hong Kong, 27 June 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, 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:– (1) the information contained in this announcement 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 herein or this announcement misleading.

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 <http://esmart.hk>.