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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

ANNOUNCEMENT CHANGE IN USE OF PROCEEDS

CHANGE IN USE OF PROCEEDS

Reference is made to the section headed “Future plans and use of proceeds” of the Prospectus and the Interim Report. It was disclosed in the section headed “Future plans and use of proceeds” of the Prospectus and the Interim Report that the Company intended to use the Net Proceeds for the following purposes:

- Approximately HK\$9.9 million, representing approximately 22.2% of the Net Proceeds from the Placing, will be used for broadening the Group’s customer base and product offerings;
- Approximately HK\$5.9 million, representing approximately 13.3% of the Net Proceeds from the Placing, will be used for enhancing the Group’s design, development and production management capabilities;
- Approximately HK\$15.9 million, representing approximately 35.6% of the Net Proceeds from the Placing, will be used for obtaining licences of multiple brands;
- Approximately HK\$4.5 million, representing approximately 10.0% of the Net Proceeds from the Placing, will be used for enhancing the Group’s corporate image;
- Approximately HK\$4.1 million, representing approximately 9.3% of the Net Proceeds from the Placing, will be used for improving the Group’s information technology system;
- Approximately HK\$4.3 million, representing approximately 9.6% of the Net Proceeds from the Placing, will be used for general working capital and other general corporate uses of the Group.

As at the date of this announcement, approximately HK\$5.4 million of the Net Proceeds had been used and applied for those intended uses. Approximately HK\$39.2 million of the Net Proceeds remain unutilized, of which approximately HK\$4.5 million was originally allocated for enhancing the Group's corporate image by participating in footwear trade shows and fairs. The Group has resolved to use part of the Net Proceeds originally allocated for participating in footwear trade shows and fairs of approximately HK\$3.0 million for the purchase of motor vehicles in Hong Kong. Save for the above change in use of the Net Proceeds, the Company will apply the balance of the Net Proceeds as originally intended.

Details of the original allocation, utilized Net Proceeds as at the date of this announcement, unutilized Net Proceeds as at the date of this announcement and the revised allocation of the unutilized Net Proceeds are set out below:

Use of Net Proceeds	Original allocation of Net Proceeds (after adjustment on a pro-rata basis according to the Net Proceeds) <i>HK\$' million</i>	Utilized Net Proceeds as at the date of this announcement <i>HK\$' million</i>	Unutilized Net Proceeds as at the date of this announcement <i>HK\$' million</i>	Revised allocation of the unutilized Net Proceeds <i>HK\$' million</i>
Broadening customer base and product offerings	9.9	2.3	7.6	7.6
Enhancing design, development and production management capabilities	5.9	0.9	5.0	5.0
Obtaining licences of multiple brands	15.9	0.2	15.7	15.7
Enhancing corporate image:				
– Participating in footwear trade shows and fairs	4.5	–	4.5	1.5
– Purchase of motor vehicles in Hong Kong	–	–	–	3.0
Improving information technology system	4.1	0.4	3.7	3.7
General working capital and other general corporate uses of the Group	4.3	1.6	2.7	2.7
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Total	44.6	5.4	39.2	39.2
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REASONS FOR THE CHANGE IN USE OF PROCEEDS

The Group originally planned to participate in major footwear trade shows and fairs internationally to market the Group's quality products and services to attract new international brand owners and licensees and grow its business. Having considered the current uncertain global economic environment, the Board considers that it is not cost-effective for the Group's long-term development to use the entire portion of the originally allocated Net Proceeds for participating in footwear trade shows and fairs.

The Board (including the independent non-executive Directors) considers that the above change in use of the unutilized Net Proceeds will facilitate the efficient use of financial resources of the Group, and enhance corporate image of the Group by providing a comfortable and convenient transportation to our existing and potential customers when they visit the Group in Hong Kong and the PRC.

In view of the foregoing, the Board (including the independent non-executive Directors) considers that the change in use of the Net Proceeds is in the interests of the Group and the shareholders of the Company as a whole.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of the Directors
“Company”	Ever Smart International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose issued Shares are listed on the Growth Enterprise Market of the Stock Exchange (Stock code: 8187)
“Director(s)”	the director(s) of the Company
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Interim Report”	the interim report of the Company for the six months ended 30 June 2017
“Net Proceeds”	the actual net proceeds of approximately HK\$44.6 million from the Placing as disclosed in the Interim Report
“Placing”	the placing of 120,000,000 new Shares as described in the Prospectus

“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus of the Company dated 20 May 2016
“Share”	ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 6 September 2017

As at the date of this announcement, the executive Directors are Mr. Ho Kin Wai and Mr. Ho Kin Pong; and the 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>.