Ever Reach Group (Holdings) Company Limited
恒達集團（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3616)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Ever Reach Group (Holdings) Company Limited (the "**Company**") announces the consolidated results of the Company for the year ended 31 December 2018 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2018

		Year ended 31 December	
	Notes	**2018** ***RMB'000***	2017 *RMB'000*
Revenue	*3*	**1,883,603**	1,549,878
Cost of sales	*5*	**(1,253,721)**	(1,144,954)
Gross profit		**629,882**	404,924
Fair value gains on investment properties		**1,410**	1,534
Selling and marketing expenses	*5*	**(43,985)**	(28,600)
Administrative expenses	*5*	**(110,692)**	(75,055)
Other losses – net	*4*	**(6,574)**	(1,367)
Operating profit		**470,041**	301,436
Finance income	*6*	**993**	785
Finance costs	*6*	**(45,271)**	(28,225)
Finance costs – net		**(44,278)**	(27,440)
Profit before income tax		**425,763**	273,996
Income tax expense	*7*	**(195,902)**	(124,587)
Profit for the year		**229,861**	149,409
Attributable to:			
Owners of the Company		**224,505**	147,794
Non-controlling interests		**5,356**	1,615
		229,861	149,409
Earnings per share attributable to the owners of the Company (expressed in RMB)			
– Basic and diluted earnings per share	*8*	**0.24**	0.16

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2018

	Year ended 31 December	
	2018	2017
	RMB'000	*RMB'000*
Profit for the year	**229,861**	149,409
Other comprehensive income for the year	**–**	–
Total comprehensive income for the year, net of tax	**229,861**	149,409
Attributable to:		
Owners of the Company	**224,505**	147,794
Non-controlling interests	**5,356**	1,615
	229,861	149,409

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2018

		As at 31 December	
		2018	2017
	Notes	***RMB'000***	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**41,031**	34,947
Investment properties		**75,250**	73,840
Deferred tax assets		**57,590**	46,031
Total non-current assets		**173,871**	154,818
Current assets			
Prepayments for leasehold land		**234,623**	237,295
Properties held or under development for sale		**3,890,921**	3,675,992
Trade and other receivables and prepayments	*10*	**312,340**	368,950
Prepaid income taxes		**43,218**	28,229
Contract assets		**3,942**	3,221
Financial assets at fair value through profit or loss		**190**	222
Restricted cash		**125,928**	55,500
Cash and cash equivalents		**419,502**	165,034
Total current assets		**5,030,664**	4,534,443
Total assets		**5,204,535**	4,689,261

	Notes	As at 31 December 2018 RMB'000	2017 RMB'000
EQUITY			
Share capital		**10,645**	1
Share premium		**299,188**	–
Retained earnings		**549,035**	338,807
Other reserves		**118,821**	104,544
Equity attributable to owners of the Company		**977,689**	443,352
Non-controlling interests		**19,826**	14,470
Total equity		**997,515**	457,822
LIABILITIES			
Non-current liabilities			
Bank borrowings and entrusted loans		**29,000**	168,000
Other long-term borrowings		**574,170**	983,760
Deferred tax liabilities		**19,266**	7,982
Total non-current liabilities		**622,436**	1,159,742
Current liabilities			
Bank borrowings and entrusted loans		**196,000**	402,000
Other current borrowings		**–**	66,902
Current portion of other long-term borrowings		**271,340**	240,810
Contract liabilities		**2,030,488**	1,362,350
Trade and other payables	*11*	**874,404**	837,614
Current income tax liabilities		**212,352**	162,021
Total current liabilities		**3,584,584**	3,071,697
Total liabilities		**4,207,020**	4,231,439
Total equity and liabilities		**5,204,535**	4,689,261

NOTES

1 GENERAL INFORMATION

The Company (Cayman Islands Company Number: 313570) was incorporated in the Cayman Islands on 22 July 2016 as an exempted company with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in property development business in the People's Republic of China (the "PRC").

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 12 November 2018 (the "Listing").

The consolidated financial statements are presented in thousands of Renminbi (RMB'000), unless otherwise stated.

2 BASIS OF PREPARATION AND NEW AND AMENDED STANDARDS EFFECTIVE IN 2018

2.1 Basis of preparation

(i) Compliance with Hong Kong Financial Reporting Standards ("HKFRSs") and Hong Kong Companies Ordinance ("HKCO")

The financial information set out in this announcement is extracted from the Company's consolidated financial statements for the year ended 31 December 2018 which have been prepared in accordance with HKFRSs and the disclosure requirements of HKCO (Cap.622).

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- financial assets at fair value through other comprehensive income – measured at fair value
- financial assets – measured at fair value through profit or loss, and
- investment properties – measured at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(iii) New and amended standards effective in 2018

The following new accounting standards, amendments and interpretation of HKFRSs, which are relevant to the Group's operations are effective for the first time for the financial year beginning on or after 1 January 2018. These have already been adopted by the Group when it prepared the consolidated financial statements for the years ended 31 December 2015, 2016, 2017 and four months ended 30 April 2018 for the Listing of the Company:

- HKFRS 9 Financial Instruments
- HKFRS 15 Revenue from Contracts with Customers
- Annual Improvements to HKFRSs 2014 – 2016 Cycle
- Amendments to HKAS 40 – Transfers of Investment Property
- HK(IFRIC) 22 Foreign Currency Transactions and Advance Consideration

3 REVENUE

	Year ended 31 December	
	2018	2017
	RMB'000	*RMB'000*
Sales of properties	**1,881,364**	1,547,123
– Recognised at a point in time	**1,376,710**	1,280,883
– Recognised over time	**504,654**	266,240
Rental income	**2,239**	2,755
	1,883,603	1,549,878

4 OTHER LOSSES – NET

	Year ended 31 December	
	2018	2017
	RMB'000	*RMB'000*
Listing rewards from local government	**1,300**	–
Donations	**(5,002)**	(625)
Exchange (losses)/gains	**(2,810)**	762
Penalties, fines and compensations for late delivery of properties	**(72)**	(1,270)
Fair value losses on financial assets at fair value through profit or loss	**(32)**	(172)
Losses on disposal of property, plant and equipment	**(6)**	(3)
Gains on reversal of payables	**–**	2
Others	**48**	(61)
	(6,574)	(1,367)

5 EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing expenses and administrative expenses are analysed as follows:

	Year ended 31 December	
	2018	2017
	RMB'000	*RMB'000*
Costs of properties recognised in profit or loss		
– Land use rights and demolition and resettlement costs, after deducting related government grants	**324,850**	277,768
– Construction costs and capitalised expenditures	**834,870**	686,950
– Interest capitalised	**78,386**	134,631
Tax and surcharges (a)	**8,857**	39,881
Staff costs	**59,454**	47,835
Advertising and publicity costs	**19,421**	12,117
Listing expenses	**14,555**	7,581
Office and meeting expenses	**12,938**	11,415
Professional fees	**9,757**	3,138
Entertainment expenses	**9,615**	8,852
Stamp duty and other taxes	**8,911**	7,771
Depreciation of property, plant and equipment	**4,707**	3,034
Sales agent commission	**2,967**	–
Rental expenses	**2,711**	1,950
Travelling expenses	**2,219**	1,170
Bank charges	**72**	103
Allowance for impairment of receivables	**10,704**	2,061
Other expenses	**3,404**	2,352
Total cost of sales, selling and marketing expenses and administrative expenses	**1,408,398**	1,248,609

(a) Prior to 1 May 2016, the PRC companies of the Group are subject to business tax and surcharges. Business tax is levied at 5% of revenue from sale of properties and rental income. Surcharges are levied at 2% to 7% of business tax.

From 1 May 2016, revenue from selling properties and rental income of the PRC companies of the Group are subject to value-added-tax ("VAT"). The standard tax rate is 11% which has been reduced to 10% since 1 May 2018. Certain sales of properties and rental income of the Group are qualified for the simplified tax rate of 5% but the input VAT is not deductible.

6 FINANCE INCOME/(COSTS)

	Year ended 31 December	
	2018	2017
	RMB'000	*RMB'000*
Finance income		
– Interest income on bank deposits	**993**	785
Finance costs		
– Interest on bank borrowings and entrusted loans, other long-term borrowings and other current borrowings	**(98,466)**	(139,503)
– Interest on pre-sale deposits received	**(41,628)**	(31,995)
	(140,094)	(171,498)
Amount capitalised	**94,823**	143,273
Finance costs expensed	**(45,271)**	(28,225)
Finance costs - net	**(44,278)**	(27,440)

7 INCOME TAX EXPENSE

	Year ended 31 December	
	2018	2017
	RMB'000	*RMB'000*
Current income tax		
– PRC land appreciation tax	**83,701**	66,456
– PRC corporate income tax	**112,476**	70,408
	196,177	136,864
Deferred income tax	**(275)**	(12,277)
Total income tax charged for the year	**195,902**	124,587

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the companies within the Group as follows:

	Year ended 31 December	
	2018	2017
	RMB'000	*RMB'000*
Profit before income tax	**425,763**	273,996
PRC land appreciation tax	**(83,701)**	(66,456)
	342,062	207,540
Income tax calculated at statutory rate of 25%	**85,516**	51,883
Effect of expenses not deductible for income tax purposes *(note)*	**13,573**	5,111
Tax losses not recognised as deferred tax assets	**793**	1,137
Withholding tax	**12,319**	–
PRC land appreciation tax	**83,701**	66,456
Total income tax expense	**195,902**	124,587

Note: Expenses not deductible for income tax purposes mainly represent entertainment expenses in excess of the prescribed cap, non-deductible donations, and interest expenses without proper invoices etc.

PRC corporate income tax

Under the Corporate Income Tax (the "CIT") Law of the PRC, the CIT rate applicable to the Group's subsidiaries located in the PRC from 1 January 2008 is 25%.

The CIT Law and its implementation rules impose a withholding tax at 10% for dividends distributed by a PRC-resident enterprise to its immediate holding company outside PRC for earnings generated beginning 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong.

No deferred PRC withholding income tax was recognised on the accumulated unremitted distributable profits up to 31 December 2017, which were generated by the Group's PRC subsidiaries and are attributable to the investors outside the PRC. The Group controls the dividend policies of these subsidiaries and it has been determined that the accumulated unremitted distributable profits up to 31 December 2017 will not be distributed in the foreseeable future.

After the Company's Listing in 2018, a new dividend policy regarding profit distribution has been passed. Based on the management's best estimation, deferred income tax liabilities of RMB12,319,000 as at 31 December 2018 have been recognised for the PRC withholding tax that would be payable upon remittance, in respect of a portion of the unremitted distributable profits of certain PRC subsidiaries attributable to the investors outside the PRC (31 December 2017: Nil).

As at 31 December 2018, deferred PRC withholding income tax liabilities of RMB62,159,000 (31 December 2017: RMB49,840,100) have not been recognised on the remaining unremitted distributable profits of RMB621,591,000 (2017: RMB498,401,000) of the Group's PRC subsidiaries.

Land appreciation tax

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including lease charges for land use rights and all property development expenditures, and is included in the consolidated statement of profit or loss as income tax expense.

Hong Kong profits tax

The applicable Hong Kong profits tax rate is 16.5%. No provision for Hong Kong profits tax was provided as the Group's subsidiaries located in Hong Kong did not have assessable income subject to Hong Kong profits tax for the years ended 31 December 2018 and 2017.

Overseas corporate income tax

No provision for taxation has been recognised for companies incorporated in the Cayman Islands and the British Virgin Islands as they were not subject to any tax during the years ended 31 December 2018 and 2017.

8 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the Group's profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year. In determining the weighted average number of shares in issue during 2018 and 2017, the 899,900,000 shares issued and allotted through capitalisation of the share premium account of the Company upon Listing on 12 November 2018 were deemed to have been in issue since 1 January 2017.

	Year ended 31 December	
	2018	2017
The Group's profit attributable to owners of the Company (RMB'000)	**224,505**	147,794
Weighted average number of ordinary shares in issue ('000)	**940,274**	900,000
Basic and diluted earnings per share (expressed in RMB)	**0.24**	0.16

For the years ended 31 December 2018 and 2017, diluted earnings per share was equal to the basic earnings per share as there were no dilutive shares.

9 DIVIDENDS

	Year ended 31 December	
	2018	2017
	RMB'000	*RMB'000*
(i) Dividend payable at the end of the reporting period	**–**	–
(ii) Dividend not recognised at the end of the reporting period *(Note)*	**60,000**	–

Note: On 28 March 2019, the Directors have recommended the payment of a final dividend of HK5.9 cents (equivalent to approximately RMB5.0 cents) per fully paid ordinary share in respect of the year ended 31 December 2018 (2017: nil). Such proposed dividend is not recognised as a liability at year end.

10 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2018	2017
	RMB'000	*RMB'000*
Trade receivable	**–**	–
Other receivables and prepayments	**312,340**	368,950
	312,340	368,950

11 TRADE AND OTHER PAYABLES

	As at 31 December	
	2018	2017
	RMB'000	*RMB'000*
Trade payables	**658,763**	566,818
Notes payable	**–**	3,000
Trade payables and notes payable	**658,763**	569,818
Other payables	**215,641**	267,796
	874,404	837,614

At 31 December 2018 and 2017, the ageing analysis of trade payables and notes payable based on invoice date is as follows:

	As at 31 December	
	2018	2017
	RMB'000	*RMB'000*
Less than 1 year	**594,542**	537,639
Between 1 and 2 years	**35,784**	19,679
Between 2 and 3 years	**19,647**	9,807
Over 3 years	**8,790**	2,693
	658,763	569,818

As at 31 December 2018 and 2017, the fair value of trade and other payables approximates their carrying amounts.

As at 31 December 2018 and 2017, the carrying amounts of trade and other payables were denominated in the following currencies:

	As at 31 December	
	2018	2017
	RMB'000	*RMB'000*
RMB	**874,404**	823,540
USD	**–**	12,793
HKD	**–**	1,281
	874,404	837,614

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present you the annual results of the Group for the year ended 31 December 2018.

ANNUAL REVIEW

2018 marked a milestone in the development history of the Group. With the joint efforts of all staff, the Group was successfully listed on the Stock Exchange on 12 November 2018, becoming the fourth real estate company in Henan Province which is listed in Hong Kong, as well as the first real estate company in Xuchang City listed on the Stock Exchange. The Listing was an important step for the development of the Group. Being a publicly listed company brings new opportunities and challenges to the Group and is a significant milestone in the history of the Group's development.

"Ever Reach (恒達)" is a reputable brand in the industry. After 26 years of development and cultivation, it has become one of the leading real estate development companies in Xuchang City, Henan Province. By capitalizing on the Group's extensive experience, well-known brand and quality professional services in the real estate industry, I believe that the Group will continue to grasp the development opportunities in the real estate industry and further expand its business, thereby further consolidate and enhance the market position of the Group.

The Listing is an important milestone in the development history of the Company. While having a new platform, we have to make new achievements. We will continue to enhance the brand awareness and influence of Ever Reach, consolidate the industry position of the Group, further enhance the corporate governance level of the Company, and fully leverage on the strength of the international capital market to achieve better and more rapid development of the Company.

ANNUAL RESULTS

For the year ended 31 December 2018, the Group's total revenue was approximately RMB1,883.6 million, representing an increase of approximately 21.5% from approximately RMB1,549.9 million for the year ended 31 December 2017. For the year ended 31 December 2018, the net profit was approximately RMB229.9 million, representing an increase of approximately 53.9% from approximately RMB149.4 million for the year ended 31 December 2017.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK5.9 cents (equivalent to approximately RMB5.0 cents) per ordinary share for the year ended 31 December 2018.

OUTLOOK

Looking forward, the Group will continue to provide quality properties to its customers. The Group plans to expand its business through mergers, acquisitions, investments, establishment of joint ventures and other business cooperation with real estate developers. With the Group's strong strength in grasping market opportunities, its sound brand reputation in the industry, and the growth potential of the real estate market in Xuchang City, it is believed that the business of the Group will continue to grow.

In 2019, the Group will closely monitor the progress of the projects according to the construction schedule of each construction-in-progress project, prepare reasonable project development schedules, delegate the duties at different levels, ensure the duly fulfilment of responsibilities and accountability, and make sure construction in progress to achieve the milestones as planned. Meanwhile, the Group will focus on product quality, prioritize the quality control of raw materials, and effectively ensure the project quality by means of raw material control, sample first, process control and other means.

ACKNOWLEDGEMENT

I would like to take this opportunity to express my gratitude to our shareholders, business partners, customers and suppliers for their support and trust on behalf of the Board. I also thank the management and all staff for their contributions and efforts over the past years.

Ever Reach Group (Holdings) Company Limited
Li Xiaobing
Chairman and Executive Director

Hong Kong, 28 March 2019

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

The Ministry of Housing and Urban-Rural Development (the "**MOHURD**") clearly stated the position that "the houses are for residence, not for speculation", in order to improve the long-term mechanism for promoting the stable and healthy development of the real estate market. It was necessary to deepen the reform of the housing system and speed up the establishment of a multi-subject supply, multi-channel security, and rent-and-purchase housing system according to the MOHURD. The MOHURD also emphasized that the control and adjustment of the real estate market would be "tightened" in 2018. It was necessary to maintain the continuity and stability of the real estate market regulation policy, and continue to strictly implement various control measures, so as to make the real estate market prices return to reasonable levels.

The statistical data of 2018 released by Henan Province Bureau of Statistics stated that the sales area of commercial housing in Henan Province was approximately 139.905 million square meters, representing an increase of approximately 5.1% as compared with the previous year; and the contracted sales area of commercial housing of the Group in 2018 was approximately 381,793 square meters, representing a decrease of approximately 13.0% as compared with the previous year; the sales of commercial housing in Henan Province was approximately RMB805.53 billion, representing an increase of approximately 13.0%, and the contracted sales of commercial housing of the Group in 2018 was approximately RMB2.51 billion, representing an increase of approximately 14.9% as compared with the previous year. The above data shows that the development of real estate in Henan Province has maintained its growing momentum in overall steadiness. Notwithstanding the Group recorded a decrease in contracted sales area of commercial housing in 2018 as compared with that of previous year, the growth of contracted sales remained the same level as that of Henan Province, and slightly higher by 1.9%, which was mainly due to a steady increase of housing price in Xuchang City.

On 25 March 2019, the 4th meeting of the 7th People's Congress was held in Xuchang City. Reviewing 2018, Xuchang City Government grasped the key points and kept a steady economic development, attached an importance to maintain the industrial growth, focused on project construction, and vigorously developed the private economy so as to strengthen the capability of enterprises to respond to the plight and uphold steady growth of economy. In 2019, the major projected targets for economic and social development are characterized by GDP growth of approximately 7.5%, full labor productivity growth higher than the average level of that across the province, general public budget revenue growth of approximately 8%, and consumer price index growth under control at approximately 3%. The economic structure will be optimized on a constant basis as well as the quality and efficiency will be significantly improved. Among work in terms of 9 aspects mentioned in the government report, the government will commit to promoting new urbanization and intensifying quality development support. The government will proactively give impetus to the urbanization of population migrated from rural area, and guarantee them to lead a life based on the principle of "welcome into, stay here, and live well", which will produce a new rigid demand in the real estate industry, resulting in an expected promotion to property sales.

BUSINESS OVERVIEW

Over the years, the Group has adhered to the principle of honest operation and fulfilling every promise. It commits to real estate development and aims at improving the living standard in Xuchang City. In April 2018, it was awarded the "Outstanding Contribution Award" by the People's Government of Weidu District, Xuchang City. In September 2018, it was awarded the "Top 100 Private Enterprises of Modern Service Industry in Henan in 2018" by the Henan Provincial Federation of Industry and Commerce.

The Group's operation is based in Xuchang City. It has a good understanding of local customers, history and culture, more than 20 years of established property development experience, and a strong brand reputation in Xuchang City. The Group's strategic focus and solid foundation in the region enable the Group to gain an in-depth understanding of local markets, customer preferences and urban planning trends, and to establish good working relationships with local governments and business partners, so as to give the Group a local market advantage.

During 2018, we actively launched different real estate sales solutions. Among them, the sales of Mingmen Xijun, Changge Sunshine City and King of the North achieved satisfactory results, and the total amount of contracted sales increased as compared with 2017.

At the same time, the Group was developing potential projects continuously, including Hengda Wangjiao and Yuzhou Binhefu (禹州市濱河府) (previous known as Yuzhou Guozhuang Project), which will provide a stable growth momentum for our sales and performance in the coming few years.

The Group adhered to the mixed development business model for both residential and commercial properties, significantly increased the comprehensive value of residential projects through mixed development and enhanced the brand and reputation of the Group. Meanwhile, the rental of commercial properties and the unsold properties held for sale can generate stable rents and cash flows, and promote the final sales of properties held for sale at the same time.

Land reserves

As at 31 December 2018, the total gross floor area ("GFA") of the Group's land reserves was approximately 3.46 million sq.m. The table below sets forth a summary of the land reserves as at 31 December 2018 by geographical location:

	Completed	Under development	Future development		
	Completed saleable/ leaseable GFA remaining unsold	GFA under development	Planned GFA	Total land reserve	% of total land reserve
	sq.m.	*sq.m.*	*sq.m.*	*sq.m.*	*%*
Xuchang City					
Weidu District	57,144	576,586	68,056	701,786	20.0
Jian'an District	70,288	208,326	147,180	425,794	12.1
Yuzhou City	23,915	488,738	1,234,946	1,747,599	49.6
Changge City	15,064	198,882	304,224	518,170	16.3
Yanling County	15,040	36,968	17,277	69,285	2.0
Total	181,451	1,509,500	1,771,683	3,462,634	100.0

Note: Land reserves equal the sum of (i) total completed saleable/leasable GFA remaining unsold, (ii) total GFA under development and (iii) total planned GFA held for future development.

The Group acquired several parcels of land reserves in Yanling County and Yuzhou City with site area of approximately 94,364.3 sq.m. during the year ended 31 December 2018.

Contracted Sales

The table below sets forth a breakdown of our major types of contracted sales and contracted average selling price ("ASP"):

	For the year ended 31 December		% change
	2018	2017	+/-
Contracted sales attributable to:			
Residential units (RMB, million)	**1,954.5**	1,792.0	+9.1%
Commercial units (RMB, million)	**547.7**	370.2	+47.9%
Car parking spaces (RMB, million)	**146.4**	75.8	+93.1%
Others (RMB, million)	**9.4**	23.7	-60.3%
Total (RMB, million)	**2,658.0**	2,261.7	+17.5%
Contracted saleable GFA/Lot attributable to:			
Saleable GFA (sq.m.)	**381,793**	439,068	-13.0%
Car parking space (lot)	**1,067**	879	+21.4%
Contracted ASP attributable to:			
Saleable GFA (RMB/sq.m.)	**6,578**	4,978	+32.1%
Car parking space (RMB/lot)	**137,192**	86,225	+59.1%

Our contracted ASP per sq.m. of saleable GFA increased by 32.1% to approximately RMB6,578 per sq.m. in 2018. The increase in 2018 was mainly due to the increase in market price of properties in Henan Province.

Our contracted ASP per lot for car parking space increased by 59.1% to approximately RMB137,192 per lot in 2018. The increase in 2018 was mainly due to the increase in market price of properties in Henan Province.

FINANCIAL REVIEW

Results

The financial performance and results for the year ended 31 December 2018 were satisfactory. Key financial ratios have met the expectation of the management.

During the year ended 31 December 2018, the revenue of the Group reached approximately RMB1,883.6 million (2017: RMB1,549.9 million), representing an increase of approximately 21.5%.

The Group recorded gross profit of approximately RMB629.9 million (2017: RMB404.9 million), representing an increase of approximately RMB225.0 million, or approximately 55.6%.

Gross profit margin was approximately 33.4% in 2018 (2017: 26.1%), representing an increase of approximately 28.0% as compared with 2017.

Profit for the year increased by approximately RMB80.5 million, or 53.9%, from approximately RMB149.4 million for the year ended 31 December 2017 to approximately RMB229.9 million for the year ended 31 December 2018.

Revenue

Our revenue was derived primarily from (i) sales of properties and (ii) rental income. The following table sets forth the breakdown of the revenue and their respective percentages of contribution to the total revenue for the years indicated:

	Year ended 31 December				
	2018		2017		**% change**
	RMB'000	*%*	*RMB'000*	*%*	*+/-*
Sales of properties	**1,881,364**	**99.9**	1,547,123	99.8	+21.6%
Rental income	**2,239**	**0.1**	2,755	0.2	-18.7%
	1,883,603	**100.0**	1,549,878	100.0	+21.5%

The tables below set out the revenue from the sales of properties, the total GFA units of properties recognised and the overall recognised ASP of our properties by property types:

	Year ended 31 December					
	2018			2017		
	Revenue	**GFA recognised**	**Recognised ASP per sq.m**	Revenue	GFA recognised	Recognised ASP per sq.m
	RMB'000	***sq.m.***	***RMB***	*RMB'000*	*sq.m.*	*RMB*
Residential	**1,247,429**	**233,765**	**5,336**	1,108,607	276,334	4,012
Commercial	**548,565**	**54,563**	**10,054**	353,113	37,868	9,325
Storage	**11,149**	**3,852**	**2,894**	13,711	5,168	2,653
	1,807,143	**292,180**	**6,185**	1,475,431	319,370	4,619

	Revenue	**Units recognised**	**Recognised ASP per unit**	Revenue	Units recognised	Recognised ASP per unit
	RMB'000	***lot***	***RMB***	*RMB'000*	*lot*	*RMB*
Car parking spaces	**74,221**	**664**	**111,779**	71,692	1,004	71,407

Sales of properties, which accounted for approximately 99.9% (2017: 99.8%) of our total revenue for the year ended 31 December 2018, was primarily contributed from the sales of residential and commercial properties, storages and car parking spaces recognised in the year.

Our revenue increased by approximately RMB333.7 million or 21.5% from approximately RMB1,549.9 million for the year ended 31 December 2017 to approximately RMB1,883.6 million for the year ended 31 December 2018, which was principally attributable to the result of approximately RMB138.8 million increase in the sales of our residential properties during the year ended 31 December 2018; and approximately RMB195.5 million increase in the sales of our commercial properties during the year ended 31 December 2018.

The increase in sales of residential properties was mainly due to the effect of increase of recognised ASP per sq.m from approximately RMB4,012 for the year ended 31 December 2017 to approximately RMB5,336 for the year ended 31 December 2018, representing an increase of approximately 33.0% year-on-year. The relatively low recognised ASP in 2017 was mainly attributable to the sales of Changcheng Home in 2017 as members of army stationed in Xuchang were entitled to purchase residential properties of Changcheng Home at a pre-agreed price which was lower than the market price.

The increase in the sales of our commercial properties during the year was primarily due to the joint effect of (i) increase in GFA recognised for commercial properties of approximately 44.1% principally attributable to the increase in sales of Hengda Weiyuan; and (ii) slight increase in recognised ASP per sq.m. from RMB9,325 for the year ended 31 December 2017 to RMB10,054 for the year ended 31 December 2018.

The satisfactory performance for our fourth quarter of 2018 surpassed our expectation, which was primarily attributable to the combined effects of: (1) unexpected growth of property contracted sales and (2) early delivery of property units.

In 2018, we noted a growth of our contracted sales from approximately RMB2,261.7 million during the year ended 31 December 2017 to approximately RMB2,658.0 million during the year ended 31 December 2018, representing a growth of approximately RMB396.3 million or 17.5%. In particular, aggregate contracted sales of approximately RMB800.1 million were recorded in the fourth quarter of 2018, out of which approximately RMB136.0 million of the contracted sales made in the fourth quarter of 2018 had been recognised as revenue for the year ended 31 December 2018. The increase of contracted sales in 2018 was mainly due to the increase of ASP per sq.m. of saleable GFA from approximately RMB4,978 in 2017 to approximately RMB6,578 in 2018, representing a growth of approximately 32.1%, partly offset by the decrease in saleable GFA by approximately 13.0% from approximately 439,068 sq.m in 2017 to approximately 381,793 sq.m. in 2018.

Part of the property units (mainly from Jinhui Plaza and Changge Sunshine City) that originally planned to be delivered in the first quarter of 2019 according to the original construction progress were early delivered in the fourth quarter of 2018. During the second half of 2018, management of the Group expected that the local government would tighten the environment control measures, which might affect our delivery schedule. Hence, management of the Group closely monitored the construction progress during the fourth quarter of 2018. Due to the ideal construction progress of our projects and the process of obtaining the completion certificates was faster than expected, we delivered the property units to customers in the fourth quarter of 2018 which was earlier than the expected schedule.

Gross profit and gross profit margin

The table below sets out the revenue, gross profit and gross profit margin by types:

	Year ended 31 December							
	2018				2017			
	Revenue	**Cost of sales**	**Gross profit**	**Gross profit Margin**	**Revenue**	**Cost of sales**	**Gross profit**	**Gross profit Margin**
	RMB'000	*RMB'000*	*RMB'000*	*%*	*RMB'000*	*RMB'000*	*RMB'000*	*%*
Sales of properties								
– Residential	1,247,429	940,640	306,789	24.6	1,108,607	925,198	183,409	16.5
– Commercial	548,565	265,902	282,663	51.5	353,113	148,899	204,214	57.8
– Car parking spaces and storages	85,370	47,179	38,191	44.7	85,403	70,857	14,546	17.0
Subtotal	1,881,364	1,253,721	627,643	33.4	1,547,123	1,144,954	402,169	26.0
Rental	2,239	–	2,239	100.0	2,755	–	2,755	100.0
	1,883,603	1,253,721	629,882	33.4	1,549,878	1,144,954	404,924	26.1

The overall gross profit margin and gross profit margin of sales of residential properties increased from approximately 26.1% in 2017 to 33.4% in 2018 and approximately 16.5% in 2017 to 24.6% in 2018, respectively. The low gross profit margin in 2017 was mainly attributable to the sales of Changcheng Home in 2017 as members of army stationed in Xuchang City were entitled to purchase residential properties of Changcheng Home at a pre-agreed price which was lower than the market price.

The gross profit margin of commercial properties dropped from approximately 57.8% in 2017 to 51.5% in 2018, representing a year-on-year decrease of approximately 10.9%. The decrease was resulted from the sales of Weiyuan Project which composes of low-rise commercial buildings with the gross profit margin lower than that of the retail shops.

Profit for the year was approximately RMB229.9 million (2017: RMB149.4 million), representing a growth of approximately RMB80.5 million. It was mainly due to the increase of our revenue from approximately RMB1,549.9 million for the year ended 31 December 2017 to approximately RMB1,883.6 million for the year ended 31 December 2018; and the improvement of our overall gross profit margin from approximately 26.1% for the year ended 31 December 2017 to approximately 33.4% for the year ended 31 December 2018.

Fair value gains on investment properties

The Group’s investment properties were valued at 31 December 2018 by an independent professional qualified valuers, Unicorn Consulting and Appraisal Limited, who hold recognised relevant professional qualification and has recent experience in the locations and segments of the investment properties valued.

Selling and marketing expenses

For the year ended 31 December 2018, the Group's selling and marketing expenses amounted to approximately of RMB44.0 million (2017: RMB28.6 million), representing an increase of approximately 53.8% as compared to that in 2017. In 2018, the selling and marketing expenses were mainly for projects of Changge Sunshine City and Mingmen Xijun.

Administrative expenses

The administrative expenses increased by approximately 47.4% from approximately RMB75.1 million in 2017 to approximately RMB110.7 million in 2018, the increase of administrative expenses was mainly due to the increase of listing expenses, staff costs and professional fees in 2018.

Finance costs – net

Finance costs primarily consisted of (i) interest expenses on bank and other borrowings; and (ii) interest on pre-sale deposits received, less interest expenses which were capitalised to the extent that such costs are directly attributable to property development projects. Our finance costs increased by approximately 61.7% from approximately RMB27.4 million for the year ended 31 December 2017 to approximately RMB44.3 million for the year ended 31 December 2018. Such increase was mainly due to the decrease in interest capitalised for the year ended 31 December 2018, which was primarily attributable to the increase in proceeds from pre-sale properties (record as "contract liabilities") from approximately RMB1,362.4 million as at 31 December 2017 to approximately RMB2,030.5 million as at 31 December 2018.

Income tax expense

Income tax expense mainly comprised of the PRC corporate income tax expense and land appreciation tax arising from our PRC subsidiaries. Income tax expenses increased by approximately 57.2% or RMB71.3 million from approximately RMB124.6 million for the year ended 31 December 2017 to the approximately RMB195.9 million for the year ended 31 December 2018, which was in line with increase of our profit in 2018.

Liquidity, financial resources and capital resources

As of 31 December 2018, the cash and cash equivalents amounted to approximately RMB419.5 million (31 December 2017: RMB165.0 million), of which approximately RMB372.8 million (31 December 2017: RMB164.3 million) was denominated in Renminbi and approximately RMB46.7 million was denominated in Hong Kong dollars.

As at 31 December 2018, the restricted cash amounted to approximately RMB125.9 million (31 December 2017: RMB55.5 million), all restricted cash was denominated in Renminbi.

The Group's total borrowings amounted to approximately RMB1,070.5 million as of 31 December 2018 (31 December 2017: RMB1,861.5 million), of which approximately RMB467.3 million was classified as current liabilities (31 December 2017: RMB709.7 million). Approximately 57.0% out of the Group's total borrowings was fixed interest rates.

At 31 December 2018 and 2017, the Group's borrowings were repayable as follows:

	As at 31 December 2018				As at 31 December 2017			
	Within 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Within 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank borrowings and entrusted loans	**196,000**	**29,000**	**–**	**–**	402,000	139,000	29,000	–
Other long-term borrowings	**271,340**	**262,960**	**250,210**	**61,000**	240,810	212,668	539,092	232,000
Other current borrowing	**–**	**–**	**–**	**–**	66,902	–	–	–
	467,340	**291,960**	**250,210**	**61,000**	709,712	351,668	568,092	232,000

Current, total and net assets

As of 31 December 2018, the Group had current assets of approximately RMB5,030.7 million (31 December 2017: RMB4,534.4 million) and current liabilities of approximately RMB3,584.6 million (31 December 2017: RMB3,071.7 million), there was no material change on net current assets value from approximately RMB1,462.7 million as at 31 December 2017 to approximately RMB1,446.1 million as at 31 December 2018.

As of 31 December 2018, the Group had total assets of approximately RMB5,204.5 million (31 December 2017: RMB4,689.3 million) and total liabilities of approximately RMB4,207.0 million (31 December 2017: RMB4,231.4 million), representing an increase of net assets or total equity from approximately RMB457.9 million as at 31 December 2017 to approximately RMB997.5 million as at 31 December 2018.

Charge on assets

The majority of the Group's bank borrowings and entrusted loans from third parties are secured by property, plant and equipment, investment properties and properties held or under development for sale of the Group.

Contingent liabilities

The Group has arranged bank financing for certain purchasers of the Group's properties and provided guarantees to secure obligations of these purchasers for repayments. Such guarantees will terminate upon the earlier of (i) the issuance and transfer of the real estate ownership certificate, or (ii) the satisfaction of mortgage loans by the purchasers of the properties.

Pursuant to the terms of the guarantees, upon default of mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principal together with accrued interest owed by the defaulting purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties after the relevant legal procedures. The Group's guarantee period starts from the date of grant of mortgage. The Directors consider that the likelihood of default of payments by the purchasers is minimal and therefore the financial guarantee measured at fair value is immaterial.

Key financial ratios:

	For the year ended 31 December	
	2018	2017
Profitability ratios		
Return on assets	**4.7%**	3.3%
Return on equity	**31.6%**	39.2%
Net profit margin	**12.2%**	9.6%

	As of 31 December	
	2018	2017
Liquidity ratio		
Current ratio	**1.4**	1.5
Capital adequacy ratios		
Gearing ratio *(note 1)*	**107.3%**	406.6%
Debt to equity ratio *(note 2)*	**65.3%**	370.5%

Note 1: Gearing ratio is our total debts, including bank borrowings and entrusted loans, other long-term borrowings and other current borrowings, as a percentage of total equity.

Note 2: Debt to equity ratio is our total debts, minus cash and cash equivalents, as a percentage of total equity.

KEY RISK FACTORS

All of our projects are located in Henan Province, the PRC. Our business continues to be heavily dependent on the performance of the property markets in Xuchang City and Henan Province. These property markets may be affected by local, regional, national and global factors, many of which are beyond our control and could include economic and financial conditions, speculative activities in local markets, demand for and supply of properties, availability of alternative investment choices for property buyers, inflation, government policies, interest rates and availability of capital. The selling price per sq.m. and gross profit margins of our properties vary by the type of properties we developed and sold, and affected by various factors including the market demand of the properties located, prevailing local market prices, the cost of properties constructed and sold.

The property market in the cities in which we have operations or plan to expand our operations has been competitive. Our existing and potential competitors include both major national and regional property developers with expansive operations in the cities or markets in which we operate as well as local property developers. We compete with them with respect to a number of factors, including land acquisition, geographic location, management expertise, financial resources, access to transportation infrastructure, size of land reserves, product quality, brand recognition by customers, customer services and support, pricing and design quality. We may seek to further enhance our market presence in these cities amid intense competition.

The Group's exposure to changes in interest rates is mainly attributable to its borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. The Group has not hedged its cash flow or fair value interest rate risk.

The Group is principally engaged in the property development business in the PRC with almost all transactions denominated in Renminbi. In addition, the majority of the Group's assets and liabilities are denominated in Renminbi. Accordingly, the Group is not exposed to significant foreign currency risk, except for the bank deposits denominated in Hong Kong dollars. The Group currently does not have a foreign currency hedging policy. However, the management of the Group closely monitors the foreign exchange exposure and will take actions when necessary.

MATERIAL ACQUISITION AND DISPOSAL

During the year ended 31 December 2018, the Group did not have any material acquisition or disposal of subsidiaries, associates or assets.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

The Directors confirmed that as at the date of this results announcement, there are no current plans to acquire any material investment or capital assets other than in the Group's ordinary business of property development.

GEARING RATIO

Gearing ratio is our total debts, including bank borrowings and entrusted loans, other long-term borrowings and other current borrowings, as a percentage of total equity. As at 31 December 2018, the gearing ratio of the Group was approximately 107.3%, representing decrease of approximately 299.3 percentage points as compared with approximately 406.6% as at 31 December 2017, which was mainly due to: (i) receipt of proceeds from pre-sale and delivery of pre-sold properties; (ii) repayment of outstanding loans gradually during the year; and (iii) the net proceeds received from the Listing.

TREASURY POLICIES AND CAPITAL STRUCTURE

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio.

HUMAN RESOURCES AND EMPLOYEES' REMUNERATION

Human resource has always been the most valuable resource of the Group. As of 31 December 2018, the Group had a total workforce of 426 employees (31 December 2017: 406). The remuneration policy is reviewed by the Board from time to time. Emoluments of Directors are determined by the Remuneration Committee after considering performance of the Group, individual performance and comparing with market conditions. In addition to basic remuneration, the Group also provides medical insurance, social insurance contribution plans or other pension schemes, and other benefits in kind to the employees. The Group adopted five-day week policy applying to our certain back office staff to execute the philosophy of work-life balance.

To intensify personnel training and development, the Group provides a series of employee training programmes, which aims to accelerate professional growth and identify competences and talents of diversified teams. High potential staff are preferred and developed intensively according to the promotion plan towards the management level. In order to attract and retain suitable candidates for business development, the Group adopted the share option scheme as incentive since November 2018.

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING ("IPO")

The net proceeds from the IPO after deducting underwriting commissions and related expenses were approximately RMB309.8 million. The following table sets forth the status of the use of proceeds from the IPO as at 31 December 2018:

Use of Proceeds	**Utilised up to 31 December 2018** *RMB'000,000*	**Unutilised as at 31 December 2018** *RMB'000,000*
(i) Financing the construction costs for the development of our existing projects	145.7	71.2
(ii) Financing the costs of land acquisition and construction costs of our potential development projects and acquisition of land reserves by seeking and acquiring land parcels in cities in which we are currently operating and target cities in the future	62.0	–
(iii) For our working capital and other general corporate purposes	30.9	–
	238.6	71.2

As at 31 December 2018, the unutilised net proceeds from the IPO were deposited in interest-bearing bank accounts with licensed banks.

FORWARD LOOKING

With the steady economic development in China, the government has introduced various real estate policies, which have posed both challenges and opportunities. The real estate tax is experiencing gradual improvement, which is believed that it is beneficial to creating a more rational and mature real estate market in the future and it is also an indispensable condition for a healthy real estate market. We also anticipate that the real estate tax will result in corresponding challenges to the real estate industry.

In 2019, ten ministries including the National Development and Reform Commission, the Ministry of Housing and Urban-Rural Development, the Ministry of Finance and the Ministry of Commerce and other departments jointly issued the "Implementation Plan for Further Optimizing Supply to Push Forward a Steady Growth in Consumption and Promote the Formation of a Strong Market in China (2019)", which calls for further meeting the housing demand from the rural households migrated to urban areas.

Henan is a major agricultural province with a high proportion of rural population, which shows a rigid demand for housing purchases for the real estate market in Henan Province, while promoting the improvement of sales of properties. At the same time, the government has been committed to implementing urbanization policies. In light of a great potential for urbanization in Henan Province, the Henan Provincial Government advocates the coordinated development of Zhengzhou City and Xuchang City. Therefore, we must raise above future challenges and seize the current opportunities so as to consolidate our market position in the real estate development industry in Xuchang City (including Weidu District, Jian'an District, Yuzhou City and Yanling County). At present, most of our projects under construction are located in prime locations equipped with complete ancillary facilities, which will be vigorously conductive to our subsequent sales and have certain support for our performance in the future.

With the development and completion of the projects located in the prime location in Xuchang City (including Weidu District, Jian'an District, Yuzhou City, Yanling County and Changge City), we intend to continue devoting resources to expand our business and broaden our operating coverage across the province by capitalizing on the increasing need for quality properties as a result of rapid urbanization and our extensive experience in redevelopment of the old urban areas.

Looking ahead, the Group will continue to uphold the business philosophy of "being a quality property enterprise by integrity operation", capture development opportunities, accelerate project progress, enhance corporate value and profitability, and further strengthen the market position and brand influence of the Group in the real estate industry. The Group is striving for reaching its goal courageously.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK5.9 cents (equivalent to approximately RMB5.0 cents) per ordinary share in cash for the year ended 31 December 2018 to shareholders whose names appear on the register of members of the Company on 31 May 2019. Subject to shareholders' approval at the forthcoming annual general meeting of the Company (the "**Annual General Meeting**"), the dividend is expected to be paid on or around 28 June 2019.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming Annual General Meeting is scheduled to be held on 24 May 2019. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from 21 May 2019 to 24 May 2019, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 20 May 2019.

The proposed final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting. The record date for entitlement to the proposed final dividend is 31 May 2019. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from 30 May 2019 to 31 May 2019, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 29 May 2019.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good corporate practices and procedures. The corporate governance principles of the Company emphasise a quality Board, transparency and accountability to all shareholders of the Company.

Throughout the period from 12 November 2018 (the "**Listing Date**") to 31 December 2018, the Group complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. The Directors confirmed that they have complied with the required standard as set out in the Model Code for the period from the Listing Date to 31 December 2018.

REVIEW OF ACCOUNTS

The audit committee of the Company has reviewed the annual results of the Company for the year ended 31 December 2018.

The financial information contained in this announcement was extracted from the consolidated financial statements agreed with the Company's auditor, PricewaterhouseCoopers. The unmodified auditor's report will be included in the 2018 Annual Report to shareholders.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Company's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2018 as set out in this announcement have been agreed by the Company's auditor, PricewaterhouseCoopers, to the amounts set out in the Company's consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period from the Listing Date to 31 December 2018.

EVENTS AFTER THE REPORTING PERIOD

Except for the matters disclosed under the "Management Discussion and Analysis" section of this announcement, the Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2018 and up to the date of this announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT, ANNUAL REPORT AND CIRCULAR

The annual results announcement is published on the websites of the Company (www.everreachgroup.com) and the Stock Exchange (www.hkex.com.hk).

The 2018 Annual Report and a circular containing the notice of Annual General Meeting will be dispatched to shareholders in due course.

GENERAL INFORMATION

This annual results announcement only gives a summary of the information and particulars of the 2018 Annual Report from which the contents of this announcement are derived.

By order of the Board
Ever Reach Group (Holding) Company Limited
Li Xiaobing
Chairman and Executive Director

Hong Kong, 28 March 2019

As at the date of this announcement, the executive Directors of the Company are Mr. Li Xiaobing (Chairman), Mr. Wang Zhenfeng (Chief Executive Officer), Ms. Qi Chunfeng and Mr. Wang Quan; and the independent non-executive Directors are Mr. Wei Jian, Mr. Fang Cheng and Mr. Lee Kwok Lun.