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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)

CONNECTED TRANSACTIONS

On 10 October 2019, each of the Vendors and the Purchasers separately entered into the respective sale and purchase agreements, pursuant to which the relevant Vendors agreed to sell and the relevant Purchasers agreed to purchase the respective Property Units.

Xuchang Hengda, as the developer of Hengda Weiyuan and Jinhui Plaza, is an indirect wholly-owned subsidiary of the Company. Songji Dadi, as the developer of Qinglin Yuan, is an indirect wholly-owned subsidiary of the Company. The Purchasers, being a Director or associates of the Directors, are connected persons of the Company under Rule 14A.07 of the Listing Rules. Therefore, the sales of the Property Units constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Since certain applicable percentage ratios for the sales of the Property (1), Property (2), Property (3), Property (4), Property (5), Property (6), Property (7) & Property (8) to Ms. LIN Wei calculated on aggregated basis are above 0.1% but less than 5%, the sales of the above Property Units to Ms. LIN Wei are only subject to reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules. In addition, since certain applicable percentage ratios for the sales of the Property (9) & Property (10) to Ms. QI Chunfeng and Ms. ZHANG Fan calculated on aggregated basis are above 0.1% but less than 5%, the sales of the Property (9) & Property (10) to Ms. QI Chunfeng and Ms. ZHANG Fan are only subject to reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

THE SALE AND PURCHASE AGREEMENTS

1. Jinhui Plaza

- Date: 10 October 2019
- Parties: (i) Xuchang Hengda
(ii) Ms. LIN Wei, the spouse of Mr. LI Xiaobing, the executive Director and controlling shareholder of the Company
- Subject Property Unit: Property (1)
- Consideration: RMB4,189,231, payable by Ms. LIN Wei in cash in the following manner:–
(i) Consideration in the amount of approximately RMB2,094,616, being the initial deposit, has been paid upon signing the sale and purchase agreement.
(ii) The remaining balance in the amount of approximately RMB2,094,615 to be paid on or before 30 November 2019.
- Information of Jinhui Plaza: Jinhui Plaza is a residential and commercial property project located at the north of Bayi Road and the east of Beiguan Avenue, Weidu District, Xuchang City, Henan Province, the PRC and occupies a total site area of approximately 85,506 sq.m.

2. Qinglin Yuan

- Date: 10 October 2019
- Parties: (i) Songji Dadi
(ii) Ms. LIN Wei, the spouse of Mr. LI Xiaobing, the executive Director and controlling shareholder of the Company
- Subject Property Unit: Property (2)
- Consideration: RMB4,230,815, payable by Ms. LIN Wei in cash in the following manner:–
(i) Consideration in the amount of approximately RMB2,115,408, being the initial deposit, has been paid upon signing the sale and purchase agreement.
(ii) The remaining balance in the amount of approximately RMB2,115,407 to be paid on or before 30 November 2019.
- Information of Qinglin Yuan: Qinglin Yuan is a residential and commercial property project located at the west of Qingxu Street, the east of Yuliubei Street and the north of Xida Street, Weidu District, Xuchang City, Henan Province, the PRC and occupies a total site area of approximately 16,450 sq.m.

3. Hengda Weiyuan

Date: 10 October 2019

Parties: (i) Xuchang Hengda
(ii) Ms. LIN Wei, the spouse of Mr. LI Xiaobing, the executive Director and controlling shareholder of the Company

Subject Property Unit: Property (3), Property (4), Property (5), Property (6), Property (7) & Property (8)

Total Consideration: RMB8,837,611, payable by Ms. LIN Wei in cash in the following manner:–

- (i) Consideration in the amount of approximately RMB5,084,961, being the initial deposit, has been paid upon signing the sale and purchase agreements.
- (ii) The remaining balance in the amount of approximately RMB3,752,650 to be paid on or before 30 November 2019.

Information of Hengda Weiyuan: Hengda Weiyuan is a commercial property project located to the south of Xida Street, the west of Laodong Road and the east of West Hucheng River, Weidu District, Xuchang City, Henan Province, the PRC and occupies a total site area of approximately 22,725 sq.m.

4. Hengda Weiyuan

Date: 10 October 2019

Parties: (i) Xuchang Hengda
(ii) Ms. QI Chunfeng, the executive Director, and Ms. ZHANG Fan, the daughter of Ms. QI Chunfeng

Subject Property Unit: Property (9) & Property (10)

Total Consideration: RMB6,308,699, payable by Ms. QI Chunfeng and Ms. ZHANG Fan in cash in the following manner:–

- (i) Consideration in the amount of approximately RMB6,308,699, being the full amount of the consideration, has been paid upon signing the sale and purchase agreements.

Information of Hengda Weiyuan: Hengda Weiyuan is a commercial property project located to the south of Xida Street, the west of Laodong Road and the east of West Hucheng River, Weidu District, Xuchang City, Henan Province, the PRC and occupies a total site area of approximately 22,725 sq.m.

The considerations of the sale and purchase agreements were determined based on the respective prices of the Property Units that were quoted on the public price list of the respective projects of the Group. They were also determined according to the different discounts that were available from different payment methods selected (the discounts are equally applicable to the purchasers who are independent third parties). The property prices in the price list were determined based on the differences in the size, unit type, orientation, views, floor and other relevant factors of individual units of the respective projects; and by reference to the prices of same grade properties in the same district, and the overall market price.

The Vendors shall on or before 30 November 2019 (subject to permitted extension(s) as set out in the relevant sale and purchase agreements) serve written notification on the respective Purchasers to deliver the respective subject Property Units. Each of the Purchasers shall check and receive their subject Property Units on the date to be specified by the relevant Vendor in the notification.

INFORMATION ABOUT THE GROUP, XUCHANG HENGDA AND SONGJI DADI AND REASONS FOR THE SALES OF THE PROPERTY UNITS

The Group is principally engaged in the property development and property investment businesses in the PRC. Xuchang Hengda is an indirect wholly-owned subsidiary of the Company and is the project company for the development of Jinhui Plaza and Hengda Weiyuan. Songji Dadi is an indirect wholly-owned subsidiary of the Company and is the project company for the development of Qinglin Yuan. The sales of the Property Units are conducted in the ordinary and usual course of business of the Group.

In view of the interest of Mr. LI Xiaobing and Ms. QI Chunfeng in the sales of the Property Units as set out in the paragraph headed “Implications under the Listing Rules” below, Mr. LI Xiaobing and Ms. QI Chunfeng have abstained from voting on the board resolution of the Company for the approval of the sales of the Property Units. The Directors (including the independent non-executive Directors) are of the opinion that the sales of the Property Units are on normal commercial terms in the ordinary course of business of the Group, and the terms of the sale and purchase agreements (including the consideration of the sale of the Property Units) are fair and reasonable and in the interests of the Company and the shareholders as a whole.

FINANCIAL EFFECTS OF THE SALES OF THE PROPERTY UNITS

The Property Units under the sale and purchase agreements are completed properties for sale of the Group. The Group is expected to receive the total consideration of RMB23,566,356 in connection with the sales of the Property Units pursuant to the sale and purchase agreements and such proceeds are intended to be used as general working capital of the Group. Apart from the above, it is not expected to have immediate material impact on the financial position of the Group.

IMPLICATIONS UNDER THE LISTING RULES

Mr. LI Xiaobing is an executive Director and the controlling shareholder of the Company and therefore he is a connected person of the Company under Chapter 14A of the Listing Rules.

Ms. LIN Wei is the spouse of Mr. LI Xiaobing and therefore she is an associate of Mr. LI Xiaobing and a connected person of the Company under Chapter 14A of the Listing Rules.

Ms. QI Chunfeng is an executive Director of the Company and therefore she is a connected person of the Company under Chapter 14A of the Listing Rules.

Ms. ZHANG Fan is the daughter of Ms. QI Chunfeng and therefore she is an associate of Ms. QI Chunfeng and a connected person of the Company under Chapter 14A of the Listing Rules.

Accordingly, the sales of the Property Units constitute connected transactions of the Company under the Listing Rules. Since certain applicable percentage ratios for the sales of the Property (1), Property (2), Property (3), Property (4), Property (5), Property (6), Property (7) & Property (8) to Ms. LIN Wei calculated on aggregated basis are above 0.1% but less than 5%, the sales of the above Property Units to Ms. LIN Wei are only subject to reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules. In addition, since certain applicable percentage ratios for the sales of the Property (9) & Property (10) to Ms. QI Chunfeng and Ms. ZHANG Fan calculated on aggregated basis are above 0.1% but less than 5%, the sales of the Property (9) & Property (10) to Ms. QI Chunfeng and Ms. ZHANG Fan are only subject to reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules

“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Property Units”	collectively referred to as Property (1) to Property (10), and “Property Unit” shall refer to any one of them
“Property (1)”	a commercial unit located at Unit S11, Level 1 & 2, Block 4, Jinhui Plaza, with a GFA of approximately 198.6 sq.m.. The consideration is RMB4,189,231.
“Property (2)”	a commercial unit located at Unit S13, Level 1 & 2, Block 6, Qinglin Yuan with a GFA of approximately 215.5 sq.m.. The consideration is RMB4,230,815.
“Property (3)”	a commercial unit located at Unit 301, Level 3, Block 4, Hengda Weiyuan with a GFA of approximately 144.1 sq.m.. The consideration is RMB1,294,283.
“Property (4)”	a commercial unit located at Unit 302, Level 3, Block 4, Hengda Weiyuan with a GFA of approximately 148.2 sq.m.. The consideration is RMB1,438,643.
“Property (5)”	a commercial unit located at Unit 303, Level 3, Block 4, Hengda Weiyuan, with a GFA of approximately 175.1 sq.m.. The consideration is RMB1,734,597.
“Property (6)”	a commercial unit located at Unit 304, Level 3, Block 4, Hengda Weiyuan, with a GFA of approximately 175.0 sq.m.. The consideration is RMB1,733,694.
“Property (7)”	a commercial unit located at Unit 305, Level 3, Block 4, Hengda Weiyuan, with a GFA of approximately 129.1 sq.m.. The consideration is RMB1,156,868.
“Property (8)”	a commercial unit located at Unit 306, Level 3, Block 4, Hengda Weiyuan, with a GFA of approximately 152.4 sq.m.. The consideration is RMB1,479,526.
“Property (9)”	a commercial unit located at Unit 105, Level 1 & 2, Block 4, Hengda Weiyuan, with a GFA of approximately 126.8 sq.m.. The consideration is RMB3,155,674.
“Property (10)”	a commercial unit located at Unit 106, Level 1 & 2, Block 4, Hengda Weiyuan with a GFA of approximately 126.7 sq.m.. The consideration is RMB3,153,025.
“Purchasers”	Ms. LIN Wei, Ms. QI Chunfeng and Ms. ZHANG Fan, and “Purchaser” shall refer to any one of them

“RMB”	Renminbi, the lawful currency of the PRC
“Songji Dadi”	許昌宋基大地置業有限公司 (Xuchang Songji Dadi Property Company Limited*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq.m.”	square metre(s)
“Vendors”	Xuchang Hengda and Songji Dadi, and “Vendor” shall refer to any one of them
“Xuchang Hengda”	許昌恒達房地產集團有限公司 (Xuchang Hengda Property Group Company Limited*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company

* *English name for identification purpose only*

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

Hong Kong, 10 October 2019

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