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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 28 May 2020, the Vendor and the Purchaser entered into two sale and purchase agreements, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Property Units.

Xuchang Hengda, as the developer of Jinhui Plaza, is an indirect wholly-owned subsidiary of the Company. The Purchaser, being an associate of the Director, is a connected person 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.

As the Ms. LIN Wei Previous Transactions were entered into within 12 months prior to the Transactions, pursuant to Rule 14A.81 of the Listing Rules, the sale of Property Units by the Vendor to the Purchaser pursuant to sale and purchase agreements is required to be aggregated with Ms. LIN Wei Previous Transactions.

Since certain applicable percentage ratios for the sales of the Property Units to the Purchaser, when aggregated with Ms. LIN Wei's Previous Transaction are above 0.1% but less than 5%, the sales of the above Property Units to the Purchaser 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:	28 May 2020
Parties:	(i) Xuchang Hengda  (ii) Ms. LIN Wei, the spouse of Mr. LI Xiaobing who is the executive Director and controlling shareholder of the Company
Subject Property Unit:	Property (1) and Property (2)
Consideration:	RMB6,901,686, payable by the Purchaser in cash in the following manner:– (i) Consideration in the amount of approximately RMB1,000,000, being the initial deposit, has been paid upon signing the sale and purchase agreement.  (ii) The remaining balance in the amount of approximately RMB5,901,686 to be paid on or before 29 July 2020.
Information of Jinhui Plaza:	Jinhui Plaza is a residential and commercial property project located at 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.

The considerations of the sale and purchase agreements regarding the Property Units were determined based on the respective prices of the Property Units that were quoted on the public price list of Jinhui Plaza. 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 Jinhui Plaza; and by reference to the prices of same grade properties in the same district, and the overall market price.

The Vendor shall on or before 29 July 2020 (subject to permitted extension(s) as set out in the relevant sale and purchase agreements) serve written notification on the Purchaser to deliver the respective subject Property Units. Purchaser shall check and receive its subject Property Units on the date to be specified by the Vendor in the notification.

## **INFORMATION ABOUT THE GROUP AND XUCHANG HENGDA 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 other projects. 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 in the sales of the Property Units as set out in the paragraph headed “Implications under the Listing Rules” below, Mr. LI Xiaobing has 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 are completed properties held for sale of the Group. The Group is expected to receive the total consideration of RMB6,901,686 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.

The Purchaser, 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. Accordingly, the sales of the Property Units constitute connected transactions of the Company under the Listing Rules.

As the Ms. LIN Wei Previous Transactions were entered into within 12 months prior to the Transactions, pursuant to Rule 14A.81 of the Listing Rules, the sales of Property Units by the Vendor to the Purchaser pursuant to sale and purchase agreements is required to be aggregated with Ms. LIN Wei Previous Transactions.

Since certain applicable percentage ratios for the sales of the Property Units to the Purchaser, when aggregated with Ms. LIN Wei’s Previous Transaction are above 0.1% but less than 5%, the sales of the above Property Units to the Purchaser 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. Appropriate disclosure of the Transactions will be made in the next annual report and accounts of the Company in accordance with the Listing Rules.

By virtue of Mr. LI Xiaobing interests in the Agreements, Mr. LI Xiaobing is considered to have material interests in the sales and purchase agreements and the transactions contemplated thereunder. Accordingly, Mr. LI Xiaobing has abstained from voting on the Board resolution(s) to approve the entering into of the sales and purchase agreements.

## 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
“Ms. LIN Wei Previous Transactions”	as disclosed in the announcement of the Company dated 10 October 2019, Ms. LIN Wei purchased eight commercial units from the Group for a total consideration of RMB17,257,657.
“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) and Property (2), and “Property Unit” shall refer to any one of them
“Property (1)”	a commercial unit located at Unit S05, Level 1 & 2, Block 3, Residential, Jinhui Plaza, with a GFA of approximately 241.12 sq.m.. The consideration is RMB3,341,923.
“Property (2)”	a commercial unit located at Unit S06, Level 1 & 2, Block 3, Residential, Jinhui Plaza, with a GFA of approximately 238.75 sq.m.. The consideration is RMB3,559,763.

“Purchaser”	Ms. LIN Wei, the spouse of Mr. LI Xiaobing, the executive Director and the controlling shareholder of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq.m.”	square metre(s)
“Transactions”	the sale of Property Units by the Vendor to the Purchaser pursuant to the sales and purchase agreements.
“Vendor”	Xuchang Hengda
“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, 28 May 2020

*As at the date of this announcement, the executive Directors 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.*