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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 27 July 2022, the Vendors and the Purchasers entered into the respective sale and purchase agreements, pursuant to which the Vendors agreed to sell and the Purchasers agreed to purchase the respective Property Units.

Jiari Baocheng, as the developer of King of the North, is an indirect wholly-owned subsidiary of the Company. Xuchang Hengrong, as the developer of Hengda Mingzhu, is an indirect non-wholly owned subsidiary of the Company. The Purchasers are connected persons of the Company under Rule 14A.07 of the Listing Rules. Therefore, the Transactions constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Since certain applicable percentage ratios for the Transactions on an aggregate basis are above 0.1% but less than 5%, the Transactions 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. King of the North

Date:	27 July 2022
Parties	(i) Jiari Baocheng, as the Vendor (ii) Ms. LIN Wei, the spouse of Mr. LI Xiaobing who is an executive Director and the controlling shareholder of the Company, as the Purchaser
Subject Property Units:	Property (1) and Property (2)
Consideration:	RMB11,854,000, being the full amount of the consideration, shall be paid by the Purchaser upon signing the relevant sale and purchase agreements.
Information of King of the North:	King of the North is a residential and commercial property project located at the south of Longquan Street and the east of Binhe Road, Jian'an District, Xuchang City, Henan Province, the PRC and occupies a total site area of approximately 271,114 sq.m..

2. Hengda Mingzhu

Date:	27 July 2022
Parties	(i) Xuchang Hengrong, as the Vendor (ii) Ms. LIN Wei, the spouse of Mr. LI Xiaobing who is an executive Director and the controlling shareholder of the Company, as the Purchaser (iii) Ms. LI Xinyao, the daughter of Mr. LI Xiaobing who is an executive Director and the controlling shareholder of the Company, as the Purchaser
Subject Property Units:	Property (3), Property (4), Property (5) and Property (6)
Consideration:	RMB2,688,672, being the full amount of the consideration, shall be paid by the Purchasers upon signing the relevant sale and purchase agreements.
Information of Hengda Mingzhu:	Hengda Mingzhu is a residential and commercial property project located at the West of Hengfeng Road and the North of Wenxuan Road, Weidu District, Xuchang City, Henan Province, the PRC and occupies a total site area of approximately 58,494 sq.m..

The consideration for the Property Units was 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 respective projects; and by reference to the prices of same grade properties in the same district, and the overall market price.

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

INFORMATION ABOUT THE GROUP, JIARI BAOCHENG AND XUCHANG HENGRONG AND REASONS FOR THE TRANSACTIONS

The Group is principally engaged in the property development and property investment businesses in the PRC. Jiari Baocheng is an indirect wholly-owned subsidiary of the Company and is the project company for the development of King of the North. Xuchang Hengrong is an indirect non-wholly owned subsidiary of the Company and is the project company for the development of Hengda Mingzhu. The Transactions are conducted in the ordinary and usual course of business of the Group.

In view of the interest of Mr. LI Xiaobing in the Transactions as set out in the paragraph headed “Implications under the Listing Rules” below, Mr. LI Xiaobing has abstained from voting on the Board resolution to approve the entering into of the sale and purchase agreements and the transactions contemplated thereunder. The Directors (including the independent non-executive Directors) are of the opinion that the Transactions are on normal commercial terms in the ordinary and usual course of business of the Group, and for the terms of the sale and purchase agreements (including the consideration for 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 properties under development of the Group. The Group is expected to receive a total consideration of RMB14,542,672 in connection with the Transactions 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, the Transactions are 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. LI Xinyao is the daughter of Mr. LI Xiaobing and Ms. LIN Wei 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 Transactions constitute connected transactions of the Company under the Listing Rules.

Since certain applicable percentage ratios for the Transactions on an aggregate basis are above 0.1% but less than 5%, the Transactions 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 interests of Mr. LI Xiaobing in the Transactions, Mr. LI Xiaobing is considered to have material interests in the sales and purchase agreements and the Transactions. Accordingly, Mr. LI Xiaobing has abstained from voting on the Board resolution(s) to approve the entering into of the sale and purchase agreements and the transactions contemplated thereunder.

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
“Company”	Ever Reach Group (Holdings) Company Limited, an exempted company incorporated under the laws of the Cayman Islands with limited liability, whose Shares are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jiari Baocheng”	許昌假日寶呈置業有限公司 (Xuchang Jiari Baocheng Property Company Limited*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Ms. LI Xinyao”	Ms. LI Xinyao, the daughter of Mr. LI Xiaobing, an executive Director and the controlling shareholder of the Company, and Ms. LIN Wei, and the purchaser to the sale and purchase agreements for Property (3), Property (4), Property (5) and Property (6)
“Ms. LIN Wei”	Ms. LIN Wei, the spouse of Mr. LI Xiaobing, an executive Director and the controlling shareholder of the Company, and the purchaser to the sale and purchase agreements for the related Property Units
“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), Property (2), Property (3), Property (4), Property (5) and Property (6)
“Property (1)”	a residential unit located at Unit 101, Level 1, Building 1, Yi Yuan, King of the North, with a GFA of approximately 410.29 sq.m.. The consideration under the relevant sale and purchase agreement is RMB4,102,900
“Property (2)”	a residential unit located at Unit 102, Level 1, Building 1, Yi Yuan, King of the North, with a GFA of approximately 775.11 sq.m.. The consideration under the relevant sale and purchase agreement is RMB7,751,100
“Property (3)”	a residential unit located at Unit 2601, Level 26, Building 11, Hengda Mingzhu, with a GFA of approximately 126.24 sq.m.. The consideration under the relevant sale and purchase agreement is RMB706,944
“Property (4)”	a residential unit located at Unit 2602, Level 26, Building 11, Hengda Mingzhu, with a GFA of approximately 113.82 sq.m.. The consideration under the relevant sale and purchase agreement is RMB637,392
“Property (5)”	a residential unit located at Unit 2603, Level 26, Building 11, Hengda Mingzhu, with a GFA of approximately 113.82 sq.m.. The consideration under the relevant sale and purchase agreement is RMB637,392

“Property (6)”	a residential unit located at Unit 2604, Level 26, Building 11, Hengda Mingzhu, with a GFA of approximately 126.24 sq.m.. The consideration under the relevant sale and purchase agreement is RMB706,944
“Purchaser(s)”	Ms. LIN Wei and Ms. LI Xinyao, and “Purchaser” shall refer to any one of them
“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 Vendors to the Purchasers pursuant to the sales and purchase agreements
“Vendor(s)”	Xuchang Hengrong and Jiari Baocheng, and “Vendor” shall refer to any one of them
“Xuchang Hengrong”	許昌市恒榮房地產開發有限公司(Xuchang Hengrong Real Estate Development Company Limited*, a limited liability company established in the PRC and an indirect non-wholly owned subsidiary of the Company
%	per cent

* *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, 27 July 2022

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.