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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)**

### **INSIDE INFORMATION PROFIT WARNING**

This announcement is made by Ever Reach Group (Holdings) Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the currently available preliminary assessment of the unaudited consolidated management accounts of the Company for the six months ended 30 June 2022 (the “**Unaudited Management Accounts**”):

- (i) the Group is expected to record a decrease in revenue by approximately 33% to 38% for the six months ended 30 June 2022 as compared to the revenue for the six months ended 30 June 2021 of RMB742.5 million; and
- (ii) the Group is expected to record a net loss of approximately not more than RMB24 million for the six months ended 30 June 2022 as compared to the net profit for the six months ended 30 June 2021 of RMB44.9 million.

This decrease of revenue and the expected net loss was primarily attributable to: (1) the decline in sales due to the continuing downturn of the industry and the declining demand due to the overall weak performance of China's macro market; (2) the decrease in gross profit margin as a result of the increasing unit costs of properties; and (3) the increase in provision for decline in values of properties held for sale during the period.

As at the date of this announcement, the Company is still in the process of preparing the interim results of the Group for the six months ended 30 June 2022 and is not able at this time to disclose any further details on the above factors and their impact on the Group's loss attributable to Shareholders. The information set out above is only based on a preliminary assessment by the Board on the information currently available to it, including the Unaudited Management Accounts, which have not been finalised and not been independently reviewed by the Company's auditor or the audit committee. Shareholders and potential investors should refer to the interim results of the Company for the six months ended 30 June 2022, which are expected to be published before the end of August 2022.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 17 August 2022

*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 of the Company are Mr. Lee Kwok Lun, Mr. Wei Jian and Mr. Fang Cheng.*