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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)

(1) RESUMPTION GUIDANCE; (2) QUARTERLY UPDATE ON RESUMPTION PROGRESS; AND (3) CONTINUED SUSPENSION OF TRADING

This announcement is made by Ever Reach Group (Holdings) Company Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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).

Reference is made to the announcements (the “**Announcements**”) of the Company dated 28 March 2024, 2 April 2024, 12 April 2024 and 14 May 2024 in relation to, among others, the delay in publication of the 2023 Annual Results and suspension of trading in the Company’s shares on the Stock Exchange under Rule 13.50 of the Listing Rules. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, during the audit process, the auditor of the Company requested the Company to provide, among others, further information and explanations in respect of the prepayments of construction costs made by the Group to certain suppliers, including but not limited to the commercial rationale for the prepayments, complete accounting records and documents, details of the prepayments utilized by the suppliers and details of the arrangements regarding the outstanding balance of the prepayments (the “**Prepayments Issue**”).

RESUMPTION GUIDANCE

On 25 June 2024, the Company received a letter from the Stock Exchange setting out the guidance for the resumption of trading in the shares of the Company on the Stock Exchange (the “**Resumption Guidance**”). Pursuant to the Resumption Guidance, the Company shall:

- (a) conduct an appropriate independent investigation into the Prepayments Issue, assess the impact on the Company’s business operation and financial position, announce the findings and take appropriate remedial actions;
- (b) demonstrate that there is no reasonable regulatory concern about the integrity, competence and/or character of the Group’s management and/or any persons with substantial influence over the Company’s management and operations, which may pose a risk to investors and damage market confidence;
- (c) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules;
- (d) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (e) demonstrate the Company’s compliance with Rule 13.24 of the Listing Rules; and
- (f) inform the market of all material information for the Company’s shareholders and other investors to appraise its position.

The Stock Exchange requires the Company to meet the Resumption Guidance, remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange’s satisfaction before trading in its shares is allowed to resume. For this purpose, the Company has the primary responsibility to devise its action plan for resumption. The Stock Exchange may modify or supplement the Resumption Guidance if the Company's situation changes.

Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period expires on 1 October 2025. If the Company fails to remedy the issues causing its trading suspension, fulfill the Resumption Guidance and fully comply with the Listing Rules to the Stock Exchange’s satisfaction and resume trading in its shares by 1 October 2025, the Listing Division will recommend the Listing Committee to proceed with the cancellation of the Company’s listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate.

The Company is taking appropriate steps to comply with the Resumption Guidance and will seek to resume trading of its shares as soon as possible. The Company will keep its shareholders and potential investors informed of the latest progress as and when appropriate and will announce quarterly updates on its development pursuant to Rule 13.24A of the Listing Rules.

QUARTERLY UPDATE ON RESUMPTION PROGRESS

The Board wishes to update the Shareholders and potential investors of the Company on the progress of the Company's fulfilment of the Resumption Guidance as at the date of this announcement as summarized below:

Updates regarding business operation

The Group is principally engaged in the property development business in the People's Republic of China (the "PRC"). Notwithstanding the suspension of trading in the shares of the Company, the Group is carrying on its business operations as usual and will continue to closely monitor its financial position and business operations.

Resumption plan

The Company is considering the resumption plan and taking appropriate steps to comply with the Resumption Guidance and the Listing Rules in order to ensure the resumption of trading in the Shares.

As disclosed in the announcement of the Company dated 14 May 2024, the Board had resolved to establish the Special Investigation Committee comprising all independent non-executive Directors to undertake investigation on matters pertaining to the Prepayments Issue. As at the date of this announcement, the Company has engaged an independent third party professional institute to conduct an independent investigation into the Prepayments Issue.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 April 2024 pending the publication of the 2023 Annual Results and is currently expected to remain suspended until the Company fulfills the Resumption Guidance.

The Company will make further announcement(s) to keep its Shareholders and potential investors informed of any progress on the fulfilment of the Resumption Guidance as and when appropriate.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 28 June 2024

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.