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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)

**CONTINUING CONNECTED TRANSACTIONS
REVISION OF THE FURTHER REVISED CAP**

REVISION OF THE FURTHER REVISED CAP

Reference is made to (i) the announcement of the Company dated 20 October 2021 in relation to the entering into of the Previous Civil Engineering Construction Contract; (ii) the announcement of the Company dated 19 April 2022 in relation to the entering into of the Civil Engineering Construction Contract; (iii) the announcement of the Company dated 28 September 2023 in relation to the Revised Caps; and (iv) the announcement of the Company dated 29 May 2024 in relation to the entering into of the Supplemental Civil Engineering Construction Contract, the Ancillary Construction Contract and the Further Revised Caps.

The civil engineering and construction services for the two residential buildings and the connected garages in the Project under the Previous Civil Engineering Contract have been completed as of the date of this announcement. However, Luohe Hengda was informed by Luohe Huatai Construction that during the final settlement of all the fees under the Previous Civil Engineering Construction Contract, the consideration will need to be adjusted upward to include the Additional Consideration in the aggregate amount of RMB2.6 million incurred due to the costs relating to the change of drawings for certain structure and construction of the buildings, costs relating to the change of certain utilities facilities, increase in the costs of materials and the parking charges for the large machineries due to the lock down measures during the outbreak of COVID-19, which were necessary and incidental to the completion of the construction of the two residential buildings and the connected garages for the Project. As a result, Luohe Huatai Construction has requested, and Luohe Hengda, after careful consideration of the circumstances leading to the Additional Consideration, has agreed to pay the Additional Consideration in 2025 pursuant to the terms of the Previous Civil Engineering Construction Contract.

In view of the above, the Company has therefore decided to revise the Further Revised Cap for the year ending 31 December 2025 by increasing from RMB2 million to RMB4.6 million (i.e. the 2025 Revised Cap).

LISTING RULES IMPLICATIONS

Luohe Hengda was held as to 40% by Luohe Huatai and 60% by Xuchang Hengda; and Luohe Huatai was held as to 49% by two independent third parties and 51% by Linying Hongtong which in turn held 51% equity interest in Luohe Huatai Construction. Therefore, Luohe Huatai Construction is a connected person of the Company by virtue of being an associate of Luohe Huatai at the subsidiary level. Accordingly, under Chapter 14A of the Listing Rules, the Previous Civil Engineering Construction Contract, the Ancillary Construction Contract and the transactions contemplated thereunder constitute continuing connected transactions of the Company. Pursuant to Rule 14A.81 of the Listing Rules, the Previous Civil Engineering Construction Contract and the Ancillary Construction Contract are required to be aggregated.

Pursuant to Rule 14A.54 under the Listing Rules, if the Company intends to revise the annual caps for continuing connected transactions, the Company will be required to re-comply with relevant provisions of Chapter 14A of the Listing Rules in respect of the relevant continuing connected transactions. As one or more of the applicable percentage ratios (as set out in the Listing Rules, other than the profits ratio) for the 2025 Revised Cap in relation to the transaction contemplated under the Previous Civil Engineering Construction Contract, when aggregated with the Ancillary Construction Contract, is more than 1% but all the applicable percentage ratios are less than 5%, the transactions contemplated under the Previous Civil Engineering Construction Contract are subject to the reporting, announcement and annual review requirements but are exempted from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE PREVIOUS CIVIL ENGINEERING CONSTRUCTION CONTRACT

The principal terms of the Previous Civil Engineering Construction Contract are set out as follows:

Date	20 October 2021
Parties	Luohe Hengda (as principal); and Luohe Huatai Construction (as contractor)

Nature of the transaction	Luohe Hengda entrusted Luohe Huatai Construction to provide civil engineering and construction services for two residential blocks and the connected garages in a construction project, which is located in Linying County, Luohe City, Henan Province, the PRC (the “ Project ”).
Contract term	<p>560 calendar days from 20 October 2021 to 2 May 2023.</p> <p>The commencement of the construction of the connected garages depends on the completion of inspection of the foundation subsoil of the residential blocks.</p>
Consideration and Payment Arrangements	Luohe Hengda will pay to Luohe Huatai Construction a total consideration of approximately RMB31,005,000 pursuant to the terms of the Civil Engineering Construction Contract (the “ Consideration ”). 97% of the Consideration shall be paid in accordance with the payment schedule to the Civil Engineering Construction Contract, which is based on the construction work completed, and the remaining 3% of the Consideration in the sum of approximately RMB931,000 shall be reserved as quality guarantee and shall be paid by Luohe Hengda upon Luohe Hengda’s acceptance of the quality of the Project and the expiry of the relevant quality guarantee period by the end of 2026.
Tender Procedures and Assessment Criteria	Luohe Hengda arranged the tender procedures and invited 5 bidders for the tender, including 4 independent contractors and Luohe Huatai Construction. A comprehensive assessment method was adopted. Luohe Hengda scored the bidders which have met substantive requirements of the tender documents based on certain assessment criteria, including but not limited to recent business and operation conditions, market credibility, management structure, experience and qualifications of the team managers, sufficiency of workers, work quality of major technical officers and safety conditions and management quality of other projects under construction and completed projects of the bidders. For bidders with the same scores, the one with lower tender price ranked ahead and for bidders with same score and same tender price, the one with higher market credibility ranked ahead.

Basis of Consideration	The Consideration is the bidding price offered by Luohe Huatai Construction (i.e. approximately RMB31,005,000 in total), the successful bidder, at the tender for the Civil Engineering Construction Contract based on the ration standard budget for construction works of the Henan Province in 2016 (2016年河南省工程定額標準預算結果) and the terms of the Civil Engineering Construction Contract.
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Payment method	Settlement through telegraphic transfer.
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THE ANCILLARY CONSTRUCTION CONTRACT

The principal terms of the Ancillary Construction Contract are set out as follows:

Date	29 May 2024
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Parties	Luohe Hengda (as principal); and Luohe Huatai Construction (as contractor)
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Nature of the transaction	Luohe Hengda entrusted Luohe Huatai Construction to provide road construction, greening, ornamenting and paving services (the “ Ancillary Construction Services ”) at the interchange at Yingchuan Avenue and Xincheng Road near the Project location.
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Construction period	270 calendar days Luohe Hengda shall notify Luohe Huatai Construction of the commencement of the provision of the Ancillary Construction Services in writing.
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Consideration and payment arrangements	Luohe Hengda will pay to Luohe Huatai Construction a total consideration of approximately RMB5.95 million pursuant to the terms of the Ancillary Construction Contract. 66% of the consideration shall be paid upon the acceptance of completion of the Ancillary Construction Services for the year ending 31 December 2024 and the balance shall be paid upon completion of all Ancillary Construction Services for the year ending 31 December 2025 and the delivery of all relevant information to Luohe Hengda.
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Tender procedures and assessment criteria	<p>Luohe Hengda arranged the tender procedures and invited 3 bidders for the tender, including 2 independent contractors and Luohe Huatai Construction.</p> <p>A comprehensive assessment method was adopted. Luohe Hengda assessed the bidders which have met substantive requirements of the tender documents based on certain assessment criteria, including but not limited to recent business and operation conditions, market credibility, management structure, experience and qualifications of the team managers, sufficiency of workers, work quality of major technical officers and safety conditions and management quality of other projects under construction and completed projects of the bidders. For bidders with the same assessment results the one with lower tender price ranked ahead and for bidders with same score and same tender price, the one with higher market credibility ranked ahead.</p>
Basis of consideration	<p>The consideration payable by Luohe Hengda under the Ancillary Construction Contract is the bidding price offered by Luohe Huatai Construction (i.e. approximately RMB5.95 million in total), the successful bidder, at the tender for the Ancillary Construction Contract based on the ration standard budget for construction works of the Henan Province in 2016 (2016年河南省工程定額標準預算結果) and the terms of the Ancillary Construction Contract.</p>
Payment method	Settlement through telegraphic transfer

REASON FOR THE REVISION OF THE FURTHER REVISED CAP

The civil engineering and construction services for the two residential buildings and the connected garages in the Project under the Previous Civil Engineering Contract have been completed as of the date of this announcement. However, Luohe Hengda was informed by Luohe Huatai Construction that during the final settlement of all the fees under the Previous Civil Engineering Construction Contract, the consideration will need to be adjusted upward to include the Additional Consideration in the aggregate amount of RMB2.6 million incurred due to the costs relating to the change of drawings for certain structure and construction of the buildings, costs relating to the change of certain utilities facilities, increase in the costs of materials and the parking charges for the large machineries due to the lock down measures during the outbreak of COVID-19, which were necessary and incidental to the completion of the construction of the two residential buildings and the connected garages for the Project. As a result, Luohe Huatai Construction has requested, and Luohe Hengda,

after careful consideration of the circumstances leading to the Additional Consideration, has agreed to pay the Additional Consideration in 2025 pursuant to the terms of the Previous Civil Engineering Construction Contract.

The actual transaction amounts and the corresponding annual caps, the Revised Caps, the Further Revised Caps and 2025 Revised Cap for the transactions conducted under the Previous Civil Engineering Construction Contract, the Civil Engineering Construction Contract (as supplemented by the Supplemental Civil Engineering Construction Contract) and the Ancillary Construction Contract, when aggregated as required, for the years ended 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024 and for the year ending 31 December 2025 are as follows:

Year covered	Annual caps	Revised Caps	Further Revised Caps	2025 Revised Cap	Actual transaction amounts during the years
1 January 2021– 31 December 2021	RMB18.275 million (Note 1)	N/A	N/A	N/A	RMB18.271 million
1 January 2022– 31 December 2022	RMB11 million (Note 2)	N/A	N/A	N/A	RMB5.999 million
1 January 2023– 31 December 2023	RMB7 million (Note 2)	RMB8.7 million (Note 4)	N/A	N/A	RMB8.67 million
1 January 2024– 31 December 2024	RMB1 million (Note 3)	RMB0.9 million (Note 4)	RMB14.4 million (Note 5)	N/A	RMB14.31 million
1 January 2025– 31 December 2025	N/A	N/A	RMB2 million (Note 5)	RMB4.6 million	N/A

- Note 1:* The annual cap for the year ended 31 December 2021 was calculated based on the amount of approximately RMB18.275 million incurred for the transaction contemplated under the Previous Civil Engineering Construction Contract for the year ended 31 December 2021. Please refer to the announcement of the Company dated 20 October 2021 for more details relating to the Previous Civil Engineering Construction Contracts and the annual caps.
- Note 2:* The annual caps for the years ended 31 December 2022 and 31 December 2023 were primarily calculated based on the amount of contract sum incurred for the transaction contemplated under the Previous Civil Engineering Construction Contract for the years ended 31 December 2022 and 31 December 2023 when aggregated with the Civil Engineering Construction Contract. Please refer to the announcement of the Company dated 19 April 2022 for more details relating to the Civil Engineering Construction Contracts and the annual caps.
- Note 3:* The annual cap for the year ended 31 December 2024 was primarily calculated based on the amount of contract sum incurred for the transaction contemplated under the Civil Engineering Construction Contract for the year ended 31 December 2024.
- Note 4:* Please refer to the announcement of the Company dated 28 September 2023 for more details relating to the Revised Caps.
- Note 5:* The Further Revised Annual Cap for each of the year ended 31 December 2024 and the year ending 2025 was/is primarily calculated based on the amount of contract sum incurred for the transaction contemplated under the Civil Engineering Construction Contract (as supplemented by the Supplemental Civil Engineering Construction Contract) when aggregated with the Ancillary Construction Contract. Please refer to the announcement of the Company dated 29 May 2024 for further details of the Supplemental Civil Engineering Construction Contract, the Ancillary Construction Contract and the Further Revised Caps.

The 2025 Revised Cap is determined with reference to factors including: (i) the Additional Consideration payable by Luohe Hengda as explained above pursuant to terms of the Previous Civil Engineering Construction Contract; and (ii) the balance of consideration payable by Luohe Hengda in 2025 pursuant to the terms of the Ancillary Construction Contract.

Pursuant to the Previous Civil Engineering Construction Contract, the Civil Engineering Construction Contract (as supplemented by the Supplemental Civil Engineering Construction Contract) and the Ancillary Construction Contract, Luohe Hengda has entrusted Luohe Huatai Construction to provide various civil engineering and construction services and the Ancillary Construction Contract to Luohe Hengda in the Project, including two residential blocks, one commercial building and their respective garages.

The Group is principally engaged in the property development and property investment businesses in the PRC. Adjoining Xuchang City to the north, Linying County enjoys a high degree of urban development. The Board believes that Linying County is easy to harness and is important for the Group's strategic development and experience accumulation for development projects outside of Xuchang City. Further, the location of the Project possesses comprehensive municipal facilities in proximity with a rich residential ambience. Luohe Huatai Construction has the relevant qualifications and expertise to provide civil engineering and construction services to Luohe Hengda. The Previous Civil Engineering Construction Contract, the Ancillary Construction Contract and the transactions contemplated thereunder have been and will be conducted in the ordinary and usual course of business of Luohe Hengda.

For further details relating to the reasons and benefits of entering into the Previous Civil Engineering Construction Contract and the Ancillary Construction Contract, please refer to the announcements of the Company dated 20 October 2021 and 29 May 2024, respectively.

The Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the Previous Civil Engineering Construction Contract and the Ancillary Construction Contract have been and will be conducted in the ordinary and usual course of business of the Group and the terms of the Previous Civil Engineering Construction Contract and the Ancillary Construction Contract and the 2025 Revised Cap are on normal commercial terms after arm's length negotiations between the parties thereunder, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE PARTIES

Luohe Hengda

Luohe Hengda is a company established in the PRC on 21 December 2020. The principal activities of Luohe Hengda include real estate development and house renting in Henan Province, the PRC.

Luohe Huatai Construction

Luohe Huatai Construction is a company established in the PRC on 16 March 1999. It has more than 20 years of experience in providing civil engineering and construction services to real estate developers in Henan Province, the PRC. The principal activities of Luohe Huatai Construction include construction, fire engineering, steel structure, waterproof and anti-corrosion structure, heat preservation, municipality project, renovation and decoration.

LISTING RULES IMPLICATIONS

Luohe Hengda was held as to 40% by Luohe Huatai and 60% by Xuchang Hengda; and Luohe Huatai was held as to 49% by two independent third parties and 51% by Linying Hongtong which in turn held 51% equity interest in Luohe Huatai Construction. Therefore, Luohe Huatai Construction is a connected person of the Company by virtue of being an associate of Luohe Huatai at the subsidiary level. Accordingly, under Chapter 14A of the Listing Rules, the Previous Civil Engineering Construction Contract, the Ancillary Construction Contract and the transactions contemplated thereunder constitute continuing connected transactions of the Company. Pursuant to Rule 14A.81 of the Listing Rules, the Previous Civil Engineering Construction Contract and the Ancillary Construction Contract are required to be aggregated.

Pursuant to Rule 14A.54 under the Listing Rules, if the Company intends to revise the annual caps for continuing connected transactions, the Company will be required to re-comply with relevant provisions of Chapter 14A of the Listing Rules in respect of the relevant continuing connected transactions. As one or more of the applicable percentage ratios (as set out in the Listing Rules, other than the profits ratio) for the 2025 Revised Cap in relation to the transaction contemplated under the Previous Civil Engineering Construction Contract, when aggregated with the Ancillary Construction Contract, is more than 1% but all the applicable percentage ratios are less than 5%, the transactions contemplated under the Previous Civil Engineering Construction Contract are subject to the reporting, announcement and annual review requirements but are exempted from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Previous Civil Engineering Construction Contract and the Ancillary Construction Contract and the transactions contemplated thereunder and no Director is required to abstain from voting on the Board resolution(s) approving the 2025 Revised Cap.

DEFINITIONS

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

“2025 Revised Cap”	the maximum contract sum that is comprised of (i) the Additional Consideration; and (ii) the balance of consideration payable by Luohe Hengda in 2025 pursuant to the terms of the Ancillary Construction Contract
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“Additional Consideration”	the additional consideration in the aggregate amount of RMB2.6 million incurred due to the costs relating to the change of drawings for certain structure and construction of the buildings, costs relating to the change of certain utilities facilities, increase in the costs of materials and the parking charges for the large machineries due to the lock down measures during the outbreak of COVID-19, which were necessary and incidental to the completion of the construction of the two residential buildings and the connected garages for the Project payable by Luohe Hengda in 2025 pursuant to the terms of the Previous Civil Engineering Construction Contract
“Ancillary Construction Contract”	the ancillary construction contract dated 29 May 2024 entered into between Luohe Hengda and Luohe Huatai Construction, pursuant to which Luohe Hengda entrusted Luohe Huatai Construction to provide the Ancillary Construction Services at the interchange at Yingchuan Avenue and Xincheng Road near the Project location. For details, please refer to the Company’s announcement dated 29 May 2024
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Civil Engineering Construction Contract”	the civil engineering construction contract dated 19 April 2022 entered into between Luohe Hengda and Luohe Huatai Construction, pursuant to which Luohe Hengda entrusted Luohe Huatai Construction to provide civil engineering and construction services for a commercial building and the connected garages in the Project. For details, please refer to the Company’s announcement dated 19 April 2022
“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(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company

“Further Revised Cap(s)”	the maximum total revised contract sum that may be paid by Luohe Hengda to Luohe Huatai Construction in respect of (i) the civil engineering and construction services for a commercial building and the connected garage and the Additional Construction Services for the commercial building in the Project for each year under the Civil Engineering Construction Contract (as supplemented by the Supplemental Civil Engineering Construction Contract); and (ii) the Ancillary Construction Services at the interchange at Yingchuan Avenue and Xincheng Road near the Project location under the Ancillary Construction Contract
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Linying Hongtong”	臨潁縣鴻通投資有限公司 (Linying County Hongtong Investment Co., Ltd*), a limited liability company established in the PRC and is owned as to 51% by 臨潁豫資投資控股集團有限公司 (Linying Yuzi Investment Holding Group Co., Ltd.*), 30% by 臨潁縣現代物流園區投資有限公司 (Linying Modern Logistics Park Co., Ltd.*) and 19% by 臨潁縣城鎮建設投資發展有限公司 (Linying County Chengzhen Construction Investment Development Co., Ltd.*), all of which are ultimately owned by 臨潁縣財政局 (Linying Finance Bureau*) as to 100% and are independent third parties (save for their respective equity interest in Linying Hongtong)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Luohe Hengda”	漯河恒達華泰置業有限公司 (Luohe Hengda Huatai Real Estate Co., Ltd.*), a limited liability company established in the PRC and is owned as to 60% by Xuchang Hengda and 40% by Luohe Huatai
“Luohe Huatai”	漯河華泰置業集團有限公司 (Luohe Huatai Real Estate Group Co., Ltd.*), a limited liability company established in the PRC and is owned as to 51% by Linyin Hongtong, 31.1% by Mr. Xing Junsheng (邢俊生) and 17.9% by Mr. Guo Xuemin (郭學民). Save for their respective interest in Luohe Huatai, Mr. Xing Junsheng (邢俊生) and Mr. Guo Xuemin (郭學民) are independent third parties

“Luohe Huatai Construction”	漯河華泰置業集團建築有限公司 (Luohe Huatai Real Estate Group Construction Co., Ltd.*), a limited liability company established in the PRC and is owned as to 51% by Linying Hongtong, 29% by Mr. Xing Hongzhao (邢洪召) and 20% by Mr. Zhang Shuai (張帥). Save for their respective equity interest in Luohe Huatai Construction, Mr. Xing Hongzhao (邢洪召) and Mr. Zhang Shuai (張帥) are independent third parties
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region of the PRC and Taiwan
“Previous Civil Engineering Construction Contract”	the civil engineering construction contract dated 20 October 2021 entered into between Luohe Hengda and Luohe Huatai Construction, pursuant to which Luohe Hengda entrusted Luohe Huatai Construction to provide civil engineering and construction services for two residential blocks and the connected garages in the Project. For details, please refer to the Company’s announcement dated 20 October 2021
“Revised Cap(s)”	the maximum total revised contract sum that may be paid by Luohe Hengda to Luohe Huatai Construction in respect of the civil engineering and construction services for a commercial building and the connected garage in the Project for each period or year under the Civil Engineering Construction Contract as set out in the Company’s announcement dated 28 September 2023, when aggregated with the Previous Civil Engineering Construction Contract
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Share(s)”	ordinary shares with a nominal value of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Supplemental Civil Engineering Construction Contract”	the supplemental civil engineering construction contract dated 29 May 2024 entered into between Luohe Hengda and Luohe Huatai Construction, pursuant to which Luohe Hengda entrusted Luohe Huatai Construction to provide the Additional Construction Services for the commercial building in the Project. For details, please refer to the Company’s announcement dated 29 May 2024
“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 a 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

Hong Kong, 30 April 2025

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.