**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)**

# INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025 AND CONTINUED SUSPENSION OF TRADING

## RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Ever Reach Group (Holdings) Company Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated results of the Company for the six months ended 30 June 2025, together with the unaudited comparative figures for the corresponding period in 2024 as follows:

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the six months ended 30 June 2025*

| | Notes | Six months ended 30 June<br>**2025**<br>**(Unaudited)**<br>***RMB'000*** | <br>2024<br>(Unaudited)<br>*RMB'000* |
|---|---|---|---|
| **Revenue** | *4* | **1,585,416** | 1,467,599 |
| Cost of sales | | **(1,467,772)** | (1,328,548) |
| **Gross profit** | | **117,644** | 139,051 |
| Fair value losses on investment properties | | **(2,100)** | (9,648) |
| Selling and marketing expenses | | **(37,781)** | (58,135) |
| Administrative expenses | | **(42,926)** | (56,643) |
| Allowance for impairment of other receivables | | **(1,739)** | (1,676) |
| Other income | | **—** | 806 |
| Other gains/(losses), net | *6* | **325** | (539) |
| **Operating profit** | | **33,423** | 13,216 |
| Finance income | *7* | **166** | 427 |
| Finance costs | *7* | **(304)** | (470) |
| Finance costs, net | | **(138)** | (43) |
| Share of result of associates | | **(59)** | (54) |
| | | **(197)** | (97) |
| **Profit before income tax** | *8* | **33,226** | 13,119 |
| Income tax expenses | *9* | **(29,830)** | (49,218) |
| **Profit/(loss) for the period** | | **3,396** | (36,099) |
| **Profit/(loss) for the period attributable to:** | | | |
| Owners of the Company | | **8,937** | (50,718) |
| Non-controlling interests | | **(5,541)** | 14,619 |
| | | **3,396** | (36,099) |
| **Earnings/(loss) per share (expressed in RMB cents)** | | | |
| — Basic and diluted | *10* | **0.74** | (4.23) |

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30 June 2025*

| | Six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| **Profit/(loss) and total comprehensive income/(expense) for the period** | **3,396** | (36,099) |
| **Total comprehensive income/(expense) for the period attributable to:** | | |
| Owners of the Company | **8,937** | (50,718) |
| Non-controlling interests | **(5,541)** | 14,619 |
| | **3,396** | (36,099) |

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2025*

| | *Notes* | **As at 30 June 2025 (Unaudited) *RMB'000*** | As at 31 December 2024 (Audited) *RMB'000* |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | **29,088** | 29,935 |
| Investment properties | | **130,460** | 132,560 |
| Right-of-use assets | | **12,748** | 13,216 |
| Intangible assets | | **12,006** | 12,370 |
| Interests in associates | | **53,210** | 53,269 |
| Deferred income tax assets | | **103,801** | 120,994 |
| Total non-current assets | | **341,313** | 362,344 |
| **Current assets** | | | |
| Properties held or under development for sale | *12* | **5,773,635** | 6,597,699 |
| Other receivables and prepayments | *13* | **419,575** | 400,500 |
| Prepaid income taxes | | **148,122** | 122,484 |
| Contract costs | | **3,282** | 3,282 |
| Restricted bank deposits | | **132,066** | 156,874 |
| Cash and cash equivalents | | **155,718** | 253,342 |
| Total current assets | | **6,632,398** | 7,534,181 |
| **Total assets** | | **6,973,711** | 7,896,525 |

| | Notes | As at 30 June 2025 (Unaudited) RMB'000 | As at 31 December 2024 (Audited) RMB'000 |
|---|---|---|---|
| **CAPITAL AND RESERVES** | | | |
| Share capital | | **10,645** | 10,645 |
| Share premium | | **299,188** | 299,188 |
| Retained profits | | **1,032,672** | 1,023,735 |
| Other reserves | | **205,930** | 208,385 |
| Equity attributable to owners of the Company | | **1,548,435** | 1,541,953 |
| Non-controlling interests | | **36,212** | 52,117 |
| **Total equity** | | **1,584,647** | 1,594,070 |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Bank borrowings | | **385,450** | 387,700 |
| Other long-term borrowings | | **29,377** | 29,377 |
| Lease liabilities | | **8,480** | 9,339 |
| Deferred income tax liabilities | | **14,876** | 15,894 |
| Total non-current liabilities | | **438,183** | 442,310 |
| **Current liabilities** | | | |
| Trade and other payables | *14* | **1,667,383** | 1,741,056 |
| Bank borrowings | | **338,390** | 371,200 |
| Current portion of other long-term borrowings | | **242,150** | 276,200 |
| Contract liabilities | *15* | **2,344,623** | 3,136,395 |
| Lease liabilities | | **8,069** | 5,711 |
| Current income tax liabilities | | **350,266** | 329,583 |
| Total current liabilities | | **4,950,881** | 5,860,145 |
| **Total liabilities** | | **5,389,064** | 6,302,455 |
| **Total equity and liabilities** | | **6,973,711** | 7,896,525 |
| **Net current assets** | | **1,681,517** | 1,674,036 |
| **Total assets less current liabilities** | | **2,022,830** | 2,036,380 |

# NOTES

## 1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 22 July 2016 as an exempted company with limited liability. Its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 12 November 2018. In the opinion of the Directors, the immediate holding company and ultimate controlling party are Ever Enhancement Enterprise Company Limited, a company incorporated in the British Virgin Islands, and Mr. Li Xiaobing, the executive Director of the Company. The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section to the Company's interim report.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in property development business in the People's Republic of China (the "**PRC**").

The unaudited condensed consolidated interim financial information of the Group is presented in thousands of Renminbi (RMB'000), unless otherwise stated.

The condensed consolidated interim financial information of the Group has not been audited or reviewed by the auditor of the Company.

## 2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

The preparation of unaudited condensed consolidated interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The unaudited condensed consolidated interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include explanations of events and transactions that are significant to an understanding of the changes in consolidated financial position and consolidated financial performance of the Group since the consolidated financial statements for the year ended 31 December 2024. The unaudited condensed consolidated interim financial information and notes thereon do not include all of the information required for the preparation of full set of consolidated financial statements in accordance with HKFRS Accounting Standards, which includes all individual Hong Kong Financial Reporting Standards ("**HKFRSs**"), Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the HKICPA, and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2024.

The accounting policies and method of computation adopted in the preparation of the unaudited condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except as described in note 3.

**Going concern consideration**

As at 30 June 2025, the Group had total current assets of approximately RMB6,632,398,000, including cash and cash equivalents of approximately RMB155,718,000. In contrast, the Group faced total current liabilities of approximately RMB4,950,881,000, including current portion of bank borrowings and other long-term borrowings with an aggregate carrying amount of approximately RMB580,540,000 due within twelve months from the end of the reporting period, as well as capital commitments for of approximately RMB712,523,000 for properties under development for sale (note 16). In addition, the Group was also exposed to potential cash outflows arising from the financial guarantees issued to third parties and a related party of approximately RMB6,531,152,000 as at 30 June 2025. In light of the relative low cash balances, significant short-term obligations within next twelve months and the potential cash outflows arising from the financial guarantees issued, together with uncertainties surrounding the Group's ability to generate sufficient operating cash flows, these events or conditions indicate the existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

In view of the above, the Directors have reviewed the Group's cash flow projections covering a period at least twelve months from the end of the reporting period, which have taken into account the available financial resources, the Group's cash flows from operations, available banking facilities and the following measures:

(i) The Group will continue to actively adjust sales and pre-sale activities to better respond to market needs, make efforts to achieve the latest budgeted sales and pre-sales volumes and amounts, and timely monitor the collection of sales and pre-sales proceeds;

(ii) The Group will maintain continuous communication and agree with major contractors and suppliers to arrange payments to these vendors and complete the construction progress as scheduled, and settle the land appreciation tax ("**LAT**") upon tax clearance;

(iii) The Group will continue to actively communicate with relevant banks and other financial institutions so that the Group can timely secure necessary project development loans or negotiate a better repayment schedule for its loans for qualified project development. In addition, based on past experience, the banks and other financial institutions will normally provide funding as needed according to the property development progress without significant uncertainties to the Group; and

(iv) The Group will continuously cooperate with the related parties and non-controlling shareholders of the project companies and they agreed in writing to provide funding support and not to demand for repayment for the balances, included in trade and other payables (note 14), owed to them of approximately RMB26,518,000 and RMB25,735,000, respectively, as at 30 June 2025, until the Group has financial ability to do so, in order to ensuring the development and sales of all existing projects as budgeted without material interruptions.

Based on the above, in the opinion of the Directors, the Group will have sufficient working capital to fulfil its financial obligations as and when they fall due at least the coming twelve months from the end of the reporting period. Accordingly, the Directors are satisfied that it is appropriate to prepare the unaudited condensed consolidated interim financial information of the Group on a going concern basis. The unaudited consolidated interim financial information of the Group does not include any adjustments relating to the carrying amounts and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

## 3 ADOPTION OF THE AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards which are effective for the Group's financial year beginning 1 January 2025:

| | |
|---|---|
| Amendments to HKAS 21 and HKFRS 1 | Lack of Exchangeability |

The application of the above amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's consolidated financial positions and financial performance for the current and prior periods and/or on the disclosures set out in the unaudited condensed consolidated interim financial information.

## 4 REVENUE

Revenue represents revenue arising on sales of properties, rental income and service income for the six months ended 30 June 2025. An analysis of the Group's revenue is as follows:

| | **Six months ended 30 June** | |
|---|---|---|
| | **2025** | 2024 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| **Revenue from contracts with customers within the scope of HKFRS 15** | | |
| Sales of properties | **1,576,457** | 1,457,879 |
| Service income | **2,789** | 4,951 |
| | **1,579,246** | 1,462,830 |
| **Revenue from other sources** | | |
| Rental income | **6,170** | 4,769 |
| | **1,585,416** | 1,467,599 |

Disaggregation of revenue from contracts with customers by timing of recognition:

| | Six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| **Timing of revenue recognition** | | |
| At a point in time | **1,576,457** | 1,457,879 |
| Over time | **2,789** | 4,951 |
| | **1,579,246** | 1,462,830 |

All revenue are generated from the PRC during the six months ended 30 June 2025 and 2024.

## 5 SEGMENT INFORMATION

The executive Directors have been identified as the chief operating decision maker (the "**CODM**"). Management of the Group has determined the operating segments based on the internal reports reviewed by the CODM, which are used to allocate resources and assess performance.

The Group is principally engaged in property development in the PRC. The CODM reviews the operating results of the business as one segment to assess performance and make decision about resources to be allocated. Revenue and profit after income tax are the measures reported to the CODM for the purpose of resources allocation and performance assessment. Therefore, no segment information is presented.

All of the Group's revenue are derived in the PRC for the six months ended 30 June 2025 and 2024, and all of the non-current assets of the Group were located in the PRC as at 30 June 2025 and 31 December 2024. There was no revenue derived from a single external customer that accounts for 10% or more of the Group's revenue for the six months ended 30 June 2025 and 2024.

## 6 OTHER GAINS/(LOSSES), NET

| | Six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| Gain on waiver of overdue interest from borrowings | **1,004** | — |
| Penalties, fines and compensations | **(807)** | (537) |
| Donations | **(123)** | (186) |
| Loss on disposal of property, plant and equipment | **(2)** | (3) |
| Others | **253** | 187 |
| | **325** | (539) |

## 7 FINANCE INCOME/(COSTS)

| | Six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| Finance income | | |
| — Interest income on bank deposits | **166** | 427 |
| Finance costs | | |
| — Interest on bank and other long-term borrowings | **(23,736)** | (27,911) |
| — Interest on lease liabilities | **(304)** | (470) |
| | **(24,040)** | (28,381) |
| Less: Amount capitalised | **23,736** | 27,911 |
| Finance costs | **(304)** | (470) |
| Finance costs, net | **(138)** | (43) |

## 8 PROFIT BEFORE INCOME TAX

Profit before income tax for the period has been arrived at after charging:

| | Six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| Staff costs (including Directors' emoluments) | **28,568** | 36,037 |
| Depreciation charge on property, plant and equipment | **2,710** | 3,692 |
| Depreciation charge on right-of-use assets | **2,721** | 2,295 |
| Amortisation charge on intangible assets | **364** | 364 |
| Cost of properties recognised as expenses | **1,462,119** | 1,265,154 |
| Provision for properties held or under development for sale, included in cost of sales | **—** | 57,671 |

## 9 INCOME TAX EXPENSES

| | Six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| Current income tax | | |
| — PRC LAT | **7,266** | 915 |
| — PRC Corporate Income Tax | **6,389** | 31,460 |
| | **13,655** | 32,375 |
| Deferred income tax | **16,175** | 16,843 |
| | **29,830** | 49,218 |

## 10 EARNINGS/(LOSS) PER SHARE

Basic and diluted earnings/(loss) per share is calculated by dividing the Group's profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2025 and presented as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | **(Unaudited)** | (Unaudited) |
| The Group's profit/(loss) attributable to owners of the Company for the purpose of calculating basic and diluted earnings/(loss) per share (RMB'000) | **8,937** | (50,718) |
| Weighted average number of ordinary shares in issue for the purpose of calculating basic and diluted earnings/(loss) per share ('000) | **1,200,000** | 1,200,000 |
| Basic and diluted earnings/(loss) per share (expressed in RMB cents) | **0.74** | (4.23) |

Diluted earnings/(loss) per share was equal to the basic earnings/(loss) per share as there were no dilutive shares in issue during the six months ended 30 June 2025 and 2024.

## 11 DIVIDENDS

No dividend was paid or proposed during the six months ended 30 June 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

## 12 PROPERTIES HELD OR UNDER DEVELOPMENT FOR SALE

Balance of properties held or under development for sale is as follows:

| | **As at 30 June 2025 (Unaudited)** | As at 31 December 2024 (Audited) |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Properties under development for sale | **3,820,881** | 3,960,468 |
| Properties held for sale | **2,324,335** | 3,008,812 |
| | **6,145,216** | 6,969,280 |
| Less: Provision for properties held or under development for sale | **(371,581)** | (371,581) |
| | **5,773,635** | 6,597,699 |

## 13 OTHER RECEIVABLES AND PREPAYMENTS

| | As at 30 June 2025 (Unaudited) *RMB'000* | As at 31 December 2024 (Audited) *RMB'000* |
|---|---|---|
| Prepayments for construction cost | **21,215** | 12,683 |
| Prepaid tax and surcharges | **11,669** | 15,081 |
| Value-add-tax recoverable | **16,237** | 18,232 |
| | **49,121** | 45,996 |
| Temporary funding receivables from third parties | **123,600** | 109,050 |
| Tender and other deposits | **109,222** | 111,943 |
| Receivables from government related to the cost of demolition and resettlement activities | **75,563** | 75,563 |
| Receivable from project service | **53,140** | 53,140 |
| Amount due from a related party | **41,506** | 41,506 |
| Receivable from claims on litigation | **7,000** | 7,000 |
| Others | **20,930** | 15,070 |
| Other receivables, gross | **430,961** | 413,272 |
| Less: allowance for impairment of other receivables | **(60,507)** | (58,768) |
| Other receivables, net | **370,454** | 354,504 |
| Total | **419,575** | 400,500 |

## 14 TRADE AND OTHER PAYABLES

| | As at 30 June 2025 (Unaudited) *RMB'000* | As at 31 December 2024 (Audited) *RMB'000* |
|---|---|---|
| Trade payables | **1,309,106** | 1,330,603 |
| Deposits received from customers | **71,912** | 73,491 |
| Value-added-tax and other tax payables | **103,614** | 145,692 |
| Amounts due to non-controlling shareholders | **25,735** | 25,735 |
| Temporary funding payables | **29,616** | 28,949 |
| Interest payables | **49,068** | 50,561 |
| Salaries payables | **21,472** | 23,080 |
| Amounts due to related parties | **25,357** | 21,385 |
| Other payables to related parties | **1,161** | 1,076 |
| Others | **30,342** | 40,484 |
| | **1,667,383** | 1,741,056 |

At 30 June 2025, the ageing analysis of trade payables, based on invoice date, are as follows:

| | As at 30 June 2025 (Unaudited) *RMB'000* | As at 31 December 2024 (Audited) *RMB'000* |
|---|---|---|
| Less than 1 year | **903,377** | 922,507 |
| Between 1 and 2 years | **149,139** | 148,387 |
| Between 2 and 3 years | **86,750** | 87,960 |
| Over 3 years | **169,840** | 171,749 |
| | **1,309,106** | 1,330,603 |

## 15 CONTRACT LIABILITIES

| | As at 30 June 2025 (Unaudited) *RMB'000* | As at 31 December 2024 (Audited) *RMB'000* |
|---|---|---|
| Contract liabilities | **2,344,623** | 3,136,395 |

The contract liabilities mainly represent the receipt in advance from customers in respect of the sales of properties. The Group normally receives certain percentage of the contract sum as deposits from customers when they sign the sale and purchase agreement. Such contract liabilities will be utilised as revenue when control of the completed property is transferred to the customer.

## 16 COMMITMENTS

Capital expenditure committed at 30 June 2025 but not yet incurred is as follows:

| | As at 30 June 2025 (Unaudited) *RMB'000* | As at 31 December 2024 (Audited) *RMB'000* |
|---|---|---|
| Properties under development for sale | **712,523** | 841,904 |

## MANAGEMENT DISCUSSION AND ANALYSIS

## INDUSTRY REVIEW

On 15 July 2025, the National Bureau of Statistics issued a report on the "General Situation of the PRC Real Estate Market in the First Half of 2025", outlining the overall operating trends of the real estate industry. Between January and June 2025, investment in real estate development in the PRC amounted to approximately RMB4,665.8 billion, representing a decrease of approximately 11.2% as compared to the corresponding period last year. Of which, investment in residential properties amounted to approximately RMB3,577.0 billion, representing a decrease of approximately 10.4% as compared to the corresponding period last year. The data shows that real estate investment remains under significant pressure. The decline in real estate investment was partly attributable to heightened market uncertainty, with real estate enterprises adopting a more cautious approach to new project development, while certain real estate enterprises faced tight cash flow, making it difficult to support large-scale new real estate investment projects.

Statistical data also indicates that the total area of completed properties was 225.7 million sq.m., representing a decrease of approximately 14.8% as compared with the corresponding period last year; of which, that of residential properties was approximately 162.7 million sq.m., representing a decrease of approximately 15.5% as compared with the corresponding period last year. The decline in completed area reflects that the construction progress of real estate projects has been hindered to a certain extent, due to factors such as fluctuations in construction material prices, shortages of construction labour, and project delays caused by funding constraints among certain real estate enterprises. Despite the decline in completed area, the rate of decline has narrowed as compared with previous periods, suggesting that the market is gradually adjusting to the new environment.

The data further shows that the total sales area of newly-constructed commercial properties in the first half of 2025 was approximately 458.5 million sq.m., representing a decrease of approximately 3.5% as compared to the corresponding period last year; of which, that of residential properties decreased by approximately 3.7%. The total sales amount of newly-constructed commercial properties amounted to approximately RMB4,424.1 billion, representing a decrease of approximately 5.5%; of which, that of residential properties decreased by approximately 5.2%. The decline in both sales area and sales amount was closely related to weak buyer confidence. With economic growth facing certain pressures, households became more cautious in their homebuying decisions. At the same time, excess inventory in the real estate market has yet to be fully resolved, further weighing on new home sales. That said, the narrowing of the decline in both sales area and sales amount suggests that the market is gradually stabilising, with policy adjustments helping to stimulate a partial release of housing demand.

In addition, according to the report on the "General Situation of the Real Estate Market of Henan Province in the First Half of 2025" issued by the Bureau of Statistics of Henan Province on 18 July 2025, investment in real estate development in Henan Province decreased by approximately 8.5% as compared to the corresponding period last year; of which, investment in residential properties decreased by approximately 10.2%. As a populous province, Henan's real estate market is somewhat representative on the national level. Its slightly smaller decline in investment levels as compared to the national average may be attributed to the series of local government measures aimed at stabilising investment, including increased support for key real estate projects and policies to optimise land supply, which helped sustain real estate enterprises' investment confidence to a certain extent.

The data shows that the total area of completed properties in Henan Province between January to June decreased by approximately 37.3% as compared to the corresponding period last year; of which, that of residential properties decreased by approximately 36.7%. The overall decline in completed area was due to construction delays, as developers slowed construction progress amidst insufficient market demand.

The total sales area of newly-constructed commercial properties in Henan Province decreased by approximately 1.9% as compared to the corresponding period last year; of which, that of residential properties decreased by approximately 2.2%. The total sales amount of newly-constructed commercial properties in Henan Province decreased by approximately 1.3%; of which, that of residential properties decreased by approximately 1.8%. Henan's sales performance was comparatively stronger, with decline rates lower than the national average. This was attributable to proactive local policy support, including the provision of homebuying subsidies and reductions in down payment ratios, which stimulated housing demand.

Taken together, statistical data at both national and provincial levels show that the downturn in the real estate industry narrowed slightly in the first half of 2025, reflecting the initial effectiveness of policy adjustments. Since the second half of 2024, the State has continuously advanced policies aimed at "stabilising the market" and "clearing inventory", including optimising buying restrictions, lowering mortgage interest rates, and other measures. At the beginning of 2025, additional measures were introduced to stimulate demand for second homes, such as further mortgage interest rates reductions to ease repayment burdens of homebuyers and enhance affordability. Meanwhile, optimisation of buying restrictions helped release some repressed housing demands and improve the attractiveness of homebuying.

Overall, the slowdown in the pace of decline indicates that the market is gradually stabilising. As policies effects continue to materialise and the economic environment gradually improves, the real estate sector is expected to further stabilise. However, the industry still faces long-term structural adjustment challenges, including adapting to the demographic shifts and rising consumer expectations for quality housing.

## BUSINESS OVERVIEW

In the first half of 2025, the Group continued to face severe challenges and considerable pressure. Nevertheless, the Group remained true to its initial goals, placing "ensuring project delivery" and "stock clearance" at the core of its operations, and made every effort to drive steady progress across all business segments. In terms of "ensuring project delivery", the Group upheld its responsibility to buyers and to society by proactively allocating resources and strengthening project management and supervision. With optimised construction processes and increased investments in human power and resources, the Group strove to ensure the timely delivery of projects. During the first half of the year, the Group's contracted sales amount was approximately RMB755.8 million, of which, sales of residential properties accounted for approximately RMB574.2 million, and sales of commercial properties approximately RMB144.4 million.

In terms of actual delivery in the first half of 2025, companies in the Urban District in Xuchang City delivered approximately 62.2 thousand sq.m. of GFA; companies in the Changge District in Xuchang City delivered approximately 106.7 thousand sq.m.; and companies in the Yuzhou District in Xuchang City delivered approximately 78.3 thousand sq.m., effectively safeguarding the rights of property buyers and maintaining market stability and confidence.

In response to inventory pressure, the Group adopted a diversified stock clearance strategy. On one hand, through precise market positioning and marketing strategies, we intensified promotional efforts, launching various discount programs to attract homebuyers, such as offering purchase discounts and other preferential measures on certain projects, thereby effectively enhancing product appeal. On the other hand, the Group actively explored innovative sales models, such as broadening sales channels and expanding the customer base, while introducing tailored homebuying schemes to meet the diverse needs of different customer groups.

With Henan Province continuing to optimise its policies, such as further reducing down payment ratios and expanding the scope of housing subsidies, consumers' burden has been eased, driving a rebound in sales performance. The Group capitalised on these policy benefits to deepen its local market penetration, while improvements in its internal operational efficiency provided a buffer for its performance amidst external pressures. Overall, despite numerous difficulties, the Group has made notable progress in both "ensuring project delivery" and "stock clearance" through determination and effective measures. The Group will continue to strive forward, constantly refining its business strategies and improving operational efficiency in response to market changes and challenges, thereby laying a solid foundation for sustainable growth.

**Land reserves**

As at 30 June 2025, the GFA of the Group's land reserves was approximately 2.8 million sq.m..

**Contracted sales**

The table below sets forth a breakdown of our major types of contracted sales and contracted average selling price ("**ASP**"):

| | **Six months ended 30 June** | | % change |
|---|---|---|---|
| | **2025** | 2024 | +/- |
| Contracted sales attributable to: | | | |
| Residential units *(RMB, million)* | **574.2** | 673.4 | -14.7 |
| Commercial units *(RMB, million)* | **144.4** | 138.4 | +4.3 |
| Car parking spaces *(RMB, million)* | **29.8** | 21.1 | +41.2 |
| Others *(RMB, million)* | **7.4** | 6.5 | +13.8 |
| Total *(RMB, million)* | **755.8** | 839.4 | -10.0 |
| Contracted saleable GFA/lot attributable to: | | | |
| Saleable GFA *(sq.m.)* | **134,111** | 144,293 | -7.1 |
| Car parking space *(lot)* | **835** | 553 | +51.0 |
| Contracted ASP attributable to: | | | |
| Saleable GFA *(RMB/sq.m.)* | **5,414** | 5,671 | -4.5 |
| Car parking space *(RMB/lot)* | **35,709** | 38,114 | -6.3 |

Our contracted ASP per sq.m. of saleable GFA decreased by 4.5% to approximately RMB5,414 per sq.m. for the six months ended 30 June 2025 comparing to the same period of last year. The decrease in the first half of 2025 was mainly due to the decrease in market price of properties in Henan Province.

Our contracted ASP per lot for car parking space decreased by 6.3% to approximately RMB35,709 per lot for the six months ended 30 June 2025.

## FINANCIAL REVIEW

### Results

During the six months ended 30 June 2025, the revenue of the Group was approximately RMB1,585.4 million (six months ended 30 June 2024: RMB1,467.6 million), representing an increase of approximately 8.0% as compared to the same period of last year.

The Group recorded gross profit of approximately RMB117.6 million (six months ended 30 June 2024: RMB139.1 million), representing a decrease of approximately RMB21.4 million, or approximately 15.4% as compared to the same period of last year.

Gross profit margin was approximately 7.4% for the six months ended 30 June 2025 (six months ended 30 June 2024: 9.5%), representing a decrease by approximately 2.1 percentage points as compared with the same period of last year.

Net results for the period increased by approximately RMB39.5 million from net loss of approximately RMB36.1 million for the six months ended 30 June 2024 to net profit of approximately RMB3.4 million for the six months ended 30 June 2025.

### Revenue

Our revenue was derived primarily from (i) sales of properties, (ii) rental income and (iii) service income. The following table sets forth the breakdown of the revenue and their respective percentages of contribution to the total revenue for the periods indicated:

| | **Six months ended 30 June** | | | | |
|---|---|---|---|---|---|
| | **2025** | | 2024 | | % change |
| | ***RMB'000*** | ***%*** | *RMB'000* | *%* | +/- |
| Sales of properties | **1,576,457** | **99.4** | 1,457,879 | 99.4 | +8.1 |
| Rental income | **2,789** | **0.2** | 4,769 | 0.3 | -41.5 |
| Service income | **6,170** | **0.4** | 4,951 | 0.3 | +24.6 |
| | **1,585,416** | **100.0** | 1,467,599 | 100.0 | +8.0 |

The tables below set out the revenue from the sales of properties, the total GFA/units of properties recognised and the overall recognised ASP of our properties by property types:

| | **Six months ended 30 June** | | | | | |
|---|---|---|---|---|---|---|
| | **2025** | | | 2024 | | |
| | **Revenue** | **GFA recognised** | **Recognised ASP per sq.m.** | Revenue | GFA recognised | Recognised ASP per sq.m. |
| | ***RMB'000*** | ***sq.m.*** | ***RMB*** | *RMB'000* | *sq.m.* | *RMB* |
| Residential | **1,382,088** | **268,537** | **5,147** | 1,269,581 | 244,648 | 5,189 |
| Commercial | **174,661** | **37,263** | **4,687** | 144,798 | 18,749 | 7,723 |
| Storage | **2,397** | **1,654** | **1,449** | 5,521 | 2,972 | 1,858 |
| | **1,559,146** | **307,454** | **5,071** | 1,419,900 | 266,369 | 5,331 |

| | **Revenue** | **Units recognised** | **Recognised ASP per unit** | Revenue | Units recognised | Recognised ASP per unit |
|---|---|---|---|---|---|---|
| | ***RMB'000*** | ***lot*** | ***RMB*** | *RMB'000* | *lot* | *RMB* |
| Car parking spaces | **17,311** | **545** | **31,763** | 37,979 | 592 | 64,154 |

Sales of properties, which accounted for approximately 99.4% of our total revenue for the six months ended 30 June 2025 (six months ended 30 June 2024: 99.4%), was primarily contributed from the sales of residential and commercial properties.

Our revenue increased by approximately RMB117.8 million or 8.0% from approximately RMB1,467.6 million for the six months ended 30 June 2024 to approximately RMB1,585.4 million for the six months ended 30 June 2025.

### Gross profit and gross profit margin

The table below sets out the revenue, gross profit and gross profit margin by types:

| | Six months ended 30 June | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **2025** | | | | 2024 | | | |
| | **Revenue** | **Cost of sales** | **Gross profit** | **Gross profit Margin** | Revenue | Cost of sales | Gross profit | Gross profit Margin |
| | ***RMB'000*** | ***RMB'000*** | ***RMB'000*** | **%** | *RMB'000* | *RMB'000* | *RMB'000* | % |
| Sales of properties | | | | | | | | |
| — Residential | **1,382,088** | **1,291,359** | **90,729** | **6.6** | 1,269,581 | 1,162,061 | 107,520 | 8.5 |
| — Commercial | **174,661** | **155,040** | **19,621** | **11.2** | 144,798 | 133,953 | 10,845 | 7.5 |
| — Car parking spaces and storages | **19,708** | **15,703** | **4,005** | **20.3** | 43,500 | 28,801 | 14,699 | 33.8 |
| Subtotal | **1,576,457** | **1,462,102** | **114,355** | **7.3** | 1,457,879 | 1,324,815 | 133,064 | 9.1 |
| Rental income | **2,789** | **—** | **2,789** | **100.0** | 4,769 | 34 | 4,735 | 99.3 |
| Service income | **6,170** | **5,670** | **500** | **8.1** | 4,951 | 3,699 | 1,252 | 25.3 |
| | **1,585,416** | **1,467,772** | **117,644** | **7.4** | 1,467,599 | 1,328,548 | 139,051 | 9.5 |

The gross profit margin of sales of commercial properties increased from approximately 7.5% for the six months ended 30 June 2024 to approximately 11.2% for the six months ended 30 June 2025, due to the decreasing costs of commercial properties delivered during the six months ended 30 June 2025 comparing with those of the six months ended 30 June 2024. The gross profit margin from sales of properties decreased from approximately 9.1% for the six months ended 30 June 2024 to approximately 7.3% for the six months ended 30 June 2025.

Profit for the six months ended 30 June 2025 was approximately RMB3.4 million (six months ended 30 June 2024: loss of RMB36.1 million), representing an increase of approximately RMB39.5 million. It was mainly due to effective control of selling and marketing expenses and administrative expenses.

**Fair value losses on investment properties**

The Group's investment properties were valued on 30 June 2025 by an independent qualified valuers, Vincorn Consulting and Appraisal Limited, who hold recognised relevant professional qualification and has recent experience in the locations and segments of the investment properties valued.

**Selling and marketing expenses**

For the six months ended 30 June 2025, the Group's selling and marketing expenses amounted to approximately RMB37.8 million (six months ended 30 June 2024: RMB58.1 million), representing a decrease of approximately 35.0% as compared to the same period in 2024. The decrease was mainly attributable to the decrease of advertising and publicity costs and sales agent commission.

**Administrative expenses**

The administrative expenses decreased by approximately 24.2% from approximately RMB56.6 million for the six months ended 30 June 2024 to approximately RMB42.9 million for the six months ended 30 June 2025.

**Other gains/(losses) — net**

During the six months ended 30 June 2025, the Group's net other gains amounted to approximately RMB0.3 million (six months ended 30 June 2024: net other losses of RMB0.5 million).

**Finance costs — net**

Finance costs — net primarily consisted of (i) interest income on bank deposits; (ii) interest expenses on borrowings; and (iii) interest and finance charges payable for lease liabilities less interest expenses which were capitalised to the extent that such costs are directly attributable to property development projects.

**Income tax expenses**

Income tax expenses mainly comprised of the PRC Corporate Income Tax expense and land appreciation tax arising from our PRC subsidiaries. Income tax expenses decreased by approximately 39.4% or RMB19.4 million from approximately RMB49.2 million for the six months ended 30 June 2024 to the approximately RMB29.8 million for the six months ended 30 June 2025, the reduction of income tax expenses for the six months ended 30 June 2025 was attributed to a decline in gross profit during the same period.

**Liquidity, financial resources and capital resources**

As at 30 June 2025, the cash and cash equivalents amounted to approximately RMB155.7 million (31 December 2024: RMB253.3 million), of which approximately RMB155.4 million (31 December 2024: RMB253.2 million) was denominated in RMB and approximately RMB0.3 million (31 December 2024: RMB0.1 million) was denominated in Hong Kong dollar.

As at 30 June 2025, the restricted bank deposits amounted to approximately RMB132.1 million (31 December 2024: RMB156.9 million), all restricted bank deposits was denominated in RMB.

The Group's total borrowings amounted to approximately RMB995.4 million as at 30 June 2025 (31 December 2024: RMB1,064.5 million), of which approximately RMB580.5 million was classified as current liabilities (31 December 2024: RMB647.4 million). Approximately 46.1% (31 December 2024: 87.7%) out of the Group's total borrowings was fixed interest rates.

As at 30 June 2025 and 31 December 2024, the Group's borrowings were repayable as follows:

| | **As at 30 June 2025** | | | As at 31 December 2024 | | |
|---|---|---|---|---|---|---|
| | **Within 1 year** | **Between 1 to 2 years** | **Between 2 to 5 years** | Within 1 year | Between 1 to 2 years | Between 2 to 5 years |
| | ***RMB'000*** | ***RMB'000*** | ***RMB'000*** | *RMB'000* | *RMB'000* | *RMB'000* |
| Bank borrowings | **338,390** | **64,920** | **320,530** | 371,200 | 177,400 | 210,300 |
| Other long-term borrowings | **242,150** | **11,840** | **17,537** | 276,200 | 29,377 | — |
| | **580,540** | **76,760** | **338,067** | 647,400 | 206,777 | 210,300 |

**Current, total and net assets**

As at 30 June 2025, the Group had current assets of approximately RMB6,632.4 million (31 December 2024: RMB7,534.2 million) and current liabilities of approximately RMB4,950.9 million (31 December 2024: RMB5,860.1 million), there was an increase of net current assets value from approximately RMB1,674.0 million as at 31 December 2024 to approximately RMB1,681.5 million as at 30 June 2025.

As at 30 June 2025, the Group had total assets of approximately RMB6,973.7 million (31 December 2024: RMB7,896.5 million) and total liabilities of approximately RMB5,389.1 million (31 December 2024: RMB6,302.5 million), representing a decrease of net assets or total equity from approximately RMB1,594.1 million as at 31 December 2024 to approximately RMB1,584.6 million as at 30 June 2025.

**Charge on assets**

Part of the Group's borrowings are secured by property, plant and equipment, investment properties, shares of subsidiaries and properties held or under development for sale of the Group.

**Contingent liabilities**

(a) The Group has arranged bank financing for certain purchasers of the Group's properties and provided guarantees to secure obligations of these purchasers for repayments. Such guarantees will terminate upon the earlier of (i) the issuance and transfer of the real estate ownership certificate, or (ii) the satisfaction of mortgage loans by the purchasers of the properties.

    Pursuant to the terms of the guarantees, upon default of mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principal together with accrued interest owed by the defaulting purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties after the relevant legal procedures. The Group's guarantee period starts from the date of grant of mortgage. The directors of the Company consider that the likelihood of default of payments by the purchasers is minimal and therefore the financial guarantee measured at fair value is immaterial.

(b) In line with the diversified land acquisition strategies of the Group, a subsidiary of the Group obtained 20% equity interest in an associate of the Group (the "**Associate**") which hold a parcel of land for development through a bidding process, and remaining 80% equity interest are held by an independent third party (the "**Investee**"). Based on the investment agreement entered into between the Associate, the subsidiary of the Group and the Investee, the Associate has to repay the shareholder's loans provided by the Investee within a specified timeframe after commencement of presale activities. If the Associate fails to return such shareholder's loans on time, the subsidiary of the Group is required to provide funding to the Associate for the repayment of the shareholder's loans. As at 30 June 2025, such shareholder's loans of the Associate are approximately RMB229,495,000 (31 December 2024: RMB229,495,000).

In addition, pursuant to the above-mentioned investment agreement, the subsidiary of the Group also has to compensate for all losses of the Investee if the property project is delayed under certain conditions or that the repayment of shareholder's loans is delayed beyond certain period stipulated in the investment agreement. The directors of the Company consider that the risk of providing funding for repayment of shareholder's loans or any compensation loss is low as the development progress has been continuously communicated and mutually agreed.

(c) The guarantees and pledges of properties held or under development for sale provided for the borrowings of certain third parties as at 30 June 2025 amounted to RMB107,300,000 (31 December 2024: RMB101,300,000).

**Key financial ratios**

Key financial ratios:

| | **As at 30 June 2025** | As at 31 December 2024 |
|---|---|---|
| **Liquidity ratio** | | |
| Current ratio | **1.3** | 1.3 |
| **Capital adequacy ratios** | | |
| Gearing ratio *(note 1)* | **62.8%** | 66.8% |
| Debt to equity ratio *(note 2)* | **53.0%** | 50.9% |

*Note 1:* Gearing ratio is our total debts, including bank borrowings and other long-term borrowings, as a percentage of total equity.

*Note 2:* Debt to equity ratio is our total debts, minus cash and cash equivalents, as a percentage of total equity.

## KEY RISK FACTORS

All of our projects are located in Henan Province, the PRC. Our business continues to be heavily dependent on the performance of the property markets in Xuchang City and other cities in Henan Province. These property markets may be affected by local, regional, national and global factors, many of which are beyond our control and could include economic and financial conditions, speculative activities in local markets, demand for and supply of properties, availability of alternative investment choices for property buyers, inflation, government policies, interest rates and availability of capital. The selling price per sq.m. and gross profit margins of our properties vary by the type of properties we developed and sold, and affected by various factors including the market demand of the properties located, prevailing local market prices, the cost of properties constructed and sold.

The property market in the cities in which we have operations or plan to expand our operations has been competitive. Our existing and potential competitors include both major national and regional property developers with expansive operations in the cities or markets in which we operate as well as local property developers. We compete with them with respect to a number of factors, including land acquisition, geographic location, management expertise, financial resources, access to transportation infrastructure, size of land reserves, product quality, brand recognition by customers, customer services and support, pricing and design quality. We may seek to further enhance our market presence in these cities amid intense competition.

In addition, our business is also subject to the general social conditions in the regions where we operate and in the PRC in general. Any occurrence of force majeure events, natural disasters or outbreaks of epidemics and pandemics, including those caused by avian influenza, swine influenza, Middle East respiratory syndrome coronavirus or COVID-19 in the regions where we operate or in the PRC in general, which are beyond our control, depending on their scale, may cause different degrees of damage to the economy, social conditions, infrastructure and livelihood of the people of the regions we operate or in the PRC in general.

The Group's exposure to changes in interest rates is mainly attributable to its borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. The Group has not hedged its cash flow or fair value interest rate risks.

The Group is principally engaged in the property development business in the PRC with almost all transactions denominated in Renminbi. In addition, the majority of the Group's assets and liabilities are denominated in Renminbi. Accordingly, the Group is not exposed to significant foreign currency risk, except for the bank deposits denominated in Hong Kong dollars. The Group currently does not have a foreign currency hedging policy. However, the management of the Group closely monitors the foreign exchange exposure and will take actions when necessary.

## GEARING RATIO

Gearing ratio is our total debts, including bank borrowings and other long-term borrowings, as a percentage of total equity. As at 30 June 2025, the gearing ratio of the Group was approximately 62.8%, representing a decrease of approximately 4.0 percentage points as compared with approximately 66.8% as at 31 December 2024, which was mainly due to the repayment of borrowings during the period.

## INTERIM DIVIDEND

The Board takes into account the Group's overall results of operation, financial position and capital requirements, among other factors, in considering the declaration of dividends. The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025.

## TREASURY POLICIES AND CAPITAL STRUCTURE

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio.

## HUMAN RESOURCES AND EMPLOYEES' REMUNERATION

Human resource has always been the most valuable resource of the Group. As at 30 June 2025, the Group had a total workforce of 453 employees (30 June 2024: 548). The remuneration policy is reviewed by the Board from time to time. Emoluments of the directors of the Company are determined by the Remuneration Committee after considering performance of the Group, individual performance and comparing with market conditions. In addition to basic remuneration, the Group also provides medical insurance, social insurance contribution plans or other pension schemes, and other benefits in kind to the employees.

To intensify personnel training and development, the Group provides a series of employee training programmes, which aims to accelerate professional growth and identify competences and talents of diversified teams. High potential staff are preferred and developed intensively according to the promotion plan towards the management level. In order to attract and retain suitable candidates for business development, the Group adopted the share option scheme as an incentive since November 2018.

## FORWARD LOOKING

Looking ahead to the second half of the year, the decline in nationwide new home sales is expected to continue narrowing, supported by effective policies and a diminishing base effect. However, investors remain under pressure as the market undergoes a period of in-depth adjustment. Restoring buyers' confidence will take time, especially as the recovery in household consumption power remains sluggish. The pace of market recovery in the second half of the year will still face multiple uncertainties. On one hand, despite ongoing policy support, household income expectations, housing price expectations, and the supply of quality properties in the market remain weak, all of which will restrict the release of housing demand. On the other hand, in major cities, the "diversion effect" of second-hand properties significantly drawing buyers away from new homes remain evident, further intensifying market competition. Nevertheless, as policy effects gradually materialise, some demand may be released. The market is therefore expected to diverge in the second half of the year: Tier 1 cities and certain core Tier 2 cities are likely to stabilise and recover, while Tier 3 and 4 cities will continue to undergo adjustments. In Tier 1 cities, demand resilience is stronger, and under policy support, demand for housing upgrades is expected to be further unleashed, driving more active transactions. By contrast, in Tier 3 and 4 cities, the market remains under considerable adjustment pressure due to high inventory levels, population outflow, and other factors, leaving room for further price drops.

In the second half of 2025, the Group will continue to prioritise project delivery by further allocating more resources to ensure timely and quality delivery of projects, supported by a rigorous progress monitoring system. Not only does this safeguard the rights of homebuyers and protect the Company's reputation but also play a key role in stabilising market confidence. In terms of stock clearance, the Group will further refine its diversification strategies by accurately identifying market demand, optimising its product portfolio, and launching tailored offerings for different regions and customer segments. At the same time, we will enhance marketing creativity, strengthen the integration of online and offline sales models, improve sales efficiency, and accelerate destocking. The Group will also maintain a prudent approach, enhance cash flow monitoring, and improve turnover through dynamic forecasting, ensuring cash flow resilience and laying a solid foundation for operation security.

As buyers' mindsets evolve, their expectations for housing quality and living experience are rising. The Company will continue to advance its "quality housing" strategy, driving quality upgrades across multiple dimensions, starting with construction quality, unit design, community amenities, property service, and other areas, to deliver high quality residential products that meet consumers' aspirations for a better life. We will also place strong emphasis on brand building, leveraging brand influence to enhance the added value of products and strengthen market competitiveness.

In the second half of 2025, the real estate industry will face both opportunities and challenges. The Group will align with industry trends, adjust its strategies with flexibility, create new opportunities amidst challenges, forge new paths in times of change, and continue to ensure the stable development of the enterprise.

## OTHER INFORMATION

## EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this interim results announcement, no material events were undertaken by the Group subsequent to 30 June 2025.

## CORPORATE GOVERNANCE

The Company recognises the importance of corporate transparency and accountability. The Company is committed to achieving a high standard of corporate governance and leading the Group to attain better results and improve its corporate image with effective corporate governance procedures. During the six months ended 30 June 2025, the Board is of the opinion that the Company has complied with all the applicable code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules, except for code provision B.2.2.

Under code provision B.2.2, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Ms. QI Chunfeng ("**Ms. Qi**") was re-elected on 4 June 2021, and accordingly should retire at the 2024 annual general meeting; Mr. FANG Cheng ("**Mr. Fang**"), Mr. WANG Quan ("**Mr. Wang**") and Mr. WEI Jian ("**Mr. Wei**") were re-elected on 9 June 2022, and accordingly should retire at the 2025 annual general meeting. Ms. Qi, Mr. Fang, Mr. Wang and Mr. Wei shall retire by rotation at the next annual general meeting.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. The Company has made a specific enquiry to all directors of the Company regarding any non-compliance with the Model Code and all directors confirmed that they have complied with the Model Code for the six months ended 30 June 2025.

## PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## REVIEW BY AUDIT COMMITTEE

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 have been reviewed by the audit committee of the Board which comprises three independent non-executive directors namely, Mr. LEE Kwok Lun, Mr. FANG Cheng and Mr. WEI Jian.

## AUDIT OR REVIEW OF THE FINANCIAL RESULTS

The unaudited condensed interim consolidated financial statements of the Group for the six months ended 30 June 2025 have not been audited or reviewed by the auditor of the Company.

## PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Company (www.everreachgroup.com) and the Stock Exchange (www.hkexnews.hk). The interim report will be dispatched to the shareholders of the Company (upon request) and available on the websites of the Company and the Stock Exchange in due course.

## FORWARD-LOOKING STATEMENTS

This announcement includes certain forward-looking statements which involve the financial conditions, results and businesses of the Group. These forward-looking statements are the Group's expectation or beliefs for future events and they involve known and unknown risks and uncertainties, which may cause actual results, performance or development of the situation to differ materially from the situation expressed or implied by these statements.

## CONTINUED SUSPENSION OF TRADING

At the request of the Company, the trading in the shares of the Company on the Stock Exchange has been suspended from 9:00 a.m. on 2 April 2024, and will remain suspended until further notice.

**Shareholders and potential investors of the Company are advised to exercise due 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, 29 August 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.*