Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

DISCLOSEABLE AND CONNECTED TRANSACTION DEEMED DISPOSAL OF A SUBSIDIARY

THE CAPITAL INCREASE AGREEMENT

The Board is pleased to announce that, on 30 October 2025, (i) Xuchang Hengda, a subsidiary of the Company and one of the shareholders of Xuchang Hengrun, and (ii) Xuchang Shitou, the other shareholder of Xuchang Hengrun, entered into the Capital Increase Agreement.

Pursuant to the Capital Increase Agreement, (i) Xuchang Hengda agreed to contribute RMB24 million to the registered capital of Xuchang Hengrun, (ii) Xuchang Shitou agreed to contribute RMB36 million to the registered capital of Xuchang Hengrun, and (iii) upon completion of the Capital Increase, the registered capital of Xuchang Hengrun will increase from RMB100 million to RMB160 million, and Xuchang Hengda's equity interest in Xuchang Hengrun will be diluted from 80% to 65% while Xuchang Shitou's equity interest in Xuchang Hengrun will increase from 20% to 35%.

LISTING RULES IMPLICATIONS

As the Capital Increase will result in the reduction of Xuchang Hengda's equity interest in Xuchang Hengrun, the Capital Increase constitutes a deemed disposal under Rule 14.29 of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Capital Increase exceeds 5% but all are less than 25%, the Capital Increase constitutes a discloseable transaction of the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

Xuchang Shitou is a substantial shareholder of a subsidiary of the Company, and therefore a connected person of the Company at the subsidiary level. As such, the Capital Increase also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As (i) Xuchang Shitou is a connected person of the Company at the subsidiary level; (ii) the Board has approved the Capital Increase; and (iii) the independent non-executive Directors have confirmed that the terms of the Capital Increase are fair and reasonable, and that the Capital Increase is on normal commercial terms and in the interests of the Company and its shareholders as a whole, the Capital Increase is subject to the announcement requirement but is exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

THE CAPITAL INCREASE AGREEMENT

The Board is pleased to announce that, on 30 October 2025, (i) Xuchang Hengda, a subsidiary of the Company and one of the shareholders of Xuchang Hengrun, and (ii) Xuchang Shitou, the other shareholder of Xuchang Hengrun, entered into the Capital Increase Agreement.

Pursuant to the Capital Increase Agreement, (i) Xuchang Hengda agreed to contribute RMB24 million to the registered capital of Xuchang Hengrun, (ii) Xuchang Shitou agreed to contribute RMB36 million to the registered capital of Xuchang Hengrun, and (iii) upon completion of the Capital Increase, the registered capital of Xuchang Hengrun will increase from RMB100 million to RMB160 million, and Xuchang Hengda's equity interest in Xuchang Hengrun will be diluted from 80% to 65% while Xuchang Shitou's equity interest in Xuchang Hengrun will increase from 20% to 35%.

The major terms of the Capital Increase Agreement are set out below:

Date:	30 October 2025
Parties:	Xuchang Hengda; and Xuchang Shitou
Capital Increase:	(i) Xuchang Hengda agreed to contribute RMB24 million to the registered capital of Xuchang Hengrun, (ii) Xuchang Shitou agreed to contribute RMB36 million to the registered capital of Xuchang Hengrun, and (iii) upon completion of the Capital Increase, the registered capital of Xuchang Hengrun will increase from RMB100 million to RMB160 million, and Xuchang Hengda's equity interest in Xuchang Hengrun will be diluted from 80% to 65% while Xuchang Shitou's equity interest in Xuchang Hengrun will increase from 20% to 35%.

Consideration: Xuchang Hengda agreed to contribute to the Capital Increase in cash at the consideration of RMB24 million and Xuchang Shitou agreed to contribute to the Capital Increase in cash at the consideration of RMB36 million.

The aforesaid consideration was arrived based on normal commercial terms after arm's length negotiations by both parties with reference to, among others, the then registered capital of Xuchang Hengrun and the expected capital requirements of Xuchang Hengrun.

Payment: Xuchang Hengda and Xuchang Shitou agreed to make the initial payment of the consideration upon signing of the Capital Increase Agreement in the amounts of RMB3.35 million and RMB5.0 million, respectively. Both parties shall fulfill the outstanding payment obligations by no later than 31 March 2026.

SHAREHOLDING STRUCTURE OF XUCHANG HENGRUN

The shareholding structure of Xuchang Hengrun immediately before and after completion of the Capital Increase is as follows:

	Immediately before the completion of the Capital Increase		**Immediately after the completion of the Capital Increase**	
Name of shareholder	**Registered capital of Xuchang Hengrun** *(RMB'million)*	**Shareholding Percentage**	**Registered capital of Xuchang Hengrun** *(RMB'million)*	**Shareholding Percentage**
Xuchang Hengda	80	80%	104	65%
Xuchang Shitou	20	20%	56	35%
Total	100	100%	160	100%

FINANCIAL INFORMATION OF XUCHANG HENGRUN

Based on the audited financial statements of Xuchang Hengrun for the two financial years ended 31 December 2023 and 2024 prepared in accordance with the PRC Accounting Standards for Business Enterprises and the unaudited management accounts of Xuchang Hengrun for the nine months ended 30 September 2025, the losses before and after taxation for the two financial years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025 are set out below:

	For the nine months ended 30 September 2025	**For the year ended 31 December 2024**	**For the year ended 31 December 2023**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Loss before taxation	10,303	12,536	8,824
Loss after taxation	10,303	12,536	8,824

Based on the unaudited management accounts of Xuchang Hengrun as at 30 September 2025, the total assets and net assets of Xuchang Hengrun as at 30 September 2025 were approximately RMB835.95 million and RMB64.45 million, respectively.

REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE

The Capital Increase will enable Xuchang Hengrun to enhance its financial position as well as to satisfy the expected capital requirement for the ongoing development of its real estate development project of Dongyue Garden in Xuchang city in the PRC.

Based on the above, the Directors (including the independent non-executive Directors) consider that although the Capital Increase is not conducted in the ordinary and usual course of business of the Company, the terms of the Capital Increase are fair and reasonable, and that the Capital Increase is on normal commercial terms and in the interests of the Company and its the shareholders as a whole. None of the Directors has a material interest in the Capital Increase, or was required to abstain from voting on the relevant resolutions of the Board approving the Capital Increase.

FINANCIAL EFFECTS OF DEEMED DISPOSAL

Upon completion of the Capital Increase, Xuchang Hengda's equity interest in Xuchang Hengrun will be diluted from 80% to 65%. Xuchang Hengrun will remain as a non-wholly owned subsidiary of the Company and its financial results will continue to be consolidated in the Group's accounts. The Company does not expect to record any gain or loss on the transactions contemplated under the Capital Increase Agreement.

INFORMATION OF THE PARTIES

The Group is principally engaged in property development business in the PRC. Xuchang Hengda is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company. Xuchang Hengda is principally engaged in real estate development and house renting in the PRC.

Xuchang Shitou is a limited liability company established in the PRC. Xuchang Shitou is principally engaged in real estate development and urban infrastructure construction and investment in the PRC. The ultimate beneficial owner of Xuchang Shitou is Xuchang Finance Bureau* (許昌市財政局).

Xuchang Hengrun, a limited liability company established in the PRC and an indirect non-wholly owned subsidiary of the Company, was established by Xuchang Hengda and Xuchang Shitou pursuant to the collaboration agreement in July 2022 to engage in real estate development project of Dongyue Garden in Xuchang city. As of the date of this announcement, Xuchang Hengrun is owned as to 80% by Xuchang Hengda and 20% by Xuchang Shitou, respectively.

LISTING RULES IMPLICATIONS

As the Capital Increase will result in the reduction of Xuchang Hengda's equity interest in Xuchang Hengrun, the Capital Increase constitutes a deemed disposal under Rule 14.29 of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Capital Increase exceeds 5% but all are less than 25%, the Capital Increase constitutes a discloseable transaction of the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

Xuchang Shitou is a substantial shareholder of a subsidiary of the Company, and therefore a connected person of the Company at the subsidiary level. As such, the Capital Increase also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As (i) Xuchang Shitou is a connected person of the Company at the subsidiary level; (ii) the Board has approved the Capital Increase; and (iii) the independent non-executive Directors have confirmed that the terms of the Capital Increase are fair and reasonable, and that the Capital Increase is on normal commercial terms and in the interests of the Company and its shareholders as a whole, the Capital Increase is subject to the announcement requirement but is exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

DEFINITIONS

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

"Board"	the board of Directors
"Capital Increase"	the capital increase of Xuchang Hengrun from RMB100 million to RMB160 million pursuant to the Capital Increase Agreement
"Capital Increase Agreement"	the capital increase agreement entered into between Xuchang Hengda and Xuchang Shitou on 30 October 2025
"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
"Directors"	the directors of the Company
"Dongyue Garden"	Dongyue Garden (東樾花園), which is currently developed by Xuchang Hengrun
"Group"	the Company and its subsidiaries from time to time
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"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
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	shareholder(s) of the Company
"Share(s)"	ordinary share(s) 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

"Xuchang Hengda"	Xuchang Hengda Property Group Company Limited* (許昌恒達房地產集團有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
"Xuchang Hengrun"	Xuchang Hengrun Real Estate Company Limited* (許昌市恒潤置業有限公司), a company incorporated in the PRC, which is owned as to 80% by Xuchang Hengda and 20% by Xuchang Shitou, respectively, as of the date of the Capital Increase Agreement
"Xuchang Shitou"	Xuchang Shitou Urban Development Group Company Limited* (許昌市市投城市發展集團有限公司), a limited liability company established in the PRC on 16 June 2015. The ultimate beneficial owner of Xuchang Shitou is Xuchang Finance Bureau* (許昌市財政局)
"%"	Percent

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

Hong Kong, 30 October 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.

* *For identification purpose only*