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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)

DISCLOSEABLE AND CONNECTED TRANSACTION DISPOSAL OF A SUBSIDIARY

THE DISPOSAL

The Board is pleased to announce that on 29 May 2026, the Vendor (an indirect wholly-owned subsidiary of the Company) entered into the Equity Transfer Agreement with the Purchaser (a connected person of the Company at the subsidiary level) and the Target Company (an indirect non-wholly-owned subsidiary of the Company).

Pursuant to the Equity Transfer Agreement, the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Interest, representing 70% of the equity interest in the Target Company, for the Consideration of RMB3,000,000.

Upon completion of the Disposal, the Group will completely cease to hold any equity interest in the Target Company. Accordingly, the Target Company will cease to be a subsidiary of the Company, and its financial results will no longer be consolidated into the Company's consolidated financial statements.

LISTING RULES IMPLICATIONS

Discloseable transaction

As one or more of the applicable percentage ratios under Chapter 14 of the Listing Rules in respect of the Disposal exceeds 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Connected transaction

As at the date of this announcement, the Purchaser is a substantial shareholder of the Target Company, and therefore a connected person of the Company at the subsidiary level. As such, the Disposal also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As (i) the Purchaser is a connected person of the Company at the subsidiary level; (ii) the Board has approved the Disposal; and (iii) the independent non-executive Directors have confirmed that the terms of the Disposal are fair and reasonable, and that the Disposal is on normal commercial terms and in the interests of the Company and its Shareholders as a whole, the Disposal 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 DISPOSAL

The Board is pleased to announce that on 29 May 2026, the Vendor (an indirect wholly-owned subsidiary of the Company) entered into the Equity Transfer Agreement with the Purchaser (a connected person of the Company at the subsidiary level) and the Target Company (an indirect non-wholly-owned subsidiary of the Company).

THE EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are set out as follows:

Date: 29 May 2026

Parties: Changge City Hengda Property Company Limited* (長葛市恒達房地產有限公司), as the Vendor;

Xuchang Fengzhida Real Estate Company Limited* (許昌豐之達房地產有限公司), as the Purchaser; and

Xuchang Yuanda Real Estate Company Limited* (許昌遠達置業有限公司), as the Target Company

Interest to be Disposed: Pursuant to the Equity Transfer Agreement, the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Interest, representing 70% of the equity interest in the Target Company.

Consideration: The consideration for the Disposal (the "**Consideration**") is RMB3,000,000 and shall be paid by the Purchaser to the Vendor in cash by way of bank transfer to the bank account designated by the Vendor, or in such other manner as may be agreed between the parties in writing.

The Consideration was determined after arm's length negotiations between the Group and the Purchaser with reference to the valuation carried out by an independent valuer by using Asset Based Approach, as well as other factors as set out in the paragraph headed "Reasons for and Benefits of the Disposal" below.

Payment: The Consideration shall be paid in cash in two installments:

First Installment: RMB1,000,000 payable within 3 business days from the effective date of the Equity Transfer Agreement.

Second Installment: RMB2,000,000 payable within 7 business days following the completion of the industrial and commercial registration in respect of the change of ownership of the Sale Interest.

Completion: Pursuant to the Equity Transfer Agreement, the industrial and commercial registration in respect of change of ownership of Sale Interest shall be completed within ten business days following the entering into of Equity Transfer Agreement. Completion should take place on the date when the register of members of the Target Company has been updated, the articles of association of the Target Company have been amended, and the registration of the change of ownership of the Sale Interest has been completed (whichever the later).

Upon the Completion, the Group shall cease to hold any interest in the Target Company, and it shall cease to be a subsidiary of the Company.

FINANCIAL INFORMATION OF THE TARGET COMPANY

Based on the audited financial statements of the Target Company for the two financial years ended 31 December 2024 and 2025 prepared in accordance with the PRC Accounting Standards for Business Enterprises and the unaudited management accounts of Target Company for the four months ended 30 April 2026, the (loss)/profit before and after taxation of the Target Company for the two financial years ended 31 December 2024 and 2025 and the four months ended 30 April 2026 are set out below:

	For the four months ended 30 April 2026	**For the year ended 31 December 2025**	**For the year ended 31 December 2024**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
(Loss)/Profit before taxation	(4,001)	961	11,039
(Loss)/Profit after taxation	(4,001)	961	11,039

Based on the unaudited management accounts of the Target Company as at 30 April 2026, the total assets and net assets of the Target Company as at 30 April 2026 were approximately RMB62.7 million and RMB11.7 million, respectively.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Target Company was specifically set up to develop the Changge Junyue Mansion project. Having considered the financial performance and after reviewing the business and operation status of the Target Company, the Board considers that it is appropriate for the Group to proceed with the Disposal. The Disposal will strengthen the cash flow of the Group allowing the Group to improve its liquidity and allow the Group to reallocate its resources to other existing opportunities.

In view of the above benefits, the Directors believe that the terms of the Equity Transfer Agreement are fair and reasonable and in the interests of the Company and its Shareholders taken as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL

As at the date of this announcement, the Vendor owns 70% of equity interest of the Target Company. Upon completion of the Disposal, the Group will no longer have any interest in the Target Company and the Target Company will cease to be a subsidiary of the Group. Accordingly, the Target Company's financial results will cease to be consolidated into the Company's consolidated financial statements.

As a result of the Disposal, the Company is expected to record an unaudited loss of approximately RMB8.0 million, which is calculated with reference to the Consideration, the Company's investment in the Target Company, and the net asset value of the Target Company as at 30 April 2026. The actual amount of the loss from the Disposal to be recognised by the Group is subject to audit and may be different from the estimated amount.

INTENDED USE OF PROCEEDS

The Company intends to use the net proceeds from the Disposal for the purpose of general working capital after deducting expenses in relation to the Disposal.

INFORMATION OF THE PARTIES

The Group is principally engaged in property development business in the PRC. The Vendor is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company. The Vendor is principally engaged in property development in the PRC and owns 70% of equity interest of the Target Company.

The Purchaser is a limited liability company established in the PRC. The Purchaser is principally engaged in property development in the PRC and owns 30% of equity interest of the Target Company. The ultimate beneficial owner of the Purchaser is Zhao Bo (趙博). As of the date of Equity Transfer Agreement and prior to the Disposal, the Purchaser held 30% interest in the Target Company. Accordingly, the Purchaser was a connected person of the Company at the subsidiary level.

The Target Company, a limited liability company established in the PRC and an indirect non-wholly owned subsidiary of the Company, was established by the Vendor and the Purchaser. As of the date of this announcement, the Target Company is owned as to 70% by the Vendor and 30% by the Purchaser, respectively.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Chapter 14 of the Listing Rules in respect of the Disposal exceeds 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Purchaser is a substantial shareholder of the Target Company, and therefore a connected person of the Company at the subsidiary level. As such, the Disposal also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As (i) the Purchaser is a connected person of the Company at the subsidiary level; (ii) the Board has approved the Disposal; and (iii) the independent non-executive Directors have confirmed that the terms of the Disposal are fair and reasonable, and that the Disposal is on normal commercial terms and in the interests of the Company and its Shareholders as a whole, the Disposal 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.

As none of the Directors has a material interest in the Disposal, no Director is required to abstain from voting on the Board resolution(s) approving the Disposal.

DEFINITIONS

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

"Board"	the board of Directors of the Company
"Company"	Ever Reach Group (Holdings) Company Limited
"Directors"	the directors of the Company
"Disposal"	the disposal of 70% equity interest in the Target Company by the Vendor to the Purchaser under the Equity Transfer Agreement

"Equity Transfer Agreement"	the equity transfer agreement dated 29 May 2026 entered into among the Vendor, the Purchaser, and the Target Company in respect of the Disposal
"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
"Purchaser"	Xuchang Fengzhida Real Estate Company Limited* (許昌豐之達房地產有限公司), a limited liability company established in the PRC on 27 March 2017. The ultimate beneficial owner of the Purchaser is Zhao Bo (趙博)
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Interest"	70% of the equity interest in the Target Company to be sold by the Vendor to the Purchaser pursuant to the Equity Transfer Agreement
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Xuchang Yuanda Real Estate Company Limited* (許昌遠達置業有限公司), a company incorporated in the PRC, which is owned as to 70% by the Vendor and 30% by the Purchaser, respectively, as of the date of the Equity Transfer Agreement and prior to the Disposal

"Vendor"	Changge City Hengda Property Company Limited* (長葛市恒達房地產有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company

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

Hong Kong, 29 May 2026

As at the date of this announcement, the executive Directors are Li Xiaobing, Wang Zhenfeng, Li Man and Wang Quan; and the independent non-executive Directors are Lee Kwok Lun, Wei Jian and Fang Cheng.

* *For identification purpose only*