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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)**

### **CONNECTED TRANSACTIONS**

On 20 May 2021, the Vendor and each of the Purchasers separately entered into the respective sale and purchase agreements, pursuant to which the Vendor agreed to sell and the Purchasers agreed to purchase the respective Property Units.

Xuchang Hengda, as the developer of Jinhui Plaza, is an indirect wholly-owned subsidiary of the Company. Xuchang Dongheng, as the developer of Dongcheng Garden, is an indirect wholly-owned subsidiary of the Company. Xuchang Weiheng, as the developer of Hengda Heyuan, is an indirect wholly-owned subsidiary of the Company. The Purchasers are connected persons or deemed connected persons of the Company under Rule 14A.07 of the Listing Rules. Therefore, the sales of the Property Units constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As Ms. LIN Wei, Mr. LIN Junwei and Ms. LIN Sai E are connected persons of the Company by virtue of their relationship with Mr. LI Xiaobing, Ms. LIN Wei Previous Transactions and Mr. LIN Junwei and Ms. LIN Sai E Previous Transactions were entered into within 12 months prior to the Transactions, pursuant to Rule 14A.81 of the Listing Rules, the sales of the relevant Property Units by the Vendor to each of Ms. LIN Wei and Ms. LIU Yulian are required to be aggregated with Ms. LIN Wei Previous Transactions and Mr. LIN Junwei and Ms. LIN Sai E Previous Transactions.

Since certain applicable percentage ratios for the sales of the relevant Property Units to each of Ms. LIN Wei and Ms. LIU Yulian, when aggregated with Ms. LIN Wei Previous Transactions and Mr. LIN Junwei and Ms. LIN Sai E Previous Transactions are above 0.1% but less than 5%, the sales of the relevant Property Units to each of Ms. LIN Wei and Ms. LIU Yulian are only subject to reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

Since certain applicable percentage ratios for the sales of the relevant Property Units to each of Mr. WANG Zhenfeng, Mr. WANG Yifan and Ms. DONG Zheng are above 0.1% but less than 5%, the sales of the relevant Property Units to each of Mr. WANG Zhenfeng, Mr. WANG Yifan and Ms. DONG Zheng are only subject to reporting and announcement requirements and are exempt from independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

As all applicable percentage ratios for the sales of the relevant Property Units to Ms. ZHANG Fan, an associate of Ms. QI Chunfeng and therefore a connected person of the Company, are less than 5% and the total consideration is less than HK\$3,000,000, the sales of the relevant Property Units to Ms. ZHANG Fan is fully exempt pursuant to Rule 14A.76(1) of the Listing Rules.

## THE SALE AND PURCHASE AGREEMENTS

### 1. Hengda Heyuan

Date:	20 May 2021
Parties:	(i) Xuchang Weiheng  (ii) Ms. LIN Wei, the spouse of Mr. LI Xiaobing who is the executive Director and controlling shareholder of the Company
Subject Property Unit:	Property (1) and (2)
Consideration:	RMB2,146,032 payable by the Purchaser in the following manner:  (i) Consideration in the amount of RMB1,836,032 being the initial deposit of the consideration, has been paid upon signing the sale and purchase agreements.  (ii) The remaining balance in the amount of RMB310,000 is to be paid on or before the date of delivery of properties (i.e. 22 May 2022).
Information of Hengda Heyuan:	Hengda Heyuan is a residential property project located at the west of Balong Road and the south of Nanhai Street, Dongcheng District, Xuchang City, Henan Province, the PRC and occupies a total site area of approximately 51,722 sq.m..

## **2. Hengda Heyuan**

Date: 20 May 2021

Parties: (i) Xuchang Weiheng  
(ii) Mr. WANG Zhenfeng, the executive Director

Subject Property Unit: Property (3)

Consideration: RMB50,000 payable by the Purchaser in the following manner:

- (i) Consideration in the amount of RMB50,000 being the full amount of the consideration, has been paid upon signing the sale and purchase agreements.

Information of Hengda Heyuan: Hengda Heyuan is a residential property project located at the west of Balong Road and the south of Nanhai Street, Dongcheng District, Xuchang City, Henan Province, the PRC and occupies a total site area of approximately 51,722 sq.m..

## **3. Dongcheng Garden**

Date: 20 May 2021

Parties: (i) Xuchang Dongheng  
(ii) Mr. WANG Zhenfeng, the executive Director

Subject Property Unit: Property (4)

Consideration: RMB1,638,526 payable by the Purchaser in the following manner:

- (i) Consideration in the amount of RMB1,188,526 being the initial deposit of the consideration, has been paid upon signing the sale and purchase agreements.
- (ii) The remaining balance in the amount of RMB450,000 is to be paid on or before the date of delivery of the property (i.e. 31 December 2023).

Information of Dongcheng Garden: Dongcheng Garden is a residential property project located at the east of Weiwu Avenue and the South of the Xuefu Road, Dongcheng District, Xuchang City, Henan Province, the PRC and occupies a total site area of approximately 124,224 sq.m..

#### **4. Jinhui Plaza**

Date: 20 May 2021

Parties: (i) Xuchang Hengda  
(ii) Mr. WANG Yifan, the son of Mr. WANG Zhenfeng, the executive Director and Ms. DONG Zheng, the daughter-in-law of Mr. WANG Zhenfeng, the executive Director

Subject Property Unit: Property (5)

Consideration: RMB2,000,000 payable by the Purchasers in the following manner:

(i) Consideration in the amount of RMB2,000,000 being the full amount of the consideration, has been paid upon signing the sale and purchase agreements.

Information of Jinhui Plaza: Jinhui Plaza is a residential and commercial property project located at the north of Bayi Road and the east of Beiguan Avenue, Weidu District, Xuchang City, Henan Province, the PRC and occupies a total site area of approximately 85,506 sq.m..

#### **5. Hengda Heyuan**

Date: 20 May 2021

Parties: (i) Xuchang Weiheng  
(ii) Ms. LIU Yulian, the mother of Mr. LI Xiaobing who is the executive Director and controlling shareholder of the Company

Subject Property Unit: Property (6) & (7)

Consideration:	RMB2,176,360 payable by the Purchaser in the following manner:
	<ul style="list-style-type: none"> <li>(i) Consideration in the amount of RMB1,866,360 being the initial deposit of the consideration, has been paid upon signing the sale and purchase agreements.</li> <li>(ii) The remaining balance in the amount of RMB310,000 is to be paid on or before the date of delivery of properties (i.e. 22 May 2022).</li> </ul>
Information of Hengda Heyuan:	Hengda Heyuan is a residential property project located at the west of Balong Road and the south of Nanhai Street, Dongcheng District, Xuchang City, Henan Province, the PRC and occupies a total site area of approximately 51,722 sq.m.

## 6. Hengda Heyuan

Date:	20 May 2021
Parties:	<ul style="list-style-type: none"> <li>(i) Xuchang Weiheng</li> <li>(ii) Ms. ZHANG Fan, the daughter of Ms. QI Chunfeng who is the executive Director</li> </ul>
Subject Property Unit:	Property (8), (9) & (10)
Consideration:	RMB1,534,451 payable by the Purchaser in the following manner:
	<ul style="list-style-type: none"> <li>(i) Consideration in the amount of RMB1,534,451 being the full amount of the consideration, has been paid upon signing the sale and purchase agreements.</li> </ul>
Information of Hengda Heyuan:	Hengda Heyuan is a residential property project located at the west of Balong Road and the south of Nanhai Street, Dongcheng District, Xuchang City, Henan Province, the PRC and occupies a total site area of approximately 51,722 sq.m..

The considerations of the respective Property Units were determined based on the respective prices of the Property Units that were quoted on the public price list of the respective projects of the Group. They were also determined according to the different discounts that were available from different payment methods selected (the discounts are equally applicable to the purchasers who are independent third parties). The property prices in the price list were determined based on the differences in the size, unit type, orientation, views, floor and other relevant factors of individual units of respective projects; and by reference to the prices of same grade properties in the same district, and the overall market price.

The Vendors shall (subject to permitted extension(s) as set out in the relevant sale and purchase agreements) serve the written notification on the Purchasers to deliver the respective subject Property Units. The Purchasers shall check and receive the subject Property Units on the date to be specified by the Vendor in the notification.

### **INFORMATION ABOUT THE GROUP, XUCHANG DONGHENG, XUCHANG HENGDA AND XUCHANG WEIHENG AND REASONS FOR THE SALES OF THE PROPERTY UNITS**

The Group is principally engaged in the property development and property investment businesses in the PRC. Xuchang Dongheng is an indirect wholly-owned subsidiary of the Company and is the project company for the development of Dongcheng Garden. Xuchang Hengda is an indirect wholly-owned subsidiary of the Company and is the project company for the development of Jinhui Plaza. Xuchang Weiheng is an indirect wholly-owned subsidiary of the Company and is the project company for the development of Hengda Weiheng. The sales of the Property Units are conducted in the ordinary and usual course of business of the Group.

In view of the interest of Mr. LI Xiaobing, Mr. WANG Zhenfeng and Ms. QI Chunfeng in the sales of the Property Units as set out in the paragraph headed “Implications under the Listing Rules” below, Mr. LI Xiaobing, Mr. WANG Zhenfeng and Ms. QI Chunfeng have abstained from voting on the board resolution of the Company for the approval of the sales of the Property Units. The Directors (including the independent non-executive Directors) are of the opinion that the sales of the Property Units are on normal commercial terms in the ordinary course of business of the Group, and the terms of the sale and purchase agreements (including the consideration of the sale of the Property Units) are fair and reasonable and in the interests of the Company and the shareholders as a whole.

## **FINANCIAL EFFECTS OF THE SALES OF THE PROPERTY UNITS**

The Property Units are completed properties held for sale or properties under development of the Group. The Group is expected to receive the total consideration of RMB9,545,369 in connection with the sales of the Property Units pursuant to the sale and purchase agreements and such proceeds are intended to be used as general working capital of the Group. Apart from the above, it is not expected to have immediate material impact on the financial position of the Group.

## **IMPLICATIONS UNDER THE LISTING RULES**

Mr. LI Xiaobing is an executive Director and the controlling shareholder of the Company and therefore he is a connected person of the Company under Chapter 14A of the Listing Rules.

Ms. LIN Wei is the spouse of Mr. LI Xiaobing and therefore she is an associate of Mr. LI Xiaobing and a connected person of the Company under Chapter 14A of the Listing Rules.

Ms. LIU Yulian is the mother of Mr. LI Xiaobing and therefore she is an associate of Mr. LI Xiaobing and a connected person of the Company under Chapter 14A of the Listing Rules.

Mr. WANG Zhenfeng is an executive Director and therefore he is a connected person of the Company under Chapter 14A of the Listing Rules.

Mr. WANG Yifan is the son of Mr. WANG Zhenfeng and therefore he is an associate of Mr. WANG Zhenfeng and a connected person of the Company under Chapter 14A of the Listing Rules.

Ms. DONG Zheng is daughter-in-law of Mr. WANG Zhenfeng and therefore she is deemed as a connected person of the Company under Chapter 14A of the Listing Rules.

Ms. QI Chunfeng is an executive Director and therefore she is a connected person of the Company under Chapter 14A of the Listing Rules.

Ms. ZHANG Fan is the daughter of Ms. QI Chunfeng and therefore she is an associate of Ms. QI Chunfeng and a connected person of the Company under Chapter 14A of the Listing Rules.

Accordingly, the sales of the Property Units constitute connected transactions of the Company under the Listing Rules.



As Ms. LIN Wei and Ms. LIU Yulian are connected persons of the Company by virtue of their relationship with Mr. LI Xiaobing, Ms. LIN Wei Previous Transactions and Mr. LIN Junwei and Ms. LIN Sai E Previous Transactions were entered into within 12 months prior to the Transactions, pursuant to Rule 14A.81 of the Listing Rules, the sales of relevant Property Units by the Vendor to each of Ms. LIN Wei and Ms. LIU Yulian pursuant to sale and purchase agreements are required to be aggregated with Ms. LIN Wei Previous Transactions and Mr. LIN Junwei and Ms. LIN Sai E Previous Transactions.

Since certain applicable percentage ratios for the sales of the relevant Property Units to the each of Ms. LIN Wei and Ms. LIU Yulian, when aggregated with Ms. LIN Wei's Previous Transactions and Mr. LIN Junwei and Ms. LIN Sai E Previous Transactions are above 0.1% but less than 5%, the sales of the relevant Property Units to each of Ms. LIN Wei and Ms. LIU Yulian are only subject to reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

Since certain applicable percentage ratios for the sales of the relevant Property Units to each of Mr. WANG Zhenfeng, Mr. WANG Yifan and Ms. DONG Zheng are above 0.1% but less than 5%, the sales of the relevant Property Units to each of Mr. WANG Zhenfeng, Mr. WANG Yifan and Ms. DONG Zheng are only subject to reporting and announcement requirements and are exempt from independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

Appropriate disclosure of the Transactions will be made in the next annual report and accounts of the Company in accordance with the Listing Rules.

As all applicable percentage ratios for the sales of the relevant Property Units to Ms. ZHANG Fan, an associate of Ms. QI Chunfeng and therefore a connected person of the Company, are less than 5% and the total consideration is less than HK\$3,000,000, the sales of the relevant Property Units to Ms. ZHANG Fan is fully exempt pursuant to Rule 14A.76(1) of the Listing Rules.

By virtue of interests of Mr. LI Xiaobing, Mr. WANG Zhenfeng and Ms. QI Chunfeng in the Transactions, Mr. LI Xiaobing, Mr. WANG Zhenfeng and Ms. QI Chunfeng are considered to have material interests in the sales and purchase agreements and the Transactions contemplated thereunder. Accordingly, Mr. LI Xiaobing, Mr. WANG Zhenfeng and Ms. QI Chunfeng have abstained from voting on the Board resolution(s) to approve the entering into of the sales and purchase agreements.



## DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ms. LIN Wei Previous Transactions”	as disclosed in the announcement of the Company dated 28 May 2020, Ms. LIN Wei purchased two commercial units from the Group for a total consideration of RMB6,901,686
“Mr. LIN Junwei and Ms. LIN Sai E Previous Transactions”	as disclosed in the announcement of the Company dated 30 December 2020, Mr. LIN Junwei purchased 2 residential units and 4 carparking spaces and Ms. LIN Sai E purchased a commercial unit from the Group for a total consideration of RMB2,416,541 and RMB3,000,000 respectively
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Property Units”	collectively referred to as Property (1), Property (2), Property (3), Property (4), Property (5), Property (6), Property (7), Property (8), Property (9) and Property (10), and “Property Unit” shall refer to any one of them
“Property (1)”	a commercial unit located at Unit 702, Level 7 & 8, Block 1, Building 3, Hengda Heyuan, with a GFA of approximately 308.24 sq.m.. The consideration is RMB2,096,032
“Property (2)”	a carparking space located at D086, Basement, Hengda Heyuan. The consideration is RMB50,000

“Property (3)”	a carparking space located at A202, Basement, Hengda Heyuan. The consideration is RMB50,000
“Property (4)”	a residential unit located at Unit 702, Level 7 & 8, Block 2, Building 17, Dongcheng Garden, with a GFA of approximately 245.45 sq.m.. The consideration is RMB1,638,526
“Property (5)”	a commercial unit located at Unit S08, Level 1 & 2, Building 2, Jinhui Plaza, with a GFA of approximately 139.14 sq.m.. The consideration is RMB2,000,000
“Property (6)”	a residential unit located at Unit 701, Level 7 & 8, Block 1, Building 3, Hengda Heyuan, with a GFA of approximately 312.70 sq.m.. The consideration is RMB2,126,360
“Property (7)”	a carparking space located at D087, Basement, Hengda Heyuan. The consideration is RMB50,000
“Property (8)”	a residential unit located at Unit 201, Level 2, Block 1, Building 5, Hengda Heyuan, with a GFA of approximately 197.87 sq.m.. The consideration is RMB1,444,451
“Property (9)”	a carparking space located at A163a, Basement, Hengda Heyuan. The consideration is RMB50,000
“Property (10)”	a storage located at Unit 15, Basement Level 2, Building 10, Hengda Heyuan, with a GFA of approximately 11.91 sq.m.. The consideration is RMB40,000
“Purchaser(s)”	Mr. WANG Zhenfeng, Ms. LIN Wei, Ms. LIU Yulian, Ms. ZHANG Fan, Mr. WANG Yifan and Ms. DONG Zheng, and “Purchaser” shall refer to any one of them
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq.m.”	square metre(s)
“Transactions”	the sale of Property Units by the Vendors to the Purchasers pursuant to the sales and purchase agreements
“Vendor(s)”	Xuchang Dongheng, Xuchang Hengda, and Xuchang Weiheng, and “Vendor” shall refer to any one of them
“Xuchang Dongheng”	許昌東恒房地產開發有限公司 (Xuchang Dongheng Property Development Company Limited*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company

“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 an indirect wholly-owned subsidiary of the Company
“Xuchang Weiheng”	許昌魏恒房地產開發有限公司 (Xuchang Weiheng Property Development Company Limited*), a limited liability company established in the PRC and an indirect 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 Director*

Hong Kong, 20 May 2021

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