

**IPO FACT SHEET**
**Ever Reach Group (Holdings) Company Limited (3616 HK)**
**ISSUE STATISTICS**

<b>Offer Size:</b>	HK\$306.0m – HK\$420.0m
<b>Placement Tranche:</b>	300m
<b>Price:</b>	HK\$1.02 – HK\$1.40
<b>Board lot:</b>	2,000
<b>Entry fee:</b>	HK\$2,828.22
<b>Net tangible asset per share:</b>	HK\$0.67 – HK\$0.76
<b>Market Cap (post-IPO):</b>	HK\$1,224m – HK\$1,680m
<b>Open:</b>	30 Oct 2018
<b>Close:</b>	12.00 noon on 2 Nov 2018
<b>Trading:</b>	12 Nov 2018
<b>Sponsor:</b>	EBS International

Year ended 31 Dec	(RMB'000)	yoy % chg
Revenue		
2016	930,859	-10.3%
2017	1,549,878	66.5%
Profit for the year/period		
2016	76,766	5.9%
2017	149,409	94.6%

**BACKGROUND**

- The Group is the largest property developer in terms of total GFA of residential projects offered for sale in Xuchang City, Henan Province, the PRC as at 31 December 2017 according to the Colliers Report.
- The Group primarily focuses on developing residential projects and is involved in the development of commercial properties to a lesser extent. With a strong track record of more than 25 years, it has been specialising in developing medium-scale to large-scale property projects.
- As of 31 July 2018, its property portfolio comprised 21 property development projects located in Henan Province, the PRC.

**BUSINESS STRATEGY AND FUTURE PLANS**

- Continue to capitalise on the urbanisation and increase in demand arising from urbanisation in Henan Province
- Capitalise the government's recent policy to further promote Urban Redevelopment Scheme and continue to cooperate with local government for resettlement projects
- Continue to utilise different models in property development to increase flexibility and efficiency
- Continue to maintain a mix of residential and commercial developments
- Continue the Group's diversified land acquisition strategies with a view to allocating financial resources to what it believes to be the most profitable opportunities
- Continue to attract, nurture and motivate skilled and talented workforce

**COMPETITIVE STRENGTHS**

- An established position in the property development industry in Henan Province
- Well-established reputation and brand name
- Experienced in the provision of quality development projects
- Acquired strategically located land reserves
- An experienced and stable management team and a successful sales and marketing team
- An effective management structure with a standardised and streamlined development process

**KEY RISKS**

- The Group's operations in the PRC property industry are subject to government policies and regulations and, in particular, it is susceptible to adverse changes in policies relating to the PRC property sector and in local policies in the regions where it operates.
- Its business and prospects are heavily dependent on and may be adversely affected by the performance of the PRC property market, particularly in Henan Province.
- The Group may not be able to acquire land reserves in desirable locations that are suitable for its future development at commercially acceptable prices and if that happens, its business, financial condition, results of operations as well as prospects may be materially and adversely affected.
- It relies on external contractors and suppliers to deliver its projects on time and up to its specified quality standards.
- Reliance on its suppliers and no long term commitments to supply to it.

**DIVIDEND POLICY**

- No fixed dividend policy

**USE OF PROCEEDS**

	HK mn	As a percentage of gross proceeds from the Invitation (%)
To finance the construction costs for the development of its existing projects (including projects under development and future developments)	213.1	70%
To finance the costs of land acquisition and construction costs of its potential development projects and acquisition of land reserves by seeking and acquiring land parcels in cities in which it is currently operating and target cities in the future.	60.9	20%
As working capital and other general corporate purposes	30.5	10%
<b>Total:</b>	<b>304.5</b>	<b>100%</b>

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