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CR Construction Group Holdings Limited

華營建築集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1582)

SUPPLEMENTAL ANNOUNCEMENT

(1) MAJOR AND CONNECTED TRANSACTION ACQUISITION OF THE ENTIRE EQUITY INTEREST IN THE TARGET COMPANY; AND (2) CONTINUING CONNECTED TRANSACTIONS UNDER RULE 14A.60 OF THE LISTING RULES

Reference is made to the announcement of CR Construction Group Holdings Limited (the “**Company**”) dated 31 January 2023 (the “**Announcement**”) in relation to, inter alia, the Continuing Agreements. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to supplement further details regarding the Continuing Agreements, which are set out as follows. The numbering of the Continuing Agreements in the following table follows the Announcement.

A. Remaining Group as a service and construction materials provider/supplier/subcontractor

Name and date of agreement

Supplemental details

1. Property Management Services Agreement

Payment term:

Property management services:

Other than a one-off fee paid as stated in the Announcement, the Target Company shall pay to Zhejiang Zhejian RMB39,235.5 (equivalent to approximately HK\$44,585.8) and RMB36,085.5 (equivalent to approximately HK\$41,006.3) within 15 days in the first month of each quarter for the period between 1 January 2021 to 30 June 2021 and for the period between 1 July 2021 to 31 December 2023, respectively.

Public administrative services:

The Target Company shall pay to Zhejiang Zhejian RMB50,400 (equivalent to approximately HK\$57,272.7) before 15th January and 15th July in each year on half-yearly basis for the period from 1 January 2021 to 31 December 2023.

6. Third Si'an Agreement

Term of Agreement:

As represented by the Seller and the Target Company, the substantial terms of the formal sewage treatment operation and maintenance entrustment agreement (the “**Formal Sewage Treatment Agreement**”) have been finalised and the relevant parties are in the process of obtaining internal approval, which is expected to be completed by 31 March 2023. Accordingly, the Third Si'an Agreement commenced from 20 October 2020 and will be ended on the expiry date of the First Si'an Agreement, which is expected to be by 31 March 2023.

B. Target Group as a service provider/subcontractor/lender

1. Second Si'an Agreement

Term of Agreement:

As represented by the Seller and the Target Company, the substantial terms of the Formal Sewage Treatment Agreement have been finalised and the relevant parties are in the process of obtaining internal approval, which is expected to be completed by 31 March 2023. Accordingly, the Second Si'an Agreement commenced from 20 October 2020 and will be ended on the expiry date of the First Si'an Agreement, which is expected to be by 31 March 2023.

How the consideration is fixed:

Pursuant to the Second Si'an Agreement, Changxing Zhejian shall, on a monthly basis, pay to the Target Company the operation and maintenance service fee. The daily operation and maintenance service fee is calculated as follows: (a) for the first 4,500 ton of water being treated: RMB1.42/ton (being monetary amount per unit of water) x volume of the water being treated; (b) for the remaining ton of water being treated: RMB0.8/ton x volume of the water being treated. Since the monetary amount per unit of water is pre-determined, and the volume of the water being treated in each month can be easily ascertained, the service fee under the Second Si'an Agreement is considered to be fixed.

Whether the Second Si'an Agreement and the Third Si'an Agreement will be renewed/extended:

As confirmed by the Seller and the Target Company, the Second Si'an Agreement and the Third Si'an Agreement may be renewed upon the entering into of the Formal Sewage Treatment Agreement (collectively the "**New Second Si'an Agreement**" and "**New Third Si'an Agreement**", respectively). The relevant parties haven't determined the timetable for such renewal. If the relevant parties enter into the New Second Si'an Agreement and the New Third Si'an Agreement after the completion of the Acquisition, the Company will comply with all applicable requirements under Chapter 14A of the Listing Rules.

2. Membrane equipment procurement and installation contract
Term of Agreement:
The parties to the agreement mutually agreed to extend the term of this contract to the completion date of final certification of the project (which is expected to be completed by 31 December 2023), by signing a supplemental contract on 14 December 2020.
3. First Damaiyu Agreement
Term of Agreement:
The parties to the agreement mutually agreed to extend the term of this agreement to the completion date of final certification of the project (which is expected to be completed by 31 December 2023) by signing a supplemental agreement on 10 July 2020.
4. Second Damaiyu Agreement
How the period of the original agreement was fixed:
As confirmed by the Seller and the Target Company, the tender was awarded on 8 July 2019.
Term of Agreement:
The parties to the agreement mutually agreed to extend the term of this agreement to the completion date of final certification of the project (which is expected to be completed by 31 December 2023) by signing a supplemental agreement on 8 August 2019.
6. Longgang Subcontract
Term of Agreement:
The parties to the agreement mutually agreed to extend the term of this agreement to the completion date of the project (which is expected to be completed by 30 June 2024) by signing a supplemental agreement on 30 August 2021.
7. Subcontract agreement in relation to upgrading and renovation project for rural domestic sewage in 25 villages in the secondary protection zone of Changtan Reservoir dated 1 July 2018
Term of Agreement:
The parties to the agreement mutually agreed to extend the term of this agreement to the completion date of final certification of the project (which is expected to be completed by 31 December 2023) by signing a supplemental agreement on 19 November 2018.
8. Subcontract agreement dated 1 July 2018 in relation to upgrading and renovation project for rural domestic sewage in 25 villages in the secondary protection zone of Changtan Reservoir
Term of the Agreement:
The parties to the agreement mutually agreed to extend the term of this agreement to the completion date of the final certification of the project (which is expected to be completed by 31 December 2023) by signing a supplemental agreement on 28 December 2020.

9. Subcontract agreement dated 20 June 2018 in relation to upgrading and renovation project for rural domestic sewage in 25 villages in the secondary protection zone of Changtan Reservoir

Term of the Agreement:

The parties to the agreement mutually agreed to extend the term of this agreement to the completion date of the final certification of the project (which is expected to be completed by 31 December 2023) by signing a supplemental agreement on 19 November 2018.

10. The Loan Agreement

As confirmed by the Seller and the Target Company, the loan was primarily granted for the purpose of settlement of the increased registered capital requirement of the special purpose vehicle (the “SPV”) set up by the Remaining Group, which is in the form of capital injection to the SPV. To the best knowledge, information and belief of the Directors having made all reasonable enquiry, the SPV is principally engaged in the construction of a PPP project of a municipal infrastructure in Chumen Town, Yuhuan City, the PRC.

As at the date of this announcement, as confirmed by the Seller and the Target Company, Zhejiang Jiaushe Decoration has made timely repayments on the interest of the loan.

C. ZT Agreement

1. ZT Agreement

Term of the Agreement:

The parties to the agreement mutually agreed to extend the term of this agreement to the completion date of the expansion of the project (which is expected to be completed by 31 December 2024) by signing a supplemental agreement on 30 December 2022.

On 6 February 2023, the Target Company and Zhejiang Province Yijian Construction entered into an agreement, which shall remain effective after Completion and therefore also constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. Principal terms of such agreement are set out as follows:

Name and date of agreement	Paying Party	Receiving Party	Main scope of agreement	Term of agreement	Payment Term	Basis for determining the Consideration
A subcontract agreement for paving and landscape of future rural construction project (Paint Jiangnan) in Lupu Town, Longgang City, the PRC* (龍港市“畫樣江南”蘆浦未來鄉村建設工程項目景觀道路專業分包合同) dated 6 February 2023	Zhejiang Province Yijian Construction, a non-wholly owned subsidiary of Zhejiang Construction	The Target Company	Provision of paving and landscape services of future rural construction project (Paint Jiangnan) in Lupu Town, Longgang City, the PRC	From the project commencement notice issued by Zhejiang Province Yijian Construction (which is dated 6 February 2023) to the date of completion and passing of inspection of the subcontract work (which is expected to be by 31 July 2023).	The contract fee is RMB24,718,348.93 (which is equivalent to approximately HK\$28,089,032.9), which was stated in the subcontract agreement. Payment on a monthly basis in relation to 85% of the amount of completed construction work as confirmed by both parties to the agreement in each month. Thereafter Zhejiang Province Yijian Construction shall pay the Target Company 10% of the contract fee upon the preliminary certification of completion of the project; 3.5% of the contract fee after one year upon the passing of inspection by the project owner; and 1.5% of the contract fee upon passing of the warranty period.	As confirmed by the Seller and the Target Company, the contract fees were determined with reference to the scope of work stated in the subcontract agreement.

Pursuant to Rule 14A.60(1) of the Listing Rules, the Company is required to comply with the applicable reporting, annual review and disclosure requirements under Chapter 14A of the Listing Rules in respect of the Continuing Agreements. The Company will further comply with all applicable requirements under Chapter 14A of the Listing Rules upon any variation or renewal of the Continuing Agreements.

* For identification purposes only

For the purpose of illustration only and unless otherwise stated, conversion of RMB into Hong Kong dollars in this announcement is based on the exchange rate of HK\$1 to RMB0.88. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.

By order of the Board
CR Construction Group Holdings Limited
Guan Manyu
Chairman

Hong Kong, 10 February 2023

As at the date of this announcement, the Company has five executive directors, namely Mr. Guan Manyu, Mr. Li Kar Yin, Ms. Chu Ping, Mr. Law Ming Kin and Mr. Chan Tak Yiu; one non-executive director, namely Mr. Yang Haojiang; and three independent non-executive directors, namely The Honourable Tse Wai Chun Paul JP, Mr. Ho Man Yiu Ivan and Mr. Lau Pak Shing.