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瑞港建設控股有限公司
PROSPER CONSTRUCTION HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6816)

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE ENTERING OF THE NEW PRODUCTS SALE AND PURCHASE FRAMEWORK AGREEMENT

NEW PRODUCTS SALE AND PURCHASE FRAMEWORK AGREEMENT

Further to the Company's announcement dated 17 April 2025 in relation to the Products Sale and Purchase Framework Agreement, the Board is pleased to provide the following update.

The Board announces that on 18 July 2025 (after trading hours), Shui Fung Trading, a wholly-owned subsidiary of the Company, entered into the New Products Sale and Purchase Framework Agreement with Shenzhen Defu. The new agreement supersedes and replaces the Products Sale and Purchase Framework Agreement previously entered into by the same parties on 17 April 2025. Pursuant to the terms of the new agreement, Shui Fung Trading and/or its subsidiaries will purchase the Products from Shenzhen Defu and/or its subsidiaries. The New Products Sale and Purchase Framework Agreement shall be effective upon the Independent Shareholders' approval at the EGM and until 31 December 2027. Furthermore, the new agreement incorporates the Proposed Caps for the aggregate transaction amount, which are RMB800 million, RMB1,200 million and RMB1,600 million for the years ending 31 December 2025, 2026 and 2027, respectively. Save for the above, all other material terms and conditions under the new agreement remain unchanged.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shenzhen Defu is owned as to 51% by the Haifa Group, which is the ultimate holding company and one of the controlling shareholders of the Company. Haifa Group indirectly holds 62.25% of the total issued share capital of the Company. Shenzhen Defu is therefore a connected person of the Company and the entering into of the New Products Sale and Purchase Framework Agreement between Shui Fung Trading and Shenzhen Defu and the transactions thereunder will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Proposed Caps of the transactions contemplated under the New Products Sale and Purchase Framework Agreement exceed 5%, the transactions under the New Products Sale and Purchase Framework Agreement is subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board announces that on 18 July 2025 (after trading hours), Shui Fung Trading, a wholly-owned subsidiary of the Company, entered into the New Products Sale and Purchase Framework Agreement with Shenzhen Defu. The new agreement supersedes and replaces the Products Sale and Purchase Framework Agreement previously entered into by the same parties on 17 April 2025. Pursuant to the terms of the new agreement, Shui Fung Trading will purchase the Products from Shenzhen Defu. The New Products Sale and Purchase Framework Agreement shall be effective upon the Independent Shareholders' approval at the EGM and until 31 December 2027. Furthermore, the new agreement incorporates the Proposed Caps for the aggregate transaction amount, which are RMB800 million, RMB1,200 million and RMB1,600 million for the years ending 31 December 2025, 2026 and 2027, respectively. Save for the above, all other material terms and conditions under the new agreement remain unchanged.

NEW PRODUCTS SALE AND PURCHASE FRAMEWORK AGREEMENT

The principal terms of the New Products Sale and Purchase Framework Agreement are summarised as below:

Date: 18 July 2025

Parties: (1) Shui Fung Trading; and

(2) Shenzhen Defu

Term

The New Products Sale and Purchase Framework Agreement shall be effective upon the Independent Shareholders' approval at the EGM until 31 December 2027 (both dates inclusive).

Subject matters

Shui Fung Trading and/or its subsidiaries (collectively referred to as the "**Party A Group**") shall purchase the Products from Shenzhen Defu and/or its subsidiaries (collectively referred to as the "**Party B Group**").

Pricing

The Party A Group and the Party B Group mutually agree that the purchase and sale of the Products under the New Products Sale and Purchase Framework Agreement shall be on arm's length basis and on normal commercial terms. The pricing of the purchase and sale of the Products shall be determined with reference to the market price. To be selected as a supplier, the Party B Group is required to participate in the standard tendering processes conducted by the Party A Group. This participation will be in accordance with the Party A Group's established procurement procedures and will require the Party B Group to submit quotations based on the specified amount of Products for purchase.

Where no market price is available for the Products, the price shall be determined by mutual agreement between the parties. In instances where comparable market transactions are insufficient to verify adherence to normal commercial terms, the negotiated price shall satisfy the following objective standard: it must not be less favourable to the Party A Group than either (i) prevailing market terms offered by Independent Third Parties to the Party A Group, or (ii) market terms extended by the Party B Group to the Independent Third Parties.

Payment terms

The transactions under the New Products Sale and Purchase Framework Agreement will be paid and settled in cash or other mutually agreed methods, and shall be paid and settled according to the time and manner agreed in the individual purchase contracts being entered into.

Proposed Caps

Set out below are the Proposed Caps for the transactions contemplated under the New Products Sale and Purchase Framework Agreement:

	For the year ending 31 December		
	2025	**2026**	**2027**
	RMB million	*RMB million*	*RMB million*
Proposed Caps	800	1,200	1,600

The Proposed Caps are determined based on the following considerations:

1. The anticipated sales figures for each of the three years ending 31 December 2027, as set out in the cooperation agreements entered into between the Group and its respective customers which are Independent Third Parties. The aggregated anticipated sales amount to these customers are approximately RMB850 million, RMB1,100 million and RMB1,350 million for each of the three years ending 31 December 2027, respectively.

2. The expected purchase amount of the Products based on the anticipated sales figures for each of the three years ending 31 December 2027, including but not limited to the anticipated sales amount from customers as mentioned on point (l) above.

3. A contingency buffer to account for unforeseeable circumstances, such as unexpected increase in demand for the Products, potential price fluctuations and the engagement of new customers.

The Group commenced the distribution of branded consumer electronic products and initiated a cooperation with the Party B Group in April 2025. As at the date of this announcement, the total purchase amount of the Products from the Party B Group was approximately RMB8.3 million which did not exceed the previous annual cap in relation to the Products Sale and Purchase Framework Agreement. The Proposed Caps, upon approval by the Independent Shareholders' at the EGM, shall include the transaction amount derived from the Products Sale and Purchase Framework Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW PRODUCTS SALE AND PURCHASE FRAMEWORK AGREEMENT

As members of the Haifa Group, the Party A Group and the Party B Group possess aligned strategic interests. The selection of the Party B Group as a supplier is a strategic decision based on fair market pricing. This arrangement is anticipated to create significant synergies by combining the Party B Group's competitive pricing and domestic sourcing channels with the Party A Group's growing overseas distribution network. Ultimately, this collaboration is designed to leverage these complementary strengths to enhance the market competitiveness and drive profitability for both parties.

Mr. Jiang Hongchang, Mr. Liu Yutao, and Mr. Li Chunxiao hold positions within the Haifa Group. As a result, they are considered to be related to the Haifa Group and have abstained from voting on the Board resolution to approve the New Products Sale and Purchase Framework Agreement due to potential conflict of interests. Save as the aforementioned individuals, no Director has a material interest in the New Products Sale and Purchase Framework Agreement and therefore no other Director has abstained from voting on the relevant board resolution.

The Board, excluding the abstaining Directors and the independent non-executive Directors (whose opinion will be provided after reviewing the advice of the Independent Financial Adviser), are of the view that (i) the transactions under the New Products Sale and Purchase Framework Agreement are conducted in the ordinary and usual course of the Group's businesses; and (ii) the terms of the New Products Sale and Purchase Framework Agreement and the Proposed Caps are on normal commercial terms that are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL

The Group has adopted the following internal control procedures to govern the continuing connected transactions of the Group under the New Products Sale and Purchase Framework Agreement and the Proposed Caps:

(i) the Tender and Audit Department of the Group will closely monitor and record the actual transaction amounts of the continuing connected transactions under the New Products Sale and Purchase Framework Agreement to ensure that the Proposed Caps will not be exceeded;

(ii) the Tender and Audit Department of the Group will compare the prices and terms with those of other Products of a similar nature and scale that have been entered into and/or tenders and/or quotations obtained by the Group from Independent Third Parties, or compare the prices and terms with the market prices or benchmarks for transactions of a similar nature, in order to ensure the costs incurred by the Group are fair and reasonable and no less favourable than those offered by Independent Third Parties;

(iii) the Contract Department and Purchase Department of the Group will submit the purchase plan, price comparison report, and status report to the Executive Directors before entering into an individual purchase contract;

(iv) the Company's auditor will review the continuing connected transactions (which are subject to the annual review and disclosure requirements under the Listing Rules) annually and confirm whether (a) the transactions under the New Products Sale and Purchase Framework Agreement have been approved by the Board; (b) the transactions were entered into in accordance with the New Products Sale and Purchase Framework Agreement; and (c) the Proposed Caps have not been exceeded; and

(v) the Independent Non-executive Directors will perform annual review (which are subject to the annual review and disclosure requirements under the Listing Rules) to confirm the transactions under the New Products Sale and Purchase Framework Agreement are conducted (a) in the ordinary and usual course of the Group's businesses; (b) on normal commercial terms or better; and (c) in accordance with the New Products Sale and Purchase Framework Agreement governing them on terms that are fair and reasonable and in the interest of the Shareholders as a whole.

The Board are of the view that the above internal control procedures are appropriate and can ensure the transactions are entered into in accordance with the New Products Sale and Purchase Framework Agreement and the prices payable by the Company will not be less favourable than those payable under transactions with the Independent Third Parties.

INFORMATION ON THE PARTIES

The Company and the Group

The Company is an investment holding company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the provision of marine and general construction services, auxiliary marine related services, and trading, sales and distribution business.

Shui Fung Trading

Shui Fung Trading is a company established in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in the trading, sales and distribution of a variety of products overseas.

Shenzhen Defu

Shenzhen Defu is a company incorporated in the PRC with limited liability and is owned as to 51% by the Haifa Group and 49% by an Independent Third Party. It is principally engaged in the procurement, export and supply chain management business of branded consumer electronics, leveraging extensive procurement channels in the PRC.

The Haifa Group

Qingdao Haifa State-owned Capital Investment and Operation Group Co., Ltd. is the ultimate holding company of the Company and indirectly holds 62.25% of the total issued share capital of the Company and a state-owned enterprise wholly-owned by the State-owned Asset Supervision and Administration Commission of Qingdao. It is principally engaged in infrastructure construction, land development, real estate development and other industrial investment and operations (including cultural, tourism and financial services).

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shenzhen Defu is owned as to 51% by the Haifa Group, which is the ultimate holding company and one of the controlling shareholders of the Company and indirectly holds 62.25% of the total issued share capital of the Company. Therefore, Shenzhen Defu is therefore a connected person of the Company, and the entering into of the New Products Sale and Purchase Framework Agreement between Shui Fung Trading and Shenzhen Defu, along with the transactions thereunder will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Proposed Caps of the transactions contemplated under the New Products Sale and Purchase Framework Agreement exceed 5%, the transactions under the New Products Sale and Purchase Framework Agreement is subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE

An Independent Board Committee comprising all the Independent Non-executive Directors has been established to advise the Independent Shareholders as to whether (i) the transactions under the New Products Sale and Purchase Framework Agreement are conducted in the ordinary and usual course of the Group's businesses; and (ii) the terms of the New Products Sale and Purchase Framework Agreement (including but not limited to the Proposed Caps) and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. With the approval of the Independent Board Committee, Red Sun Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

EGM

The EGM will be convened by the Company to seek the approval from the Independent Shareholders for the New Products Sale and Purchase Framework Agreement, the transactions contemplated thereunder and the Proposed Caps by way of poll.

As at the date of this announcement, the Haifa Group being the controlling shareholder of the Company who beneficially holds 498,000,000 Shares representing 62.25% of the total issued share capital of the Company, would be a connected person of the Company. Furthermore, Shenzhen Defu is owned as to 51% by the Haifa Group, and therefore, Shenzhen Defu is also a connected person of the Company under Rule 14A.07 of the Listing Rules. Hence, the Haifa Group together with its associates, will abstain from voting at the EGM.

GENERAL

A circular containing, amongst other things, (i) details of the New Products Sale and Purchase Framework Agreement; (ii) the recommendation of the Independent Board Committee; (iii) the letter from the Independent Financial Adviser; and (iv) a notice of the EGM shall be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

DEFINITIONS

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

"Board"	the board of Directors
"Company"	Prosper Construction Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 6816)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the New Products Sale and Purchase Framework Agreement (including but not limited to the Proposed Caps) and the transactions contemplated thereunder
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of the PRC
"Haifa Group"	Qingdao Haifa State-owned Capital Investment and Operation Group Co., Ltd.* (青島海發國有資本投資運營集團有限公司), the ultimate holding company and one of the controlling shareholder of the Company
"Independent Board Committee"	the independent board committee of the Company, comprising all the Independent Non-executive Directors to be established to advise the Independent Shareholders on the New Products Sale and Purchase Framework Agreement, the transactions contemplated thereunder and the Proposed Caps
"Independent Financial Adviser"	Red Sun Capital Limited, a corporation licensed to carry on Type 1 (Dealing in securities) and Type 6 (Advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the New Products Sale and Purchase Framework Agreement, the transactions contemplated thereunder and the Proposed Caps

"Independent Shareholders"	Shareholders other than the Haifa Group and its associates
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company or any of its connected persons (as defined in the Listing Rules)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"New Products Sale and Purchase Framework Agreement"	the agreement in relation to sale and purchase of the Products entered into between Shui Fung Trading and Shenzhen Defu on 18 July 2025
"percentage ratio(s)"	has the meaning ascribed to it under the Listing Rules
"PRC"	the People's Republic of China
"Products"	branded consumer electronic products
"Products Sale and Purchase Framework Agreement"	the framework agreement in relation to sale and purchase of branded customer electronic products entered into between Shui Fung Trading and Shenzhen Defu on 17 April 2025, which was replaced and superseded by the New Products Sale and Purchase Framework Agreement
"Proposed Caps"	the transaction caps for the three years ending 31 December 2027 under the New Products Sale and Purchase Framework Agreement entered into between Shui Fung Trading and Shenzhen Defu
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance
"Shares"	shares of the Company
"Shareholders"	shareholders of the Company
"Shenzhen Defu"	Shenzhen Defu Supply Chain Company Limited* (深圳市德孚供應鏈有限責任公司), a company established in the PRC with limited liability and is owned as to 51% by the Haifa Group

"Shui Fung Trading"	Shui Fung Trading Company Limited (瑞丰商貿有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent.

By order of the Board
Prosper Construction Holdings Limited
LI Chunxiao
Executive Director

Hong Kong, 18 July 2025

As at the date of this announcement, the Board comprised Executive Directors Mr. JIANG Hongchang (Chairman of the Board), Mr. LIU Yutao, Mr. DU Jianzhi, Mr. ZHOU Hongbao and Mr. LI Chunxiao; and Independent Non-executive Directors Mr. CHEUNG Chi Man Dennis, Ms. CHEN Yan and Mr. LIU Junchun.

For the purpose of this announcement, unless otherwise indicated, the conversion of RMB into HK$ is based on the exchange rate of RMB1.00 = HK$1.09. Such rate is for the purpose of illustration only and does not constitute a representation that any amount in question in RMB or HK$ has been or could have been or may be converted at such or another rate or at all.

* *English translation of names in Chinese which is marked with "*" in this announcement is for identification purposes only.*