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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)

RENEWAL OF CONTINUING CONNECTED TRANSACTION FOR ENTERING INTO THE MUTUAL PRODUCTS AND SERVICES SUPPLY FRAMEWORK AGREEMENT WITH ZHEJIANG CONSTRUCTION

Financial adviser to the Company

RAINBOW CAPITAL (HK) LIMITED
泓博資本有限公司

Independent financial adviser to the Independent Board Committee and the Independent Shareholders

脈搏 Pulsar 資本 Capital

THE FRAMEWORK AGREEMENT

On 17 October 2025 (after trading hours), the Company (for itself and on behalf of its subsidiaries) entered into the Framework Agreement with Zhejiang Construction (for itself and on behalf of its subsidiaries, which excludes the Group) to renew the 2023 Continuing Connected Transaction, as the current term of the 2023 Continuing Connected Transaction will expire on 31 December 2025. Pursuant to the Framework Agreement, (i) the Group will supply the Group's Products and the Group's Services to Zhejiang Construction Group; and (ii) Zhejiang Construction Group will supply the ZC's Products and the ZC's Services to the Group with a term commencing from the Effective Date to 31 December 2028.

As at the date of this announcement, Zhejiang Construction is indirectly interested in approximately 72.23% of the entire issued share capital of the Company. Accordingly, Zhejiang Construction is the controlling shareholder of the Company and hence a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the entering into of the Framework Agreement by the Company and Zhejiang Construction constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Proposed Annual Caps under the Framework Agreement exceeds 5%, the transactions contemplated thereunder constitute a non-exempt continuing connected transaction of the Company, which is subject to the reporting, announcement, annual review and the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL

An Independent Board Committee comprising all the independent non-executive Directors, namely The Honourable Tse Wai Chun Paul JP, Mr. Ho Man Yiu Ivan, Ms. Dong Yuk Lai Petrina and Mr. Lai Yuk Fai Stephen JP, has been established by the Company to advise and provide recommendation(s) to the Independent Shareholders in respect of the Framework Agreement and the Proposed Annual Caps. In such connection, the Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The EGM will be convened and held for the Independent Shareholders to, inter alia, consider and, if thought fit, approve the Framework Agreement and the Proposed Annual Caps. As at the date of this announcement, Zhejiang Construction is indirectly interested in approximately 72.23% of the entire issued share capital of the Company. In view of the interests of Zhejiang Construction in the Framework Agreement and the transactions contemplated thereunder, Zhejiang Construction will abstain from voting at the EGM. Save for the aforementioned and to the best knowledge, information and belief of the Directors, no other Shareholder has a material interest in the Framework Agreement and the transactions contemplated thereunder and is required to abstain from voting on the resolution(s) of the Company in approving the Framework Agreement and the transactions contemplated thereunder at the EGM.

None of the Directors had a material interest in the Framework Agreement and the transactions contemplated thereunder. However, since Mr. Zhang Guanhua, Mr. Jiang Wen and Mr. Yang Haojiang are the representatives appointed by the Zhejiang Construction Group, each of them has voluntarily abstained from voting on the Board resolution(s) in approving the Framework Agreement and the transaction contemplated thereunder.

A circular containing, among other things, (i) details of the Framework Agreement and the Proposed Annual Caps; (ii) the recommendation(s) from the Independent Board Committee to the Independent Shareholders in relation to the Framework Agreement and the Proposed Annual Caps; and (iii) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Framework Agreement and the Proposed Annual Caps, is expected to be despatched to the Shareholders on or before 10 November 2025.

I. THE FRAMEWORK AGREEMENT

The Board hereby announces that, on 17 October 2025 (after trading hours), the Company (for itself and on behalf of its subsidiaries) entered into the Framework Agreement with Zhejiang Construction (for itself and on behalf of its subsidiaries, which excludes the Group) to renew the 2023 Continuing Connected Transaction, as the current term of the 2023 Continuing Connected Transaction will expire on 31 December 2025. Pursuant to the Framework Agreement, (i) the Group will supply the Group's Products and the Group's Services to Zhejiang Construction Group; and (ii) Zhejiang Construction Group will supply the ZC's Products and the ZC's Services to the Group with a term commencing from the Effective Date to 31 December 2028.

The principal terms of the Framework Agreement are summarised as follows:

Date

17 October 2025 (after trading hours)

Parties

(1) the Company (for itself and on behalf of its subsidiaries); and

(2) Zhejiang Construction (for itself and on behalf of its subsidiaries, which excludes the Group).

As at the date of this announcement, Zhejiang Construction is indirectly interested in approximately 72.23% of the entire issued share capital of the Company. Accordingly, Zhejiang Construction is the controlling shareholder of the Company and hence a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the entering into of the Framework Agreement by the Company and Zhejiang Construction constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Duration

From the Effective Date and ending on 31 December 2028.

Main scope

Pursuant to the Framework Agreement, the Group will supply the Group's Products and the Group's Services to the Zhejiang Construction Group whereas Zhejiang Construction Group will supply the ZC's Products and the ZC's Services to the Group.

General principal and price determination

The terms and price of the products and services to be supplied or procured under the Framework Agreement shall be fair and reasonable and be consistent with the terms of the Framework Agreement.

The relevant services and products should be provided or procured in accordance with the following general pricing principles and sequence:

(a) Main Contract Price;

(b) where there is no Main Contract Price, the Government-prescribed Price shall apply;

(c) where there is no Government-prescribed Price, the Government-guidance Price shall apply;

(d) where there is no Government-guidance Price, the Market Price shall apply;

(e) where there is no Market Price, the Contractual Price shall apply.

In particular,

(1) in respect of the Group's Products, the Group's Services, the ZC's Products (excluding office supplies, daily necessities and equipment, office leases, property management and public administration services, human resource management and canteen catering services), and the operation and maintenance management and consulting services for sewage treatment plants to be provided by Zhejiang Construction Group to the Group, (a) the Main Contract Price shall apply; (b) if there is no Main Contract Price, the Government-prescribed Price shall apply; (c) if there is no Government-prescribed Price, the Government-guidance Price shall apply; (d) if there is no Government-guidance Price, the Market Price shall apply; and (e) if there is no available Market Price, the Contractual Price shall apply; and

(2) in respect of the office supplies, daily necessities and equipment, office leases, property management and public administration services, human resource management and canteen catering services to be provided by Zhejiang Construction Group to the Group, (a) the Market Price shall apply; and (b) if there is no available Market Price, the Contractual Price shall apply.

Execution of individual agreement

The Framework Agreement is a framework agreement which provides the mechanism for the operation of the continuing connected transactions contemplated thereunder. It is envisaged that from time to time and as required, individual agreements will be entered into between the Group and the Zhejiang Construction Group setting out the specific terms of services and/or products to be provided or procured, including but not limited to the main scope of agreement, payment term, payment and the delivery method. Such terms shall be fair and reasonable and be consistent with the principles and the terms of the Framework Agreement.

II. PROPOSED ANNUAL CAPS

Historical amounts

Reference is made to the announcement of the Company dated 13 July 2023 and the circular of the Company dated 18 September 2023 in relation to, inter alia, the 2023 Continuing Connected Transaction.

The historical transaction amount of the 2023 Continuing Connected Transaction for the two years ended 31 December 2024 and the six months ended 30 June 2025 are as follows:

	For the period between 5 October 2023 (being the commencement date of the 2023 Continuing Connected Transaction) and 31 December 2023	**For the year ending 31 December 2024**	**For the six months ended 30 June 2025**
	HK$'000	*HK$'000*	*HK$'000*
Transactions contemplated under the provision of the Group's Products and Group's Services by the Group to the Zhejiang Construction Group	251	–	–
Transactions contemplated under the procurement of the ZC's Products and ZC's Services by the Group from the Zhejiang Construction Group	26,978	11,159	3,421

As shown in the above table, compared to the existing sales annual caps and purchase annual caps, the low utilisation rates were primarily attributable to the fact that there was a decrease of number of municipal environmental protection projects undertaken by the Zhejiang Construction Group, which in turn affect the number of new projects being subcontracted or awarded to the Environmental Engineering Group from the Zhejiang Construction Group during the relevant periods. Correspondingly, the low provision of the Group's Products and Group's Services led to the decrease in demand of the ZC's Products and ZC's Services being procured by the Group during the relevant periods.

Proposed annual caps

The proposed annual caps for the transactions contemplated under the Framework Agreement for each of the three years ending 31 December 2028 are set out as follows:

		For the year ending 31 December		
		2026	**2027**	**2028**
		HK$'000	*HK$'000*	*HK$'000*
(1)	Transactions contemplated under the provision of the Group's Products and Group's Services by the Group to the Zhejiang Construction Group (the "**Sales Annual Caps**")	311,630	228,470	143,000
(2)	Transactions contemplated under the procurement of the ZC's Products and ZC's Services by the Group from the Zhejiang Construction Group (the "**Purchase Annual Caps**")	104,150	104,150	104,150

The Sales Annual Caps

The Sales Annual Caps for the three years ending 31 December 2028 are determined after arm's length negotiations between the Group and the Zhejiang Construction Group, which consist of the estimated sales amounts for: (i) planned Group's Products and Group's Services; and (ii) ad hoc unplanned Group's Products and Group's Services. Set forth below is the breakdown of the Sales Annual Caps:

		For the year ending 31 December		
		2026	**2027**	**2028**
		(HK$'000)	*(HK$'000)*	*(HK$'000)*
Estimated sales amounts for:				
(a)	Planned Group's Products and Group's Services	283,300	207,700	130,000
(b)	Ad hoc unplanned Group's Products and Group's Services	28,330	20,770	13,000
Total		311,630	228,470	143,000

Estimated sales amounts for planned Group's Products and Group's Services:

In relation to the estimated sales amounts for planned Group's Products and Group's Services, it is determined with reference mainly to: (i) the estimated number of construction projects that the Group anticipates to be subcontracted from the Zhejiang Construction Group for the provision of the relevant products and services under the Framework Agreement; and (ii) the estimated construction fees to be recognised for the three years ending 31 December 2028 according to the estimated contract sum and duration for each construction project.

It is expected that three construction contracts will be subcontracted from the Zhejiang Construction Group based on the Group's understanding from the Zhejiang Construction Group on its plan of project tendering from the governmental units in the PRC in the second half of 2025, which comprises the provision of sewage treatment and environmental protection construction engineering related construction materials and equipment during the term of the Framework Agreement, details of which are set forth below:

			Estimated sales amounts for the year ending 31 December		
Contracts	**Key products and services to be provided**	**Total contract sum** *(HK$'000)*	**2026** *(HK$'000)*	**2027** *(HK$'000)*	**2028** *(HK$'000)*
Centralised Wastewater Treatment Project – Beilun Electroplating Industrial Park Phase II – Beilun Surface Treatment Center (北侖電鍍產業園二期 – 北侖表面處理中心污水集中處理項目)	To build new centralized sewage collection and treatment facilities	95,000	63,300	31,700	–
Jinhua City Wucheng District Green Low-Carbon Circular Economy Industrial Base (金華市婺城區綠色低碳循環經濟產業基地)	To strengthen flood control and drainage capabilities	390,000	130,000	130,000	130,000
Macrobrachium rosenbergii breeding enhancement project (羅氏沼蝦繁育提升項目)	To build new water treatment area and the related ancillary facilities	136,000	90,000	46,000	–
Total		621,000	283,300	207,700	130,000

The estimated sales amount to be recognised for the three years ending 31 December 2028 is determined with reference to: (i) the main contract price set by the relevant governmental units for the relevant products and/or services as set out in the bidding documents; (ii) the expected timing of commencement of the relevant projects; and (iii) the expected project duration of the relevant projects.

Estimated sales amounts for ad hoc unplanned Group's Products and Group's Services:

In relation to the estimated sales amounts for ad hoc unplanned Group's Products and Group's Services, it serves as a buffer and is set at approximately 10% of the estimated sales amounts for the planned Group's Products and Group's Services. Such buffer is estimated to accommodate for the possible increase in demand which in turn will lead to the possible increase in the estimated sales amount for the coming three years.

The Purchase Annual Caps

The Purchase Annual Caps for the three years ending 31 December 2028 are determined after arm's length negotiations between the Group and the Zhejiang Construction Group, which consist of the estimated purchase amounts for: (i) planned ZC's Products and ZC's Services; and (ii) ad hoc unplanned ZC's Products and ZC's Services. Set forth below is the breakdown of the Purchase Annual Caps:

		For the year ending 31 December		
		2026	**2027**	**2028**
		(HK$'000)	*(HK$'000)*	*(HK$'000)*
Estimated purchase amounts for:				
(c)	Planned ZC's Products and ZC's Services	94,650	94,650	94,650
(d)	Ad hoc unplanned ZC's Products and ZC's Services	9,500	9,500	9,500
Total		104,150	104,150	104,150

Estimated purchase amounts for planned ZC's Products and ZC's Services:

In relation to the estimated purchase amounts for planned ZC's Products and ZC's Services, it is determined with reference mainly to: (i) the status and number of existing contracts and contracts in pipeline that the Group anticipates to engage the Zhejiang Construction Group to supply the relevant services to the Group under the Framework Agreement; and (ii) the estimated purchase amounts to be recognised for the three years ending 31 December 2028 according to the existing contract sum and the estimated contract sum for each contract.

It is expected that the Group will enter six contracts with the Zhejiang Construction Group in relation to office leases, property management, public administrative services and human resource management during the term of the Framework Agreement, details of which are set forth below:

Contracts	Key products and services to be provided	Estimated purchase amounts for the year ending 31 December 2026 *(HK$'000)*	2027 *(HK$'000)*	2028 *(HK$'000)*
Office administration annual maintenance (OA系統年度維護)	Office administrative system annual maintenance, technical support, software implementation and system update	55	55	55
Office leasing (建投大廈房屋租賃)	Office leases annual leasing	2,725	2,725	2,725
Property management (物業管理服務)	Property management annual services	520	520	520
E-commerce platform orders (電商平台訂單)	Office IT system annual maintenance	550	550	550
Labour subcontracting (2025-2026年度勞務分包合同)	Human resources management	87,200	87,200	87,200
Human resources outsourcing (2025–2026人事外包服務)	Human resources management	3,600	3,600	3,600
Total		94,650	94,650	94,650

The estimated purchase amounts for each contract is determined with reference to: (i) the historical market price, which is the historical transaction price in respect of the services provided by the Zhejiang Construction Group for the period between 5 October 2023 and 31 December 2023 and for the year ending 31 December 2024; and (ii) the historical contractual price between the Group and the Zhejiang Construction Group.

Estimated purchase amounts for ad hoc unplanned ZC's Products and ZC's Services:

In relation to the estimated purchase amounts for ad hoc unplanned ZC's Products and ZC's Services, it serves as a buffer and is set at approximately 10% of the estimated purchase amounts for the planned ZC's Products and ZC's Services. Such buffer is estimated to accommodate for the possible increase in demand which in turn will lead to the possible increase in the estimated purchase amount for the coming three years.

III. REASONS FOR AND BENEFIT OF ENTERING INTO THE FRAMEWORK AGREEMENT

The purpose of entering into the Framework Agreement is to better regulate and streamline the terms of continuing connected transactions between the Group and the Zhejiang Construction Group in the future.

It is expected that the provision of the Group's Products and Group's Services to the Zhejiang Construction Group under the Framework Agreement will provide a stable source of income to the Group. At the same time, the Group will also secure a steady and reliable supply of the ZC's Services and ZC's Products under the Framework Agreement through the Zhejiang Construction Group, a state-owned enterprise with years of operation and history, which can help overall manage the procurement and improve the efficiency of the Group.

The Directors (excluding the independent non-executive Directors who will form their views after considering the opinion(s) of the Independent Financial Adviser) are of the view that the Framework Agreement and the transactions contemplated thereunder have been entered into by the Group in the ordinary and usual course of business and on normal commercial terms, and are therefore fair and reasonable and in the interests of the Company and its Shareholders as a whole.

IV. LISTING RULES IMPLICATIONS

As at the date of this announcement, Zhejiang Construction is indirectly interested in approximately 72.23% of the entire issued share capital of the Company. Accordingly, Zhejiang Construction is the controlling shareholder of the Company and hence a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the entering into of the Framework Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Proposed Annual Caps under the Framework Agreement exceeds 5%, the transactions contemplated thereunder constitute a non-exempt continuing connected transaction of the Company, which is subject to the reporting, announcement, annual review and the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

V. INTERNAL CONTROL MEASURES

In addition to compliance with the requirements on annual review by external auditors and independent non-executive Directors under the Listing Rules in respect of the Group's continuing connected transactions, the Company and Environment Engineering Company has designated relevant personnel to perform internal review and control over the continuing connected transactions. Except for (i) the subcontracting contracts to be granted to the Group by Zhejiang Construction Group which shall predominantly follow the pricing terms and conditions of the relevant main contracts to be entered into between Zhejiang Construction and the relevant governmental units (i.e. general pricing principles (a) under the Framework Agreement), of which the relevant main contracts shall generally be based on the pricing terms and conditions of the public tendering documents to be stipulated by the relevant governmental units; and (ii) following an objective pricing mechanism with reference to the Government-prescribed Price (where there is no Main Contract Price) and the Government-guidance Price (where there is no Government-prescribed Price) (i.e. general pricing principles (b) and (c) under the Framework Agreement respectively), the Company and the Environment Engineering Company have implemented certain internal control measures, which include, reviewing individual contracts signed between the Company and connected persons, reviewing the performance of procedures prior to signing of individual contracts as well as the fulfilment of transactions thereunder, regularly inspecting the specific terms of the Company's transactions with connected persons and comparing it with the terms of the comparable transactions of the Company entered

into with Independent Third Parties, to ensure that the pricing and other contractual terms for the Group's continuing connected transactions under individual contract are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole and that the continuing connected transactions are conducted in accordance with the individual contracts and in compliance with the laws and regulations and the general pricing principles under the Framework Agreement.

To ensure that the continuing connected transactions under the Framework Agreement do not exceed the Proposed Annual Caps, the relevant personnel of the Group and Environment Engineering Company shall review the continuing connected transactions on a quarterly basis. In the event that the amount of the continuing connected transactions incurred and to be incurred for a financial year is expected to reach the Proposed Annual Caps, the relevant personnel will follow up forthwith by reporting and proposing a response to the management of the Company, and in case that a revision to the Proposed Annual Caps is required, report particulars to the Board and hold a Board meeting for considering the matters thereabout to ensure compliance of the requirements under the Listing Rules.

The Company also arranges compliance training for the Directors, senior management and staff from the relevant departments of the Company and its subsidiaries from time to time, primarily focusing the requirements of the Listing Rules.

VI. INFORMATION ON THE PARTIES

The Company is a company incorporated in the Cayman Islands as an exempted company with limited liability on 20 July 2017 and is an investment holding company. As at the date of this announcement, the Group is principally engaged in (i) contractor services for building construction works and repair, maintenance, alteration and addition works projects across public and private sectors in Hong Kong, Malaysia and the United Kingdom; and (ii) construction, rehabilitation and operation of sewage and reclaimed water treatment plants as well as water distribution plants and other environmental related facilities and infrastructure in the PRC.

Zhejiang Construction is a company listed on Shenzhen Stock Exchange (SZSE Security Code: 002761) and one of the controlling shareholders of the Company. Based on the latest public information avaliable, Zhejiang Construction is ultimately owned as to (i) approximately 35.89% by Zhejiang State-owned Capital Operation Company Limited* (浙江省國有資本運營有限公司) (which is wholly-owned by the State-owned Assets Supervision and Administration Commission of the Zhejiang Provincial Government* (浙江省人民政府國有資產監督管理委員會)); (ii) approximately 7.24% by ICBC Financial Asset Investment Co. Ltd.* (工銀金融資產投資有限公司); (iii) approximately 3.42% by China Cinda Asset Management Co., Ltd.* (中國信達資產管理股份有限公司); (iv) approximately 3.00% by Hung Wan Construction Co., Ltd.* (鴻運建築有限公司); (v) approximately 4.34% by Zhejiang Financial Development Co. Ltd* (浙江省財務開發有限責任公司); and (vi) the remaining approximately 46.11% held by other minority shareholders. As at the date of this announcement, the Zhejiang Construction Group is principally engaged in building construction business, engineering related services and investment in infrastructure projects.

VII. GENERAL

An Independent Board Committee comprising all the independent non-executive Directors, namely The Honourable Tse Wai Chun Paul JP, Mr. Ho Man Yiu Ivan, Ms. Dong Yuk Lai Petrina and Mr. Lai Yuk Fai Stephen JP, has been established by the Company to advise and provide recommendation(s) to the Independent Shareholders in respect of the Framework Agreement and the Proposed Annual Caps. In such connection, The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The EGM will be convened and held for the Independent Shareholders to, inter alia, consider and, if thought fit, approve the Framework Agreement and the Proposed Annual Caps. As at the date of this announcement, Zhejiang Construction is indirectly interested in approximately 72.23% of the entire issued share capital of the Company. In view of the interests of Zhejiang Construction in the Framework Agreement and the transactions contemplated thereunder, Zhejiang Construction will abstain from voting at the EGM. Save for the aforementioned and to the best knowledge, information and belief of the Directors, no other Shareholder has a material interest in the Framework Agreement and the transactions contemplated thereunder and is required to abstain from voting on the resolution(s) of the Company in approving the Framework Agreement and the transactions contemplated thereunder at the EGM.

None of the Directors had a material interest in the Framework Agreement and the transactions contemplated thereunder. However, since Mr. Zhang Guanhua, Mr. Jiang Wen and Mr. Yang Haojiang are the representatives appointed by the Zhejiang Construction Group, each of them has voluntarily abstained from voting on the Board resolution(s) approving the Framework Agreement and the transaction contemplated thereunder.

A circular containing, among other things, (i) details of the Framework Agreement and the Proposed Annual Caps; (ii) the recommendation(s) from the Independent Board Committee to the Independent Shareholders in relation to the Framework Agreement and the Proposed Annual Caps; and (iii) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Framework Agreement and the Proposed Annual Caps, is expected to be despatched to the Shareholders on or before 10 November 2025.

DEFINITIONS

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

"2023 Continuing Connected Transaction"	the continuing connected transaction in relation to the mutual products and services supply framework agreement dated 13 July 2024 entered into by the Company (for itself and on behalf of its subsidiaries) and Zhejiang Construction (for itself and on behalf of its subsidiaries, which excludes the Group), the details of which are disclosed in the announcement of the Company dated 13 July 2023 and the circular of the Company dated 18 September 2023
"Board"	the board of Directors of the Company
"Company"	CR Construction Group Holdings Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability and registered as a non-Hong Kong company in Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1582)

"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"continuing connected transaction"	has the meaning ascribed to it under the Listing Rules
"Contractual Price"	The transaction price to be agreed between the relevant parties in relation to the products and/or services to be provided or procured shall be equivalent to the reasonable costs incurred in supplying the same plus reasonable profit margin "reasonable costs" means the actual costs incurred in supplying the products and/or services as agreed by the relevant parties "reasonable profit margin" means the profit margin to be determined by the relevant parties in accordance with the terms of the Framework Agreement. The relevant parties shall determine whether the profit margin is fair and reasonable with reference to (to the extent available) (i) the historical average price of the previous transactions, by making reference to the historical average prices of at least two similar products and/or services which were transacted between the Group and the Independent Third Parties within a year; and/or (ii) the historical average price in relation to the relevant products and/or services issued by the relevant industrial associations, including reviewing industry data released by the National Bureau of Statistics in the PRC; and/or (iii) the profit margin of comparable products and/or services disclosed by other listed companies, by making reference to the published financial reports of other comparable companies (i.e. companies which are principally engaged in the provision of construction services in the PRC) for the latest financial year or the official websites of other listed companies (if practicable). In a situation which the reasonable profit margin cannot be ascertained through the basis as disclosed above, the reasonable profit margin will be estimated by making reference to the historical gross profit margin of the transactions between the Group and the Zhejiang Construction Group in the last three financial years prior to the date of the Framework Agreement.

"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"Effective Date"	The Framework Agreement shall, upon each party having executed the Framework Agreement in accordance with its articles of association and applicable laws, be effective on 1 January 2026; or the Company having obtained approval from the Independent Shareholders in relation to the transactions contemplated under the Framework Agreement in accordance with the Listing Rules and having complied with the rules in relation to the continuing connected transaction under the Listing Rules (whichever is later)
"EGM"	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to, inter alia, consider and, if thought fit, approve the Framework Agreement and the Proposed Annual Caps
"Environment Engineering Company"	Zhejiang Construction Investment Environment Engineering Company Limited* (浙江建投環保工程有限公司), a limited company established in the PRC
"Environment Engineering Group"	the Environment Engineering Company and its subsidiaries
"Framework Agreement"	a mutual products and services supply framework agreement dated 17 October 2025 entered into between the Company (for itself and on behalf of its subsidiaries) and Zhejiang Construction (for itself and on behalf of its subsidiaries, which excludes the Group)
"Government-guidance Price"	the price range determined from time to time by the parties as provided under the laws, regulations, decisions or orders or in respect of particular types of products or services promulgated by the central government, provincial government or other regulatory authorities in the PRC
"Government-prescribed Price"	the price jointly determined from time to time by the relevant price control authorities, the industry regulators in the PRC and the relevant manufacturing enterprises involved in the particular transaction(s)
"Group"	the Company and its subsidiaries

"Group's Products"	the sewage treatment and environmental protection construction engineering related construction materials and equipment, including but not limited to facilities and equipment in relation to sewage treatment plants, water plants and comprehensive environmental management, as well as waste gas treatment equipment and other environmental protection-related products
"Group's Services"	(i) sewage and reclaimed water treatment related engineering services, including but not limited to the provision of operation and maintenance services for sewage pipes and related equipment of sewage treatment plants; provision of construction, repair and equipment installation services for sewage treatment plants; provision of engineering services for zero direct sewage discharge area, pipelines transformation, household connection project and in-depth investigation services; construction, maintenance, management, commissioning and trial operation of sewage upgrading and renovation projects; (ii) environmental protection related engineering services, including but not limited to solid waste treatment; garbage disposal; comprehensive land improvement; ecology and soil restoration and governance; environmental protection engineering design and consultation; environmental protection technology development and technical consulting services; construction engineering; mechanical and electrical installation engineering; municipal engineering; design and construction of landscaping and greening projects; design, construction and operation of sanitation integration projects; design, construction and operation of comprehensive environmental management related projects; environmental protection equipment sales and installation services; comprehensive management of water environment; water and soil conservation monitoring, construction and facility acceptance; consulting services for water and soil conservation facilities; and (iii) other general construction services
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Independent Board Committee"	an independent board committee of the Company, comprising all the independent non-executive Directors, namely The Honourable Tse Wai Chun Paul JP, Mr. Ho Man Yiu Ivan, Ms. Dong Yuk Lai Petrina and Mr. Lai Yuk Fai Stephen JP, has been established for the purpose of advising and giving recommendation(s) to the Independent Shareholders in respect of the Framework Agreement and the Proposed Annual Caps
"Independent Financial Adviser"	Pulsar Capital Limited, a corporation licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Framework Agreement and the Proposed Annual Caps
"Independent Shareholders"	the Shareholders who are not required to abstain from voting at the EGM
"Independent Third Parties"	any third parties that is not a connected person of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Main Contract Price"	The contract price to be determined based on the agreed price stipulated in the main contract if the relevant products and/or services (as the case maybe) of main contract is subcontracted by the Zhejiang Construction Group/the Group (as the case may be) to the Group/the Zhejiang Construction Group (as the case may be)
"Market Price"	The transaction price of the products and/or services shall be determined by the price under the non-connected transactions entered into between the Company and the Independent Third Parties. For determining whether the relevant transaction price is fair and reasonable, the Company is entitled to obtain comparable market prices from at least two Independent Third Parties while the Company shall also take into account the costs, quantities, qualities, taxation, insurance, market condition and timing arrangement in ensuring that under the same terms and conditions:

1. (in the event of supply of products or services by the Group to the Zhejiang Construction Group) the relevant terms and conditions shall be equal to or not less favourable than those available to the Independent Third Parties offered by the Group; and

2. (in the event of supply of products of services by Zhejiang Construction Group to the Group) the relevant terms and conditions shall be equal to or not less favourable than those available to the Group offered by the Independent Third Parties.

"PRC"	the People's Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
"Proposed Annual Caps"	the proposed annual caps contemplated under the Framework Agreement for the three years ending 31 December 2028 as shown under the paragraph headed "II. Proposed Annual Caps"
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	the holder(s) of the issued shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"ZC's Products"	(i) office supplies, daily necessities and equipment; and (ii) general construction systems and equipment, including but not limited to denitrification filter process package, ultrafiltration membrane process package, magnetic coagulation process package, sporadic process package, fenton process package, deodorization system process package, sludge dewatering system process package, templates, square wood, steel and interior and exterior wall coatings, municipal engineering ancillary materials and landscaping species, and the related ancillary services.
"ZC's Services"	(i) office lease; (ii) property management and public administration services, human resource management; (iii) canteen catering services; and (iv) operation and maintenance management and consulting services for sewage treatment plants.

"Zhejiang Construction"	Zhejiang Construction Investment Group Co., Ltd.* (浙江省建設投資集團股份有限公司), a limited liability company established in the PRC and listed on Shenzhen Stock Exchange (SZSE Security Code: 002761)
"Zhejiang Construction Group"	Zhejiang Construction and its subsidiaries, which exclude the Group
"%"	per cent

* *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 RMB1 to HK$1.09. 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
Zhang Guanhua
Chairman

Hong Kong, 17 October 2025

As at the date of this announcement, the Company has six executive Directors, namely Mr. Zhang Guanhua, Mr. Pan Shujie, Mr. Jiang Wen, Mr. Yang Haojiang, Mr. Chan Tak Yiu and Mr. Li Kar Yin and four independent non-executive Directors, namely The Honourable Tse Wai Chun Paul JP, Mr. Ho Man Yiu Ivan, Ms. Dong Yuk Lai Petrina and Mr. Lai Yuk Fai Stephen JP.