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宏信建发
COHORIZON

宏信建設發展有限公司

HORIZON CONSTRUCTION DEVELOPMENT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9930)

CONTINUING CONNECTED TRANSACTION ENTERING INTO THE MATERIAL PROCUREMENT FRAMEWORK AGREEMENT

ENTERING INTO THE MATERIAL PROCUREMENT FRAMEWORK AGREEMENT

In view of the expiry of the Existing Material Procurement Agreement on 31 December 2025, to regulate the continuing connected transactions contemplated thereunder, the Board announces that on 3 February 2026, the Company entered into the Material Procurement Framework Agreement with Shangyu Boteng to conduct the continuing connected transactions under the Material Procurement Agreement based on the principal terms and conditions disclosed in this announcement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shangyu Boteng is owned as to 98% and 2% by Mr. HE Mengguang and Mr. DONG Yuejin, respectively, who are the younger brother and cousin of Mr. HE Ziming, a non-executive Director, and is therefore his associate. As such, Shangyu Boteng is a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the Material Procurement Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the annual caps for the Material Procurement Framework Agreement exceeds 0.1% but is less than 5%, the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Reference is made to the prospectus of the Company dated 12 May 2023 in relation to, among other things, the Existing Material Procurement Agreement entered into between the Company and Shangyu Boteng, pursuant to which the Group agreed to purchase certain materials, including but not limited to connection accessories of ringlock scaffolds, from Shangyu Boteng and its associates commencing from the listing date (i.e. 25 May 2023) until 31 December 2025.

I. ENTERING INTO THE MATERIAL PROCUREMENT FRAMEWORK AGREEMENT

1. Background

In view of the expiry of the Existing Material Procurement Agreement on 31 December 2025, to regulate the continuing connected transactions contemplated thereunder, the Board announces that on 3 February 2026, the Company entered into the Material Procurement Framework Agreement with Shangyu Boteng to conduct the continuing connected transactions under the Material Procurement Agreement based on the principal terms and conditions disclosed in this announcement.

2. Material Procurement Framework Agreement

The principal terms of the Material Procurement Framework Agreement are set out below:

Date

3 February 2026

Parties

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

(2) Shangyu Boteng (for itself and on behalf of its associates)

Term

The Material Procurement Framework Agreement will be effective from 3 February 2026 and expire on 31 December 2028, unless terminated by either party by giving not less than 3 months' prior written notice to the other party during the term. Subject to compliance with the relevant requirements of the Listing Rules and applicable laws and regulations, the Material Procurement Framework Agreement may be renewed upon mutual agreement of both parties.

Description of the transactions

The Group agreed to purchase certain materials, including but not limited to connection accessories of ringlock scaffolds, from Shangyu Boteng and its associates.

Price determination

The fees paid for the purchase of materials by the Group to Shangyu Boteng and its associates shall be determined through arm's length negotiation between the parties based on the following standards and orders:

(i) The prices prescribed or authorized by the national or local price management authorities of the PRC;

(ii) The reasonable prices under industry guidelines or self-regulation;

(iii) In the absence of the prices prescribed by the national and local price management authorities of the PRC and the absence of industry guidelines or self-regulation, the price shall be the comparable local market prices (the comparable local market prices shall be determined by agreement between the parties; in determining the comparable local market prices, primary consideration shall be given to the prevailing market prices charged by third parties providing the same or similar products or services in the locality);

(iv) In the absence of comparable local market prices, the price shall be the presumptive prices (the presumptive price is the price consisting of actual costs, which are determined in accordance with the relevant accounting standards of the PRC applicable from time to time, plus a certain profit margin at that time);

(v) If the above price determination methods are not applicable, the price shall be negotiated between the parties, taking into account (including but not limited to) (i) the specifications, models, unit prices, types and quality of the materials; and (ii) the costs for procurement of similar materials from other independent third parties.

To ensure the terms offered by Shangyu Boteng are on normal commercial terms, the Group will obtain quotations from at least two independent suppliers of similar materials in respect of any transaction proposed by Shangyu Boteng. The Group will take into account the following factors when determining whether the proposed transaction is on normal commercial terms: (i) the terms of the quotations received, including but not limited to the price/fees, transportation arrangements, acceptance arrangements, payment terms, duration of warranty period, maintenance arrangements and response to the material requirements and specifications set by the Group; and (ii) the background of the participating suppliers and the past business relationship between the Group and the participating suppliers. The management team responsible will review and consider the quotations provided by all suppliers, and will only enter into relevant agreements with Shangyu Boteng and/or its associates after confirming that the terms are on normal commercial terms.

Payment

The specific payment terms (including time and method of payment) for the purchase of materials by the Group from Shangyu Boteng and its associates will be agreed by the parties in the specific agreements to be entered into by them with reference to the payment terms of similar services in the market and the payment terms offered by independent third parties.

3. Historical amounts

Set out below are the material procurement fees for the three financial years ended 31 December 2025:

Transaction	Actual amount for the year ended 31 December 2023 *(audited)*	Actual amount for the year ended 31 December 2024 *(audited)*	Actual amount for the year ended 31 December 2025 *(unaudited)*
Unit: RMB'000			
Procurement of materials by the Group from Shangyu Boteng and its associates	77,741	102,234	10,111

4. Proposed annual caps and basis for determination

The fees payable by the Group to Shangyu Boteng and its associates for the material procurement shall not exceed RMB120 million for each financial year ending 31 December 2028 during the term of the Material Procurement Framework Agreement.

In estimating the proposed annual caps in respect of the material procurement fees payable by the Group to Shangyu Boteng and its associates under the Material Procurement Framework Agreement, the Company has mainly taken into account the following factors: (i) the historical procurement amounts of the Group from Shangyu Boteng and its associates for the three years ended 31 December 2025, the domestic market situation of material-related business over the years and the business scale of the Company. Due to the domestic market environment, the rental return of ringlock scaffolds in Chinese Mainland declined rapidly. Therefore, the Group adopted a strategy of contraction and adjustment for its domestic material-related business in 2025, resulting in a significant decrease in domestic procurement of newly added ringlock-related materials during that year; (ii) the potential development opportunities for neo-formwork system business in multiple overseas countries and regions where the Group has expanded its business, including the extensive planning and strong demand in housing construction and infrastructure sectors in countries such as the United Arab Emirates, Thailand, and Vietnam, and factors such as the continuous deepening of the Group's sales network channels in local markets and the sustained enhancement of its customer acquisition capabilities; (iii) the future development strategy of the Group's global layout for material-related business, and the estimated material procurement orders of the Group for the three years ending 31 December 2028, which are based on the estimated unit price and procurement volume of materials provided by Shangyu Boteng; and (iv) a buffer of approximately 10% for the unexpected demand for material procurement of the Group in the future.

The Company confirms that, from 1 January 2026 to the date of this announcement, the actual fees paid by the Group to Shangyu Boteng and its associates for the procurement of materials fall within the de minimis threshold under the Listing Rules.

5. Reasons for and benefits of the transactions

The quality of connection accessories of ringlock scaffolds is extremely important for the safety of engineering and construction projects. Since prior to the listing of the Group, Shangyu Boteng had provided the Group with certain specialised connection accessories of ringlock scaffolds, such as crossbar bolt, disc, top and bottom supporting and joints to be used in the Group's ordinary course of business by which the Group has acquired a deep understanding of the production technology and quality control capabilities of Shangyu Boteng. As compared to other suppliers, Shangyu Boteng

is in closer proximity to the Group's operation base in Jinshan District of Shanghai, which helps lower transportation cost. When other terms of transactions are similar or comparable, Shangyu Boteng generally offers a longer warranty period and favorable terms on payment, warranties and maintenance as compared to other independent suppliers. Having considered the Group's long-term and stable cooperation with Shangyu Boteng in the past, the Directors believe that Shangyu Boteng is capable of providing the specialised materials in a reliable and cost-effective manner with competitive price as compared to the independent third parties in respect of materials of similar specification, model, type and quality, and the pricing, payment and other major terms of the transactions under the Material Procurement Framework Agreement are comparable to those with independent suppliers.

The Board (including the independent non-executive Directors) is of the view that the above continuing connected transactions are conducted in the ordinary and usual course of business of the Company, entered into on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole.

II. INTERNAL CONTROL MEASURES

In order to ensure that the terms under the framework agreements related to the continuing connected transactions (including but not limited to the Material Procurement Framework Agreement) are fair and reasonable, and no less favorable than terms available from the independent third parties, and the transactions are carried out on normal commercial terms, the Company has established the following internal control measures:

(1) the Company has adopted and implemented a management system on connected transactions. Under such system, the Audit Committee is responsible for conducting reviews on compliance with relevant laws, regulations, the Company's internal policies and the Listing Rules in respect of the above continuing connected transactions. In addition, the Audit Committee, the Board and various other internal departments of the Company (including but not limited to the finance department and legal department) are jointly responsible for evaluating the terms under the framework agreements related to the continuing connected transactions, in particular, with respect to the fairness of the pricing policies and annual caps;

(2) the Audit Committee, the Board and various other internal departments of the Company also regularly monitor the transaction amounts and annual caps under the framework agreements related to the continuing connected transactions. In addition, the management of the Company also regularly reviews the pricing policies under the framework agreements related to the continuing connected transactions through the following review procedures:

    (i) if there are market prices available, they will compare the proposed price with the market price to ensure that the proposed price is equivalent to or no less favorable than the price offered by the independent third parties providing similar services. The Company will make enquiries from certain independent third party service providers for their prices and conduct internal assessments;

    (ii) if no market price is available, they will take into consideration of several factors such as regulatory requirements, actual needs of the Company and the industry position of the service provider in determining whether the pricing is fair and reasonable; and

(iii) review the proposed price to ensure it is consistent with the pricing terms under the framework agreements related to the continuing connected transactions, and that the terms offered by the connected persons and the Company are no less favorable than those offered by the independent third parties;

(3) the independent non-executive Directors and the Company's external auditors will conduct annual reviews of the continuing connected transactions under the framework agreements and provide annual confirmations to ensure that, pursuant to Rules 14A.55 and 14A.56 of the Listing Rules, the transactions are conducted in accordance with the terms of such agreements, on normal commercial terms and in compliance with the relevant pricing policies;

(4) when considering pricing for the above continuing connected transactions, the Company will constantly research prevailing market conditions and practices and make reference to the pricing and terms between the Company and the independent third parties for similar transactions, to ensure that the pricing and terms offered by the connected persons and the Company are fair, reasonable and no less favorable than those offered by the independent third parties; and

(5) when considering any renewal or revisions to the framework agreements related to the continuing connected transactions, the interested Directors and shareholders shall abstain from voting on the resolutions to approve such transactions at Board meetings and general meetings (as the case may be).

The Directors are of the view that the above methods and procedures will ensure that the transactions will be entered into on normal commercial terms and will not be prejudicial to the interests of the Company and its shareholders.

III. HONG KONG LISTING RULES IMPLICATIONS

As at the date of this announcement, Shangyu Boteng is owned as to 98% and 2% by Mr. HE Mengguang and Mr. DONG Yuejin, respectively, who are the younger brother and cousin of Mr. HE Ziming, a non-executive Director, and is therefore his associate. As such, Shangyu Boteng is a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the Material Procurement Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the annual caps for the Material Procurement Framework Agreement exceeds 0.1% but is less than 5%, the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

IV. DIRECTOR'S CONFIRMATION

As at the date of this announcement, Mr. HE Ziming, a Director, is deemed to have material interests in the above continuing connected transactions and has abstained from voting on the relevant Board resolution. Save for the aforementioned Director, none of the other Directors has or is deemed to have material interests in the above continuing connected transactions and shall abstain from voting on the relevant Board resolution.

V. GENERAL INFORMATION

The Company is one of the leading equipment operation service providers in China, as well as one of the leaders in aerial work platform, neo-excavation support system and neo-formwork system equipment operation service market. It provides comprehensive and multi-dimensional services covering the full cycle of projects.

Shangyu Boteng is a limited liability company incorporated in the PRC, and is mainly engaged in the processing of metal products, manufacture and processing of casting parts and sale of electromechanical products and steel.

VI. DEFINITIONS

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

"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee under the Board of the Company
"Board"	the board of directors of the Company
"Company"	Horizon Construction Development Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Existing Material Procurement Agreement"	the material procurement agreement dated 11 April 2023 entered into between the Company (for itself and on behalf of its subsidiaries) and Shangyu Boteng (for itself and on behalf of its associates)
"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 of Hong Kong Limited
"Material Procurement Framework Agreement"	the material procurement framework agreement dated 3 February 2026 entered into between the Company and Shangyu Boteng
"PRC"	the People's Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC

"Shangyu Boteng"	Shaoxing Shangyu Boteng Metal Products Co., Ltd. (紹興市上虞博騰金屬製品有限公司), a limited liability company incorporated and validly existing in the PRC
"Shareholder(s)"	holder(s) of the shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

By Order of the Board
Horizon Construction Development Limited
KONG Fanxing
Chairman

Hong Kong, 3 February 2026

As at the date of this announcement, the executive directors of the Company are Mr. ZHAN Jing (Chief Executive Officer) and Mr. TANG Li, the non-executive directors of the Company are Mr. KONG Fanxing (Chairman), Mr. XU Huibin, Mr. HE Ziming, Mr. YUAN Shaozhen and Ms. GUO Lina, and the independent non-executive directors of the Company are Mr. LIU Jialin, Mr. XU Min, Ms. JIN Jinping and Mr. SUM Siu Kei.