**Hongxing Coldchain (Hunan) Co., Ltd.**
**紅星冷鏈(湖南)股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 01641)**

# CONNECTED TRANSACTION
# CONSTRUCTION CONTRACT

## CONSTRUCTION CONTRACT

The Board is pleased to announce that on 16 April 2026, the Company entered into the Construction Contract with Hongxing Architecture Engineering, pursuant to which the Company agreed to engage Hongxing Architecture Engineering as the contractor for the Project, at a consideration of RMB22,003,792.05 (equivalent to approximately HK$25,270,000) subject to the terms and conditions of the Construction Contract.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, Hongxing Architecture Engineering is a non-wholly owned subsidiary of Hongxing Shiye, a controlling shareholder of the Company. Accordingly, Hongxing Architecture Engineering is an associate of the Company pursuant to Rule 14A.13(1) of the Listing Rules, and therefore a connected person of the Company under the Listing Rules.

As the highest applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Construction Contract is more than 0.1% but less than 5%, the entering into of the Construction Contract and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules, subject to reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

## THE CONSTRUCTION CONTRACT

The Board is pleased to announce that the Company entered into the Construction Contract with Hongxing Architecture Engineering on 16 April 2026, pursuant to which the Company agreed to engage Hongxing Architecture Engineering as the contractor for the Project. The principal terms of the Construction Contract are as set out as follows:

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| Date | : | 16 April 2026 |
| Parties | : | (a) The Company, as the principal; and<br><br>(b) Hongxing Architecture Engineering, as the contractor<br><br>A tender by way of bid invitation was made in relation to the Construction Contract whereby the bid evaluation committee evaluated the technical, informational, and commercial aspects of the bidding documents in accordance with the parameters stipulated in the tender documents. Upon examination, the bid submitted by Hongxing Architecture Engineering received the highest overall score as its bidding documents satisfied all standards and substantive requirements set out in the tender documents. The bid evaluation committee had therefore recommended Hongxing Architecture Engineering as the successful bidder. |
| Scope of Project | : | Hongxing Architecture Engineering is responsible for the construction of the five storeys food processing and distribution centre, with a construction area of 10,895.2 square metres, which is classified as a medium-sized industrial building, as well as the earthworks, foundation works, superstructure works and installation works. |
| Construction period | : | The construction period is expected to be approximately 153 calendar days, commencing from 1 May 2026 and scheduled for completion by 30 September 2026. |

Consideration : The contract sum is RMB22,003,792.05 (equivalent to approximately HK$25,250,000), which may be adjusted subject to the actual construction works changes agreed to accept by the Company and price fluctuation of construction materials.

Such contract sum which will be payable by the Company in instalments in accordance with the progress of the Project in the following manner:–

(i) within 7 days after completion of the ground level structure, payment shall be made up to 10% of the contract sum;

(ii) within 7 days after completion of three floors of the main structure podium, payment shall be made up to 20% of the contract sum;

(iii) within 7 days after the completion of the main structure and upon passing acceptance inspection, payment shall be made up to 40% of the contract sum;

(iv) within 7 days after complete removal of external scaffolding and substantial completion of interior rough finishes, payment shall be made up to 60% of the contract sum;

(v) within 7 days after removal of major vertical transport equipment and upon basically meeting the conditions for completion acceptance, payment shall be made up to 70% of the contract sum;

(vi) within 7 days after completion of the filing and registration of the completion acceptance record, payment shall be made up to 80% of the contract sum;

(vii) within 7 days after completion of the Company's internal approval, payment shall be made up to 85% of the contract sum;

(viii) within 7 days after the final account settlement is reviewed and approved, payment shall be made up to 97% of the contract sum. The remaining 3% of the contract sum shall be retained as quality assurance money and shall be released within 30 days after the expiration of the defect liability period of 24 months and completion of all relevant rectification works (if any), subject to there being no outstanding quality issues.

Such contract sum was arrived at through the above-mentioned tender process held by the Company in accordance with the relevant PRC laws and regulations. To ensure that the contract sum is in line with normal commercial terms, the Construction Contract shall be awarded to a service provider selected by way of bid invitation. At least 3 service providers have participated in the tender and the tender process has complied with the relevant local regulations. Factors that have been taken into consideration by the Company during the tender process include: (i) the terms of tender proposals offered by the participating bidders, including the tender prices and their responses to the tender terms; (ii) the background, qualifications and financial position of the participating bidders; (iii) the expected workload; (iv) the financial budget of the relevant services; and (v) the past tender contract unit price and the charging standards prescribed by the national laws and regulations, and a bid price ceiling is set.

It is expected that the consideration will be funded by internal resources of the Group.

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|  |  | In the event that any price adjustment mechanism or supplemental agreement leads to an increase in the transaction amount and results in a higher classification of transaction under the Listing Rules, the Company will comply with the applicable requirements under Chapter 14 and/or Chapter 14A of the Listing Rules, including reporting, announcement, circular and shareholders' approval requirements (if applicable). |
| Performance guarantee | : | Pursuant to the Construction Contract, Hongxing Architecture Engineering shall provide advance payment guarantee in the amount equivalent to the amount of advance payment to the principal by way of an on demand letter of advance payment guarantee. The advance payment guarantee shall be returned to Hongxing Architecture Engineering together with the first instalment. |

## REASONS AND BENEFITS OF ENTERING INTO THE CONSTRUCTION CONTRACT

The Company believe frozen food processing is a natural extension of the Company's frozen food storage expertise instead of tapping into a new business segment, enabling value-added services such as meat cutting, sterilization, tunnel freezing, sorting and vacuum packaging for the Company's frozen food storage customers to enhance the Company's competitiveness for the frozen food storage business. First, the Directors are of the view that the Company is able to capture market demand as among the Company's over 700 frozen food storage customers, many have indicated their need of frozen food processing services. Secondly, the new food processing facilities will be located near the Company's existing storage and trading spaces, allowing the three facilities to operate collaboratively and enhance each other's services. Customers can source unprocessed frozen food from the Company's storage facilities and distribute finished goods through the Company's trading platform. This streamlines logistics, reduces the need for coordination among multiple business partners, and ultimately lowers operational costs.

Hongxing Architecture Engineering was selected through a tendering process, and the terms of the Construction Contract were negotiated on an arm's length basis between the parties. The Directors (including the independent non-executive Directors) are of the view that the Construction Contract was entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and that the terms are fair and reasonable and in the interests of the Company and shareholders of the Company as a whole.

None of the Directors has any material interest in the Construction Contract and the transactions contemplated thereunder. In view of good corporate governance practices, Mr. LUO Yue, Mr. LI Jun, Ms. LU Fenfang and Mr. ZHANG Zhong, the Directors who are also directors and/or senior management of Hongxing Shiye, have abstained from voting on the Board resolutions approving the Construction Contract and the transactions contemplated thereunder.

## INFORMATION OF THE PARTIES

The Company is a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange, and is principally engaged in providing frozen food storage services and frozen food space leasing services.

Hongxing Shiye is a controlling shareholder of the Company. Hongxing Shiye, a diversified conglomerate, has invested in and/or controlled certain other companies in various industries, including fresh agricultural products related trading space leasing and logistic services and real estate development.

Hongxing Architecture Engineering is a non-wholly owned subsidiary of Hongxing Shiye and is principally engaged in construction engineering services, including building construction, municipal public works, foundation engineering, decoration and fit-out, mechanical and electrical installation, fire protection, steel structure, curtain wall, and environmental engineering works. It holds multiple general and specialized contracting qualifications and certifications, with an established track record of delivering large-scale construction engineering and general contracting projects in Hunan Province.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, Hongxing Architecture Engineering is a non-wholly owned subsidiary of Hongxing Shiye, a controlling shareholder of the Company. Accordingly, Hongxing Architecture Engineering is an associate of the Company pursuant to Rule 14A.13(1) of the Listing Rules, and therefore a connected person of the Company under the Listing Rules.

As the highest applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Construction Contract is more than 0.1% but less than 5%, the entering into of the Construction Contract and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules, subject to reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

## DEFINITIONS

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

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| "associate" | has the meaning ascribed to it under the Listing Rules |
| "Board" | the board of Directors |
| "Company" | Hongxing Coldchain (Hunan) Co., Ltd., a joint stock company established in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange |
| "connected person" | has the meaning ascribed to it under the Listing Rules |
| "Construction Contract" | the contract dated 16 April 2026 entered into between the Company and Hongxing Architecture Engineering with regard to the Project |
| "controlling shareholder" | has the meaning ascribed to it under the Listing Rules |
| "Directors" | the directors of the Company |
| "Group" | the Company and its subsidiaries |
| "HK$" | Hong Kong dollar(s), the lawful currency of Hong Kong |
| "H Share(s)" | overseas listed foreign share(s) of the Company with a nominal value of RMB1.0 each, which are listed on the Stock Exchange and traded in HK$ |
| "Hong Kong" | the Hong Kong Special Administrative Region of PRC |
| "Hongxing Architecture Engineering" | Hunan Hongxing Architecture Engineering Co., Ltd. (湖南紅星建設有限公司), a company established in the PRC with limited liability and a non-wholly owned subsidiary of Hongxing Shiye |
| "Hongxing Shiye" | Hongxing Shiye Industrial Group Co., Ltd. (紅星實業集團有限公司), a company established in the PRC with limited liability and a controlling shareholder of the Company |

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| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange |
| "PRC" | the People's Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC, and Taiwan |
| "Project" | the construction of the food processing and distribution centre in Changsha City, Hunan province, PRC |
| "RMB" | Renminbi, the lawful currency of PRC |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "%" | per cent |

By order of the Board
**Hongxing Coldchain (Hunan) Co., Ltd.**
**紅星冷鏈(湖南)股份有限公司**
**LUO Yue**
*Chairman of the Board and non-executive Director*

Hong Kong, 16 April 2026

*As of the date of this announcement, the Board comprises: (i) Mr. ZHANG Mingsheng and Ms. XU Qunying as executive Directors; (ii) Mr. LUO Yue, Mr. LI Jun, Ms. LU Fenfang and Mr. ZHANG Zhong as non-executive Directors; and (iii) Ms. LI Zhenzhu, Ms. CAI Yanping and Mr. HOW Sze Ming as independent non-executive Directors.*