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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)

DISCLOSEABLE TRANSACTION IN RELATION TO CAPITAL INCREASE IN TARGET COMPANY

Financial Adviser to the Company



THE CAPITAL INCREASE

On 23 July 2026, ZCIED, a direct wholly-owned subsidiary of the Company, entered into the Capital Increase Agreement with Yubang Holdings and the Target Company, pursuant to which, ZCIED shall subscribe for RMB20 million of new registered capital of the Target Company in cash at a subscription price of RMB20 million.

Upon completion of the Capital Increase, the registered capital of the Target Company will be increased from RMB20 million to RMB40 million, and each of ZCIED and Yubang Holdings will hold 50% of the equity interest in the Target Company. As at the date of this announcement, the Target Company is wholly-owned by Yubang Holdings. Upon completion of the Capital Increase, the Target Company will not become a subsidiary of the Company, the financial results of which will not be consolidated into the consolidated financial statements of the Group.

LISTING RULES IMPLICATION

As the highest percentage ratio (as defined under the Listing Rules) in respect of the Capital Increase exceeds 5% but is less than 25%, the Capital Increase constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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PRINCIPAL TERMS OF THE CAPITAL INCREASE AGREEMENT

The principal terms of the Capital Increase Agreement are summarised below:

Date : 23 July 2026

Parties : (i) ZCIED;
(ii) Yubang Holdings; and
(iii) the Target Company

Capital contribution amount : According to the Capital Increase Agreement, ZCIED shall carry out a capital increase in the Target Company. ZCIED shall subscribe for RMB20 million of new registered capital of the Target Company in cash at a subscription price of RMB20 million. Upon completion of the Capital Increase, the registered capital of the Target Company will be increased from RMB20 million to RMB40 million, representing an increase of RMB20 million in registered capital.

Basis for determining capital contribution amount : The capital contribution amount for the Capital Increase is determined based on arm's length negotiations between the parties. The Target Company was established on 19 December 2025, and has not yet commenced business operations. Through fair negotiations between the parties, ZCIED agreed to carry out the capital increase in the Target Company at par value.

Shareholding percentage : The capital structure of the Target Company before the Capital Increase:

Name of shareholder	Subscribed capital contribution amount (RMB million)	Shareholding percentage
Yubang Holdings	20	100%
Total	20	100%

The capital structure of the Target Company after the Capital Increase:

Name of shareholder	Subscribed capital contribution amount (RMB)	Shareholding percentage
Yubang Holdings	20	50%
ZCIED	20	50%
Total	40	100%

Payment terms : Within 10 working days from the effective date of the Capital Increase Agreement (i.e. no later than 6 August 2026), ZCIED shall pay the capital contribution amount of RMB20 million to the Target Company.

Completion : Upon completion of the Capital Increase, the Target Company will not become a subsidiary of the Company, the financial results of which will not be consolidated into the consolidated financial statements of the Group.

REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE

The Group is principally engaged in, among others, the environmental works for the construction, restoration, and operation of wastewater and recycled water treatment plants, water distribution plants and other environmental facilities and infrastructure, as well as architectural services related to environmental improvement in the PRC. The principal business of the Target Company, being water pollution control and wastewater treatment and recycling, aligns with the Group's existing business.

The Group's strategy focuses on achieving high-quality building construction and environmental operations through enhanced project management capabilities and stringent quality control, with a view to maintain and strengthen its industry position. The Board considers that the Capital Increase is in line with the business strategy of the Group to pursue new opportunities in environmental services and sewage treatment, thereby enhancing its existing business and bring investment returns to the Shareholders. The Capital Increase will enable synergistic collaboration in technology, resources and project experience, catalyze greater integration to form a comprehensive industry chain in environmental protection and generating valuable synergies across the Group's business operation.

The terms of the Capital Increase Agreement were determined after arm's length negotiations between the parties thereto. In light of the reasons above, the Directors (including the independent non-executive Directors) are of the view that although the Capital Increase Agreement is not entered into in the ordinary and usual course of business of the Group, the terms of the Capital Increase Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Company

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. 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.

ZCIED

ZCIED is a limited liability company established in the PRC on 17 July 2014 and is a wholly-owned subsidiary of the Company as at the date of this announcement. It is principally engaged in 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.

The Target Company

The Target Company is a company established in the PRC with limited liability, principally engaged in water pollution control and wastewater treatment and recycling. As at the date of this announcement, the Target Company is wholly-owned by Yubang Holdings.

As the Target Company was established on 19 December 2025, the profits before and after tax for the two financial years preceding to the signing of the Capital Increase Agreement are not available. The net asset value of the Target Company was nil as at 31 December 2025.

Yubang Holdings

Yubang Holdings is a company established in the PRC with limited liability, principally engaged in equity investment and asset management, engineering management, landscaping, flood control, drainage facility management, land remediation, wastewater treatment and recycling, cargo warehousing, sales of building materials and various products, agricultural product-related businesses and property leasing. As at the date of this announcement, Yubang Holdings is wholly owned by Finance Bureau of Dinghai District, Zhoushan City (State-owned Assets Supervision and Management Office of Dinghai District People's Government, Zhoushan City)* (舟山市定海區財政局(舟山市定海區人民政府國有資產監督管理辦公室)).

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Yubang Holdings and its ultimate beneficial owners are Independent Third Parties.

LISTING RULES IMPLICATIONS

As the highest percentage ratio (as defined under the Listing Rules) in respect of the Capital Increase exceeds 5% but is less than 25%, the Capital Increase constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“Board”	the board of Directors
“Capital Increase”	the capital increase in the Target Company under the Capital Increase Agreement
“Capital Increase Agreement”	the capital increase agreement dated 23 July 2026 entered into among ZCIED, Yubang Holdings and the Target 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 as ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Independent Third Parties”	third party(ies) independent of and not connected with the Company and connected person(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Zhoushan Lanjing Environmental Protection Technology Co., Ltd.* (舟山藍境環保科技股份有限公司)
“Yubang Holdings”	Zhoushan Yubang Holdings (Group) Co., Ltd.* (舟山市裕邦控股(集團)有限公司)
“ZCIED”	Zhejiang Construction Investment Environmental Development Group Company Limited* (浙江建投環境發展集團有限公司) (formerly known as Zhejiang Construction Investment Environmental Engineering Company Limited* (浙江建投環保工程有限公司)), a limited liability company established in the PRC on 17 July 2014 and a wholly-owned subsidiary of the Company
“%”	per cent.

* for identification purpose only

By order of the board of
CR Construction Group Holdings Limited
Zhang Guanhua
Chairman

Hong Kong, 23 July 2026

As at the date of this announcement, the Company has three executive Directors, namely Mr. Zhang Guanhua, Mr. Jiang Wen, Mr. Yang Haojiang, and one non-executive Director, namely Mr. Jin Hongliang and four independent non-executive Directors, namely Mr. Tse Wai Chun Paul JP, Mr. Ho Man Yiu Ivan, Ms. Dong Yuk Lai Petrina and Mr. Lai Yuk Fai Stephen JP.