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HENGDELI HOLDINGS LIMITED
亨得利控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3389)

ANNOUNCEMENT
RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 16 October 2017 whereby it is disclosed that the Company has entered into the master services agreement (the "**Master Services Agreement**") on 16 October 2017 between the Company (for itself and on behalf of its subsidiaries) and Primetime (for itself and on behalf of its subsidiaries) for the Services. As announced by the Company on 17 April, 2026, the Company has entered into the renewal agreement (the "**2026 Renewal Agreement**") with Primetime in 2026 for the transaction for one year commenced on 1 January 2026 on substantially the same term as the Master Services Agreement.

As the Group intends to continue carrying out the transactions under the Master Services Agreement in relation to provision of the Services in the ordinary and usual course of business of the Group after expiration of the 2026 Renewal Agreement, i.e. 31 December 2026, on 30 October 2026, the Company (for itself and on behalf of its subsidiaries) entered into the 2027 Renewal Agreement with Primetime (for itself and on behalf of its subsidiaries) for a further term of one year commencing on 1 January 2027 on substantially the same term as the Master Services Agreement.

The Annual Cap for the transactions contemplated under the 2027 Renewal Agreement for the year ending 31 December 2027 is RMB16 million.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Primetime is an indirectly and non-wholly owned company of Mr Zhang Yuping ("**Mr Zhang**"), the former chairman of the Board and a former executive Director of the Company. Mr Zhang is also the father of Mr Cheung Wing Lun Tony ("**Mr Cheung**"), the chairman of the Board, an executive Director and the chief executive officer of the Company, and thus Primetime is a connected person of the Company. Accordingly, the transactions between the Group and Primetime Group in relation to the provision of the Services contemplated under the 2027 Renewal Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Annual Cap is more than 0.1% but less than 5%, the transactions contemplated under the 2027 Renewal Agreement are only subject to reporting, annual review and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

Reference is made to the announcements of Hengdeli Holdings Limited (the "**Company**") dated 16 October 2017 and 17 April 2026 (the "**Announcements**") in relation to the provision of shop design and decoration services (the "**Services**") by the Group to the Primetime Group. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as defined in the Announcements.

As announced by the Company on 17 April, 2026, the Company has entered into the 2026 Renewal Agreement with Primetime in 2026 for the transaction for one year commenced on 1 January 2026 on substantially the same term as the Master Services Agreement.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

As the Group intends to continue carrying out the transactions under the Master Services Agreement in relation to provision of the Services in the ordinary and usual course of business of the Group after expiration of the 2026 Renewal Agreement, i.e. 31 December 2026, on 30 October 2026, the Company (for itself and on behalf of its subsidiaries) entered into a renewal agreement (the "**2027 Renewal Agreement**") with Primetime Group Co., Ltd* (盛時鐘錶集團股份有限公司) (formerly known as Shanghai Xinyu Fine Watch Service Co., Ltd. *上海新宇鐘錶服務有限公司), ("**Primetime**", and together with its subsidiaries, "**Primetime Group**") (for itself and on behalf of its subsidiaries) for a further term of one year commencing on 1 January 2027 on substantially the same terms as the Master Services Agreement.

The 2027 Renewal Agreement is a framework agreement. Specific terms of each transaction under the 2027 Renewal Agreement are to be determined by on a case-by-case basis and a separate agreement will be entered into by the Group and Primetime Group.

Annual Cap

The Annual Cap is set as RMB16 million, which is determined by the Directors with reference to, among other things:

(a) the historical transaction amounts between the Group and Primetime Group in relation to the provision of the Services;

(b) the expected demand for the Services by Primetime Group; and

(c) the prevailing general business environment in the PRC.

Shareholders and potential investors should note that the Annual Cap should not be construed as an assurance or forecast by the Company of the Group's revenue, profitability or business prospects.

From 1 January 2026 to the date of this announcement, the aggregate transaction amount between the Group and Primetime Group in relation to the provision of the Services is approximately, subject to audit, RMB7.6 million.

2027 Renewal Agreement

Pursuant to the 2027 Renewal Agreement, the Group agreed to provide the Services to Primetime Group and Primetime Group agreed to purchase the Services from the Group. The term of the 2027 Renewal Agreement is one year, which was commencing on 1 January 2027 and will expire on 31 December 2027. The service fees charged to Primetime Group shall be no less favourable to the Group than those offered to independent third parties.

Pricing Policies

Each individual shop's design, decoration, style and position varies from each other and the service fee for each transaction is determined by the Group and Primetime Group on a case-by-case basis through arm's length negotiations adopting the same pricing policies as applicable to independent third parties for the Services and the service fee is determined based on the estimated cost plus a reasonable profit margin of not less than 10%.

The major cost components for the Services are (a) costs of decoration materials; and (b) labour costs. When sourcing decoration materials, the Group obtains certain quotations from independent suppliers and selects the supplier who is able to provide the decoration materials in a timely manner with a reasonable price. Labour is arranged through the Group's internal project manager, who is responsible for overseeing and coordinating the workers. Based on the details such as quantity and skills of workers required, types and expected duration of works, the Group's project manager will recruit the suitable numbers and quality of workers in the market. The workers are generally paid by daily rate. When negotiating the wages of workers, the Group will take into account information of the average daily wages of workers providing similar Services published by the local governmental authority.

Other factors which might affect the costs will be taken into account. Such factors include:

(a) *specifications, particulars and complexity of the Services* – these will directly affect the types and quality of the decoration materials to be used, and the quantity and skills of the workers required, all these in turn will have a direct impact on the cost components;

(b) *estimated duration and delivery schedule of the Services* – if a project is required to be delivered within a short and tight schedule, the labour costs are expected to be higher as there will be over-time charges and more workers have to be employed than that for similar Services with normal delivery schedule; and

(c) *location and positioning of the shop* – a shop locates and positions itself as a high-end one would look for decoration materials with better quality. In addition, more skillful workers are to be employed. The overall costs for such Services are expected to be higher.

Internal Control

In order to ensure that (i) the terms of the 2027 Renewal Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable to the Company and its shareholders taken as a whole; and (ii) the service fees charged to Primetime Group are no less favourable to the Group than those offered to independent third parties, the Group has adopted the following measures:

(a) the quotation department of the relevant Group company shall review all the fee quotations in relation to the provision of the Services (to both the Primetime Group and independent third parties) and ensure that each fee quotation is determined in accordance with the aforesaid pricing policies;

(b) before the relevant Group company entering into the individual agreement in relation to a transaction under the 2027 Renewal Agreement, the operation department of the relevant Group company shall cross-check and ensure that each fee quotation is fair and reasonable, and the service fees offered to Primetime Group are no less favourable to the Group than those offered to independent third parties;

(c) the general manager of the relevant Group company has been designated to conduct final review on and approve the fee quotations; and

(d) the Company's external auditor and the audit committee of the Company shall conduct review on the pricing and the Annual Cap of the continuing connected transactions under the 2027 Renewal Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2027 RENEWAL AGREEMENT

In consistent with the Group's past business and operation of providing the Services, the Company (for itself and on behalf of its subsidiaries) entered into the 2027 Renewal Agreement, which is in the interests of the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors) are of the view that (i) the renewal of the Master Services Agreement and the entry into the 2027 Renewal Agreement are in the ordinary and usual course of business of the Group and on normal commercial terms; (ii) the terms of the 2027 Renewal Agreement are considered to be fair and reasonable and in the interests of the Group and the Shareholders as a whole; and (iii) the basis of determining the Annual Cap is fair and reasonable.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Primetime is an indirectly and non-wholly owned company of Mr Zhang, the former chairman of the Board and a former executive Director of the Company. Mr Zhang is also the father of Mr Cheung, the chairman of the Board, an executive Director and the chief executive officer of the Company and thus, Primetime is a connected person of the Company. Accordingly, the transactions between the Group and Primetime Group in relation to the provision of the Services contemplated under the 2027 Renewal Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Annual Cap is more than 0.1% but less than 5%, the transactions contemplated under the 2027 Renewal Agreement are only subject to reporting, annual review and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

None of the Directors have a material interest in relation to the aforesaid matters and hence no Director was required to abstain from voting on the relevant resolutions of the Board. However, for good corporate governance, Mr. Cheung Wing Lun Tony has abstained from voting on the relevant resolutions of the Board.

GENERAL

The Company is an investment holding company and its subsidiaries' business was primarily focused on the manufacturing of high-end consuming accessories, the building up of high-end consuming service platforms, international commodity trading and its related supply chain services.

Primetime is a private company established in the PRC and, based on the information currently available to the Company, is being held as to 35.00% interest by Best Corporate Limited, which in turn is indirectly and wholly-owned by Mr Zhang, the former chairman of the Board and a former executive Director of the Company. To the best knowledge of the Directors having made all reasonable enquiry, as at the date of this announcement, the remaining 65.00% interest in Primetime is being held by about 38 shareholders with each of them holding no more than 5.00% of interest in it. As a leading service provider in the wrist watch industry chain in China, Primetime Group is specialised in the retail and wholesale of wrist watches, as well as the provision of after-sales services such as wrist watch maintenance and peripheral products, providing value-added services to the upstream and downstream of the wrist watch industry chain.

By Order of the Board
Hengdeli Holdings Limited
Cheung Wing Lun Tony
Chairman

Hong Kong, 30 October 2026

As at the date of this announcement, the executive Directors are Mr Cheung Wing Lun Tony (Chairman), and Mr Lee Shu Chung, Stan; the non-executive Director is Mr Shi Zhongyang; and the independent non-executive Directors are Mr Cai Jianmin, Mr Liu Xueling and Ms Qian Weiqing.

If there is any inconsistency in this announcement between the Chinese and English versions, the English version of this announcement shall prevail.

* *For identification purpose only*