HING YIP HOLDINGS LIMITED
興業控股有限公司

(Incorporated in Bermuda with limited liability)
(Stock code: 00132)

VERY SUBSTANTIAL ACQUISITION
DESIGN, PROCUREMENT AND CONSTRUCTION CONTRACT

The Board is pleased to announce that on 11 March 2026, upon the successful conclusion of the open tender at a trading platform in the Guangdong Province, Guangdong Taoyuan has entered into the EPC Agreement with the Successful Bidders, pursuant to which the Successful Bidders have been engaged as the general contractor for the survey, design, procurement and construction works and other incidental services for the New Elderly Facility Project. The consideration payable by Guangdong Taoyuan under the EPC Agreement is RMB319,871,689.21 (equivalent to approximately HK$362,094,752.19).

As one of the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) for the transactions contemplated under the EPC Agreement exceeds 100%, the entering into of the EPC Agreement constitutes a very substantial acquisition transaction for the Company pursuant to Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

A circular of the Company containing, among other things, further information on the transactions contemplated under the EPC Agreement together with the notice of SGM is expected to be despatched to the Shareholders on or before 1 April 2026.

THE EPC AGREEMENT

The Board is pleased to announce that upon the successful conclusion of the open tender at a trading platform in the Guangdong Province, Guangdong Taoyuan has entered into the EPC Agreement with the successful bidders, Guangdong Construction and Guangdong Qiyuan, the principal terms of which are as follows:

Date:

11 March 2026

Parties:

(1) Principal: Guangdong Taoyuan, a subsidiary of the Company; and

(2) Successful bidders: Guangdong Construction and Guangdong Qiyuan

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Successful Bidders and their ultimate beneficial owners are third parties independent of the Company and its connected persons under the Listing Rules.

Subject matter

The Successful Bidders have been engaged as the general contractor for the following survey, design, procurement and construction works for the New Elderly Facility Project:

(1) Design:

   (i) completion of design of construction drawings, including but not limited to construction, structural, heating, ventilation and air-conditioning, fire protection engineering, specialized medical, greening and landscaping design, etc.;

   (ii) follow-up services after the completion of construction in the New Elderly Facility Project (including but not limited to providing support for the design technical briefing, on-site services and consultation services, and the final acceptance and settlement of the New Elderly Facility Project);

(iii) co-ordination works such as arranging for representatives to supervise the implementation of the design on site; and

(iv) standardized elderly apartment design (including the preparation and delivery of a complete set of "Standardized Design Output Documents for Elderly Apartments*" (《養老公寓標準化設計成果文件》);

and

(2) Construction and installation:

(i) demolition of nine existing buildings in the Property, site levelling, and the incidental works arising from such demolition (including the disposal, handling and transportation of construction wastes);

(ii) preparation of as-built drawings (including but not limited to conducting on-site survey);

(iii) construction and decoration, establishment of water supply system, drainage system and road network, fire protection engineering, electrical installation, installation of elevators, landscaping of the buildings and structures to be constructed in the Property, etc., and their relevant commissioning testing;

(iv) procurement of construction materials;

(v) assisting in the works settlement audit, compliance with engineering warranty, application for necessary government approvals upon completion of works and filing of documentations of final acceptance and settlement of the New Elderly Facility Project;

(vi) handling the necessary registration procedures in the course of the construction and upon completion of all works; and

(vii) coordinating with the relevant PRC authorities (including but not limited to the Public Security Bureau, Ministry of Transport and the Ministry of Housing and Urban-Rural Development) and residents living near the Property.

Non-essential works may be sub-contracted out by the Successful Bidders with Guangdong Taoyuan's consent.

It is expected that all works will be completed within 660 calendar days from the Effective Date (as defined below).

Consideration

The consideration payable by Guangdong Taoyuan under the EPC Agreement is RMB319,871,689.21 (equivalent to approximately HK$362,094,752.19) subject to adjustment upon completion, which consists of design fee of RMB3,531,525.38 (equivalent to approximately HK$3,997,686.73) (the "**Design Fee**") and construction and installation fee of RMB316,340,163.83 (equivalent to approximately HK$358,097,065.46) (the "**Construction and Installation Fee**") (collectively, the "**Fees**").

The final consideration may be adjusted upon completion with reference to factors including any change in design drawings and construction work, relevant PRC laws and regulatory requirements, the final construction plans and fluctuation in material costs, which is not expected to be significant. The Company will make further announcement (at the time if any actual adjustments are made) if and as required under the Listing Rules.

The consideration amount was determined through open tender, which involved the assessment of factors including the ceiling bid price and discount offered by the Successful Bidders, their relevant qualifications, experience and ability, the scope of work involved and estimated costs and expenses for the raw materials, construction tools and manpower necessary for the survey, design, procurement and construction of the New Elderly Facility Project. In short, the ceiling bid price of RMB326,639,477.63 (equivalent to approximately HK$369,755,888.68) was determined based on the quotation guidelines indicators published by the government of the PRC from time to time, technical features (including design drawings, dimensions, feasibility studies and concept plans relating to the New Elderly Facility Project) and actual implementation status of the work, and its estimate of the project costs and expenses for different aspects of the project against similar projects in the industry in line with construction market standards. The discount was offered by the Successful Bidders for competitiveness and helped indicate the proficiency of the Successful Bidders in cost-effectively handling the project in view of their work experience relevant to the project scope, which are all factors relevant in assessing a bid.

Payment terms

The consideration is expected to be funded through internal resources of the Group and through external banking facilities. Guangdong Taoyuan will pay to the Successful Bidders the Fees in the following manner: –

(1) Design Fee:

(i) up to 20% of the Design Fee, that is, RMB706,305.08 (equivalent to approximately HK$799,537.35) shall be payable within 30 calendar days after the signing of the EPC Agreement, as well as the provision of guarantee and the payment of any guarantee fees as required by the EPC Agreement;

(ii) up to 40% of the Design Fee, that is, RMB1,412,610.15 (equivalent to approximately HK$1,599,074.69), shall be payable after the Successful Bidders have completed the design of construction drawings, have received the approval of the construction drawings by the relevant approval centre and that Guangdong Taoyuan has verified such drawings;

(iii) up to 60% of the Design Fee, that is, RMB2,118,915.23 (equivalent to approximately HK$2,398,612.04), shall be payable after the submission of the construction drawings of standardized apartment design to Guangdong Taoyuan and the confirmation by Guangdong Taoyuan;

(iv) up to 80% of the Design Fee, that is, RMB2,825,220.30 (equivalent to approximately HK$3,198,149.38), shall be payable after review of the budgeted price of the Construction and Installation Fee;

(v) up to 90% of the Design Fee, that is, RMB3,178,372.84 (equivalent to approximately HK$3,597,918.06), shall be payable after the completion of the roof-topping of the main structure of the buildings and structures to be constructed under the New Elderly Facility Project; and

(vi) up to 100% of the Design Fee, that is, RMB3,531,525.38 (equivalent to approximately HK$3,997,686.73), shall be payable after the independent professional agency appointed by Guangdong Taoyuan has reviewed the completed and inspected works;

and

(2) Construction and Installation Fee:

(i) up to 20% of the Construction and Installation Fee, that is, RMB63,268,032.77 (equivalent to approximately HK$71,619,413.09), shall be payable within 15 working days after the signing of the EPC Agreement and the provision of performance guarantee and low-price risk guarantee (if any);

(ii) up to 80% of the Construction and Installation Fee, that is, RMB253,072,131.06 (equivalent to approximately HK$286,477,652.36), shall be payable based on the monthly assessment of the work performed by the Successful Bidders which will be paid on a monthly basis; and

(iii) up to 100% of the Construction and Installation Fee, that is, RMB316,340,163.83 (equivalent to approximately HK$358,097,065.46), shall be payable after the works settlement audit, subject to 3% of the Construction and Installation Fee (that is, RMB9,490,204.91, which is equivalent to approximately HK$10,742,911.96) being retained as quality assurance deposit which shall be payable upon expiry of the defect liability period (being 24 months from the passing of completion inspection of the works).

Performance guarantee

Guangdong Construction has provided Guangdong Taoyuan with a performance guarantee to guarantee the due performance and successful completion of the survey, design and construction works for the New Elderly Facility Project by way of a letter of guarantee issued by a company with the term from 11 March 2026 to 10 February 2028 (i.e. within 660 days from the expected Effective Date (as defined below)). The amount of performance guarantee is equivalent to 10% of the total consideration for the EPC Agreement (representing RMB31,987,168.92 (equivalent to approximately HK$36,209,475.22)). A claim notice will be submitted by Guangdong Taoyuan to the insurer upon any failure on the performance of their obligations under the EPC Agreement by Guangdong Construction, including but not limited to, delay in completion on the part of Guangdong Construction and the quality of works do not meet the standards pursuant to the EPC Agreement. The amount of performance guarantee would be payable to Guangdong Taoyuan upon submission of a claim notice stating the total amount of the claim to the insurer within the effective term of the letter of guarantee. The payment will be paid in cash from the insurer to Guangdong Taoyuan.

Condition Precedent

The EPC Agreement will take effect subject to the satisfaction of the condition of the approval of the EPC Agreement by the Shareholders in accordance with the requirements of the Bye-laws of the Company and the Listing Rules at the SGM, the date of such SGM being the effective date of the EPC Agreement (the "**Effective Date**"). This condition is not capable of being waived by the parties to the EPC Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EPC AGREEMENT

Guangdong Taoyuan is authorized by the State-owned Assets Supervision and Administration Bureau of Nanhai District, Foshan City* (佛山市南海區國有資產監督管理局) to operate its elderly assets in Nanhai Welfare Centre* (南海區社會福利中心) and to develop elderly business in Nanhai District, Foshan City for a period of 40 years, commencing from 1 September 2021 to 31 August 2061.

The New Elderly Facility Project is in furtherance to the Group's goals of developing a three-tier elderly care system comprising institutions, communities and households with integration of medical, rehabilitation and care services in Nanhai District, Foshan City, continuously consolidating its leading position as the largest institutional elderly care brand in Foshan City, comprehensively supporting the high-quality and standardized development of the wellness and elderly care business, and to accelerate the expansion of integrated medical, rehabilitation and elderly care facilities and the increase of equipment. The New Elderly Facility Project is also in furtherance with Guangdong Taoyuan's mission of in-depth participation in home-based, community based and institutional elderly care as authorized by the State-owned Assets Supervision and Administration Bureau of Nanhai District, Foshan City* (佛山市南海區國有資產監督管理局). In particular, the construction of the Medical Technology Building will bring an increase of approximately 250 beds in the Property, and the construction of the Elderly Apartment will bring an increase of approximately 720 beds in the Property.

The New Elderly Facility Project aligns with national policies and local development needs on developing elderly care business. The existing buildings, constructed over 20 years ago, are now outdated and will be demolished to make way for new facilities that align with the Chinese government's policy initiative of elderly care modernization. The elderly residing in the existing buildings will be relocated to other buildings before the demolition of the existing buildings to ensure sufficient space for accommodation and to avoid loss of elderly residents in the Property. Through demolition of existing buildings, renovation and refurbishment in the Property, the New Elderly Facility Project will significantly enhance the conditions of the facilities and living environment in the Property, bringing them in line with modern elderly care service requirements, which bears great significance for improving public service standards and promoting social harmony. In short, the New Elderly Facility Project will strengthen the Group's competitiveness in the elderly care business.

Having considered the qualification of staff members, experience on similar projects (including the number of previous engineering design, procurement and construction agreements with similar consideration entered into within five years from the date of the EPC Agreement and the accolades received for such previous agreements, and the relevant performance review on the said trading platform in the Guangdong Province), and the profitability, credibility ratings by the relevant government authority of Foshan City and tender responses of the potential contractors through the tendering process (including their knowledge and understanding on the New Elderly Facility Project, and their analysis of the difficulty, construction plan and work progress of the New Elderly Facility Project), Guangdong Taoyuan considers that the Successful Bidders are able to provide the necessary design and construction services for implementing the EPC Agreement.

The Directors consider that the terms of the EPC Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Shareholders as a whole.

LISTING RULES IMPLICATION

As one of the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) for the transactions contemplated under the EPC Agreement exceeds 100%, the entering into of the EPC Agreement constitutes a very substantial acquisition transaction for the Company pursuant to Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

A circular of the Company containing, among other things, further information on the transactions contemplated under the EPC Agreement together with the notice of SGM is expected to be despatched to the Shareholders on or before 1 April 2026.

INFORMATION ON THE PARTIES

The Group

The Group is principally engaged in wellness elderly care business as the principal direction, with the strategic support of finance leasing, technology and civil explosives businesses. Through its joint ventures and associated companies, the Group also invests in fast growing sectors, such as electric utilities in the PRC.

Guangdong Taoyuan

Guangdong Taoyuan is a subsidiary of the Company, which is principally engaged in the provision of comprehensive elderly care services in the PRC.

Guangdong Construction

Guangdong Construction is principally engaged in general contracting services for construction projects, with operations covering fields such as residential buildings, municipal public works and highway engineering. It also possesses specialized contracting capabilities in foundation engineering and decoration, positioning itself as a comprehensive construction enterprise with robust qualifications and technical expertise. Guangdong Construction is directly owned as to 60% by Guangdong Construction Engineering Group Co., Ltd. (廣東省建築工程集團股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 002060), and 40% by Guangdong Nanhai Digital City Development Co., Ltd.* (廣東南海數字城市發展有限公司). Guangdong Nanhai Digital City Development Co., Ltd.* (廣東南海數字城市發展有限公司) is wholly owned by the State-owned Assets Supervision and Administration Bureau of Nanhai District, Foshan City* (佛山市南海區國有資產監督管理局).

Guangdong Qiyuan

Guangdong Qiyuan is principally engaged in construction projects and relevant engineering consulting and decoration design, environmental technology consulting services and transfer, as well as environmental product sales.

Guangdong Qiyuan is directly owned as to:

(1) 58% by Shenzhen Machinery Institute Architectural Design Co., Ltd.* (深圳機械院建築設計有限公司), of which Shenzhen Machinery Institute Architectural Design Co., Ltd.* (深圳機械院建築設計有限公司) is directly owned as to:

  (i) 51% by China Qiyuan Engineering Corporation* (中國啟源工程設計研究院有限公司), whose ultimate controlling shareholder is the State-owned Assets Supervision and Administration Commission of the State Council* (國務院國有資產監督管理委員會);

  (ii) 33.0588% by Yu Shouchun (余守春); and

  (iii) 15.9412% by 5 different individual shareholders (each shareholder holding less than 10%);

  and

(2) 42% by 24 different individual shareholders (each shareholder holding less than 10%).

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings as respectively ascribed below:

"Basement"	the single-storey basement with a gross floor area of approximately 9,489.26 square meters to be constructed in the Property
"Board"	the board of Directors of the Company
"Company"	Hing Yip Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00132)
"Director(s)"	the director(s) of the Company
"Elderly Apartment"	the 9-storey elderly apartment with a gross floor area of approximately 23,587.76 square meters to be constructed in the Property
"Entrance"	the entrance with a gross floor area of approximately 1,036.87 square meters to be constructed in the Property
"EPC Agreement"	the engineering design, procurement and construction agreement dated 11 March 2026 entered into between Guangdong Taoyuan and the Successful Bidders for the design, procurement and construction works and other incidental services in relation to the New Elderly Facility Project
"Group"	the Company and its subsidiaries
"Guangdong Construction"	Guangdong Construction Engineering Co., Ltd.* (廣東省構建工程建設有限公司), a company incorporated in the PRC with limited liability
"Guangdong Qiyuan"	Guangdong Qiyuan Construction Engineering Design Co., Ltd.* (廣東啟源建築工程設計院有限公司), a company incorporated in the PRC with limited liability

"Guangdong Taoyuan"	Guangdong Taoyuan Comprehensive Health Elderly Services Co., Ltd.* (廣東桃苑大健康養老服務有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
"HK$"	Hong Kong Dollar, the lawful currency of Hong Kong
"Liquid Oxygen Station"	the liquid oxygen station with a gross floor area of approximately 200 square meters to be constructed in the Property
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Medical Technology Building"	a 9-storey medical technology building comprising of a 4-storey out-patient medical technology functional department and a 5-storey in-patient department, with a gross floor area of approximately 21,740.72 square meters to be constructed in the Property;
"New Elderly Facility Project"	the project comprising of (among others) the demolition of 9 existing buildings in the Property, and the expansion of the Property by building (among others) the Medical Technology Building, the Elderly Apartment, the Entrance, the Liquid Oxygen Station and the Basement with a total gross floor area of approximately 56,355.72 square meters
"PRC"	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Property"	the health and elderly care community* (康養社區) and its supporting utilities and facilities situated in No. 1, Zhuang Yuan Road, Luocun, Shishan Town, Nanhai District, Foshan City, the PRC and is operated by Guangdong Taoyuan
"RMB"	Renminbi, the lawful currency of the PRC

"SGM"	the special general meeting to be convened and held by the Company for the Shareholders to consider, and, if thought fit, to approve the transactions contemplated under the EPC Agreement
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Successful Bidders"	Guangdong Construction and Guangdong Qiyuan
"%"	per cent

On behalf of
Hing Yip Holdings Limited
HE Xiangming
Chairman

Hong Kong, 11 March 2026

As at the date of this announcement, the Board consists of two executive Directors, namely Mr. HE Xiangming (Chairman) and Mr. FU Weiqiang (President), one non-executive Director, namely Mr. LIU Jiali and three independent non-executive Directors, namely Mr. CHAN Kwok Wai, Mr. PENG Xinyu and Ms. LIN Junxian.

For the purpose of this announcement, amounts denominated in RMB have been translated into HK$ at the indicative exchange rate of RMB1 = HK$1.132.

* *For identification purpose only*