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## **Shenghui Cleanness Group Holdings Limited**

**升輝清潔集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2521)**

### **CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF HUALI DIGITAL GUANGDONG**

The Board is pleased to announce that on 18 May 2026, Huali Digital Zhengzhou and the Purchaser (a wholly owned subsidiary of the Company) entered into the Equity Transfer Agreement, pursuant to which the Purchaser agreed to purchase, and Huali Digital Zhengzhou agreed to sell, the 70% equity interest in Huali Digital Guangdong (i.e. the Sale Interest) at a consideration of RMB15.75 million.

#### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Huali Digital Zhengzhou is a subsidiary of Dong Guan Huali which is a substantial shareholder of the Company with indirect interest in 370,449,650 Shares, representing approximately 19% of the issued share capital of the Company. As such, Huali Digital Zhengzhou is an associate of Dong Guan Huali and a connected person of the Company, and the entering into of the Equity Transfer Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As all of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in relation to the Acquisition are less than 5%, the Equity Transfer Agreement and the transactions contemplated thereunder is therefore subject to the reporting and announcement requirements but is exempt from the circular, independent financial adviser and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

**Shareholders and potential investors of the Company should note that completion is subject to the satisfaction of the conditions under the Equity Transfer Agreement. Accordingly, the Acquisition may or may not complete. Shareholders and potential investors of the Company are advised to exercise caution when dealing in Shares.**

## INTRODUCTION

The Board is pleased to announce that on 18 May 2026, Huali Digital Zhengzhou and the Purchaser (a wholly owned subsidiary of the Company) entered into the Equity Transfer Agreement, pursuant to which the Purchaser agreed to purchase, and Huali Digital Zhengzhou agreed to sell, the 70% equity interest in Huali Digital Guangdong (i.e. the Sale Interest) at a consideration of RMB15.75 million.

## EQUITY TRANSFER AGREEMENT

**Date:** 18 May 2026

**Parties:** (i) Huali Digital Zhengzhou; and  
(ii) the Purchaser.

As at the date of this announcement, Huali Digital Zhengzhou is a limited liability company established under the laws of the PRC, principally engaged in the development of artificial intelligence application software, integration of intelligent control systems, technical services, technical development, and technical consultancy, and a wholly-owned subsidiary of Dong Guan Huali which is a substantial shareholder of the Company with indirect interest in 370,449,650 Shares, representing approximately 19% of the issued share capital of the Company. As such, Huali Digital Zhengzhou is an associate of Dong Guan Huali and a connected person of the Company.

**Subject matter:** The Sale Interest, being the 70% equity interest in Huali Digital Guangdong.

### Consideration and payment terms

The consideration for the sale and purchase of the Sale Interest is RMB15.75 million, and shall be satisfied by the Purchaser in the following manner in cash by bank account transfer to Huali Digital Zhengzhou:

- (1) as to 10% of the consideration (i.e. RMB1.575 million) payable within 10 working days after the effective date of the Equity Transfer Agreement;
- (2) as to 45% of the consideration (i.e. RMB7.0875 million) payable within 15 working days after the completion of the Acquisition; and
- (3) the remaining balance of the consideration, being RMB7.0875 million payable within 90 working days after the completion of the Acquisition.

If the Purchaser fails to make payment of the Consideration by the dates specified above, a penalty shall be payable by the Purchaser to Huali Digital Zhengzhou for each day of delay of payment, calculated on the basis of the outstanding amount for that period at the one-year Loan Prime Rate (LPR) published by the National Interbank Funding Centre, until the date of actual settlement.

The consideration for the sale and purchase of the Sale Interest was arrived at after arm's length negotiations between the Purchaser and Huali Digital Zhengzhou and on normal commercial terms, after taking into consideration, among others, (i) the financials of Huali Digital Guangdong for the year ended 31 December 2025; and (ii) the audited net asset value of Huali Digital Guangdong approximately RMB12.17 million as at 31 December 2025. The Group has also considered the value of the Sale Interest as of the Valuation Date based on the Valuation Report prepared by the Valuer. Based on the above, the Directors are of the view that the consideration for the sale and purchase of the Sale Interest is fair and reasonable.

### **Conditions precedents**

The completion of the sale and purchase of Sale Interest shall be subject to the following conditions being satisfied:

- (1) the parties to the Equity Transfer Agreement having executed the Equity Transfer Agreement and any other necessary agreements related to the Acquisition having been executed and become effective;
- (2) as of the date of Completion, all representations and warranties made by the parties to the Equity Transfer Agreement are true, accurate, and complete, and are not false, incomplete or misleading in any respect;
- (3) as of the date of Completion, there has been no event(s) that have a material adverse effect on Huali Digital Guangdong, and there is no evidence that any such events which may have a material adverse effect on Huali Digital Guangdong will occur;
- (4) Huali Digital Guangdong having entered into the non-competition and confidentiality agreements with its key management personnel and key technical personnel, the form and content of which are satisfactory to the Purchaser;
- (5) Shuimu Digital having entered into an equity interest pledge agreement with the Purchaser, pursuant to which Shuimu Digital shall pledge the 30% equity interest in Huali Digital Guangdong held by it to the Purchaser as security for its obligations under the Performance Guarantee Agreement, and having completed the registration with respect to the change of pledgee; and

- (6) Dong Guan Huali having obtained the necessary consent and approval from its relevant authorities in accordance with the applicable laws and regulations in respect of the Equity Transfer Agreement and the transactions contemplated thereunder.

If the conditions have not been satisfied on or before the Long Stop Date, the Equity Transfer Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other under the Equity Transfer Agreement save for any antecedent breaches of the Equity Transfer Agreement.

## **Completion**

The parties to the Equity Transfer Agreement shall, within 30 working days after the Equity Transfer Agreement having become effective and all the conditions precedent set out above having been fulfilled, (i) complete the business registration with respect to the transfer of the Sale Interest; (ii) complete the changes of the legal representative, directors, supervisor and senior management of Huali Digital Guangdong; (iii) make the necessary amendments to Huali Digital Guangdong's articles of association reflecting the change in the Purchaser's shareholding; and (iv) obtain the notice of approval for change of registration and the new business license issued by the competent company registration authority for the transfer of the Sale Interest. The Acquisition will complete upon the completion of business registration procedures for the transfer of Sale Interest. After completion of the Acquisition, the Purchaser will directly hold 70% of the equity interest in Huali Digital Guangdong and the financial results of the Huali Digital Guangdong will be consolidated into the accounts of the Company.

## **Other terms**

### ***Profit arrangement in Huali Digital Guangdong***

During the period from 31 December 2025 to the date of Completion, Huali Digital Guangdong shall not declare or distribute its accumulated undistributed profits in any form. The accumulated undistributed profits of Huali Digital Guangdong as of 31 December 2025 shall be enjoyed by all shareholders of Huali Digital Guangdong after Completion in proportion to their respective equity holdings in Huali Digital Guangdong.

During the period from 31 December 2025 to the date of Completion, in the event Huali Digital Guangdong generates a profit, such profit shall be enjoyed by all shareholders of Huali Digital Guangdong after Completion in proportion to their respective equity holdings; in the event Huali Digital Guangdong incurs a loss, Huali Digital Zhengzhou shall make up the loss to Huali Digital Guangdong in cash. The amount of profit or loss realised by Huali Digital Guangdong during the aforementioned period shall be determined in accordance with the findings of the review report to be issued by the auditors engaged by the Purchaser.

### ***Performance guarantee***

Huali Digital Guangdong, Shuimu Digital and Mr. Meng Lei will enter into a quadrilateral agreement with the Purchaser (the “**Performance Guarantee Agreement**”) before Completion to provide a guarantee to the Purchaser that the audited net profits (excluding non-recurring gains and losses) attributable to owners of Huali Digital Guangdong (the “**Actual Profits**”) as audited by a qualified audit firm for the financial years ending 31 December 2026 and 2027 (the “**Guarantee Period**”) shall not be less than RMB3.5 million and RMB5 million respectively (the “**Guaranteed Profits**”).

In the event that during the Guarantee Period, the cumulative Actual Profits from the beginning of the Guarantee Period up to the end of a specific financial year of the Guarantee Period is less than the cumulative Guaranteed Profits of Huali Digital Guangdong of such period, Shuimu Digital shall compensate (the “**Compensation**”) the Purchaser as calculated according to the following formula:

Compensation for a specific financial year under the Guarantee Period = (the cumulative Guaranteed Profits from the beginning of the Guaranteed Period up to the end of the specific financial year under the Guarantee Period – the cumulative Actual Profits for such period) ÷ the cumulative Guaranteed Profits for such period x RMB15.75 million – compensation already paid by Shuimu Digital.

In the event that Shuimu Digital has paid any Compensation to the Purchaser due to the fact that the cumulative Actual Profits from the beginning of the Guarantee Period up to the end of a specific financial year during the Guarantee Period is less than the cumulative Guaranteed Profits for such period, and the cumulative Actual Profits from the beginning of the Guarantee Period up to the end of a subsequent financial year during the Guarantee Period is more than the Guaranteed Profits for the Guarantee Period, then the Compensation paid by Shuimu Digital to the Purchaser for the preceding financial year shall be refunded by the Purchaser to Shuimu Digital without interest.

### ***Equity interest pledge as required under the Equity Transfer Agreement***

Shuimu Digital shall, prior to the date of Completion, pledge the 30% equity interest in Huali Digital Guangdong held by it and any derivative rights therefrom (including but are not limited to dividends, bonuses, rights issues, bonus shares, and other proceeds, if any, attributable to such equity interest) to the Purchaser, as security to ensure that Shuimu Digital and Mr. Meng Lei perform their respective obligations under the Performance Guarantee Agreement, including but not limited to the Guaranteed Profits and the Compensation.

## VALUATION

In order to assess and support the fairness and reasonableness of the consideration for the Sale Interest, the Company engaged the Valuer to prepare a valuation of the Sale Interest as of the Valuation Date.

According to the Valuation Report, the appraised value of the Sale Interest was RMB16,594,000 as of the Valuation Date under the market-based approach.

The Valuer is a wholly-owned subsidiary of Langu Company Limited, a listed company in Hong Kong (Stock Code: 8072), is a well-established independent firm engaged in the provision of valuation and technical advisory services.

The Valuer comprises a team of professional individuals. Mr. Ken Yue is Chairman, Executive Director and Head of Valuation of the Valuer. Mr. Yue is a holder of Certified Public Accountant, holder of Chartered Global Management Accountant, holder of Hong Kong Securities Institute Practicing Certificate in Corporate Finance, member of the American Institute of Certified Public Accountants, member of the Colorado Society of Certified Public Accountants. Mr. Yue has more than twenty years of experience in accounting, auditing, compliance, valuation and corporate finance.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, no relationship or interest exists between the Valuer and any members of the Group, or any of their respective substantial shareholders, directors or chief executives, or of their respective associates that could reasonably be regarded as relevant to the independence of the Valuer.

### **Valuation approach and methodology**

#### ***Valuation Approach***

In arriving at the appraised value of the Sale Interest, the Valuer considered three accepted approaches, namely, Market-Based Approach, Income-Based Approach and Asset-Based Approach.

In the process of valuing Huali Digital Guangdong, the Valuer has taken into account the operations and the nature of the industry of Huali Digital Guangdong.

The Income-Based Approach was not adopted because a lot of assumptions would have to be made and the valuation could be largely influenced by any inappropriate assumptions made. The Asset-Based Approach was also not adopted because it could not capture the future earning potential of the major operating business of Huali Digital Guangdong and therefore it could not reflect the market value of the major operating business of Huali Digital Guangdong. The Valuer has therefore considered the adoption of the Market-Based Approach in arriving at the market value of Huali Digital Guangdong.

By adopting the Market-Based Approach, the Valuer has to determine the appropriate valuation multiples of comparable companies, in which the Valuer has considered price-to-sales, price-to-earnings and price-to-book multiples. The price-to-book multiples cannot reflect the future earnings and growth potentials of Huali Digital Guangdong and hence they were not adopted. The price-to-earnings multiples were not adopted because a temporarily high or low earnings figure can make the multiple looked artificially cheap or expensive. Therefore, the Valuer has adopted the price-to-sales (“P/S”) multiple as the Valuer considered it as the most appropriate multiple in calculating the market value of Huali Digital Guangdong.

### ***Selection criteria of comparable companies***

Comparable companies satisfying the following criteria, pertinent to the business operations of Huali Digital Guangdong, are adopted as guideline public companies for the valuation:

- (1) the companies have more than 70% revenues attributable to software & technology services (*Note 1*);
- (2) the companies are publicly listed on China’s principal stock exchanges (*Note 2*);
- (3) the companies have sufficient listing and operating histories more than 3 years (*Note 3*); and
- (4) the financial information of the companies is available to the public (*Note 4*).

#### *Notes:*

1. Huali Digital Guangdong is principally engaged in software & technology services business. It is understood that the comparable companies may operate other businesses. Therefore, the companies that have more than 70% of revenues attributable to the relevant business are deemed to have a similar business nature to Huali Digital Guangdong.
2. To better reflect valuation multiples in the Chinese market, comparable companies listed on China’s stock exchanges have been selected.
3. In order to screen for comparable companies with prices that were less volatile and could reflect their values, the comparable companies being listed over 3 years were expected to help achieving the filtering object.
4. The information of the comparable companies could be accessible by the Valuer and other parties. They also could be cross checked by the readers and reviewers.

Principal business location, and market capitalization were not considered as a selection criterion, as the business nature and the financial performance of comparable companies were primary considerations of the Valuer.

### ***Details of the comparable companies***

Details of the comparable companies adopted and their P/S multiples were listed as follows:

<b>Company Name</b>	<b>Stock Code</b>	<b>Business Description</b>	<b>P/S Multiple</b>
Shenzhen Jieshun Science And Technology Industry Co Ltd	002609.CH	Shenzhen Jieshun Science And Technology Industry Company Limited develops, produces and sells access control and management equipment and security system solutions. The company's main products include parking management systems, access control systems, channel gate management system, barrier, folding doors, security booths, etc.	3.38
Shenzhen Das Intellitech Co Ltd	002421.CH	Shenzhen Das Intellitech Co., Ltd provides smart information technology solutions for transportation network, healthcare and buildings.	2.45
PCI Technology Group Co Ltd	600728.CH	PCI Technology Group Co.,Ltd. provides artificial intelligence technology services and solutions. The company offers face recognition, structured, knowledge graph, intelligent big data technology services, and others. The company conducts businesses in smart city, intelligent rail transportation, artificial intelligence, and other fields.	1.32
Thunder Software Technology Co Ltd	300496.CH	Thunder Software Technology Co.,Ltd. develops smart terminal operating systems and platforms. The company provides smart mobile software development, automotive smart software development, and other services. The company serves customers across worldwide.	4.75
		<b>Adjusted Average P/S multiple</b>	<b>2.38</b>

The P/S multiple adopted was the adjusted average of the P/S multiples of the above comparable companies as at the Valuation Date as extracted from Bloomberg. In determining the adjusted average, outliers were identified and excluded based on a threshold of one standard deviation from the mean. The Valuer then obtained the estimated market value of Huali Digital Guangdong as at the Valuation Date by applying the P/S multiple adopted to the revenue of Huali Digital Guangdong of RMB8,909,092 contributable to the trailing 12-month period ended 31 December 2025. The market value of Huali Digital Guangdong in minority basis then arrived by adjusting with the control premium and the marketability discount.

### ***Marketability Discount and Control Premium***

With reference to the result of the restricted stock study published in “Stout Restricted Stock Study” by Stout Risius Ross, LLC, a discount for lack of marketability of 15.66% was adopted in arriving at the market value of Huali Digital Guangdong as at the Valuation Date.

As the Valuer is considering the market value of Huali Digital Guangdong from the perspective of controlling interest, the median control premium of 32.30% has been adopted to reflect the higher marketability of a controlling interest compared to a minority interest with reference to the Mergerstat Control Premium Study (4th Quarter of 2025) (the “**Study**”) published by FactSet Mergerstat, LLC., an independent information provider for merger and acquisition transaction data.

### **Valuation calculation and analysis**

The detailed calculation in arriving at the appraised value of Huali Digital Guangdong was illustrated as below:

Trailing 12 months net revenue as at the Valuation Date (RMB)	8,909,092
<i>Multiplied by: Adjusted Average of P/S Multiple</i>	2.38
Market value of 100% equity interests in Huali Digital Guangdong (in Minority Basis) (RMB) before adjustment on Control Premium and Marketability Discount	21,245,513
<i>Multiplied by: adjustment for control premium</i>	1+32.30%
Market value of 100% equity interests in Huali Digital Guangdong (RMB) before adjustment on Marketability Discount	28,107,813
<i>Multiplied by: adjustment for marketability discount</i>	(1 – 15.66%)
Market value of 100% equity interests in Huali Digital Guangdong (RMB)	23,706,130
Multiplied by: 70% equity interests	70%

Market value of 70% equity interests in Huali Digital Guangdong (RMB)	16,594,291
<b>Market value of 70% equity interests in Huali Digital Guangdong (RMB) (Rounded)</b>	<b>16,594,000</b>

*Note:* Total figures may not add up due to rounding.

### **Key assumptions**

The Valuer had the following valuation assumptions in arriving at the appraised value of the Sale Interest:

- (1) the audited financial statements of Huali Digital Guangdong as at 31 December 2025 could reasonably represent Huali Digital Guangdong's financial positions as at the Valuation Date since the audited financial statements as at the Valuation Date were not available;
- (2) all relevant legal approvals and business certificates or licenses to operate the business in the localities in which Huali Digital Guangdong operates or intends to operate would be officially obtained and renewable upon expiry;
- (3) there will be sufficient supply of technical staff in the industries in which Huali Digital Guangdong operates, and Huali Digital Guangdong will retain competent management, key personnel and technical staff to support its ongoing operations and developments;
- (4) there will be no major change in the current taxation laws in the localities in which Huali Digital Guangdong operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;
- (5) there will be no major change in the political, legal, economic or financial conditions in the localities in which Huali Digital Guangdong operates or intends to operate, which would adversely affect the revenues attributable to and profitability of Huali Digital Guangdong; and
- (6) interest rates and exchange rates in the localities for the operation of Huali Digital Guangdong will not differ materially from those presently prevailing.

## **Information reviewed**

The Valuer's opinion requires consideration of relevant factors affecting the market value of Huali Digital Guangdong. The factors considered included, but were not necessarily limited to, the following:

- audited financial statements of Huali Digital Guangdong for the period ended 31 December 2025;
- historical operational information of Huali Digital Guangdong;
- the nature and background of Huali Digital Guangdong; and
- economic outlook in China.

The Valuer has discussed the details with the management of the Company and Huali Digital Guangdong on the information provided and assumed that such information is reasonable and reliable. The Valuer has assumed the accuracy of information provided and relied on such information to a considerable extent in arriving at its opinion of value.

## **Limiting conditions**

The Valuation reflects facts and conditions existing at the Date of Valuation. Subsequent events or circumstances have not been considered and the Valuer is not required to update the Valuation Report for such events and conditions.

The Valuation was based on the information such as the company background and business nature of Huali Digital Guangdong provided to the Valuer.

To the best of the Valuer's knowledge, all data set forth in the Valuation Report are assumed to be reasonable and accurately determined. The data, opinions, or estimates identified as being furnished by others that have been used in formulating the analysis are gathered from reliable sources; yet, no guarantee is made nor liability assumed for their accuracy.

The Valuer has relied on the historical and/or prospective information provided by the management of the Company and Huali Digital Guangdong and other third parties to a considerable extent in arriving at its opinion of value. The information has not been audited or compiled by the Valuer. The Valuer is not in the position to verify the accuracy of all information provided to the Valuer. However, the Valuer has no reason to doubt the truth and accuracy of the information provided to the Valuer and to doubt that any material facts have been omitted from the information provided. No responsibilities for the operation and financial information that have not been provided to the Valuer are accepted.

The Valuer assumed that the management of Huali Digital Guangdong is competent and perform duties under the company regulation. Also, ownership of Huali Digital Guangdong was in responsible hands, unless otherwise stated in the Valuation Report. The quality of the management of Huali Digital Guangdong may have direct impact on the viability of the business as well as the market value of Huali Digital Guangdong.

The Valuer has not investigated the title to or any legal liabilities of Huali Digital Guangdong and have assumed no responsibility for the title to the Company appraised.

The conclusion of the market value was derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

The Directors have reviewed the assumptions adopted and valuation approach used in the Valuation Report and have been advised that the key assumptions adopted in the Valuation Report are commonly used in valuing similar companies. There are no irregularities noted by the Directors in relation to the quantitative inputs in the valuation. The Directors therefore consider that the key assumptions, key inputs, valuation approach and methodology adopted in the valuation are fair and reasonable.

## **INFORMATION ON HUALI DIGITAL GUANGDONG**

Huali Digital Guangdong is a limited liability company established under the laws of the PRC and as at the date of this announcement, is owned as to 70% by Huali Digital Zhengzhou and 30% by Shuimu Digital. Huali Digital Zhengzhou is a wholly-owned subsidiary of Dong Guan Huali, a substantial shareholder of the Company holding 370,449,650 Shares, representing approximately 19% of the issued share capital of the Company. Huali Digital Guangdong is principally engaged in applying new technologies such as IoT, big data, and artificial intelligence to provide one-stop solutions including development of software systems and related services, as well as operations and maintenance services to serve smart city development and enterprise digital transformation.

As at the date of this announcement, Huali Digital Guangdong does not have any subsidiaries.

Set out below is a summary of the financial information of Huali Digital Guangdong for the two years ended 31 December 2024 and 2025:

	<b>For the year ended</b>	
	<b>31 December 2025 (Audited) RMB'000</b>	31 December 2024 (Audited) RMB'000
Revenue	<b>8,909</b>	9,401
Profit before taxation	<b>1,006</b>	2,366
Profit after taxation	<b>970</b>	2,270

Based on the audited financial statements for the year ended 31 December 2025, the audited net asset value of Huali Digital Guangdong was approximately RMB12.17 million as at 31 December 2025.

Huali Digital Zhengzhou acquired the Sale Interest in May 2024. The original acquisition cost of the Sale Interest incurred by Huali Digital Zhengzhou was RMB12.81 million. Huali Digital Zhengzhou acquired 39.9301% equity interest in Huali Digital Guangdong from Shuimu Digital and Dongguan Herun Information Technology Investment Partnership (Limited Partnership), each being an Independent Third Party, under the 2024 Equity Transfer Agreement. Pursuant to the 2024 Equity Transfer Agreement, (i) Shuimu Digital has entered into an equity interest pledge agreement to pledge the 30% equity interest in Huali Digital Guangdong to Huali Digital Zhengzhou as security for its obligations under the performance guarantee under the 2024 Equity Transfer Agreement, and (ii) Huali Digital Zhengzhou, Huali Digital Guangdong, Shuimu Digital and Mr. Meng Lei has entered into a performance guarantee agreement. As a result of the Acquisition, such arrangement has been replaced by the new equity interest pledge and performance guarantee under the Equity Transfer Agreement.

## **REASONS FOR AND BENEFIT OF THE ACQUISITION**

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of cleaning and maintenance services in the PRC. The Purchaser is a wholly owned subsidiary of the Company and is principally engaged in software and information technology services business.

The Directors consider that the Acquisition, if materialises, represents a good opportunity for the Group to tap into the artificial intelligence systems development and related services market, further develop the capabilities of the artificial intelligence driven services of Huali Digital Guangdong in order to broaden the income stream of the Group and further diversify Huali Digital Guangdong's portfolio of AI-driven services.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the Acquisition is in the interest of the Company and the Shareholders as a whole.

Mr. Dong Jiangang, an executive Director and the chairman and president of Dong Guan Huali, is deemed to have a material interest in the Equity Transfer Agreement and the transactions contemplated thereunder and had abstained from voting on the resolutions of the Board approving the Equity Transfer Agreement and the transactions contemplated thereunder. Save for Mr. Dong Jiangang, no other Directors has any material interest in the Acquisition or was required to abstain from voting on the Board resolutions approving the Equity Transfer Agreement and the transactions contemplated thereunder.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Huali Digital Zhengzhou is a subsidiary of Dong Guan Huali which is a substantial shareholder of the Company with indirect interest in 370,449,650 Shares, representing approximately 19% of the issued share capital of the Company. As such, Huali Digital Zhengzhou is an associate of Dong Guan Huali and a connected person of the Company, and the entering into of the Equity Transfer Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As all of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in relation to the Acquisition are less than 5%, the Equity Transfer Agreement and the transactions contemplated thereunder is therefore subject to the reporting and announcement requirements but is exempt from the circular, independent financial adviser and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

**Shareholders and potential investors of the Company should note that completion is subject to the satisfaction of the conditions under the Equity Transfer Agreement. Accordingly, the Acquisition may or may not complete. Shareholders and potential investors of the Company are advised to exercise caution when dealing in Shares.**

## DEFINITIONS

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

“2024 Equity Transfer Agreement”	the equity transfer agreement dated 15 April 2024 entered into among Huali Digital Zhengzhou, Shuimu Digital, 東莞和潤信息技術投資合夥企業(有限合夥) (Dongguan Herun Information Technology Investment Partnership (Limited Partnership))* , Huali Digital Guangdong and Mr. Meng Lei as the then controller of Huali Digital Guangdong in relation to the sale and purchase of 39.9301% equity interest in Huali Digital Guangdong
“Acquisition”	the acquisition of the Sale Interest pursuant to the Equity Transfer Agreement
“Board”	the board of directors of the Company
“Company”	Shenghui Cleanness Group Holdings Limited (stock code: 2521), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”, “subsidiary(ies)”	has the meaning ascribed to it the Listing Rules
“Director(s)”	directors of the Company
“Dong Guan Huali”	東莞市華立實業股份有限公司 (Dong Guan City Huali Industries Co., Limited)* (SSE Security Code: 603038), a company listed on the Shanghai Stock Exchange
“Equity Transfer Agreement”	the equity transfer agreement dated 18 May 2026 entered into between Huali Digital Zhengzhou and the Purchaser in relation to the sale and purchase of the Sale Interest
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Huali Digital Guangdong”	華立數字科技(廣東)有限公司 (Huali Digital Technology (Guangdong) Co., Ltd.)*, a limited liability company established under the laws of the PRC
“Huali Digital Zhengzhou”	華立數字科技(鄭州)有限公司 (Huali Digital Technology (Zhengzhou) Co., Ltd.)*, a limited liability company established under the laws of the PRC, a wholly-owned subsidiary of Dong Guan Huali as at the date of this announcement
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Long Stop Date”	30 September 2026 or such later date as the parties to the Equity Transfer Agreement may agree
“Purchaser”	廣州天佑升輝數字科技有限公司 (Guangzhou Tianyou Shenghu Digital Technology Co., Ltd.)*, a wholly-owned subsidiary of the Company, which is established in the PRC with limited liability
“PRC”	the People’s Republic of China which, for the purposes of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interest”	the 70% equity interest in Huali Digital Guangdong as at the date of this announcement
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Shuimu Digital”	東莞水木數智科技投資合夥企業(有限合夥) (Dongguan Shuimu Digital Technology Investment Partnership (Limited Partnership))* , a limited partnership established under the laws of the PRC, and is 91% owned by Mr. Meng Lei

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Valuer”	Roma Appraisals Limited, a professional independent valuer and an Independent Third Party, engaged by the Company for the purpose of the appraisal of the value of the Sale Interest
“Valuation Date”	9 March 2026
“Valuation Report”	the valuation report dated 15 May 2026 and issued by the Valuer with respect to the entire equity interest in Huali Digital Guangdong as of the Valuation Date
“%”	per cent.

\* for identification purposes only

By Order of the Board  
**Shenghui Cleanness Group Holdings Limited**  
**Li Chenghua**  
*Co-chairman and Executive Director*

Hong Kong, 18 May 2026

*As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Li Chenghua (Co-chairman and Chief Executive Officer), Mr. Wei Dongjin (Co-chairman), Mr. Chen Liming and Mr. Dong Jiangang; and three independent non-executive Directors, namely Ms. Cheung Bo Man, Ms. Yau Yin Hung and Dr. Wang Hui.*