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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
TRANSFER OF THE TARGET PATENTS

TRANSFER OF THE TARGET PATENTS

The Board hereby announces that on 23 December 2025 (after trading hours of the Stock Exchange), Shenzhen Baishida as vendor entered into the Sale and Purchase Agreement with Guangzhou Tianyou Shenghui as purchaser pursuant to which Shenzhen Baishida agreed to transfer the Target Patents to Guangzhou Tianyou Shenghui, at the aggregate Consideration of RMB4 million (equivalent to approximately HK$4,440,000).

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shenzhen Baishida is a non-wholly owned subsidiary of BTI which is owned as to approximately 55.35% in aggregate by Mr. Wei, the co-chairman of the Board and an executive Director, and his spouse, and approximately 24.37% by the Group. Therefore, Shenzhen Baishida is a connected person (as defined under the Listing Rules) of the Company. Accordingly, the transactions contemplated under the Sale and Purchase Agreement constitute a connected transaction on the part of the Company. As the highest applicable percentage ratio in relation to the transfer of the Target Patents is more than 0.1% but less than 5%, the transaction is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial opinion) and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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PRINCIPAL TERMS OF THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out below:

Date:	23 December 2025
Parties:	(i) Shenzhen Baishida as vendor; and (ii) Guangzhou Tianyou Shenghui as purchaser
Target Patents:	15 patents solely owned by Shenzhen Baishida, comprising of 13 utility model patents and two design patents. The Target Patents are not revenue generating assets. Pursuant to the Sale and Purchase Agreement: (i) Shenzhen Baishida will cease to use the Target Patents from the effective date of the Sale and Purchase Agreement; and (ii) the entering into of the Sale and Purchase Agreement shall not affect the licenses which Shenzhen Baishida has granted to third parties for their use of the Target Patents prior to the effective date of the Sale and Purchase Agreement.
Consideration and basis of determination:	The aggregate Consideration for the transfer of the Target Patents is RMB4 million (equivalent to approximately HK$4,440,000).

	The above Consideration was determined after arm's length negotiations between Shenzhen Baishida and Guangzhou Tianyou Shenghui with reference to the appraised value of the Target Patents of approximately RMB4 million as at the Valuation Benchmark Date as set out in the Valuation Report issued by the Valuer.
Payment method:	The total Consideration shall be payable by Guangzhou Tianyou Shenghui to Shenzhen Baishida in cash on or before 31 December 2025.
Completion:	Shenzhen Baishida shall file the application for the transfer of the Target Patents to Guangzhou Tianyou Shenghui with the relevant patent administration authority in the PRC on or before 31 December 2025 and use its best endeavours to complete the registration of the transfer of the Target Patents.

INFORMATION OF GUANGZHOU TIANYOU SHENGHUI

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of cleaning and maintenance services in the PRC.

Guangzhou Tianyou Shenghui is a company established in the PRC and is a wholly-owned subsidiary of the Company. Guangzhou Tianyou Shenghui is principally engaged in the provision of and resale of waste recycling in the PRC.

INFORMATION OF SHENZHEN BAISHIDA

Shenzhen Baishida is a company established in the PRC in 2021 and is a non-wholly owned subsidiary of BTI. BTI is a company established in the PRC, the shares of which are listed on NEEQ (stock code: 833204). BTI, together with its subsidiaries, are principally engaged in recycling of waste materials for manufacturing of packaging materials, and design, manufacture and sale of environmentally friendly biodegradable materials.

In particular, Shenzhen Baishida is principally engaged in the promotion and application of science and technology services.

As at the date of this announcement, the issued shares of BTI is owned as to approximately 24.37% by the Group and approximately 55.35% in aggregate by Mr. Wei, the co-chairman of the Board and an executive Director and his spouse. Therefore, Shenzhen Baishida is a connected person (as defined under the Listing Rules) of the Company.

REASONS FOR AND BENEFITS OF THE TRANSFER OF THE TARGET PATENTS

On 21 October 2024, the Company, through its subsidiary, has successfully co-developed the first model of and completed the trial production of the equipment (the "**Equipment**") using the patented technology from BTI, its strategic partner, and customizing the Equipment based on the Group's requirement and usage with a focus of zero waste water during the process. The Equipment will process the waste materials, which are mainly from the collected paper waste (including parcel packaging materials, post-consumed paper food box, paper cups, tissue, wooden boards), organic waste (including coffee grounds, used tea leaves, and agricultural, forestry straw materials* (農林秸稈資源) collected from the cutting of trees and grass), and other wasted plant materials from the Group's daily cleaning and maintenance operations, into environmentally friendly pulp, paper cartons, packaging materials, boards and organic fertilizer, by leveraging the recycling technology from BTI.

The Group intends to use the Equipment (i) in bio-based industrial parks in Hong Kong, Macau and Singapore in particular, which have scarce land resources and an increasing demand for recycling of garbage and waste materials, and (ii) to support its existing business by utilising the waste and garbage collected by the Group to reinforce its ESG efforts. The development of such equipment is also fundamental to the Group's future plans which align with the PRC governmental policies to promote the buildup of the value chain for recycling of materials nationwide, and the Group's competitiveness in an industry with rising ESG awareness and demand. As at the date of this announcement, the Group has been installing the Equipment at the Baishi Shenghui Recycling Economy Industrial Demo Park* (百市升輝循環經濟產業示範園) based in Panyu, Guangdong province, the PRC, covering an area of 21 mu (equivalent to approximately 14,000 square meters).

By reason of the above and in order to enhance the influence of Guangzhou Tianyou Shenghui in the green recycling sector, the Company is of the view that the transfer of the Target Patents would facilitate and streamline the Group's further development of the Equipment and strengthen the Group's core competitiveness in the waste recycling and reuse market. The Company's ability to coordinate with Guangzhou Tianyou Shenghui vertically and horizontally, which will form a closed-loop industrial ecosystem, will elevate the Group's core competitiveness in such industry and benefit the Company's long-term development.

In the light of above, the Directors (including the independent non-executive Directors) believe that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the transfer of the Target Patents, is entered into on normal commercial terms in the ordinary and usual course of business of the Company, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

VALUATION

The Consideration was determined after arm's length negotiations between Shenzhen Baishida and Guangzhou Tianyou Shenghui with reference to the appraised value of the Target Patents of approximately RMB4 million as at the Valuation Benchmark Date as set out in the Valuation Report issued by the Valuer.

The rationale for choosing the cost approach for valuation is that the intangible assets cost includes all material and living labor expenses incurred during the research, development, acquisition, and ownership period. For the Target Patents, the patents owner, through cost accounting and measurement analysis, can reliably estimate the technology's research and development costs, which mainly include the remuneration of research and development personnel and material costs during the patents development period. Through communication with the patent owner's research and development personnel, responsible persons, and financial personnel, the Valuer ensures that the Target Patents are applicable to the valuation benchmark and meets the cost and valuation conditions.

The market approach is not adopted as intangible assets are non-standard and unique. It is difficult to identify comparable objects with similar form, function, carrier and transaction conditions for the valuation.

The income approach is not adopted as income approach is a valuation method that estimates the expected income over the economic life of the assets being valued and apply a discount to its present value using an appropriate discount rate to determine the value of the assets being valued. Due to the existence of objective uncertainty, it is difficult for the patents owner to accurately quantify the contribution of intangible assets to future income, and since income cannot be forecasted based on historical data, the income approach is not the suitable valuation method for the valuation.

In view of the above, the valuation method selected and used in the Valuation Report is the cost approach.

The cost approach is described as follows:

The cost approach is a method of assessing the value of an asset by measuring its replacement cost, estimating its various depreciations, and deducting them from the replacement cost.

Appraised value = replacement cost x (1 − depreciation rate)

where:

Replacement cost is the sum of research and development acquisition cost, asset cost, and reasonable profit.

Research and development acquisition cost is the sum of costs of labor, costs of acquisition of patents, and other research and development costs.

Asset cost is the product of research and development acquisition cost, research and development period, and interest rate divided by two.

Reasonable profit is the product of research and development acquisition cost and profit margin

Depreciation rate of intangible assets is determined based on the comprehensive assessment of the validity period of the patent, the current usage status of the patent, and the advancement level of the assets.

The valuation is computed based on the following general assumptions:

- there are no material changes in the laws, regulations, and policies concerning the patents holder, the macro-economic situation, or the political, economic, and social environment of the regions where the transaction contemplated under the Sale and Purchase Agreement is located;

- the management team after the valuation benchmark date will be responsible, stable, and capable of performing their duties;

- the evaluated company can pay the annual fee by the required time during the patent's validity period;

- no force majeure or unforeseen events will have a material adverse effect on the patents owner in the future;

- the basic and financial information provided by the client and the patents holder is true, accurate, and complete; and

- the financial reports and transaction data of the compared companies used by the Valuer are all authentic and reliable.

The valuation is computed based on the following specific assumptions:

- it is assumed that after the Valuation Benchmark Date, the patents holder will maintain the same scope and manner of operations which are consistent with the current operations, based on existing management practices and standards;

- it is assumed that the accounting policies adopted by the patents holder after the Valuation Benchmark Date will remain consistent in all material respects with those applied in preparing the Valuation Report;

- it is assumed that interest rates, exchange rates, tax bases and rates, policy-based levies, and other relevant factors for the patents holder will not undergo significant changes after the Valuation Benchmark Date;

- it is assumed that the Target Patents will develop at a normal technological pace after the Valuation Benchmark Date, without considering the impact of breakthrough technological changes on the Valuation;

- it is assumed that (i) the Target Patents can be successfully industrialised and will generate reasonable (typically industry-average) economic benefits; (ii) the research and development expenditure for the Target Patents is evenly allocated throughout the development process; (iii) labour costs included in the development cost of the Target Patents are at a socially average level; and (iv) no other human-induced force majeure or unforeseeable factors will have a significant adverse impact on the Target Patents; and

- it is assumed that the patents holder fully complies with all relevant laws and regulations.

Based on the investigation and the valuation methodology adopted, the Valuer is of the opinion that the appraised value of the Target Patents as of the Valuation Benchmark Date was RMB4,037,600.

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

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shenzhen Baishida is a non-wholly owned subsidiary of BTI which is owned as to approximately 55.35% in aggregate by Mr. Wei, the co-chairman of the Board and an executive Director, and his spouse, and approximately 24.37% by the Group. Therefore, Shenzhen Baishida is a connected person (as defined under the Listing Rules) of the Company. Accordingly, the transactions contemplated under the Sale and Purchase Agreement constitute a connected transaction on the part of the Company. As the highest applicable percentage ratio in relation to the transfer of the Target Patents is more than 0.1% but less than 5%, the transaction is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial opinion) and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the meanings as set out below:

"Board"	the board of Directors of the Company
"BTI"	Best Technology (Shenzhen) Inc.* (深圳市百事達卓越科技股份有限公司), a limited liability company established in the PRC, the shares of which are listed on NEEQ (stock code: 833204)
"Company"	Shenghui Cleanness Group Holdings Limited 升輝清潔集團控股有限公司, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2521)
"connected person"	has the meaning ascribed thereto in the Listing Rules
"Consideration"	the consideration for the transfer of the Target Patents
"Director(s)"	the director(s) of the Company
"ESG"	environmental, social and governance
"Group"	the Company and its subsidiaries

"Guangzhou Tianyou Shenghui"	Guangzhou Tianyou Shenghui Environmental Technology Co., Ltd* (廣州天佑升輝環保科技有限公司), a wholly-owned subsidiary of the Company
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"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
"Mr. Wei"	Mr. Wei Dongjin* (魏東金), the co-chairman and executive Director
"NEEQ"	the National Equities Exchange and Quotations
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Sale and Purchase Agreement"	the sale and purchase agreement dated 23 December 2025 and entered into between Shenzhen Baishida as vendor and Guangzhou Tianyou Shenghui as purchaser in relation to the transfer of the Target Patents
"Shareholder(s)"	the holder(s) of the Shares
"Shares"	the ordinary share(s) with par value of HK$0.01 each in the issued share capital of the Company
"Shenzhen Baishida"	Shenzhen Baishida Biotechnology Company Limited* (深圳百市達生物技術有限公司), a limited liability company established in the PRC and a non-wholly owned subsidiary of BTI
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Patents"	15 patents solely owned by Shenzhen Baishida, comprising of 13 utility model patents and two design patents
"Valuation Benchmark Date"	30 November 2025

"Valuation Report"	the valuation report dated 17 December 2025 and issued by the Valuer with respect to the appraisal of the value of the Target Patents
"Valuer"	Yuwei International Assets Appraisal (Shenzhen) Company Limited* (宇威國際資產評估（深圳）有限公司), a professional independent and qualified PRC valuer and an Independent Third Party, engaged by the Company for the purpose of the appraisal of the value of the Target Patents
"%"	per cent.

In this announcement, amounts in RMB are translated to HK$ on the basis of RMB1=HK$1.11. The conversions are for illustration purpose only and should not be taken as a representation that RMB could actually be converted into HK$ at that rate or at other rates or at all.

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

Hong Kong, 23 December 2025

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

* *For identification purposes only*