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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 FORMATION OF JOINT VENTURE

FORMATION OF JOINT VENTURE

The Board is pleased to announce that on 30 June 2026, BTI and Guangzhou Tianyou, an indirectly wholly-owned subsidiary of the Company entered into the JV Agreement in relation to the formation of the JV Company. Pursuant to the JV Agreement, BTI and Guangzhou Tianyou shall contribute RMB21.42 million and RMB9.18 million in cash in the JV Company respectively, accounting for 70% and 30% of the registered capital of the JV Company. Upon its establishment, the total registered capital of the JV Company shall be RMB30.6 million.

The contribution of Guangzhou Tianyou to the registered capital of the JV Company will be financed by the internal funds of the Group. The JV Company will not become a subsidiary of the Company, and the financial results of the JV Company after its establishment will not be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As at the date of this announcement, (i) Guangzhou Tianyou is an indirectly wholly-owned subsidiary of the Company; and (ii) BTI 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 24.56% by the Group. Accordingly, BTI is a connected person of the Company. Therefore, the JV Formation constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios of the JV Formation is more than 0.1% but less than 5%, the JV Formation is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but exempt from the circular, independent financial advice and independent Shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 30 June 2026, BTI and Guangzhou Tianyou, an indirectly wholly-owned subsidiary of the Company entered into the JV Agreement in relation to the formation of the JV Company. Pursuant to the JV Agreement, BTI and Guangzhou Tianyou shall contribute RMB21.42 million and RMB9.18 million in cash in the JV Company respectively, accounting for 70% and 30% of the registered capital of the JV Company. Upon its establishment, the total registered capital of the JV Company shall be RMB30.6 million.

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THE JV AGREEMENT

The principal terms of the JV Agreement are set out below:

Date	: 30 June 2026
Parties	: (i) BTI; and (ii) Guangzhou Tianyou
Registered capital and capital contribution	: Pursuant to the terms of the JV Agreement, BTI and Guangzhou Tianyou shall contribute RMB21.42 million and RMB9.18 million in cash in the JV Company respectively, accounting for 70% and 30% of the registered capital of the JV Company. Upon its establishment, the total registered capital of the JV Company shall be RMB30.6 million.

Capital contributions of each of the parties to the JV Agreement in the aforementioned proportions shall be fully paid up before 31 July 2028 (the “**Long Stop Date**”) in accordance with the JV Agreement.

The contribution of Guangzhou Tianyou to the registered capital of the JV Company will be financed by the internal funds of the Group. The JV Company will not become a subsidiary of the Company, and the financial results of the JV Company after its establishment will not be consolidated into the financial statements of the Group.

The amount of the contribution to the JV Company was determined after arm's length negotiations among the parties with reference to the JV Company's capital requirements for its capital contribution to another joint venture company in Fujian Province, the PRC and shall be paid in cash. The contribution of RMB9.18 million by Guangzhou Tianyou will be funded by internal resources of the Group.

Board composition : The JV Board will consist of no more than three directors.

Each of BTI and Guangzhou Tianyou are entitled to appoint a maximum of 2 and 1 director(s) respectively. The chairman of the JV Board shall be appointed by BTI, whom shall be the legal representative of the JV Company.

Ordinary matters of the JV Company shall be passed by more than half of all directors of the JV Company and special matters of the JV Company shall be passed by more than two-thirds of all directors of the JV Company.

Shareholders' meeting : The voting rights of the shareholders of the JV Company are exercised in proportion to their respective capital contributions.

Special matters such as resolutions on the amendments to the articles of association of the JV Company, increases or decreases in capital, mergers, spin-offs, or dissolution, external guarantees, and individual investments exceeding RMB2 million must be approved by shareholders of the JV Company representing at least two-thirds of the voting rights.

Supervisor and senior management : The supervisor shall be appointed by Guangzhou Tianyou for a term of 3 years and may be re-appointed upon expiry of the term.

The general manager shall be nominated by BTI and appointed by the JV Board.

The chief financial officer shall be recommended by BTI and appointed by the JV Board.

- Rights and obligations** : The rights of the shareholders of the JV Company include the right:
- (i) to receive dividends, have priority in subscribing to capital increases, and participate in the distribution of residual assets in proportion to their shareholdings;
 - (ii) to attend shareholders' meetings, exercise voting rights, and inspecting documents of the JV Company;
 - (iii) to appoint directors and/or supervisors and to participate in the company's management and supervision.

The obligations of the shareholders of the JV Company include:

- (i) contributing capital in full and on time, and not to withdraw capital contributions;
- (ii) complying with laws, regulations, and the articles of association of the JV Company, and not to abuse shareholder rights to the detriment of the company or the other party;
- (iii) maintaining the confidentiality of the JV Company's trade secrets and not to disclose non-public information.

- Shares transfer restriction** : Each shareholder of the JV Company transferring its equity interests must provide the other party with 30 days' prior written notice.

Each of the other shareholder of the JV Company shall have a right of first refusal to acquire the shares in the JV Company proposed to be sold by such shareholder of the JV Company under such terms as set forth in the transfer notice.

Termination and breach of the JV Agreement : If either party fails to make their respective capital contribution by the Long Stop Date, it shall pay a penalty of 0.05% of the unpaid contribution amount for each day of delay. If the delay exceeds 90 calendar days, it shall be deemed a fundamental breach, and the non-breaching party shall have the right to terminate the JV Agreement and claim compensation for losses.

If either party violates the JV Agreement or the articles of association of the JV Company, thereby causing losses to the JV Company or the other party, the breaching party shall compensate for such losses in full.

INFORMATION OF THE PARTIES

Guangzhou Tianyou

The Group is principally engaged in the provision of cleaning and maintenance services in the PRC. Guangzhou Tianyou is an indirectly wholly-owned subsidiary of the Company and is principally engaged in the provision of recycling and reprocessing of waste paper.

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.

BTI 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 24.56% by the Group.

REASONS FOR AND BENEFITS OF THE JV FORMATION

The JV Formation forms part of BTI and the Group's joint effort into expanding its reach in the recycling and environmental protection industry in the PRC. Upon the establishment of the JV Company, the JV Company will form another joint venture company (the "**JV's Subsidiary**") in Fujian Province in the PRC which will principally be engaged in operations to achieve full integration and refinement of cavitation pulping equipment technology, forming a production and processing base for new materials in the South Industrial Park, Yongding District, Longyan City, Fujian, PRC. The JV Company will be principally engaged in investment holdings to hold the registered capital of the JV's Subsidiary. The JV's Subsidiary will be owned as to 51% by the JV Company, as to 30% by Fujian Yongding Industrial Park Investment and Construction Development Company Limited* (福建永定產業園區投資建設發展有限公司) ("**Yongding Investment**") and as to 19% by Longyan City Green Olive Environmental Protection Technology Company Limited* (龍岩市青橄欖環保科技有限公司) ("**Green Olive**"). The JV's Subsidiary, Yongding Investment and Green Olive will contribute RMB30,600,000, RMB18,000,000 and RMB11,400,000 respectively to the JV's Subsidiary as registered capital. As at the date of this announcement, (i) Yongding Investment is a state-owned enterprise; and (ii) Green Olive is held as to 80% by Longyan City Green Olive Paper Products Company Limited* (龍岩市青橄欖紙製品有限公司) ("**GOPP**") and as to 20% by BTI, and GOPP is held as to 41.25% by Mr. Qiu Jianyang* (邱健陽先生) and 3 other shareholders who each hold less than one-third of the registered capital of Green Olive. To the best knowledge of the Directors, having made reasonable enquiries, Yongding Investment, Green Olive and their ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

The Board is of the view that this initiative aligns with the Group's strategic development objectives to expand beyond its current business into green business, to diversify the revenue stream of the Group and bring stable and sustainable growth in revenue to the Group in the long run.

The Directors (including the independent non-executive Directors) are of the view that the terms of the transaction contemplated under the JV Agreement are fair and reasonable and are on normal commercial terms and in the ordinary and usual course of business of the Company, and the JV Formation is in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

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As one or more applicable percentage ratios of the JV Formation is more than 0.1% but less than 5%, the JV Formation is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but exempt from the circular, independent financial advice and independent Shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

Mr. Wei, the co-chairman of the Board and an executive Director, is regarded as having material interest in the transactions contemplated under the JV Agreement and has abstained from voting on the board resolutions approving the JV Agreement and the transactions contemplated thereunder. Save for the above Director, none of other Directors has been or is deemed to be materially interested in the transactions contemplated under the JV Agreement, so no other Director was required to abstain from voting on the Board resolutions of the Company approving the JV Formation. The Directors (including the independent non-executive Directors but excluding Mr. Wei) have considered and approved the resolution on the JV Formation.

DEFINITIONS

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

“Board”	the board of Directors
“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)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guangzhou Tianyou”	Guangzhou Tianyou Shenghui Environmental Technology Co., Ltd. (廣州市天佑升輝保科技有限公司), a company established in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV Agreement”	the joint venture agreement dated 30 June 2026 and entered into between BTI and Guangzhou Tianyou in relation to the formation of the JV Company

“JV Board”	the board of directors of the JV Company
“JV Company”	a joint venture company to be established in the PRC with limited liability pursuant to the terms of the JV Agreement
“JV Formation”	the formation of the JV Company pursuant to the JV Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Shareholder(s)”	holders of the issued shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 30 June 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. Dong Jiangang 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