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HUISHENG INTERNATIONAL HOLDINGS LIMITED
惠生國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1340)

VERY SUBSTANTIAL ACQUISITION
IN RELATION TO THE ACQUISITION OF 100% EQUITY INTEREST IN SHANGHAI JINGGUAN INTELLIGENT TECHNOLOGY CO., LTD.

Financial Adviser to the Company

Donvex 富域資本
Donvex Capital Limited
富域資本有限公司

THE ACQUISITION AND THE EQUITY TRANSFER AGREEMENT

The Board of Directors of the Company is pleased to announce that on 23 November 2026 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing 100% of the equity interest in the Target Company at the cash Consideration of RMB30,100,000 (equivalent to approximately HK$35,122,000), which shall be satisfied in cash.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

Since the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 100%, the Acquisition constitutes a very substantial acquisition for the Company under the Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

EGM

The EGM will be convened to consider and, if thought fit, approve, among other things, the Equity Transfer Agreement and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of the Equity Transfer Agreement, no Shareholder has a material interest in the Equity Transfer Agreement and the transactions contemplated thereunder. As such, no Shareholder will be required to abstain from voting on the resolution(s) to be proposed at the EGM to approve the Equity Transfer Agreement and the transactions contemplated thereunder.

GENERAL

A circular containing, among others, (i) further details of the Equity Transfer Agreement and the transactions contemplated thereunder; (ii) the accountant's report on the Target Company; (iii) the unaudited pro forma financial information of the Enlarged Group; (iv) the valuation report on 100% of the equity interest in the Target Company prepared by the Independent Valuer; (v) other information as required to be disclosed under the Listing Rules; and (vi) a notice convening the EGM, will be despatched to the Shareholders on or before 10 December 2026.

Shareholders and potential investors of the Company should note that the Completion is subject to the fulfilment of the Conditions Precedent under the Equity Transfer Agreement. As the Acquisition may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

INTRODUCTION

On 23 November 2026 (after trading hours), the Purchaser and the Vendor entered into the Equity Transfer Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the entire equity interest of the Target Company at the cash Consideration of RMB30,100,000 (equivalent to approximately HK$35,122,000).

THE EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are summarised below.

Date	23 November 2026 (after trading hours)
Parties	(i) 天工智匯(深圳)科技有限公司, an indirect wholly-owned subsidiary of the Company, as purchaser; and

(ii) the Vendor, as vendor.

Subject matter — 100% of the equity interest in the Target Company.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Group.

The Consideration

The Consideration is RMB30,100,000 (equivalent to approximately HK$35,122,000), which shall be paid by the Purchaser to the Vendor in cash in the following manner:

(i) as to RMB3,010,000 (equivalent to approximately HK$3,512,200), representing 10% of the Consideration, within one month after the date of the Equity Transfer Agreement (or such later date as the parties may mutually agree); and

(ii) as to RMB27,090,000 (equivalent to approximately HK$31,609,800), representing the remaining 90% of the Consideration, within one month after the Completion Date (or such later date as the parties may mutually agree).

The Consideration will be funded by the Group's internal resources.

Profit guarantee

Pursuant to the Equity Transfer Agreement, the Vendor has guaranteed to the Purchaser that the net profit after tax of the Target Company for each of the two financial years ending 31 December 2026 and 2027 will not be less than RMB7,000,000 and RMB9,100,000 respectively (the "**Guaranteed Profit**"). The Purchaser will procure the auditors of the Group to issue the audited financial statements of the Target Company within three months after the end of the 2026 and 2027 financial years. If the audited net profit after tax of the Target Company for any of the 2026 and/or 2027 financial years is less than the Guaranteed Profit, the Vendor shall pay the shortfall to the Purchaser in cash on a dollar-for-dollar basis within 30 days after the issuance of such audited financial statements.

Conditions Precedent

Completion is conditional upon the fulfillment of the following Conditions Precedent:

(i) the Purchaser having completed its due diligence on the Target Company and being satisfied with the results thereof;

(ii) all authorisations, consents, approvals, waivers, filings, registrations and permits from the relevant governmental authorities, regulatory authorities or other third parties required under applicable laws and regulations for the signing and performance of the Equity Transfer Agreement having been obtained;

(iii) the Final Valuation prepared and issued by the Independent Valuer, being not less than RMB30.7 million;

(iv) the Equity Transfer Agreement and the transactions contemplated thereunder having been approved by the Shareholders at the EGM in accordance with the Listing Rules; and

(v) the Acquisition is not regarded as a reverse takeover under the Listing Rules.

The Purchaser may at its discretion waive any of the Conditions Precedent, save for the conditions set out in paragraphs (iv) and (v) above. If any of the Conditions Precedent is not satisfied or waived on or before the Long Stop Date or such other date as the Purchaser and the Vendor may agree in writing, either party may terminate the Equity Transfer Agreement by written notice to the other, whereupon the Vendor shall return to the Purchaser all Consideration already paid (if any) within 14 days, and all rights and obligations of the parties under the Equity Transfer Agreement shall cease, save in respect of any antecedent breach.

As at the date of this announcement, none of the Conditions Precedent has been satisfied or waived.

Completion

Within 7 days after the fulfillment or waiver (as the case may be) of all the Conditions Precedent, the parties shall sign and submit the documents required for the registration of change of shareholder in respect of the Sale Shares. Completion shall take place upon completion of such change of registration, whereupon the Purchaser will be registered as the legal holder of 100% of the equity interest in the Target Company. If Completion does not take place within 30 days after the fulfillment or waiver (as the case may be) of all the Conditions Precedent (or such other date as the parties may agree in writing) without fault of either party, any party may terminate the Equity Transfer Agreement by written notice, whereupon the Vendor shall return to the Purchaser all Consideration already paid (if any) within 14 days, and all rights and obligations of the parties under the Equity Transfer Agreement shall cease, save in respect of any antecedent breach.

Retention of the management of the Target Company

Pursuant to the Equity Transfer Agreement, subject to the relevant PRC laws, the Vendor undertakes to procure that the existing core technical and management team of the Target Company continues to serve the Target Company for three years after the Completion. The biographical details of the core technical and management team of the Target Company are set out below.

Mr. Zhang Xiaoqing (張曉青), the executive director and legal representative of the Target Company, is primarily responsible for overall corporate management, business development and daily operations of the Target Company. Mr. Zhang has more than 20 years of experience in the electronic technology industry. From 2005 to 2021, Mr. Zhang served as the chairman in Beijing Xingyuanda Technology Co. Ltd.* (北京興遠達科技有限公司), a PRC company engaged in, among others, satellite navigation and location services, intelligent transportation and management businesses. Mr. Zhang obtained a bachelor's degree from Nanjing University (南京大學).

Dr. Zheng Qinfen (鄭勤奮), the chief artificial intelligence scientist of the Target Company since 2022, is primarily responsible for leading the core AI visual technology architecture and algorithm research and development of the Target Company. Dr. Zheng has approximately 30 years of research and development experience in artificial intelligence computer vision and image analysis, covering image and video analytics, automatic target detection and recognition, human recognition and gait analysis, 3D reconstruction and multi-sensor fusion. He has published over 70 academic papers in international journals and holds a number of US invention patents. Prior to joining the Target Company, Dr. Zheng was selected as an expert under the Shanghai "Thousand Talents Plan" (上海「千人計劃」) in 2015. Since joining the Target Company, Dr. Zheng has led the development of the Target Company's industrial AI visual algorithms and analytical models for operating condition recognition of dust removal systems, visual monitoring of flue gas and dust concentration, and intelligent fault diagnosis of industrial equipment. Dr. Zheng obtained a bachelor's degree and a master's degree in electronic engineering from the University of Science and Technology of China (中國科學技術大學) and a doctoral degree in electrical engineering from the University of Southern California in the United States.

Dr. Zhou Yang (周洋), the chief engineer of AI system technical support and research and development of the Target Company since July 2019, is primarily responsible for overall AI system research and development, productisation and industrial deployment of the Target Company. Dr. Zhou has extensive experience in the commercialisation and industrial application of machine learning, deep learning and enterprise-level large models, and leads the research, development and roll-out of the Target Company's AI data analytics and time-series forecasting products, embedding AI algorithms and model capabilities into industrial production scenarios. Dr. Zhou obtained a master's degree and a doctoral degree from Dalian University of Technology (大連理工大學).

Basis of the Consideration

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor, having taken into account, among other things:

(i) the preliminary valuation on the 100% equity interest in the Target Company of approximately RMB30.7 million prepared by the Independent Valuer by market approach as at 30 September 2026 (the "**Valuation Date**");

(ii) the financial information of the Target Company;

(iii) the business prospects and quantitative intrinsic value of the Target Company; and

(iv) the reasons for and benefits of the Acquisition as set out below.

Details of the Board's consideration and assessment for each of the above factors are set out under the respective paragraphs in this announcement below.

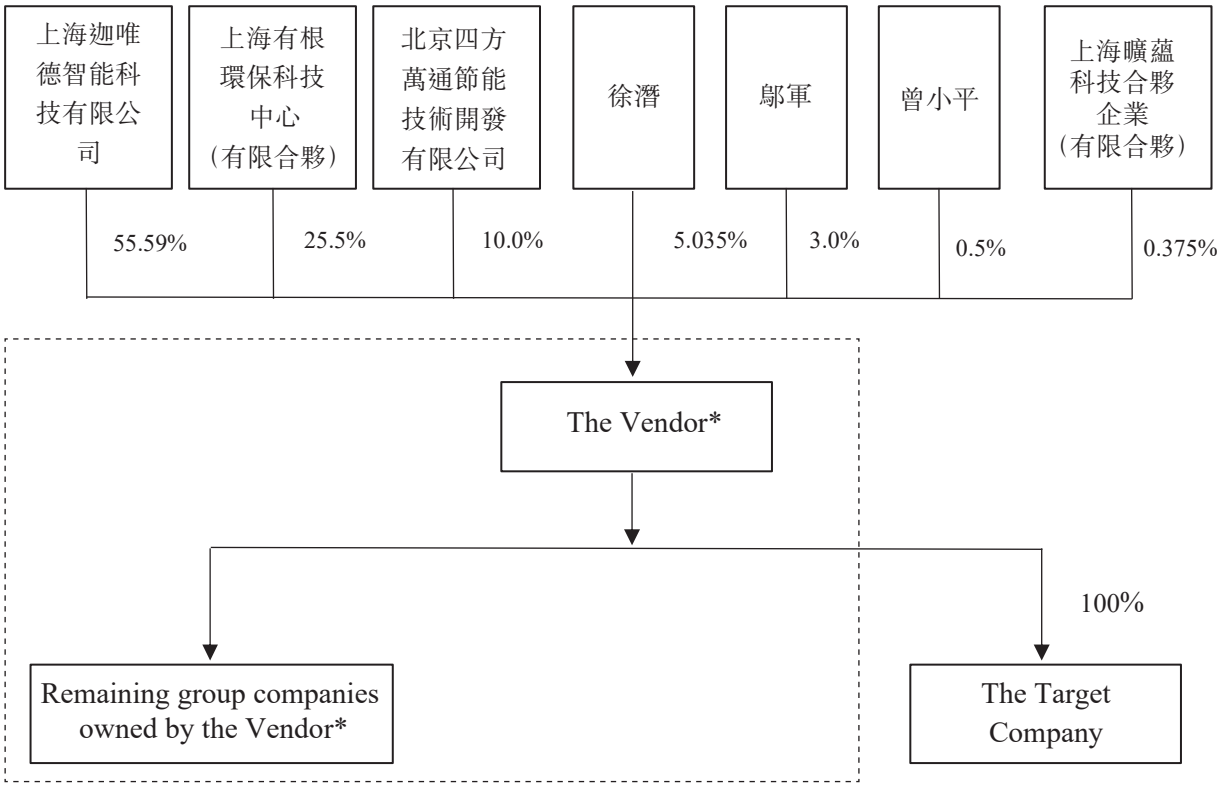
INFORMATION OF THE GROUP AND THE PURCHASER

The Group is principally engaged in the slaughtering of livestock and the trading of pork products, including the production and sale of fresh, chilled and frozen pork, pork by-products and processed pork products, as well as hog breeding and hog farming in Changde, Hunan Province, the PRC. The Group is also engaged in the sale of pipeline system products and the provision of related technical consulting services.

The Purchaser is incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. The Purchaser is principally engaged in investment holding.

INFORMATION OF THE VENDOR

The Vendor is a joint stock company established in the PRC with limited liability and is principally engaged in the provision of integrated solutions and services for the treatment of industrial fugitive dust and waste gas and for the monitoring of regional ambient air quality for industrial cities, industrial parks and enterprise parks. As of the date of this announcement, the Vendor owns 100% of the Target Company. To the best of the Directors' knowledge, information and belief, and based on the information available to the Company, the Vendor has seven shareholders as of the date of this announcement. The existing shareholding structures of the Vendor and the Target Company are set out below for references:



* *The Vendor and the remaining group companies owned by the Vendor collectively named as the Vendor Remaining Group.*

Existing shareholders of the Vendor and their respective shareholdings

The shareholders and respective shareholdings of 上海迦唯德智能科技有限公司 are set out below:

Name of shareholders	**Percentage of shareholding (%)**
徐潛	99.0
王燕春	1.0

The shareholders and respective shareholdings of 上海有根環保科技中心(有限合夥) are set out below:

Name of shareholders	**Percentage of shareholding (%)**
徐潛	55.7371
孫昕	21.6909
張曉青	7.8436
趙光遠	4.9017
黃朝軍	2.9413
王富江	2.2059
崔少軍	1.2496
陳順	0.5884
柯貴勝	0.5884
張晨	0.551
徐飛	0.551
岳佳麗	0.4898
解淇凱	0.2939
蔡強	0.2204
譚德	0.1469

The shareholders and respective shareholdings of 北京四方萬通節能技術開發有限公司 are set out below:

Name of shareholders	**Percentage of shareholding (%)**
華冶鋼鐵工程咨詢公司	60.0
冶金工業規劃研究院	40.0

To the best of the Directors' knowledge, information and belief, 華冶鋼鐵工程咨詢公司 is 100% owned by 國家冶金工業局 (the related functions of which had been subsequently taken over by the China Iron and Steel Association and relevant ministries and commissions.) and 冶金工業規劃研究院 which is the subordinate of 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).

The shareholders and respective shareholdings of 上海曠蘊科技合夥企業(有限合夥) are set out below:

Name of ultimate beneficial owners	**Percentage of shareholding (%)**
史立峰	60.0
鄭勤奮	40.0

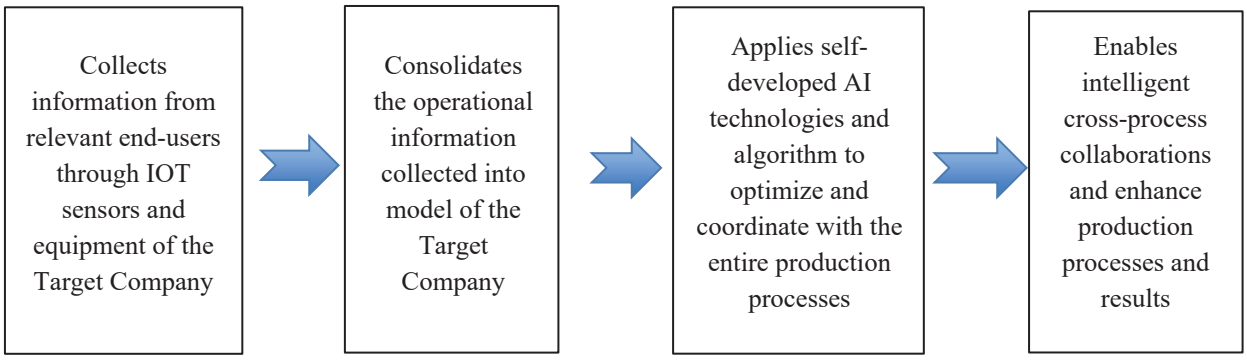
As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor, the shareholders of the Vendor and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its respective connected persons.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Group.

INFORMATION OF THE TARGET COMPANY

The Target Company, a company established in the PRC with limited liability, develops and delivers enterprise-level data intelligence, software development, and technical services, covering data analysis, system implementation, algorithm development and ongoing operation and maintenance support. The AI decision and operation platform of the Target Company could be used to improve and enhance the operational efficiency of different industries.

Visual data could be collected through closed-circuit television (CCTV) by capturing live video streams from cameras and feeding them into computer systems for analysis, storage and artificial intelligence processing. By transmitting data from customers' operations and/or accumulated data into computer vision analysis, the Target Company can provide solutions to enhance production results. The following is a simplified illustration of the platform of the Target Company.



History and business model of the Target Company

The Vendor and its remaining group companies (the "**Vendor Remaining Group**") was established by its shareholders with extensive experience in steel and metallurgical industry. In its projects contracted with end-users, the Vendor Remaining Group acts as the principal contractor, undertaking responsibility for the entire project: including overall project management, hardware and equipment procurement, system integration, delivery, and acceptance. Given the Target Company's expertise and track record in developing integrated AI decision and operation platforms, the Vendor Remaining Group delegates the development of the AI platform to the Target Company. Therefore, over the years, the Target Company derived substantially all revenue from the Vendor Remaining Group by supplying its self-developed AI technology platforms, which were bundled into the Vendor Remaining Group's systems for onward delivery to industry end-users. The primary customer base of the Target Company over the years was the Vendor Remaining Group.

Following several years of research and development, the Target Company successfully built its proprietary AI technologies, platform and project track record.

Intellectual property and technological resources of the Target Company

The business of the Target Company is built on self-developed software and AI technologies. As of the date of this announcement, the Target Company is the registered owner of 13 computer software copyrights in the PRC with full rights, covering the platform, data-acquisition and analytics software set out in the table below. The major registered software of the Target Company and their applications in its business operations are as follows:

Function/application	**Registered software**	**Application in business operations**
Ultra-low-emission lifecycle management	境觀SEMS超低排放全生命週期管控系統平台軟體	Lifecycle control of ultra-low-emission environmental management projects for steel and metallurgical end-users, from monitoring-data ingestion to compliance evaluation and reporting
	超低排放專家評價軟體	Expert evaluation of ultra-low-emission performance against the applicable emission indicators
Integrated pollution-reduction and carbon-efficiency management	境觀減汙降碳增效綜合管理系統軟體	The comprehensive AI decision and operation platform: data modelling, AI analysis and decision support over production and environmental data of industrial enterprises

Function/application	Registered software	Application in business operations
Fugitive-emission monitoring-control-treatment integration	境觀智能無組織管控治一體化運營平臺系統軟體	Monitoring, control and treatment of fugitive emissions at yards, sintering, blast furnace and steelmaking areas, with video and micro-station data linkage
	境觀智能無組織管控治一體化智慧平臺介面軟體	User interface and presentation layer of the fugitive-emission platform
Carbon monitoring, traceability and point-level data collection	碳排放實時監測軟體	Real-time carbon/emission monitoring supporting enterprise carbon accounting
	碳排放溯源分析軟體	Source tracing of carbon emissions for data quality control
	碳排放監測點位數據採集分析軟體	Point-level data collection and analysis of carbon monitoring stations
IoT data-acquisition layer	境觀智能多協議自適應數據網關軟體	Protocol-adaptive access to sensors, monitoring equipment and control systems at project sites
	境觀智能高性能環保數據採集系統軟體	High-performance environmental data acquisition and processing
Environmental information platforms and presentation	境觀智能城鎮區域環保資訊平臺軟體	Regional environmental information platforms for regulators and industrial customers
	境觀智能支撐多端展示數據資訊平臺軟體	Multi-terminal (web/mobile/screen) presentation of monitoring data and analytics
Clean-transport/vehicle management	車輛環保登記 application	Registration and environmental compliance check of inbound and outbound vehicles at factory gates

The AI decision and operation platform of the Target Company has been developed through an iterative process that integrates open-source foundation models with the proprietary algorithms, industry know-how and project experience, allowing it to build intelligent agents specialised for particular industries or customers.

The development process principally involves the following steps: (i) the Target Company subscribes to open-source foundation models, such as Qwen and DeepSeek, which provide general-purpose language understanding and reasoning capabilities; (ii) applying its proprietary algorithms and analytical technologies together with the industry experience and know-how accumulated by its technical team, the Target Company analyses and processes the information and operational data of the targeted industry or customer, which are collected through its AI-enabled sensors and cameras and data-acquisition software; (iii) the Target Company develops intelligent agents specialised for such industry or customer by embedding its proprietary algorithms and analysis models into the relevant platform software; and (iv) the Target Company registers the resulting specialised intelligent agents and the related platform modules as computer software copyrights in its own name. These registered software are continuously refined and optimised according to the characteristics and requirements of different industries and customers.

The AI capabilities of the Target Company, including computer vision and video analytics, its proprietary algorithms and its analysis models are embedded in and operate through the registered software as set out above. The registered software is delivered to end-users principally in the form of customised digital platforms which are developed on a project-by-project basis as standalone platforms. Alternatively, the customised digital platforms can also integrate with or adapt to interface with the infrastructure and systems of end-users and are deployed in the environment designated by the end-users. They enable authorised users of end-users to access the relevant functions and services through designated user interfaces and to manage the data, monitoring and operational processes within their respective authorised permissions. In operation, visual data captured by AI-enabled cameras and sensors at the premises of end-users are transmitted through the data-acquisition software, analysed by the algorithms and models embedded in the relevant platforms and presented through the information and presentation software for the operation and decision support of end-users.

The Target Company operates an asset-light business model. The hardware deployed in its projects such as AI-enabled cameras, sensors, data-acquisition devices and servers, is project-specific equipment procured on a project-by-project basis and installed at the premises of end-users and therefore does not constitute principal assets of the Target Company.

In addition to the registered software, the technological resources of the Target Company include the industry know-how and project experience accumulated since its establishment, and the operational data sets accumulated from its completed and ongoing projects which are used in the training and optimisation of its algorithms and analysis models.

Financial Information of the Target Company

Set out below is a summary of the financial information of the Target Company for the two financial years ended 31 December 2024 ("**FY2024**") and 31 December 2025 ("**FY2025**") and for the six months ended 30 June 2026 ("**1H2026**"), as extracted from the PRC audited reports and the unaudited financial statements, prepared under the PRC GAAP:

	FY2024	**FY2025**	**1H2026**
	RMB'000	*RMB'000*	*RMB'000*
	(audited)	(audited)	(unaudited)
Revenue	33,215	18,523	6,641
Gross profit *(Note)*	23,268	9,403	4,657
Profit before taxation	23,062	5,919	4,339
Profit after taxation	20,543	5,817	3,755

Note: The gross profits of the Target Company for the relevant periods were calculated based on its respective revenue less cost of sales and taxes and surcharges as recorded in its PRC audited financial statements or the unaudited management financial statements of the Target Company.

The unaudited net assets of the Target Company were approximately RMB12.2 million as at 30 June 2026. The Target Company has declared and distributed its retained earnings of RMB7.0 million to the Vendor and the net assets of the Target Company after such distribution is RMB7.5 million.

Based on discussions with the Target Company, the revenue and profit of the Target Company decreased from FY2024 to 1H2026 was mainly attributable to the project-based nature of the business of the Target Company.

The Target Company initially developed low-emission environmental management and control platform prior to FY2025. During the periods between FY2024 and FY2025, in addition to the environmental management and control platform, the Target Company expanded in developing comprehensive AI decision and operation platform for metallurgical industry.

Attributed to the project-based nature of the Target Company, projects executed in former periods in relation to environmental management and control platform for end-users in steel industry were completed and delivered in FY2024 while projects executed in latter periods related to comprehensive AI decision and operation platform were still in initial design and implementation stages during FY2025 and 1H2026 and therefore relatively lower revenue was recognised for FY2025 and 1H2026.

The outstanding contract values of project contracts of the Target Company as at the end of 1H2026 was approximately RMB32.2 million and all were related to project contracts entered into with the Vendor Remaining Group. The Target Company has been expanding its customer base beyond the Vendor Remaining Group. As of the date of this announcement, the Target Company has executed three contracts with end-users independent of the Vendor Remaining Group in different industries including the hog farming and e-commerce, etc with an aggregate contract values of approximately RMB7.1 million.

Given the expertise and technology resources of the Target Company established in steel and metallurgical industry and its self-developed AI technology platforms could be bundled or embedded into the Vendor Remaining Group's systems for onward delivery to industry end-users, the Vendor Remaining Group would continue the business relationship with the Target Company upon the Completion.

VALUATION

The preliminary valuation of the Target Company

The Consideration of RMB30,100,000 represents (i) a discount of approximately 2.0% to the preliminary valuation of approximately RMB30.7 million; and (ii) an implied P/B multiple of approximately 4.01 times based on the net assets of the Target Company of RMB7.5 million as adopted by the Independent Valuer which is below the average of the P/B multiples of the Comparable Companies of approximately 4.17 times and falls within the range of P/B multiples of approximately 1.18 times to 8.26 times for the Comparable Companies.

Details of the preliminary valuation of the Target Company

Qualifications of the Independent Valuer

The Independent Valuer's professionals come from real estate, finance and accounting disciplines. The Independent Valuer's deliverables are prepared and signed off by professionals holding relevant qualifications, including but not limited to Member of The Hong Kong Institute of Surveyors, Member of the Royal Institution of Chartered Surveyors, Registered Professional Surveyor (General Practice), Member of the China Institute of Real Estate Appraisers and Agents, Registered Real Estate Appraiser People's Republic of China, Member of the Association of Chartered Certified Accountants, Member of the Chartered Financial Analyst Institute and Financial Risk Manager.

The Directors have conducted a comprehensive evaluation of the Independent Valuer's qualifications and affirmed that he is fully capable of performing the valuation with the highest standards of competency. Additionally, the Board has reviewed the Independent Valuer's terms of engagement and determined that the proposed scope of work is both appropriate and aligns with the requirements of the valuation.

Introduction of valuation approaches

The Independent Valuer has considered the three generally accepted valuation approaches, namely (i) the market approach, which values a business by reference to the prices at which comparable companies or businesses are traded in the market, typically through valuation multiples such as price-to-earnings ("**P/E**"), price-to-book ("**P/B**") and price-to-sales ("**P/S**") ratios; (ii) the income approach, which values a business by reference to the present value of its future economic benefits, typically by discounting the projected cash flows of the business; and (iii) the cost approach, which values a business by reference to the costs of replacing or reproducing its assets, less depreciation and obsolescence.

Assessment and analysis of the valuation approaches

The income approach was considered not appropriate for the preliminary valuation because this approach involves financial forecast information and the adoption of more assumptions than the other two approaches, not all of which can be easily justified or ascertained; the cost approach was considered not appropriate because it disregards the future profit potentials of the Target Company; and therefore the market approach was considered the most appropriate and was adopted because the Target Company is expected to sustain its business operation at similar level in the foreseeable future and there are sufficient comparable companies that could be identified to arrive at the market value of the Target Company.

Selection of Comparable Companies

The premise behind the guideline public company method ("**Guideline Public Company Method**") under Market Approach is that the prices of publicly traded stocks in the same or a similar industry provide objective evidence as to the values at which investors are willing to buy and sell the interest of the companies in that industry. In applying Guideline Public Company Method, the Independent Valuer computes a valuation multiple for various benefit streams for each guideline public company. The appropriate valuation multiple is determined and adjusted for the unique aspects of the core business of the target (the "**Core Business**") being valued. This valuation multiple is then applied to the Core Business to arrive at an estimate of value for the appropriate ownership interest. Since the purpose of the valuation is to determine the equity interest, the valuation multiples are based on equity value. A valuation multiple represents a ratio that uses a comparable company's market value as at the Valuation Date as the numerator and the comparable company's operating results (or financial position) as the denominator.

The Independent Valuer has considered various valuation multiples, including the P/E multiple, the P/S multiple and the P/B multiple. As the majority of the comparable companies in this industry are loss-making, the P/E multiple is not applicable. The P/S multiple is also considered less suitable as sales do not capture the cost of operations, which can differ materially across companies, and thus does not necessarily and truly indicate the profitability of the Target Company. On the other hand, the P/B multiple focuses on net assets and is less affected by short-term fluctuations in earnings or revenue recognition. Given that the Target Company has maintained a positive net asset position, the P/B multiple provides a relevant basis for assessing its equity value by reference to the net asset values of the selected comparable companies. Hence, the P/B multiple is adopted and considered to provide a more stable and conservative basis for the valuation.

Due care was exercised in the selection of Guideline Public Companies by using reasonable criteria in deciding whether or not a particular company is relevant. In selecting the Guideline Public Companies, the Independent Valuer started with the description of the potential companies, in terms of lines of business, financial results and other criteria. In order to comprise a representative set of guideline public companies to derive the valuation result, certain criteria must be set to ensure similarity between the guideline public companies and the Target Company.

Firstly, the Independent Valuer focused on identifying listed companies which are engaged in the provision of enterprise AI applications, data intelligence platforms, industrial IoT solutions, or related intelligent software and services, which is similar to the principal business of the Target Company. As a result, listed companies with similar business exposure in relation to the principal activity of the Target Company were identified. The Independent Valuer considers this selection basis is reasonable and the sample list is fair and representative. As a result, the comparable companies (the "**Comparable Companies**") were selected with reference to the criteria as follows:

- The comparable companies principally operate in the fields of enterprise artificial intelligence ("**AI**") applications, data intelligence, industrial AI, Internet of things ("**IoT**") solutions, or related intelligent software and services in China;

- The Comparable Companies are listed on the Stock Exchange; and

- The financial information of the comparable companies is available to the public.

Although there is no exact match between the Target Company and the Comparable Companies, the Independent Valuer considers the selected Comparable Companies to be appropriate and representative for the following reasons:

(i) all of the Comparable Companies are principally engaged in the provision of enterprise AI applications, data intelligence platforms, industrial AI, IoT solutions or related intelligent software and services. While their specific application scenarios and industry verticals may differ, they share a common focus on AI-driven intelligent solutions, which is consistent with the principal business of the Target Company; and

(ii) given the highly specific nature of the Target Company's business, it is difficult to identify a large number of publicly listed companies with substantially identical business models, scale and financial profiles. The Independent Valuer has therefore selected companies operating in closely related fields of enterprise AI and intelligent solutions as the most relevant available peers.

Based on the above selection criteria, an exhaustive list of eight guideline public companies has been identified and selected by the Independent Valuer as the Comparable Companies for the valuation analysis. The details of which are set out as follows:

Company Name	**Ticker**	**Business Description**	**P/B**
AInnovation Technology Group Co., Ltd	SEHK:2121	AInnovation Technology Group Co., Ltd, together with its subsidiaries, engages in the research, development, and sale of artificial intelligence-based software and hardware technology solutions in China. It develops ManuVision Intelligent Machine Vision platform used in liquid crystal semiconductor, food and beverage, automotive equipment, new materials, and 3C electronics; MatrixVision Intelligent Edge Video platform used in energy IoT, smart factory, smart security, and retail intelligence; Orion Distributed Machine Learning platform for scheduling strategy, user profiling, and risk control applications; and AInnovation Cloud platform that provides management and scheduling ability of heterogeneous resources. The company is also involved in housing, road, and municipal construction; communication technology development; asset and investment management; enterprise management consulting; and electromechanical equipment and technology development. It serves manufacturing, financial services, and other industries. The company was formerly known as Qingdao AInnovation Technology Group Co., Ltd. and changed its name to AInnovation Technology Group Co., Ltd in June 2024. Qingdao AInnovation Technology Group Co., Ltd. was incorporated in 2018 and is headquartered in Qingdao, China.	1.18x

Company Name	Ticker	Business Description	P/B
Beijing Haizhi Technology Group Co., Ltd.	SEHK:2706	Beijing Haizhi Technology Group Co., Ltd. develops and provides intelligent agents and industrial-grade artificial intelligence (AI) solutions in China and Hong Kong. The company operates through two segments, Atlas Graph Solutions and Atlas AI Agent. It provides data intelligence and agentic solutions. It serves the finance, energy, intelligent manufacturing, transportation, healthcare, and public services industries. The company was formerly known as Beijing Haizhi Technology Group Limited. The company was incorporated in 2013 and is headquartered in Beijing, China.	8.26x
Deepexi Technology Co., Ltd.	SEHK:1384	Deepexi Technology Co., Ltd. provides enterprise-level big-model AI application solutions in China. The company offers solutions based on technology infrastructure, FastData enterprise data intelligence solution based on FastData Foil Data Fusion Platform; and FastAGI enterprise AI solution based on Deepexi enterprise large model platform. It serves consumer goods, manufacturing, healthcare, and transportation industries. The company was formerly known as Beijing Deepexi Technology Co., Ltd. and changed its name to Deepexi Technology Co., Ltd. in April 2025. The company was incorporated in 2018 and is based in Haidian, China.	5.10x

Company Name	Ticker	Business Description	P/B
Mininglamp Technology	SEHK:2718	Mininglamp Technology, an investment holding company, provides marketing intelligence, operational intelligence, and industry solution services in China. It offers Admonitor, a digital advertising monitoring and verification solution; Admonitor OOH, an outdoor advertising monitoring and measurement solution; MixReach, a mature online and offline cross-screen budget allocation and optimization tool; MoFang Pro, a social media marketing monitoring and insights platform; Mingdata DMP, an all-in-one advertising audience targeting and management platform; Social Grow for social media operation and growth; AdEff, an AI-driven AD testing creative testing and optimization platform; Social Grow, a social media marketing management platform; and CDP & MA, a CX-driven data management platform. It also provides Jinshuju, a data platform to collect and manage daily work data; Haoke XM, a user experience analysis tool; Jinshuju AI Exams, an AI-driven online exam software; DeepMiner, a trusted business intelligence agent; and Ming, a one-stop LLM AI plugin. In addition, it offers conversational intelligence, a sales enablement product; mininglamp conversation intelligence; Lingting, a hardware to record offline sales and service processes; smart operations solutions, such as Huifu; Mingdiantong, an intelligent construction solution; data-driven store operation; intelligent store opening; SCM Service comprising Mingqi Mall and Mingqi BoH; Ying Shi Yi, a brand membership GMV growth marketing suite; Meng Shi Yi, a franchise store lifecycle management platform; Mengshiyi, a unified business portal; weibanzhushou, a digital operations management platform; and yiban, an enhanced WeChat editor. The company serves chain retail, home furnishings, personal care, FMCG, electronics, baby care, medical and aesthetic, e-commerce, automotive, enterprise services, and restaurant outlet industries. The company was founded in 2006 and is headquartered in Ziyang, China.	1.84x

Company Name	Ticker	Business Description	P/B
Phancy Group Co., Ltd.	SEHK:6682	Phancy Group Co., Ltd., an investment holding company, engages in operations of artificial intelligence (AI) platform in the People's Republic of China. The company offers 4ParadigmSage Platform, an enterprise AI business system; 4Paradigm SHIFT, a standardized solutions built on the Sage AI Platform, tailored to different industry business scenarios; and 4Paradigm AIGS, an AI software development platform. It is also involved in the research and development of technology; investment activities; provision of artificial intelligent platform and solutions in energy and power and manufacturing industries; and provision of digital operation and maintenance platform and solutions. The company was formerly known as Beijing Fourth Paradigm Technology Co., Ltd. and changed its name to Phancy Group Co., Ltd. in January 2026. Phancy Group Co., Ltd. was incorporated in 2014 and is headquartered in Beijing, China.	1.33x
Shandong Extreme Vision Technology Co., Ltd.	SEHK:6636	Shandong Extreme Vision Technology Co., Ltd. engages in delivering end-to-end solution development, deployment, and management services in China. It offers AI computer vision solution, a technological solution that simulates the human visual system to enable computers to extract information from images or videos and analyze, make decisions and interact based on this information; and Large model solution that refers to applications built on the functionality of large models, as well as the related supporting services. It caters to retail, communications, real estate, catering, transportation, and public security industries. Shandong Extreme Vision Technology Co., Ltd. was formerly known as Shenzhen Extreme Vision Technology Co., Ltd. and changed its name to Shandong Extreme Vision Technology Co., Ltd. in November 2021. The company was founded in 2015 and is headquartered in Qingdao, China.	7.97x

Company Name	Ticker	Business Description	P/B
Unisound AI Technology Co., Ltd.	SEHK:9678	Unisound AI Technology Co., Ltd., together with its subsidiaries, provides artificial intelligence products and solutions in the People's Republic of China. The company offers the UniGPT foundation model and Beast Tooth intelligent agent platform, which provide smart customer service and smart marketing solutions; a one-stop smart rail transit intelligent agent application platform; a Cloud Customer Service system; Swift and Hummingbird AI chips; and speaking evaluation services for residential, commercial, and transportation applications. It also provides smart healthcare solutions, including audio medical transcription solutions, AI in medical record quality management solutions, and other AI-empowered medical solutions to medical institutions, as well as AI software, software-embedded hardware, and AI platform services. In addition, the company engages in the research and development of technology. The company was formerly known as Beijing Yunzhisheng Information Technology Co., Ltd. and changed its name to Unisound AI Technology Co., Ltd. in June 2019. Unisound AI Technology Co., Ltd. was incorporated in 2012 and is headquartered in Beijing, the People's Republic of China.	3.27x
Marketingforce Management Ltd	SEHK:2556	Marketingforce Management Ltd, an investment holding company, engages in the artificial intelligence application business in China. It provides cloud-based marketing and sales services and intelligent talent management services. In addition, the company provides marketing, sales, commercial, analysis, smart, and organizational cloud DHR. It offers its solutions to retail consumption; car travel; B2B manufacturing; financial industry; enterprise services; enterprise going global; school business; domestic substitution; private domain marketing; and public domain customer acquisition industries. The company was founded in 2009 and is headquartered in Shanghai, China.	4.39x

The Directors have conducted a detailed review of the comparability of the Comparable Companies with the Target Company. In particular, the Directors have reviewed the annual reports and interim reports of the Comparable Companies for the year ended 31 December 2025 and for the six months ended 30 June 2026 to identify (i) the proportion of the revenue derived from the sale and/or provision of AI-related products and services; and (ii) the proportion of the revenue derived in the PRC. Having reviewed the published financial information of the Comparable Companies, the Directors noted that each of the Comparable Companies (i) derived more than 50% of its revenue from the sale and/or provision of AI-related products and services; and (ii) more than 50% of its revenue was derived in the PRC. Given the Comparable Companies are engaged in businesses which are similar in nature of the Target Company, the Directors considered the Comparable Companies selected by the Independent Valuer are appropriate and representative comparables for the Target Company.

Discount for Lack of Marketability

The concept of marketability deals with the liquidity of an ownership interest, that is how quickly and easily it can be converted to cash if the owner chooses to sell. The lack of marketability discount reflects the fact that there is no ready market for shares in privately held companies which are typically not readily marketable compared to similar interest in public companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly held company.

In the valuation, discount for lack of marketability is referenced to the research of "Stout Restricted Stock Study Companion Guide 2025 Edition". A discount for lack of marketability of 20.4% was adopted.

Control Premium

Control premium is an amount by which the pro rata value of a controlling interest exceeds the pro rata value of a non-controlling interest of a business enterprise that reflects the power of a control. Both factors recognize that controlling owners have rights that minority owners do not have and that the difference in those rights and, perhaps more importantly, how those rights are exercisable and to what economic benefits, cause a differential in the per-share value of a controlling ownership block versus a minority ownership block.

In the valuation, the control premium is referenced to the research of "Control Premium & Discount for Lack of Marketability Study". A control premium of 23.5%, representing the average equity control premium in the trailing 12 months as of 30 June 2026, is adopted.

Amount of the preliminary valuation amount

Details of the 100% equity interest of the Target Company as at the Valuation Date are as follows:

Summary of the Target Company Valuation

	RMB
100% Equity Interest Derived from	
Average P/B Multiple	4.17x
Net Book Value of the Target Company	7,500,000
100% Equity Interest before DLOM	31,260,611
Less: Discount for Lack of Marketability ("**DLOM**")	(6,377,165)
100% Equity Interest after DLOM	24,883,446
Add: Control Premium ("**CP**")	5,847,610
100% Equity Interest after DLOM and CP	30,731,056
Market Value of 100% Equity Interest of the Target Company (Rounded)	**30,700,000**

* *Numbers may not sum due to rounding*

Based on the foregoing, the preliminary valuation of the 100% equity interest of the Target Company was approximately RMB30.7 million.

The Board's assessment on the valuation

In assessing the fairness and reasonableness of the key assumptions, valuation methodology and adjustment factors adopted in the preliminary valuation of the Target Company, the Directors have:

(a) examined the assumptions adopted by the Independent Valuer which included, among others, the competent management, key personnel and technical staff of the Target Company will be maintained and all licenses and permits that are essential for the operation of the Target Company can be obtained and are renewable upon expiry. Based on the experience of the Directors, the Directors considered that these are commonly adopted assumptions in valuations and are in line with market practice;

(b) reviewed the workings of the Independent Valuer and the published financial information of the Comparable Companies as set out above and understood that the Comparable Companies were selected on the basis that they are all companies listed on the Stock Exchange which are principally engaged in the fields of enterprise AI applications, data intelligence, industrial AI, IoT solutions or related intelligent software and services in the PRC, being businesses that are the same as or similar to that of the Target Company; the Directors considered them to be a fair, representative and appropriate sample of comparable for valuation and comparative analysis purposes; and

(c) discussed with the Independent Valuer and understood that (i) as regards the discount for lack of marketability of 20.4%: (a) empirical basis – the discount is referenced to the Stout Restricted Stock Study Companion Guide 2025 Edition, a widely recognised empirical study of restricted stock transactions; (b) appropriateness – the Board considered that the discount appropriately reflects the marketability constraints associated with an unlisted company such as the Target Company; and (c) conservative approach – the Board noted that the adoption of the discount for lack of marketability results in a more conservative valuation, providing a margin of safety to the Company; and (ii) as regards the control premium of 23.5%: the Board noted that the premium is referenced to the Control Premium & Discount for Lack of Marketability Study and is adopted because the Purchaser will acquire 100% of the equity interest in and obtain full control of the Target Company upon Completion. The Board is of the view that the discount for lack of marketability and the control premium adopted by the Independent Valuer are fair and reasonable.

Having performed the above independent assessment, the Directors are of the view that the valuation methodology, key assumptions, selection of the Comparable Companies and the valuation adjustment adopted in the valuation of the Target Company are fair and reasonable.

REASONS FOR AND BENEFITS OF THE ACQUISITION

1. Reasons for the Acquisition

Given that the financial performance of the Group's slaughtering and trading of pork business had been affected by the price control policy and price fluctuation in the PRC and Hunan Province (details of which are set out under the paragraph headed "Financial performance of the Group's existing business" below), the Directors have always been looking for suitable opportunities to generate additional revenue stream and improve its financial performance. In view of the growing demand and market potential of AI industry, the Directors considered that development of AI business could provide additional revenue stream to the Group and improve its gross loss position.

2. Directors' assessment between self-development of AI technology and the Acquisition

As an alternative to the Acquisition, the Directors have considered to develop a comparable AI decision and operation platform on its own from scratch. Having regard to, among others, the current market remuneration standard of AI research and development professional, the scale of the research and development team required, the computing infrastructure and facilities required and the industry benchmarks for the development of enterprise-level AI platforms, the Directors estimated that the development of a platform comparable to that of the Target Company would require a period of approximately 36 to 48 months and a total investment of approximately RMB55 million to RMB80 million, with minimal revenue generated during the development period and no assurance of commercial success.

In comparison, the Consideration of RMB30.1 million is significantly lower than the estimated cost and time required for internal development and the Acquisition offers the Group with an immediate access to a platform which has been commercially deployed with an established customer base, accumulated industry data and a core technical team which will be retained after Completion. The Directors therefore considered that the Acquisition is more favourable to the Group than developing a comparable platform internally.

3. Synergy between the Group's existing businesses and the Target Company

The Directors considered that the Acquisition and the application of the Target Company's AI technology could create the following benefits and synergy with the Group's existing business:

The computer vision and data analytics technologies of the Target Company are applicable in the agricultural industry, which is related to the Group's slaughtering and trading of pork business. Given the supply and prices of pork in the PRC are subject to government regulation and stabilisation measures as mentioned above, the Directors considered that improving operational efficiency and reducing costs are essential to the competitiveness and sustainable operation of the Group's slaughtering and trading of pork products business.

The current model of hog breeding and hog farming of the Group has been adopted for years and are comparatively traditional in the industry in view of the smart hog farming practices which can better monitor the growth and health of hogs with lower labour costs. To enhance efficiency, the Board is of the view that the farming practices of the Group should be modernized and the technology developed by the Target Company is applicable on hog farming.

The Group has been collecting and possesses vast data from its experience in the industry which can be used to train the AI system of the Target Company to apply in hog farming. Leveraging the Group's big data and the Target Company's AI and IoT, the following benefits can be brought to the Group.

1. Saving food and resources: The AI monitors feeding areas to make sure food is only given when and where it is needed, which prevents food waste and saves costs.

2. Early detection of sickness: The AI studies live video to notice subtle changes in how animals behave (for example: moving slower, acting tired, or eating less) so sick hogs can be identified, separated and treated in advance. This is crucial in controlling the spreading of disease and minimize the chance of culling the livestock in the farm, which would otherwise result in a total loss for the Group.

   Given that the Group had directly experienced the adverse impact of African Swine Fever on hog farming operations in previous years, the Directors considered that this adverse event could be better managed through the AI-powered early detection of abnormal hog behaviour offered by the platform of the Target Company.

3. Automated weight estimation: Special 3D cameras can be used to track the size and shape of the livestock to estimate their weight without the need of using actual weighing scales. This saves the time and labour of getting the hog on the scales and record the weight, reduce or mitigate the probability of human errors, etc.

The Target Company has also entered into a contract with a meat livestock farm for developing AI hog farming monitoring and control platform with a contract value of approximately RMB1.2 million. The project covers AI visual recognition and video analytics, animal health and behavioural monitoring, feeding and production optimization, farm-level operational decision support and a data collection and AI analytical platform. As of the date of this announcement, the Target Company had already commenced the design of platform and model and preparing the implementation proposal for such end-user. It is expected that approximately RMB1.0 million will be recognised by the Target Company during the year ending 31 December 2027.

The Directors believe that the potential applications and initial commercial validation of the Target Company's AI technologies on hog farming business described above could support and serve the Group's existing businesses on an ongoing basis, create synergy and strengthen connections between the businesses.

The deployment of the Target Company's AI decision and operation platform in the Group's slaughtering and trading of pork business is expected to enhance the operation and management efficiency of this business by applying the functions described above, including early detection of abnormal hog behaviour and diseases, optimised feeding management and automated weight estimation, which in turn are expected to reduce the mortality and disease rates of the hogs, lower the feed, utilities and energy consumption and labor costs of the farming operations and improve the coordination of the hog farming, slaughtering and marketing operations of the Group, without incurring the investment and lead time that would otherwise be required to develop a comparable system from scratch.

The model and platform developed by the Target Company can be continuously enhanced and trained by the industry know-how and operating data of the Group accumulated through its experience in the hog farming and the slaughtering and trading of pork business, together with the research and development capabilities and project experience of the Target Company. Such ongoing enhancement is expected to refine the accuracy and effectiveness of the algorithms and analysis models of the platform over time, which would in turn improve the operational efficiency of the Group's existing businesses and further strengthen the competitiveness of the platform in both its internal application and external commercialisation. Together with the supportive policies for the digitalisation and artificial intelligence transformation of traditional hog farming industry in the PRC as set out above, the Directors considered that the Group is well positioned to capture the commercial opportunities of the business of the Target Company. The application of the platform within the Group's own operations is expected to create a real, practical and referenceable implementation for the marketing of the platform to such market participants, thereby reducing the customer acquisition cost and commercialisation risk of the Target Company. The Group can also use the software and technology exclusively in its direct geographical markets and also license the software and technology to non-competing meat processors globally. This pivots the Group's business from just selling meat to generating profitable, recurring software revenues that can provide an additional revenue stream to the Group and directly fund the Group's operations.

INTENTION OF THE GROUP'S EXISTING BUSINESS

The Group's existing business will be continued upon Completion. As disclosed by the Company on 12 June 2026, the Company has raised net proceeds of approximately HK$8.2 million by placing of new shares under the general mandate to support its ongoing business development and frozen meat trading business. While the Acquisition offers a second stream of revenue and profits to the Group, the Group will continue to carry on its existing businesses following Completion. Pork and hog products are daily necessities of consumers in the PRC and have rigid demand which the Group's existing slaughtering of livestock and trading of pork products business will continue to serve such demand.

Financial performance of the Group's existing business

(a) Revenue fluctuation between 1H2025 and 2H2025

The revenue of the Group for 1H2025 and the second half of 2025 ("**2H2025**") amounted to approximately RMB7.4 million and RMB202.2 million, respectively. The significant increase in the revenue of the Group in 2H2025 was primarily attributable to (i) the gradual release of the production capacity of the Group's joint venture slaughterhouse during 2025 as set out in the 2025 Annual Report; (ii) the development of the trading of frozen pork products by the Group since the 2H2025; and (iii) the traditional seasonal peak for pork products demand in the second half of the year which is attributable to certain Chinese festivals, such as Mid-Autumn Festival, China National Day holidays and winter solstice.

(b) Latest financial information of Huisheng Meat

Based on the latest available unaudited financial information of 湖南惠生肉業有限公司 Hunan Huisheng Meat Industry Co., Ltd.* ("**Huisheng Meat**"), the principal operating subsidiary engages in the slaughtering and trading of pork business of the Group, recorded revenue of approximately RMB58.9 million for the nine months ended 30 September 2026, primarily recognised in the third quarter of the year which was in line with the Group's seasonal pattern. Huisheng Meat recorded a gross loss of approximately RMB4.0 million for the same period, primarily attributable to the prolonged downturn for live hog and pork selling prices amid industry oversupply in the PRC, which pushed market selling prices below average breeding and production costs and compressed slaughtering and trading margins of the Group.

Notwithstanding Huisheng Meat recorded approximately RMB58.9 million for the nine months ended 30 September 2026, the Directors expected that the revenue for the fourth quarter of 2026 will further increase with larger extent mainly attributable to the fact that demand for pork consumption normally strengthens from the third quarter onwards, typically reaching its peak in the fourth quarter during the winter curing and festive season such as National Day, winter solstice and periods approaching to Chinese New Year.

Prospects of the Group's slaughtering and trading of pork business

The Directors are of the view that the prospects of the Group's business remain positive due to the following reasons:

(a) The Directors expect that the Implementation Plan for Comprehensive Regulation of Hog Production Capacity (2026 Revision) and the corresponding implementation plan of Hunan Province, together with the government pork reserve regulation mechanism could promote a balanced supply of and demand for hog and pork products and stabilise pork prices gradually. According to the National Bureau of Statistics of the PRC, the inventory of breeding sows in the PRC decreased by approximately 10.7% year-on-year to approximately 36.0 million as at 30 September 2026, which is below the normal holding range of approximately 37.5 million head as set out in the Implementation Plan for Comprehensive Regulation of Hog Production Capacity (2026 Revision). Taking into account that the inventory of breeding sows has decreased to below the normal holding level, the hog prices in the PRC are expected to improve in the forthcoming periods.

(b) The Ministry of Agriculture and Rural Affairs of the PRC also stated on 29 September 2026 that the PRC government will continue to implement precise regulation of hog production capacity, guide leading producers to reduce hog production capacity and maintain the inventory of breeding sows within a reasonable range, with a view to consolidating the recovery of hog prices and continuously improving the supply of and demand for hog and pork products.

Following Completion, the Group's existing businesses will continue to be carried on and developed while the Target Company could be regarded as a diversification of the Group's existing business. The Target Company will become an indirect wholly-owned subsidiary of the Company and will continue to be operated, managed and monitored by its existing technical and operation management under the Group's governance, financial reporting and internal control frameworks, with its operation and performance supervised and monitored through the Board and the management of the Company.

Having considered the following factors: (i) the Consideration is substantiated by the preliminary valuation of RMB30.7 million and the Acquisition is conditional upon the Final Valuation being not less than RMB30.7 million; (ii) the Directors have performed independent assessment on the preliminary valuation prepared by the Independent Valuer and considered that the valuation methodology, key assumptions, selection of the Comparable Companies and the valuation adjustment adopted in the valuation of the Target Company are fair and reasonable; (iii) the Consideration is payable by cash from the Group's existing internal resources without equity dilution to the Shareholders or interest burden from debt financing; (iv) the Target Company has already reached profitable positions; (v) the Target Company has an established customer base in the steel and metallurgical industry through the Vendor Remaining Group and developing its own customer portfolio in other industries; (vi) the Target Company can provide a revenue stream and profits independent of the hog price cycle; (vii) the Group can manage and operate the business of the Target Company with the retention of the existing core technical and operation management of the Target Company upon Completion; and (viii) the synergies of the Target Company with the Group's existing business as detailed above, the Directors are of the view that the Acquisition, including the Consideration, is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

FUND RAISING IN THE PAST TWELVE MONTHS

As set out under the paragraph headed "Intentions of the Group's existing businesses" above, the Company had completed the placing of new shares under the general mandate of the Company and the placees and their ultimate beneficial owners (where applicable) under such placing are Independent Third Parties and none of the placees has become a substantial shareholder (as defined under the Listing Rules) of the Company immediately after the placing. As disclosed by the Company on 22 October 2026, the Company completed the issue of an aggregate of 11,000,000 new subscription Shares under the general mandate to two subscribers (the "**Subscription**"), namely Mr. Li Gang (李剛) and Ms. Mok So Wing (莫素穎), pursuant to the subscription agreements dated 15 September 2026. Upon the Subscriptions and as of the date of this announcement, the total issued share capital of the Company comprises 149,425,700 Shares and each of Mr. Li Gang and Ms. Mok So Wing holds 5,500,000 Shares, representing approximately 3.68% of the issued share capital of the Company. Each of Mr. Li Gang and Ms. Mok So Wing is a third party independent of and not connected with the Company and its connected persons and is a public shareholder of the Company. The Subscription did not result in any change in the control or de facto control of the Company.

LISTING RULES IMPLICATIONS

Since the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 100%, the Acquisition constitutes a very substantial acquisition for the Company under the Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules. None of the Directors has any material interest in the Equity Transfer Agreement and the transactions contemplated thereunder and none of them is required to abstain from voting on the board resolutions approving the Equity Transfer Agreement and the transactions contemplated thereunder.

As of the date of this announcement, the Company has no controlling shareholder or substantial shareholder (each as defined under the Listing Rules) and no shareholder has de facto control over the Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Directors are not aware of any circumstance which would result in a change of the controlling shareholder or the substantial shareholder of the Company, or any change in the de facto control of the Company in the next 36 months from the date of this announcement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as of the date of this announcement, no person is interested in 5% or more of the issued share capital of the Company and no shareholder of the Company or any other person has any intention, agreement or arrangement, whether formal or informal, to obtain control or de facto control over the Company.

EGM

The EGM will be convened to consider and, if thought fit, approve, among other things, the Equity Transfer Agreement and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of the Equity Transfer Agreement, no Shareholder has a material interest in the Equity Transfer Agreement and the transactions contemplated thereunder. As such, no Shareholder will be required to abstain from voting on the resolution(s) to be proposed at the EGM to approve the Equity Transfer Agreement and the transactions contemplated thereunder.

GENERAL

A circular containing, among others, (i) further details of the Equity Transfer Agreement and the transactions contemplated thereunder; (ii) the accountant's report on the Target Company; (iii) the unaudited pro forma financial information of the Enlarged Group; (iv) the valuation report on 100% of the equity interest in the Target Company prepared by the Independent Valuer; (v) other information as required to be disclosed under the Listing Rules; and (vi) a notice convening the EGM, will be despatched to the Shareholders on or before 10 December 2026.

Shareholders and potential investors of the Company should note that the Completion is subject to the fulfilment of the Conditions Precedent under the Equity Transfer Agreement. As the Acquisition may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

"Acquisition"	the acquisition of 100% of the equity interest in the Target Company by the Purchaser from the Vendor pursuant to the Equity Transfer Agreement
"Board"	the board of Directors of the Company
"Company"	Huisheng International Holdings Limited (惠生國際控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1340)
"Completion"	completion of the Acquisition in accordance with the terms and conditions of the Equity Transfer Agreement
"Completion Date"	the date on which Completion takes place, being the date of completion of the change of registration in respect of the equity interest in the Target Company

"Conditions Precedent"	the conditions precedent to Completion as set out in the paragraph headed "Conditions Precedent" of this announcement
"connected person(s)"	has the meaning given to it under the Listing Rules
"Consideration"	the consideration for the Acquisition, being RMB30,100,000 (equivalent to approximately HK$35,122,000), payable by the Purchaser to the Vendor in cash pursuant to the terms and conditions set out in the Equity Transfer Agreement
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened for the Shareholders to consider and, if thought fit, approve the Equity Transfer Agreement and the transactions contemplated thereunder
"Enlarged Group"	the Group as enlarged by the Target Company upon Completion
"Equity Transfer Agreement"	the equity transfer agreement dated 23 November 2026 entered into between the Purchaser and the Vendor in respect of the Acquisition
"Final Valuation"	the final valuation of 100% of the equity interest in the Target Company to be prepared and issued by the Independent Valuer
"PRC GAAP"	Generally Accepted Accounting Principles of the PRC
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	third party(ies) who is/are independent of and not connected with, and not acting in concert (as defined under the Code on Takeovers and Mergers issued by the Securities and Futures Commission, as amended, supplemented and/or otherwise modified from time to time)with the Company and its connected persons
"Independent Valuer"	Vincorn Consulting and Appraisal Limited
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	31 March 2027, or such other date as the Purchaser and the Vendor may agree in writing

"PRC"	the People's Republic of China
"Purchaser"	天工智匯(深圳)科技有限公司, a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Sale Shares"	100% of the equity interest in the Target Company
"Share(s)"	ordinary share(s) of HK$0.08 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Shanghai Jingguan" or "Target Company"	Shanghai Jingguan Intelligent Technology Co., Ltd.*(上海境觀智能科技有限公司), a company established in the PRC with limited liability
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendor"	天下無霾低碳科技(上海)股份有限公司, a company established in the PRC with limited liability
"%"	per cent.

* *For identification purposes only*

For the purpose of this announcement, unless the context requires otherwise, translation of HK$ into RMB is based on the approximate exchange rate of RMB1.00: HK$1.1668. This exchange rate is provided for illustration purposes only and does not mean that any amount in Hong Kong dollar or Renminbi has been, could originally have been, or could be converted at such exchange rate or any other exchange rate, or even converted at all.

By order of the Board
Huisheng International Holdings Limited
Zhang Zhenghua
Executive Director

Hong Kong, 23 November 2026

As at the date of this announcement, the Board comprises Mr. Zhang Zhenghua and Ms. Xiang Yuan as executive Directors; and Dr. Wang Guiping, Mr. Huang Ruilin and Ms. Zhang Cuicui as independent non-executive Directors.