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HING YIP HOLDINGS LIMITED

興業控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00132)

MAJOR TRANSACTION

DISPOSAL OF 31% EQUITY INTEREST IN GUANGDONG NANHONG CIVIL EXPLOSIVES CO., LTD.

THE DISPOSAL

The Board is pleased to announce that on 30 September 2025, Tiannuo Investments and Hongda Explosive entered into the Equity Transaction Agreement, pursuant to which Tiannuo Investments has agreed to sell and Hongda Explosive has agreed to acquire 31% of the equity interest in the Target Company at a consideration of RMB105,932,363 (equivalent to approximately HK\$115,784,000).

LISTING RULES IMPLICATION

As the highest applicable percentage ratio for the transactions contemplated under the Disposal exceeds 25% but all of them are less than 75%, the entering into of such transactions constitutes a major transaction for the Company under the Listing Rules and is subject to the announcement, circular and shareholders' approval requirements under the Listing Rules.

No Shareholder is materially interested in the Disposal and no Shareholder is required to abstain from voting at a general meeting of the Company approving the transactions contemplated under the Disposal, and the Company has, pursuant to Rule 14.44 of the Listing Rules, obtained written approval of the transactions contemplated under the Disposal from Prize Rich Inc., a Shareholder holding 1,222,713,527 issued ordinary shares of the Company (representing 71.41% of its entire issued share capital). As such, the Company is exempted from convening a general meeting to approve the transactions contemplated under the Disposal.

A circular containing further information on the Disposal (including further information on the valuation of the Target Company and the confirmation from the Company's reporting accountant) is expected to be published on the websites of the Stock Exchange and the Company on or before 23 October 2025.

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The transaction was arranged through a public tender process (listing-for-sale) (公開掛牌) conducted on Guangdong Equity Exchange, which is an open exchange platform for the trading of assets and equities in the PRC.

EQUITY TRANSACTION AGREEMENT

The principal terms of the Equity Transaction Agreement are as follows:

Date

30 September 2025

Parties

- (1) Tiannuo Investments, a subsidiary of the Company, as the vendor; and
- (2) Hongda Explosive, as the purchaser.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Hongda Explosive and its ultimate beneficial owner are Independent Third Parties.

Subject matter

Tiannuo Investments has agreed to sell and Hongda Explosive has agreed to acquire 31% of the equity interest in the Target Company.

Consideration

The Consideration of the Disposal is RMB105,932,363 (equivalent to approximately HK\$115,784,000) (inclusive of the transaction deposit already paid to Guangdong Equity Exchange), which was the effective bid price determined in accordance with the rules and procedures of Guangdong Equity Exchange in relation to the Disposal. The Consideration was determined with reference to (a) the appraised value (i.e. RMB341,717,300 (equivalent to approximately HK\$373,497,000)) of the entire shareholders' equity of the Target Company as at 28 February 2025 (the "**Valuation Date**") set out in the asset valuation report prepared by the Independent Valuer using discounted cash flow method of income approach; and (b) the percentage of equity interests to be disposed of by the Company under the Equity Transaction Agreement.

Payment of the Consideration

As at the date of this announcement, Hongda Explosive has paid a transaction deposit in the amount of RMB30,000,000 (equivalent to approximately HK\$32,790,000) to Guangdong Equity Exchange upon its submission of bid in accordance with the applicable rules and procedures of Guangdong Equity Exchange.

Hongda Explosive shall pay the Consideration (exclusive of the transaction deposit already paid to Guangdong Equity Exchange) to Guangdong Equity Exchange within 5 business days from the effective date (i.e. the signing date) of the Equity Transaction Agreement. After receiving the Consideration and other service charges in full, Guangdong Equity Exchange will issue a transaction confirmation and transfer the amount of the Consideration to Tiannuo Investments without interest within 3 business days.

Profit and loss distribution

The profits and losses of the Target Company incurred during the period from the day after the Valuation Date, up to and including the date of completion of the industrial and commercial registration of changes regarding the Disposal, shall be borne and gained by the original shareholder(s) of the Target Company prior to the industrial and commercial registration of changes in proportion to its/their respective equity interests. Neither Tiannuo Investments nor Hongda Explosive shall alter the agreed terms of the Disposal or the Consideration for factors such as the operating profits or losses of the Target Company during the aforementioned period.

Undertaking in relation to sales distribution

By entering into the Equity Transaction Agreement, Hongda Explosive undertakes to assist the Target Company in fully releasing its production capacity in relation to explosives for civilian use from the date of completion of the change of the equity registration. Upon request from Tiannuo Investments, Hongda Explosive shall conduct sales distribution based on the average market price of explosives for civilian use in the province where the Target Company is located (i.e. Guangdong Province), with a sales distribution period of no less than 5 years. If Hongda Explosive is unable to fulfill the sales distribution, it shall pay the Target Company a fee of RMB2,000 per tonne of explosives.

Completion

The relevant industrial and commercial registration of changes regarding the Disposal shall be completed by Tiannuo Investments within 30 days after the execution of the Equity Transaction Agreement.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company established under the laws of the PRC with limited liability and is principally engaged in manufacturing and sales of civil explosives products. Prior to the Disposal, the entire equity interest in the Target Company is owned by Tiannuo Investments.

The financial information of the Target Company for each of the two financial years ended 31 December 2023 and 2024 respectively is set out below:

	For the year ended 31 December 2024 (RMB) (audited)	For the year ended 31 December 2023 (RMB) (audited)
Net profit before taxation	32,903,480	14,319,764
Net profit after taxation	28,578,872	12,950,931

Based on the unaudited financial accounts of the Target Company, the net asset value of the Target Company as at 31 July 2025 was approximately RMB101,872,000.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon completion, the Group is not expected to record any actual gain or loss in the consolidated income statement. The Group will receive a cash consideration of RMB105,932,363 (equivalent to approximately HK\$115,784,000) in respect of the Disposal. After recognizing non-controlling interests of RMB35,421,592 (equivalent to approximately HK\$38,716,000) and deducting related transaction costs of RMB12,133,000 (equivalent to approximately HK\$13,261,000), the remaining RMB58,377,771 (equivalent to approximately HK\$63,807,000) will be recognized within equity.

The above is a preliminary assessment based on the latest financial statements of the Target Company, and the actual financial effects of the Disposal upon the completion is subject to the review of the auditors of the Company.

Upon completion of the Disposal, Tiannuo Investments's shareholding in the Target Company will be decreased from 100% to 69%. The Target Company will remain as a subsidiary in the Group, and its financial results will continue to be consolidated into the financial results of the Group upon completion of the Disposal.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Disposal will help expand the Target Company's equity base and gain support from Hongda Explosive in fully releasing the Target Company's production capacity in relation to explosives for civilian use. In particular, the Target Company will leverage on Hongda Explosive's influence in the industry and its capability in distributing the Target Company's products, thereby expanding its existing sales channels.

The Disposal will also help optimize the Company's asset structure, enhance its overall profitability, and the proceeds from the Disposal will be used to supplement the Company's general working capital, which will be beneficial to the Company's overall development.

The Directors are of the view that the Disposal and the transactions thereunder are on normal commercial terms which are made on an arm's length basis and are fair and reasonable and in the best interests of the Group and the Shareholders as a whole.

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PRINCIPAL BUSINESSES OF THE PARTIES

The Group

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

Tiannuo Investments

Tiannuo Investments is a subsidiary of the Company, which is principally engaged in manufacture and sale of civil explosive products.

Hongda Explosive

Hongda Explosive is principally engaged in manufacture of industrial explosives and industrial detonators, manufacturing of general mechanical equipment and technology transfer, consulting and solution designing of blasting technology.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“business day(s)”	any day(s) other than Saturday(s), Sunday(s) and statutory holiday(s) of the PRC
“Company”	Hing Yip Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00132)
“Consideration”	the consideration for the Disposal payable by Hongda Explosive under the Equity Transaction Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of 31% equity interest of the Target Company by Tiannuo Investments to Hongda Explosive in accordance with the Equity Transaction Agreement

“Equity Transaction Agreement”	the equity transaction agreement entered into between Tiannuo Investments and Hongda Explosive dated 30 September 2025 in respect of the Disposal
“Group”	the Company and its subsidiaries
“Guangdong Equity Exchange”	Guangdong United Assets and Equity Exchange (廣東聯合產權交易中心), an exchange platform for the trading of assets and equities in the PRC
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hongda Explosive”	Hongda Civil Explosive Group Co., Ltd.* (宏大民爆集團有限公司), a company incorporated in the PRC with limited liability, which is wholly owned by Guangdong Hongda Holdings Group Co., Ltd.* (廣東宏大集團股份有限公司), a company incorporated in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002683), and an Independent Third Party
“Independent Third Party(ies)”	(an) independent third party(ies) not connected with the Group and any Director, chief executive or substantial shareholder of the Group or any of its subsidiaries or their respective associate of any of them as defined in the Listing Rules
“Independent Valuer”	Guangdong Mingliang Land and Real Estate Assets Appraisal Co., Ltd.* (廣東銘亮土地房地產資產評估有限公司), an independent professional valuer
“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 People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Guangdong Nanhong Civil Explosives Co., Ltd.* (廣東南虹民爆有限公司), a company incorporated in the PRC with limited liability
“Tiannuo Investments”	Guangdong Tiannuo Investments Co., Ltd.* (廣東天諾投資有限公司), a company incorporated in the PRC with limited liability and a subsidiary of the Company
“%”	per cent

On behalf of
Hing Yip Holdings Limited
HE Xiangming
Chairman

Hong Kong, 30 September 2025

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

For the purpose of this announcement, amounts denominated in RMB have been translated into HK\$ at the indicative exchange rate of RMB1 = HK\$1.093.

* For identification purpose only