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CONFIDENCE INTELLIGENCE HOLDINGS LIMITED
信 懇 智 能 控 股 有 限 公 司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1967)

MAJOR AND CONNECTED TRANSACTION
IN RELATION TO ACQUISITION OF 30% EQUITY INTEREST IN
A NON-WHOLLY OWNED SUBSIDIARY

THE ACQUISITION

The Board is pleased to announce that on 17 October 2025 (after trading hours), the Purchaser (being a wholly-owned subsidiary of the Company) and the Vendor entered into the Sale and Purchase Agreement in relation to the Acquisition. Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to acquire and the Vendor have agreed to sell the Sale Shares, representing 30% of the equity interest of the Target Company at a total consideration of RMB40 million.

As at the date of this announcement, the Company owned 70% of the equity interest in the Target Company. Upon Completion, the Company will own 100% of the equity interest in the Target Company and the financial results of the Target Company will continue to be consolidated into the financial statements of the Company.

The Sale and Purchase Agreement

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

Date: 17 October 2025 (after trading hours)

Parties: (i) the Purchaser (as the purchaser); and
(ii) the Vendor (as the seller).

Subject Matter

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares.

Consideration and Payment Terms

The Consideration for the Acquisition is RMB40 million. The Consideration was determined based on normal commercial terms after arm's length negotiation between the Vendor and the Purchaser with reference to, among other things, (i) the business prospect of the Target Company; (ii) the preliminary valuation of 30% equity interest in the Target Company as at 30 June 2025 of approximately RMB40.27 million based on market approach prepared by the Valuer; and (iii) the reasons for and benefits of the Acquisition as stated below in this announcement.

The Consideration will be funded by internal resources of the Group.

Conditions Precedent

Completion of the Sale and Purchase Agreement is conditional upon the satisfaction (or, where applicable, waiver) of the following conditions precedent:

- (a) the representations and warranties made by the Vendor and the Target Company being true, accurate and complete, and free from material omissions and/or misrepresentation as at the date of the Sale and Purchase Agreement and the Completion Date;
- (b) the Sale and Purchase Agreement having been duly executed by all parties in writing, and the execution and performance of all obligations under the Sale and Purchase Agreement having obtained all necessary authorisations, approvals, exemptions issued by the governmental authorities, regulatory bodies or other third parties necessary, and none of the above having been withdrawn prior to the Completion Date;
- (c) no Listing Rules, codes, laws or regulations, governmental authorities, regulatory bodies, legal proceedings or other arrangements that prohibit or restrict the Acquisition and the normal operations of the Target Company's business after the Acquisition;
- (d) as at the Completion Date, the Target Company maintaining normal operations with no occurrence of events that may have a Material Adverse Effect on the overall business value assessment, including but not limited to any Material Adverse Changes in business operations, financial conditions, management, personnel and other aspects; and there being no Material Adverse Changes in the Target Company's business operations, assets, financial position, management, development prospects, operations, legal status and regulatory environment;
- (e) the Target Company agreeing that the Purchaser shall be entitled to shareholder rights in respect of the Sale Shares from the Completion Date; and
- (f) the Purchaser having received the payment notice from the Vendor specifying the detailed information of the Vendor's receiving bank account and the amount payable by the Purchaser to the Vendor.

The Purchaser may at anytime waive in whole or in part in writing to the Vendor all the Conditions Precedent above except for (b) and (c). As at the date of this announcement, none of the Conditions Precedent has been fulfilled or waived.

Termination

The Sale and Purchase Agreement may be terminated in the following circumstances:

- (a) if any of the Conditions Precedent has not been fulfilled or waived in writing by the Purchaser within the Long Stop Date, the Purchaser shall have the right to terminate the Sale and Purchase Agreement unilaterally by serving a written notice;
- (b) prior to the Completion Date, if the Purchaser discovers that any representations and warranties made by the Vendor and the Target Company are untrue or inaccurate, the Purchaser shall have the right to terminate the Sale and Purchase Agreement by serving a written notice to the defaulting party;
- (c) if any party fails, refuses or neglects to perform any of its obligations under the Sale and Purchase Agreement or commits a breach of any provision of the Sale and Purchase Agreement, the defaulting party shall remedy such breach within thirty (30) days from the date of receipt of notice specifying such breach by the other party. If such breach is not remedied to the satisfaction of the non-defaulting party within thirty (30) days, the non-defaulting party may terminate the Sale and Purchase Agreement unilaterally; and
- (d) the Sale and Purchase Agreement may be terminated by mutual written consent of all parties.

In the event of termination of the Sale and Purchase Agreement, the Sale and Purchase Agreement shall become of no further effect except for certain provisions concerning, among others, liability of breach, confidentiality, tax and expenses, and governing law and jurisdiction.

Completion

Subject to the satisfaction (or, where applicable, waiver) of the Conditions Precedent, Completion shall take place on the Completion Date.

Information of the Group, the Vendor and the Target Company

The Group

The Company was incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in (i) provision of electronic manufacturing service (“EMS”) and (ii) sales of printed circuit board assembly and electronic components.

The Vendor

The Vendor, Mr. Chen Wensheng, is an individual investor who holds 30% equity interest in the Target Company as at the date of this announcement. Mr. Chen is a substantial shareholder of the Target Company and an entrepreneur with experience in EMS industry for over 10 years.

The Target Company

Immediately prior to the Acquisition, the Target Company was owned as to 70% by the Purchaser and 30% by the Vendor. The Purchaser is an indirect wholly-owned subsidiary of the Company. The Vendor is a substantial shareholder of the Target Company and a connected person of the Company at the subsidiary level.

The Target Company is a limited liability company established under the laws of the PRC on 14 October 2020 and a direct non-wholly-owned subsidiary of the Purchaser. The Target Company is principally engaged in the surface mount technology (“SMT”) processing services, a core segment of the EMS industry. SMT involves the automated placement and soldering of electronic components onto printed circuit boards through precision manufacturing processes which are essential for production of electronic devices and components.

Set out below are the unaudited revenue, net profit before taxation and net profit after taxation of the Target Company for each of the years ended 31 December 2023 (“FY2023”) and 2024 (“FY2024”):

	FY2024 <i>RMB'million</i> (unaudited)	FY2023 <i>RMB'million</i> (unaudited)
Revenue	86.6	40.2
Net profit before taxation	15.6	9.7
Net profit after taxation	16.5	8.1

As at 30 June 2025, the unaudited net assets value of the Target Company is approximately RMB49.3 million.

Reasons for and benefits of the Acquisition

The Target Company is principally engaged in SMT processing services, which forms an integral part of the EMS value chain. The Target Company's strategic importance to the Group is underscored by its robust financial performance, including (i) its revenue of approximately RMB86.6 million for FY2024, representing approximately 30.0% of the Group's revenue during the same year; (ii) the net profit after taxation of the Target Company of approximately RMB16.5 million for FY2024, representing approximately 2.5 times of the Group's net profit after taxation during the same year; and (iii) net profit margin of approximately 19.1% of the Target Company for FY2024. The Target Company's considerable revenue base and profitability, indicate its operational efficiency and market competitiveness in the EMS industry, as well as its potential strategic value to the Group's business development.

The Board also anticipates stable demand in the EMS industry in the PRC, driven by increasing demand for electronic products across various sectors including consumer electronics, automotive electronics, and industrial automation. This prospect is supported by recent data announced by the Ministry of Industry and Information Technology (工信部) (the **"Data"**) showing healthy development in the electronic information manufacturing sector (the **"Electronic Sector"**). According to the Data, the production volume of major products in the Electronic Sector of smartphone, micro-computer and integrated circuit grew by 0.5%, 5.6% and 8.7% in the first half of 2025 while export volume of enterprises above the designated size in the Electronic Sector grew by 3.6% in the same period. The Target Company's established presence and technical capabilities in SMT processing services may enable the Group to maintain its market position in the Electronic Sector.

Furthermore, as mentioned in the interim report of the Company for the six months period ended 30 June 2025, the Group will continue to invest in development of in-house capabilities and keep abreast of the development of technology advancement in the EMS industry to secure more business opportunities for the Company and the Shareholders. The Board considers this Acquisition is in line with the Group's strategy as full ownership will (i) enhance the Group's flexibility in technological development, strategic initiatives and allocation of production resources; (ii) enable the Group to maximize returns from the Target Company's proven profitability (with net profit margin of approximately 19.4% for FY2024) and strengthen the Group's overall financial performance without minority interest considerations; and (iii) allow streamlined decision-making processes and unified management control, especially in strategic planning and market expansion initiatives. With complete integration of resources and knowledge sharing within the Group's ecosystem, the Group will be better positioned to capture market opportunities in the EMS industry through the Target Company's operations and business development, which in turn will strengthen the Group's ability to secure additional business opportunities.

Having considered the above factors, the Directors (including the independent non-executive Directors) are of the view that the terms of the Sale and Purchase Agreement are on normal commercial terms, fair and reasonable, and the Acquisition is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 25% but are less than 100%, the Acquisition constitutes a major transaction for the Company and are subject to reporting and announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Vendor, holding 30% of the equity interest of the Target Company, is a substantial shareholder of the Target Company which is a subsidiary of the Company. Accordingly, the Vendor is a connected person at the subsidiary level of the Company under Rule 14A.06(9) of the Listing Rules, and the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.101 of the Listing Rules, as (i) the Board has approved the Acquisition; and (ii) the independent non-executive Directors have confirmed that the terms of the Acquisition are fair and reasonable, the Acquisition is on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole, the Acquisition is only subject to the reporting, announcement, circular and shareholders' approval requirements but is exempt from independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The EGM will be convened by the Company to seek the Shareholders' approval of the Acquisition. All Shareholders who have a material interest in the Acquisition, together with their associates, will be required to abstain from voting at the EGM.

A circular containing, among other things, (i) further details about the Acquisition; (ii) notice of the EGM; and (iii) other information as required under the Listing Rules, will be despatched by the Company to the Shareholders on or before 27 November 2025 as additional time is likely to be required for the Company to prepare and finalise certain data and information for inclusion in the circular.

Shareholders and potential investors of the Company should note that Completion is subject to the Conditions Precedent which may or may not be fulfilled; 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 words and expressions shall have the following meanings when used herein:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement
“Board”	the board of Directors
“Business Day”	any day other than a Saturday, Sunday or any other day on which commercial banks in Hong Kong and/or the PRC are required or authorized by law to be closed
“Company”	Confidence Intelligence Holdings Limited (信懋智能控股有限公司), a company incorporated in the Cayman Islands with limited liability and the registered capital of which are listed on the Main Board of the Stock Exchange (stock code: 1967)
“Completion”	completion of the Sale and Purchase Agreement which shall take place on the date falling within ten (10) Business Days after all the Conditions Precedent have been fulfilled or waived in writing by the Purchaser, on which the Purchaser effects payment of the Consideration in full to the bank account designated by the Vendor
“Completion Date”	the date of Completion
“Conditions Precedent”	the conditions precedent to completion of the Sale and Purchase Agreement as set out in the section headed “Conditions Precedent” of this announcement
“connected person(s)”	has the meaning given to it under the Listing Rules
“Consideration”	the total consideration of RMB40 million payable by the Purchaser to the Vendor for the Sale Shares pursuant to the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the date falling 60 days from the date of the Sale and Purchase Agreement or such other period as the Vendor and the Purchaser may from time to time agree in writing
“Material Adverse Change(s)”	any sustained negative change in the business operations, assets, financial condition, management, prospects or operations of the Target Company
“Material Adverse Effect(s)”	any event, change, development, or effect that, individually or in the aggregate, has or would reasonably be expected to have a material adverse effect on: (i) the business, assets, liabilities (including contingent liabilities), results of operations, financial condition or other condition of the Target Company; (ii) the qualification or ability of the Target Company to conduct its business in the manner in which such business is currently or proposed to be conducted; (iii) the execution, performance or completion of the transaction documents or the Acquisition; or (iv) the ability of the Target Company to complete the Acquisition in accordance with the terms of the Sale and Purchase Agreement
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, does not include Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	Shenzhen Confidential Intelligence Electronics Limited Company* (深圳信懋智能電子有限公司), a limited liability company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	an agreement dated 17 October 2025 entered into between the Vendor and the Purchaser in relation to the Acquisition
“Sale Shares”	registered capital of RMB15 million of the Target Company, representing 30% equity interest of the Target Company

“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Chongqing Confidential Intelligence Limited Company* (重慶信懋科技有限公司), a limited liability company established by the Purchaser and the Vendor under the laws of the PRC on 14 October 2020 and an indirect non-wholly-owned subsidiary of the Company owned as to 70% by the Purchaser and 30% by the Vendor
“Valuer”	Valplus Consulting Limited, an independent valuer
“Vendor”	Mr. Chen Wensheng
%	per cent.

By the Order of the Board
Confidence Intelligence Holdings Limited
Li Hao
Chairman

Hong Kong, 17 October 2025

As at the date of this announcement, the executive Directors are Mr. Li Hao, Mr. Zhang Bizhong, Mr. Xu Shizhen, Ms. Li Biqiong and Mr. Hao Xiangjun, and the independent non-executive Directors are Mr. Huang Jianfei, Mr. Chow Kit Ting and Ms. Mu Lingxia.

* For identification purpose only