FLASH TRAFFIC REPORT

Nexperia & Wingtech

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Prague Security Studies Institute

Nexperia and **Wingtech**

1. BACKGROUND AND RISK ASSESSMENT

On September 30, 2025, the Dutch government seized control of Nexperia, a Chinese semiconductor manufacturer headquartered in the Netherlands. Citing "serious administrative shortcomings" and risks to "Dutch and European economic security", the Dutch Ministry of Economic Affairs invoked the Goods Availability Act, allowing the government to intervene in Nexperia's governance and block or reverse decisions made by Nexperia's Board of Directors. On October 7, an emergency hearing held by the Dutch Enterprise Chamber, a special division of the Amsterdam Court of Appeal, concluded that there were reasons to mistrust CEO Zhang Xuezheng's leadership and management skills. Accordingly, Nexperia was forced to suspend Zhang Xuezheng as Director and CEO, and appoint a Dutch executive with a deciding vote on the Board in his stead.

According to a statement from Nexperia, The Dutch Ministry of Economic Affairs found that "Nexperia's operations in Europe were being compromised in an unacceptable manner," with the Dutch Economy Minister Vincent Karremans highlighting that the government intervened to prevent Zhang Xuezheng from transferring intellectual property and operations out of Europe. Sources familiar with the matter report that, before his suspension as CEO, Zhang Xuezheng had already transferred sensitive information from the company's plant in Manchester, Britain, to a plant owned by Nexperia's parent company in China, including chip designs and machine settings. They further claimed that physical equipment from the company's Hamburg production plant was slated to be taken next, alongside the shuttering of an R&D center in Munich and a 40% reduction in Nexperia's Europe-based staff. It was stated that these actions were part of a broader plan to dismantle the company's operations in Europe and move production to China.

British members of parliament had previously raised concerns about Nexperia's acquisition of the UK's largest semiconductor manufacturer in 2021, with the UK Department for Business, Energy and Industrial Strategy deciding in 2022 to block the acquisition on national security grounds. Across the Atlantic, officials from the U.S. Bureau of International Security and Nonproliferation had likewise raised concerns with the Dutch Foreign Ministry about the then-CEO Zhang Xuezheng already in June 2025, before the Dutch government's intervention.

Nexperia's ownership structure is certainly concerning. The Chinese semiconductor and communications equipment manufacturer Wingtech Technology fully acquired Nexperia in 2019. Subsequently, the Chairman and CEO, and indeed founder, of Wingtech Technology likewise became the Chairman and CEO of Nexperia - the above-mentioned Zhang Xuezheng. While he was recently suspended from his leadership position at Nexperia by a Dutch court decision, his position at Wingtech is less clear. While Wingtech's most recent semi-annual report, dated August 30, 2025, states that he has resigned from his position as Chairman and President, he is nonetheless named as the actual controller of Wingtech, and therefore likely retains substantial influence, if not control, over the company's operations.

In March 2025, Zhang Xuezheng was publicly reprimanded by the Shanghai Stock Exchange for "violations in information disclosure and stock trading," and issued a warning letter by the Hubei Securities Regulatory Bureau for violations of Chinese securities laws and regulations. Moreover, in August 2024, Zhang Xuezheng was fined eight million RMB by the China Securities Regulatory Commission owing to "illegal conduct" and violations of Chinese securities laws. All three of these instances referred to Zhang Xuezheng in his capacity as "the actual controller of Wingtech Technology."

2. SANCTIONED STATUS

- Wingtech Technology was added to the U.S. Department of Commerce Entity List [1] in December 2024, due to its ties to "sensitive semiconductor manufacturing capability critical to the defense industrial bases of the United States and its allies with the objective of relocating these entities to China to help indigenize a semiconductor manufacturing ecosystem." [2]

3. PUBLICLY TRADED STATUS AND SELECT OWNERSHIP DATA

Wingtech Technology is listed in Shanghai under ticker 600745.

- *The Vanguard Group* holds 0.22% of outstanding shares, valued at $16.1 million.
- *BlackRock* holds 0.25% of outstanding shares, valued at $18.1 million, with this ownership distributed through their offshore funds based in the US, UK, Singapore, and Luxembourg.
- *State Street* holds 0.09% of outstanding shares, valued at $6.1 million, with this ownership distributed through their offshore funds based in the US, UK, and Ireland.
- *SEB Investment Management AB*, the asset management arm of one of Sweden's largest banks, holds 0.07% of outstanding shares, valued at $5.1 million.
- *Handelsbanken Kapitalförvaltning AB*, another one of Sweden's largest banks, holds 0.02% of outstanding shares, valued at $1.3 million.

4. RECOMMENDATION

Given the serious national security risks posed by Nexperia and Wingtech Technology, and the direct ties between the two through their ownership and management structure, investments in the securities of Wingtech should be prohibited both by law and as a matter of fiduciary responsibility. Specifically, PSSI recommends immediate regulatory action to prevent European and American retail and institutional investors from buying, selling, or holding the securities of Wingtech.

Permitting continued Western portfolio investment in Wingtech exposes investors to asymmetric material risk, while simultaneously providing capital to a company under significant scrutiny for technology exfiltration, regulatory misconduct, and the erosion of European economic security.