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China Hongguang Holdings Limited

中國宏光控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8646)

**TERMINATION OF
THE MAJOR AND CONNECTED TRANSACTION
IN RELATION TO ACQUISITION OF THE TARGET GROUP**

Reference is made to the announcement (the “**Announcement**”) of China Hongguang Holdings Limited (the “**Company**”) dated 13 April 2021 regarding major and connected transaction in relation to Acquisition of the Target Group. Unless otherwise defined herein, capitalised terms used herein shall have the same meaning as those defined in the Announcement.

The Board announced that on 12 May 2022, the Company entered into a termination agreement (the “**Termination Agreement**”) with Ming Liang Global, pursuant to which the Company and Ming Liang Global mutually agreed to terminate the Equity Sale and Purchase Agreement immediately. Upon the execution of the Termination Agreement, the duties and obligations of the Company and Ming Liang Global under the Equity Sale and Purchase Agreement have been released; the Company has not paid any deposit in respect of the Acquisition and neither party shall make any compensation to the other. The Termination Agreement was entered into because certain conditions precedent under the Equity Sale and Purchase Agreement were not fulfilled, including that the information required for the preparation of the circular in relation to the Equity Sale and Purchase Agreement is not all available. As a result, the Company has not yet obtained Independent Shareholders’ approval regarding the terms of the Equity Sale and Purchase Agreement.

The Board considers that the terms of the Termination Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole, and the termination of the Acquisition has no material adverse effect on the business operations and financial condition of the Group.

By Order of the Board
China Hongguang Holdings Limited
LIN Weishan
Chairwoman and Executive Director

Hong Kong, 12 May 2022

As at the date of this announcement, the Executive Directors are Mr. WEI Jiakun, Ms. LIN Weishan, Mr. CHEN Biming and Ms. LI Wanna; and the Independent Non-Executive Directors are Ms. CHEN Xiuyan, Mr. JIA Xiaogang and Mr. WU Yong.

*This announcement, for which the directors of the Company (the “**Directors**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “**GEM**”) of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.*

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least seven days from the day of its posting. This announcement will also be published on the website of the Company at www.hongguang.hk.