

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

SUPPLEMENTAL ANNOUNCEMENT TO ANNUAL REPORT 2022

Reference is made to the corporate governance report (the “**Corporate Governance Report**”) contained in the annual report of China Hongguang Holdings Limited (the “**Company**”) for the year ended 31 December 2022 (the “**Annual Report 2022**”) published on 31 March 2023. Unless otherwise defined, terms used herein shall bear the same meanings as those defined in the Annual Report 2022.

The Board would like to clarify and supplement the following information in the Corporate Governance Report.

The Company had certain non-compliance record of the GEM Listing Rules requirements and had improved its internal control system accordingly. These incidents are:

- (i) In March 2021, the Company did not disclose in the annual report for the year ended 31 December 2020 the expected timeline of the application of the unutilized IPO proceeds. The Company has thereafter enhanced the checking against the GEM Listing Rules by double checking the checklist of the required content in the annual report.
- (ii) In May 2021, the Company did not apply for waiver from strict compliance with Rules 5.14 and 11.07(2) of the GEM Listing Rules for the remaining waiver period from 14 May 2021 to 12 January 2023 in respect of the appointment of Ms. Kwong Oi Man Patty as the Company’s joint company secretary. The Company also did not consult its compliance advisor in this regard. After such incident, the Company acknowledges that there should be more communication between the joint company secretaries to discuss the relevant compliance requirements, and to seek external advice as appropriate. The internal company secretary is prepared to inform the external company secretary of the plans and activities of the Company in a more timely manner and to consult on whether the matters have implications of GEM Listing Rules. The Company believes that with the enhanced communication and the assistance from external adviser, the joint company secretary arrangement should still be effective to ensure the Company’s compliance of the GEM Listing Rules.

- (iii) In April 2022, the Company delayed the notification of the commencement of blackout period regarding its quarterly results for the three months ended 31 March 2022 by twelve days. After the incident, the Company has prepared a checklist and timetable for all preparation work for publication of financial results and highlighted the time requirements for filing notification to the Stock Exchange. The Company has thereafter filed all similar notification on time in compliance with the GEM Listing Rules.
- (iv) In May 2022, the Company delayed the publication of board meeting notice for considering and approving the unaudited results of the Company and its subsidiaries for the first quarter ended 31 March 2022 by one day. After the incident, the Company prepared a checklist and timetable for all preparation work for publication of financial results and highlighted the time requirements for publication of the relevant notice. The Company has thereafter filed all similar notification on time in compliance with the GEM Listing Rules.
- (v) the Company announced on 31 August 2022 that the connected transaction involving the proposed issue of new Shares to the controlling shareholder of the Company under specific mandate has been completed on the same date. The Company would like to clarify that while the subscription Shares had been issued to Ming Liang Global on 31 August 2022, the Company did not receive the payment of subscription price before the issue of new shares. This incident was caused by inadvertent miscommunication between the Company and Ming Liang Global, and the subscription price was then fully settled in October 2022 following the parties' discovery of the incident. After the said non-compliance, the Company:
- a. has established and adopted a set of "Policy over Issue of New Shares" (配發及發行認購股份的程序), including the procedures over issue of new shares under specific mandate. The policy stated the revised procedures of issuance of new shares under specific mandate, and stated the relevant responsible personnel of each procedure.
 - b. established and adopted an "Issue of New Shares Checklist" (發行新股審批表). Upon the approval for issue of new shares has been obtained from the Board, the company secretary is responsible for preparing the "Issue of New Shares Checklist". The documents required for issue of new shares, including but not limited to the written resolution, subscription agreement, supporting document of the receipt of the subscription price, are set out in the said checklist. The said checklist should be signed by the company secretary as written evidence of the completion of checking. The said checklist together with the relevant supporting document should be submitted and signed by one of the Board members as written evidence of approval. Upon the obtaining of such approval, the company secretary would then issue a written instruction to confirm and instruct Computershare Hong Kong Investor Services Limited, the branch share registrar of the Company, to allot and issue the new shares.

- c. to enhance the procedures of checking of receipts of the payment of subscription price, according to the policy over issue of new shares, the staff of the Company's finance department is required to check the bank account to verify and confirm the receipt of the subscription price. The finance department is required to notify the company secretary in writing regarding the receipt of the subscription price with the relevant supporting document.

As disclosed in the Annual Report 2022, the Board had outsourced its internal audit function to an independent internal audit firm (the “**Internal Auditor**”). The Internal Auditor reports directly to the Audit Committee once a year on all internal audit matters. The Audit Committee reviewed the internal audit report and would monitor the implementation of the improvements required on internal control weaknesses identified.

The Audit Committee is of the view that after the implementation of the above remedial measures, the risk management and internal control systems of the Company are generally effective.

The supplementary information provided in this announcement does not affect other information contained in the Annual Report 2022. Save as disclosed above, the contents of the Annual Report 2022 remain unchanged.

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

Hong Kong, 5 May 2023

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 collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM 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 website of the Stock Exchange at www.hkexnews.hk 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.