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宏華集團
HONGHUA GROUP

HONGHUA GROUP LIMITED

宏華集團有限公司

(a company incorporated in the Cayman Islands with limited liability)

(Stock Code: 196)

ANNOUNCEMENT

(1) POLL RESULTS OF THE EXTRAORDINARY GENERAL MEETING HELD ON 17 APRIL 2023 AND (2) GRANT OF THE WHITEWASH WAIVER

The Board is pleased to announce that all the Resolutions as set out in the Notice dated 23 March 2023 were duly passed by the Independent Shareholders and the Shareholders (as applicable) by way of poll at the extraordinary general meeting (the “EGM”) held on 17 April 2023.

References are made to the circular (the “**Circular**”) and the notice of the EGM (the “**Notice**”) both dated 23 March 2023 and issued by Honghua Group Limited (the “**Company**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

POLL RESULTS OF THE EGM

The Board is pleased to announce that at the EGM held on 17 April 2023, the resolutions set out in the Notice (the “**Resolutions**”) were duly passed by the Independent Shareholders (and in the case of ordinary resolution no. 4, by the Shareholders) by way of poll.

Details of the poll results in respect of the Resolutions are as follows:

Ordinary Resolutions		Number of Votes (%)	
		For	Against
1.	(a) To approve the Dongfang Subscription Agreement and issue of the Dongfang Subscription Shares as detailed in the Notice;	1,118,371,203 (98.94%)	11,927,753 (1.06%)
	(b) To approve the Dongfang Specific Mandate and issue of the Dongfang Subscription Shares in accordance with the Dongfang Subscription Agreement as detailed in the Notice; and		
	(c) To approve that any Director be and is hereby authorised for and on behalf of the Company to do such acts and things, to sign and execute all such further documents (in case of execution of documents under seal, to do so by any two Directors or any Director together with the secretary of the Company) and to take such steps as he/she may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Dongfang Subscription Agreement or any transactions contemplated thereunder and all other matters incidental thereto or in connection therewith, and to agree to and make such variations, amendments or waivers of any of the matters relating thereto or in connection therewith.		
2.	To approve the Chengtong Specific Mandate and issue of the Chengtong Subscription Shares in accordance with the Chengtong Subscription Agreement as detailed in the Notice.	1,118,602,203 (98.97%)	11,696,753 (1.03%)
3.	To approve the Chengtong Subscription, which constitutes a special deal under Rule 25 of the Takeovers Code, as detailed in the Notice.	1,118,602,203 (98.97%)	11,696,753 (1.03%)
4.	(a) To approve the re-election of Mr. Wang Xu as executive Director; and	2,724,385,203 (99.56%)	11,913,753 (0.44%)
	(b) To authorise the Board of Directors to fix the remuneration of Mr. Wang Xu.		

Special Resolutions		Number of Votes (%)	
		For	Against
5.	(a) To approve the Whitewash Waiver as detailed in the Notice; and	1,118,588,203 (98.96%)	11,709,753 (1.04%)
	(b) To approve that any Director be and is hereby authorised for and on behalf of the Company to do such acts and things, to sign and execute all such further documents (in case of execution of documents under seal, to do so by any two Directors or any Director together with the secretary of the Company) and to take such steps as he/she may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Whitewash Waiver or any transactions contemplated thereunder and all other matters incidental thereto or in connection therewith, and to agree to and make such variations, amendments or waivers of any of the matters relating thereto or in connection therewith.	1,118,588,203 (98.96%)	11,710,753 (1.04%)

Notes: (1) The description of the Resolutions is by way of summary only. Please refer to the Notice and the Circular for the details and full text of the Resolutions. (2) The percentage figures included in the poll results at the EGM above are subject to rounding adjustments.

As at the date of the EGM, the total number of issued Shares in the Company was 5,355,994,900, which has not changed since the Latest Practicable Date.

1. With respect to the ordinary resolution no. 1, Dongfang Investment and parties acting in concert with, and associates of, it, Chengtong and parties acting in concert with, and close associates of, it, and any other Shareholders who are involved in or interested in the Dongfang Subscription, the Chengtong Subscription, the Whitewash Waiver or the Special Deal (other than solely as Shareholders of the Company) are required to abstain from voting in respect of the resolution to approve the Dongfang Subscription and the grant of the Dongfang Specific Mandate. Accordingly, the total number of Shares held by the Dongfang Independent Shareholders who were entitled to attend and vote for or against the ordinary resolution no. 1 as set out in the Notice was 3,495,994,900 Shares, representing approximately 65.27% of the total number of issued Shares as at the date of the EGM.
2. With respect to the ordinary resolution no. 2, Chengtong and parties acting in concert with it, Dongfang Investment and parties acting in concert with it, and any other Shareholders who are involved in or interested in the Chengtong Subscription or the Dongfang Subscription (other than solely as Shareholders of the Company) are required to abstain from voting in respect of the resolution to approve the Chengtong Subscription and the grant of the Chengtong Specific Mandate. Accordingly, the total number of Shares held by the Chengtong Independent Shareholders who were entitled to attend and vote for or against the ordinary resolution no. 2 as set out in the Notice was 3,495,994,900 Shares, representing approximately 65.27% of the total number of issued Shares as at the date of the EGM.

3. With respect to the ordinary resolution no. 3, Chengtong and parties acting in concert with it, Dongfang Investment and parties acting in concert with it, and any other Shareholders who are involved in or interested in the Chengtong Subscription or the Dongfang Subscription (other than solely as Shareholders of the Company) are required to abstain from voting in respect of the resolution to approve the Special Deal. Accordingly, the total number of Shares held by the Independent Shareholders who were entitled to attend and vote for or against the ordinary resolution no. 3 as set out in the Notice was 3,495,994,900 Shares, representing approximately 65.27% of the total number of issued Shares as at the date of the EGM.
4. With respect to the ordinary resolutions no. 4, no Shareholder is required to abstain from voting in respect of the resolutions to approve the re-election of Mr. Wang Xu as executive Director and to authorise the Board of Directors to fix the remuneration of Mr. Wang Xu. Accordingly, the total number of Shares held by the Shareholders who were entitled to attend and vote for or against the ordinary resolutions no. 4 as set out in the Notice was 5,355,994,900 Shares, representing approximately 100% of the total number of issued Shares as at the date of the EGM.
5. With respect to the special resolutions no. 5, Dongfang Investment and parties acting in concert with, and associates of, it, Chengtong and parties acting in concert with, and close associates of, it, and any other Shareholders who are involved in or interested in the Dongfang Subscription, the Chengtong Subscription, the Whitewash Waiver or the Special Deal (other than solely as Shareholders of the Company) are required to abstain from voting in respect of the resolution to approve the Whitewash Waiver. Accordingly, the total number of Shares held by the Dongfang Independent Shareholders who were entitled to attend and vote for or against the special resolutions no. 5 as set out in the Notice was 3,495,994,900 Shares, representing approximately 65.27% of the total number of issued Shares as at the date of the EGM.

Save as disclosed in the Circular and above, there was no Shareholder who was required to abstain from voting on the Resolutions at the EGM.

As more than 50% of the votes were cast in favour of each of the ordinary resolutions proposed at the EGM and more than 75% of the votes were cast in favour of the special resolutions proposed at the EGM, the Resolutions were duly passed at the EGM.

The Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, was appointed as the scrutineer for the vote-taking at the EGM.

Apart from Mr. Wang Xu, Mr. Zhu Hua and Mr. Yang Yong that were unable to attend the EGM due to other engagements, all other Directors attended the EGM either in person or through electronic means of communication.

EFFECTS ON THE SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the date of the EGM; (ii) immediately after completion of the Dongfang Subscription (assuming there is no change in the total issued share capital of the Company since the date of the EGM and up to completion of the Dongfang Subscription save for the issue of the Dongfang Subscription Shares); and (iii) immediately after completion of the Dongfang Subscription and the Chengtong Subscription (assuming there is no change in the total issued share capital of the Company since the date of the EGM and up to completion of the Chengtong Subscription save for the issue of the Dongfang Subscription Shares and the Chengtong Subscription Shares):

	As at the date of the EGM		Immediately after completion of the Dongfang Subscription (assuming no other change in the Company's issued share capital)		Immediately after completion of the Dongfang Subscription and Chengtong Subscription (assuming no other change in the Company's issued share capital)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Dongfang Investment (Note 1)	1,606,000,000	29.99	5,606,000,000	59.92	5,606,000,000	58.52
CCHG group						
– Chengtong (Note 2)	–	–	–	–	223,000,000	2.33
– Galactic Investment Limited (Note 3)	254,000,000	4.74	254,000,000	2.71	254,000,000	2.65
CCHG group	254,000,000	4.74	254,000,000	2.71	477,000,000	4.98
Tricor Equity Trustee Limited (Note 4)	733,545,441	13.70	733,545,441	7.84	733,545,441	7.66
Wealth Afflux Limited (Note 4)	318,202,548	5.94	318,202,548	3.40	318,202,548	3.32
Mr. Zhang Mi (Note 5)	3,050,000	0.057	3,050,000	0.033	3,050,000	0.032
Ms. Yi Langlin (Note 6)	2,156,000	0.040	2,156,000	0.023	2,156,000	0.023
Ms. Su Mei (Note 7)	150,000	0.003	150,000	0.002	150,000	0.002
Other Shareholders	2,438,890,911	45.54	2,438,890,911	26.07	2,438,890,911	25.46
Total	5,355,994,900	100.00	9,355,994,900	100.00	9,578,994,900	100.00

Notes:

- (1) Dongfang Investment is wholly-owned by Dongfang Electric Corporation.
- (2) Chengtong is wholly-owned by CCHG.
- (3) Galactic Investment Limited is wholly-owned by China Chengtong Development Group Limited, which is indirectly held by CCHG as to approximately 53.14%.
- (4) Wealth Afflux Limited is held by Tricor Equity Trustee Limited (as the trustee of The ZYL Family Trust). The ZYL Family Trust is a discretionary trust established by Mr. Zhang Mi (as the settlor), with Tricor Equity Trustee Limited (as the trustee). The beneficiaries under The ZYL Family Trust are Mr. Zhang Mi and his family members. Tricor Equity Trustee Limited is the trustee of The ZYL Family Trust and the 5 other trusts.
- (5) Mr. Zhang Mi is a non-executive Director of the Company and individually owns 3,050,000 Shares and holds 1,190,000 share options. Yi Langlin, spouse of Zhang Mi owns 2,156,000 Shares. Zhang Mi is the settlor of a discretionary trust, The ZYL Family Trust, whose trustee, through Wealth Afflux Limited, holds 318,202,548 Shares.

- (6) Ms. Yi Langlin, spouse of Mr. Zhang Mi, individually owns 2,156,000 Shares and is deemed to be interested in 324,598,548 Shares in which Zhang Mi holds 1,190,000 share options.
- (7) Ms. Su Mei is an independent non-executive Director of the Company.

GRANT OF THE WHITEWASH WAIVER

The Executive has, on 11 April 2023, granted the Whitewash Waiver, subject to (i) the approval by at least 75% of the votes cast by the Dongfang Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Dongfang Independent Shareholders by way of poll in respect of the Dongfang Subscription, respectively, at the EGM; and (ii) unless the Executive gives prior consent, no acquisition or disposal of voting rights being made by Dongfang Investment and parties acting in concert with it between the date of the Announcement and completion of the Dongfang Subscription. The abovementioned condition (i) imposed by the Executive has been duly fulfilled as at the date of this announcement. Further announcement(s) will be made by the Company upon completion of the Dongfang Subscription.

Shareholders and potential investors should note that completion of the Dongfang Subscription and completion of the Chengtong Subscription are subject to the fulfilment (or waiver, as the case may be) of other conditions precedent under the Dongfang Subscription Agreement and the Chengtong Subscription Agreement, respectively, as disclosed in the Circular. Further announcement(s) will be made by the Company upon completion of the Dongfang Subscription and the Chengtong Subscription.

Shareholders and potential investors are advised to exercise caution when dealing in Shares, and are recommended to consult their stockbroker, company manager, solicitor or other professional adviser if they are in any doubt about their position and as to actions that they should take.

By order of the Board of
HONGHUA GROUP LIMITED
Wang Xu
Chairman

Hong Kong, 17 April 2023

As at the date of this announcement, the executive directors of the Company are Mr. Wang Xu (Chairman) and Mr. Zhu Hua; the non-executive directors of the Company are Mr. Zhang Mi and Mr. Yang Yong; and the independent non-executive directors of the Company are Mr. Chen Guoming, Ms. Su Mei, Mr. Chang Qing, Mr. Wei Bin and Mr. Zhang Shiju.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.