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宏华集团
HONGHUA GROUP

HONGHUA GROUP LIMITED

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

(Stock code: 196)

- (1) RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS;**
- (2) APPOINTMENT OF DIRECTORS;**
- (3) CHANGE IN COMPOSITION OF BOARD COMMITTEES; AND**
- (4) NON-COMPLIANCE WITH THE LISTING RULES**

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The board of directors (the “**Board**”) of Honghua Group Limited (the “**Company**”) hereby announces that, the following independent non-executive directors have resigned as directors of the Company with effect from 28 June 2024:

1. Mr. Chen Guoming has resigned as an independent non-executive director and a member of the Audit Committee of the Company as he has been an independent non-executive director of the Company for more than nine years and needs to devote more time to other matters;
2. Ms. Su Mei has resigned as an independent non-executive director, a member of the Audit Committee, the chairman of the Remuneration Committee and a member of the Remuneration Committee of the Company due to the need to devote more time to her personal matters;
3. Mr. Chang Qing has resigned as an independent non-executive director, a member of each of the Audit Committee, the Nomination Committee and the Strategic Investment and Risk Control Committee of the Company due to the need to devote more time to his personal matters;
4. Mr. Wei Bin has resigned as an independent non-executive director, the chairman of the Audit Committee, a member of the Audit Committee and the Remuneration Committee of the Company due to the need to devote more time to other matters.

Each of the resigning Directors has confirmed that he/she has no disagreement with the Board and there is no matter that needs to be brought to the attention of the shareholders of the Company in relation to his/her resignation.

The Board would like to express its sincere gratitude to the resigning Directors for their contributions to the Company during their tenures of office.

APPOINTMENT OF DIRECTORS:

1. Mr. Yang Yangzhuang (“**Mr. Yang**”) has been appointed as a non-executive director, member of the Audit Committee and the Strategic Investment and Risk Control Committee of the Company, and the relevant appointment is effective from 28 June 2024;
2. Mr. Liu Xinggui (“**Mr. Liu**”) has been appointed as a non-executive director and member of the Strategic Investment and Risk Control Committee of the Company, and the relevant appointment is effective from 28 June 2024;
3. Ms. Li Yuedong (“**Ms. Li**”) has been appointed as an independent non-executive director, the chairman of the Audit Committee and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company, and the relevant appointment is effective from 28 June 2024.

The biographies of Mr. Yang, Mr. Liu and Ms. Li are provided as follows:

Mr. Yang, aged 58, a senior engineer, was a deputy director of the marketing department of Dongfang Electric Co., Ltd., deputy manager of thermal power division, Party Secretary, chairman and general manager of Dongfang Electric (Sichuan) Supplies Co., Ltd. He is currently serving as a director of Sichuan Honghua Petroleum Equipment Co., Ltd., a subsidiary of the Company. Mr. Yang has extensive experience in marketing, service and management. Mr. Yang received his Bachelor of Engineering degree in water conservancy and hydropower power engineering from College of Water Resources and Hydropower, Shaanxi Institute of Mechanical Engineering in 1988.

Mr. Yang has entered into a non-executive director service contract with the Company for a term of three years commencing from 28 June 2024, and is subject to retirement by rotation and re-election in accordance with the Company’s articles of association. Mr. Yang does not receive director’s remuneration from the Company.

Liu Xinggui, aged 59, a professorate senior engineer, has served as a deputy general manager of Dongfang Steam Turbine Co., Ltd., general manager of gas turbine division and nuclear power division of Dongfang Electric Co., Ltd., chairman and secretary of the Party Committee of Dongfang Electric Wind Power Co., Ltd. He is currently a director of Sichuan Honghua Petroleum Equipment Co., Ltd., a subsidiary of the Company. Mr. Liu has rich experience in business management. Mr. Liu received his Bachelor of Engineering degree in Thermal Turbine-machinery from the Department of Energy and Power Engineering of Xi ‘an Jiaotong University in 1987 and his Doctor of Management degree in Management Science and Engineering from the University of Electronic Science and Technology of China in 2009.

Mr. Liu has entered into a non-executive director service contract with the Company for a term of three years commencing from 28 June 2024, and is subject to retirement by rotation and re-election in accordance with the Company's articles of association. Mr. Liu does not receive director's remuneration from the Company.

Li Yuedong, aged 47, is currently a director of the audit Department of the Accounting School of Southwestern University of Finance and Economics, doctoral supervisor, one of the first international high-end accounting talents of the Ministry of Finance, and CPA of the United States. She served as an independent director of Chengdu Leejun Industrial Co., Ltd. (002651.SZ), Sichuan Kelun Pharmaceutical Co., Ltd. (002422.SZ), Chengdu High-Tech Development Group Co., Ltd. (000628.SZ), Sichuan Fengsheng Paper Technology Co., Ltd. and Sichuan Neautus Traditional Chinese Medicine Co., Ltd. She currently served as Chengdu Sino Microelectronics Technology Co., Ltd. (688709.SH), Ya'an Bstry Performance Material Co., Ltd., Chengdu Zhimingda Electronics Co., Ltd. (688636.SH), Chengdu Shengbang Seals Co., Ltd. (301233.SZ) and Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd. (6990.HK). Ms. Li obtained her bachelor's degree in economics from Chongqing Technology and Business University in 2000, master's degree in Accounting (MAcc) from Georgia College & State University in 2004, and doctoral degree in Management (Accounting) from Southwestern University of Finance and Economics in 2011.

Ms. Li has entered into an independent non-executive director service contract with the Company for a term of three years commencing from 28 June 2024, and is subject to retirement by rotation and re-election in accordance with the Company's articles of association. Ms. Li will receive an annual director's remuneration of HK\$150,000, which will be determined by the Board of the Company with reference to her qualifications, experience and responsibilities.

Other Information in relation to the appointment of directors

Except as disclosed above, as at the date of this announcement, each of the newly appointed directors has confirmed that he/she (i) has not held any other position in the Company or any of its subsidiary; (ii) does not have any other relationship with any director, senior manager, substantial shareholder or controlling shareholder of the Company; (iii) has not held directorship in any public companies listed on securities market of Hong Kong or overseas in the past three years; (iv) does not have any interests in the shares of the Company within the meaning defined under Part XV of the Securities and Futures Ordinance (Chapter 571 of Hong Kong Laws); and (v) does not have any information which is to be disclosed under rule through 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") or any other matters that need to be brought to the attention of the Company's shareholders in relation to their appointments.

Ms. Li has confirmed that she (i) has met the independence criteria as set out in Rule 3.13(1) to (8) of the Listing Rules; (ii) she has no past or present financial or other interests in the business of the Company or its subsidiaries or any connection with any core connected person (as defined under the Listing Rules) of the Company; and (iii) there are no other factors that may affect her independence at the time of her appointment.

The Board welcomes Mr. Yang, Mr. Liu and Ms. Li for joining the Board.

Changes in the Composition of Board Committees

1. Yang Qiang, an executive director, has been appointed as a member of the Strategic Investment and Risk Control Committee of the Company with effect from 28 June 2024.
2. Zhang Shiju, an independent non-executive director, has been appointed as the chairman of the Remuneration Committee of the Company with effect from 28 June 2024.

Non-compliance with Listing Rules

In accordance with Rules 3.10(1) and 3.10A of the Listing Rules, the Board must include at least three independent non-executive directors, and the number of independent non-executive directors must account for at least one-third of the Board. After the above adjustment of directors, there are only two independent non-executive directors of the Company and the number of independent non-executive directors is therefore below the minimum number prescribed under Rules 3.10(1) and 3.10A of the Listing Rules.

The Company is seeking suitable candidates to fill the vacancy of an independent non-executive director to comply with the above Listing Rules as soon as practicable and in any event within three months after the date of this announcement. A further announcement will be made by the Company in due course.

On behalf of the Board
Honghua Group Limited
Wang Xu
Chairman

PRC, 28 June 2024

As at the date of this announcement, the executive directors of the Company are Mr. Wang Xu (Chairman), Mr. Zhu Hua and Mr. Yang Qiang; the non-executive directors of the Company are Mr. Yang Yangzhuang and Mr. Liu Xinggui; and the independent non-executive directors of the Company are Mr. Zhang Shiju and Ms. Li Yuedong.