
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shuanghua Holdings Limited (the “**Company**”), you should at once hand this circular, together with the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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SHUANGHUA HOLDINGS LIMITED
雙樺控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1241)

**MAJOR AND CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF
100% EQUITY INTEREST IN SHANGHAI SHUANGHUA AUTOMOBILE
TECHNOLOGY DEVELOPMENT CO., LTD.
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening an extraordinary general meeting of the Company to be held at Jasmine Room, 2/F, The Hongta Hotel, a Luxury Collection Hotel, Shanghai, 889 Dong Fang Road, Pudong District, Shanghai, the PRC on Tuesday, 20 July 2021 at 10:30 a.m. is set out on pages EGM-1 to EGM-2 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time of the meeting to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investors Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

2 July 2021

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Anhui Shuanghua”	Anhui Shuanghua Intelligent Technology Co., Ltd. (安徽雙樺智能技術有限公司), a company established under the PRC law with limited liability, which is an indirect 99.999%-owned subsidiary of the Company as at the Latest Practicable Date
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China, which for the purpose of this circular only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“close associate(s)”	has the same meaning as ascribed to it thereto under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	Shuanghua Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of the Sale Interest pursuant to the terms of the Equity Transfer Agreement
“EGM”	the extraordinary general meeting of the Company to be held on Tuesday, 20 July 2021 at 10:30 a.m. at Jasmine Room, 2/F, The Hongta Hotel, a Luxury Collection Hotel, Shanghai, 889 Dong Fang Road, Pudong District, Shanghai, the PRC or any adjournment thereof, the notice of which is set out on pages EGM-1 to EGM-2 of this circular
“Equity Transfer Agreement”	the equity transfer agreement dated 25 May 2021 entered into between the Seller and the Purchaser in relation to the Disposal

DEFINITIONS

“Group”, “we” or “our”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huangshan Shuanghua”	Huangshan Shuanghua Donglin Compressor Co., Ltd. (黃山雙樺動林壓縮機有限公司), a company established under the PRC law with limited liability, which is an indirect 51%-owned subsidiary of the Company as at the Latest Practicable Date
“Latest Practicable Date”	29 June 2021, being the latest practicable date before printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Lidahang Enterprise Agency”	Shanghai Lidahang Enterprise Registration Agency Co., Ltd. (上海利達行企業登記代理有限公司), a company established under the PRC law with limited liability
“Lidahang Supply Chain Management”	Shanghai Lidahang Supply Chain Management Co., Ltd. (上海利達行供應鏈管理有限公司), a company established under the PRC law with limited liability, which is an indirect 70%-owned subsidiary of the Company as at the Latest Practicable Date
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix 10 to the Listing Rules
“Mr. Jiang”	Mr. Jiang Zhengrong (姜崢嶸), a director and substantial shareholder of Lidahang Supply Chain Management as at the Latest Practicable Date
“Notice of EGM”	the notice convening the EGM set out on pages EGM-1 to EGM-2 of this circular
“Purchaser”	Shanghai Zeqing Investment Co., Ltd. (上海澤青投資有限公司), a company established under the PRC law with limited liability
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“Sale Interest”	100% of the equity interest in the Target Company
“Seller”	Shuanghua New Energy Vehicles Limited (雙樺新能源汽車有限公司), a limited liability company incorporated in Hong Kong, which is an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shuanghua Autoparts”	Shanghai Shuanghua Autoparts Co., Ltd. (上海雙樺汽車零部件股份有限公司), a limited liability company established under the laws of the PRC and an indirect 99.999%-owned subsidiary of the Company as at the Latest Practicable Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	a subsidiary within the meaning of the Companies Ordinance for the time being of the Company whether incorporated in Hong Kong or elsewhere and “subsidiaries” shall be construed accordingly
“Target Company”	Shanghai Shuanghua Automobile Technology Development Co., Ltd. (上海雙樺汽車科技發展有限公司), a company established under the PRC law with limited liability, which is an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date
“%”	per cent

LETTER FROM THE BOARD



SHUANGHUA HOLDINGS LIMITED
雙樺控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1241)

Executive Directors:

Mr. Zheng Ping (*Chairman*)

Ms. Zheng Fei

Ms. Tang Lo Nar

Non-executive Director:

Ms. Kong Xiaoling

Independent non-executive Directors:

Mr. He Binhui

Mr. Chen Lifan

Ms. Guo Ying

Registered office:

Conyers Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive

PO Box 2681, Grand Cayman

KY-1111, Cayman Islands

Head office:

9/F, Tongsheng Building

458 Fushan Road

Pudong District

Shanghai

PRC

Principal Place of Business in Hong Kong:

2/F, Eton Tower

8 Hysan Avenue

Causeway Bay

Hong Kong

2 July 2021

To the Shareholders

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF
100% EQUITY INTEREST IN SHANGHAI SHUANGHUA AUTOMOBILE
TECHNOLOGY DEVELOPMENT CO., LTD.
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcements of the Company dated 25 May 2021 and 27 May 2021 in relation to the Disposal.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) major terms of the Equity Transfer Agreement; (ii) further details of the Disposal; and (iii) the Notice of EGM.

2. MAJOR AND CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF 100% EQUITY INTEREST IN THE TARGET COMPANY

On 25 May 2021 (after trading hours), the Seller and the Purchaser entered into the Equity Transfer Agreement, pursuant to which the Purchaser has agreed to acquire and the Seller has agreed to sell the Sale Interest at a consideration of RMB1.

THE EQUITY TRANSFER AGREEMENT

Date: 25 May 2021 (after trading hours)

- Parties:
- (1) Seller: Shuanghua New Energy Vehicles Limited
 - (2) Purchaser: Shanghai Zeqing Investment Co., Ltd.
 - (3) Target company: Shanghai Shuanghua Automobile Technology Development Co., Ltd.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Purchaser is directly owned as to 70% by Mr. Jiang and 30% by Ms. Shu Ting (舒婷). Mr. Jiang is a director of Lidahang Supply Chain Management, a 70%-owned subsidiary of the Company. Mr. Jiang is also a substantial shareholder of Lidahang Supply Chain Management by virtue of his 60% equity interest in Lidahang Enterprise Agency, which in turn holds 30% equity interest in Lidahang Supply Chain Management, and therefore a connected person of the Company under Rule 14A.07 of the Listing Rules. Ms. Shu Ting also holds 25% equity interest in Lidahang Enterprise Agency. The Purchaser, as an associate of Mr. Jiang, is a connected person of the Company under the Listing Rules.

Assets to be disposed of

The Purchaser has agreed to acquire and the Seller has agreed to sell the Sale Interest, representing 100% of the equity interest in the Target Company, free from any encumbrances and together with all rights attaching thereto.

Consideration

The Sale Interest would be sold at a consideration of RMB1 which shall be settled within five business days from the date on which the Equity Transfer Agreement becomes effective.

LETTER FROM THE BOARD

Basis of the consideration

The consideration was determined after arm's length negotiations between the Purchaser and the Seller with reference to (i) the unaudited net liability of the Target Company of approximately RMB1.9 million as at 30 April 2021; and (ii) the reasons and benefit for the Disposal as set out in the section headed "Reasons and Benefits of the Disposal" below.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Disposal to be fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

Effective date

The Equity Transfer Agreement shall take effect upon satisfaction of the following conditions:

1. the Equity Transfer Agreement having been signed and sealed by the authorised representatives of each of the Purchaser and Seller;
2. the Disposal and the terms and conditions of the Equity Transfer Agreement having been approved by the shareholder or director of the Seller; and
3. the transactions contemplated under the Equity Transfer Agreement having been approved by the local business and commercial registration department.

None of the above conditions are waivable, and there is no long stop date of the Equity Transfer Agreement.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company established under the PRC law with limited liability and is principally engaged in the business of supply and sales of automobile parts in the PRC. As at the Latest Practicable Date, Huangshan Shuanghua, a company principally engaged in the supply and sales of automobile components that require relatively low technical requirements ("**Low-tech Components Business**"), is owned as to 51% by the Target Company and 49% by Huangshan Zheling Automobile Technology Development Co., Ltd.* (黃山浙嶺汽車科技發展有限公司) ("**Huangshan Zheling**"). Huangshan Zheling is in turn wholly-owned by Mr. Pan Zhengfu (潘正富). To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, save for their respective interests in Huangshan Shuanghua, both Huangshan Zheling and Mr. Pan Zhengfu have no other relationship with the Company, its connected persons and the parties of the Equity Transfer Agreement.

LETTER FROM THE BOARD

The unaudited financial information of the Target Company for the two financial years ended 31 December 2019 and 2020 and for the four months ended 30 April 2021 based on its unaudited management accounts are as follows:

	For the year ended/As at 31 December 2019 RMB'000	For the year ended/As at 31 December 2020 RMB'000	For the four months ended/As at 30 April 2021 RMB'000
Net loss before tax	1	3,050	698
Net loss after tax	1	3,050	698
Revenue	–	23,032	4,731
Total assets	–	32,086	33,453
Total liabilities	<u>(1)</u>	<u>(24,932)</u>	<u>(35,321)</u>

Based on the unaudited management accounts of the Target Company, the unaudited net liability of the Target Company as at 30 April 2021 was approximately RMB1.9 million.

INFORMATION OF THE PURCHASER

The Purchaser is a company established under the PRC law with limited liability and is principally engaged in the business of industrial investment and investment management.

INFORMATION OF THE SELLER

The Seller is a limited liability company incorporated in Hong Kong and is principally engaged in investment holding. As at the Latest Practicable Date, it is an indirect wholly-owned subsidiary of the Company.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the business of trading, manufacturing and research and development of automobile parts and components, cold storage and cold chain supply.

As part of the Group's strategy to develop and diversify its business, the Group is aiming to focus more resources and effort on its mid-to-high end automobile heating, ventilation and air-conditioning ("HVAC") system business and cold storage and cold chain supply business. Due to the increased demand for mid-to-high end HVAC systems in the domestic aftermarket and cold storage trucks in the cold chain logistics industry, the Group has integrated its mid-to-high end HVAC system business with cold storage trucks business, and consolidated the two businesses under the operation of Anhui Shuanghua. Therefore, the revenue generated by the Low-tech Components Business

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decreased as the market demand for mid-to-high end HVAC systems in the domestic aftermarket and cold storage trucks in the cold chain logistics industry increased. The Group is of view that the Target Company, which currently engages in the Low-tech Components Business, does not have a high growth prospect, and Anhui Shuanghua, by focusing on mid-to-high end automobile HVAC system business, will be more conducive to the development of the Group upon the completion of the Disposal. The Disposal offers a good opportunity for the Company to improve its business structure and enhance its working capital. It would also enable the Group to focus on its core business in the mid-to-high end automobile parts market and the development of cold storage truck business, which would involve higher technical requirement and generate higher growth for the Group's overall business. Based on the unaudited management accounts of the Group, the revenue derived from the Group's mid-to-high end HVAC system business and cold storage trucks business is expected to increase by approximately 49.13% for the four months ended 30 April 2021 as compared to the four months ended 30 April 2020. Based on the above, the Directors are of the view that the Group's mid-to-high end HVAC system business and cold storage trucks business will achieve a sustainable development in the near future. Upon completion of the Disposal, the Group will no longer retain any other operations in the Low-tech Components Business. Save for the Purchaser, there was no other interested purchaser at the material time.

Based on the above, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Disposal to be fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

As none of the Directors has a material interest in the Disposal, no Director is required to abstain from voting on the Board resolution(s) approving the Disposal.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon completion of the Disposal, the Group will not hold any equity interest in the Target Company and the Target Company will cease to be a subsidiary of the Company.

Based on the unaudited net liability value of the Target Company attributable to the Sale Interest as at 30 April 2021 of approximately RMB1.9 million and the estimated immaterial transaction costs in relation to the Disposal, it is estimated that the Company will record a book gain of approximately RMB1.9 million (before taxation) from the Disposal.

Upon completion of the Disposal, the consolidated total assets of the Company will be decreased by approximately RMB33.45 million and the consolidated total liabilities of the Company will be decreased by approximately RMB35.32 million.

LETTER FROM THE BOARD

Shareholders should note that the actual amount of the gain or loss on the Disposal to be recognized in the consolidated financial statements of the Company depends on the net liability or asset value of the Target Company as at the date of completion of the Disposal and therefore may be different from the amount mentioned above.

As only a nominal consideration of RMB1 is payable in connection with the Disposal, the Group does not expect to receive any net proceeds from the Disposal.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined in the Listing Rules) for the Disposal exceed(s) 25% but is/are less than 75%, the Disposal constitutes a major transaction of the Company under the Listing Rules and is subject to reporting, announcement and shareholders' approval requirement under the Listing Rules. To the best information, knowledge and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder has any material interest in the Equity Transfer Agreement and the transactions contemplated thereunder and will be required to abstain from voting on the resolution(s) to be proposed at the EGM.

As at the Latest Practicable Date, the Purchaser is owned as to 70% by Mr. Jiang, who is a director of Lidahang Supply Chain Management, a 70%-owned subsidiary of the Company. Mr. Jiang is also a substantial shareholder of Lidahang Supply Chain Management by virtue of his 60% equity interest in Lidahang Enterprise Agency, which in turn holds 30% equity interest in Lidahang Supply Chain Management. As such, the Purchaser is a connected person of the Company at the subsidiary level and the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As (i) the Board has approved the Disposal; and (ii) the Directors (including all of the independent non-executive Directors) have confirmed that the terms of the Disposal are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole, pursuant to Rule 14A.101 of the Listing Rules, the Disposal is subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

3. EGM

The notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for the EGM is enclosed herewith.

To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and deposited, together with power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority, at the

LETTER FROM THE BOARD

Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as practicable but in any event no later than 48 hours before the time for holding the EGM. Completion and delivery of the form of proxy will not prevent you from attending and voting at the EGM and in such event, the instrument appointing a proxy shall be deemed to be revoked.

4. VOTING AT THE EGM

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The chairman of the EGM will therefore demand a poll for every resolution put to the vote of the EGM pursuant to Article 66 of the articles of association of the Company.

5. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 16 July 2021 to Tuesday, 20 July 2021, both days inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Thursday, 15 July 2021 for registration.

6. RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the Disposal is fair and reasonable, are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Equity Transfer Agreement and the transactions contemplated thereunder.

7. ADDITIONAL INFORMATION

Your attention is drawn to the financial information of the Group and other general information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board of
Shuanghua Holdings Limited
Zheng Ping
Chairman

1. FINANCIAL SUMMARY

The financial information of the Group for the three years ended 31 December 2020 has been published in the annual reports per below:

- (a) the financial information of the Group for the year ended 31 December 2020 is disclosed in the annual report of the Company for the year ended 31 December 2020 published on 30 April 2021, from pages 47 to 119 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0430/2021043000324.pdf>);
- (b) the financial information of the Group for the year ended 31 December 2019 is disclosed in the annual report of the Company for the year ended 31 December 2019 published on 28 April 2020, from pages 49 to 127 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0428/2020042800518.pdf>); and
- (c) the financial information of the Group for the year ended 31 December 2018 is disclosed in the annual report of the Company for the year ended 31 December 2018 published on 23 April 2019, from pages 43 to 121 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0423/ltn201904231427.pdf>).

2. INDEBTEDNESS**Lease Liabilities**

As at 31 May 2021, the Group has outstanding aggregate unpaid contractual lease payments (for the remainder of relevant lease terms) of RMB1,752,000 in relation to the corresponding lease liabilities:

	As at 31 May 2021 (unaudited) RMB'000
Current liabilities	541
Non-current liabilities	1,211
	<hr/>
Total	1,752
	<hr/> <hr/>

Save as otherwise disclosed above, the Group did not have any loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding as at the close of business on 31 May 2021.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or operation position of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Group were made up.

4. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, taking into account the expected completion of the Disposal and the internal financial resources available to the Group, the Group will have sufficient working capital for its present requirements for at least twelve months from the date of publication of this circular.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As the outbreak of the novel coronavirus (“COVID-19”) continued to spread in parts of China and across the world, the global economic and political environments will remain uncertain and will continue to stay in the stage of adjustments. The Board expects the money and the stock market will remain volatile. Year 2021 will face a challenging macro outlook and will be another year of continued adjustments.

The Board believes the PRC authorities have appropriate tools, if necessary, to maintain stability in the economic and social systems, though the uncertainties around the globe will affect the supply chains in different businesses on varied levels. In a continuing volatile operating environment in 2021 with uncertainties going forward, the Board will continue to focus on execution of its business plans and strategies.

As at the Latest Practicable Date, the Group was principally involved in two major businesses, being the business of trading, manufacturing and research and development of automobile parts, mainly the automobile HVAC systems with components, and the business of supply chain management, mainly cold storage and cold chain supply, respectively. While executing the business plans and strategies of the Group for 2021 and onwards, the Board has decided as follows:

- *Business of trading, manufacturing and research and development of automobile components with relatively higher technical requirement:* continuing current operations and planning to expand the Group’s existing investments.
- *Business of trading, manufacturing and research and development of automobile components with relatively lower technical requirement:* ceasing to operate and invest in this business as a result of the Disposal.

- *Cold storage and cold storage trucks business:* continuing current operations and planning to expand the Group's existing investments.
- *Cold chain supply business:* continuing current operations and planning to expand the Group's existing investments.

The Board believes that the above business plans would improve the business structure of the Company and further upgrade and specialize its business. Save as disclosed above and save for the Disposal, the Company currently does not have any plan to scale down any of its businesses.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules 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 circular 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 herein or this circular misleading.

2. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director	Nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage of shareholding in the total number of Shares in issue (%)
Mr. Zheng Ping ⁽¹⁾	Interest of controlled corporation	282,750,000	43.5%
Ms. Kong Xiaoling ⁽²⁾	Interest of spouse	282,750,000	43.5%

Notes:

- (1) Mr. Zheng Ping is an executive Director and holds 100% interest in Youshen International Group Limited (“**Youshen Group**”) and he is deemed to be interested in the 282,750,000 Shares held by Youshen Group.
- (2) Ms. Kong Xiaoling is a non-executive Director and the spouse of Mr. Zheng Ping. Accordingly, Ms. Kong is deemed to be interested in the 282,750,000 Shares held by Youshen Group under the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company

and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required to be recorded in the register to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

3. INTERESTS DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in Shares

Name of Substantial Shareholder	Capacity	Nature of interest	Number of Shares held	Approximate percentage of shareholding in the total number of Shares in issue (%)
Youshen Group ⁽¹⁾	Beneficial owner	Corporate	282,750,000	43.5%

Note:

(1) Mr. Zheng Ping is a director of Youshen Group.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which had an interest or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

4. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2020, being the date to which the latest published audited accounts of the Company were made up.

None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors has a service contract with any member of the Group which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

6. INTEREST OF DIRECTORS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and his/her close associates was interested in any business, which competes or is likely to compete, either directly or indirectly, with that of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or operation position of the Group since 31 December 2020, being the date to which the latest published audited consolidated accounts of the Group were made up.

8. LITIGATION

As at the Latest Practicable Date, the Directors were not aware of the Group being engaged in any litigation, arbitration or claim of material importance and that no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

9. MISCELLANEOUS

- (a) The registered office of the Company is at Conyers Trust Company (Cayman) Limited Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY-1111, Cayman Islands. The head office of the Company is at 9/F, Tongsheng Building, 458 Fushan Road, Pudong District, Shanghai, PRC.
- (b) The Company's branch share registrar and transfer office in Hong Kong is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (c) The company secretary of the Company is Ms. Tang Lo Nar, who is a Fellow of the Association of Chartered Certified Accountants and a member of Hong Kong Society of Accountants, the Hong Kong Institute of Company Secretaries and the Institute of Chartered Secretaries and Administrators.
- (d) Unless stated otherwise, in the event of inconsistency, the English language text of this circular shall prevail over the Chinese language text.

10. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two years immediately preceding the date of this circular:

- (a) the equity transfer agreement dated 30 September 2019 entered into between Shanghai Eagle Investment Limited (上海鷹之星投資有限公司) (“**Shanghai Eagle Investment**”), a subsidiary of the Company, as seller and Shanghai Eagle Star Automobile Services Limited (上海鷹之星汽車服務有限公司) as purchaser in relation to the transfer of 99.999% of the equity interest in Shanghai Citgoc Petroleum Co. Ltd. (上海希戈石油有限公司) at an aggregate consideration of approximately RMB12.30 million;
- (b) the equity transfer agreement dated 25 October 2019 entered into between Mr. Cheng Ruicheng (程瑞成) (“**Mr. Cheng**”) as seller and Shuanghua Autoparts as purchaser in relation to the transfer of 6.67% equity interest in Anhui Shaughua at a consideration of RMB1;
- (c) the equity transfer agreement dated 25 October 2019 entered into between Huangshan Djerma Heat Exchange System Co., Ltd. (黃山傑爾馬熱交換系統有限公司) as seller and Shuanghua Autoparts as purchaser in relation to the transfer of 15% equity interest in Anhui Shaughua at a consideration of RMB2.25 million;
- (d) the supplemental joint venture agreement dated 25 October 2019 entered into between Mr. Cheng, Shuanghua Autoparts and Mr. Wang Deqiang (汪德強) in relation to the capital contribution of RMB22.00 million in cash by Shuanghua Autoparts to Anhui Shuanghua;
- (e) the joint venture agreement dated 10 November 2019 entered into between the Target Company and Taizhou Donglin Automotive Air Conditioning Compressor Co., Ltd. (台州動林汽車空調壓縮機有限公司) in relation to the formation of Huangshan Shuanghua, pursuant to which the Target Company agreed to contribute to the registered capital of Huangshan Shuanghua at RMB10.20 million;
- (f) the equity transfer agreement dated 28 June 2020 entered into between Shanghai Eagle Investment as seller and Fuzhou Anda Shengdong Logistics Co., Ltd. (福州安達聖東物流有限公司) as purchaser in relation to the transfer of 40% equity interest in Shanghai Shuanghua Supply Chain Management Co., Ltd. (上海雙樺供應鏈管理有限公司) at a consideration of RMB1;

- (g) the joint venture agreement dated 6 November 2020 entered into between Shanghai Eagle Investment and Lidahang Enterprise Agency in relation to the formation of Lidahang Supply Chain Management, pursuant to which Shanghai Eagle Investment agreed to contribute to the registered capital of Lidahang Supply Chain Management at RMB10.50 million;
- (h) the equity transfer agreement dated 10 February 2021 entered into between Shuanghua Autoparts as purchaser and Mr. Cheng as seller in relation to the transfer of approximately 13.51% equity interest in Anhui Shuanghua at a consideration of RMB4.60 million; and
- (i) the Equity Transfer Agreement.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Jingtian & Gongcheng LLP at Suites 3203-3207, 32/F., Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong, during normal business hours from the date of this circular up to and as at the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the three financial years ended 31 December 2018, 2019 and 2020;
- (c) the material contracts referred to in the paragraph headed "10. Material Contracts" in this appendix; and
- (d) this circular.

NOTICE OF EGM



SHUANGHUA HOLDINGS LIMITED

雙樺控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1241)

NOTICE OF EGM

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting of Shuanghua Holdings Limited (the “**Company**”) will be held at Jasmine Room, 2/F, The Hongta Hotel, a Luxury Collection Hotel, Shanghai, 889 Dong Fang Road, Pudong District, Shanghai, the PRC on Tuesday, 20 July 2021 at 10:30 a.m. for the following purposes:

ORDINARY RESOLUTION

“**THAT:**

- (a) the equity transfer agreement dated 25 May 2021 (the “**Equity Transfer Agreement**”) (a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose) entered into between Shuanghua New Energy Vehicles Limited (雙樺新能源汽車有限公司) and Shanghai Zeqing Investment Co., Ltd. (上海澤青投資有限公司) in relation to the disposal of 100% of the equity interest in Shanghai Shuanghua Automobile Technology Development Co., Ltd. (上海雙樺汽車科技發展有限公司) by Shuanghua New Energy Vehicles Limited and the transactions contemplated thereunder, be and are hereby confirmed and approved; and
- (b) any one or more directors of the Company (the “**Directors**”) be and is/are hereby authorised to exercise all the powers of the Company to take all steps as he/they may in his/their opinion consider necessary, desirable or expedient to implement and/or give effect to the terms of the Equity Transfer Agreement and the transactions contemplated thereunder (with any amendments to the terms of such agreement which are consistent with the purpose thereof as may be approved by the Directors).”

By order of the Board
Shuanghua Holdings Limited
Zheng Ping
Chairman

Hong Kong, 2 July 2021

NOTICE OF EGM

Registered Office:

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681, Grand Cayman
KY-1111, Cayman Islands

Principal place of business in Hong Kong:

2/F, Eton Tower
8 Hysan Avenue
Causeway Bay
Hong Kong

Notes:

- (1) The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person duly authorised to sign the same.
- (2) A member of the Company entitled to attend and vote at the extraordinary general meeting convened by the above notice is entitled to appoint one or more proxies to attend and, in the event of a poll, vote on his/her behalf. A proxy need not be a member of the Company but must attend the extraordinary general meeting to represent the member.
- (3) In order to be valid, the form of proxy must be deposited with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong together with any power of attorney or other authority, under which it is signed, or a certified copy of that power or authority, not less than 48 hours before the time for holding the meeting.
- (4) In the case of joint holders of any shares in the Company, any one of such joint holders may vote at the extraordinary general meeting, either in person or by proxy, in respect of such shares as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, the vote of the senior holder who tenders a vote either in person or by proxy, will be accepted to the exclusion of the votes of the other joint registered holders.
- (5) Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
- (6) The register of members of the Company will be closed from Friday, 16 July 2021 to Tuesday, 20 July 2021, both days inclusive, for the purpose of determining entitlement of the Company's shareholders to attend and vote at the extraordinary general meeting. During this period, no share transfer will be registered. In order to qualify for attending and voting at the extraordinary general meeting, all completed share transfer forms, accompanied by the relevant certificates, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 15 July 2021.

As at the date of this notice, the Board consists of three executive Directors, Mr. Zheng Ping, Ms. Zheng Fei and Ms. Tang Lo Nar, one non-executive Director, Ms. Kong Xiaoling, and three independent non-executive Directors, Ms. Guo Ying, Mr. He Binhui and Mr. Chen Lifan.