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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)**

**CONNECTED TRANSACTION INVOLVING PROPOSED ISSUE OF  
NEW SHARES TO CONTROLLING SHAREHOLDER  
UNDER SPECIFIC MANDATE  
AND  
ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE**

**Independent financial adviser to the Company**

**RAINBOW.**

RAINBOW CAPITAL (HK) LIMITED  
流博資本有限公司

**MLG SHARE SUBSCRIPTION AGREEMENT**

To support the business development of the Company, Ming Liang Global entered into the MLG Share Subscription Agreement with the Company on 4 September 2024, pursuant to which the Company has conditionally agreed to allot and issue, and Ming Liang Global has conditionally agreed to subscribe for a total of 150,000,000 MLG Subscription Shares at the Subscription Price of HK\$0.286 per MLG Subscription Share in accordance with the terms and conditions as set out in the MLG Share Subscription Agreement.

As at the date of this announcement, Ming Liang Global holds approximately 54.41% of the issued share capital of the Company and is therefore a connected person of the Company. The MLG Share Subscription Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

The MLG Subscription Shares to be issued and allotted to Ming Liang Global will be allotted and issued under the Specific Mandate to be obtained at the EGM.

## **INDEPENDENT SUBSCRIBERS SHARE SUBSCRIPTION AGREEMENT**

To support the business development of the Company, the Independent Subscribers entered into the Independent Subscribers Share Subscription Agreement with the Company on 4 September 2024, pursuant to which the Company has conditionally agreed to allot and issue, and the Independent Subscribers have conditionally agreed to subscribe for a total of 100,000,000 IS Subscription Shares at the Subscription Price of HK\$0.286 per IS Subscription Share in accordance with the terms and conditions as set out in the Independent Subscribers Share Subscription Agreement.

The IS Subscription Shares to be issued and allotted to the Independent Subscribers will be allotted and issued under the Specific Mandate to be obtained at the EGM.

On 4 September 2024, the Company entered into the MLG Share Subscription Agreement with Ming Liang Global, pursuant to which the Company has conditionally agreed to allot and issue, and Ming Liang Global has conditionally agreed to subscribe for, 150,000,000 MLG Subscription Shares on the terms of the MLG Share Subscription Agreement.

On 4 September 2024, the Company entered into the Independent Subscribers Share Subscription Agreement with the Independent Subscribers, pursuant to which the Company has conditionally agreed to allot and issue, and the Independent Subscribers have conditionally agreed to subscribe for, 100,000,000 IS Subscription Shares on the terms of the Independent Subscribers Share Subscription Agreement.

### **1. PRINCIPAL TERMS OF THE MLG SHARE SUBSCRIPTION AGREEMENT**

<b>Date:</b>	4 September 2024
<b>Parties:</b>	(i) The Company, as issuer; and (ii) Ming Liang Global, as subscriber
<b>Subscription Shares:</b>	150,000,000 MLG Subscription Shares
<b>Subscription Price:</b>	HK\$0.286 per MLG Subscription Share

#### **MLG Subscription Shares**

Assuming there will be no change in the issued share capital of the Company from the date of the MLG Share Subscription Agreement to the Closing Date save for the allotment and issue of the MLG Subscription Shares and the IS Subscription Shares:

- (a) the MLG Subscription Shares represent approximately 32.68% of the existing issued share capital of the Company as at the date of this announcement.

- (b) the MLG Subscription Shares represent approximately 24.63% of the issued share capital of the Company as enlarged by the allotment and issue of the MLG Subscription Shares.
- (c) the MLG Subscription Shares represent approximately 21.16% of the issued share capital of the Company as enlarged by the allotment and issue of the MLG Subscription Shares and the IS Subscription Shares.

### **Subscription Price**

The Subscription Price of HK\$0.286 per MLG Subscription Share represents:

- (a) a discount of approximately 42.80% to the closing price of HK\$0.50 per Share as quoted on the Stock Exchange on the date of the MLG Share Subscription Agreement;
- (b) a discount of approximately 34.40% to the average closing price of approximately HK\$0.436 per Share as quoted on the Stock Exchange for the last five (5) trading days up to and including the Last Trading Day;
- (c) a discount of approximately 22.91% to the average closing price of approximately HK\$0.371 per Share as quoted on the Stock Exchange for the last ten (10) trading days up to and including the Last Trading Day;
- (d) a premium of approximately 2.66% to the average closing price of approximately HK\$0.2786 per Share as quoted on the Stock Exchange for the last thirty (30) trading days up to and including the Last Trading Day; and
- (e) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 15.10%, represented by the theoretical diluted price of approximately HK\$0.4245 per Share to the benchmarked price of approximately HK\$0.50 per Share (as defined under 10.44A of the GEM Listing Rules, taking into account the higher of (i) the closing price as quoted on the Stock Exchange on the date of the MLG Share Subscription Agreement of HK\$0.50 per Share and (ii) the average of the closing prices of approximately HK\$0.436 per Shares as quoted on the Stock Exchange for the five previous consecutive trading days immediately prior to the date of the MLG Share Subscription Agreement).

The Subscription Price was determined after arm's length negotiation between the Company and Ming Liang Global after taking into account the prevailing market price of the Shares and the trading volume of the Shares. The Directors (other than the independent non-executive Directors who will give their opinion after considering the advice from the Independent Financial Adviser), are of the view that the terms of the MLG Share Subscription Agreement (including the Subscription Price) are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

The MLG Subscription Shares have an aggregate nominal value of HK\$1,500,000. The net proceeds from the MLG Share Subscription, after deduction of relevant costs and expenses, is estimated to be approximately HK\$42,575,800. The net Subscription Price per MLG Subscription Share, after deduction of relevant costs and expenses, is estimated to be approximately HK\$0.2838 per MLG Subscription Share.

The Subscription Price shall be payable by Ming Liang Global in cash upon Closing.

### **Ranking**

The MLG Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with all other Shares in issue at the time of allotment and issue of the MLG Subscription Shares.

### **Conditions Precedent under the MLG Share Subscription Agreement**

Completion of the MLG Share Subscription Agreement is conditional upon the satisfaction (or, if applicable, waiver) of the following conditions precedent:

- (a) the passing of resolution(s) by the Independent Shareholders at the EGM approving the MLG Share Subscription Agreement and the transactions contemplated thereunder;
- (b) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the MLG Subscription Shares and such approval not having been withdrawn or revoked;
- (c) the current listing of the Shares on the Stock Exchange not having been cancelled or withdrawn;
- (d) each of the warranties included in the MLG Share Subscription Agreement given by the Company remaining true and accurate in all respects and not misleading in any respect as at Closing;

- (e) the Company not having materially breached or failed to perform in any material respect its other obligations or undertakings under the MLG Share Subscription Agreement prior to Closing;
- (f) all consents, approvals, permits, authorizations or clearances (as the case may be) that the Company reasonably considers necessary pursuant to applicable laws, regulations or rules (including but not limited to the GEM Listing Rules) for its execution, implementation and completion of the MLG Share Subscription Agreement having been obtained, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time before Closing;
- (g) all consents, approvals, permits, authorizations or clearances (as the case may be) that Ming Liang Global reasonably considers necessary pursuant to applicable laws, regulations or rules (including but not limited to the GEM Listing Rules) for its execution, implementation and completion of the MLG Share Subscription Agreement having been obtained, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time before Closing;
- (h) from the date of the MLG Share Subscription Agreement entered into between the Company and Ming Liang Global up to and at the Closing Date, there not having occurred any change (nor any development or event involving a prospective change), in the business, assets and liabilities, condition (financial or otherwise), business operations, results of operations or general affairs of the Company or the Group taken as a whole (whether or not arising in the ordinary course of business), which, in the reasonable opinion of Ming Liang Global, has or would have a Material Adverse Effect.

Among the above conditions, items (a), (b), (c), (f) and (g) are not waivable, while items (d), (e) and (h) may be waived by Ming Liang Global. The Conditions Precedent are not fulfilled yet at this stage.

### **Termination**

If any Condition Precedent has not been satisfied or waived by 11:59 pm on the Long Stop Date, the MLG Share Subscription Agreement shall be automatically terminated with immediate effect.

## **Closing**

Subject to the Conditions Precedent being satisfied or waived (if applicable) and the relevant terms under the MLG Share Subscription Agreement, Closing shall occur on the date that is ten (10) Business Days after the date (not being later than the Long Stop Date) on which the last of the Conditions Precedent is satisfied or waived (if applicable) via exchange of documents and signatures, or at such other date, time and venue as the parties may agree in writing.

## **Specific Mandate**

In respect of the Share Subscription by Ming Liang Global, the MLG Subscription Shares will be allotted and issued under the Specific Mandate to be sought from the Independent Shareholders at the EGM.

## **Listing Application**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the MLG Subscription Shares on the Stock Exchange.

## **2. PRINCIPAL TERMS OF THE INDEPENDENT SUBSCRIBERS SHARE SUBSCRIPTION AGREEMENT**

**Date:** 4 September 2024

**Parties:** (i) The Company, as issuer; and  
(ii) The Independent Subscribers, as subscribers

**Subscription Shares:** 100,000,000 IS Subscription Shares

**Subscription Price:** HK\$0.286 per IS Subscription Share

### **IS Subscription Shares**

Assuming there will be no change in the issued share capital of the Company from the date of the Independent Subscribers Share Subscription Agreement to the Closing Date save for the allotment and issue of the MLG Subscription Shares and the IS Subscription Shares:

- (a) the IS Subscription Shares represent approximately 21.79% of the existing issued share capital of the Company as at the date of this announcement.

- (b) the IS Subscription Shares represent approximately 17.89% of the issued share capital of the Company as enlarged by the allotment and issue of the IS Subscription Shares.
- (c) the IS Subscription Shares represent approximately 14.10% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The allotment and issuance of the IS Subscription Shares will not cause any Independent Subscriber to become a substantial Shareholder of the Company.

### **Subscription Price**

The Subscription Price of HK\$0.286 per IS Subscription Share represents:

- (a) a discount of approximately 42.80% to the closing price of HK\$0.50 per Share as quoted on the Stock Exchange on the date of the Independent Subscribers Share Subscription Agreement;
- (b) a discount of approximately 34.40% to the average closing price of approximately HK\$0.436 per Share as quoted on the Stock Exchange for the last five (5) trading days up to and including the Last Trading Day;
- (c) a discount of approximately 22.91% to the average closing price of approximately HK\$0.371 per Share as quoted on the Stock Exchange for the last ten (10) trading days up to and including the Last Trading Day;
- (d) a premium of approximately 2.66% to the average closing price of approximately HK\$0.2786 per Share as quoted on the Stock Exchange for the last thirty (30) trading days up to and including the Last Trading Day; and
- (e) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 15.10%, represented by the theoretical diluted price of approximately HK\$0.4245 per Share to the benchmarked price of approximately HK\$0.50 per Share (as defined under 10.44A of the GEM Listing Rules, taking into account the higher of (i) the closing price as quoted on the Stock Exchange on the date of the Independent Subscribers Share Subscription Agreement of HK\$0.50 per Share and (ii) the average of the closing prices of approximately HK\$0.436 per Shares as quoted on the Stock Exchange for the five previous consecutive trading days immediately prior to the date of the Independent Subscribers Share Subscription Agreement).

The Subscription Price was determined after arm's length negotiation between the Company and the Independent Subscribers after taking into account the prevailing market price of the Shares and the trading volume of the Shares. The Directors are of the view that the terms of the Independent Subscribers Share Subscription Agreement (including the Subscription Price) are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

The IS Subscription Shares have an aggregate nominal value of HK\$1,000,000. The net proceeds from the IS Share Subscription, after deduction of relevant costs and expenses, is estimated to be approximately HK\$28,517,200. The net Subscription Price per IS Subscription Share, after deduction of relevant costs and expenses, is estimated to be approximately HK\$0.2852 per IS Subscription Share.

The Subscription Price shall be payable by the Independent Subscribers in cash upon Closing.

### **Ranking**

The IS Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with all other Shares in issue at the time of allotment and issue of the IS Subscription Shares.

### **Conditions Precedent under the Independent Subscribers Share Subscription Agreement**

Completion of the Independent Subscribers Share Subscription Agreement is conditional upon the satisfaction (or, if applicable, waiver) of the following conditions precedent:

- (a) the passing of resolution(s) by the Shareholders at the EGM approving the Independent Subscribers Share Subscription Agreement and the transactions contemplated thereunder;
- (b) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the IS Subscription Shares and such approval not having been withdrawn or revoked;
- (c) the current listing of the Shares on the Stock Exchange not having been cancelled or withdrawn;
- (d) each of the warranties included in the Independent Subscribers Share Subscription Agreement given by the Company remaining true and accurate in all respects and not misleading in any respect as at Closing;
- (e) the Company not having materially breached or failed to perform in any material respect its other obligations or undertakings under the Independent Subscribers Share Subscription Agreement prior to Closing;



- (f) all consents, approvals, permits, authorizations or clearances (as the case may be) that the Company reasonably considers necessary pursuant to applicable laws, regulations or rules (including but not limited to the GEM Listing Rules) for its execution, implementation and completion of the Independent Subscribers Share Subscription Agreement having been obtained, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time before Closing;
- (g) all consents, approvals, permits, authorizations or clearances (as the case may be) that the Independent Subscribers reasonably consider necessary pursuant to applicable laws, regulations or rules (including but not limited to the GEM Listing Rules) for its execution, implementation and completion of the Independent Subscribers Share Subscription Agreement having been obtained, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time before Closing;
- (h) from the date of the Independent Subscribers Share Subscription Agreement entered into between the Company and the Independent Subscribers up to and at the Closing Date, there not having occurred any change (nor any development or event involving a prospective change), in the business, assets and liabilities, condition (financial or otherwise), business operations, results of operations or general affairs of the Company or the Group taken as a whole (whether or not arising in the ordinary course of business), which, in the reasonable opinion of the Independent Subscribers, has or would have a Material Adverse Effect.

Among the above conditions, items (a), (b), (c), (f) and (g) are not waivable, while items (d), (e) and (h) may be waived by the Independent Subscribers. The Conditions Precedent are not fulfilled yet at this stage.

### **Termination**

If any Condition Precedent has not been satisfied or waived by 11:59 pm on the Long Stop Date, the Independent Subscribers Share Subscription Agreement shall be automatically terminated with immediate effect.

### **Closing**

Subject to the Conditions Precedent being satisfied or waived (if applicable) and the relevant terms under the Independent Subscribers Share Subscription Agreement, Closing shall occur on the date that is ten (10) Business Days after the date (not being later than the Long Stop Date) on which the last of the Conditions Precedent is satisfied or waived (if applicable) via exchange of documents and signatures, or at such other date, time and venue as the parties may agree in writing.

## Specific Mandate

In respect of the Share Subscription by the Independent Subscribers, the IS Subscription Shares will be allotted and issued under the Specific Mandate to be sought from the Independent Shareholders at the EGM.

## Listing Application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the IS Subscription Shares on the Stock Exchange.

### 3. EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY FOLLOWING THE COMPLETION OF THE SHARE SUBSCRIPTION

The table below sets out a summary of the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Closing (assuming there being no other changes to the issued share capital of the Company between the date of this announcement and the Closing Date save for the allotment and issue of the MLG Subscription Shares and the IS Subscription Shares):

	As at the date of this announcement		After the Closing Date and the allotment and issue of MLG Subscription Shares and IS Subscription Shares	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Ming Liang Global	249,750,000	54.41	399,750,000	56.38
Orient Success Ventures Limited	49,500,000	10.78	49,500,000	6.98
The Independent Subscribers	–	–	100,000,000	14.10
Public Shareholders	<u>159,740,000</u>	<u>34.80</u>	<u>159,740,000</u>	<u>22.53</u>
Total	<u><u>458,990,000</u></u>	<u><u>100.00</u></u>	<u><u>708,990,000</u></u>	<u><u>100.00</u></u>

#### **4. REASONS FOR AND BENEFITS OF THE ISSUE OF MLG SUBSCRIPTION SHARES AND IS SUBSCRIPTION SHARES**

To support the business development of the Company, Ming Liang Global and the Independent Subscribers entered into the Share Subscription Agreements with the Company. The entering into of the Share Subscription Agreements will allow the Company to further improve its capital structure and strengthen the financial position of the Group.

Taking into account the recent market conditions, the Directors consider that raising funds by way of allotment and issue of the MLG Subscription Shares and the IS Subscription Shares shall enable the Company to obtain funds at a lower cost, as compared to a rights issue or an open offer. The Board has considered other alternative fundraising methods such as debt financing, rights issue or open offer. The Board has considered that debt financing may incur financial costs on the Group, while rights issue or open offer will involve the issue of listing documents with other application and administrative procedures which may require relatively longer time and incur additional administrative costs as compared to the equity financing by way of allotment and issue of new Shares under the Specific Mandate.

#### **5. USE OF PROCEEDS**

The aggregate gross proceeds of the Share Subscription will be approximately HK\$75,000,000. The aggregate net proceeds of the Share Subscription, after the deduction of related fees and expenses, will be approximately HK\$71,093,000.

The Company intends to apply the net proceeds from the Share Subscription (a) for the Group's general working capital purposes, (b) repayment of bank borrowings and (c) development of potential business projects.

The Board is also of the view that the terms of the Share Subscription Agreements (including the Subscription Price) are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

#### **6. EQUITY FUND RAISING OF THE COMPANY DURING THE PAST TWELVE MONTHS**

The Company had not conducted any equity fundraising activity in the past twelve months immediately preceding the date of this announcement.

## **7. INFORMATION OF THE COMPANY, MING LIANG GLOBAL AND THE INDEPENDENT SUBSCRIBERS**

The Group primarily engages in the manufacture and sale of architectural glass products, including energy-efficient safety glass products and smart glass product in Southern China, under its own brand “Hongguang”.

Ming Liang Global is a connected person of the Company. It is an investment holding company incorporated in the British Virgin Islands and beneficially owned by Mr. Wei Jiakun (executive Director and chief executive officer of the Company), Ms. Lin Weishan (executive Director and chairwoman of the Company) and Ms. Liu Rong (mother of Mr. Wei Jiakun).

The Independent Subscribers consist of 14 individuals. They are third parties independent of the Company and not connected with the Company and its connected persons.

## **8. IMPLICATIONS UNDER THE GEM LISTING RULES**

As at the date of this announcement, Ming Liang Global holds approximately 54.41% of the issued share capital of the Company and is therefore a connected person of the Company. The MLG Share Subscription Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company and is subject to the reporting, announcement, circular and Independent Shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.

As the MLG Subscription Shares to be issued and allotted to Ming Liang Global will be allotted and issued under the Specific Mandate to be obtained at the EGM, the Share Subscription by Ming Liang Global is subject to the Independent Shareholders’ approval.

As the IS Subscription Shares to be issued and allotted to the Independent Subscribers will be allotted and issued under the Specific Mandate to be obtained at the EGM, the Share Subscription by the Independent Subscribers is subject to the Shareholders’ approval.

## **9. FORMATION OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising Ms. Chen Xiuyan, Mr. Jia Xiaogang and Mr. Wu Yong, being all the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of the Share Subscription by Ming Liang Global. An Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

## 10. EGM

The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Share Subscription Agreements and the transactions contemplated thereunder (including without limitation, (a) the allotment and issue of the MLG Subscription Shares to Ming Liang Global and the IS Subscription Shares to the Independent Subscribers and (b) the grant of the Specific Mandate to the Directors for the allotment and issue of the Subscription Shares to Ming Liang Global and the IS Subscription Shares to the Independent Subscribers).

Ming Liang Global and its associate(s) will abstain from voting on the ordinary resolution(s) relating to the MLG Share Subscription Agreement at the EGM. Save as disclosed and to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the Share Subscription Agreements and the transactions contemplated thereunder (including without limitation, (a) the allotment and issue of the MLG Subscription Shares to Ming Liang Global and the IS Subscription Shares to the Independent Subscribers and (b) the grant of the Specific Mandate to the Directors for the allotment and issue of the Subscription Shares to Ming Liang Global and the IS Subscription Shares to the Independent Subscribers), and is required to abstain from voting on the resolutions to approve the aforesaid matters at the EGM.

To the best of the knowledge and belief of the Directors, save that Mr. Wei Jiakun and Ms. Lin Weishan are deemed to be interested in the MLG Share Subscription Agreement, none of the Directors has any interest in the resolution(s) of the Board to consider and approve the Share Subscription Agreements and the transactions contemplated thereunder (including without limitation, (a) the allotment and issue of the MLG Subscription Shares to Ming Liang Global and the IS Subscription Shares to the Independent Subscribers and (b) the grant of the Specific Mandate to the Directors for the allotment and issue of the Subscription Shares to Ming Liang Global and the IS Subscription Shares to the Independent Subscribers) or is otherwise required to abstain from voting on the relevant resolution(s) of the Board.

A circular containing, among other things, (i) further details of the Share Subscription Agreements, and the transactions contemplated thereunder (including without limitation, (a) the allotment and issue of the MLG Subscription Shares to Ming Liang Global and the IS Subscription Shares to the Independent Subscribers and (b) the grant of the Specific Mandate to the Directors for the allotment and issue of the Subscription Shares to Ming Liang Global and the IS Subscription Shares to the Independent Subscribers); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a notice convening the EGM; and (v) other information required under the GEM Listing Rules, will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules. It is expected that the circular will be despatched to the Shareholders on or before 26 September 2024.

**Completion of the issue of the MLG Subscription Shares and IS Subscription Shares are conditional upon the fulfilment of the conditions precedent set out under the paragraphs headed “Conditions Precedent under the MLG Share Subscription Agreement” and “Conditions Precedent under the Independent Subscribers Share Subscription Agreement” in this announcement, which may or may not be fulfilled. Accordingly, the aforementioned completion may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings.

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of directors of the Company
“Closing”	the completion of the Share Subscription
“Closing Date”	the date of Closing
“Company”	China Hongguang Holdings Limited, a limited company incorporated in the Cayman Islands, and the issued Shares of which are listed on the GEM Board of the Stock Exchange (Stock Code: 8646)
“Conditions Precedent”	the conditions precedent set out under the paragraphs headed “Conditions Precedent under the MLG Share Subscription Agreement” and “Conditions Precedent under the Independent Subscribers Share Subscription Agreement”
“Director(s)”	member(s) of the Board of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to approve, among other things, (a) the allotment and issue of the MLG Subscription Shares to Ming Liang Global and the IS Subscription Shares to the Independent Subscribers and (b) the grant of the Specific Mandate to the Directors for the allotment and issue of the Subscription Shares to Ming Liang Global and the IS Subscription Shares to the Independent Subscribers
“GEM”	the GEM of the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries from time to time
“Independent Board Committee”	a committee comprised of Ms. Chen Xiuyan, Mr. Jia Xiaogang and Mr. Wu Yong, all of whom are independent non-executive Directors of the Company, formed to advise the Independent Shareholders in connection with the transactions contemplated under the MLG Share Subscription Agreement
“Independent Shareholders”	shareholders other than the connected person(s) who is/are interested in the relevant transactions
“Independent Subscribers”	a total of 14 individual subscribers under the Independent Subscribers Share Subscription Agreement
“Independent Subscribers Share Subscription Agreement”	the share subscription agreement dated 4 September 2024 entered into between the Company as the issuer and the Independent Subscribers as the subscribers in relation to the subscription of 100,000,000 IS Subscription Shares at the Subscription Price
“IS Subscription Shares”	an aggregate of 100,000,000 new Shares to be issued and allotted by the Company to the Independent Subscribers pursuant to the terms and conditions of the Independent Subscribers Share Subscription Agreement
“Last Trading Day”	3 September 2024, being the last trading day prior to the signing of the Share Subscription Agreements, which took place after trading hours
“Long Stop Date”	4 March 2025
“Material Adverse Effect”	any material adverse effect on the business, assets and liabilities, condition (financial or otherwise), business operations, results of operations, or general affairs of the Company or the Group taken as a whole
“Ming Liang Global”	Ming Liang Global Limited, a company incorporated in the British Virgin Islands

“MLG Share Subscription Agreement”	the share subscription agreement dated 4 September 2024 entered into between the Company as the issuer and Ming Liang Global as the subscriber in relation to the subscription of 150,000,000 MLG Subscription Shares at the Subscription Price
“MLG Subscription Shares”	an aggregate of 150,000,000 new Shares to be issued and allotted by the Company to Ming Liang Global pursuant to the terms and conditions of the MLG Share Subscription Agreement
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Rainbow Capital” and “Independent Financial Adviser”	Rainbow Capital (HK) Limited, a corporation licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activity, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the transactions contemplated under the MLG Share Subscription Agreement
“Share(s)”	ordinary share of HK\$0.01 each in the share capital of the Company
“Share Subscription”	the subscription and issue of the MLG Subscription Shares pursuant to the MLG Share Subscription Agreement and the subscription, and the subscription and issue of the IS Subscription Shares pursuant to the Independent Subscribers Share Subscription Agreement, as the case may be
“Share Subscription Agreements”	the MLG Share Subscription Agreement and the Independent Subscribers Share Subscription Agreement
“Shareholder(s)”	holder(s) of Share(s)
“Specific Mandate”	the specific mandate to be granted by the Independent Shareholders to the Directors at the EGM for the allotment and issue of the MLG Subscription Shares to Ming Liang Global and the IS Subscription Shares to the Independent Subscribers
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



“Subscription Price” HK\$0.286 per MLG Subscription Share and per IS  
Subscription Share

“%” per cent

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

Hong Kong, 4 September 2024

*As at the date of this announcement, the Executive Directors are Mr. WEI Jiakun, Ms. LIN Weishan 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.*

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