
THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this supplemental circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Honghua Group Limited, you should at once hand this supplemental circular, together with the enclosed revised form of proxy, to the purchaser or 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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宏华集团
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)

**SUPPLEMENTAL CIRCULAR
IN RELATION TO THE RE-ELECTION OF A DIRECTOR
AT THE ANNUAL GENERAL MEETING
AND
SUPPLEMENTAL NOTICE OF THE ANNUAL GENERAL MEETING**

This supplemental circular should be read together with the circular of Honghua Group Limited (the “**Company**”) dated 27 April 2022 and the notice convening an annual general meeting of the Company to be held at 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Wednesday, 22 June 2022 at 10 a.m.. A supplemental notice of the annual general meeting of the Company is set out on pages 6 and 7 of this supplemental circular. A revised form of proxy (the “**Revised Proxy Form**”) is also enclosed with this supplemental circular.

If you do not propose to attend the meeting, you are requested to complete the Revised Proxy Form in accordance with the instructions printed thereon and return the same to the Company’s Branch Share Registrar and Transfer Office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the annual general meeting (i.e. not later than 10 a.m. on Monday, 20 June 2022 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and return of the Revised Proxy Form will not preclude shareholders from attending and voting in person at the meeting should they so wish.

* *References to time and dates in this supplemental circular are to Hong Kong time and dates.*

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LETTER FROM THE BOARD



宏华集团
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)

Executive Directors:

Mr. Jin Liliang (*Chairman*)
Mr. Ren Jie

Non-executive Directors:

Mr. Chen Wenle
Mr. Wang Xiuchang
Mr. Zhang Mi

Independent Non-executive Directors:

Mr. Chen Guoming
Ms. Su Mei
Mr. Chang Qing
Mr. Wei Bin

Head Office:

99 East Road, Information Park
Jinniu District, Chengdu
Sichuan
People's Republic of China
Post code: 610036

*Principal Place of Business in
Hong Kong:*

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

Registered Office:

Clifton House, 75 Fort Street
PO Box 1350, Grand Cayman
KY1-1108, Cayman Islands

7 June 2022

To the Shareholders

Dear Sir/Madam,

**SUPPLEMENTAL CIRCULAR
IN RELATION TO THE RE-ELECTION OF A DIRECTOR
AT THE ANNUAL GENERAL MEETING
AND
SUPPLEMENTAL NOTICE OF THE ANNUAL GENERAL MEETING**

1. INTRODUCTION

This supplemental circular should be read together with the circular of the Company dated 27 April 2022 (the “**Circular**”) which contains, inter alia, the notice of the Annual General Meeting (the “**Original Notice of AGM**”). Unless otherwise defined, capitalised terms used in this supplemental circular shall have the same meanings as those defined in the Circular.

LETTER FROM THE BOARD

The purpose of this supplemental circular is to provide you with further information relating to the resolution to be proposed at the Annual General Meeting to approve the re-election of a Director who will retire at the Annual General Meeting pursuant to the Current Articles of Association, and to give you a supplemental notice of the Annual General Meeting and the Revised Proxy Form.

2. RE-ELECTION OF DIRECTOR

Pursuant to article 108(a) and (b) of the Current Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every 3 years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.

The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any Director who has not been subject to retirement by rotation in the 3 years preceding the annual general meeting shall retire by rotation at such Annual General Meeting. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Pursuant to article 112 of the Current Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director so appointed shall hold office only until the next general meeting of the Company and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.

Pursuant to articles 108(a), 108(b) and 112 of the Current Articles of Association, in addition to Mr. Ren Jie, Mr. Chen Guoming, Mr. Chang Qing and Mr. Wang Xiuchang, Mr. Chen Wenle shall also retire at the Annual General Meeting. All the retiring Directors, being eligible to offer themselves for re-election.

Brief biographical details of Mr. Chen Wenle are set out below:

Mr. Chen Wenle (陳文樂先生), aged 42, has been the Non-executive Director of the Company since 29 March 2017.

LETTER FROM THE BOARD

Experience

Mr. Chen is currently the vice general manager of Shenzhen Aerospace Industry Technology Research Institute Co., Ltd. Mr. Chen has worked in Shum Yip Group Limited and joined in CASIC in 2011. Mr. Chen obtained Bachelor of Finance Degree from Shandong University in 2003 and Master of Economics Degree from Shanghai University of Finance and Economics in 2006.

Save as disclosed, Mr. Chen neither holds any position with the Company and other members of the Group nor any directorships in any other listed public companies in the last three years.

Length of service and emoluments

Mr. Chen has entered into a non-executive director's service contract with the Company for a term of 3 years with effect from 29 March 2020, subject to retirement by rotation and re-election in accordance with the Current Articles of Association. Mr. Chen does not receive director's remuneration from the Company.

Relationships

Other than the relationship arising from his being the Company's non-executive director and saved as disclosed above, Mr. Chen does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As at the Latest Practicable Date, Mr. Chen did not have any interest in Shares under Part XV of the SFO.

Matters that need to be brought to the attention of the Shareholders

There is no information that needs to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters concerning Mr. Chen that need to be brought to the attention of the Shareholders.

LETTER FROM THE BOARD

3. SUPPLEMENTAL NOTICE OF THE ANNUAL GENERAL MEETING AND REVISED PROXY FORM

Since the Original Notice of AGM and the form of proxy (the “**First Proxy Form**”) sent together with the Circular do not contain the proposed resolution in relation to the re-election of Mr. Chen Wenle as the Non-executive Director as set out in this supplemental circular, a supplemental notice of the Annual General Meeting is set out on pages 6 to 7 of this supplemental circular and the Revised Proxy Form is enclosed with this supplemental circular to include such proposed resolution.

Whether or not the Shareholders are able to attend the Annual General Meeting, they are requested to complete the enclosed Revised Proxy Form and return it to the Company’s Branch Share Registrar and Transfer Office in Hong Kong, Computershare Hong Kong Investor Services Limited (the “**Share Registrar**”), at Shops 1712-1716, 17th Floor Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting (the “**Closing Time**”). Completion and return of the Revised Proxy Form will not preclude the Shareholders from attending and voting in person at the Annual General Meeting should they so wish.

A Shareholder who has not yet lodged the First Proxy Form with the Share Registrar is requested to lodge the Revised Proxy Form if he/she wishes to appoint proxy(ies) to attend the Annual General Meeting on his/her behalf. In this case, the First Proxy Form should not be lodged with the Share Registrar.

A Shareholder who has already lodged the First Proxy Form with the Share Registrar should note that:

- (i) subject to (iii) below, if no Revised Proxy Form is lodged with the Share Registrar, the First Proxy Form will be treated as a valid form of proxy lodged by him/her if correctly completed. The proxy so appointed by the Shareholder shall be required to vote in such manner as he/she may be directed under the First Proxy Form and, in respect of the resolution for the proposed re-election of Mr. Chen Wenle as the Non-executive Director as set out in the supplemental notice of the Annual General Meeting and the Revised Proxy Form, the proxy will be entitled to vote at his/her discretion or to abstain from voting on such resolution.
- (ii) if the Revised Proxy Form is lodged with the Share Registrar before the Closing Time, the First Proxy Form previously lodged by him/her will be revoked and superseded by the Revised Proxy Form. The Revised Proxy Form will be treated as a valid form of proxy lodged by the Shareholder if correctly completed.

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- (iii) if the Revised Proxy Form is lodged with the Share Registrar after the Closing Time, the Revised Proxy Form will be invalid. The proxy so appointed by the Shareholder under the First Proxy Form, if correctly completed, will be entitled to vote in the manner as mentioned in (i) above as if no Revised Proxy Form was lodged with the Share Registrar. Accordingly, Shareholders are advised to complete the Revised Proxy Form carefully and lodge the Revised Proxy Form with the Share Registrar before the Closing Time.

Pursuant to the Listing Rules, voting by poll is mandatory at all general meetings save for purely procedural or administrative matters. The chairman of the Annual General Meeting will request for voting by poll on all the resolutions to be proposed at the Annual General Meeting.

4. RECOMMENDATION

In addition to the recommendation contained in the Circular, the Directors believe that the proposed re-election of Mr. Chen Wenle as the Non-executive Director is in the best interests of the Company, the Group and the Shareholders as a whole and recommend you to vote in favour of all resolutions to be proposed at the Annual General Meeting.

5. RESPONSIBILITY STATEMENT

This supplemental 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 supplemental 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 supplemental circular misleading.

Shareholders are advised to read this supplemental circular together with the Circular for information relating to the voting arrangement.

Yours faithfully,
By order of the Board
Honghua Group Limited
Jin Liliang
Chairman

SUPPLEMENTAL NOTICE OF THE ANNUAL GENERAL MEETING



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SUPPLEMENTAL NOTICE OF THE ANNUAL GENERAL MEETING

Reference is made to the notice of the Annual General Meeting (the “AGM”) of Honghua Group Limited (the “Company”) dated 27 April 2022 (the “Original Notice of AGM”) which set out details of the resolutions to be considered by the shareholders of the Company (the “Shareholders”) at the AGM to be held at 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Wednesday, 22 June 2022 at 10 a.m.. This supplemental notice shall be read together with the Original Notice of AGM.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN THAT:

The AGM will be held as originally scheduled and the resolutions under item numbered 2 stated in the Original Notice of AGM should be deleted in its entirety and replaced by the following new resolutions under item numbered 2:

- “2. (i) (a) To re-elect Mr. Ren Jie as executive Director;
- (b) To re-elect Mr. Chen Guoming as independent non-executive Director;
- (c) To re-elect Mr. Chang Qing as independent non-executive Director;
- (d) To re-elect Mr. Wang Xiuchang as non-executive Director;
- (e) To re-elect Mr. Chen Wenle as non-executive Director; and
- (ii) To authorize the Board of Directors to fix Directors’ remuneration.”

By order of the Board
Honghua Group Limited
Jin Liliang
Chairman

PRC, 7 June 2022

SUPPLEMENTAL NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. A revised form of proxy (the “**Revised Proxy Form**”) in connection with the above resolutions is enclosed with the supplemental circular of the Company dated 7 June 2022 (the “**Supplemental Circular**”). Please refer to the section headed “Supplemental Notice of the Annual General Meeting and Revised Proxy Form” on pages 4 to 5 of the Supplemental Circular for arrangements on the completion and submission of the Revised Proxy Form.
2. Please refer to the Original Notice of AGM for details of the other ordinary resolutions to be considered at the AGM, closure of the register of members of the Company and eligibility for attending the AGM, proxy and other relevant matters.

As at the date of this notice, the executive directors of the Company are Mr. Jin Liliang (Chairman) and Mr. Ren Jie; the non-executive directors of the Company are Mr. Zhang Mi, Mr. Chen Wenle and Mr. Wang Xiuchang; and the independent non-executive directors of the Company are Mr. Chen Guoming, Ms. Su Mei, Mr. Chang Qing and Mr. Wei Bin.