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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)

Announcement regarding the Cancellation of Issuance of the First Tranche of the Short-term Financing Debentures

This announcement is made by Honghua Group Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Reference is made to the announcement of the Company dated 17 February 2016 regarding the Admission for Registration for Issuance of Short-term Financing Debentures (the “**Announcement**”). Unless the context otherwise defined, terms used in this announcement shall have the same meaning as those used in the Announcement.

Sichuan Honghua planned to issue the first tranche of the Short-term Financing Debentures in 2016 amounted to RMB 500 million. Having considered that the market changes and fluctuates wildly, the Company plans to change the financing arrangement and cancel the issuance of the first tranche of the Short-term Financing

Debentures.

The Company will make further announcement regarding the progress of the Short-term Financing Debentures as and when appropriate.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

On behalf of the Board
Honghua Group Limited
Zhang Mi
Chairman

PRC, 22 March 2016

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Mi (Chairman), Mr. Ren Jie and Mr. Liu Zhi, the non-executive director of the Company is Mr. Siegfried Meissner (Mr. Popin Su as his alternate) and the independent non-executive directors of the Company are Mr. Liu Xiaofeng, Mr. Qi Daqing, Mr. Chen Guoming, Mr. Shi Xingquan and Mr. Guo Yanjun.