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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)

**Termination of the Jianhong Subscription Agreement and
the Supplemental Agreement**

Reference is made to the announcement of Honghua Group Limited (the “**Company**”) dated 31 March 2017 (the “**Announcement**”), in relation to, among other things, the Jianhong Subscription Agreement, the Supplemental Agreement and the issue of new Shares under Specific Mandates. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

As disclosed in the Announcement, under the Supplemental Agreement, the Company agreed not to exercise its right to terminate the Jianhong Subscription Agreement until 26 April 2017, provided that Jianhong provides the Company with satisfactory funding plans.

From the date of signing of the Supplemental Agreement to this date, as Jianhong has not been able to provide the Company with satisfactory funding plans, upon the consideration and approval of the board of directors of the Company, the Company terminated the Jianhong Subscription Agreement and the Supplemental Agreement on 11 April 2017.

By order of the Board of
HONGHUA GROUP LIMITED

Mr. Chen Yajun

Chairman

People's Republic of China, 11 April 2017

As at the date of this announcement, the executive directors of the Company are Mr. Chen Yajun (Chairman), Mr. Zhang Mi, Mr. Ren Jie and Mr. Liu Zhi, the non-executive directors of the Company are Mr. Han Guangrong and Mr. Chen Wenle and the independent non-executive directors of the Company are Mr. Liu Xiaofeng, Mr. Qi Daqing, Mr. Chen Guoming and Ms. Su Mei.