

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



HONGHUA GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 196)

**COMPLETION OF THE ISSUE OF NEW SHARES
UNDER SPECIFIC MANDATE**

Reference is made to the announcement of Honghua Group Limited (the “**Company**”) dated 29 March 2017 and 6 April 2017 (the “**Announcements**”) in relation to the CASIC Subscription Agreement and the issue of new Shares under specific mandate. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

Completion of the CASIC Subscription Agreement

As disclosed in the Announcements, on 6 April 2017, the Company already issued 1,388,364,000 Shares to Kehua (being CASIC’s nominee).

Pursuant to the CASIC Subscription Agreement, on 16 May 2017, the Company issued the remaining Shares (being 217,636,000 Shares) to Kehua. As a result, the CASIC Subscription Agreement has been fully completed.

The shareholding structure of the Company after completion

	Before completion		After completion	
	Number of Shares	%	Number of Shares	%
Ally Giant Limited and Concert Group (<i>Note 1</i>)	1,510,258,620	29.40	1,510,258,620	28.20
Kehua	1,388,364,000	27.02	1,606,000,000	29.99
Public	2,238,798,280	43.58	2,238,798,280	41.81
Total	5,137,420,900	100	5,355,056,900	100

Note 1 – “Concert Group” is defined in the prospectus of the Company dated 25 February 2008

By Order of the Board
Mr. Chen Yajun
Chairman

PRC, 16 May 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.