

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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.*



**宏华集团**  
HONGHUA GROUP

**HONGHUA GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 196)**

**INSIDE INFORMATION**

**PRE-LITIGATION PROPERTY ATTACHMENT**

This announcement is made by Honghua Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company was being informed recently that, Shanghai Shangshi International Trade (Group) Co., Ltd.\* (上海上實國際貿易 (集團) 有限公司) (the “**Applicant**”) had applied to Shanghai Maritime Court (the “**Court**”) to launch a pre-litigation property attachment to Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd. \* (宏華海洋油氣裝備 (江蘇) 有限公司) (“**Honghua Offshore**”), an indirect subsidiary of the Company, and Honghua (China) Investment Co., Ltd.\* (宏華(中國)投資有限公司) (“**Honghua China**”), an indirect subsidiary of the Company. The property attachment application is to freeze Honghua Offshore and Honghua China’s bank deposits of RMB321,093,436.5 or other assets equivalent to the value (the “**Case**”), which has been accepted by the Court.

The Applicant is a purchasing agent for Honghua Offshore, which was engaged by Honghua Offshore to purchase equipment and materials. The purchase was guaranteed by Honghua China. The applicant requested Honghua Offshore and Honghua China to pay about RMB320 million for the materials and equipment they had purchased, and accordingly applied to the Court to launch a property attachment.

The Applicant should commence legal proceedings or apply for arbitration within 30 days from the receipt of the ruling. If the Applicant fails to commence legal proceedings or apply for arbitration within the time limit, the Court shall release the property attachment in

accordance with the law.

The Company is in the course of seeking legal advice on the Case and will actively take necessary measures. The Company will make further announcement on the development of the Case as and when appropriate.

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

By order of the Board  
**Honghua Group Limited**  
**Chen Yajun**  
Chairman

The PRC, 24 May 2018

*As at the date of this announcement, the executive directors of the Company are Mr. Chen Yajun (Chairman), Mr. Zhang Mi and Mr. Ren Jie, 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. Chen Guoming, Ms. Su Mei, Mr. Poon Chiu Kwok, Mr. Chang Qing and Mr. Wu Yuwu.*