

*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.*

*This announcement is for information purposes only and does not constitute an invitation or solicitation of an offer to acquire, purchase or subscribe for securities or an invitation to enter into an agreement to do any such things, nor is it calculated to invite any offer to acquire, purchase or subscribe for any securities.*

*This announcement and the information contained herein does not constitute or form part of an offer to sell securities in the United States. Securities may not be offered or sold in the United States unless registered pursuant to the U.S. Securities Act of 1933, as amended (the “Securities Act”), or pursuant to an applicable exemption from such registration requirement. Any public offering of securities to be made in the United States will be made by means of a prospectus that will contain detailed information about our company and management, as well as financial statements. The securities referred to herein have not been and will not be registered under the Securities Act and no public offering of securities will be made in the United States. No money, securities or other consideration is being solicited by this announcement or the information contained herein and, if sent in response to this announcement or the information contained herein, will not be accepted.*



**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  
CONSENT SOLICITATION  
IN RELATION TO  
US\$200,000,000 7.45% SENIOR NOTES DUE 2019**

Reference is made to the announcement by Honghua Group Limited (the “**Company**”) on 31 October 2018 (the “**Announcement**”) in relation to the solicitation of consents (the “**Consent Solicitation**”) to certain proposed amendments (the “**Proposals**”) to the indenture, dated as of 25 September 2014 (as supplemented from time to time, the “**Indenture**”), by and among the Company, the Non-Russian Subsidiary Guarantors (as defined therein) and Citicorp International Limited, as trustee, governing its 7.45% Senior Notes due 2019 (CUSIP 43858E AA0, ISIN US43858EAA01, Common Code 111395837 (Rule 144A); CUSIP G4584R AA7, ISIN USG4584RAA70, Common Code 111395888 (Regulation S)) (the “**Notes**”).

Unless otherwise defined, capitalized terms used herein shall have the same meanings as defined in the Announcement.

As indicated in the Consent Solicitation Statement dated 31 October 2018, the consent solicitation period expired at 5:00 p.m., New York City time, on 15 November 2018. The Company announces that it has received the requisite consents necessary for the Proposals to the Indenture.

As the requisite consents have been obtained, the Company is pleased to announce that it expects to execute a supplemental indenture (the “**Supplemental Indenture**”) on or around 20 November 2018 (the “**Effective Time**”), by and among the Company, the Non-Russian Subsidiary Guarantors and the trustee, giving effect to the Proposals in compliance with the conditions contained in the Indenture. As more fully described in the Consent Solicitation Statement, the Supplemental Indenture gives the Group the ability to (a) pursue and consummate the Disposal of Offshore Segment, (b) retain the Group’s holding of minority interests in Jiangsu Offshore and Shanghai Offshore immediately following the Disposal of Offshore Segment, (c) retain the existing indebtedness owed to the Group by Jiangsu Offshore and Tank Tek immediately following the Disposal of Offshore Segment and (d) continue the Group’s Guarantee of certain Indebtedness of Jiangsu Offshore following the Disposal of Offshore Segment. The Company will send a copy of the Supplemental Indenture to holders of the Notes upon request.

For a detailed statement of the Proposals, holders of the Notes should refer to the Consent Solicitation Statement.

All documentation relating to the Consent Solicitation are available on the Consent Website: <https://sites.dfkingltd.com/honghua>.

The Company has made arrangement to pay any Consent Fee (as defined in the Consent Solicitation Statement) due as soon as practicable in accordance with the terms set forth in the Consent Solicitation Statement.

The Supplemental Indenture will not become operative until the Company has paid the Consent Fee to the holders of the Notes who have validly delivered and not validly revoked the consents pursuant to the Consent Solicitation. From and after the Effective Time, each present and future holder of the Notes will be bound by the terms of the Indenture as amended by the Supplemental Indenture, whether or not such holder has delivered their consents.

The distribution of this announcement in certain jurisdictions may be restricted by law. Persons who come into possession of this announcement are required to inform themselves about, and to observe, any such restrictions.

## **FORWARD LOOKING INFORMATION**

Forward-looking statements in this announcement, including those statements relating to the Consent Solicitation, such as the payment of the Consent Fee and the execution of the Supplemental Indenture, are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market and price for the Notes; changes in the business and financial condition of the Company and its subsidiaries; changes in the debt markets in general; and the occurrence of events specified in the Consent Solicitation that would trigger a condition permitting termination or amendment of the Consent Solicitation.

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

**Honghua Group Limited**  
**Jin Liliang**  
*Chairman*

PRC, 16 November 2018

*As at the date of this announcement, the executive directors of the Company are Mr. Jin Liliang (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.*