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宏华集团
HONGHUA GROUP

HONGHUA GROUP LIMITED

宏華集團有限公司

(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 16 November 2018 (the “**Announcement**”) in relation to the receipt of the requisite consents necessary for 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.

The Company is pleased to announce that it has entered into a supplemental indenture (the “**Supplemental Indenture**”), dated as of 20 November 2018 (the “**Effective Time**”), by and among the Company, the Non-Russian Subsidiary Guarantors and Citicorp International Limited, as trustee, giving effect to the Proposals in compliance with the conditions contained in the Indenture. As more fully described in the Consent Solicitation Statement dated 31 October 2018, 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.

As the Company has paid the Consent Fee (as defined in the Consent Solicitation Statement) to consenting holders on or about 20 November 2018, the Supplemental Indenture became effective and operative on that date. 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, 21 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.