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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: 0196)**

## **ANNOUNCEMENT**

- (1) SUBSCRIPTION OF SHARES BY DONGFANG INVESTMENT AND  
ISSUE OF SUBSCRIPTION SHARES UNDER SPECIFIC MANDATE**  
**(2) SUBSCRIPTION OF SHARES BY CHENGTONG AND ISSUE OF  
SUBSCRIPTION SHARES UNDER SPECIFIC MANDATE**  
**(3) APPLICATION FOR WHITEWASH WAIVER**  
**AND**  
**(4) SPECIAL DEAL**

## **CONFIRMATION FROM THE INDEPENDENT FINANCIAL ADVISOR**

Reference is made to (a) the circular dated 23 March 2023 (the “**Circular**”) issued by Honghua Group Limited (the “**Company**”) and (b) the annual results announcement for the year ended 31 December 2022 issued by the Company dated 29 March 2023 (the “**Annual Results Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circular and the Annual Results Announcement.

As stated in the Circular, Gram Capital Limited (the “**Independent Financial Advisor**”), has been appointed by the Company as the independent financial adviser to advise the Independent Board Committees and the Independent Shareholders in relation to the Dongfang Subscription (including the grant of the Dongfang Specific Mandate), the Whitewash Waiver and the Special Deal and to make recommendations as to voting. In their letter of advice, the Independent Financial Advisor considered that the Dongfang Subscription, the Special Deal (being the Chengtong Subscription) and the approval of the Whitewash Waiver are fair and reasonable and in the interest of the Company and the Shareholders as a whole. Accordingly, the Independent Financial Advisor recommended the Independent Board Committees to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Dongfang Subscription, the Special Deal and the Whitewash Waiver.

The Independent Financial Advisor has confirmed to the Company that its views and recommendations in the Circular remain unchanged after taking into account the information in the Annual Results Announcement.

**Completion of the Dongfang Subscription and completion of the Chengtong Subscription are subject to the fulfilment of the conditions precedents under the Dongfang Subscription Agreement and the Chengtong Subscription Agreement, respectively, as set out in the relevant sections of the Circular. Accordingly, the Dongfang Subscription and/or the Chengtong Subscription may or may not proceed to completion.**

**Shareholders and potential investors are advised to exercise caution when dealing in Shares, and are recommended to consult their stockbroker, company manager, solicitor or other professional adviser if they are in any doubt about their position and as to actions that they should take.**

By order of the Board of  
**HONGHUA GROUP LIMITED**  
**Wang Xu**  
*Chairman*

PRC, 29 March 2023

*As at the date of this announcement, the executive Directors are Mr. Wang Xu (Chairman) and Mr. Zhu Hua; the non-executive Directors are Mr. Zhang Mi and Mr. Yang Yong; and the independent non-executive Directors are Mr. Chen Guoming, Ms. Su Mei, Mr. Chang Qing, Mr. Wei Bin and Mr. Zhang Shiju.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*