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)

CHANGES IN THE BOARD AND MEMBERS OF BOARD COMMITTEES CHANGE OF CHAIRMAN OF THE BOARD AND APPOINTMENT OF CHIEF FINANCIAL OFFICER

The Board announces that the following resignations, appointments and re-designation have taken effect from 29 March 2017:

Resignation of directors and Board committee members:

1. Mr. Siegfried Meissner has resigned as non-executive director and Mr. Popin Su resigned as his alternate;
2. Mr. Shi Xingquan has resigned as independent non-executive director, member of the Audit Committee and Strategic Investment and Risk Control Committee;
3. Mr. Guo Yanjun has resigned as independent non-executive director and member of Audit Committee; and
4. Mr. Liu Zhi has resigned as member of Strategic Investment and Risk Control Committee.

Appointments of directors, chairman of the Board and Board committees members:

1. Mr. Chen Yajun has been appointed as executive director, chairman of the Board and chairman of Strategic Investment and Risk Control Committee and member of the Remuneration Committee;
2. Mr. Han Guangrong has been appointed as non-executive director;
3. Mr. Chen Wenle has been appointed as non-executive director; and
4. Ms. Su Mei has been appointed as independent non-executive director and member of

Audit Committee and member of Remuneration Committee.

Re-designation of Mr. Zhang Mi

Mr. Zhang Mi has stepped down from the position as chairman of the Board and has been re-designated as the vice-chairman of the Board and has been re-designated from chairman of Strategic Investment and Risk Control Committee as member of Strategic Investment and Risk Control Committee.

Appointment of Chief Financial Officer

Ms. Xu Xiufang has been appointed as Chief Financial Officer of the Company.

The board of directors (the **"Board"**) of Honghua Group Limited (the **"Company"**) announces that, the following resignations, appointments and re-designation have taken effect from 29 March 2017:

Resignation of directors and Board Committee members

1. Mr. Siegfried Meissner resigned as non-executive director and Mr. Popin Su resigned as his alternate;
2. Mr. Shi Xingquan resigned as independent non-executive director, member of Audit Committee and member of Strategic Investment and Risk Control Committee;
3. Mr. Guo Yanjun resigned as independent non-executive director and member of the Audit Committee; and
4. Mr. Liu Zhi resigned as member of Strategic Investment and Risk Control Committee.

All the resigned directors have confirmed that there is no disagreement between them and the Board and they are not aware of any matter relating to their resignations that needs or anything that needs to be brought to the attention of shareholders of the Company (the "**Shareholders**") in relation to their resignations.

The Board would like to express its sincere gratitude to the resigning directors for their contributions to the Company during their tenure of office.

Appointment of directors and Board Committee members:

1. Mr. Chen Yajun has been appointed as executive director, chairman of the Board and chairman of Strategic Investment and Risk Control Committee and member of Remuneration Committee;
2. Mr. Han Guangrong has been appointed as non-executive director;
3. Mr. Chen Wenle has been appointed as non-executive director; and
4. Ms. Su Mei has been appointed as independent non-executive director, member of Audit Committee and member of Remuneration Committee.

Re-designation of Mr. Zhang Mi

Mr. Zhang Mi has stepped down from his position as the chairman of the Board and has been re-designated as the vice-chairman of the Board and has been re-designated from chairman of Strategic Investment and Risk Control Committee as member of Strategic Investment and Risk Control Committee.

Details of the newly appointed directors are as follows:

Mr. Chen Yajun

Mr. Chen Yajun, aged 54, is currently a director, vice general manager and the vice secretary of the Party committee of China Aerospace Automotive Co., Ltd. Mr. Chen obtained bachelor's degree in 1985 and obtained master's degree in 1988 from the Beijing Institute of Technology.

Mr. Chen has entered into an executive director's service contract with the Company for a term of three years commencing from 29 March 2017, subject to retirement by rotation and re-election in accordance with the memorandum and articles of association of the Company ("**Articles**"). According to his service contract, Mr. Chen's remuneration consists of annual basic remuneration and annual performance appraisal remuneration. The annual basic remuneration is about renminbi (RMB) 1.08 million, and the annual performance appraisal remuneration is determined based on the executive director's remuneration management method of the Company. Mr. Chen's remuneration was determined by the Board after taking into consideration of his qualification, experience and responsibility.

Mr. Han Guangrong

Mr. Han Guangrong, aged 55, is currently the deputy director of the international-business department of China Aerospace Science and Industry Corporation ("**CASIC**") and vice-chairman of Aerospace Hi-tech Holding Group Co., Ltd. Mr. Han obtained a bachelor of engineering degree from the Harbin Institute of Technology in 1984 and a master of engineering degree from Beihang University in 1997 respectively.

Mr. Han has entered into a non-executive director's service contract with the Company for a term of three years with effect from 29 March 2017, subject to retirement by rotation and re-election in accordance with the Articles. Mr. Han does not receive director's remuneration from the Company.

Mr. Chen Wenle

Mr. Chen Wenle, aged 37, is currently the director of corporate plan and development department of Shenzhen Aerospace Industry Technology Research Institute Co., Ltd. and chairman of Zhuhai Aerospace Science and Technology Innovation Industrial Co., Ltd. Mr. Chen has a bachelor of finance degree from Shandong University obtained in 2003 and a master of economics degree from Shanghai University of Finance and Economics obtained in 2006.

Mr. Chen has entered into a non-executive director's service contract with the Company for a term of three years with effect from 29 March 2017, subject to retirement by rotation and re-election in accordance with the Articles. Mr. Chen does not receive director's remuneration from the Company.

Ms. Su Mei

Ms. Su Mei, aged 48, is currently the chief executive officer of Beijing YaMeiHeZhong Consultanting Co., Ltd. Ms. Su has a doctorate in finance obtained in 2013 and a master's degree in securities investment obtained in 1999 from Sichuan University, and a bachelor's degree in Chinese from Shandong University in 1991.

Ms. Su has entered into an independent non-executive director's service contract with the Company for a term of 3 years with effect from 29 March 2017, subject to retirement by rotation and re-election in accordance with the Articles. Ms. Su is entitled to director's emolument of HKD 100,000 per annum which was determined by the Board after taking into consideration of her qualification, experience and responsibility.

As at the date of this announcement, Ms. Su Mei holds 150,000 shares of the Company, representing approximately 0.0046% of the total issued share capital of the Company. Save as disclosed above, Ms. Su Mei does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong).

Other Information in relation to the appointment of directors

Except as disclosed above, as at the date of this announcement, each of the newly appointed directors has confirmed that he/she (i) has not held any other position in the Company or any of its subsidiary; (ii) does not have any other relationship with any director, senior manager, substantial shareholder or controlling shareholder of the Company; (iii) has not held directorship in any public companies listed on securities market of Hong Kong or overseas in the past three years; (iv) does not have any interests in the Company's shares within the meaning defined under Part XV of the Securities and Futures Ordinance (Chapter 571 of Hong Kong Laws); and (v) does not have any information which is to be disclosed under rule through 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited or any other matters that need to be brought to the attention of shareholders in relation to their appointments.

General

The List of Directors and their Roles and Functions, containing a list of directors and a table showing the composition of the Board committees, has been updated to reflect the above changes and will be separately published on the websites of The Stock Exchange of Hong Kong Limited and the Company.

Appointment of Chief Financial Officer

The Board is also pleased to announce that Ms. Xu Xiufang (Ms. Xu) has been appointed as the Chief Financial Officer of the Company with effect from 29 March 2017.

Ms. Xu, aged 45, has worked in CASIC group since 1994 in the area of accounting and finance. Ms. Xu currently is the chief accountant of the First Research Institute of CASIC group. Ms. Xu obtained a master's degree of management in Huazhong University of Science and Technology in 2005 and bachelor's degree of economics in Beijing Forestry University in 1994.

The Board would like to take this opportunity to welcome each new director and Ms. Xu to join the Company.

On behalf of the Board
Honghua Group Limited
Chen Yajun
Chairman

Hong Kong, 29 March 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.