

*Unless otherwise defined herein, capitalised terms in this announcement shall have the same meanings as those defined in the prospectus dated 28 June 2017 (the “**Prospectus**”) issued by DONGGUANG CHEMICAL LIMITED (東光化工有限公司) (the “**Company**”).*

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This announcement is for information purposes only and does not constitute an offer or an invitation to induce an offer by any person to acquire, purchase or subscribe for the Shares or other securities of the Company. Potential investors should read the Prospectus for detailed information about the Hong Kong Public Offering and the International Placing described below before deciding whether or not to invest in the Offer Shares.

This announcement is not for release, publication, distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia). This announcement does not constitute or form a part of any offer to sell or solicitation to purchase or subscribe for securities in the United States. The Offer Shares have not been, and will not be, registered under the U.S. Securities Act and may not be offered, sold, pledged, or transferred within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to registration or an exemption from the registration requirements of the U.S. Securities Act. The Offer Shares are being offered and sold outside the United States as offshore transactions in accordance with Regulation S under the U.S. Securities Act.

*In connection with the Global Offering, KGI Capital Asia Limited, as stabilising manager (the “**Stabilising Manager**”) or any person acting for it, on behalf of the Underwriters, may over-allocate or effect transactions with a view to supporting the market price of the Shares at a level higher than that which might otherwise prevail for a limited period after Listing Date. However, there is no obligation on the Stabilising Manager, its affiliates or any person acting for it, to conduct any such stabilising action, which, if commenced, will be conducted at the absolute discretion of the Stabilising Manager, its affiliates or any person acting for it, and may be discontinued at any time. Any such stabilising activity is required to be brought to an end on the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering. Such stabilisation action, if commenced, will be in compliance with all applicable laws, rules and regulatory requirements, including the Securities and Futures (Price Stabilizing) Rules, as amended, made under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).*

Potential investors should be aware that stabilising action cannot be taken to support the price of the Shares for longer than the stabilising period which begins on the Listing Date and is expected to expire on Wednesday, 2 August 2017, being the 30th day after the date of lodging of applications under the Hong Kong Public Offering. After this date, no further stabilising action may be taken, demand for the Shares, and therefore the price of the Shares, could fall.



DONGGUANG CHEMICAL LIMITED

東光化工有限公司

(incorporated in the Cayman Islands with limited liability)

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	: 160,000,000 Shares (subject to Over-allotment Option)
Number of Hong Kong Offer Shares	: 16,000,000 Shares (subject to adjustment)
Number of International Placing Shares	: 144,000,000 Shares (subject to adjustment and the Over-allotment Option)
Maximum Offer Price	: HK\$1.20 per Offer Share (payable in full on application in Hong Kong dollars, subject to refund on final pricing, plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%)
Nominal value	: US\$0.0001 each
Stock code	: 1702

Sole Sponsor and Sole Global Coordinator



KGI Capital Asia Limited

Joint Bookrunners and Joint Lead Managers



KGI Capital Asia Limited



Guotai Junan Securities (Hong Kong) Limited

Application has been made by the Company to the Listing Committee for the listing of, and permission to deal in: (a) the Shares in issue as at the date of the Prospectus, (b) the Offer Shares to be issued pursuant to the Global Offering, (c) the Shares which may be issued pursuant to the exercise of the Over-allotment Option, (d) the Shares which may be issued upon the exercise of options which may be granted under the Share Option Scheme and (e) the Remuneration Shares proposed to be issued to Mr. Cheng Shing Hay pursuant to his employment with the Company. In the event the Over-allotment Option is exercised, an announcement will be made by the Company on the Company's website at www.dg-chemical.com and the website of the Stock Exchange at www.hkexnews.hk.

The Global Offering comprises the Hong Kong Public Offering of initially 16,000,000 Shares (subject to adjustment), representing 10% of the total number of Offer Shares initially available under the Global Offering, and the International Placing of initially 144,000,000 Shares (subject to adjustment and the Over-allotment Option, pursuant to which the Company may be required to allot and issue up to 24,000,000 additional Shares representing 15% of the Offer Shares initially available under the Global Offering, at the Offer Price to, among other things, cover over-allocations in the International Placing, if any), representing 90% of the total number of Shares initially available under the Global Offering. The allocation of the Offer Shares between the Hong Kong Public Offering and the International Placing will be subject to adjustment as described in the section "Structure of the Global Offering" in the Prospectus.

Subject to the granting of the approval for listing of, and permission to deal in, the Shares on the Main Board of the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Main Board of the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made to enable the Shares to be admitted into CCASS.

In connection with the Global Offering, the Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Sole Global Coordinator (on behalf of the International Underwriters) at any time at or prior to the date which is the 30th day after the last day for lodging of applications under the Hong Kong Public Offering, to require the Company to allot and issue up to an aggregate of 24,000,000 additional Shares, representing up to 15% of the total number of Offer Shares initially available under the Global Offering at the Offer Price to cover over-allocations in the International Placing, if any.

The Offer Price will not be more than HK\$1.20 per Offer Share and is currently expected to be not less than HK\$0.92 per Offer Share, unless otherwise announced. Applicants for the Hong Kong Offer Shares are required to pay, on application, the maximum Offer Price of HK\$1.20 per Offer Share together with brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%, subject to refund if the Offer Price as finally determined is less than HK\$1.20 per Offer Share.

Applications for the Hong Kong Offer Shares will only be considered on the basis of the terms and conditions set out in the Prospectus and the related Application Forms.

Applicants who would like to have the allotted Hong Kong Offer Shares registered in their own names should either (i) complete and sign the **WHITE** Application Forms, or (ii) submit applications online through the designated website of the **HK eIPO White Form** Service Provider at www.hkeipo.hk under the **HK eIPO White Form** service. Applicants who would like to have the allotted Hong Kong Offer Shares registered in the name of HKSCC Nominees and deposited directly into CCASS for credit to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participants maintained in CCASS should either (i) complete and sign the **YELLOW** Application Forms, or (ii) give **electronic application instructions** to HKSCC via CCASS.

Copies of the Prospectus, together with the **WHITE** Application Form, may be obtained during normal business hours from 9:00 a.m. on Wednesday, 28 June 2017, until 12:00 noon on Monday, 3 July 2017 from:

- a. any of the following addresses of the Hong Kong Underwriters

KGI Capital Asia Limited

41/F, Central Plaza
18 Harbour Road
Wanchai, Hong Kong

Guotai Junan Securities (Hong Kong) Limited

27/F, Low Block, Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

VC Brokerage Limited

28/F, The Centrium
60 Wyndham Street, Central
Hong Kong

Dongxing Securities (Hong Kong) Company Limited

6805-6806A, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

- b. any of the following branches of the receiving bank:

Bank of China (Hong Kong) Limited

District	Branch	Address
Hong Kong Island	Gilman Street Branch	136 Des Voeux Road Central
	Causeway Bay Branch	505 Hennessy Road, Causeway Bay
	Taikoo Shing Branch	Shop G1006, Hoi Sing Mansion, Taikoo Shing
Kowloon	Wong Tai Sin Branch	Shop G13, Wong Tai Sin Plaza, Wong Tai Sin
New Territories	Kwai Chung Plaza Branch	A18-20, G/F Kwai Chung Plaza, 7-11 Kwai Foo Road, Kwai Chung
	Tai Po Branch	68-70 Po Heung Street, Tai Po Market

Copies of the Prospectus, together with the **YELLOW** Application Form, may be obtained during normal business hours from 9:00 a.m. on Wednesday, 28 June 2017 until 12:00 noon on Monday, 3 July 2017 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or your stockbroker, who may have such copies of Application Forms and the Prospectus available.

The **WHITE** or **YELLOW** Application Form completed in all respects in accordance with the instructions printed thereon, together with a cheque or banker's cashier order attached and marked payable to "BANK OF CHINA (HONG KONG) NOMINEES LIMITED – DONGGUANG CHEMICAL PUBLIC OFFER" for payment, should be deposited in the special collection boxes provided at any of the branches of the receiving bank listed above, at the following times:

Wednesday, 28 June 2017	–	9:00 a.m. to 5:00 p.m.
Thursday, 29 June 2017	–	9:00 a.m. to 5:00 p.m.
Friday, 30 June 2017	–	9:00 a.m. to 5:00 p.m.
Monday, 3 July 2017	–	9:00 a.m. to 12:00 noon

Applicants applying by the **HK eIPO White Form** may submit applications through the **HK eIPO White Form** service at www.hkeipo.hk (24 hours daily, except on the last application day) from 9:00 a.m. on Wednesday, 28 June 2017 until 11:30 a.m. on Monday, 3 July 2017 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Monday, 3 July 2017 or such later time as described in the section "How to Apply for Hong Kong Offer Shares – (X) Effect of Bad Weather on the Opening of the Application Lists" in the Prospectus.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Wednesday, 28 June 2017 until 12:00 noon on Monday, 3 July 2017 (24 hours daily, except on the last application day). The latest time for inputting **electronic application instructions** will be 12:00 noon on Monday, 3 July 2017, the last application day or such later time as described in the section "How to Apply for Hong Kong Offer Shares – (X) Effect of Bad Weather on the Opening of the Application Lists" in the Prospectus.

Please refer to the sections "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in the Prospectus for details of the conditions and procedures of the Hong Kong Public Offering.

The Company expects to publish the announcement on the final Offer Price, the level of indication of interest in the International Placing, the level of applications in respect of the Hong Kong Public Offering and the basis of allocation under the Hong Kong Public Offering in the South China Morning Post (in English); in the Hong Kong Economic Times (in Chinese); on the Company's website (www.dg-chemical.com) and the website of the Stock Exchange (www.hkexnews.hk) on or before Monday, 10 July 2017. The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering will be available through a variety of channels from Monday, 10 July 2017 as described in the section "How to Apply for Hong Kong Offer Shares – (XI) Publication of Results" in the Prospectus.

The Company will not issue temporary documents of title in respect of the Shares. No receipt will be issued for application monies received. Share certificates will only become valid certificate of title at 8:00 a.m. on Tuesday, 11 July 2017 provided that the Global Offering has become unconditional and the right of termination described in the "Underwriting" section in the Prospectus has not been exercised. Dealings in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Tuesday, 11 July 2017. The Shares will be traded in board lots of 4,000 Shares each. The stock code of the Shares is 1702.

By order of the Board
DONGGUANG CHEMICAL LIMITED
東光化工有限公司
Wang Zhihe
Chairman

Hong Kong, 28 June 2017

As at the date of this announcement, the Board comprises Mr. Wang Zhihe, Mr. Sun Yi, Mr. Sun Zushan and Mr. Xu Xijiang as executive Directors, and Ms. Lin Xiuxiang, Mr. Liu Jincheng and Mr. Ng Sai Leung as independent non-executive Directors.