

*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.*



**宏华集团**  
HONGHUA GROUP

**HONGHUA GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 196)**

**VOLUNTARY ANNOUNCEMENT**

**EQUIPMENT SALES AND FINANCIAL LEASING AGREEMENTS WITH ASFIL**

Reference is made to the announcement by Honghua Group Limited (the “**Company**”) made on 29 November 2017 on the poll results of the extraordinary general meeting held on the same date in relation to the Framework Agreement, and the notice of extraordinary general meeting and the circular of the Company (the “**Circular**”) dated 13 November 2017. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Circular.

The board of directors of the Company pleased to announce that on 28 December 2017, Sichuan Honghua Petroleum Equipment Co., Ltd (“**Sichuan Honghua**”), a wholly owned subsidiary of Honghua Investment, and ASFIL entered into an equipment sales agreement (the “**Sales Agreement**”) and Honghua Shenzhen and ASFIL entered into a financial leasing agreement (the “**Leasing Agreement**”), both in relation to a set of 6,000-horse power electrical fracturing pumps for a total consideration of RMB146 million. The Sales Agreement and the leasing Agreement were entered into pursuant to the Framework Agreement between the Group and ASFIL.

With the support of ASIFL, the Group has completed the innovative financial leasing business during the year. With this cooperation mode, the Group will further promote its new products and tap into new markets.

By order of the Board  
**Honghua Group Limited**  
**Chen Yajun**  
*Chairman*

PRC, 28 December 2017

*As at the date of this announcement, the executive directors of the Company are Mr. Chen Yajun (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. Qi Daqing, Mr. Chen Guoming, Ms. Su Mei, Mr. Poon Chiu Kwok and Mr. Chang Qing.*