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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: 196)**

## **VOLUNTARY ANNOUNCEMENT**

### **ENTERING INTO THE CONSTRUCTION AGREEMENTS**

This is a voluntary announcement made by Honghua Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

The board of directors of the Company (the “**Board**”) is pleased to announce that recently Sichuan Honghua Petroleum Equipment Co., Ltd.\* (四川宏華石油設備有限公司) (“**Sichuan Honghua**”), being a subsidiary of the Company, and China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd.\* (中國能源建設集團廣東火電工程有限公司) (“**Guangdong Thermal Power**”) entered into a steel pipe piles construction agreement and a jackets construction agreement in respect of offshore wind power project (collectively, the “**Construction Agreements**”). Pursuant to the Construction Agreements, Sichuan Honghua shall provide Guangdong Thermal Power with processing and construction services in

respect of wind turbine foundation piles and jackets for offshore wind power projects. The aggregate consideration in relation to the transactions contemplated under the Construction Agreements is estimated to be approximately RMB220 million.

Benefiting from the rapid expansion of the offshore wind power market and the support of government policy, the transactions under the Construction Agreements have been scheduled to May of 2021. As of the date of this announcement, the Group has signed offshore wind power orders with an amount totaling more than RMB1 billion this year.

### **Information of Sichuan Honghua and Guangdong Thermal Power**

Sichuan Honghua, an indirect wholly-owned subsidiary of the Company, is principally engaged in the research, design, manufacturing and services of drilling and exploiting equipment including drilling rigs, fracturing equipment and related part.

Guangdong Thermal Power, an indirect wholly-owned subsidiary of China Energy Engineering Group Co., Ltd.\* (中國能源建設集團有限公司), is a comprehensive and large enterprise with the ability of power engineering general contracting. Guangdong Thermal Power mainly contracts domestic nuclear power plants, conventional power plants, gas turbines, wind farms and other new energy power plant projects.

After having made all reasonable enquiries by the Company, Guangdong Thermal Power and its ultimate beneficial owner(s) are independent third parties not connected with the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)). The transactions contemplated under the Construction Agreements do not constitute any notifiable transaction of the Company under Chapter 14 of the Listing Rules or any connected transaction of the Company under Chapter 14A of the Listing Rules.

By order of the Board  
**Honghua Group Limited**  
**Jin Liliang**  
*Chairman*

PRC, 3 December 2020

*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. Wei Bin.*

*\* For identification purpose only*