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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)**

**ANNOUNCEMENT**

**COMPLETION OF GRATUITOUS TRANSFER SHARES BY  
LARGEST SHAREHOLDER**

This announcement is made by Honghua Group Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 28 November 2021 and 22 June 2022 (“**Such Announcements**”), in relation to the proposed Gratuitous Transfer of 1,606,000,000 shares of the Company (accounting for 29.98% of the total issued share capital of the Company) from Kehua Technology, the largest shareholder

of the Company, to Electric Investment Company. Unless specified otherwise, the terms used in this announcement shall have the same meaning as those defined in Such Announcements.

On 29 June, 2022, the Company has been informed that Kehua Technology and Electric Investment Company have completed the share transfer procedures for transferring 1,606,000,000 shares of the Company (accounting for 29.98% of the total issued share capital of the Company).

After the completion of the share transfer, Kehua Technology ceases to hold any share in the Company, while Electric Investment Company now holds 1,606,000,000 shares of the Company, representing 29.98% of the total issued share capital of the Company.

Electric Investment Company is a wholly-owned subsidiary of Dongfang Electric. Dongfang Electric, as the only state-owned enterprise headquartered in Sichuan, is one of the largest general contracting enterprise groups for power generation equipment manufacturing and power plant engineering in the world. The company has the research and development capacity of “hydropower, thermal power, nuclear power, gas power, wind power and solar energy”. The Gratuitous Transfer is a professional integration and relay support between the two state-owned enterprises to give full play to the advantages of the main business and focus on collaborative development, which is conducive to the realization of more effective synergy between Dongfang Electric and the Company in the energy equipment industry from various aspects such as industry, market, technology, management and geography.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

On behalf of the Board

**Honghua Group Limited**

**Jin Liliang**

*Chairman*

PRC, 29 June 2022

*As at the date of this announcement, the executive directors of the Company are Mr. Jin Liliang (Chairman) and Mr. Ren Jie; the non-executive directors of the Company are Mr. Zhang Mi, Mr. Chen Wenle and Mr. Wang Xiuchang; and the independent non-executive directors of the Company are Mr. Chen Guoming, Ms. Su Mei, Mr. Chang Qing and Mr. Wei Bin.*