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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 SALE AND PURCHASE AGREEMENTS**

This is a voluntary announcement made by Honghua Group Limited (the “**Company**”).

The board of directors of the Company (the “**Board**”) is pleased to announce that, Sichuan Honghua Petroleum Equipment Company Limited (“**Sichuan Honghua**”) has entered into sale and purchase agreements (the “**Sale and Purchase Agreements**”) amounts over RMB400 million with a new Kuwaiti customer (the “**New Kuwaiti Customer**”) on 23 November 2022. Pursuant to the Sale and Purchase Agreements, Sichuan Honghua will provide several sets of land drilling rigs with certain specifications to the New Kuwaiti Customer.

The New Kuwaiti Customer is a large drilling service provider who had multiple sets of land drilling rigs operating in Kuwait. This is the first cooperation between the New Kuwaiti Customer and the Company.

The Company takes the view that entering into the Sale and Purchase Agreements reflects the products of the Company has gained great recognition from the clients for its high quality and sound services and lay a solid basis for further international market expansion of the Company.

After having made all reasonable enquiries by the Company, the New Kuwaiti Customer and their 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 Sales and Purchase Agreements do not constitute any notifiable transaction of the Company under Chapter 14 or Chapter 14A of the Listing Rules.

On behalf of the Board  
**Honghua Group Limited**  
**Jin Liliang**  
*Chairman*

PRC, 24 November 2022

*As at the date of this announcement, the executive directors of the Company are Mr. Jin Liliang (Chairman) and Mr. Zhu Hua; the non-executive directors of the Company are Mr. Zhang Mi, Mr. Yang Yong; and the independent non-executive directors of the Company are Mr. Chen Guoming, Ms. Su Mei, Mr. Chang Qing, Mr. Wei Bin and Mr. Zhang Shiju.*