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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The Board would like to inform the shareholders of the Company and potential investors that based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 and the information currently available to the Company, the Group is expected to record loss attributable to the shareholders of the Company ranging from approximately RMB550.00 million to RMB650.00 million for the year ended 31 December 2022, as compared to loss attributable to the shareholders of RMB 717.19 million for the year ended 31 December 2021.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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 (the “**Listing Rules**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company and potential investors that based on the unaudited consolidated management accounts of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2022 and the information currently available to the Company, the Group is expected to record loss attributable to the shareholders of the Company ranging from approximately RMB550.00 million to RMB650.00 million for the year ended 31 December 2022, as compared to loss attributable to the shareholders of RMB 717.19 million for the year ended 31 December 2021.

The expected loss for the year ended 31 December 2022 is primarily due to the backdrops that (1) under the influence of the Russia-Ukraine conflict, for the sake of prudence, an impairment provision was made for creditor’s rights; (2) the oil and gas services segment was affected by the prudent capital expenditure of customers and the settlement of price reductions by customers, thus an impairment provision being made for the assets with impairment risk.

The Company is in the process of finalising the annual results of the Group for the year ended 31 December 2022. The information contained in this announcement is only based on a preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 and the information currently available to the Company, and is not based on any figures or information that have been audited or reviewed by the Company’s auditors. Details of the Group’s annual results for the year ended 31 December 2022 will be disclosed as

and when the annual results of the Group the year ended 31 December 2022 are announced.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Honghua Group Limited
Wang Xu
Chairman

PRC, 9 January 2023

As at the date of this announcement, the executive directors of the Company are Mr. Wang Xu (Chairman) and Mr. Zhu Hua; the non-executive directors of the Company are Mr. Zhang Mi and 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.