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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 six months ended 30 June 2023 and the information currently available to the Company, the Group expected that the loss recorded by the shareholders of the Company for the six months ended 30 June 2023 will decrease significantly by over 50% as compared with the loss recorded by the shareholders of RMB523.38 million for the six months ended 30 June 2022.

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 six months ended 30 June 2023 and the information currently available to the Company, the Group expected that the loss recorded by the shareholders of the Company for the six months ended 30 June 2023 will decrease significantly by over 50% as compared with the loss recorded by the shareholders of RMB523.38 million for the six months ended 30 June 2022. This decrease in loss was mainly due to the lift of the pandemic and the recovery of the international energy market, leading to an increase in overseas revenue. However, due to the relatively high fixed costs of the Company, which could not be covered by the increase in revenue, as well as laying the foundation of the asset impairment provision, the Company recorded a net loss.

The Company is in the process of finalising the interim results of the Group for the six months ended 30 June 2023. 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 six months ended 30 June 2023 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 interim results for the six months ended 30 June 2023 will be disclosed as and when the interim results of the Group for the six months ended 30 June 2023 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, 1 August 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 director of the Company is 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.