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Honghua Group Limited

(a company incorporated in the Cayman Islands with limited liability)

(Stock code: 196)

**VOLUNTARY ANNOUNCEMENT IN RELATION TO
ENTERING INTO A SALES AGREEMENT**

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 Co., Ltd. (“**Sichuan Honghua**”), a subsidiary of the Company, has recently signed a sales agreement in relation to drilling rigs (the “**Sales Agreement**”) with a customer in the Middle East (the “**Customer**”), with an aggregate amount reaching RMB600 million. Under the Sales Agreement, Sichuan Honghua will supply several sets of large drilling rig equipment to the Customer. This batch of drilling rigs will be equipped with automated tools independently developed by the Company and a range of intelligent equipment including the Opera™ Intelligent Drilling System, which support the further enhancement of efficiency of drilling operations as well as the extent of automation and intelligence of drilling rigs, while meeting the Customer’s needs in terms of safe, green and low-carbon operations, etc.

The Sales Agreement was determined after arm's length negotiations between Sichuan Honghua and the Customer. The terms of the Sales Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Customer is a leading local drilling contractor and integrated oilfield service provider in the Middle East, mainly engaged in regional onshore drilling services. The Company has maintained a years-long and cordial collaboration with the Customer, thereby continuously providing it with advanced drilling equipment and ancillary components. The signing of the Sales Agreement will further strengthen the leading position of the Group in the Middle East market for large drilling rigs and lay a solid foundation for the parties to deepen their cooperation in the future.

Having made all reasonable enquiries, the Customer and its ultimate beneficial owners are all 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 Sales Agreement does not constitute a transaction under Chapter 14 or Chapter 14A of the Listing Rules.

By order of the Board
Honghua Group Limited
Zhu Hua
Executive Director

PRC, 2 September 2026

As at the date of this announcement, the executive directors of the Company are Mr. Zhu Hua and Mr. Yang Qiang; the non-executive director of the Company is Mr. Liu Hui; and the independent non-executive directors of the Company are Mr. Zhang Shiju, Ms. Li Yuedong and Mr. Wang Junren.