宏华集团
HONGHUA GROUP

Honghua Group Limited

(a company incorporated in the Cayman Islands with limited liability)
(Stock code: 196)

(1) Appointment of the Chairman of the Board, Executive Director and changes in the composition of Board committees; (2) Change of President; and (3) Re-compliance with Rule 3.27A of the Listing Rules

This announcement is made by the board of directors (the “**Board**”) of Honghua Group Limited (the “**Company**”) pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”).

Reference is made to the Company’s announcement dated 12 August 2026 in relation to, amongst other matters, the resignation of Mr. Wang Xu (“**Mr. Wang**”) as Chairman of the Board, Executive Director, Chairman of the Nomination Committee and Chairman of the Strategic Investment Committee due to changes in his work arrangements, as well as the temporary vacancies in the positions of Chairman of the Board, Chairman of the Strategic Investment Committee and Chairman of the Nomination Committee, and the Company’s failure to comply with Rule 3.27A of the Listing Rules (the “**Announcement**”).

Appointment of the Chairman of the Board, Executive Director and Changes to the Composition of Board Committees

The Board hereby announces that, with effect from 3 September 2026:
(i) Mr. Zhu Hua ("**Mr. Zhu**"), currently an Executive Director and President of the Company, has been appointed as Chairman of the Board, Chairman of the Nomination Committee of the Board and Chairman of the Strategic Investment Committee of the Board; and
(ii) Mr. Zhang Xiaodong ("**Mr. Zhang**") has been appointed as an Executive Director of the Company and a member of the Strategic Investment Committee of the Board.

Details of Mr. Zhang's biographical information are as follows:
Mr. Zhang, aged 44, joined Dongfang Electric in 2004. He has previously held positions including Head of the Steam Turbine Research and Development Department at the Product Research and Development Centre, Director of the Product Research and Development Centre, General Manager of the Power Station Services Division of Dongfang Turbine Co., Ltd. ("**Dongfang Turbine**") ; Deputy General Manager of Dongfang Turbine ; Deputy Director of the Industrial Development Department of Dongfang Electric Corporation; and General Manager of the Beijing Marketing Centre. Mr. Zhang has long been deeply involved in technical research and development and industrial management within the energy equipment sector, possessing extensive technical expertise and experience in market coordination and operations. Mr. Zhang obtained a Bachelor's degree in Thermal and Power Engineering from Harbin Engineering University in 2004 and a Master's degree in Power Engineering from Xi'an Jiaotong University in 2015.

Mr. Zhang has entered into an executive director service contract with the Company for a term of three years commencing on 3 September 2026, provided that his term of office shall be subject to the provisions of the Company's Memorandum and Articles of Association (as amended from time to time) and the Corporate Governance Code set out in Appendix C1 to the Listing Rules, and he shall retire at the first annual general meeting at which he is eligible to retire by rotation and (if nominated) stand for re-election. Mr. Zhang does not receive any directors' fees for serving as an executive director. In his capacity as the President of the Company, he is entitled to receive an annual basic salary of RMB243,000, together with a discretionary bonus and allowances determined based on his performance. Mr. Zhang is not entitled to any fixed bonus, and the amount of the aforesaid discretionary bonus and allowances is not fixed and has not been determined as at the date of this announcement. The aforesaid remuneration is determined by the Board, based on the recommendation of the Remuneration Committee of the Company, with reference to his duties, experience and performance and the prevailing market conditions. The aforesaid basic salary, discretionary bonus and allowances payable to Mr. Zhang in his capacity as the President of the Company are not covered by his Executive Director service contract.

Save as disclosed above, as at the date of this announcement, Mr. Zhang has confirmed that (i) he does not hold any other position with the Company or any of its subsidiaries; (ii) he does not have any other relationship with any director, senior management member, substantial shareholder or controlling shareholder of the Company; (iii) he does not have, either currently or during the past three years, a directorship in any public company whose securities are listed on any securities market in Hong Kong or overseas; (iv) he does not hold any other principal positions or professional qualifications; (v) he does not have interests in the Company's shares as defined in Part XV of the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong; and (vi) he has no information required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor are there any other matters relating to his appointment that need to be brought to the attention of the shareholders.

The Board extends a warm welcome to Mr. Zhang on his appointment to the Company.

Change of President

The Board further announces that, in line with the reallocation of responsibilities within the Company's management and to enable Mr. Zhu to focus on his duties as Chairman of the Board, Mr. Zhu will cease to hold the office of President of the Company with effect from 3 September 2026, whilst continuing to serve as an Executive Director of the Company and in his relevant roles on the committees of the Board.

Mr. Zhu has confirmed that there is no disagreement between him and the Board, nor are there any other matters relating to his stepping down as President of the Company that need to be brought to the attention of the Company's shareholders and the Stock Exchange.

The Board also announces that Mr. Zhang has been appointed as President of the Company, with effect from 3 September 2026.

Re-compliance with Rule 3.27A of the Listing Rules

As disclosed in that announcement, following Mr. Wang's resignation as Chairman of the Nomination Committee, the Company was unable to comply with Rule 3.27A of the Listing Rules as a new Chairman of the Nomination Committee had not yet been appointed. With the appointment of Mr. Zhu as Chairman of the Board and Chairman of the Nomination Committee, the Company has once again complied with Rule 3.27A of the Listing Rules with effect from 3 September 2026 and has restored compliance within three months after its failure to comply with Rule 3.27A, in compliance with Rule 3.27C of the Listing Rules.

By order of the Board
Honghua Group Limited
Mr. Zhu Hua
Chairman

PRC, 3 September 2026

*As at the date of this announcement, the executive directors of the Company are Mr. Zhu Hua(*Chairman*), Mr. Zhang Xiaodong 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.*