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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)**

## **INSIDE INFORMATION**

### **EXPECTED IMPROVEMENT IN LOSS POSITION**

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 2024 and the information currently available to the Company, the Group is expected to record loss attributable to the shareholders of the Company of not more than RMB10.00 million for the six months ended 30 June 2024, which represents a substantial improvement in the loss position as compared to the loss of RMB154.19 million for the corresponding period in 2023.

**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 2024 and the information currently available to the Company, the Group is expected to record loss attributable to the shareholders of the Company of not more than RMB10.00 million for the six months ended 30 June 2024, which represents a substantial improvement in the loss position as compared to the loss of RMB154.19 million for the corresponding period in 2023.

The expected improvement in loss for the six months ended 30 June 2024 was primarily attribute to (i) the increase in revenue as compared to the corresponding period of the previous year, with offshore wind power business doubling its revenue year-on-year resulting from the Company’s efforts to actively expand into the domestic and international markets; and (ii) the increase in gross profit margin as compared to the corresponding period of the previous year, continuous improvement in the standard of its operation management and the reduction in its financing costs resulting from the Company's continuous efforts to optimise its cost management.

The Company is in the process of finalising the interim results of the Group for the six months ended 30 June 2024. 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 2024 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 2024 will be disclosed as and when the interim results of the Group for the six months ended 30 June 2024 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, 26 July 2024

*As at the date of this announcement, the executive directors of the Company are Mr. Wang Xu (Chairman), Mr. Zhu Hua and Mr. Yang Qiang; the non-executive directors of the Company are Mr. Yang Yangzhuang and Mr. Liu Xinggui; and the independent non-executive directors of the Company are Mr. Zhang Shiju and Ms. Li Yuedong.*