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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 an aggregate amount of over US\$100 million with a customer in the Middle East (the “**Customer**”). Under the Sales Agreement, Sichuan Honghua will supply several sets of drilling rig equipment to the Customer. These drilling rigs are under the category of desert fast-moving drilling rigs with higher degree of mobility and flexibility, which can adapt to various complicated terrains and operating environments, and help the customers realise efficient and energy-saving drilling operations.

The Sales Agreement was determined after arm’s length negotiations between Sichuan Honghua and the Client. The Sales Agreement was entered into on normal

commercial terms, which are fair and reasonable.

The Customer, being a leading company on oilfield services in the Middle East region, continuously expands its regional influence with its excellent performance in drilling and oil extraction technologies. The Company has established a long term business cooperation with the Customer for many years and continued to provide it with advanced and automated equipment as well as related components. The Company considers that the signing of the Sales Agreement indicates that the business philosophy emphasising both innovation and safety of the Company has helped us win recognition from our customers in a highly competitive market, and that the high quality of our services and the stability and safety of our equipment operations have made the Company an essential partner of our leading customers in the oil and gas industry.

Having made all reasonable enquiries, the Client and its ultimate beneficial owners are 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**  
Wang Xu  
Chairman

PRC, 2 July 2025

*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, Ms. Li Yuedong and Mr. Wang Junren.*