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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

POSITIVE PROFIT ALERT

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 (the “**Board**”) of the Company is pleased to inform the shareholders of the Company and potential investors that based on a preliminary assessment on the unaudited consolidated management accounts of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025 and the information currently available to the Company, the Group is expected that the profit attributable to the shareholders of the Company will be no less than RMB27 million, representing a significant improvement in profitability compared with the profit of RMB2.42 million recorded for the same period of 2024. It was mainly due to: (i) the

positive results have been achieved by the Company in deepening quality and efficiency improvement, further optimization of cost management, and an increase in the gross profit margin compared with the same period of last year, especially a significant increase in the gross profit of fracturing and the offshore sector compared with the same period of last year; (ii) reduction in financing costs as a result of continuous improvement in its operation and management level by the Company.

The Company is in the process of finalising the interim results of the Group for the six months ended 30 June 2025. 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 2025 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 2025 will be disclosed as and when the interim results of the Group for the six months ended 30 June 2025 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, 24 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.