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## **China Hongqiao Group Limited**

**中國宏橋集團有限公司**

*(Incorporated under the laws of Cayman Islands with limited liability)*

**(Stock Code: 1378)**

### **DISCLOSEABLE TRANSACTION INTRODUCTION OF STRATEGIC INVESTORS**

#### **THE CAPITAL INCREASE**

The Board is pleased to announce that, in order to further expand the Company's shareholders base and introduce strategic investors, Weiqiao Aluminum & Power, Shandong Hongtuo and Shandong Hongqiao have successively entered into the Capital Contribution Agreements with each of the Investors on the Agreement Dates, and as at 21 December 2023, the Capital Contribution Agreements have been entered into with each of Tianjin Juxin, Jinan Jiahui, China Huarong, Jinan Junyue, China Orient, Ningbo Xinlv, Jinan Hongtai, and Tiancheng Xincheng Phase I, pursuant to which each of Tianjin Juxin, Jinan Jiahui, China Huarong, Jinan Junyue, China Orient, Ningbo Xinlv, Jinan Hongtai, and Tiancheng Xincheng Phase I has agreed to subscribe for new capital in Shandong Hongtuo with the consideration of RMB500 million, RMB530 million, RMB500 million, RMB201.6 million, RMB500 million, RMB400 million, RMB301 million and RMB30 million, respectively (and in aggregate, the total consideration is RMB2.9626 billion). Upon completion of the Capital Increase, Shandong Hongtuo will be held as to approximately 95.295% by Weiqiao Aluminum & Power and as to approximately 4.705% in aggregate by the Investors, respectively. The indirect equity interest in Shandong Hongtuo held by the Company will decrease from approximately 94.52% to approximately 90.07%.

#### **LISTING RULES IMPLICATIONS**

The Capital Increase constitutes a deemed disposal by the Company of its equity interest in Shandong Hongtuo under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Capital Increase exceeds 5% but is less than 25% (calculated on an aggregation basis), the Capital Increase constitutes a discloseable transaction of the Company subject to the notification, reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Option shall be treated as if exercised at the time of its grant pursuant to Rule 14.74(1) of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the maximum consideration estimated to be payable for repurchase of the equity interest in Shandong Hongtuo held by the Investors exceeds 5% but is less than 25% (calculated on an aggregation basis), the grant of the Option constitutes a discloseable transaction of the Company subject to the notification, reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **CAPITAL CONTRIBUTION AGREEMENTS**

The Board is pleased to announce that Weiqiao Aluminum & Power, Shandong Hongtuo and Shandong Hongqiao have successively entered into the Capital Contribution Agreements with each of the Investors on the Agreement Dates, and as at 21 December 2023, the Capital Contribution Agreements have been entered into with each of Tianjin Juxin, Jinan Jiahui, China Huarong, Jinan Junyue, China Orient, Ningbo Xinlv, Jinan Hongtai, and Tiancheng Xincheng Phase I, pursuant to which each of Tianjin Juxin, Jinan Jiahui, China Huarong, Jinan Junyue, China Orient, Ningbo Xinlv, Jinan Hongtai, and Tiancheng Xincheng Phase I has agreed to subscribe for new capital in Shandong Hongtuo with the consideration of RMB500 million, RMB530 million, RMB500 million, RMB201.6 million, RMB500 million, RMB400 million, RMB301 million and RMB30 million, respectively (and in aggregate, the total consideration is RMB2.9626 billion).

The principal terms of the Capital Contribution Agreements are set out as follows:

### **Date**

The Agreement Dates

### **Parties**

- (1) Weiqiao Aluminum & Power;
- (2) Shandong Hongtuo;
- (3) Shandong Hongqiao; and
- (4) the Relevant Investor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Tianjin Juxin, Jinan Jiahui, China Huarong, Jinan Junyue, China Orient, Ningbo Xinlv, Jinan Hongtai, and Tiancheng Xincheng Phase I and their respective ultimate beneficial owner(s) are third parties independent of the Company and its connected person(s).

## **Capital Increase**

Each of Tianjin Juxin, Jinan Jiahui, China Huarong, Jinan Junyue, China Orient, Ningbo Xinlv, Jinan Hongtai, and Tiancheng Xincheng Phase I has agreed to subscribe for new capital in Shandong Hongtuo with the consideration of RMB500 million, RMB530 million, RMB500 million, RMB201.6 million, RMB500 million, RMB400 million, RMB301 million and RMB30 million, respectively. Shandong Hongtuo will issue notice of payment of the Capital Increase within 30 days from the execution date of the relevant Capital Contribution Agreements, and the Relevant Investor shall make full payment of the capital contribution to special account designated by Shandong Hongtuo within five Business Days from the date of the aforesaid notice.

## **Valuation of the Capital Increase**

The parties agreed to use the valuation of Shandong Hongtuo as at 31 March 2023 as a reference. The assessed value of 100% equity interest of Shandong Hongtuo as at 31 March 2023 was RMB60 billion, and the corresponding price of the Capital Increase is RMB8 per registered capital (i.e. the price of the Capital Increase = the pre-investment valuation of Shandong Hongtuo before the Capital Increase/ registered capital of the Shandong Hongtuo before the Capital Increase).

## **Shareholding percentage upon completion of the Capital Increase**

Upon completion of the Capital Increase, Shandong Hongtuo will be held as to approximately 95.295% by Weiqiao Aluminum & Power, as to approximately 0.794% by Tianjin Juxin, as to approximately 0.842% by Jinan Jiahui, as to approximately 0.794% by China Huarong, as to approximately 0.320% by Jinan Junyue, as to approximately 0.794% by China Orient, as to approximately 0.635% by Ningbo Xinlv as to approximately 0.478% by Jinan Hongtai and as to approximately 0.048% by Tiancheng Xincheng Phase I. The indirect equity interest in Shandong Hongtuo held by the Company will decrease from approximately 94.52% to approximately 90.07%.

## **Transition Period**

All profits and losses of Shandong Hongtuo during the Transition Period shall be enjoyed and borne by Weiqiao Aluminum & Power. Weiqiao Aluminum & Power has the right to realise the gains during the Transition Period through distribution of profit or conversion of the undistributed profits to capital and other feasible methods.

## **Completion**

Shandong Hongtuo will issue notice of payment of the Capital Increase within 30 days from the execution date of the relevant Capital Contribution Agreements, and the Relevant Investor shall make full payment of the capital contribution to the special account designated by Shandong Hongtuo within five Business Days from the date of the aforesaid notice.

As early as practicable after the Capital Increase Date (but no later than 30 days), Weiqiao Aluminum & Power and all the Investors shall execute the amended articles of association of Shandong Hongtuo in the form and content attached to the Capital Contribution Agreements, and Shandong Hongtuo and Weiqiao Aluminum & Power shall deliver to all the Investors a copy of register of members of Shandong Hongtuo and the original of capital contribution certificate.

Shandong Hongtuo shall file the registration of capital increase with the relevant PRC market regulation authority within 15 Business Days after the Capital Increase Date and the Relevant Investor shall provide necessary information and cooperate with relevant procedures.

After the Capital Increase Date, the Relevant Investor shall enjoy all the rights and assume all the obligations as the shareholders of Shandong Hongtuo according to the relevant laws and regulations and the amended articles of association of Shandong Hongtuo. Upon completion of the Capital Increase, Shandong Hongtuo will remain as a non-wholly owned subsidiary of the Company.

### **Company governance**

Upon completion of the Capital Increase, the following matters shall be proposed for consideration at the general meeting of Shandong Hongtuo and passed by the votes representing more than two thirds of voting rights held by the shareholders of Shandong Hongtuo:

- (1) the amendment to the articles of association of Shandong Hongtuo;
- (2) the increase or decrease of the registered capital of Shandong Hongtuo (including purchase or redemption of any kind of equity securities of Shandong Hongtuo); and
- (3) the merger, division, dissolution and change of company form of Shandong Hongtuo.

The Investors have no rights to nominate directors of Shandong Hongtuo, and will not appoint directors to Shandong Hongtuo.

### **Profit distribution**

Pursuant to the Capital Contribution Agreements, during the period commencing from the month following the Capital Increase Date and expiring on the relevant expiry date as agreed under the Capital Contribution Agreements (the “**Distribution Period**”), Shandong Hongtuo shall distribute profit in cash every year according to the proportion of all its shareholders’ actual paid-in capital contribution on the actual distribution date, with the total amount of the annual profit distribution shall not be less than 30% of the total amount of distributable profit after deducting statutory surplus reserve on an audited consolidated basis for the corresponding financial year during the Distribution Period.

## The Option

The Option has been granted to the Relevant Investor, under which the Relevant Investor shall have the right to request Weiqiao Aluminum & Power, Shandong Hongqiao or other related parties designated by Weiqiao Aluminum & Power other than the Shandong Hongtuo and Shandong Hongqiao (one or more parties, singly or collectively, the “**Repurchase Obligor(s)**”) in writing to repurchase the then equity interest in Shandong Hongtuo held by the Relevant Investor if there is any occurrence of any circumstances specified under the terms of the Capital Contribution Agreements. The Relevant Investor shall exercise the Option within 90 days after the date (which shall be a date within 36 months following the Capital Increase Date) on which the Option is exercisable in accordance with the terms of the Capital Contribution Agreements.

The repurchase price of the aforesaid equity interest shall be calculated as follows:

Repurchase price = the amount of actual capital contribution made by the Relevant Investor  $\times (1 + 6\% \times N \div 365)$  – cumulative profit distribution received by the Relevant Investor (if any) – cash compensation received under the anti-dilution provisions (if any).

N = the number of days elapsed from the Capital Increase Date (inclusive) to the Purchase Date (exclusive).

The Repurchase Obligor(s) shall execute the relevant purchase documents with the Relevant Investor within 30 Business Days after the repurchase notice is given to it by the Relevant Investor, and shall complete payment of the repurchase price within 30 Business Days after executing the aforesaid documents.

Based on the above formula and on the basis of the capital contribution to be made by the Investors to Shandong Hongtuo of RMB2.9626 billion in total, the maximum repurchase price estimated to be payable if the Options are exercised by all the Investors would be approximately RMB3.5402 billion in total.

Shall Weiqiao Aluminum & Power or its designated related parties act as the Repurchase Obligors, Shandong Hongqiao shall be jointly and severally liable for the fulfilment of its repurchase obligation.

## **Transfer restrictions**

The Relevant Investor has undertaken that, during the period as agreed under the Capital Contribution Agreements, it shall not transfer any of its equity interest in Shandong Hongtuo to any third party other than Weiqiao Aluminum & Power or the Repurchaser Obligor(s) without the prior written consent of Weiqiao Aluminum & Power. The transferee of such equity interest transferred by the Relevant Investor shall assume all of the obligations of the Relevant Investor under the relevant Capital Contribution Agreements and other relevant legal documents. The Relevant Investor shall also comply with the relevant regulations and requirements on lock-up of relevant regulatory authorities (if applicable).

If there is any occurrence of any circumstances specified under the terms of the Capital Contribution Agreements or if the Option is otherwise exercisable in accordance with the terms of the Capital Contribution Agreements, and the Repurchase Obligor(s) fail to perform its obligation of repurchase, the Relevant Investor may transfer all of its then equity interest in Shandong Hongtuo to any third party other than Repurchaser Obligor(s), and such transfer shall not be subject to restrictions as described above.

## **Anti-dilution right**

During the period as agreed under the Capital Contribution Agreements, if Shandong Hongtuo intends to increase its registered capital (other than the transfer of capital reserve to registered capital by Shandong Hongtuo) or if Weiqiao Aluminum & Power transfers its equity interest in Shandong Hongtuo to a third party, and the subscription price or transfer price corresponding for each RMB1 of the new registered capital or transferred registered capital (“**New Price Per Share**”) is lower than the price per registered capital of the Capital Increase (“**Original Price Per Share**”), the Relevant Investor shall have the right to request Shandong Hongtuo to adjust the equity interest in Shandong Hongtuo held by the Relevant Investor (“**Anti-Dilution Compensation**”) by written notice. Before the completion of the Anti-Dilution Compensation, Shandong Hongtuo shall not implement such increase of new registered capital or the transfer of the equity interest by Weiqiao Aluminum & Power (except for the purpose of completing for the Anti-Dilution Compensation).

## **INFORMATION ABOUT SHANDONG HONGTUO**

Shandong Hongtuo is incorporated in the PRC with limited liability on 17 November 2016 with a registered capital of RMB7,500,000,000 as at the date of this announcement and is an indirect non-wholly owned subsidiary of the Company. Shandong Hongtuo is principally engaged in manufacturing of non-ferrous metal alloys, sales of advanced metal functional materials, sales of non-ferrous metal alloys and metal ores, non-ferrous metals calendaring processing, research and development of new material technologies and mineral washing and processing.

According to the audited financial statements of Shandong Hongtuo, the financial results of Shandong Hongtuo for the two financial years ended 31 December 2021 and 2022 are as follows:

	<b>For each of the two financial years ended 31 December</b>	
	<b>2021</b>	<b>2022</b>
	<b>(audited)</b>	<b>(audited)</b>
	<b><i>RMB'million</i></b>	<b><i>RMB'million</i></b>
Profit before tax	21,691.15	<b>9,702.70</b>
Profit after tax	16,454.38	<b>7,480.93</b>

The unaudited net asset value of Shandong Hongtuo as at 30 June 2023 was approximately RMB34,357.87 million.

## **FINANCIAL EFFECT OF THE CAPITAL INCREASE ON THE COMPANY AND USE OF PROCEEDS**

Upon completion of the Capital Increase, the indirect equity interest in Shandong Hongtuo held by the Company will decrease from approximately 94.52% to approximately 90.07%. Nonetheless, Shandong Hongtuo will remain as an indirect non-wholly owned subsidiary of the Company and its financial results, assets, liabilities and cash flows will continue to be consolidated into the Company's consolidated financial statements. As the Capital Increase will not result in the Company's loss of control over Shandong Hongtuo, the Capital Increase will be accounted for as an equity transaction and will not result in the recognition of any gain or loss in the Company's consolidated statement of profit or loss and other comprehensive income.

The proceeds from the Capital Increase will be used for the development and operation of the principal business of Shandong Hongtuo and other purposes as approved by Shandong Hongtuo.

## **REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE**

The Company believes that the introduction of the Investors as strategic shareholders of Shandong Hongtuo will help further deepen the cooperation with the strategic investors, including the provision of strategic resource support to the Group, and will lay a stronger foundation for the future business development of the Group. The Directors believe the Capital Increase will bring positive strategic significance to the future development of the Group and will be beneficial to the long-term development of the Group.

Given that the Capital Contribution Agreements were entered into after arm's length negotiations, the Directors (including the independent non-executive Directors) consider that the Capital Contribution Agreements and the Capital Increase contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company does not rule out the introduction of further strategic shareholders to Shandong Hongtuo in the near future. The Company will disclose any such further capital increase in compliance with the Listing Rules when binding capital contribution agreements have been entered into.

## **INFORMATION ON THE GROUP, SHANDONG HONGQIAO, WEIQIAO ALUMINUM & POWER, SHANDONG HONGTUO AND THE INVESTORS**

The Group is principally engaged in the manufacture and sales of aluminum products.

Shandong Hongqiao is an indirect non-wholly owned subsidiary of the Company with the Company indirectly holding approximately 94.52% of its equity interest. It is principally engaged in ore dressing, common non-ferrous metal smelting, non-ferrous metals calendaring processing, metal material sales, coal and coal product sales and goods import and export business.

Weiqiao Aluminum & Power is an indirect non-wholly owned subsidiary of the Company with the Company indirectly holding approximately 94.52% of its equity interest. It is principally engaged in the production and sale of liquid aluminum alloys, aluminum alloy ingots, aluminum processing products and aluminum oxide.

Shandong Hongtuo is an indirect non-wholly owned subsidiary of the Company with the Company indirectly holding approximately 94.52% of its equity interest. It is principally engaged in manufacturing of non-ferrous metal alloys, sales of advanced metal functional materials, sales of non-ferrous metal alloys and metal ores, non-ferrous metals calendaring processing, research and development of new material technologies and mineral washing and processing.

Tianjin Juxin is an equity investment partnership with CITIC Trust PE Co., Ltd\* (中信聚信(北京)資本管理有限公司), (“**CITIC Trust PE**”) as the managing partner. CITIC Trust PE is the first equity investment pilot institution in the industry specially approved by the regulatory authorities and is a comprehensive financial solutions provider, providing asset management, financial advisory and investment and financing consultation service by utilising various financial instruments.

Jinan Jiahui, Jinan Junyue and Jinan Hongtai are investment funds with Beijing Shangao Juntai Private Equity Fund Management Co., Ltd.\* (北京山高君泰私募基金管理有限責任公司) (“**Shangao Juntai**”) as the managing partner. Shangao Juntai is a state-owned capital holding management company jointly established by Shandong Tonghui Capital Investment Group\* (山東通匯資本投資集團), Shandong Finance Development Co., Ltd.\* (山東省財金發展有限公司) and Qingkong (Tsinghua Holdings) SinoKing Capital Management (Beijing) Co., Ltd\* (清控金信資本管理(北京)有限公司).

China Huarong mainly engages in such businesses as distressed asset management, financial services, and asset management and investment business. China Huarong is one of the five largest state-owned financial asset management companies in the PRC.

China Orient is a central state-owned financial enterprise jointly established by the Ministry of Finance of the PRC and the National Council for Social Security Fund of the PRC\* (全國社保基金理事會) upon approval from the State Council of the PRC. China Orient, formerly known as China Orient Asset Management Company\* (中國東方資產管理公司), was established in October 1999 and was converted into a joint-stock limited company in September 2016.

Ningbo Xinlv is established by CITIC Industrial Investment Group Corp., Ltd. (中信興業投資集團有限公司) (“**CITIC Industrial Investment**”) as the entity for its investment in Shandong Hongtuo. CITIC Industrial Investment is a subsidiary of CITIC Group Corporation (中國中信集團有限公司)(“**CITIC Group**”) and serves as the capital operation platform for CITIC Group.

Tiancheng Xincheng Phase I is an investment fund with Tiancheng Private Equity Fund Management (Beijing) Co., Ltd.\* (天誠私募股權基金管理(北京)有限公司) (“**Tiancheng Private Equity Fund Management**”) as the managing partner. Tiancheng Private Equity Fund Management focuses on investments in industries such as high-end manufacturing, medical and new materials.

## **IMPLICATION UNDER THE LISTING RULES**

The Capital Increase constitutes a deemed disposal by the Company of its equity interest in Shandong Hongtuo under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Capital Increase exceeds 5% but is less than 25% (calculated on an aggregation basis), the Capital Increase constitutes a discloseable transaction of the Company subject to the notification, reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Option shall be treated as if exercised at the time of its grant pursuant to Rule 14.74(1) of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the maximum consideration estimated to be payable for repurchase of the equity interest held by the Investors in Shandong Hongtuo exceeds 5% but is less than 25% (calculated on an aggregation basis), the grant of the Option constitutes a discloseable transaction of the Company subject to the notification, reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Agreement Dates”	14 December 2023, 15 December 2023, 18 December 2023 and 21 December 2023
“Board”	the board of Directors
“Business Days”	a day that is not a Saturday, Sunday or public or bank holiday in the PRC

“Capital Contribution Agreements”	collectively, the capital contribution agreements entered into among Weiqiao Aluminum & Power, Shandong Hongtuo and Shandong Hongqiao and each of the Investors in relation to the Capital Increase on the respective Agreement Dates, or any of them if the context so required
“Capital Increase”	the subscription of new capital in Shandong Hongtuo by the Relevant Investor under the Capital Contribution Agreements
“Capital Increase Date”	the date when full actual payment of capital contribution is made by the Investors to the special account designated by Shandong Hongtuo, i.e., the date is determined by the actual payment of the full Capital Increase amount made by the investor who pays it latest
“China Huarong”	China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司), with its predecessor being China Huarong Asset Management Corporation founded on 1 November 1999. It was converted into a joint stock limited company upon the approval of the State Council on 28 September 2012. The H Shares of China Huarong Asset Management Co., Ltd. are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 02799)
“China Orient”	China Orient Asset Management Co., Ltd.* (中國東方資產管理股份有限公司), which was incorporated in the PRC on 27 October 1999
“Company”	China Hongqiao Group Limited (中國宏橋集團有限公司), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investors”	Tianjin Juxin, Jinan Jiahui, China Huarong, Jinan Junyue, China Orient, Ningbo Xinlv, Jinan Hongtai and Tiancheng Xincheng Phase I

“Jinan Hongtai”	Jinan Hongtai Investment Partnership (Limited Partnership)* (濟南宏泰投資合夥企業(有限合夥)), a limited partnership established in the PRC on 20 December 2023
“Jinan Jiahui”	Jinan Jiahui Investment Partnership (Limited Partnership)* (濟南嘉匯投資合夥企業(有限合夥)), a limited partnership established in the PRC on 11 December 2023
“Jinan Junyue”	Jinan Junyue Investment Partnership (Limited Partnership)* (濟南君岳投資合夥企業(有限合夥)), a limited partnership established in the PRC on 29 November 2023
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Material Adverse Effect”	Circumstances that directly or indirectly result in a decrease of 10% or more in the consolidated net assets of Shandong Hongtuo since the last accounting date before the occurrence of the relevant events, matters or circumstances
“Ningbo Xinlv”	Ningbo Xinlv Enterprise Management Partnership (Limited Partnership)*(寧波信鋁企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on 21 December 2023
“Option”	the option that has been granted to the Relevant Investor under the Capital Contribution Agreements, the particulars of which are set out in the paragraph headed “The Option” in this announcement
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region and Taiwan)
“Relevant Investor”	Tianjin Juxin, Jinan Jiahui, China Huarong, Jinan Junyue, China Orient, Ningbo Xinlv, Jinan Hongtai or Tiancheng Xincheng Phase I (as applicable)
“RMB”	Renminbi, the lawful currency of the PRC
“Shandong Hongqiao”	Shandong Hongqiao New Material Co., Ltd.* (山東宏橋新型材料有限公司), a company incorporated in the PRC with limited liability on 27 July 1994 and an indirect non-wholly owned subsidiary of the Company

“Shandong Hongtuo”	Shandong Hongtuo Industrial Company Limited* (山東宏拓實業有限公司), a company incorporated in the PRC with limited liability on 17 November 2016 and an indirect non-wholly owned subsidiary of the Company
“Shareholder(s)”	registered holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tiancheng Xincheng Phase I”	Tiancheng Xincheng Phase I (Wenzhou) Venture Capital Partnership Enterprise (Limited Partnership)* (天鋳鋅鋳一期(溫州)創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on 24 August 2023
“Tianjin Juxin”	Tianjin Juxin Tianang Equity Investment Partnership (Limited Partnership)* (天津聚信天昂股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on 28 February 2023
“Purchase Date”	the date of payment of the consideration by Repurchase Obligor(s) for repurchase of the equity interest held by the Relevant Investor in Shandong Hongtuo when the Relevant Investor exercises the Option
“Transition Period”	the period from the 31 March 2023 to the last day of the month of the Capital Increase Date
“Weiqiao Aluminum & Power”	Shandong Weiqiao Aluminum and Power Co., Ltd.* (山東魏橋鋁電有限公司), a company incorporated in the PRC with limited liability on 25 December 2002 and an indirect non-wholly owned a subsidiary of the Company
“%”	per cent

\* *The Chinese name(s) of the PRC entities have been translated into English in this announcement for reference only. In the event of any discrepancies between the Chinese names of the PRC entities and their respective English translations, the Chinese version shall prevail.*

By order of the Board  
**China Hongqiao Group Limited**  
**Zhang Bo**  
*Chairman*

Shandong, the PRC  
21 December 2023

*As at the date of this announcement, the Board comprises twelve directors, namely Mr. Zhang Bo, Ms. Zheng Shuliang, Ms. Zhang Ruilian and Ms. Wong Yuting as executive Directors, Mr. Yang Congsen, Mr. Zhang Jinglei, Mr. Liu Xiaojun (Mr. Zhang Hao as his alternate) and Ms. Sun Dongdong as non-executive Directors, and Mr. Wen Xianjun, Mr. Han Benwen, Mr. Dong Xinyi and Ms. Fu Yulin as independent non-executive Directors.*