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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)**

#### **INSIDE INFORMATION**

#### **ENTERING INTO AGREEMENT OF INTENT**

This announcement is made by China Hongqiao Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong).

On 20 December 2024, Shandong Weiqiao Aluminum and Power Co., Ltd. (山東魏橋鋁電有限公司) (“**Weiqiao Aluminum & Power**”), an indirect subsidiary of the Company, and Shandong Hontron Aluminum Industry Holdings Co., Ltd. (山東宏創鋁業控股股份有限公司), an indirect subsidiary of the Company (“**Hontron Holdings**”, a company listed on the Shenzhen Stock Exchange (stock code: 002379.SZ) and indirectly held as to approximately 22.65% of its shares by the Company) entered into an “agreement of intent for the acquisition of assets by issuance of shares” (the “**Agreement of Intent**”). Hontron Holdings plans to acquire all the equity interests in Shandong Hongtuo Industrial Company Limited (山東宏拓實業有限公司) (“**Hongtuo Industrial**”) by issuing new shares to the existing shareholders of Hongtuo Industrial, including Weiqiao Aluminum & Power, as consideration for the acquisition (the “**Transaction**”). After the Transaction, the shareholding of the Company in Hontron Holdings will increase accordingly and Hongtuo Industrial will continue to be a subsidiary of the Group (through Hontron Holdings). This Transaction will facilitate the enhancement of the securitisation level of the Group’s assets and promote the long-term development of the Group.

The Transaction does not involve the issuance of shares by the Company. The final transaction price of the Transaction will be based on the appraised value as confirmed in the asset appraisal report issued by an asset appraisal institution qualified to engage in securities and futures business, and will be determined by the negotiation between the parties of the Transaction. The Agreement of Intent is only an agreement of intent. The specific transaction plan and transaction terms shall be subject to the formal transaction agreement(s) as finally entered into. The Transaction is subject to the fulfilment of certain conditions precedent, including but not limited to regulatory approvals. Subsequently, the Company will

comply with the necessary procedures in accordance with the Listing Rules (if needed), and will comply with its disclosure obligations in a timely manner according to the progress of the Transaction.

## **INFORMATION ON THE PARTIES TO THE TRANSACTION**

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

Weiqiao Aluminum & Power is a non-wholly owned subsidiary of the Company with the Company indirectly holding approximately 98.56% of its equity interest.

Hongtuo Industrial is a non-wholly owned subsidiary of the Company with the Company indirectly holding approximately 93.92% of its equity interest (through Weiqiao Aluminum & Power), while Weiqiao Aluminum & Power directly holds approximately 95.295% of its equity interest. Hongtuo Industrial currently owns the production line of the Group in Mainland China for all of the aluminum alloy products and alumina products, and part of the aluminum fabrication products. As at 30 November 2024, its unaudited net assets (consolidated) amounted to approximately RMB47.214 billion. Upon completion of the transaction, Hongtuo Industrial will continue to be an indirectly controlled subsidiary of the Company (through Hontron Holdings).

Hontron Holdings (a company listed on the Shenzhen Stock Exchange, stock code: 002379.SZ) is a non-wholly-owned subsidiary indirectly held as to approximately 22.65% of its shares (through Shandong Hongqiao New Material Co., Ltd. (山東宏橋新型材料有限公司)) by the Company, and is mainly engaged in the development, production, and sale of high-quality aluminum sheets, strips, and foils.

**The Transaction remains at its preliminary planning stage. No formal transaction agreement has been signed by the parties thereto. Therefore, the Transaction remains uncertain. The Company will comply with its disclosure obligations in a timely manner according to the progress of the Transaction. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in securities of the Company.**

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

Shandong Province, the People's Republic of China  
23 December 2024

*As at the date of this announcement, the board of directors of the Company 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. Tian Mingming (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.*