

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement is for information purposes only and is not an offer to sell or the solicitation of an offer to buy any securities and neither this announcement nor anything in it forms the basis for any contract or commitment whatsoever. Neither this announcement nor any copy of it may be taken into or distributed in the United States.*

*The information contained in this announcement is not for distribution, directly or indirectly, in or into the United States (including its territories and dependencies, any state of the United States and the District of Columbia). This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Convertible Bonds mentioned in this announcement have not been, and will not be, registered under the Securities Act. The Convertible Bonds may not be offered or sold in the United States except pursuant to registration or an exemption from the registration requirements of the Securities Act. The offering is not being made in the United States.*



**China Hongqiao Group Limited**

**中國宏橋集團有限公司**

*(Incorporated under the laws of the Cayman Islands with limited liability)  
(Stock Code: 1378)*

**PROPOSED ISSUE OF  
USD-DENOMINATED CONVERTIBLE BONDS AND  
CONCURRENT REPURCHASE**

This is a voluntary announcement made by the Company.

The Company proposes to conduct an international offering of USD-denominated convertible bonds, which will be issued by the Company to professional investors only.

As at the time of release of this announcement, the principal amount, terms and conditions of the Proposed Bonds Issue have yet to be determined. Upon finalizing the terms of the Bonds, the Company and the Joint Lead Managers are expected to enter into a subscription agreement in respect of the Proposed Bonds Issue. The completion of the Proposed Bonds Issue is subject to, among other things, market conditions and investor interest. The Company will make further announcement(s) in respect of the Proposed Bonds Issue should the subscription agreement in respect of the Proposed Bonds Issue be signed. **The Bonds to be issued under the Proposed Bonds Issue will not be offered or sold in Hong Kong to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Bonds to be issued under the Proposed Bonds Issue will be offered by way of debt issue to professional investors only.**

**Any Bonds to be issued under the Proposed Bonds Issue and any Conversion Shares have not been, and will not be registered under the Securities Act or the securities laws of any state of the United States and no offering will be made in the United States. Neither the Bonds nor the Conversion Shares may be offered or sold within the United States absent registration under, or an applicable exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and applicable state or local securities laws of the United States. The Bonds will only be offered, sold or delivered outside the United States in offshore transactions in reliance on the Securities Act.**

**As no definitive agreement in relation to the Proposed Bonds Issue has been entered into as at the time of release of this announcement, the Proposed Bonds Issue may or may not materialize. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.**

This is a voluntary announcement made by the Company.

## **THE PROPOSED BONDS ISSUE**

The Company proposes to conduct an international offering of USD-denominated convertible bonds, which will be issued by the Company to professional investors only. UBS AG Hong Kong Branch, CLSA Limited, CMB International Capital Limited, CNCB (Hong Kong) Capital Limited, Dragonstone Capital Management Limited, Crédit Agricole Corporate and Investment Bank and Deutsche Bank AG, Hong Kong Branch have been appointed as the Joint Bookrunners and Joint Lead Managers in respect of the Proposed Bonds Issue.

As at the time of release of this announcement, the principal amount, terms and conditions of the Proposed Bonds Issue have yet to be determined. Upon finalizing the terms of the Bonds, the Company and the Joint Lead Managers are expected to enter into a subscription agreement in respect of the Proposed Bonds Issue. The completion of the Proposed Bonds Issue is subject to, among other things, market conditions and investor interest. The Company will make further announcement(s) in respect of the Proposed Bonds Issue should the subscription agreement in respect of the Proposed Bonds Issue be signed. The Bonds will only be offered, sold and delivered outside the United States in offshore transactions in reliance on the Securities Act. None of the Bonds will be offered to the public in Hong Kong other than to “professional investors” as defined in Chapter 37 of the Listing Rules and in the SFO and the rules made thereunder and none of the Bonds will be placed to any connected person of the Company.

## **CONCURRENT EQUITY OFFERING AND THE CONCURRENT SHARE BUY-BACK**

Concurrent with the Proposed Bonds Issue, the Joint Lead Managers are proposing to facilitate sales of existing Shares notionally underlying the Bonds by buyers of the Bonds (such persons not being “connected persons” of the Company) who wish to sell such Shares in covered short sales (the “**Concurrent Equity Offering**”) and the Company intends to purchase a portion of the Shares sold in the Concurrent Equity Offering (the “**Concurrent Share Buy-back**”). The issuance of the Bonds is the principal transaction and the Concurrent Equity Offering is expected to facilitate the initial hedges by investors who desire to hedge their investments in the Bonds (and the Concurrent Share Buy-back is expected to facilitate better pricing terms in respect of the Bonds and mitigating negative share price impact on the Shares). The Concurrent Share Buy-back will be funded by cash on hand and the intended use of proceeds of the Bonds is not related to the Concurrent Share Buy-back (see below in respect of proposed use of proceeds). The Board is of the view that this repurchase activity reflects the confidence of the Board and the management team in the long-term strategy and growth of the Company and considers that such share repurchase is in the best interest of the Company and its shareholders as a whole (and is not intended to provide selected shareholders of the Company with an exit opportunity). The issuance of the Bonds and the Concurrent Share Buy-back is not expected to result in a material change to the shareholdings of the major shareholders of the Company.

## **WAIVERS IN RESPECT OF THE CONCURRENT SHARE BUY-BACK**

In view of the purpose of the Concurrent Share Buy-back, the Company has applied for, and has been granted, from the Stock Exchange a waiver from strict compliance with the requirements under Rule 10.06(3)(a) of the Listing Rules, such that the Company can conduct the Concurrent Share Buy-back on an overnight basis, on the basis that (i) the Concurrent Share Buy-back is part and parcel to the offering of the Bonds and is meant to (a) facilitate the creation of hedges by the Bonds investors and therefore their participation in the offering of the Bonds and (b) mitigate the negative impact on the share price of the Company arising from the said hedging activities (which benefits the Company and the shareholders of the Company taken as a whole), (ii) the Concurrent Share Buy-back is not intended to affect the share price of the Company and artificially inflate the conversion price of the Bonds in that the offering of the Bonds is launched after the market close and the conversion price and the buyback price will be fixed overnight around the same time with reference to the last closing price before the market re-opens, and the Company will announce the terms of the Bonds and the Concurrent Share Buy-backs (including the respective prices) before the market re-opens, (iii) the Company has a large market capitalisation of HKD146.69 billion as of the date hereof and a high liquidity with an average trading volume of HKD409.8 million in the past six months and therefore, it is expected that the share price of the Company is less susceptible to price manipulation, and (iv) the said waiver is only applicable to the Concurrent Share Buy-backs and the last share buyback by the Company was on 5 February 2025 (which is more than 30 days prior to the launch of the offering of the Bonds).

In addition, in respect of the Concurrent Share Buy-back, the Company has applied for, and has been granted, from the Executive a waiver from compliance with the Buy-backs Code (other than Rule 6) having considered all the relevant circumstances.

## **PROPOSED USE OF PROCEEDS**

The Company intends to use the net proceeds from the Proposed Bonds Issue for refinancing existing offshore indebtedness and general corporate purposes.

## **LISTING**

A formal application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in the Bonds, on the Stock Exchange and an application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be issued upon the exercise of the conversion rights attaching to the Bonds on the Stock Exchange. Listing of the Bonds on the Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Company or the Bonds.

## **INFORMATION ON THE COMPANY**

The Company is incorporated in the Cayman Islands with limited liability and its Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the manufacture and sales of aluminum products.

**As no definitive agreement in relation to the Proposed Bonds Issue has been entered into as at the time of release of this announcement, the Proposed Bonds Issue may or may not materialize. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

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

“Board”	the board of directors of the Company
“Bonds”	the USD-denominated convertible bonds proposed to be issued by the Company

“Company”	China Hongqiao Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning given to it in the Listing Rules
“Conversion Share(s)”	the Share(s) to be issued upon the conversion of the Bonds
“Director”	director(s) of the Company
“Executive”	has the meaning ascribed to it under the The Code on Takeovers and Mergers
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Joint Bookrunners” and “Joint Lead Managers”	UBS AG Hong Kong Branch, CLSA Limited, CMB International Capital Limited, CNCB (Hong Kong) Capital Limited, Dragonstone Capital Management Limited, Crédit Agricole Corporate and Investment Bank and Deutsche Bank AG, Hong Kong Branch
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
“professional investors”	as defined in Chapter 37 of the Listing Rules and in the SFO and the rules made thereunder
“Proposed Bonds Issue”	the proposed issue of the Bonds by the Company

“Securities Act”	the United States Securities Act of 1933, as amended
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary shares of USD0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States”	the United States of America
“USD”	United States dollars, the lawful currency of the United States

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

Shandong, the PRC  
17 March 2025

*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. 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.*