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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)

COMPLETION OF THE PLACING AND THE SUBSCRIPTION

Joint Global Coordinators and Placing Agents



Reference is made to the announcement of China Hongqiao Group Limited (the “**Company**”) dated 10 March 2021 (the “**Announcement**”) in relation to the Placing and the Subscription. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise stated.

COMPLETION OF PLACING AND THE SUBSCRIPTION

The Board is pleased to announce that all the conditions as set out in Placing and Subscription Agreement have been fulfilled and the Placing and the Subscription were completed on 15 March 2021 and 19 March 2021, respectively.

An aggregate of 243,000,000 Placing Shares have been successfully placed at the Placing Price of HK\$9.72 per Placing Share to six or more placees, who and whose beneficial owners are independent and not connected with Hongqiao Holdings or any person acting in concert with it (as defined in the Takeovers Code), and are also independent of the Company and its connected persons (as defined in the Listing Rules). None of the Placees becomes a substantial shareholder (as defined in the Listing Rules) immediately after completion of the Placing and the Subscription.

An aggregate of 243,000,000 Subscription Shares, representing (i) approximately 2.74% of the issued share capital of the Company of 8,878,352,349 Shares as at the date of the Announcement; and (ii) approximately 2.66% of the issued share capital of the Company of 9,121,352,349 Shares as enlarged by the issue of the Subscription Shares immediately as at the date of this announcement, have been allotted and issued to Hongqiao Holdings at the Subscription Price of HK\$9.72 per Subscription Share. The net proceeds from the Subscription, after deducting relevant expenses, are approximately HK\$2,324,000,000, approximately 30% of which are intended to be used by the Group for capital expenditure for Yunnan

green aluminum innovation industrial park project, approximately 30% of which are intended to be used by the Group for capital expenditure for secondary aluminum project and approximately 40% of which are intended to be used by the Group for replenishment of the Group's general working capital.

CHANGE OF SHAREHOLDING STRUCTURE

The table below sets out the shareholding structures of the Company (i) immediately before completion of the Placing; (ii) immediately after completion of the Placing but before the Subscription; and (iii) as at the date of this announcement:

Shareholders	Immediately before the completion of the Placing		Immediately after the completion of the Placing but before the Subscription		After completion of the Placing and the Subscription	
	<i>% of the issued share capital of the Company (%)</i>		<i>% of the issued share capital of the Company (%)</i>		<i>% of the issued share capital of the Company (%)</i>	
	<i>No. of Shares</i>	<i>the Company (%)</i>	<i>No. of Shares</i>	<i>the Company (%)</i>	<i>No. of Shares</i>	<i>the Company (%)</i>
Shiping Prosperity Private Trust Company ⁽¹⁾	6,076,513,573	68.44	5,833,513,573	65.70	6,076,513,573	66.62
Hongqiao Holdings ⁽¹⁾	6,076,513,573	68.44	5,833,513,573	65.70	6,076,513,573	66.62
Mr. Zhang Bo	8,870,000	0.10	8,870,000	0.10	8,870,000	0.10
CTI Capital Management Limited	806,640,670	9.09	806,640,670	9.09	806,640,670	8.84
CNCB (Hong Kong) Investment Limited	70,544,156	0.79	70,544,156	0.79	70,544,156	0.77
CITIC Limited	877,184,826	9.88	877,184,826	9.88	877,184,826	9.62
CITIC Group Corporation	877,184,826	9.88	877,184,826	9.88	877,184,826	9.62
Shares held by Public Shareholders						
Placing Shares	–	–	243,000,000	2.74	243,000,000	2.66
Other Shares	1,915,783,950	21.58	1,915,783,950	21.58	1,915,783,950	21.00
Total	8,878,352,349	100.00	8,878,352,349	100.00	9,121,352,349	100.00

Note:

(1) Shiping Prosperity Private Trust Company holds 100% interest in Hongqiao Holdings as trustee.

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

Shandong Province, the PRC
19 March 2021

As at the date of this announcement, the Board comprises eleven Directors, namely Mr. Zhang Bo, Ms. Zheng Shuliang and Ms. Zhang Ruilian as executive Directors, Mr. Yang Congsen, Mr. Zhang Jinglei, Mr. Li Zimin (Mr. Zhang Hao as his alternate) and Ms. Sun Dongdong as non-executive Directors, and Mr. Wen Xianjun, Mr. Xing Jian, Mr. Han Benwen and Mr. Dong Xinyi as independent non-executive Directors.