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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 PLACING OF EXISTING SHARES AND TOP-UP
SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

**Joint Global Coordinators and
Placing Agents**



Joint Lead Managers



Reference is made to the announcement of China Hongqiao Group Limited (the “**Company**”) dated 17 November 2025 (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 THE PLACING AND THE SUBSCRIPTION

The Board is pleased to announce that all the conditions as set out in the Placing and Subscription Agreement have been fulfilled and the Placing and the Subscription were completed on 20 November 2025 and 25 November 2025, respectively.

An aggregate of 400,000,000 Placing Shares have been successfully placed at the Placing Price of HK\$29.20 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 400,000,000 Subscription Shares, representing (i) approximately 4.20% of the issued share capital of the Company of 9,524,380,244 Shares as at the date of the Announcement; and (ii) approximately 4.03% of the issued share capital of the Company of 9,924,380,244 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\$29.20 per Subscription Share.

The estimated net proceeds from the Subscription (after deducting all fees, costs and expenses properly incurred by Hongqiao Holdings and the Company (including the placing commission, the stamp duty, the Stock Exchange trading fee and the SFC transaction levy) to be borne by Hongqiao Holdings and/or the Company, and other expenses incurred by Hongqiao Holdings and/or the Company, in connection with the Placing and the Subscription) are approximately HK\$11,490.1 million.

The Company intends to apply the net proceeds from the Subscription for the following purposes:

Intended use of net proceeds ^(Note 1)	Net proceeds from the Subscription <i>(HK\$ million)</i>	Percentage of net proceeds	Expected timeline of full utilisation of the net proceeds
The development and enhancement of the Company's domestic and overseas projects, including the Company's new energy projects, Simandou iron ore project, relocation of production capacity in Yunnan, and lightweight materials projects ^(Note 2)	6,894.1	60%	By 31 December 2026
Repayment of existing debt to optimize the Company's capital structure ^(Note 3)	3,447.0	30%	By 30 June 2026
Working capital and general corporate purposes ^(Note 4)	1,149.0	10%	By 31 March 2026
Total	11,490.1	100%	

Note 1: Such allocation and expected time frame are based on the Directors' best estimation in the absence of unforeseen circumstances, and may be subject to appropriate adjustments based on factors such as the Company's operational needs, funding needs, and project progress.

Note 2: As at 30 June 2025, the Company's capital expenditure and capital commitment were approximately HK\$10.8 billion and HK\$8.1 billion, respectively. Over the next three months, the Company expects to incur capital expenditure of approximately HK\$5 billion, primarily for the construction of the Yunnan new energy project, technical upgrades to existing production capacity, lightweight materials project, and the Simandou iron ore project.

Note 3: The total amount of the Company's domestic and offshore debt maturing on or before 30 June 2026 is approximately HK\$54 billion.

Note 4: Approximately HK\$700 million will be used for procurement of coal and approximately HK\$400 million will be used for procurement of other raw materials required for production.

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) after completion of the Placing and the Subscription:

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</i>		<i>% of the issued share capital of</i>		<i>% of the issued share capital of</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⁾	6,097,531,073	64.02	5,697,531,073	59.82	6,097,531,073	61.44
Hongqiao Holdings ⁽¹⁾	6,097,531,073	64.02	5,697,531,073	59.82	6,097,531,073	61.44
Mr. Zhang Bo	8,870,000	0.09	8,870,000	0.09	8,870,000	0.09
Mr. Zhang Bo ⁽²⁾	6,106,401,073	64.11	5,706,401,073	59.91	6,106,401,073	61.53
Ms. Zhang Hongxia ⁽²⁾	6,106,401,073	64.11	5,706,401,073	59.91	6,106,401,073	61.53
Ms. Zhang Yanhong ⁽²⁾	6,106,401,073	64.11	5,706,401,073	59.91	6,106,401,073	61.53
CTI Capital Management Limited ⁽³⁾⁽⁴⁾	564,190,170	5.92	564,190,170	5.92	564,190,170	5.68
CITIC Limited ⁽⁴⁾	564,190,170	5.92	564,190,170	5.92	564,190,170	5.68
CITIC Group Corporation ⁽⁴⁾	564,190,170	5.92	564,190,170	5.92	564,190,170	5.68
Shares held by Public Shareholders						
Placing Shares	–	–	400,000,000	4.20	400,000,000	4.03
Other Shares	2,853,789,001	29.96	2,853,789,001	29.96	2,853,789,001	28.76
Total	9,524,380,244	100.00	9,524,380,244	100.00	9,924,380,244	100.00

Notes:

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

- (2) Shiping Trust Company held 100% equity interest in Hongqiao Holdings as trustee. Shiping Global Holding Company Limited (“**Shiping Global**”) is the settlor, protector and one of the beneficiaries of Shiping Prosperity Trust. Mr. Zhang Bo, Ms. Zhang Hongxia and Ms. Zhang Yanhong hold 40%, 30% and 30% equity interest in Shiping Global respectively, and maintain an acting-in-concert arrangement in respect of the exercise of the shareholders’ rights of Shiping Global. Based on this, Mr. Zhang Bo, Ms. Zhang Hongxia and Ms. Zhang Yanhong have, and made disclosure of, the relevant interests in the shares of the Company held by Hongqiao Holdings. In addition, Mr. Zhang Bo, as the beneficial owner, holds 8,870,000 shares in the Company. By virtue of the acting-in-concert arrangement, Ms. Zhang Hongxia and Ms. Zhang Yanhong are deemed to be interested in the shares of the Company beneficially held by Mr. Zhang Bo.
- (3) According to the disclosure of interests as set out on the website of the Stock Exchange, CTI Capital Management Limited was interested in 564,190,170 shares of the Company in long position.
- (4) According to the disclosure of interests as set out on the website of the Stock Exchange, CITIC Group Corporation held 100% equity interest in CITIC Polaris Limited, which held 27.52% equity interest in CITIC Limited. CITIC Group Corporation also held 100% equity interest in CITIC Glory Limited, which held 25.60% equity interest in CITIC Limited. Thus CITIC Group Corporation indirectly held 53.12% equity interest in CITIC Limited. CITIC Limited held 100% equity interest in CITIC Corporation Limited. CITIC Corporation Limited held 100% equity interest in CITIC Financial Holdings Co., Ltd., which held 100% equity interest in CITIC Trust Co., Ltd. CITIC Trust Co., Ltd. held 100% equity interest in CTI Capital Management Limited. Thus, CITIC Group Corporation and CITIC Limited are deemed to be interested in the shares of the Company held by CTI Capital Management Limited under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

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

Shandong Province, the PRC
25 November 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. Tu Yikai (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.