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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 ISSUE OF RMB10,200,000,000 USD SETTLED ZERO COUPON CONVERTIBLE BONDS DUE 2027

Lead Global Coordinator, Lead Bookrunner and Lead Manager

UBS 瑞銀集團

Joint Global Coordinators, Joint Bookrunners and Managers

CMBI 招銀国际

中信建投國際 CHINA SECURITIES INTERNATIONAL

Joint Bookrunners and Managers

Deutsche Bank | CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK | 中信银行(国际) CHINA CITIC BANK INTERNATIONAL | Dragonstone | 富中證券有限公司 FORTUNE ORIGIN SECURITIES LIMITED | YELLOW RIVER SECURITIES | 中銀國際 BOCI

COMPLETION OF THE ISSUE OF THE CONVERTIBLE BONDS

Reference is made to the announcements of China Hongqiao Group Limited (the "**Company**") dated 27 April 2026 and 28 April 2026 (the "**Announcements**") in relation to the proposed issue of the Convertible Bonds. Unless otherwise defined, all terms used herein shall have the same meanings as those defined in the Announcements.

The Board is pleased to announce that all the conditions precedent under the CB Subscription Agreement have been fulfilled and the issue of the Convertible Bonds in an aggregate principal amount of RMB10,200,000,000 was completed on 5 May 2026.

The Company intends to apply the net proceeds from the CB Issue for the following specific purposes:

Intended Use of Net Proceeds *(Note 1)*	**Net proceeds from the CB Issue** ***(US$ million)***	**Percentage of net proceeds**	**Expected timeline of full utilisation of the net proceeds**
Procurement and stockpiling of bauxite as raw materials for production *(Note 2)*	587.78	40%	On or before 31 December 2026
Refinancing of existing indebtedness *(Note 3)*	440.82	30%	On or before 31 December 2026
Investment in overseas projects *(Note 4)*	146.95	10%	On or before 31 December 2026
Future share repurchases *(Note 5)*	146.95	10%	On or before 31 December 2026
General corporate purposes *(Note 6)*	146.95	10%	On or before 31 December 2026
Total	1,469.45	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: Bauxite is a key production raw material of the Group, and a stable supply of bauxite is critical to the Group's steady operations. The Group's annual procurement amount for bauxite as raw materials typically amounts to approximately US$5.0 billion (excluding tax). Taking into account uncertainties in supply and potential increases in procurement prices arising from geopolitical factors, it is expected that from now until 31 December 2026, the Group's procurement of bauxite as raw materials for production will amount to approximately US$3.0 billion, of which approximately US$588 million will be allocated from the net proceeds of the Convertible Bonds for the procurement and stockpiling of bauxite during the year.

Note 3: As at 31 December 2025, the Group's total indebtedness amounted to approximately US$15.0 billion. The aggregate amount of the Group's domestic and offshore debts maturing on or before 31 December 2026 is approximately US$1.9 billion. Accordingly, it is intended to allocate approximately US$441 million from the net proceeds of the Convertible Bonds for repayment of the domestic and offshore debts maturing on or before 31 December 2026.

Note 4: Certain overseas alumina projects of the Group will require total investments of approximately US$680 million. It is expected that the Company will incur investments of approximately US$200 million on or before 31 December 2026. Accordingly, it is intended to allocate approximately US$147 million from the net proceeds of the Convertible Bonds for investments in such projects.

Note 5: In order to allow the Company to flexibly repurchase its shares in the market, the Directors will only conduct share repurchases within the scope of the general mandate where they consider such repurchases to be in the interests of the Company and its shareholders. Accordingly, the Company will allocate approximately US$147 million from the net proceeds of the Convertible Bonds for share repurchases to be conducted on or before 31 December 2026.

Note 6: Having considered the general capital need arising from the business operations such as the procurements of coal and other production materials, the Company will allocate approximately US$147 million from the net proceeds of the Convertible Bonds for general corporate purposes.

The Company has obtained the approval for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange. An application will be made to the VSE for the listing of the Convertible Bonds on the VSE.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Reference is made to the announcements of the Company dated 17 November 2025 and 25 November 2025 in relation to the Placing and Subscription Agreement, pursuant to which the placing agents agreed to place up to 400,000,000 existing Shares owned by Hongqiao Holdings to independent placees and Hongqiao Holdings agreed to subscribe for and the Company agreed to allot and issue to Hongqiao Holdings, up to 400,000,000 new Shares. The net proceeds from the subscription were approximately HK$11,490.1 million, which have been or will be used for the following purposes:

Intended Use of Net Proceeds	**Net proceeds from the subscription** *(HK$ million)*	**Percentage of net proceeds**	**Actual amount utilised as at 30 April 2026** *(HK$ million)*	**Net proceeds unutilised as at 30 April 2026** *(HK$ million)*	**Expected timeline for full utilisation of net proceeds** *(Note 1)*
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%	2,325.51	4,568.59	On or before 31 December 2026
Repayment of existing debt to optimise the Company's capital structure	3,447.0	30%	3,447.00	–	N/A
Working capital and general corporate purposes	1,149.0	10%	1,149.00	–	N/A
Total	11,490.1	100%	6,921.51	4,568.59	

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: In the table above, a portion of the net proceeds was allocated to overseas projects, primarily the Simandou iron ore project (for details, please refer to the Company's announcement dated 6 March 2024). As at 30 April 2026, the Group still required investments of approximately US$600 million. Therefore, the unutilised proceeds of approximately HK$4.569 billion as at 30 April 2026 are to be used for the investment in the overseas Simandou iron ore project, domestic new energy projects, relocation of production capacity in Yunnan and lightweight materials projects, and do not cover the investment projects to be funded by the proceeds from the issuance of the Convertible Bonds.

Save as disclosed above, the Company has not conducted any other equity fund raising activity in the past twelve-month period immediately preceding this announcement.

General Mandate

As set out in the announcement of the Company dated 28 April 2026, the Conversion Shares that may fall to be issued upon exercise of the conversion right attaching to the Convertible Bonds will be issued under the General Mandate. As at the date of this announcement, 400,000,000 Shares have been issued under the General Mandate pursuant to the Placing and Subscription Agreement and 409,489,416 Shares have been issued under the General Mandate pursuant to the January 2021 CB. Further, as set out in the announcement of the Company dated 29 May 2025, 120,432,334 conversion shares are issuable under the March 2025 CB and such conversion shares will be issued and allotted pursuant to the General Mandate. After deducting the aforesaid number of Shares, the maximum number of Shares allowed to be allotted and issued under the General Mandate was therefore 942,051,850.

Upon exercise in full of the conversion rights attached to the Convertible Bonds at the initial Conversion Price of HK$43.90 per Share, a total of approximately 266,635,576 Conversion Shares will be issued. The General Mandate is therefore sufficient for the allotment and issue of the Conversion Shares.

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

Shandong, the PRC
5 May 2026

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.