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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)**

### **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS INDUSTRIAL WASTE SERVICE AGREEMENT AND PRODUCTION WATER SUPPLY AGREEMENT**

#### **BACKGROUND**

Reference is made to the announcement of the Company dated 23 December 2021 in relation to the Previous Industrial Waste Service Agreement and the Previous Production Water Supply Agreement entered into between the Company and the relevant connected persons of the Company. The term of the Previous Industrial Waste Service Agreement and the Previous Production Water Supply Agreement will expire on 31 December 2024, respectively. The Company intends to continue the transactions contemplated under the Previous Industrial Waste Service Agreement and the Previous Production Water Supply Agreement, respectively, for a term commencing on 1 January 2025 and ending on 31 December 2027 (both days inclusive).

#### **ENTERING INTO THE RENEWED INDUSTRIAL WASTE SERVICE AGREEMENT**

The Board announces that, on 18 October 2024, the Company and Beihai Solid Waste entered into the Renewed Industrial Waste Service Agreement for a term commencing on 1 January 2025 and ending on 31 December 2027 (both days inclusive), pursuant to which Beihai Solid Waste will provide industrial waste collection, transport, storage and disposal services to the Company and its subsidiaries.

#### **ENTERING INTO THE RENEWED PRODUCTION WATER SUPPLY AGREEMENT**

The Board announces that, on 18 October 2024, Shandong Hongqiao and Weiqiao Chuangye Group entered into the Renewed Production Water Supply Agreement for a term commencing on 1 January 2025 and ending on 31 December 2027 (both days inclusive), pursuant to which Weiqiao Chuangye Group will supply production water to the production bases of Shandong Hongqiao located in Zouping City and Weiqiao Town for production use.

## **LISTING RULES IMPLICATION**

Shandong Hongqiao is an indirect subsidiary of the Company. Weiqiao Chuangye Group is an associate of Mr. Zhang Bo (an executive Director and, together with his other family members, having equity interests in Weiqiao Chuangye Group) and Behai Solid Waste is owned as to 51% by Weiqiao Chuangye Group. Therefore, each of Weiqiao Chuangye Group and Beihai Solid Waste is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Renewed Industrial Waste Service Agreement and the Renewed Production Water Supply Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Continuing Connected Transactions contemplated under the Renewed Industrial Waste Service Agreement and the Renewed Production Water Supply Agreement are aggregated pursuant to Rule 14A.81 of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Continuing Connected Transactions, on aggregate basis, is more than 0.1% but less than 5%, the Continuing Connected Transactions are subject to the announcement, reporting and annual review requirements but exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **A. THE RENEWED INDUSTRIAL WASTE SERVICE AGREEMENT**

Reference is made to the announcement of the Company dated 23 December 2021 in relation to, among other things, the Previous Industrial Waste Service Agreement entered into between the Company and Beihai Solid Waste.

The term of the Previous Industrial Waste Service Agreement will expire on 31 December 2024. The Directors expect that the Company and its subsidiaries will continue to need the industrial waste collection, transport, storage and disposal services provided by Beihai Solid Waste. In this connection, on 18 October 2024, the Company and Beihai Solid Waste entered into the Renewed Industrial Waste Service Agreement.

The material terms of the Renewed Industrial Waste Service Agreement are set out as follows:

#### **1. Date**

18 October 2024

#### **2. Parties**

- (i) the Company (including its subsidiaries); and
- (ii) Beihai Solid Waste

### **3. Connected person**

Beihai Solid Waste is owned as to 51.00% by Weiqiao Chuangye Group and as to 49.00% by Binzhou Beihai Jingmai Industry Development Co., Ltd. (濱州北海靜脈產業發展有限公司, an independent third party), and Weiqiao Chuangye Group is an associate of Mr. Zhang Bo (an executive Director and, together with his other family members, having equity interests in Weiqiao Chuangye Group). Therefore, Beihai Solid Waste is a connected person of the Company under the Listing Rules.

Beihai Solid Waste is approved by the Ecology and Environment Bureau of Binzhou City to provide industrial waste collection, transport, storage and disposal services.

### **4. Transaction nature**

The Company and Beihai Solid Waste entered into the Renewed Industrial Waste Service Agreement on 18 October 2024 for a term commencing on 1 January 2025 and ending on 31 December 2027 (both days inclusive), pursuant to which Beihai Solid Waste will provide industrial waste collection, transport, storage and disposal services to the Company and its subsidiaries.

### **5. Pricing basis and payment terms**

The prices of the industrial waste collection, transport, storage and disposal services provided by Beihai Solid Waste to the Company shall be RMB896.23 per ton (VAT exclusive) for electrolytic cell residue and RMB2,830.19 per ton (VAT exclusive) for combustible waste for the period from 1 January 2025 to 31 December 2025, which are determined with reference to the market prices of the same or comparable types of services provided by other independent third parties in proximity to Beihai Solid Waste. The prices of such services provided by Beihai Solid Waste to the Company for the financial year ending 31 December 2026 and the financial year ending 31 December 2027 shall be re-determined by both parties within one month prior to the end of the preceding year through negotiation with reference to the then market prices of the same or comparable types of services provided by other independent third parties in proximity to Beihai Solid Waste. Beihai Solid Waste shall obtain the prices of the same or comparable types of services from at least three other independent third parties in proximity to Beihai Solid Waste and provide the evidence to the Company. In principle, the prices of such services provided by Beihai Solid Waste to the Company shall not be higher than the then market prices of the same or comparable types of services provided by other independent third parties in proximity to Beihai Solid Waste. The Company and Beihai Solid Waste agreed that Beihai Solid Waste shall provide the evidence to determine such market prices to the Company upon the request of the Company. The Company will also designate relevant personnel of the financial department of the Company to conduct market researches and obtain prices or quotations for the same or comparable types of services from other independent third parties in proximity to Beihai Solid Waste to ensure that the prices of such services provided by Beihai Solid Waste are fair to the Group. If the prices are otherwise mandatorily regulated by the PRC government, the mandatory governmental price shall be adopted as the service price under the Renewed Industrial Waste Service Agreement.

The Directors confirmed that the pricing basis agreed between the Company and Beihai Solid Waste for providing industrial waste collection, transport, storage and disposal services was negotiated on an arm's length basis and is fair and reasonable, and constitutes a normal commercial term.

Beihai Solid Waste may, on the last business day of each calendar month, prepare an account book of the relevant fees that shall be paid by the Company up to that day. The amount undue shall not be included in such account book. The Company shall, within the first twenty (20) business days of the following month, pay the amount due in full.

## 6. Termination and renewal

Either party to the Renewed Industrial Waste Service Agreement may terminate it by providing at least thirty (30) days prior written notice to the counterparty. The Renewed Industrial Waste Service Agreement is renewable for another term of three (3) years (subject to the compliance of the relevant requirements under the Listing Rules by the Company) unless either party decides not to renew it and gives at least thirty (30) days prior written notice to the counterparty accordingly. For the avoidance of doubt, the Renewed Industrial Waste Service Agreement shall not be renewed without approval from the Board and/or (if required under the Listing Rules) the independent Shareholders.

## 7. Historical transaction values and the annual caps

The historical transaction values for the services provided by Beihai Solid Waste to the Company and its subsidiaries under the Previous Industrial Waste Service Agreement for the two financial years ended 31 December 2023 and the financial year ending 31 December 2024 are as follows:

	<b>For the financial year ended 31 December 2022</b>	<b>For the financial year ended 31 December 2023</b>	<b>For the financial year ending 31 December 2024</b>
Historical transaction values ( <i>RMB</i> ) ( <i>VAT exclusive</i> )	160,569,000 <i>(equivalent to approximately HK\$175,110,000)</i>	101,394,000 <i>(equivalent to approximately HK\$110,576,000)</i>	77,259,000 <sup>(Note)</sup> <i>(equivalent to approximately HK\$84,256,000)</i>

*Note: For the nine months ended 30 September 2024, the transaction value for the services provided by Beihai Solid Waste under the Previous Industrial Waste Service Agreement was approximately RMB57,945,000 (VAT exclusive). The Directors currently estimate that, for the financial year ending 31 December 2024, the transaction value for the services provided by Beihai Solid Waste under the Previous Industrial Waste Service Agreement will be approximately RMB77,259,000 (VAT exclusive), which is calculated by annualising the transaction value for the nine months ended 30 September 2024.*

Set out below are the estimated maximum volumes of industrial waste to be handled and the annual caps which are the estimated maximum transaction values to be payable by the Company to Beihai Solid Waste under the Renewed Industrial Waste Service Agreement for each of the three financial years ending 31 December 2027:

	<b>For the financial year ending 31 December 2025</b>	<b>For the financial year ending 31 December 2026</b>	<b>For the financial year ending 31 December 2027</b>
Estimated maximum volumes of industrial waste to be handled ( <i>ton</i> )			
– Electrolytic cell residue	200,000	200,000	200,000
– Combustible waste	10,000	10,000	10,000
Annual caps ( <i>RMB</i> ) ( <i>VAT exclusive</i> )	207,548,000	207,548,000	207,548,000

Electrolytic cell residue and combustible waste are industrial waste generated during the production process of the Group. The annual caps for the three financial years ending 31 December 2027 are determined with reference to (i) the volumes of industrial waste generated and estimated to be generated by the Group in the production process; (ii) the annual treatment capacity of Beihai Solid Waste; and (iii) the prices of industrial waste collection, transport, storage and disposal services provided by Beihai Solid Waste to the Company for the period from 1 January 2025 to 31 December 2025 under the Renewed Industrial Waste Service Agreement, i.e. approximately RMB896.23 per ton (VAT exclusive) for electrolytic cell residue and approximately RMB2,830.19 per ton (VAT exclusive) for combustible waste.

## **B. THE RENEWED PRODUCTION WATER SUPPLY AGREEMENT**

Reference is made to the announcement of the Company dated 23 December 2021 in relation to, among other things, the Previous Production Water Supply Agreement entered into between Shandong Hongqiao and Weiqiao Chuangye Group.

The term of the Previous Production Water Supply Agreement will expire on 31 December 2024. The Directors expect that Shandong Hongqiao will continue to need the production water supplied by Weiqiao Chuangye Group in order to enhance the Group's operating efficiency and meet the Group's demand for production water. In this connection, on 18 October 2024, Shandong Hongqiao and Weiqiao Chuangye Group entered into the Renewed Production Water Supply Agreement.

The material terms of the Renewed Production Water Supply Agreement are set out as follows:

**1. Date**

18 October 2024

**2. Parties**

(i) Shandong Hongqiao (an indirect subsidiary of the Company, including its subsidiaries and related companies, if applicable); and

(ii) Weiqiao Chuangye Group (including its subsidiaries or related companies, if applicable)

**3. Connected person**

Weiqiao Chuangye Group is an associate of Mr. Zhang Bo (an executive Director and, together with his other family members, having equity interests in Weiqiao Chuangye Group). Therefore, Weiqiao Chuangye Group is a connected person of the Company under the Listing Rules.

**4. Transaction nature**

Shandong Hongqiao and Weiqiao Chuangye Group entered into the Renewed Production Water Supply Agreement on 18 October 2024 for a term commencing on 1 January 2025 and ending on 31 December 2027 (both days inclusive), pursuant to which Weiqiao Chuangye Group will supply production water to the production bases of Shandong Hongqiao located in Zouping City and Weiqiao Town for production use.

**5. Pricing basis and payment terms**

The prices of production water supplied by Weiqiao Chuangye Group to the production bases of Shandong Hongqiao located in Zouping City and Weiqiao Town shall be approximately RMB1.99 per ton (VAT exclusive) for the period from 1 January 2025 to 31 December 2025, which are determined with reference to the market prices of production water supplied by other independent third parties in Zouping City and Weiqiao Town. Weiqiao Chuangye Group shall provide the evidence to determine such market prices to Shandong Hongqiao upon the request of Shandong Hongqiao. The prices of production water supplied by Weiqiao Chuangye Group to Shandong Hongqiao for the financial year ending 31 December 2026 and the financial



year ending 31 December 2027 shall be re-determined by the both parties within one month prior to the end of the preceding year through negotiation with reference to the then market prices of production water supplied by other independent third parties in Zouping City and Weiqiao Town. Weiqiao Chuangye Group shall obtain the prices of supplying such production water from at least three other independent third parties in Zouping City and Weiqiao Town and provide the evidence to determine such market prices to Shandong Hongqiao. Weiqiao Chuangye Group has agreed that, in principle, the prices of production water supplied by Weiqiao Chuangye Group to the production bases of Shandong Hongqiao located in Zouping City and Weiqiao Town shall not be higher than the then market prices of production water supplied by other independent third parties in Zouping City and Weiqiao Town. The Company will also designate relevant personnel of the financial department of the Company to conduct market researches and obtain prices or quotations for such production water from other independent third parties in Zouping City and Weiqiao Town to ensure that the prices of such production water supplied by Weiqiao Chuangye Group are fair to the Group. If the price is otherwise mandatorily regulated by the PRC government, the mandatory governmental price shall be adopted as the price of supplying production water under the Renewed Production Water Supply Agreement.

The Directors confirmed that the pricing basis agreed between Weiqiao Chuangye Group and Shandong Hongqiao for the supply of production water to the production bases of Shandong Hongqiao located in Zouping City and Weiqiao Town was negotiated on an arm's length basis and is fair and reasonable, and constitutes a normal commercial term.

Weiqiao Chuangye Group may, on the last business day of each calendar month, prepare an account book of the relevant fees that shall be paid by Shandong Hongqiao up to that day. The amount undue shall not be included in such account book. Shandong Hongqiao shall, within the first twenty (20) business days of the following month, pay the amount due in full.

## **6. Termination and renewal**

Either party to the Renewed Production Water Supply Agreement may terminate it by providing at least thirty (30) days prior written notice to the counterparty. The Renewed Production Water Supply Agreement is renewable for another term of three years (subject to the compliance of relevant requirements under the Listing Rules by the Company) unless either party decides not to renew it and gives at least thirty (30) days prior written notice to the counterparty accordingly. For the avoidance of doubt, the Renewed Production Water Supply Agreement shall not be renewed without approval from the Board and/or (if required under the Listing Rule) the independent Shareholders.

## 7. Historical transaction values and the annual caps

The historical transaction values for the production water supplied by Weiqiao Chuangye Group to Shandong Hongqiao under the Previous Production Water Supply Agreement for the two financial years ended 31 December 2023 and the financial year ending 31 December 2024 are as follows:

	<b>For the financial year ended 31 December 2022</b>	<b>For the financial year ended 31 December 2023</b>	<b>For the financial year ending 31 December 2024</b>
Historical transaction values ( <i>RMB</i> ) ( <i>VAT exclusive</i> )	30,886,000 <i>(equivalent to approximately HK\$33,683,000)</i>	45,182,000 <i>(equivalent to approximately HK\$49,274,000)</i>	48,179,000 <sup>(Note)</sup> <i>(equivalent to approximately HK\$52,542,000)</i>

*Note: For the nine months ended 30 September 2024, the transaction value for the production water supplied by Weiqiao Chuangye Group under the Previous Production Water Supply Agreement was approximately RMB36,134,000 (VAT exclusive). The Directors currently estimate that, for the financial year ending 31 December 2024, the transaction value for the production water supplied by Weiqiao Chuangye Group under the Previous Production Water Supply Agreement will be approximately RMB48,179,000 (VAT exclusive), which is calculated by annualising the transaction value for the nine months ended 30 September 2024.*

Set out below are the estimated maximum purchase volumes of production water and the annual caps which are the maximum transaction values estimated to be payable by Shandong Hongqiao to Weiqiao Chuangye Group under the Renewed Production Water Supply Agreement for each of the three financial years ending 31 December 2027:

	<b>For the financial year ending 31 December 2025</b>	<b>For the financial year ending 31 December 2026</b>	<b>For the financial year ending 31 December 2027</b>
Estimated maximum purchase volumes ( <i>ton</i> )	30,000,000	30,000,000	30,000,000
Annual caps ( <i>RMB</i> ) ( <i>VAT exclusive</i> )	59,700,000	59,700,000	59,700,000

The annual caps for the three financial years ending 31 December 2027 are determined with reference to (i) the estimated volumes of water to be used in the production process by the production bases of Shandong Hongqiao located in Zouping City and Weiqiao Town; and (ii) the prices of production water supplied by Weiqiao Chuangye Group to Shandong Hongqiao for the period from 1 January 2025 to 31 December 2025 under the Renewed Production Water Supply Agreement, i.e. approximately RMB1.99 per ton (VAT exclusive).



### **C. REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWED INDUSTRIAL WASTE SERVICE AGREEMENT AND THE RENEWED PRODUCTION WATER SUPPLY AGREEMENT**

The Company and Beihai Solid Waste entered into the Renewed Industrial Waste Service Agreement after considering, among others, the following reasons:

- (i) the close proximity of Beihai Solid Waste to the Company's subsidiaries makes it convenient and efficient for providing the industrial waste collection, transport, storage and disposal services; and
- (ii) Beihai Solid Waste is approved by the Ecology and Environment Bureau of Binzhou City to provide industrial waste collection, transport, storage and disposal services and is able to provide stable and quality services with flexible scheduling for the needs of the Group.

In order to enhance the Group's operating efficiency and meet the Group's demand for production water, Shandong Hongqiao and Weiqiao Chuangye Group entered into the Renewed Production Water Supply Agreement after considering, among others, the following reasons:

- (i) the close proximity of Weiqiao Chuangye Group to the production bases of Shandong Hongqiao located in Zouping City and Weiqiao Town makes it convenient and efficient for water supply; and
- (ii) Weiqiao Chuangye Group is able to provide stable supply of production water with flexible scheduling for the production needs of the production bases of Shandong Hongqiao located in Zouping City and Weiqiao Town, which is favorable to the stable operation of the Group's business.

### **D. IMPLICATIONS UNDER THE LISTING RULES**

Shandong Hongqiao is an indirect subsidiary of the Company. Weiqiao Chuangye Group is an associate of Mr. Zhang Bo (an executive Director and, together with his other family members, having equity interests in Weiqiao Chuangye Group) and Behai Solid Waste is owned as to 51% by Weiqiao Chuangye Group. Therefore, each of Weiqiao Chuangye Group and Beihai Solid Waste is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Renewed Industrial Waste Service Agreement and the Renewed Production Water Supply Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Continuing Connected Transactions contemplated under the Renewed Industrial Waste Service Agreement and the Renewed Production Water Supply Agreement are aggregated pursuant to Rule 14A.81 of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Continuing Connected Transactions, on an aggregate basis, is more than 0.1% but less than 5%, the Continuing Connected Transactions are subject to the announcement, reporting and annual review requirements but exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Each of Mr. Zhang Bo, Ms. Zheng Shuliang, Mr. Yang Congsen, Mr. Zhang Jinglei, Ms. Zhang Ruilian and Ms. Sun Dongdong had either not participated in voting or abstained from voting on the relevant resolutions of the Board approving the Renewed Industrial Waste Service Agreement and the Renewed Production Water Supply Agreement and the Continuing Connected Transactions contemplated thereunder as they and/or their associates concurrently have material interests and/or hold relevant positions in Weiqiao Chuangye Group.

The Directors (including the independent non-executive Directors) consider that the Continuing Connected Transactions are in the ordinary and usual course of business of the Group and the terms of the Renewed Industrial Waste Service Agreement and the Renewed Production Water Supply Agreement (including the respective annual caps for the Continuing Connected Transactions) have been negotiated on an arm's length basis, and are on normal commercial terms and are fair and reasonable and in the interest of the Group and the Shareholders as a whole.

## **E. INTERNAL CONTROL PROCEDURES**

The Company has adopted the following internal control measures to ensure that the Continuing Connected Transactions are in accordance with the respective pricing policies and the respective terms of the Renewed Industrial Waste Service Agreement and the Renewed Production Water Supply Agreement, and in compliance with the Listing Rules:

- (i) the finance department of the Company shall obtain and monitor all the quotations and/or pricing records as reference price of the Renewed Industrial Waste Service Agreement and the Renewed Production Water Supply Agreement to ensure that the prices of industrial waste collection, transport, storage and disposal services offered by Beihai Solid Waste to the Group are not higher than the prices offered by other independent third parties in proximity to Beihai Solid Waste to the Group for providing the same or comparable types of services, and to ensure that the prices of production water supplied by Weiqiao Chuangye Group to Shandong Hongqiao are not higher than the prices at which such production water is supplied by other independent third parties in Zouping City and Weiqiao Town to the Group;

- (ii) the finance department of the Company shall monitor and ensure that the Continuing Connected Transactions are conducted in accordance with the terms of the relevant agreements and the respective annual caps for the Continuing Connected Transactions are not exceeded;
- (iii) the Board will continue to periodically review the Company's internal control systems and their effectiveness; and
- (iv) the independent non-executive Directors shall, and the Company shall engage its external auditors to, conduct annual review of the Continuing Connected Transactions and the respective annual caps for the Continuing Connected Transactions in accordance with the requirements of the Listing Rules.

## F. GENERAL INFORMATION

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

Shandong Hongqiao is principally engaged in ore dressing, common non-ferrous metal smelting, non-ferrous metals calendaring processing, metal material sales, coal and coal product sales and goods import and export business.

Beihai Solid Waste is principally engaged in solid waste collection, utilisation, treatment, disposal, incineration and landfill.

Weiqiao Chuangye Group is principally engaged in the processing and sale of cotton, lint cotton, cotton seed oil, fabrics, cotton yarn and print cloth, retail and distribution of cloth and supply of industrial water. As at the date of this announcement, Weiqiao Chuangye Group is held as to approximately 31.20% by Shandong Weiqiao Investment Holdings Company Limited\* (山東魏橋投資控股有限公司) (“**Weiqiao Investment**”), which is the single largest shareholder of Weiqiao Chuangye Group. The registered shareholders of Weiqiao Investment are 25 individuals, and adopt “one person, one vote”. Among these shareholders, the late Mr. Zhang Shiping holds approximately 25.86% equity interest (of which approximately 5.17% is held on behalf of others), Mr. Yang Guangchang holds approximately 5.17% equity interest (of which approximately 1.72% is held on behalf of others), and the remaining equity interest is held by the other 23 individual shareholders, of which their shareholding ranges from 1.38% to 3.45%. Approximately 48.65% equity interest of Weiqiao Chuangye Group is held by its 12 senior management members (approximately 18.81% by the late Mr. Zhang Shiping, 5.60% by Mr. Zhang Bo, 5.60% by Ms. Zhang Hongxia, 4.50% by Ms. Zhang Yanhong, 2.18% by Mr. Yang Congsen, 3.21% by Mr. Zhang Shixue, 3.95% by Mr. Wei Yingzhao, 1.13% by Mr. Qi Xingli, 1.73% by the late Mr. Zhang Shijun, 0.30% by Ms. Zhao Suwen, 1.13% by Mr. Liu Fenghai, and 0.52% by Mr. Wei Jiakun), and 20% equity interest of Weiqiao Chuangye Group is held by Binzhou Hanchuang Technological Development Partnership (Limited Partnership)\* (濱州瀚創科技發展合夥企業(有限合夥)), which is held as to 99.975% by Shandong Weiqiao Chuangye Group Company Limited Union Committee\* (山東魏橋創業集團有限公司工會委員會) (the “**Union**”). The Union serves as an incentive and shareholding platform for a certain number of core employees, holding such interests on behalf of those employees. None of such employees holds more than 1% equity interest in Weiqiao Chuangye Group.

## G. DEFINITIONS

In this announcement, the following expressions shall have the following respective meanings:

“Beihai Solid Waste”	Binzhou City Beihai Weiqiao Solid Waste Disposal Co., Ltd.* (濱州市北海魏橋固廢處置有限公司), a limited liability company established in the PRC on 8 May 2017, which is approved by the Ecology and Environment Bureau of Binzhou City to provide industrial waste collection, transport, storage and disposal services
“Board”	the board of Directors
“Company”	China Hongqiao Group Limited (中國宏橋集團有限公司)
“Continuing Connected Transactions”	the continuing connected transactions contemplated under the Renewed Industrial Waste Service Agreement and the Renewed Production Water Supply Agreement or any of them if the context so required
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Previous Industrial Waste Service Agreement”	the industrial waste service agreement entered into between the Company and Beihai Solid Waste on 23 December 2021 for a term commencing on 1 January 2022 and ending on 31 December 2024 (both days inclusive)
“Previous Production Water Supply Agreement”	the production water supply agreement entered into between Shandong Hongqiao and Weiqiao Chuangye Group on 23 December 2021 for a term commencing on 1 January 2022 and ending on 31 December 2024 (both days inclusive)
“Renewed Industrial Waste Service Agreement”	the industrial waste service agreement entered into between the Company and Beihai Solid Waste on 18 October 2024 for a term commencing on 1 January 2025 and ending on 31 December 2027 (both days inclusive)

“Renewed Production Water Supply Agreement”	the production water supply agreement entered into between Shandong Hongqiao and Weiqiao Chuangye Group on 18 October 2024 for a term commencing on 1 January 2025 and ending on 31 December 2027 (both days inclusive)
“RMB”	Renminbi, the lawful currency of the PRC
“Shandong Hongqiao”	Shandong Hongqiao New Material Co., Ltd.* (山東宏橋新型材料有限公司), a limited liability company established in the PRC on 27 July 1994 and an indirect subsidiary of the Company
“Shareholder(s)”	registered holder(s) of the shares of the Company
“VAT”	Value added tax of the PRC
“Weiqiao Chuangye Group”	Shandong Weiqiao Chuangye Group Company Limited* (山東魏橋創業集團有限公司), a limited liability company established in the PRC on 14 April 1998
“%”	per cent

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

Shandong, the PRC  
18 October 2024

\* *The Chinese names of the PRC entities have been translated into English in this announcement for reference only. In the event of any discrepancies between the Chinese names of the PRC entities and their respective English translation, the Chinese version shall prevail.*

*For the purpose of this announcement, the exchange rate of HK\$1.00 = RMB0.91696 has been used for currency translation, where applicable. Such an exchange rate is for illustrative purposes and does not constitute representations that any amount in HK\$ or RMB has been, could have been or may be converted at such a rate.*

*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, Ms. Sun Dongdong and Mr. Tian Mingming (Mr. Zhang Hao as his alternate) as non-executive Directors, and Mr. Wen Xianjun, Mr. Han Benwen, Mr. Dong Xinyi and Ms. Fu Yulin as independent non-executive Directors.*