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)

CONTINUING CONNECTED TRANSACTIONS
REVISION OF THE ANNUAL CAPS FOR THE BAUXITE SUPPLY AGREEMENT

A. BACKGROUND

Reference is made to the announcements of the Company dated 3 December 2019 and 16 June 2025 in relation to, among others, the Bauxite Supply Agreement and the Continuing Connected Transactions contemplated thereunder.

As set out in the section headed "D. REASONS FOR AND BENEFITS OF REVISION OF THE ANNUAL CAPS" in this announcement, the Board anticipates that the Existing Annual Caps will not be sufficient to meet the estimated transaction values of bauxite to be purchased by Well Harvest Winning for each of the eight financial years ending 31 December 2033, being the financial years during the remaining term of the Bauxite Supply Agreement. Accordingly, the Company proposes to revise the Existing Annual Caps.

B. THE BAUXITE SUPPLY AGREEMENT

The details of the Bauxite Supply Agreement are set out as follows:

1. Date

3 December 2019

2. Parties

(i) Well Harvest Winning, as the buyer; and

(ii) Cita Mineral Investindo, as the seller.

Well Harvest Winning and Cita Mineral Investindo are individually referred to as a "Party" or collectively referred to as the "Parties".

3. **Connected person**

Well Harvest Winning is a non-wholly owned subsidiary of the Company and it is held as to 30% by Cita Mineral Investindo. As disclosed in the announcement of the Company dated 16 June 2025, as the relevant percentage ratios (as defined under Rule 14A.09 of the Listing Rules) in respect of Well Harvest Winning exceeded 10% for the year ended 31 December 2024, Well Harvest Winning ceased to be an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules and therefore Cita Mineral Investindo could not meet the conditions for the exemption under Rule 14A.09 of the Listing Rules and became a connected person of the Company under the Listing Rules.

4. **Transaction nature**

Well Harvest Winning and Cita Mineral Investindo entered into the Bauxite Supply Agreement on 3 December 2019 pursuant to which Cita Mineral Investindo shall sell and deliver to Well Harvest Winning, or procure the sale and delivery to Well Harvest Winning of, and Well Harvest Winning shall buy from Cita Mineral Investindo, bauxite.

5. **Term**

The Bauxite Supply Agreement is for a term commencing on the Effective Date and ending on 31 December 2033.

6. **Pricing basis**

The benchmark selling price of the bauxite to be supplied by Cita Mineral Investindo to Well Harvest Winning shall be USD31.50 per DMT x IDR Exchange Rate, which was determined with reference to the prices charged by Cita Mineral Investindo to other independent third parties for supply of the same or comparable types of bauxite on normal commercial terms in its ordinary and usual course of business. The actual selling price of the bauxite shall be adjusted on the basis of the benchmark selling price according to the proportion of Al_2O_3 and SiO and the grain size of bauxite.

Well Harvest Winning shall pay to Cita Mineral Investindo the CIF price for each Shipment which shall be an amount equal to the product of (a) the selling price applicable to such Shipment calculated in accordance with the pricing basis above and multiplied by (b) the number of DMTs in such Shipment. The selling price for each Shipment shall be (i) calculated by Cita Mineral Investindo based on the data contained in the surveyor's certificate for such Shipment and (ii) confirmed in writing by Well Harvest Winning within two (2) days of delivery of Cita Mineral Investindo's preliminary determination of such selling price.

The pricing basis above shall be reviewed annually on or before every anniversary of the Bauxite Supply Agreement and subject to mutual agreement by the Parties, be amended to reflect any change in the inflation rate(s) published by the index(es) commonly used to determine inflation in commodity prices. If the Parties do mutually agree to amend the pricing basis, any such amendment shall be set forth in writing and, upon execution thereof by the Parties, shall form an addendum to the Bauxite Supply Agreement.

The Directors confirmed that the pricing basis agreed between Cita Mineral Investindo and Well Harvest Winning for supply of bauxite was fair and reasonable and negotiated on an arm's length basis and constitutes a normal commercial term.

7. Payment terms

Cita Mineral Investindo shall deliver to Well Harvest Winning an invoice with respect to each Shipment upon the arrival of each Shipment at the applicable Discharge Location. All payments shall be in IDR and shall be made by telegraphic transfer not more than thirty (30) days after the later of (a) delivery of each Shipment to the Discharge Location and (b) receipt by Well Harvest Winning of the related invoice. The Parties agree that a sale is recognized once each Shipment has arrived at the applicable Discharge Location.

8. Termination

The Bauxite Supply Agreement shall automatically terminate on the last day of its term unless terminated earlier by the Parties pursuant to the relevant terms in the Bauxite Supply Agreement.

9. Historical transaction values and the Existing Annual Caps

The historical transaction values for the bauxite supplied by Cita Mineral Investindo and its related parties to Well Harvest Winning for the three financial years ended 31 December 2025 and the five months ended 31 May 2026 are as follows:

	For the financial year ended 31 December			For the five months ended
	2023	**2024**	**2025**	**31 May 2026**
Historical transaction values	USD173,921,000 *(Note 1)*	USD137,266,000 *(Note 1)*	USD145,256,000	USD61,957,000 *(Note 2)*

Note 1: In those years, as Well Harvest Winning was an insignificant subsidiary of the Company (as defined in the Listing Rules), the transactions did not constitute continuing connected transactions of the Company.

Note 2: Calculated based on management accounts only.

As disclosed in the announcement of the Company dated 3 December 2019, set out below are the Existing Annual Caps which were estimated to be payable by Well Harvest Winning to Cita Mineral Investindo for each of the eight financial years ending 31 December 2033, being the financial years during the remaining term of the Bauxite Supply Agreement:

	For each of the eight financial years ending 31 December 2033
Existing Annual Caps	USD155,295,000 (equivalent to approximately HK$1,216,783,000)

C. REVISION OF THE EXISTING ANNUAL CAPS FOR THE BAUXITE SUPPLY AGREEMENT

Set out below are the Revised Annual Caps which are estimated to be payable by Well Harvest Winning to Cita Mineral Investindo for each of the eight financial years ending 31 December 2033:

For the financial year ending 31 December	**Revised Annual Caps** *(Note 1)*
2026	USD257,070,000 *(Note 2)* (equivalent to approximately HK$2,014,221,000)
2027	USD261,580,000 *(Note 2)* (equivalent to approximately HK$2,049,558,000)
2028	USD279,620,000 *(Note 2)* (equivalent to approximately HK$2,190,907,000)

For the financial year ending 31 December	Revised Annual Caps (Note 1)
2029	USD288,640,000 (Note 2) (equivalent to approximately HK$2,261,581,000)
2030	USD306,680,000 (Note 2) (equivalent to approximately HK$2,402,930,000)
2031	USD306,680,000 (Note 2) (equivalent to approximately HK$2,402,930,000)
2032	USD306,680,000 (Note 2) (equivalent to approximately HK$2,402,930,000)
2033	USD306,680,000 (Note 2) (equivalent to approximately HK$2,402,930,000)

Note 1: The Revised Annual Caps for each of the eight financial years ending 31 December 2033 are determined with reference to (i) the historical transaction values for the bauxite supplied by Cita Mineral Investindo and its related parties to Well Harvest Winning; (ii) the latest estimated increases in bauxite prices for the eight years ending 31 December 2033, taking into account the policy background and historical price trends; and (iii) the latest estimated maximum volumes of bauxite to be purchased by Well Harvest Winning from Cita Mineral Investindo, being approximately 4.51 million DMT per year (taking into account the current production plan and annual production capacity of Well Harvest Winning). It is currently expected that the increase in bauxite prices in 2026 will be relatively significant due to a supply shortfall in Indonesia.

Note 2: The Revised Annual Caps shall be subject to final calculation in the payment currency.

There was no change to the terms and other aspects of the Bauxite Supply Agreement.

D. REASONS FOR AND BENEFITS OF REVISION OF THE ANNUAL CAPS

In recent years, the production capacities of alumina in Indonesia are expanding, resulting in strong demand for bauxite. Meanwhile, the extraction volume of bauxite is being regulated by the local government and a government-guided pricing mechanism is being implemented gradually. Further, bauxite mining companies are increasing their investments in environmental protection and other areas. As a result, the prices of bauxite have been increasing gradually. In conjunction with the latest production plan and the estimated purchase volume of bauxite of Well Harvest Winning, the Board anticipates that the Existing Annual Caps will not be sufficient to meet the estimated transaction values of bauxite to be purchased by Well Harvest Winning for each of the eight financial years ending 31 December 2033, being the financial years during the remaining term of the Bauxite Supply Agreement. Accordingly, the Company proposes to revise the Existing Annual Caps to ensure a stable operation of Well Harvest Winning.

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 Bauxite Supply Agreement (including the Revised Annual Caps) 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. IMPLICATIONS UNDER THE LISTING RULES

According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transactions, the Company will be required to re-comply with the provisions under Chapter 14A of the Listing Rules in relation to the relevant continuing connected transactions.

Well Harvest Winning is a non-wholly owned subsidiary of the Company and it is held as to 30% by Cita Mineral Investindo. As disclosed in the announcement of the Company dated 16 June 2025, as the relevant percentage ratios (as defined under Rule 14A.09 of the Listing Rules) in respect of Well Harvest Winning exceeded 10% for the year ended 31 December 2024, Well Harvest Winning ceased to be an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules and therefore Cita Mineral Investindo could not meet the conditions for the exemption under Rule 14A.09 of the Listing Rules and became a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Bauxite Supply Agreement constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Revised Annual Caps is more than 0.1% but less than 5%, the Continuing Connected Transactions (including the Revised Annual Caps) 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.

Pursuant to Rule 14A.52 of the Listing Rules, the term of an agreement for a continuing connected transaction must not exceed three years except in special circumstances where the nature of the transaction requires a longer period. As the term of the Bauxite Supply Agreement exceeds three years, the Company had been advised by Sorrento Capital why the Bauxite Supply Agreement required a longer period and to confirm that it was normal business practice for agreements of this type to be of such duration. For details, including the factors considered by Sorrento Capital, please refer to the announcement of the Company dated 3 December 2019.

F. BOARD'S APPROVAL

The Revised Annual Caps were approved by the Board. None of the Directors was required to abstain from voting on the relevant resolutions of the Board approving the Revised Annual Caps as none of them has any material interest in the Continuing Connected Transactions.

G. INTERNAL CONTROL PROCEDURES

The Company has adopted the following internal control measures to ensure that the Continuing Connected Transactions are in accordance with the pricing policies and the terms of the Bauxite 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 prices of the Continuing Connected Transactions to ensure that the prices of bauxite offered by Cita Mineral Investindo to the Group are not higher than the prices offered by other independent third parties in Indonesia to the Group for supplying the same or comparable types of bauxite;

(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 Bauxite Supply Agreement and the Revised Annual Caps 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 Revised Annual Caps in accordance with the requirements of the Listing Rules.

H. GENERAL INFORMATION

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

Well Harvest Winning is principally engaged in the production and sales of alumina.

Cita Mineral Investindo is held as to 60.455% by Harita Jayaraya and is principally engaged in bauxite mining business. Harita Jayaraya is principally engaged in general business.

I. DEFINITIONS

"Bauxite Supply Agreement"	the bauxite supply agreement entered into between Well Harvest Winning and Cita Mineral Investindo on 3 December 2019, the details of which were set out in the announcement of the Company dated 3 December 2019
"Board"	the board of Directors
"Cita Mineral Investindo"	PT. Cita Mineral Investindo, Tbk., a limited liability company established and existing under the laws of Indonesia
"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 Bauxite Supply Agreement
"Director(s)"	the director(s) of the Company
"Discharge Location"	the location of delivery of a Shipment, an appropriately licensed port located in Sungai Tengar, Kabupaten Ketapang, West Kalimantan
"DMT"	dry metric tonne, means the actual weight without free moisture
"Effective Date"	the effective date of the Bauxite Supply Agreement on which the conditions precedent have been satisfied
"Existing Annual Caps"	the existing annual caps for the Continuing Connected Transactions for the period from 22 May 2019 to 31 December 2033
"Group"	the Company and its subsidiaries
"Harita Jayaraya"	PT. Harita Jayaraya, a limited liability company established and existing under the laws of Indonesia
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong Special Administrative Region of the PRC
"IDR"	Indonesian Rupiah, the lawful currency of Indonesia
"IDR Exchange Rate"	as of any date, the number of IDR that is equivalent to one USD quoted as the Bank Indonesia Middle Rate by Bank Indonesia as of the close of business (Jakarta time) on the 7th business day immediately preceding the date of calculation
"Indonesia"	the Republic of Indonesia
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China
"Revised Annual Caps"	the revised annual caps for the Continuing Connected Transactions for each of the eight financial years ending 31 December 2033
"Shareholder(s)"	registered holder(s) of the shares of the Company

"Shipment"	any quantity of bauxite loaded by Cita Mineral Investindo into a ship for sale and delivery to Well Harvest Winning under and in accordance with the terms of the Bauxite Supply Agreement
"Sorrento Capital"	Sorrento Capital Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance, being the independent financial adviser appointed to advise the Company on the duration of the Bauxite Supply Agreement for the purpose of Rule 14A.52 of the Listing Rules
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"USD"	United States dollar(s), the lawful currency of the United States
"Well Harvest Winning"	PT. Well Harvest Winning Alumina Refinery, a limited liability company established and existing under the laws of Indonesia and a non-wholly owned subsidiary of the Company
"%"	per cent

For the purposes of illustration only, any amount denominated in USD in this announcement was translated into HK$ at the rate of USD1 = HK$7.8353. Such translations should not be construed as a presentation that the amounts in question have been, could have been or could be, converted at any particular rate at all.

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

Shandong, the PRC
12 June 2026

As at the date of this announcement, the Board comprises eleven Directors, namely Mr. Zhang Bo, Mr. Zhang Jinglei, Ms. Zhang Ruilian and Ms. Wong Yuting as executive Directors, Mr. Yang Congsen, Mr. Tu Yikai (Mr. Zhang Hao as his alternate) and Ms. Sun Dongdong as non-executive Directors, and Mr. Meng Xianzhong, Mr. Wen Xianjun, Ms. Fu Yulin and Mr. Ma Jin as independent non-executive Directors.