

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**VOLUNTARY ANNOUNCEMENT**  
**FORMATION OF JOINT VENTURE COMPANY**  
**AND**  
**SUPPLEMENTAL ANNOUNCEMENT**

This is a voluntary announcement made by China Hongqiao Group Limited (the “**Company**”).

The board of the Company (the “**Board**”) is pleased to announce that on 26 September 2020, Hongqiao Investment (Hong Kong) Limited (宏橋投資(香港)有限公司) (“**Hongqiao Hong Kong**”), an indirect wholly-owned subsidiary of the Company, entered into the Sino-German Hongqiao Scholz Circular Economy Science & Technology Cooperation Agreement (the “**Cooperation Agreement**”) with Scholz China GmbH (“**Scholz**”), a limited liability company registered in Essingen, German, in relation to the formation of a joint venture company (the “**Joint Venture Company**”) in Binzhou City, Shandong Province, the PRC, whose registered capital will be RMB50,000,000.

According to the terms and conditions of the Cooperation Agreement, Hongqiao Hong Kong and Scholz will contribute an equity capital contribution of RMB75,000,000 and RMB25,000,000 to the Joint Venture Company respectively. Upon its incorporation, the Joint Venture Company will be owned as to 75% by Hongqiao Hong Kong and as to 25% by Scholz. Equity capital contribution excess of the registered capital of the Joint Venture Company will be credited into its capital reserve. The business scope of the Joint Venture Company will include end-of-life vehicle dismantling, scrap metals recycling, and research and development of resource recycling technologies and processes.

Scholz is a wholly-owned subsidiary of Chiho Environmental Group Limited (“**Chiho Group**”), whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 976). For further information of Chiho Group, please refer to the relevant announcement published by Chiho Group on <https://www.hkexnews.hk>.

To the best knowledge, information and belief of the Directors after making all reasonable enquiries, Scholz and its ultimate beneficial owner(s) are third parties independent of the Company and its connected person(s) (as defined under the Listing Rules). The Board is of the view that the terms of the Cooperation Agreement are on normal commercial terms and fair and reasonable, and the formation of the Joint Venture Company is in the interests of the Company and the Shareholders as a whole.

Reference is made to the announcement (the “**Announcement**”) of the Company dated 18 March 2020 in relation to, among others, the Disposal contemplated under the Assets Transfer Agreement. Terms used herein shall have the same meanings as defined in the Announcement, unless the context requires otherwise.

The Company would like to provide further information in relation to the identities of the ultimate beneficial owners of the Purchaser. The Purchaser is held as to 99% by 濱州文賢華鑫企業管理合夥企業(有限合夥) (Binzhou Wenxian Huaxin Corporate Management Partnership (LLP)) (“**Wenxian Huaxin LLP**”) and as to 1% by 山東魏橋創業集團有限公司 (Shandong Weiqiao Chuangye Group Company Limited) (“**Weiqiao Chuangye Group**”), which is an associate of Mr. Zhang Bo, being an executive Director and the chairman of the Company and, together with his family members, having equity interests in Weiqiao Chuangye Group.

The general partner and limited partners of Wenxian Huaxin LLP are respectively 北京水木文華投資管理有限公司 (Beijing Shuimu Wenhua Investment Management Co., Ltd.) and seventeen (17) limited partners, including 山東創新集團有限公司 (Shandong Chuangxin Group Company Limited) (“**Chuangxin Group**”). As at the date of this announcement, the partnership is held as to 0.4862% by the general partner 北京水木文華投資管理有限公司 (Beijing Shuimu Wenhua Investment Management Co., Ltd.). The proportion of capital contribution of each limited partner to the total capital contribution is as follows: the partnership is respectively held as to 58.3468% by 山東創新集團有限公司 (Shandong Chuangxin Group Company Limited), 8.1037% by 陽信縣久盛鋁業有限公司 (Yangxin County Jiusheng Aluminum Co., Ltd.), 4.8622% by 山東萬通金屬科技有限公司 (Shandong Wantong Metal Technology Co., Ltd.), 3.2415% by 鄒平創源商貿有限公司 (Zouping Chuangyuan Commerce and Trade Co., Ltd.), 3.2415% by 鄒平日有貿易有限公司 (Zouping Riyou Trade Co., Ltd.), 3.2415% by 鄒平集中商貿有限公司 (Zouping Jizhong Commerce and Trade Co., Ltd.), 3.2415% by 惠民縣久盛鋁業有限公司 (Huimin County Jiusheng Aluminum Co., Ltd.), 3.2415% by 江陰市天陽金屬製品有限公司 (Jiangyin City Tianyang Metal Products Co., Ltd.), 2.1070% by 鄒平魯晉蒙煤炭貿易有限公司 (Zouping Lujinmeng Coal Trade Co., Ltd.), 1.7828% by 山東嘉銳工業科技有限公司 (Shandong Jiarui Industrial Technology Co., Ltd.), 1.6207% by 山東弘亞導體科技股份有限公司 (Shandong Hongya Conductor Technology Co., Ltd.), 1.6207% by 山東裕航特種合金裝備有限公司 (Shandong Yuhang Special Alloy Equipment Co., Ltd.), 1.1345% by 濟南萬瑞炭素有限責任公司 (Jinan Wanrui Carbon Co., Ltd.), 1.1345% by 濟南龍山炭素有限公司 (Jinan Longshan Carbon Co., Ltd.), 0.9724% by 鄒平中大實業有限公司 (Zouping Zhongda Industry Co., Ltd.), 0.8104% by 山東天陽炭素有限公司 (Shandong Tianyang Carbon Co., Ltd.), and 0.8104% by 山東華都炭素科技有限公司 (Shandong Huadu Carbon Technology Co., Ltd.). One of the limited partners of Wenxian Huaxin LLP, Chuangxin Group, is one of the Group’s customers in terms of molten aluminum alloy, and 山東魏橋鋁電有限公司 (Shandong Weiqiao Aluminum & Power Co., Ltd.), a subsidiary of the Company, had formed a joint venture company, 山東創新炭材料有限公司 (Shandong Chuangxin Carbon Materials Co., Ltd.), with Chuangxin Group and 索通發展股

份有限公司 (Suotong Development Co., Ltd.) for the purpose of ensuring raw materials supply for the Company. As at the date of this announcement, 山東創新炭材料有限公司 (Shandong Chuangxin Carbon Materials Co., Ltd.) was held as to 51% by 索通發展股份有限公司 (Suotong Development Co., Ltd.), as to 29% by Chaungxin Group and as to 20% by 山東魏橋鋁電有限公司 (Shandong Weiqiao Aluminum & Power Co., Ltd.).

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the ultimate beneficial owners of the limited partners and the general partner of Wenxian Huaxin LLP are third parties independent of the Company and its connected person(s) (as defined under the Listing Rules).

Save as disclosed above, all other information contained in the Announcement remains unchanged.

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

Shandong, the People's Republic of China  
7 October 2020

*As at the date of this announcement, the Board comprises nine Directors, namely Mr. Zhang Bo, Ms. Zheng Shuliang and Ms. Zhang Ruilian as executive Directors, Mr. Yang Congsen, Mr. Zhang Jinglei and Mr. Chen Yisong (Mr. Zhang Hao as his alternate) as non-executive Directors, and Mr. Xing Jian, Mr. Han Benwen and Mr. Dong Xinyi as independent non-executive Directors.*