



China Hongqiao Group Limited
中國宏橋集團有限公司

(Stock Code : 1378)

ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2023

Reward Shareholders with Strengthened Dividend Distribution
Deepen Long-Term Core Values with Confidence

RESULTS HIGHLIGHTS

- Revenue decreased by approximately 4.4% to approximately RMB65,733,870,000 as compared with that of the corresponding period last year
- Gross profit decreased by approximately 60.6% to approximately RMB5,892,364,000 as compared with that of the corresponding period last year
- Profit for the Period decreased by approximately 65.8% to approximately RMB2,972,024,000 as compared with that of the corresponding period last year
- Net profit attributable to shareholders of the Company decreased by approximately 68.7% to approximately RMB2,456,623,000 as compared with that of the corresponding period last year
- Basic earnings per share decreased by approximately 69.5% to approximately RMB0.259 as compared with that of the corresponding period last year
- The Board declares an interim dividend for 2023 of HK12.0 cents per share (the corresponding period in 2022: HK41.0 cents) and a special dividend of HK22.0 cents per share (the corresponding period in 2022: nil)

Shandong, August 18, 2023 - The board (the “Board”) of directors (the “Directors”) of China Hongqiao Group Limited (“The Company” or “China Hongqiao” hereinafter; Stock Code:1378) announced the unaudited consolidated interim results of the Company and its subsidiaries for the six months ended 30 June 2023 (the “Period” or “Period under Review”).

Throughout the first half of 2023, various negative factors have created a restrictive effect on the global economy, leading to a weak recovery. As to the industry, it has been struggling with challenges from overseas lingering inflation, export pressure and weak recovery of consumption.

Facing the complex international environment as well as the restorative growth of the Chinese economy, the Group is deeply aware of the importance of having a long-term focus. Therefore, it upholds its confidence and long-term perspective in order to deepen its core values of green development with a solid determination. At the same time, it remains open and inclusive with great courage to try and seize new opportunities with a forward-looking arrangement, to establish new advantages and to stimulate dynamic competitiveness of the enterprise, thereby achieving the overall stable business growth and breakthrough of the Group.

During the Period under Review, the Group's revenue amounted to approximately RMB65,733,870,000, representing a year-on-year decrease of approximately 4.4%, mainly due to a decrease in the sales price of aluminum alloy products, aluminum fabrication products and alumina products during the Period as compared with that of the corresponding period last year, resulting in a corresponding decrease in revenue from products.

Gross profit amounted to approximately RMB5,892,364,000, representing a year-on-year decrease of approximately 60.6%; net profit attributable to shareholders of the Company amounted to approximately RMB2,456,623,000, representing a year-on-year decrease of approximately 68.7%, mainly due to the high sales price of the Group's aluminum products in the first half of 2022, during which the Group's net profit was relatively high. However, in the first half of 2023, the sales price of the Group's aluminum products decreased compared with the corresponding period in 2022, the sales revenue decreased year-on-year, and the purchase prices of the Group's main raw materials increased, resulting in a significant decrease in the Group's gross profit per tonne of aluminum during the Period, and a substantial decrease in gross profit compared to the corresponding period in 2022.

Basic earnings per share amounted to approximately RMB0.259 (the corresponding period of 2022: approximately RMB0.850). The Board resolved payment of an interim dividend of HK12.0 cents per share for 2023 (the corresponding period of 2022: HK41.0 cents) and a special dividend of HK22.0 cents per share (the corresponding period in 2022: nil).

During the Period under Review, the Group's output of aluminum alloy products was approximately 3.059 million tonnes, representing a year-on-year increase of approximately 4.4%. The output of aluminum fabrication products was approximately 377,000 tonnes, representing a year-on-year increase of approximately 4.3%. The following table shows the comparison between the breakdown of the Group's revenue by products for the six months ended 30 June 2023 and for the corresponding period in 2022:

Products	For the six months ended 30 June			
	2023		2022	
	Revenue RMB'000	Proportion of sales revenue to total revenue %	Revenue RMB'000	Proportion of sales revenue to total revenue %
Aluminum alloy products	45,979,267	69.9	50,461,070	73.4
Alumina	13,531,809	20.6	10,706,214	15.6
Aluminum fabrication products	5,644,526	8.6	7,087,062	10.3
Steam	578,268	0.9	484,306	0.7
Total	65,733,870	100.0	68,738,652	100.0

For the six months ended 30 June 2023, the Group's revenue derived from aluminum alloy products was approximately RMB45,979,267,000, accounting for approximately 69.9% of the Group's revenue and representing a decrease of approximately 8.9% from approximately RMB50,461,070,000 for the corresponding period last year, which was mainly attributable to a decrease of approximately 13.8% in the sales price of aluminum alloy products. Revenue derived from alumina products was approximately RMB13,531,809,000, accounting for approximately 20.6% of the Group's revenue and representing an increase of approximately 26.4% from approximately RMB10,706,214,000 for the corresponding period last year, which was mainly attributable to an increase of approximately 33.6% in sales volume of alumina products. Revenue derived from aluminum fabrication products was approximately RMB5,644,526,000, accounting for approximately 8.6% of the Group's revenue and representing a decrease of approximately 20.4% from approximately RMB7,087,062,000 for the corresponding period last year, which was mainly attributable to the decrease in the sales volume and the sales price of aluminum fabrication products.

During the Period, the Group continued to firmly adhere to the concept of sustainable development and developed its "Dual Carbon" goals and action plan, i.e. to strive to achieve carbon peaking by 2025 and net-zero emissions within the scope of its business operations by 2055. Centering on this core strategy, the Group continued to promote and deepen the transformation of its energy structure, during which, the Group actively gave full play to its leadership in the industry, attached great importance to the promotion of advanced technologies and equipment, and endeavored to enhance its operational efficiency. During the Period, the Group not only accelerated the construction process

of the relocation of hydropower aluminum base, but also made efforts to expand the downstream industrial chain through the early-stage arrangement and plans developed throughout the years of dedication and commitment. In addition, the Group received the first batch of Green Power Aluminum Product Evaluation Certifications during the Period, and different companies under the Group have also reported remarkable results. In particular, Zouping Hongfa Aluminum Technology Co., Ltd. (鄒平宏發鋁業科技有限公司) was recognized as a national-level green factory; Shandong Hongqiao New Material Co., Ltd. (山東宏橋新型材料有限公司) (“Shandong Hongqiao”) has not only been selected as an intelligent manufacturing benchmarking contribution to enterprise of Shandong Province (山東省智能製造標桿企業), but has also been listed in the “2023 Top 500 Industrial Internet” (2023 工業互聯網 500 強), demonstrating the Group’s positive efforts and outstanding performance in moving towards intelligence and high efficiency in the digital era. At the same time, the Group has always actively participated in the co-construction of global industrial chains and value chains, with remarkable results achieved. In particular, the 2 million tonnes alumina project in Indonesia has been in steady operation; the multimodal industrial chain from the mining areas in Guinea to domestic factories has become increasingly stable.

During the Period under Review, the Group continued to uphold a proactive and stable capital operation strategy, which has strongly supported its strategic development and business advancement. In particular, Shandong Hongqiao, a subsidiary of the Company, successfully issued short-term financing bonds, medium-term notes and green medium-term notes with a total value of RMB4.9 billion during the Period, which has been positively welcomed by all investors at large. The success of these financing activities reflects the market’s trust and recognition of the Group and demonstrates our good reputation in the capital market. Through diversified financing channels, the Group have further optimized the capital structure, improved the financial flexibility and strengthened the stability of funds, laying a solid foundation for achieving the Group’s sustainable development.

Looking ahead to the second half of the year, despite uncertainties, the global economy is gradually regaining vitality after experiencing fluctuations for a period of time. The Chinese government is actively promoting adjustments to the economic structure and innovation-driven development, which will provide vast development opportunities for enterprises. The Group, which is in a critical period of accelerating transformation and upgrading, and achieving high-quality development, will continue to spare no effort in practicing the sustainable development strategy to drive synergistic progress in economic, social and environmental aspects. In the meantime, the Group will focus on the lightweight development direction, make every effort to build a closed green ecological loop in

the aluminum industry chain by taking green high-end equipment manufacturing and utilization of renewable resources as the starting point, and further lead and drive the development of the upstream and downstream chain industries. The Group will insist on its solid and stable operational deployment and carry out a steady and far-reaching capital optimization strategy, striving to seize opportunity and pursue solid development to reward shareholders for their support and trust.

– End –

About China Hongqiao Group Limited

China Hongqiao Group Limited (“China Hongqiao” or “the Group”; HKG: 1378) is a Chinese leading aluminum manufacturer. The Group is mainly engaged in production and sales of liquid aluminum alloy, aluminum alloy ingots, rolled and cast aluminum alloy products and aluminum busbar. With its large scale and advanced technology, competitive cost structure, forward-looking strategy of industrial chain expansion and a management team with rich experience, the Group has further firmed up its leading position in the sector, and maintained business growth and unique competitive advantages. Through the industrial model of "integration of upstream and downstream businesses" and "globalization", China Hongqiao is committed to accelerating the development of industrial clusters, improving the cost advantages and scale effect, and maintaining its leading position in the global aluminum industry.

Contact:

L & D Communications and Information Company Limited

Ms Daisy Lu / Ms Cherraine Ng

Tel: (852) 3511 9174

Email: pr@landd.cc