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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)**

### **POSITIVE PROFIT ALERT**

This announcement is made by China Hongqiao Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and the potential investors that, based on the unaudited management accounts of the Group for the year ended 31 December 2021, the net profit of the Group for the year ended 31 December 2021 is expected to significantly increase by more than 60% as compared to that for the year ended 31 December 2020, which was mainly due to the following factors:

- (i) As disclosed in the Company’s positive profit alert announcement dated 2 July 2021, driven by the favourable factors such as higher prices of aluminum products, the Group achieved a significant increase in net profit for the first half of 2021 as compared to the first half of 2020, resulting in a significant increase in net profit for the year ended 31 December 2021 as compared to that for the year ended 31 December 2020;
- (ii) Despite the further increase in the prices of aluminum products in the second half of 2021 as compared to the second half of 2020, the growth in the Group’s net profit in the second half of 2021 is expected to be less than the growth in the Group’s net profit for the period ended 30 June 2021 due to the higher base of the Group’s net profit in the second half of 2020 and the significant increase in the purchase prices of the Group’s major raw materials, such as coal and carbon anode blocks; and
- (iii) For the year of 2021 as a whole, the market demand for aluminum products in the PRC and overseas remained generally stable and the sales prices of aluminum products continued to rise and remained at a high level, resulting in a significant increase in both revenue and net profit of the Group for the year of 2021.

The information contained in this announcement is based solely on the preliminary assessment made by the Board based on the information currently available to the Group, including the unaudited management accounts of the Group for the year ended 31 December 2021. The information contained in this announcement is not based on any figures or data which have been audited or reviewed by the Company's auditors. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2021, which will be published in due course pursuant to the requirements of the Listing Rules.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

Shandong Province, the People's Republic of China  
11 February 2022

*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. Li Zimin (Mr. Zhang Hao as his alternate) and Ms. Sun Dongdong as non-executive directors, and Mr. Wen Xianjun, Mr. Xing Jian, Mr. Han Benwen and Mr. Dong Xinyi as independent non-executive directors.*