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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of 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 wishes to inform the Shareholders and potential investors that, based on the preliminary estimates made from the management accounts, the net profit of the Group for the year ended 31 December 2022 is expected to decrease by approximately 40% as compared to that of the corresponding period in 2021.

The information contained in this announcement is only based on the unaudited management accounts of the Group for the year ended 31 December 2022 which has not been audited by the auditors of the Company.

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

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 2022, the net profit of the Group for the year ended 31 December 2022 (the “**Year**”) is expected to decrease by approximately 40% as compared to that of the corresponding period in 2021. The main reasons are as below:

- (i) while the unit sales price of the Group’s aluminium products increased in 2022 as compared with that of 2021 and sales revenue increased year-on-year, the extent of increase in the purchase prices of the Group’s major raw materials was greater than that of the unit sales price of the Group’s aluminium products, which resulted in a decrease in the Group’s gross profit per tonne of aluminium during the Year, leading to a significant decrease in gross profit as compared with the corresponding period in 2021; and
- (ii) during the Year, due to the significant depreciation of RMB, the Group made provision for a large exchange loss compared to an exchange gain for the corresponding period in 2021, resulting in a decrease in the Group’s profit for the period.

The information contained in this announcement is based solely on the preliminary estimates 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 2022. 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 the annual results announcement of the Company for the year ended 31 December 2022 carefully, 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

Hong Kong
3 February 2023

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. Liu Xiaojun (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.