

*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)**

### **UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025**

#### **RESULTS HIGHLIGHTS**

- Revenue increased by approximately 10.1% to approximately RMB81,039,092,000 as compared with the corresponding period last year
- Gross profit increased by approximately 16.9% to approximately RMB20,805,191,000 as compared with the corresponding period last year
- Profit for the Period increased by approximately 35.4% to approximately RMB13,551,310,000 as compared with the corresponding period last year
- Net profit attributable to shareholders of the Company increased by approximately 35.0% to approximately RMB12,361,046,000 as compared with the corresponding period last year
- Basic earnings per share increased by approximately 36.0% to approximately RMB1.314 as compared with the corresponding period last year

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	<i>Notes</i>	Six months ended 30 June	
		2025	2024
		<b>RMB'000</b>	<b>RMB'000</b>
		(Unaudited)	(Unaudited)
<b>Revenue</b>	4	<b>81,039,092</b>	73,592,249
Cost of sales		<u>(60,233,901)</u>	<u>(55,790,488)</u>
Gross profit		<b>20,805,191</b>	17,801,761
Other income and gains		<b>1,492,075</b>	1,837,861
Selling and distribution expenses		<b>(354,125)</b>	(366,499)
Administrative expenses		<b>(2,321,954)</b>	(2,453,793)
Other expenses	5	<b>(274,499)</b>	(596,468)
Finance costs		<b>(1,284,152)</b>	(1,561,045)
Changes in fair value of financial instruments	6	<b>(2,105,114)</b>	(1,614,777)
Share of profits of associates		<u><b>1,806,560</b></u>	<u>823,949</u>
<b>Profit before taxation</b>		<b>17,763,982</b>	13,870,989
Income tax expense	7	<u><b>(4,212,672)</b></u>	<u>(3,863,113)</u>
<b>Profit for the period</b>		<u><b>13,551,310</b></u>	<u>10,007,876</u>
<b>Profit for the period attributable to:</b>			
Owners of the Company		<b>12,361,046</b>	9,154,911
Non-controlling interests		<u><b>1,190,264</b></u>	<u>852,965</u>
		<u><b>13,551,310</b></u>	<u>10,007,876</u>

		Six months ended 30 June	
		2025	2024
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
<b>Other comprehensive income (expense) for the period</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		<b>216,097</b>	(48,492)
Share of other comprehensive expense of associates		<b>(14,618)</b>	(39,200)
Other comprehensive income (expense) for the period		<b>201,479</b>	(87,692)
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Fair value gain (loss) on investments in equity instruments at fair value through other comprehensive income		<b>5,553</b>	(198,462)
Total comprehensive income for the period, net of income tax		<b>13,758,342</b>	9,721,722
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the Company		<b>12,706,803</b>	8,884,894
Non-controlling interests		<b>1,051,539</b>	836,828
		<b>13,758,342</b>	9,721,722
<b>Earnings per share</b>			
	9		
– Basic (RMB)		<b>1.314</b>	0.966
– Diluted (RMB)		<b>1.314</b>	0.966

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		As at 30 June 2025	As at 31 December 2024
	Notes	RMB'000 (Unaudited)	RMB'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	79,220,739	75,393,127
Right-of-use assets		9,689,602	9,668,117
Intangible assets		37,306	45,352
Investment properties		33,725	35,298
Deposits paid for acquisition of property, plant and equipment		1,298,471	1,349,009
Deferred tax assets		2,587,836	2,621,516
Interests in associates		15,342,726	13,222,431
Loan to an associate		2,000,000	2,000,000
Goodwill		197,806	278,224
Financial asset at amortised cost	13	2,494,000	2,494,000
Financial assets at fair value through other comprehensive income		1,150,363	1,144,810
Financial assets at fair value through profit or loss		11,545,197	11,088,589
		<u>125,597,771</u>	<u>119,340,473</u>
<b>CURRENT ASSETS</b>			
Inventories	11	36,014,684	37,344,003
Trade receivables	12	8,396,138	9,773,923
Bills receivables		721,051	6,602,454
Prepayments and other receivables		5,825,035	7,811,711
Income tax recoverable		463,744	370,768
Restricted bank deposits		2,700,144	2,797,477
Cash and cash equivalents		48,744,597	44,770,241
		<u>102,865,393</u>	<u>109,470,577</u>
Non-current assets classified as held for sale		<u>—</u>	<u>353,982</u>
		<u>102,865,393</u>	<u>109,824,559</u>

		As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
	Note		
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	14	11,882,283	14,930,515
Other payables and accruals		11,631,573	13,213,465
Bank borrowings – due within one year		36,300,681	34,168,202
Lease liabilities		26,663	25,429
Income tax payable		2,058,644	3,674,186
Short-term debentures and notes		2,000,000	3,000,000
Medium-term debentures and bonds – due within one year		9,348,209	5,781,304
Liability component of convertible bonds – due within one year		2,087,015	–
Derivatives component of convertible bonds – due within one year		4,402,710	–
Guaranteed notes – due within one year		–	2,154,409
Deferred income		21,634	35,039
		<u>79,759,412</u>	<u>76,982,549</u>
<b>NET CURRENT ASSETS</b>		<u>23,105,981</u>	<u>32,842,010</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>148,703,752</u></u>	<u><u>152,182,483</u></u>
<b>NON-CURRENT LIABILITIES</b>			
Bank borrowings – due after one year		10,783,231	14,134,227
Other financial liability		2,818,615	2,730,955
Lease liabilities		951,772	932,053
Liability component of convertible bonds – due after one year		1,524,412	2,093,235
Derivatives component of convertible bonds – due after one year		814,609	2,109,265
Guaranteed notes – due after one year		4,351,259	–
Deferred tax liabilities		459,976	488,057
Medium-term debentures and bonds – due after one year		9,145,222	9,553,655
Deferred income		1,530,073	1,527,538
		<u>32,379,169</u>	<u>33,568,985</u>
<b>NET ASSETS</b>		<u><u>116,324,583</u></u>	<u><u>118,613,498</u></u>

		As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
	<i>Note</i>		
<b>CAPITAL AND RESERVES</b>			
Share capital	15	605,401	618,881
Reserves		<u>110,074,364</u>	<u>107,181,060</u>
Equity attributable to owners of the Company		110,679,765	107,799,941
Non-controlling interests		<u>5,644,818</u>	<u>10,813,557</u>
<b>TOTAL EQUITY</b>		<u><b>116,324,583</b></u>	<u><b>118,613,498</b></u>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

*For the six months ended 30 June 2025*

## 1. CORPORATE INFORMATION

China Hongqiao Group Limited (the “**Company**”) is incorporated in the Cayman Islands as an exempted company under the Companies Law of Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its parent and immediate holding company is China Hongqiao Holdings Limited (“**Hongqiao Holdings**”), a company incorporated in the British Virgin Islands (“**BVI**”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the interim report.

The Company acts as an investment holding company, the principal activities of its subsidiaries (together with the Company, referred to as the “**Group**”) are principally engaged in the business of manufacture and sales of aluminum products.

The interim condensed consolidated financial information are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company and its subsidiaries in the People’s Republic of China (“**PRC**”) and Hong Kong Special Administrative Region of the PRC (“**Hong Kong**”). The functional currency of subsidiaries established in Republic of Indonesia (“**Indonesia**”), Republic of Singapore and the Republic of Guinea is denoted in United States Dollar (“**US\$**”).

## 2. BASIS OF PREPARATION

The interim condensed consolidated financial information of the Group for the six months ended 30 June 2025 have been prepared in accordance with International Accounting Standard 34 (“**IAS 34**”) “Interim Financial Reporting” issued by the International Accounting Standards Board (the “**IASB**”) and the applicable disclosure provisions of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange. This interim condensed consolidated financial information should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRS Accounting Standards issued by the IASB.

## 3. PRINCIPAL ACCOUNTING POLICIES

The interim condensed consolidated financial information have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies used in the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except as disclosed below.

### Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following amendments to IFRS Accounting Standards issued by the IASB which are effective for the Group’s financial year beginning on 1 January 2025:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these interim condensed consolidated financial information.

#### 4. REVENUE

An analysis of the Group's revenue is recognised at a point of time as follows:

	Six months ended 30 June	
	2025	2024
	<b>RMB'000</b> (Unaudited)	<b>RMB'000</b> (Unaudited)
Revenue from sales of aluminum products		
– molten aluminum alloy	48,738,576	45,216,442
– aluminum alloy ingot	3,139,797	4,095,112
– aluminum fabrication	8,074,302	7,582,091
– alumina products	20,654,946	16,199,655
Steam supply income	431,471	498,949
	<b>81,039,092</b>	<b>73,592,249</b>

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Six months ended 30 June	
	2025	2024
	<b>RMB'000</b> (Unaudited)	<b>RMB'000</b> (Unaudited)
<i>Geographical region</i>		
The PRC	75,358,618	69,531,348
India	2,709,968	1,581,425
Europe	1,023,032	897,978
Malaysia	210,594	210,156
Other Southeast Asia region	1,152,958	320,538
North America	417,647	538,346
Others	166,275	512,458
Total	<b>81,039,092</b>	<b>73,592,249</b>
<i>Type of customers</i>		
Government related	155	219
Non-government related	81,038,937	73,592,030
Total	<b>81,039,092</b>	<b>73,592,249</b>

For management purposes, the Group operates in one business unit based on its products, and has only one reportable segment which is manufacture and sales of aluminum products. Management monitors the operating results of its business unit for the purpose of making decisions about resource allocation and performance assessment.



## 5. OTHER EXPENSES

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Impairment loss recognised in respect of trade receivables	–	4,693
Impairment loss recognised in respect of goodwill	<b>80,418</b>	–
Impairment loss recognised in respect of property, plant and equipment	<b>58,606</b>	534,225
Write-down of inventories to net realisable value	<b>135,475</b>	57,550
	<u>274,499</u>	<u>596,468</u>

## 6 CHANGES IN FAIR VALUES OF FINANCIAL INSTRUMENTS

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Changes in fair values arising from:		
– derivatives component of convertible bonds	<b>(2,561,722)</b>	(1,387,102)
– financial assets at FVTPL	<b>456,608</b>	(227,675)
	<u>(2,105,114)</u>	<u>(1,614,777)</u>

## 7. INCOME TAX EXPENSE

The Group calculates the period income tax expense using the tax rates that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed consolidated statement of profit or loss and other comprehensive income are:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current tax:		
– Hong Kong Profits Tax	–	–
– Indonesia Corporate Tax	<b>357,810</b>	124,437
– PRC Enterprise Income Tax	<b>3,849,263</b>	3,344,504
– Withholding tax paid	<b>–</b>	39,725
	<u>4,207,073</u>	<u>3,508,666</u>
Deferred taxation	<u>5,599</u>	<u>354,447</u>
Total income tax expense for the period	<u><b>4,212,672</b></u>	<u><b>3,863,113</b></u>

## 8. DIVIDENDS

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Dividends recognised as distribution during the period:		
2024 Final dividend – HK102 cents (2024: 2023 Final dividend – HK29 cents)	<b>8,666,133</b>	2,497,093

No interim dividend in respect of the six months ended 30 June 2025 has been proposed by the directors of the Company (six months ended 30 June 2024: HK59 cents per share).

## 9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Earnings</b>		
Earnings for the purpose of basic earnings per share	<b>12,361,046</b>	9,154,911
Effect of dilutive potential ordinary shares:		
Interest expense on liability component of convertible bonds	–	–
Changes in fair values of derivatives component of convertible bonds	–	–
Exchange loss on translation of liability component of convertible bonds	–	–
Earnings for the purpose of diluted earnings per share	<b>12,361,046</b>	9,154,911

	Six months ended 30 June	
	2025	2024
	<i>'000</i>	<i>'000</i>
	(Unaudited)	(Unaudited)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	<b>9,404,674</b>	9,475,538
Effect of dilutive potential ordinary shares:		
Convertible bonds	–	–
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<b>9,404,674</b>	9,475,538

The computation of diluted earnings per share for the six months ended 30 June 2025 and 2024 did not assume the conversion of the Company's outstanding convertible bonds since their exercise would result in an increase in earnings per share.

## **10. PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 30 June 2025, the Group purchased property, plant and equipment of approximately RMB469,057,000 (six months ended 30 June 2024: RMB411,154,000), and disposed plant and machinery and motor vehicles with carrying amount of approximately RMB498,722,000 (six months ended 30 June 2024: RMB2,544,000).

During the six months ended 30 June 2025, the Group also spent approximately RMB7,698,419,000 (six months ended 30 June 2024: RMB4,816,750,000) on the construction of its new product lines and plant.

When any indicators of impairment or reversal of impairment are identified, property, plant and equipment are reviewed for impairment or reversal of impairment based on each cash generating unit ("CGU"). The CGU is an individual plant. The carrying values of these individual plants were compared to the recoverable amounts of the CGUs, which were based on fair values less costs of disposal or value-in-use. Market comparison approach is used to measure the fair value less costs of disposal of the CGU which is based on the recent transaction prices for similar property, plant and equipment adjusted for nature, location and conditions of the relevant assets. Value-in-use calculations use pre-tax cash flow projections based on financial budgets approved by management covering expected earning period.

During the six months ended 30 June 2025, the directors of the Company conducted a review and determined that certain plant and equipment were impaired. The recoverable amounts of relevant property, plant and equipment were determined based on the higher of their value in use and fair value less costs of disposal and the impairment of approximately RMB58,606,000 (six months ended 30 June 2024: RMB534,225,000) had been recognised in profit or loss.

No reversal of impairment of property, plant and equipment was recognised during the six months ended 30 June 2025 and 2024.

There are properties with a carrying amount of approximately RMB4,046,157,000 (31 December 2024: RMB5,215,238,000) located in the PRC of which the Group is in the process of obtaining the ownership certificates. In the opinion of the directors of the Company, there is no legal barrier or otherwise for the Group to obtain the relevant title ownership certificates for these buildings from the relevant PRC authority.

## **11. INVENTORIES**

During the period, write-down of inventories of approximately RMB135,475,000 (six months ended 30 June 2024: RMB57,550,000) has been recognised.

During the six months ended 30 June 2025, inventories previously impaired were sold or used. As a result, a reversal of provision of approximately RMB213,738,000 (six months ended 30 June 2024: RMB106,365,000) has been recognised and included in cost of sales.

## 12. TRADE RECEIVABLES

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Trade receivables	8,404,372	9,783,057
Less: allowance for impairment loss	(8,234)	(9,134)
	<u>8,396,138</u>	<u>9,773,923</u>

The Group allows an average credit period of 90 days to its trade customers with trading history, or otherwise sales on cash terms are required. The following is an ageing analysis of trade receivables, net of allowance for impairment of trade receivables, presented based on the date of delivery of goods, which approximates the respective revenue recognition dates, at the end of the reporting period.

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Within 3 months	5,923,395	6,583,327
3 to 12 months	2,463,063	3,187,646
12 to 24 months	9,680	2,950
	<u>8,396,138</u>	<u>9,773,923</u>

## 13. FINANCIAL ASSET AT AMORTISED COST

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
<b>Financial asset at amortised cost</b>		
Collective investment trust B	<u>2,494,000</u>	<u>2,494,000</u>

The collective investment trust B represents asset income trust with 2,494,000,000 units at RMB1 per unit issued by CITIC Trust Co. Ltd. and will be matured on 13 January 2028. The asset income trust carries fixed interest rate of 5.78% per annum.

#### 14. TRADE AND BILLS PAYABLES

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Trade payables	11,481,244	14,567,452
Bills payables	401,039	363,063
	<u>11,882,283</u>	<u>14,930,515</u>

Included in trade payables are creditors with the following ageing analysis presented based on the invoice date at the end of the reporting period:

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Within 6 months	10,236,536	13,685,014
6 to 12 months	768,832	566,827
1 to 2 years	435,479	295,197
More than 2 years	40,397	20,414
	<u>11,481,244</u>	<u>14,567,452</u>

The average credit period on purchases of goods is six months. Bills payables were bills of acceptance with maturity of less than one year.

#### 15. ISSUED CAPITAL

	Number of shares		Share Capital	
	30 June 2025	31 December 2024	30 June 2025 <i>US\$</i>	31 December 2024 <i>US\$</i>
<b>Authorised:</b>				
Ordinary shares of US\$0.01 each	<u>20,000,000,000</u>	<u>20,000,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>
	30 June 2025	31 December 2024	30 June 2025 <i>US\$</i>	31 December 2024 <i>US\$</i>
<b>Issued and fully paid:</b>				
Ordinary shares of US\$0.01 each	<u>9,288,308,925</u>	<u>9,475,538,425</u>	<u>92,883,089</u>	<u>94,755,384</u>

	Number of shares	Share Capital RMB'000
<b>Issued and fully paid:</b>		
At 1 January 2024 and 31 December 2024	9,475,538,425	618,881
Shares repurchased and cancelled	(187,229,500)	(13,480)
At 30 June 2025	<u>9,288,308,925</u>	<u>605,401</u>

The Company does not have any share option scheme.

All shares issued rank pari passu in all respects with all shares then in issue.

During the six months ended 30 June 2025, the Company repurchased and cancelled a total of 187,229,500 its own ordinary shares on the Stock Exchange at price ranged from HK\$11.26 to HK\$16.16 or at an aggregate consideration of approximately RMB2,418,474,000. The cancellation resulted in a decrease of share capital of approximately RMB13,480,000 and a decrease of shares premium of approximately RMB2,404,994,000 of the Company.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

## 16. COMMITMENTS

At the end of the reporting period, the Group had the following capital and other commitments:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	7,398,271	7,455,180
Commitments arising from unlisted equity investments in partnerships	<u>1,408,283</u>	<u>1,408,283</u>

In addition, the Group agreed to provide performance guarantee for Baowu Simandou Mining (Shanghai) Company Limited ("Baowu Simandou (Shanghai)"), an independent third party, for the funding obligation under the Simandou project entered into between Winning Consortium Simandou Pte. Ltd. ("WCS") and Winning Consortium Simandou Infrastructure Pte. Ltd. ("WCSI"), associates of the Group and being the beneficiary, and Baowu Simandou (Shanghai). Pursuant to the agreements, the Group shall undertake to fund the project on its behalf to an amount not exceed US\$1,780,000,000, equivalent to approximately RMB12,607,206,000 (which indirectly include the obligations of the Group for its relevant funding contribution under the Winning Consortium Holdings Pte. Ltd.'s shareholders agreement).

## CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of China Hongqiao Group Limited (the “**Company**” or “**China Hongqiao**”), I hereby present the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (the “**Period**” or the “**Period under Review**”).

During the Period under Review, global economic growth showed signs of deceleration, affected by geopolitical tensions, increased trade barriers and policy uncertainties, resulting in insufficient momentum for economic growth; other downside risks included escalating regional conflicts and intensifying extreme weather events. According to the World Bank’s latest forecast for 2025, global economic growth is expected to further moderate to 2.3%. Amid the convergence of the abovementioned multiple risk factors, the PRC economy, under the guidance of more proactive and effective macroeconomic policies, exhibited a steady and resilient trajectory of cyclical improvement, with steady enhancement in the quality of its economic development. According to data from the National Bureau of Statistics of China, the PRC’s gross domestic product (GDP) in the first half of the year slightly exceeded RMB66 trillion, representing a year-on-year increase of approximately 5.3% calculated at constant prices.

In terms of industry performance, global commodity markets exhibited divergent trends. The performance of US Dollar Index was weak, driving up commodity prices. However, rising trade barriers and subdued economic performance dampened demand for certain commodities. Aluminum consumption in China remained generally resilient. Despite continued weak demand in the real estate sector, demand for areas such as new energy vehicles, renewable energy and infrastructure projects recorded growth. In particular, the photovoltaic industry was stimulated by new policies, further unleashing demand for aluminum. Overall, the aluminum market in China demonstrated strong performance during the Period, with a modest acceleration in structural adjustments within the balance of sales and production.

During the Period, the Group remained committed to its development philosophy of scientific innovation-led growth, digital intelligence empowerment, ecological prioritization and collaborative success, with continued focus on national strategic needs in science and technology, and on strengthening the foundation for talent cultivation and technological innovation advancement. The Group also advanced its transformation towards high-end manufacturing, intelligent manufacturing and green manufacturing through strategic planning and deployment, targeted the development of high-performance, high-tech, and high value-added aluminum products. Furthermore, the Group accelerated the cultivation of new industrial development models, established competitive advantages through scientific innovation, and continuously contributed to the national advancement of new industrialisation and the development of new quality productive forces, and achieved further encouraging results.

During the Period under Review, the Group's revenue was approximately RMB81,039,092,000, representing a year-on-year increase of approximately 10.1%; gross profit was approximately RMB20,805,191,000, representing a year-on-year increase of approximately 16.9%; net profit attributable to shareholders of the Company was approximately RMB12,361,046,000, representing a year-on-year increase of approximately 35.0%; and basic earnings per share were approximately RMB1.314 (corresponding period in 2024: approximately RMB0.966).

Over the years, the Group has been committed to building an integrated upstream and downstream industrial chain, actively deploying overseas bauxite resources, and establishing a mutually beneficial global model. A series of forward-looking and comprehensive deployments, coupled with persistent and meticulous execution, have provided the Group with a stable and reliable cost advantage. During the Period, aluminum prices continued to rise under the dual drivers of the depreciation of US dollar and tight supply. The Group, leveraging its outstanding cost control and synergistic advantages of the integrated industrial chain, not only effectively mitigated the cost risks associated with fluctuations in raw material prices, but also achieved a high level of profitability, demonstrating strong risk resistance and operational robustness.

At present, the Group is at a critical stage of transformation and development, focusing on the optimisation and upgrading of traditional industries, the vigorous development of emerging industries, and the strategic exploration of future industries. The Group has adopted a series of targeted initiatives, including strengthening research breakthroughs in key areas, attracting high-caliber talents, optimising energy allocation, innovating business models, and fostering a favorable industrial ecosystem. During this period, the Group continued to deepen its presence in the aluminum industry, striving to enhance industrial efficiency, and further improved the complete industrial chain covering bauxite, alumina refining, primary aluminum smelting, deep processing of aluminum products and recycled aluminum. By accelerating the transformation of old growth drivers with new ones and integrating advanced technologies into operations, the Group injected new vitality into sustainable development, enhanced the “green” attributes of its business development, and continued to drive low-carbon transformation.

During the Period under Review, the Group further advanced its strategic transformation towards green energy, and continuously enriched a new power supply model characterized by multi-source coexistence and multi-energy complementarity, ensuring a continuous increase in the proportion of clean energy. The Group also released the “Carbon Reduction Action Report of China Hongqiao Group Limited”, formally proposing the “25/55 Dual Carbon” target, namely “to achieve carbon peaking from its own operations by 2025 and carbon neutrality from its own operation by 2055”. The report comprehensively outlines the Group's strategic planning and concrete practices in addressing climate change, including deepening energy structure adjustments, enhancing production and operational efficiency, strengthening low-carbon technological innovation, and building a circular economy system, with a view to promoting green and coordinated development across the entire industrial chain. At the same time, the Group initiated carbon reduction actions throughout the entire process of investment, construction, production and operation, and adopted a “three-step” strategy to ensure the achievement of emission reduction targets through phased implementation, jointly building a net-zero ecosystem alliance with upstream and downstream partners across the value chain. In addition to actively supporting the national “30/60 Dual Carbon” strategy, the Group demonstrated through concrete actions a practical pathway for the transition of traditional manufacturing towards green and low-carbon development to the industry and society.



In terms of technological innovation, the official opening of the Advanced Manufacturing Laboratory of Binzhou Aluminum Industry in Shandong marked a significant step forward for the Group in technological innovation and industrial upgrading of the aluminum industry. Going forward, the Group will fully leverage its advantages in scale, resource integration and market expansion to jointly establish the “Aluminum Industry Cloud Platform” with upstream and downstream enterprises, promoting collaborative innovation across the industry chain. With the goal of industrial and technological innovation, the Group will focus on key areas such as alumina quality enhancement, green electrolytic technology innovation, intelligent manufacturing of high-end aluminum materials and recycling of aluminum resources, transforming its aluminum resource advantages into technological leadership and converting scientific achievements into new quality productive forces. At present, the jointly developed “Electrolytic Cell Dual-Level and Temperature Automatic Measurement System Based on Mobile Platform” by Zouping County Hongzheng New Materials Technology Co., Ltd. (鄒平縣宏正新材料科技有限公司), a subsidiary of the Group, Binzhou Weiqiao & UCAS Advanced Technology Research Institute (濱州魏橋國科高等技術研究院) and the Chongqing Institute of Green and Intelligent Technology, Chinese Academy of Sciences (中國科學院重慶綠色智能技術研究院), has officially been launched and is in operation, laying a critical technological foundation for creating “unmanned factories”.

In addition, the Group continued to make breakthroughs in the field of lightweighting. The Group made a successful appearance at the 2025 China International Foundry Expo, showcasing a range of superior products and winning multiple awards, and fully demonstrating the Group’s leading position in high-end manufacturing and green low-carbon technologies. Furthermore, the lightweight chassis component, a key project under the “One-Stop Aluminum-Based Lightweight Solution”, has successfully achieved mass delivery, rapidly gaining market recognition through superior quality and efficient production.

Moreover, by adhering to its core business and pursuing comprehensive development, the Group received a series of domestic and international recognitions during the Period. With its full-industry-chain innovation capabilities and sustainability practices, the Group was awarded the “Asia-Pacific Best Companies 2025” honor presented jointly by an internationally renowned media, TIME magazine and a global data research institution, Statista. As the only aluminum company on the list, the Group successfully ranked among the top 500 most comprehensively competitive enterprises in the Asia-Pacific region, highlighting the Group’s robust financial growth, advanced green manufacturing technologies and outstanding employee welfare policies.

During the Period under Review, the Group earned widespread trust from international and domestic investors through diversified financing channels and solid financial strength. The entity credit rating of both Shandong Hongqiao, a subsidiary of the Company, and Weiqiao Aluminum & Power has been upgraded to AAA, and successfully issued a total of RMB8.1 billion in short-term financial bonds and medium-term notes within the Period, receiving enthusiastic responses from a broad base of investors. Bonds with the theme of green and sci-tech innovation successfully won the “ESG Excellence Project Award” selected by the Jinge Award. In addition, the Group successfully issued two US\$-denominated bonds totaling US\$600 million, with subscription multiples reaching 12 times. Amid macroeconomic volatility and persistently high US Treasury yields, the Group innovatively launched a US\$300 million convertible bond alongside a share repurchase. The convertible bond achieved a subscription multiple of over 8 times and a low annual interest rate of 1.5%, marking the first “convertible bond + repurchase” hybrid financing case in the Hong Kong stock market. This initiative not only strengthened rewards to shareholders but also demonstrated strong market confidence, setting a benchmark for capital market innovation and returns to shareholders. Leveraging its solid corporate foundation and outstanding market performance, the Group was honored with the “Golden Duration 2024 Outstanding Issuer of China Offshore Bond – Industrial Category” award. As one of the most influential and credible recognitions in the industry, the “Golden Duration” award affirms the Group’s steady progress in the industrial sector and its remarkable achievements in the offshore bond market through exceptional capabilities and forward-looking strategies.

Looking ahead to the second half of the year, the global economic outlook remains uncertain, with escalating trade barriers, policy uncertainties and geopolitical tensions potentially exerting critical influence and the domestic economy may also be dragged down by external factors. Nevertheless, national policies and stimulus measures are expected to provide strong and reliable support. Despite some uncertainties in the market environment, the Group will continue to forge ahead with resilience and foresight, steadily advancing towards new heights, implement planned objectives, adapt to evolving internal and external conditions, and proactively respond to opportunities and challenges. Through concrete actions, we aim to lay a solid foundation for the pivotal commencement of the “15th Five-Year Plan” and with dedication and responsibility, support the high-quality development of China’s manufacturing industry.

On behalf of the Board, I would like to express my sincere gratitude to the management and all employees of the Group for their dedication in the first half of 2025, and I extend heartfelt thanks to our shareholders, investors and partners for their continued support and trust. China Hongqiao will continue to move forward hand-in-hand with all stakeholders, deepen the “co-creation and sharing” mechanism, reward our shareholders with stable full-year dividends, and jointly open a new chapter of value growth and high-quality development.

**Zhang Bo**

*Chairman of the Board*

15 August 2025

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY REVIEW

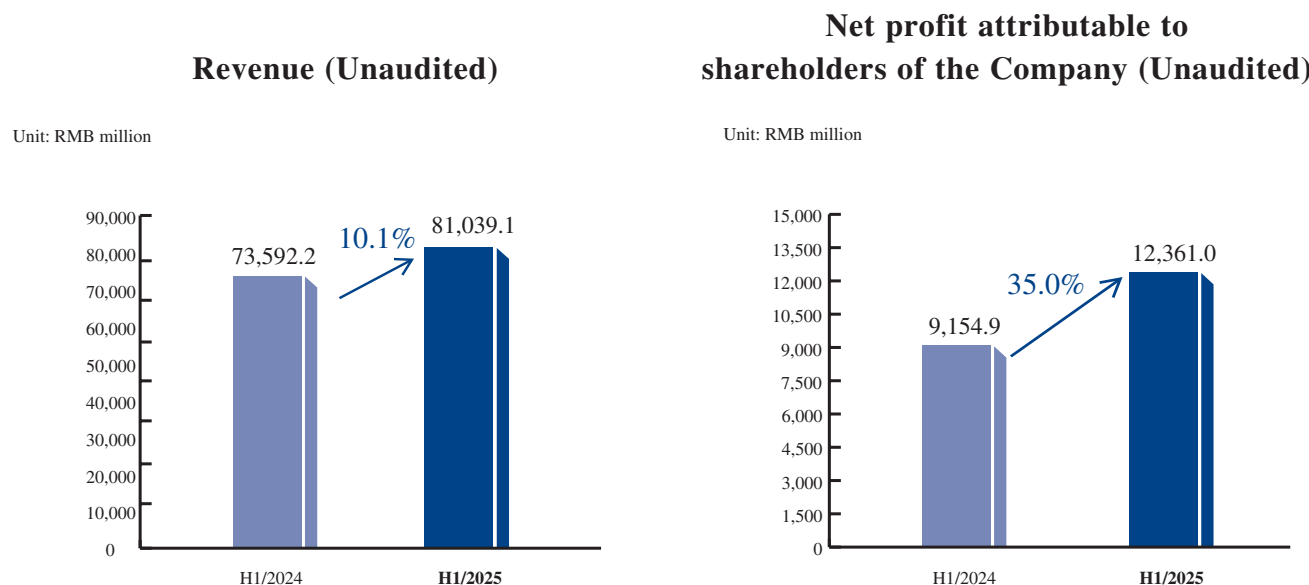
In the first half of 2025, the global economy continued to exhibit divergent development trends, with overall growth remaining moderate and gradually slowing. Meanwhile, uncertainties arising from reciprocal tariff policies in international trade activities caused significant disruptions to financial and commodity markets, resulting in sharp price fluctuations in commodity prices, including aluminium. However, supported by the depreciation of the US Dollar Index, tight supply and sustained demand growth, global electrolytic aluminum prices shifted upward.

According to data from Beijing Antaike Information Co., Ltd. (“**Antaike**”), during the Period, the average price of three-month aluminum futures on the London Metal Exchange (LME) was approximately US\$2,546/tonne (tax-exclusive), representing a year-on-year increase of approximately 6.0%. The average price of three-month aluminum futures on the Shanghai Futures Exchange (SHFE) was approximately RMB20,226/tonne (including value-added tax), representing a year-on-year increase of approximately 1.9%.

According to Antaike’s statistical data, during the Period, the global output of primary aluminum was approximately 36.59 million tonnes, representing a year-on-year increase of approximately 1.8%; global primary aluminum consumption was approximately 36.72 million tonnes, representing a year-on-year increase of approximately 3.1%. In the PRC market, during the Period, primary aluminum production was approximately 21.84 million tonnes, representing a year-on-year increase of approximately 2.4%, accounting for approximately 59.7% of global production; primary aluminum consumption was approximately 22.97 million tonnes, representing a year-on-year increase of approximately 4.3%, accounting for approximately 62.6% of global primary aluminum consumption.

## BUSINESS REVIEW

The comparative figures of the Group's unaudited revenue and net profit attributable to shareholders of the Company for the six months ended 30 June 2025 and for the corresponding period in 2024 are as follows:



For the six months ended 30 June 2025, the Group's revenue was approximately RMB81,039,092,000, representing a year-on-year increase of approximately 10.1%, mainly due to the increase in selling price of aluminum alloy products and alumina products during the Period as compared with the corresponding period last year, coupled with the increase in the sales volume.

During the Period, the Group's sales volume of aluminum alloy products was approximately 2.906 million tonnes, representing an increase of approximately 2.4% as compared with the sales volume of approximately 2.837 million tonnes for the corresponding period last year. The average selling price of aluminum alloy products increased by approximately 2.7% to approximately RMB17,853/tonne (excluding value-added tax) as compared with that of the corresponding period last year. The Group's sales volume of alumina products was approximately 6.368 million tonnes, representing an increase of approximately 15.6% as compared with the corresponding period last year. The average selling price of alumina products increased by approximately 10.3% to approximately RMB3,243/tonne (excluding value-added tax) as compared with that of the corresponding period last year. The sales volume of the Group's aluminum fabrication products was approximately 0.392 million tonnes, representing an increase of approximately 3.5% as compared with that of the corresponding period last year. The average selling price of aluminum fabrication products increased by approximately 2.9% to approximately RMB20,615/tonne (excluding value-added tax) as compared with that of the corresponding period last year.

For the six months ended 30 June 2025, net profit attributable to shareholders of the Company amounted to approximately RMB12,361,046,000, representing a year-on-year increase of approximately 35.0%, which was mainly attributable to the increase in the selling prices of the Group's aluminum alloy products and alumina products as compared with that of the corresponding period last year, as well as the increase in the sales volume. Benefiting from these positive factors, the Group recorded an increase in gross profit of the aforementioned products compared to the corresponding period last year.

## FINANCIAL REVIEW

The following table shows the comparison between the breakdown of the Group's revenue, gross profit, gross profit margin and percentage of revenue by products for the six months ended 30 June 2025 and for the corresponding period in 2024:

Products	For the six months ended 30 June							
	2025				2024			
	Revenue <i>RMB '000</i>	Gross profit <i>RMB '000</i>	Gross profit margin %	Proportion of sales revenue to total revenue %	Revenue <i>RMB '000</i>	Gross profit <i>RMB '000</i>	Gross profit margin %	Proportion of sales revenue to total revenue %
Aluminum alloy products	51,878,373	13,092,078	25.2	64.0	49,311,554	12,141,705	24.6	67.0
Alumina	20,654,946	5,945,252	28.8	25.5	16,199,655	4,120,103	25.4	22.0
Aluminum fabrication products	8,074,302	1,880,749	23.3	10.0	7,582,091	1,594,577	21.0	10.3
Steam	431,471	(112,888)	(26.2)	0.5	498,949	(54,624)	(10.9)	0.7
<b>Total</b>	<b>81,039,092</b>	<b>20,805,191</b>	<b>25.7</b>	<b>100.0</b>	<b>73,592,249</b>	<b>17,801,761</b>	<b>24.2</b>	<b>100.0</b>

For the six months ended 30 June 2025, the Group's revenue derived from aluminum alloy products was approximately RMB51,878,373,000, representing an increase of approximately 5.2% from approximately RMB49,311,554,000 for the corresponding period last year, which was mainly due to the increase in the selling price of aluminum alloy products of the Group compared with the corresponding period last year, as well as the increase in the sales volume. Revenue derived from alumina products was approximately RMB20,654,946,000, representing an increase of approximately 27.5% from approximately RMB16,199,655,000 for the corresponding period last year, which was mainly due to the increase in the selling price of alumina products of the Group compared with the corresponding period last year as well as the increase in the sales volume. Revenue derived from aluminum fabrication products was approximately RMB8,074,302,000, representing an increase of approximately 6.5% from approximately RMB7,582,091,000 for the corresponding period last year, which was mainly due to the increase in both selling prices and sales volume of aluminum fabrication products.

For the six months ended 30 June 2025, the overall gross profit margin of the Group was approximately 25.7%, representing an increase of approximately 1.5 percentage points from approximately 24.2% for the corresponding period last year. Gross profit margin of aluminum alloy products was approximately 25.2%, basically remained flat as compared with the corresponding period last year. Gross profit margin of alumina products was approximately 28.8%, representing an increase of approximately 3.4 percentage points as compared with that of the corresponding period last year, which was mainly due to an increase in selling prices of alumina products of the Group compared with the same period last year, and the increase in the sales volume. Gross profit margin of aluminum fabrication products was approximately 23.3%, representing an increase of approximately 2.3 percentage points as compared with that of the corresponding period last year, which was mainly due to the increase in both selling prices and sales volume of aluminum alloy products.

### **Selling and distribution expenses**

For the six months ended 30 June 2025, the Group's selling and distribution expenses were approximately RMB354,125,000, representing a decrease of approximately 3.4% from approximately RMB366,499,000 for the corresponding period last year, which was mainly due to a decrease in the unit price of freight, resulting in a year-on-year decrease in freight.

### **Administrative expenses**

For the six months ended 30 June 2025, the Group's administrative expenses amounted to approximately RMB2,321,954,000, representing a decrease of approximately 5.4% as compared with approximately RMB2,453,793,000 for the corresponding period last year, which was mainly due to the decrease in the Group's R&D expenses included in administrative expenses during the Period.

### **Finance costs**

For the six months ended 30 June 2025, the Group's finance costs were approximately RMB1,284,152,000, representing a decrease of approximately 17.7% as compared with approximately RMB1,561,045,000 for the corresponding period last year, which was mainly due to the further optimisation of the debt structure and the decrease in financing interest rates of the Group during the Period.

### **Liquidity and financial resources**

As at 30 June 2025, the Group's cash and cash equivalents were approximately RMB48,744,597,000, representing an increase of approximately 8.9% as compared with approximately RMB44,770,241,000 of the cash and cash equivalents as at 31 December 2024. The increase in cash and cash equivalents was mainly due to the increase in the profit of the Group during the Period, which led to an increase in the net cash inflow from operating activities.



For the six months ended 30 June 2025, the Group's net cash inflows from operating activities were approximately RMB22,305,743,000, net cash outflows from investing activities were approximately RMB9,414,270,000, and net cash outflows from financing activities were approximately RMB8,968,724,000. The net cash outflows from investing activities were mainly attributable to the cash outflows for the purchase of properties, plants and equipment. The net cash outflows for financing activities were mainly attributable to the cash outflows for the dividend payout, and the payment of interest on debts during the Period.

For the six months ended 30 June 2025, the Group's capital expenditure amounted to approximately RMB9,893,466,000, representing an increase of approximately 77.9% as compared to approximately RMB5,560,394,000 in the same period of last year, which was mainly used for the payment of the quality guarantee deposits for the preliminary stages of construction projects in accordance with the relevant contracts, and the construction expenditure of the green aluminum innovation industrial park in Yunnan ( 雲南綠色鋁創新產業園 ), the lightweight material base ( 輕量化材料基地 ), new energy projects and other projects.

As at 30 June 2025, the Group had capital commitment of approximately RMB7,398,271,000 in relation to the purchase of the property, plant and equipment in the future, primarily for the construction projects such as the green aluminum innovation industrial park in Yunnan, the lightweight material base, new energy projects and other projects. In addition, the Group agreed to provide a performance guarantee in respect of the funding obligations of its associates in the iron ore project in Simandou, Guinea, pursuant to which the Group undertook to fund the project to an amount not exceeding US\$1,780,000,000, equivalent to approximately RMB12,607,206,000 (indirectly including the obligations of the Group for its relevant capital funding contribution under the Shareholders Agreement of Winning Consortium Holdings Pte. Ltd.).

As at 30 June 2025, the Group's trade receivables amounted to approximately RMB8,396,138,000, representing a decrease of approximately 14.1% from approximately RMB9,773,923,000 as at 31 December 2024, which was mainly due to shorter collection periods for some customers during the Period.

As at 30 June 2025, the Group's prepayments and other receivables (including non-current assets) amounted to approximately RMB5,825,035,000, representing a decrease of approximately 25.4% from approximately RMB7,811,711,000 as at 31 December 2024, which was mainly due to the fact that part of the prepayments at the end of 2024 had been settled during the Period.

As at 30 June 2025, the Group's inventory was approximately RMB36,014,684,000, representing a decrease of approximately 3.6% from approximately RMB37,344,003,000 as at 31 December 2024, which was mainly due to the slight decrease in inventory quantity and unit prices of certain raw materials.

### **Income tax**

The Group's income tax for the first half of 2025 amounted to approximately RMB4,212,672,000, representing an increase of approximately 9.0% from approximately RMB3,863,113,000 for the corresponding period last year, which was mainly due to the increase in income tax as a result of the increase in the Group's profit before tax as compared with the corresponding period last year.

## **Net profit attributable to shareholders of the Company and earnings per share**

For the six months ended 30 June 2025, net profit attributable to shareholders of the Company amounted to approximately RMB12,361,046,000, representing an increase of approximately 35.0% from approximately RMB9,154,911,000 for the corresponding period last year.

During the Period, basic earnings per share of the Company were approximately RMB1.314 (the corresponding period in 2024: approximately RMB0.966).

## **Capital structure**

The Group has established an appropriate liquidity risk management framework to secure its short, medium and long-term funding supply and to satisfy its liquidity need. As at 30 June 2025, the cash and cash equivalents of the Group amounted to approximately RMB48,744,597,000 (31 December 2024: approximately RMB44,770,241,000), which were mainly placed in commercial banks. Such level of cash and cash equivalents would assist in ensuring the stability and flexibility of the Group's business operations. The Group will continue to take effective measures to ensure sufficient liquidity and financial resources, so as to satisfy the business needs and maintain a sound and stable financial position.

As at 30 June 2025, the total liabilities of the Group amounted to approximately RMB112,138,581,000 (31 December 2024: approximately RMB110,551,534,000). The gearing ratio (total liabilities to total assets) was approximately 49.1% (31 December 2024: approximately 48.2%).

The Group used some of its restricted bank deposits, inventories, trade receivables, equipment and right-of-use assets as collateral for bank borrowings to provide part of the funding for its daily business operations and project development. As at 30 June 2025, secured bank borrowings of the Group amounted to approximately RMB14,401,940,000 (31 December 2024: approximately RMB15,547,656,000).

As at 30 June 2025, the Group's total bank borrowings were approximately RMB47,083,912,000, representing a decrease by approximately 2.5% from total bank borrowings of approximately RMB48,302,429,000 as at 31 December 2024. The Group maintained an appropriate portfolio of liabilities at fixed interest rates and variable interest rates to manage its interest expenses. As at 30 June 2025, approximately 23.7% of the Group's bank borrowings were subject to fixed interest rates while its remainder of approximately 76.3% were subject to floating interest rates.

The Group aims to maintain a balance between the continuity and flexibility of financing through utilising various debt financing instruments. As at 30 June 2025, the liabilities of the Group, other than bank borrowings, include bonds due within a year of RMB2,000,000,000, medium-term notes and corporate bonds of approximately RMB18,493,431,000, guaranteed notes of approximately RMB4,351,259,000 and convertible bonds (including the derivative component) of approximately RMB8,828,746,000. Such notes and bonds would facilitate the optimization of the Group's debt structure and reduce financing costs.



As at 30 June 2025, the Group had net current assets of approximately RMB23,105,981,000. The Group will continue to expand its financing channels, optimise its debt structure and lower financing costs. In addition, the Group will continue to control its production costs, enhance its profitability and improve its cash flow position in order to ensure that the Group have adequate liquidity.

As at 30 June 2025, the Group's liabilities were mainly measured in RMB and foreign currencies, of which approximately 79.1% of the total liabilities were denominated in RMB, and approximately 20.9% were denominated in foreign currencies. The Group's cash and cash equivalents were mainly held in RMB and foreign currencies, of which approximately 87.5% were held in RMB and approximately 12.5% were held in foreign currencies.

### **Employee and remuneration policy**

As at 30 June 2025, the Group had a total of 52,006 employees, representing an increase of 686 employees as compared with that of 31 December 2024. During the Period, the total staff costs of the Group amounted to approximately RMB2,856,633,000, representing an increase of approximately 21.1% from approximately RMB2,359,302,000 for the corresponding period last year, which was mainly due to the increase in the number of employees of the Group and the increase in remuneration packages of the employees during the Period. The total staff costs of the Group accounted for approximately 3.5% of its revenue. The remuneration packages of the employees of the Group include salaries, various allowances and benefits. In addition, the Group established a performance-based incentive mechanism under which the employees may be awarded additional bonuses. The Group provided training programmes to employees to equip them with the requisite working skills and knowledge.

### **Foreign exchange risk**

The Group received most of its revenue in RMB and funded most of its expenditures in RMB. As the import of bauxite and production equipment, export for certain aluminum fabrication products, certain bank balances, bank borrowings, convertible bonds and senior notes are denominated in foreign currencies, the Group is exposed to certain foreign exchange risk. As at 30 June 2025, the Group's bank balances denominated in foreign currencies were approximately RMB6,108,482,000, and liabilities denominated in foreign currencies were approximately RMB16,852,608,000.

For the six months ended 30 June 2025, the Group's foreign exchange losses were approximately RMB368,987,000 (for the six months ended 30 June 2024: foreign exchange losses of approximately RMB361,202,000).

During the Period under Review, the Group actively took measures to mitigate currency exchange rate fluctuation risks, and ensured the foreign exchange risks were generally under control. The Group proactively took the following measures to guard against its foreign exchange fluctuation risks in accordance with its business operations: (i) reasonable arrangements for financing and foreign exchange revenue and expenditure with timely adjustments to the foreign exchange fund management scheme; (ii) promotion of a cross-border fund pool management model which centralised and unified management and use of domestic and overseas funds in order to reduce settlement and sale costs and currency exchange losses; and (iii) timely use of derivative instruments to hedge foreign exchange risks in conjunction with changes in exchange rates and interest rates.

## **Contingent liability**

As at 30 June 2025, the Group had no significant contingent liability.

## **Material acquisitions and disposals of subsidiaries, associates and joint ventures**

References are made to the Company's announcements dated 23 December 2024, 6 January 2025 and 22 May 2025 in relation to the intended issuance of new shares by Shandong Hontron Aluminum Industry Holding Company Limited\* (山東宏創鋁業控股股份有限公司) ("**Hontron Holding**"), a subsidiary of the Group, to the existing shareholders of Shandong Hongtuo Industrial Company Limited\* (山東宏拓實業有限公司) ("**Hongtuo Industrial**"), a subsidiary of the Group, to acquire the target shares held by them. If the transaction is completed, the indirect shareholding proportion of the Company in Hontron Holding will increase from approximately 22.98% to approximately 88.99%, and the indirect shareholding proportion of the Company in Hongtuo Industrial will decrease from approximately 95.295% to approximately 88.99%. Both Hontron Holding and Hongtuo Industrial (through Hontron Holding) will continue to be subsidiaries of the Group. Details are set out in the abovementioned announcements.

Save as disclosed above, for the six months ended 30 June 2025, the Company did not have other material acquisitions or disposals of subsidiaries, associates or joint ventures.

## **Significant investment held**

For the six months ended 30 June 2025, the Group did not hold any significant investment which had a significant impact on its overall operation.

## **Future plans for material investments or capital assets**

Save as disclosed in this results announcement, for the six months ended 30 June 2025 and as of the date of publication of this results announcement, there was no future plan approved by the Group for any material investments or capital assets.

## **Events after the reporting period**

Subsequent to 30 June 2025 and up to the date of publication of this results announcement, there was no event which had a significant impact on the Group.

## **FUTURE PROSPECT**

Looking ahead to the second half of the year, the global economy continues to face challenges arising from heightened geopolitical tensions and persistent trade barriers, prompting major international institutions to revise down their growth forecasts. Nevertheless, the PRC economy has demonstrated strong resilience, with the manufacturing PMI showing continued recovery and international investment banks raising their forecasts, reflecting growing confidence among global capital markets in the China's development prospects. With the accelerated cultivation of new quality productive forces and the continuous strengthening of innovation momentum, China is promoting the optimisation of its economic structure through initiatives including deepened reforms, opening-up, and expanding domestic demand. Although certain industries may experience transitional pains, the long-term positive fundamentals of the PRC economy remain unchanged and will continue to inject stability into the global economy.

At this historic juncture marked by the commencement of the “15th Five-Year Plan”, the Group will implement pragmatic measures to fulfil its founding mission of “starting a business for the country and benefiting the people”, reinforce its foundation, and empower organisational vitality through enhanced management, while consolidating development fundamentals through strategic talent initiatives. Focusing on high-quality development in the aluminum industry, the Group will take technological innovation and green transformation as its core drivers, with emphasis on breakthroughs in high-end aluminum alloy R&D and the deepening of applications in diversified strategic emerging sectors. The Group will explore and comprehensively refine technological transformation and process optimisation, accelerate digital transformation and intelligence upgrading, and establish itself as a leading industry benchmark. While enhancing the autonomy and controllability of the industrial chain, the Group will optimise its global industrial layout and build a more resilient supply chain system, providing solid support and powerful momentum for the high-quality development of China's manufacturing sector, and creating sustainable value for investors across cycles.

## SUPPLEMENTARY INFORMATION

### SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTEREST AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 30 June 2025, so far as it is known to the Directors and the chief executive of the Company, the following persons (other than the Directors or the chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”), or recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Capacity/Nature of interest	Number of total shares held	Approximate percentage of shareholding in the total issued share capital as at 30 June 2025 (%)
Shiping Trust Company <sup>(1)</sup>	Trustee	6,119,883,559 <sup>(5)</sup> (Long position)	65.89
China Hongqiao Holdings Limited (“ <b>Hongqiao Holdings</b> ”) <sup>(1)</sup>	Beneficial owner	6,119,883,559 <sup>(5)</sup> (Long position)	65.89
Ms. Zhang Hongxia <sup>(2)</sup>	Interest in persons acting in concert	6,128,753,559 <sup>(5)</sup> (Long position)	65.98
Ms. Zhang Yanhong <sup>(2)</sup>	Interest in persons acting in concert	6,128,753,559 <sup>(5)</sup> (Long position)	65.98
CTI Capital Management Limited <sup>(4)</sup>	Beneficial owner	565,690,170 <sup>(3)</sup> (Long position)	6.09
CITIC Limited <sup>(4)</sup>	Interest of a controlled corporation	565,690,170 (Long position)	6.09
CITIC Group Corporation <sup>(4)</sup>	Interest of a controlled corporation	565,690,170 (Long position)	6.09

*Notes:*

- (1) Shipping Prosperity Private Trust Company (“Shipping Trust Company”) held 100% equity interest in Hongqiao Holdings as trustee.
- (2) Shipping Trust Company held 100% equity interest in Hongqiao Holdings as trustee. Shipping Global Holding Company Limited (“Shipping Global”) is the settlor, protector and one of the beneficiaries of Shipping Prosperity Trust. Mr. Zhang Bo, Ms. Zhang Hongxia and Ms. Zhang Yanhong held 40%, 30% and 30% equity interest in Shipping Global respectively, and maintain an acting-in-concert arrangement in respect of the exercise of the shareholders’ rights of Shipping Global. Based on this, Mr. Zhang Bo, Ms. Zhang Hongxia and Ms. Zhang Yanhong have, and made disclosure of, the relevant interests in the shares of the Company held by Hongqiao Holdings. In addition, Mr. Zhang Bo, as the beneficial owner, holds 8,870,000 shares in the Company. By virtue of the acting-in-concert arrangement, Ms. Zhang Hongxia and Ms. Zhang Yanhong are deemed to be interested in the shares of the Company beneficially held by Mr. Zhang Bo.
- (3) According to the disclosure of interests as set out on the website of the Stock Exchange, CTI Capital Management Limited was interested in 565,690,170 shares of the Company in long position.
- (4) According to the disclosure of interests as set out on the website of the Stock Exchange, CITIC Group Corporation held 100% equity interest in CITIC Polaris Limited, which held 27.52% equity interest in CITIC Limited. CITIC Group Corporation also held 100% equity interest in CITIC Glory Limited, which held 25.60% equity interest in CITIC Limited. Thus CITIC Group Corporation indirectly held 53.12% equity interest in CITIC Limited. CITIC Limited held 100% equity interest in CITIC Corporation Limited. CITIC Corporation Limited held 100% equity interest in CITIC Financial Holdings Co., Ltd., which held 100% equity interest in CITIC Trust Co., Ltd. CITIC Trust Co., Ltd. held 100% equity interest in CTI Capital Management Limited. Thus, CITIC Group Corporation and CITIC Limited are deemed to be interested in the shares of the Company held by CTI Capital Management Limited under the SFO.
- (5) The total number of shares held includes the number of shares convertible by the convertible bonds issued by the Company as held by Hongqiao Holdings.

Save as disclosed above, as at 30 June 2025, so far as it is known to the Directors and the chief executive of the Company, there was no any other person (other than the Directors or the chief executive of the Company) who had any interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under section 336 of the SFO.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or to be recorded in the register required to be kept by the Company under section 352 of the SFO; or to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), were as follows:

### Long positions in the shares of the Company

Name of director	Capacity/Nature of interest	Number of total shares held	Approximate percentage of shareholding in the total issued share capital as at 30 June 2025 (%)
Mr. Zhang Bo <sup>(1)</sup>	Beneficial owner	8,870,000 (Long position)	0.10
	Interest in persons acting in concert	6,119,883,559 <sup>(2)</sup> (Long position)	65.89

*Note:*

- (1) Shipping Trust Company held 100% equity interest in Hongqiao Holdings as trustee. Shipping Global is the settlor, protector and one of the beneficiaries of Shipping Prosperity Trust. Mr. Zhang Bo, Ms. Zhang Hongxia and Ms. Zhang Yanhong held 40%, 30% and 30% equity interest in Shipping Global respectively, and maintain an acting-in-concert arrangement in respect of the exercise of the shareholders' rights of Shipping Global. Based on this, Mr. Zhang Bo, Ms. Zhang Hongxia and Ms. Zhang Yanhong have, and made disclosure of, the relevant interests in the shares of the Company held by Hongqiao Holdings.
- (2) The total number of shares held includes the number of shares convertible by the convertible bonds issued by the Company as held by Hongqiao Holdings.

Save as disclosed above, as at 30 June 2025, there was no any other Directors or chief executive of the Company or any of their spouse or children under the age of 18 who had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or to be recorded in the register required to be kept by the Company under section 352 of the SFO; or to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

At no time during the six months ended 30 June 2025 and up to the date of publication of this results announcement was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the shares in, or debentures of, the Company or any other body corporate or had exercised any such right during the Period.

## **AUDIT COMMITTEE**

The Company has established the audit committee (the “**Audit Committee**”) of the Board in compliance with the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The Audit Committee is composed of three independent non-executive Directors. The Audit Committee meeting was held on 15 August 2025 to review the interim results and the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2025. The Audit Committee considered that the interim financial results of the Group for the six months ended 30 June 2025 were in compliance with the relevant accounting standards, rules and regulations and adequate disclosures had been duly made.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

During the six months ended 30 June 2025, the Company repurchased a total of 187,229,500 shares for a total consideration of approximately HK\$2.6 billion (excluding commissions and other expenses). The repurchased shares were subsequently cancelled. The Company undertook the share repurchases as the Board believed that the Company’s share price deviated from the value of the Company. The share repurchases reflected the confidence of the Board and the management team in the long-term strategies and growth of the Company. The Directors considered that the share repurchases were in the best interests of the Company and the shareholders as a whole.



Details of the shares repurchased by the Company during the six months ended 30 June 2025 are as follows:

Repurchase month	Number of ordinary shares of US\$0.01 each	Price per share		Consideration paid (excluding commissions and other expenses) HK\$
		Lowest HK\$	Highest HK\$	
January 2025	11,294,000	11.26	13.00	134,428,179.50
February 2025	355,500	12.60	12.80	4,544,055.90
March 2025 <sup>(1)</sup>	45,230,500	14.60	16.16	693,738,605.60
April 2025	88,928,000	12.20	16.00	1,201,466,599.10
May 2025	41,421,500	13.66	14.20	577,322,388.10
Total	187,229,500			2,611,499,828.20

*Notes:*

1. Including that on 18 March 2025, concurrent with the offering of US\$300,000,000 1.50% convertible bonds due 2030, the Company concurrently repurchased 20,548,000 shares by private arrangement from the relevant buyers of the convertible bonds at a price of HK\$14.6 per share (total consideration excluding commissions and other expenses: HK\$300,000,800), which were cancelled on 14 April 2025. The Board was of the view that the concurrent share repurchases reflected the confidence of the Board and the management team in the long-term strategies and growth of the Company and considered that the share repurchases were in the best interests of the Company and its shareholders as a whole. Details are set out in the announcements of the Company dated 17 March 2025 and 18 March 2025 and the next day disclosure return dated 19 March 2025.
2. Save as mentioned in Note 1, the remaining shares were repurchased on the Stock Exchange.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2025 and as of the date of publication of this results announcement.

#### **ADJUSTMENT OF CONVERSION PRICE OF THE 5.25% CONVERTIBLE BONDS DUE 2026 WITH A PRINCIPAL AMOUNT OF US\$300,000,000**

On 7 January 2021 (after trading hours), the Company and the subsidiary's guarantors entered into the convertible bonds subscription agreement with the joint lead managers, pursuant to which the Company agreed to issue and the joint lead managers agreed, severally and not jointly, on a best efforts basis, to subscribe and pay for, or to procure subscriptions and payment for the convertible bonds with an initial principal amount of US\$300,000,000 (the "**2021 Convertible Bonds**"). The initial conversion price (subject to adjustment) was HK\$8.91 per share. The net proceeds of the convertible bonds placing were approximately US\$294,000,000 which the Company had fully utilised for the uses as described in the announcement of the Company dated 8 January 2021. Please refer to the announcements of the Company dated 8 January 2021 and 27 January 2021 for details.



Pursuant to the terms and conditions of the 2021 Convertible Bonds, as the Company declared the payment of the final dividend for 2020, the conversion price per share was adjusted from HK\$8.91 to HK\$8.47 effective from 15 June 2021. Please refer to the announcements of the Company dated 11 June 2021 and 15 June 2021 for details.

Pursuant to the terms and conditions of the 2021 Convertible Bonds, as the Company declared the payment of the interim dividend for 2021, the conversion price per share was adjusted from HK\$8.47 to HK\$8.12 effective from 15 November 2021. Please refer to the announcement of the Company dated 25 November 2021 for details.

Pursuant to the terms and conditions of the 2021 Convertible Bonds, as the Company declared the payment of the final dividend for 2021, the conversion price per share was adjusted from HK\$8.12 to HK\$7.63 effective from 1 June 2022. Please refer to the announcement of the Company dated 31 May 2022 for details.

Pursuant to the terms and conditions of the 2021 Convertible Bonds, as the Company declared the payment of the interim dividend for 2022, the conversion price per share was adjusted from HK\$7.63 to HK\$7.24 effective from 21 November 2022. Please refer to the announcement of the Company dated 21 November 2022 for details.

Pursuant to the terms and conditions of the 2021 Convertible Bonds, as the Company declared the payment of the final dividend for 2022, the conversion price per share was adjusted from HK\$7.24 to HK\$7.15 effective from 1 June 2023. Please refer to the announcement of the Company dated 31 May 2023 for details.

Pursuant to the terms and conditions of the 2021 Convertible Bonds, as the Company declared the payment of the interim dividend and a special dividend for 2023, the conversion price per share was adjusted from HK\$7.15 to HK\$6.82 effective from 27 November 2023. Please refer to the announcement of the Company dated 24 November 2023 for details.

Pursuant to the terms and conditions of the 2021 Convertible Bonds, as the Company declared the payment of the final dividend for 2023, the conversion price per share was adjusted from HK\$6.82 to HK\$6.54 effective from 31 May 2024. Please refer to the announcement of the Company dated 30 May 2024 for details.

Pursuant to the terms and conditions of the 2021 Convertible Bonds, as the Company declared the payment of the interim dividend for 2024, the conversion price per share was adjusted from HK\$6.54 to HK\$6.14 effective from 25 November 2024. Please refer to the announcement of the Company dated 22 November 2024 for details.

Pursuant to the terms and conditions of the 2021 Convertible Bonds, as the Company declared the payment of the final dividend for 2024, the conversion price per share was adjusted from HK\$6.14 to HK\$5.68 effective from 30 May 2025. Please refer to the announcement of the Company dated 29 May 2025 for details.

Up to the date of publication of this results announcement, in accordance with the conversion notices received for the 2021 Convertible Bonds, 327,591,537 shares were issued and allotted by the Company based on the adjusted conversion price of HK\$5.68 per share pursuant to the general mandate granted by the shareholders to the Directors at the annual general meeting of the Company held on 7 May 2025.

## **ISSUANCE OF US\$300,000,000 1.50% CONVERTIBLE BONDS DUE 2030 AND THE CONCURRENT SHARE REPURCHASE**

On 17 March 2025 (after trading hours), the Company and the subsidiary's guarantors entered into the convertible bonds subscription agreement with the joint lead managers, pursuant to which the Company has agreed to issue and the joint lead managers have agreed, severally and not jointly, on a best efforts basis, to subscribe and pay for, or to procure subscriptions and payment for the convertible bonds with an initial principal amount of US\$300,000,000 (the **"2025 Convertible Bonds"**). The initial conversion price (subject to adjustment) was HK\$20.88 per share. The net proceeds of the convertible bonds placing were approximately US\$294,584,687. The net proceeds from the convertible bonds issue by the Company were used for refinancing existing offshore indebtedness and general corporate purposes. The proceeds were fully utilised by the Company for the uses as described in the announcement of the Company dated 18 March 2025. Please refer to the announcements of the Company dated 17 March 2025, 18 March 2025, 26 March 2025 and 27 March 2025 for details.

## **ADJUSTMENT OF CONVERSION PRICE OF US\$300,000,000 1.50% CONVERTIBLE BONDS DUE 2030**

Pursuant to the terms and conditions of the 2025 Convertible Bonds, as the Company declared the payment of the final dividend for 2024, the conversion price per share was adjusted from HK\$20.88 to HK\$19.36 effective from 30 May 2025. Please refer to the announcement of the Company dated 29 May 2025 for details.

## **SENIOR NOTES**

- (1) On 25 March 2024, the Company announced to issue 7.75% senior unsecured notes due 2025 with an aggregate principal amount of US\$300,000,000. The notes were listed and quoted on the Singapore Exchange Securities Trading Limited (**"SGX-ST"**) and matured on 27 March 2025. On the maturity date, the Company redeemed the notes in full based on its remaining aggregate principal amount and the interest accrued to the maturity date. Please refer to the announcements of the Company dated 25 March 2024 and 2 April 2024 for details.

- (2) On 6 January 2025, the Company announced to issue 7.05% senior unsecured notes due 2028 with an aggregate principal amount of US\$330,000,000. The notes were listed and quoted on the SGX-ST. The net proceeds from the offering by the Company were used for refinancing existing offshore indebtedness and general corporate purposes. The proceeds were fully utilised by the Company for the uses as described in the announcement of the Company dated 6 January 2025. Please refer to the announcements of the Company dated 6 January 2025 and 14 January 2025 for details.
- (3) On 22 May 2025, the Company announced to issue 6.925% senior unsecured notes due 2028 with an aggregate principal amount of US\$270,000,000. The notes were listed and quoted on the SGX-ST. The net proceeds from the offering by the Company were used for general corporate purposes. As of the date of this results announcement, the Company has not fully utilised the proceeds from the offering. Please refer to the announcements of the Company dated 22 May 2025 and 30 May 2025 for details.

## **CHANGES IN INFORMATION OF DIRECTOR AND CHIEF EXECUTIVE**

- (1) Mr. Tian Mingming (田明明先生) resigned as a non-executive Director with effect from 4 August 2025 due to work reallocation.
- (2) Mr. Zhang Hao (張浩先生) has ceased to act as an alternate Director to Mr. Tian Mingming due to the resignation of Mr. Tian Mingming, with effect from 4 August 2025.
- (3) Mr. Tu Yikai (涂一鐸先生) has been appointed as a non-executive Director with effect from 4 August 2025.
- (4) Mr. Zhang Hao (張浩先生) has been appointed as an alternate Director to Mr. Tu Yikai with effect from 4 August 2025.

Save as disclosed above, for the six months ended 30 June 2025 and up to the date of publication of this results announcement, there was no other change in the Directors and the chief executive of the Company, and the Company was not aware of any other changes in the information of the Directors and the chief executive of the Company which were required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding the directors' securities transactions on terms no less exacting than the required standards as set out in the Model Code. Having made specific enquiry with all of the Directors, the Company confirmed that each of the Directors has complied with the standards as set out in the Model Code and the code of conduct of the Company regarding directors' securities transactions throughout the six months ended 30 June 2025 and up to the date of this results announcement.

## COMPLIANCE WITH THE CG CODE

The Company has applied the principles as set out in the CG Code. During the six months ended 30 June 2025, the Company has complied with the code provisions as set out in the CG Code, except for the following deviation:

Mr. Zhang Bo, the chief executive officer of the Company, concurrently serves as the chairman of the Board. Code Provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and not be performed by the same individual. However, taking into consideration the abundant management experience and industry knowledge of Mr. Zhang Bo and the fact that he is very familiar with the business of the Group, the Board believes that it is beneficial to the continuous and stable development of the business of the Group for Mr. Zhang Bo to serve as both the chairman of the Board and the chief executive officer of the Company. Furthermore, the members of the Board also include qualified professionals and other experienced individuals. The Board considers the current composition of the Board can ensure a balance of power and authority with the support of the Board committees and the vice chairman of the Board.

Save as disclosed above, there was no non-compliance of other code provisions as set out in the CG Code by the Company during the six months ended 30 June 2025.

## DISCLOSURE OF INFORMATION ON WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The electronic version of this results announcement will be available on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.hongqiaochina.com](http://www.hongqiaochina.com). The electronic version of this interim report will be published on or before 15 September 2025, and will be available on the website of the Stock Exchange and the Company's website.

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

Hong Kong, the PRC

15 August 2025

*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. Tu Yikai (Mr. Zhang Hao as his alternate) and Ms. Sun Dongdong as non-executive Directors, and Mr. Wen Xianjun, Mr. Han Benwen, Mr. Dong Xinyi and Ms. Fu Yulin as independent non-executive Directors.*

\* For identification purpose only