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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 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 currently available information, the Group is expected to record a significant increase in the consolidated profit attributable to the Shareholders for the year ending 31 December 2020 as compared to that for the corresponding period of 2019, representing an expected increase of approximately 50%. The increase in the consolidated profit attributable to the Shareholders was mainly attributable to, (i) the expected increase in the average sales price of aluminum products for the year ending 31 December 2020 as compared with that for the same period of 2019 and the expected decrease in the production costs, which will lead to an increase in the gross profit of the Group; (ii) the expected decrease in the impairment loss of the Group for the year ending 31 December 2020; and (iii) the expected reduction in the financial expenses and the expected increase in foreign exchange gain of the Group for the year ending 31 December 2020.

The information contained in this announcement is only based on the unaudited management account of the Group for the eleven months ended 30 November 2020 and the information currently available to the Group. The financial results for the year ending 31 December 2020, which will be audited by the auditors of the Company, will be disclosed when the annual results of the Group for the year ending 31 December 2020 are announced.

Shareholders and potential investors are advised to read the audited annual results announcement of the Group carefully when it is published.

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, the People's Republic of China
28 December 2020

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