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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)**

**ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024**

**RESULTS HIGHLIGHTS**

- Revenue increased by approximately 16.9% to approximately RMB156,168,720,000 as compared with the corresponding period last year
- Gross profit increased by approximately 101.2% to approximately RMB42,162,692,000 as compared with the corresponding period last year
- Profit for the year increased by approximately 96.4% to approximately RMB24,545,693,000 as compared with the corresponding period last year
- Net profit attributable to owners of the Company increased by approximately 95.2% to approximately RMB22,372,331,000 as compared with the corresponding period last year
- Basic earnings per share increased by approximately 95.2% as compared with the corresponding period last year and were approximately RMB2.3611 per share
- Proposed final dividend is HK102 cents per share. Together with the paid interim dividend of HK59 cents per share for the year 2024, the total dividend is HK161 cents per share for the year 2024 (in 2023: HK63 cents per share)

The board (“**Board**”) of directors (the “**Directors**”) of China Hongqiao Group Limited (the “**Company**” or “**China Hongqiao**”) announces the audited consolidated annual results of the Company and its subsidiaries (collectively as the “**Group**”) for the year ended 31 December 2024 (the “**Year**” or the “**Year under Review**”).

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	<i>Notes</i>	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
Revenue	3	<b>156,168,720</b>	133,623,632
Cost of sales		<b><u>(114,006,028)</u></b>	<u>(112,669,035)</u>
Gross profit		<b>42,162,692</b>	20,954,597
Other income and gains	5	<b>2,984,394</b>	3,713,038
Selling and distribution expenses		<b>(661,024)</b>	(755,274)
Administrative expenses		<b>(4,992,949)</b>	(4,952,875)
Other expenses	6	<b>(2,898,537)</b>	(945,299)
Finance costs		<b>(3,363,259)</b>	(3,267,938)
Changes in fair values of financial instruments		<b>(2,192,462)</b>	(49,044)
Share of profits of associates		<b><u>1,758,457</u></b>	<u>1,193,259</u>
Profit before taxation		<b>32,797,312</b>	15,890,464
Income tax expenses	7	<b><u>(8,251,619)</u></b>	<u>(3,392,712)</u>
Profit for the year		<b><u><u>24,545,693</u></u></b>	<u><u>12,497,752</u></u>
Attributable to:			
Owners of the Company		<b>22,372,331</b>	11,460,678
Non-controlling interests		<b><u>2,173,362</u></b>	<u>1,037,074</u>
		<b><u><u>24,545,693</u></u></b>	<u><u>12,497,752</u></u>

	<i>Note</i>	<b>2024</b> <b>RMB'000</b>	2023 RMB'000
Other comprehensive (expense) income for the year			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations		<b>(92,886)</b>	108,753
Share of other comprehensive (expense) income of associates		<b>(60,235)</b>	22,707
		<b>(153,121)</b>	131,460
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value loss on investments in equity instruments at fair value through other comprehensive income		<b>(90,083)</b>	(141,210)
Total comprehensive income for the year, net of income tax		<b><u>24,302,489</u></b>	<b><u>12,488,002</u></b>
Total comprehensive income for the year attributable to			
Owners of the Company		<b>22,074,435</b>	11,422,590
Non-controlling interests		<b><u>2,228,054</u></b>	<u>1,065,412</u>
		<b><u>24,302,489</u></b>	<b><u>12,488,002</u></b>
Earnings per share	9		
– Basic (RMB)		<b><u>2.3611</u></b>	<u>1.2095</u>
– Diluted (RMB)		<b><u>2.3611</u></b>	<u>1.1952</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		75,393,127	70,200,235
Right-of-use assets		9,668,117	9,675,440
Intangible assets		45,352	42,907
Investment properties		35,298	38,159
Deposits paid for acquisition of property, plant and equipment		1,349,009	1,045,165
Deferred tax assets		2,621,516	2,990,023
Interests in associates		13,222,431	11,034,432
Loan to an associate		2,000,000	2,000,000
Goodwill		278,224	278,224
Financial asset at amortised cost		2,494,000	2,494,000
Financial assets at fair value through other comprehensive income		1,144,810	1,401,378
Financial assets at fair value through profit or loss		<u>11,088,589</u>	<u>11,725,159</u>
		<u>119,340,473</u>	<u>112,925,122</u>
<b>CURRENT ASSETS</b>			
Inventories		37,344,003	33,958,455
Trade receivables	10	9,773,923	5,488,751
Bills receivables		6,602,454	4,977,642
Prepayments and other receivables		7,811,711	8,747,804
Income tax recoverable		370,768	674,610
Restricted bank deposits		2,797,477	1,826,579
Cash and cash equivalents		<u>44,770,241</u>	<u>31,721,122</u>
		109,470,577	87,394,963
Non-current assets classified as held for sale		<u>353,982</u>	—
		<u>109,824,559</u>	<u>87,394,963</u>

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	11	14,930,515	11,648,276
Other payables and accruals		13,213,465	10,603,297
Bank borrowings – due within one year		34,168,202	30,489,208
Lease liabilities		25,429	37,952
Income tax payable		3,674,186	2,586,352
Short-term debentures and notes		3,000,000	7,000,000
Medium-term debentures and bonds – due within one year		5,781,304	8,116,930
Guaranteed notes – due within one year		2,154,409	3,511,821
Deferred income		35,039	35,290
		<u>76,982,549</u>	<u>74,029,126</u>
<b>NET CURRENT ASSETS</b>		<u>32,842,010</u>	<u>13,365,837</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>152,182,483</u>	<u>126,290,959</u>
<b>NON-CURRENT LIABILITIES</b>			
Bank borrowings – due after one year		14,134,227	8,621,908
Other financial liability		2,730,955	2,965,195
Lease liabilities		932,053	916,706
Medium-term debentures and bonds – due after one year		9,553,655	3,206,332
Liability component of convertible bonds – due after one year		2,093,235	1,963,567
Derivative component of convertible bonds – due after one year		2,109,265	521,919
Deferred tax liabilities		488,057	363,704
Deferred income		1,527,538	1,475,183
		<u>33,568,985</u>	<u>20,034,514</u>
<b>NET ASSETS</b>		<u>118,613,498</u>	<u>106,256,445</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	12	618,881	618,881
Reserves		<u>107,181,060</u>	<u>91,625,797</u>
Equity attributable to owners of the Company		107,799,941	92,244,678
Non-controlling interests		<u>10,813,557</u>	<u>14,011,767</u>
<b>TOTAL EQUITY</b>		<u>118,613,498</u>	<u>106,256,445</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2024

### 1. CORPORATE INFORMATION

The Company is a limited liability company 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 annual report.

The Company acts as an investment holding company, and the principal activities of its subsidiaries (together with the Company, referred to as the “**Group**”) are set out in the annual report.

The consolidated financial statements 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, Republic of Singapore and the Republic of Guinea is denoted in United States Dollar (“**US\$**”).

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“**IFRSs**”)

In the current year, the Group has applied, for the first time, the following amendments to IFRSs issued by the International Accounting Standards Board (the “**IASB**”) which are effective for the Group’s financial year beginning on 1 January 2024:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee of the IASB which is relevant to the Group.

Except as described below, the application of the amendments to IFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

***Impact on application of Amendments to IAS 1 – Classification of Liabilities as Current or Non-current; and Amendments to IAS 1 – Non-current Liabilities with Covenants***

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current issued in 2020 clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification.

Amendments to IAS 1 – Non-current Liabilities with Covenants issued in 2022 further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The adoption of the amendments has no impact on the Group’s classification of liabilities as at 1 January 2023, 31 December 2023 and 31 December 2024.

**New and amendments to IFRSs issued but not yet effective**

The Group has not early applied the following new and amendments IFRSs that have been issued but are not yet effective:

IFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
IFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>
Amendments to IAS 21	Lack of Exchangeability <sup>1</sup>
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 <sup>2</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

<sup>4</sup> Effective for annual period beginning on or after a date to be determined.

The directors of the Company anticipate that, except as described below, the application of other new and amendments to IFRSs will have no material impact on the results and the financial position of the Group.

## ***IFRS 18 – Presentation and Disclosure in Financial Statements***

IFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 “Statement of Cash Flows” and IAS 33 “Earnings per Share” are also made.

IFRS 18, and the consequential amendments to other IFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial statements. The Group will continue to assess the impact of IFRS 18 on the consolidated financial statements of the Group.

## ***IFRS 19 – Subsidiaries without Public Accountability: Disclosures***

IFRS 19 allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Company’s equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

## ***Amendments to IAS 21 Lack of Exchangeability***

The amendments specify how to assess whether a currency is exchangeable into another currency and, when it is not, how to determine the exchange rate to use and the disclosures to provide.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.



### ***Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments***

The amendments include requirements on classification of financial assets with environmental, social or governance (ESG) targets and similar features; settlement of financial liabilities through electronic payment systems; and disclosures regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent feature.

The amendments are effective for annual periods beginning on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for contingent features only. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

### ***Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of Amendments to IFRS 10 and IAS 28 has not yet been determined. However, earlier application is permitted. The amendments should be applied prospectively.

The directors of the Company anticipate that the application of Amendments to IFRS 10 and IAS 28 will not have a material impact on the Group's consolidated financial statements.

### ***Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity***

To allow companies to better report the financial effects of nature-dependent electricity contracts, the IASB published the Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity, which clarifying the application of the 'own-use' requirements; permitting hedge accounting if these contracts are used as hedging instruments; and adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

### 3. REVENUE

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue from sales of aluminum products		
– molten aluminum alloy	95,169,828	83,750,044
– aluminum alloy ingots	7,263,939	10,890,825
– aluminum fabrication	15,571,014	11,500,388
– alumina	37,351,737	26,557,457
Steam supply income	812,202	924,918
	<u>156,168,720</u>	<u>133,623,632</u>

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<i>Geographical region</i>		
The PRC	142,787,017	126,397,054
India	4,623,728	2,412,216
Europe	4,324,118	2,255,909
Malaysia	386,711	421,062
Other Southeast Asia region	2,482,369	1,295,061
North America	1,094,521	596,995
Others	470,256	245,335
Total	<u>156,168,720</u>	<u>133,623,632</u>
<i>Type of customers</i>		
Government related	377	289
Non-government related	156,168,343	133,623,343
Total	<u>156,168,720</u>	<u>133,623,632</u>
<i>Sales channels</i>		
Direct sales	<u>156,168,720</u>	<u>133,623,632</u>

#### **Transaction price allocated to the remaining performance obligation for contracts with customers**

Sales of goods were made in a short period of time and the performance obligation was mostly satisfied in one year or less at the end of each year, thus the Group applied the expedient of not to disclose the transaction price allocated to unsatisfied performance obligation.

#### 4. SEGMENT INFORMATION

For management purposes, the Group operates only one reportable segment which is manufacture and sales of aluminum products. The Group conducts its principal operation in the PRC (including Hong Kong) and Indonesia. Management monitors the operating results of its business unit as a whole for the purpose of making decisions about resources allocation and performance assessment.

##### Geographical information

The Group operates principally in the PRC (including Hong Kong) and Indonesia. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Non-current assets	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
PRC	93,631,293	85,721,885
Indonesia	6,360,265	6,592,677
	<u>99,991,558</u>	<u>92,314,562</u>

*Note:* Non-current assets excluded financial instruments and deferred tax assets.

##### Information about major customers

Revenue from a customer of the corresponding year contributing over 10% of the total revenue of the Group is as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Customer A	<u>49,439,232</u>	<u>45,121,545</u>

## 5. OTHER INCOME AND GAINS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Bank interest income	352,615	307,644
Other interest income	225,560	216,382
Investment income	154,652	153,673
Interest income from loans to associates	525,139	345,792
Gain from sales of raw materials and scraps materials	750,325	1,071,479
Gain from sales of slag of carbon anode blocks	694,657	1,361,216
Reversal of write-down of inventories	–	8,195
Reversal of impairment of other receivables	–	3,603
Amortisation of deferred income	43,856	44,898
Rental income for investment properties under operating lease that lease payments are fixed	600	600
Gain on disposal of an associate	–	21,053
Gain on disposal of property, plant and equipment	100,444	69,939
Others	136,546	108,564
	<u>2,984,394</u>	<u>3,713,038</u>

## 6. OTHER EXPENSES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Impairment loss recognised in respect of property, plant and equipment	2,635,479	805,162
Impairment loss recognised in respect of right-of-use assets	–	13,235
Impairment loss recognised in respect of other receivables	9	–
Impairment loss recognised in respect of trade receivables	1,795	620
Write-down of inventories	261,254	126,282
	<u>2,898,537</u>	<u>945,299</u>

## 7. INCOME TAX EXPENSES

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Current tax:		
– PRC Enterprise Income Tax	<b>7,239,156</b>	3,715,079
– Indonesia Corporate Income Tax	<b>337,845</b>	202,718
– Withholding tax	<b>181,758</b>	19,832
	<u>7,758,759</u>	<u>3,937,629</u>
Deferred taxation	<b>492,860</b>	(544,917)
Total income tax expenses for the year	<b><u>8,251,619</u></b>	<b><u>3,392,712</u></b>

## 8. DIVIDENDS

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Dividends recognised as distribution during the year:		
2024 Interim dividend – HK59 cents (2023: 2023 Interim dividend – HK12 cents) per share	<b>5,161,444</b>	1,028,382
2023 Interim special dividend – HK22 cents (2024: nil) per share	–	1,885,366
2023 Final dividend – HK29 cents (2023: 2022 Final dividend – HK10 cents) per share	<b>2,497,093</b>	872,364
	<u>7,658,537</u>	<u>3,786,112</u>

Subsequent to the end of the reporting period, a final dividend of HK102 cents per share in respect of the year ended 31 December 2024, has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

## 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:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Earnings</b>		
Earnings for the purpose of basic earnings per share	<b>22,372,331</b>	11,460,678
Effect of dilutive potential ordinary shares:		
Interest expense on liability component of convertible bonds	–	182,338
Changes in fair values of derivative component of convertible bonds	–	49,044
Exchange loss on translation of convertible bonds	–	21,380
	<hr/>	<hr/>
Earnings for the purpose of diluted earnings per share	<b><u>22,372,331</u></b>	<b><u>11,713,440</u></b>

	<b>2024</b>	2023
	<b><i>'000</i></b>	<i>'000</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	<b>9,475,538</b>	9,475,538
Effect of dilutive potential ordinary shares:		
Convertible bonds	–	325,169
	<hr/>	<hr/>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<b><u>9,475,538</u></b>	<b><u>9,800,707</u></b>

The computation of diluted earnings per share for the year ended 31 December 2024 did not assume the conversion of the Company outstanding convertible bonds since their exercise would result in an increase in earnings per share.

## 10. TRADE RECEIVABLES

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Trade receivables	<b>9,783,057</b>	5,496,090
Less: allowance for impairment losses	<b>(9,134)</b>	(7,339)
	<hr/>	<hr/>
	<b><u>9,773,923</u></b>	<b><u>5,488,751</u></b>

As at 1 January 2023, the gross amount of trade receivable arising from contracts with customers amounted to approximately RMB4,617,414,000.

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 aged 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:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 3 months	<b>6,583,327</b>	4,883,108
3 to 12 months	<b>3,187,646</b>	601,815
12 to 24 months	<b>2,950</b>	3,828
	<u><b>9,773,923</b></u>	<u>5,488,751</u>

## 11. TRADE AND BILLS PAYABLES

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Trade payables to third parties	<b>11,863,104</b>	10,764,251
Trade payables to associates	<b>2,602,869</b>	648,596
Trade payables to related parties	<b>101,479</b>	103,167
	<u><b>14,567,452</b></u>	<u>11,516,014</u>
Bills payables (Note)	<b>363,063</b>	132,262
	<u><b>14,930,515</b></u>	<u>11,648,276</u>

*Note:* The amounts relate to trade payables in which the Group has issued bills to the relevant suppliers for future settlement of trade payables. The Group continues to recognise these trade payables as the relevant banks are obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the consolidated statement of cash flows, settlements of these bills are included within operating cash flows based on the nature of the arrangements.

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period;

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 6 months	<b>13,685,014</b>	10,856,474
6 to 12 months	<b>566,827</b>	400,421
1 to 2 years	<b>295,197</b>	229,088
More than 2 years	<b>20,414</b>	30,031
	<u><b>14,567,452</b></u>	<u>11,516,014</u>





## CHAIRMAN'S STATEMENT

On behalf of the Board, I hereby present the audited consolidated annual results of the Group for the year ended 31 December 2024.

In 2024, the global economy demonstrated unexpected extraordinary resilience under the impact of multiple factors, showing a stabilising trend despite slow growth. With the start of a major cycle of interest rate cuts, coupled with the continued release of the synergistic advantages of the Asian industrial chain, the global economy gained momentum for recovery in a roundabout way. However, the spillover effects of geopolitical conflicts continued to spread, the global governance system was restructured at an accelerated pace, and the regional development gap and policy coordination challenges cast a shadow over the economic outlook. Amidst this century-old turbulence, China is breaking through and innovating with strategic resolve. In the historical process of reshaping the global value chains, it continuously injected “Chinese momentum” into the world economy. According to data from the National Bureau of Statistics of China, China’s gross domestic product (GDP) experienced a historical breakthrough, exceeding the RMB130 trillion mark during the Year, recording a growth of 5.0%. With an effective “qualitative” improvement and a reasonable “quantitative” growth, the economic aggregate has risen to a new level.

Looking around the world, the global aluminum industry has opened a window for value leap amidst the dual variables of green premium and carbon tariffs. The intertwining of multiple national election cycles with macro policy factors has intensified the volatility of the commodity market, making the recovery of supply chains and industrial chains relatively slow. The Chinese aluminum industry has built a strategic fulcrum with the advantage in total factor productivity, providing important support for the global commodity market. On the policy front, the Chinese government continued to release positive signals and boost market confidence by upgrading the industrial structure, promoting green and low-carbon transformation, and taking other supportive measures. Benefiting from the strong support and effective guidance of national policies, the demand for electrolytic aluminum continued to rise. As the Chinese government’s “Two New” initiatives were implemented, the synergistic impact of these policies was becoming increasingly evident, further stimulating domestic consumption and investment demand. In particular, with the growth in emerging demand against the backdrop of carbon neutrality, the demand for aluminum in areas such as new energy vehicles, photovoltaics, and wind power grew rapidly. In the second half of 2024, the global shortage of bauxite on the resource side became a constraint, leading to limited growth in domestic alumina production in the PRC. At the same time, electrolytic aluminum maintained a strong momentum of increasing supply and demand, reaching new highs in recent years, thereby further boosting the demand for alumina. Therefore, alumina prices soared to nearly a decade high during the Year, significantly pushing up the profitability of the alumina industry. The aluminum processing industry, driven by adjustments in export policies and improvements in consumption structure, gradually transformed and steadily moved towards high-quality development.

After more than two decades of development, the Group has strategically laid out a complete closed-loop industrial chain encompassing “mining – alumina – primary aluminum – aluminum deep processing, new materials – recycled aluminum”. The Group has now completed the integration of the entire industrial chain. During the Year, the Group seized the opportunity from the expanded differentiation in the supply and demand environment in different segments of the industrial chain, further confirming its strategic vision of vertical integration. Unlike companies that focus on a single segment, the Group fully leveraged its business advantages of vertical integration across upstream and downstream operations, and seized the opportunity from substantial increases in bauxite and alumina prices during the Year, effectively resisting the erosion of profits from raw material price fluctuations, and also significantly increasing profits with bauxite resources of its associates and its alumina production capacity.

In the course of development, the Group continued to deeply shape its development coordinate system with the six major strategies of “leadership by scientific and technological innovation, digital empowerment, ecological priority, openness and integration, commitment to the country, and collective development of the homeland”, making strategic moves in the new industrialisation. We continued to focus on extending and strengthening the chains and digital-intelligent transformation, accelerating technological innovation and industrial upgrading, practicing low-carbon transformation and sustainable development, making breakthroughs in key technologies and applying them, training talents and building an industrial ecosystem. We made far-reaching plans and forged ahead bravely while comprehensively building core competencies and making every effort to lay a solid foundation for the development of a century-old enterprise, and had achieved exciting results.

During the Year under Review, the Group’s revenue was approximately RMB156,168,720,000, representing a year-on-year increase of approximately 16.9%; gross profit amounted to approximately RMB42,162,692,000, representing a year-on-year increase of approximately 101.2%; and net profit attributable to owners of the Company stood at approximately RMB22,372,331,000, representing a year-on-year increase of approximately 95.2%. Basic earnings per share were approximately RMB2.3611 (the corresponding period in 2023: approximately RMB1.2095). The Board proposed the payment of a final dividend of HK102 cents per share for the year 2024. Together with the paid interim dividend for the year 2024 of HK59 cents per share, the total dividend for the year 2024 will amount to HK161 cents per share (2023: HK63 cents per share).

During the Year, the Group has focused on achieving high-quality development, adhered to long-termism and made breakthroughs in innovation, conducted meticulous management, developed intelligent business, utilised green energy, and optimised structure, as efforts to continuously gather new momentum for the development of new quality productive forces. On the basis of consolidating and enhancing the advantages of traditional industries, the Group systematically pushed the construction of a new energy system, actively promoted comprehensive digital empowerment, fostered downstream emerging industries, significantly improved the development quality and efficiency, and facilitated to the continuous advancement of the enterprise towards the high end of the industrial chain.

Moreover, the Group firmly believes that building a sustainable industrial cluster is more conducive to the overall industry’s leap forward. Therefore, with the principles of openness, sharing, and win-win cooperation, the Group took on the responsibility of promoting industrial development, actively played its role as an industry leader and incubator, strove to drive each corporate partner in the chain, and built an efficient and collaborative green industrial ecosystem.

During the Year, the Group was at the critical stage of advancing the current “dual carbon” strategy and was committed to achieving the green development goal by optimising the energy structure, promoting technological innovation, carrying out international cooperation, leveraging cutting-edge technologies, and increasing operational efficiency. With the continuous increase in the proportion of clean energy in the Group and the improvement of the local aluminum industry chain in Yunnan, the Group built up increasingly prominent green energy advantages, and the output of green aluminum steadily grew year by year. In addition, the Group was also actively developing green circular industries such as recycled aluminum. Leveraging the stable and efficient recycling and utilisation of green, low-carbon circular aluminum, Zouping Hongfa Aluminum Technology Co., Ltd. (鄒平宏發鋁業科技有限公司), a subsidiary of the Group, was awarded the first domestic product evaluation certificate for resource recycling utilisation in the aluminum deep processing industry. All these demonstrate the Group’s determination and actions in practicing the concept of green and circular development.

Today, through continuous deepening of collaboration with domestic and foreign universities and research institutions, the Group has gradually improved the innovation system integrating “science, education, innovation, and industry”. A top-down innovation and R&D model has gradually formed. Based on the overall needs of the industry, the Group carried out forward-looking and groundbreaking R&D, focusing on the R&D and production of automotive parts, rail transportation, aluminum-based new materials and other fields. Over the years, the Group has persistently expanded the application of aluminum, continuously accelerated the R&D of new high-strength, high-toughness, corrosion-resistant lightweight aluminum alloy products, expedited the intelligent transformation of the aluminum industry, and launched projects like the R&D of the intelligent aluminum AI&L model. So far, Phase I projects of the future intelligent alumina factory have passed the acceptance check and have been put into operation, and Phase II projects are proceeding smoothly in an orderly manner. Benefiting from the precise and rapid transformation of scientific and technological innovation achievements, the Group’s electricity consumption per tonne of primary aluminum has further fallen, which not only effectively improves economic benefits, but also further enhances the international competitiveness of the core technology of aluminum electrolysis. Standing at the top of the new industrial revolution, China Hongqiao is reshaping the industrial territory with its material advantages, interpreting the evolution of China’s intelligent manufacturing with technological iteration, and demonstrating its robust strength.

During the Year, the Group received numerous awards from the United Nations, government departments, professional media, and authoritative institutions in various aspects such as corporate governance, new quality productive forces, capital operation, sustainable development, corporate responsibility and influence. It is particularly worth mentioning that in the “2024 Asia (ex-Japan) Executive Team Rankings” organised by the globally authoritative financial magazine *Institutional Investor*, we successfully were made onto fifteen lists and granted eight most representative major awards. We were honored as one of the 55 Most Honored Companies, and also gained important seats on the lists of the Most Honored Companies and Most Honored Companies (Mainland China). Thanks to its efforts to emphasise technological innovation and implement the concept of green and low-carbon development throughout the entire production process, several subsidiaries of the Group have been selected as national leaders of energy efficiency in key industries, provincial green factories, and provincial green supply chain management firms.

During the Year, the Group continually optimised the capital operation structure and financial management, made flexible use of internal funds and external financing. With keen insight into the pulse of the market, the Group adjusted capital operation strategies in a timely manner, and ensured a sound and sufficient cash flow through scientific prediction and monitoring, laying a solid foundation for business expansion. At the same time, the Group actively expanded diversified financing channels and strengthened its cooperation with banks to enhance capital liquidity and cut financing costs. Specifically, Shandong Hongqiao, a subsidiary of the Group, successfully issued short-term financing bonds, corporate bonds, medium-term notes, green, two-new and sci-tech innovation medium-term notes with a total value of RMB12.6 billion during the Year. The US\$300 million senior unsecured bonds were also successfully issued and oversubscribed seven times in the US dollar market, fully demonstrating the high recognition and strong confidence of domestic and foreign investors in the Group.

Looking ahead, the global economy still faces many uncertainties, with trade barriers and the risks of geoeconomic fragmentation competing simultaneously. China will usher in the final year of the 14th Five-Year Plan, and is expected to provide continuous resilience and inject strong momentum for the industry development through the continued deepening of policy support, the comprehensive implementation of green development strategies, and the steady release of domestic demand potential. As market expectations for interest rate cuts gradually grow, confidence in the global capital market is steadily recovering, bringing more opportunities to improve the supply and demand pattern in domestic and foreign markets. To this end, the Group will strive to seek growth in intelligent industrial transformation, seize opportunities with full preparation and a positive attitude, achieve goals with innovation-driven and high-quality development, rebuild the value chain discourse system with green genes and circular economy, and deeply integrate into the global market transformation, with a view to building China Hongqiao into a world-leading enterprise with stronger resilience, more sustainable development and global competitiveness.

On behalf of the Board, I would like to express my highest respect to all employees of the Group, extend my sincere gratitude for their hard work and selfless dedication in the past year. I also express my heartfelt thanks to all shareholders, investors and partners for their continued support and trust. The Group will continue to spare no effort to create added value for stakeholders and provide generous rewards. Going forward, let us work together to create a brilliant tomorrow!

**Zhang Bo**

*Chairman of the Board*

14 March 2025

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY REVIEW

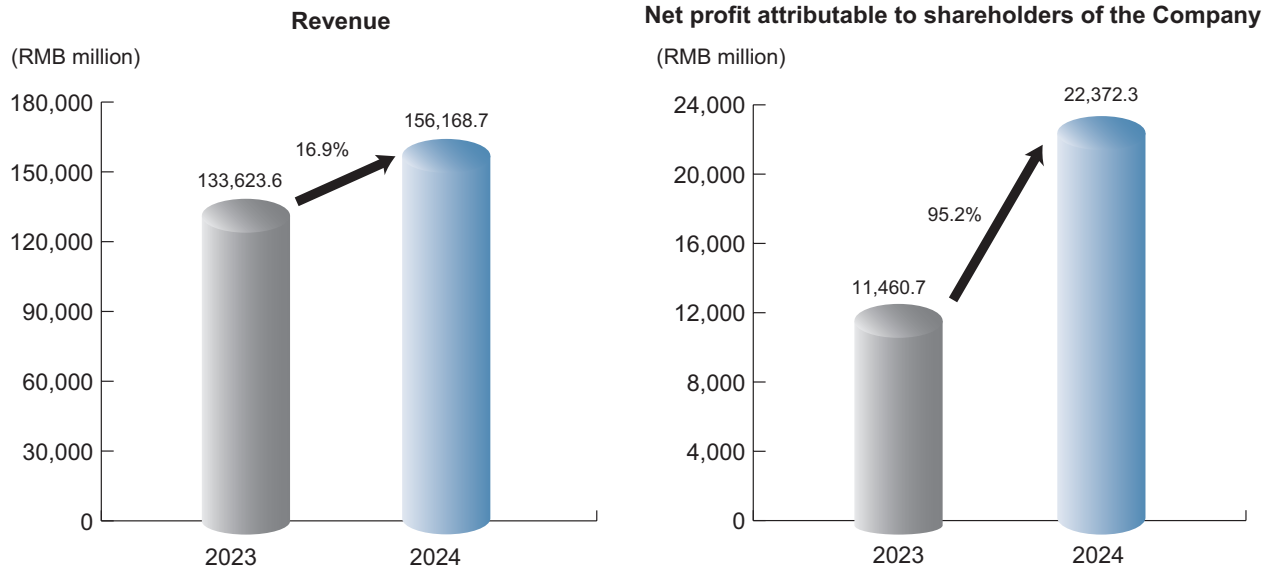
During the Year under Review, the central banks of major countries gradually shifted to ease policies, and the economic growth of various countries and regions showed a clear trend of divergence. Driven by the overall moderate economic recovery, the center of gravity of domestic and foreign aluminum prices moved upward in 2024, and Shanghai aluminum price remained on a strong trend under the influence of factors such as the continuous implementation of macro stimulus policies, the US Federal Reserve's interest rate cuts, and limited supply. From the perspective of fundamentals of aluminum, constrained aluminum supply has become the most distinctive feature of aluminum and an important support for the market's optimistic view on aluminum price trends, due to the ceiling of China's electrolytic aluminum production capacity and the slow progress of new overseas projects. In addition, domestic electrolytic aluminum supply and demand are both strong in 2024, with production and consumption increased more than expected. As the global economy witnessed stable growth, aluminum consumption is also expected to gradually recover.

According to data from Beijing Antaike Information Co., Ltd. ("**Antaike**"), during the Year, the average price of three-month aluminum futures on the London Metal Exchange (LME) was approximately US\$2,457.5/tonne, representing a year-on-year increase of approximately 7.4%. The average price of three-month aluminum futures on the Shanghai Futures Exchange (SHFE) was approximately RMB19,995.7/tonne, representing a year-on-year increase of approximately 8.2%.

According to the statistics of Antaike, during the Year, the global output of primary aluminum was approximately 72.96 million tonnes, representing a year-on-year increase of approximately 3.5%. Global consumption of primary aluminum was approximately 72.58 million tonnes, representing a year-on-year increase of approximately 3.5%. Focusing on the Chinese market, the production volume of primary aluminum during the Year was approximately 43.46 million tonnes, representing a year-on-year increase of approximately 4.3% and accounting for approximately 59.6% of global production. Primary aluminum consumption in China was approximately 45.18 million tonnes, representing a year-on-year increase of approximately 5.5% and accounting for approximately 62.2% of global consumption.

## BUSINESS REVIEW

The Group's comparative figures of revenue and net profit attributable to shareholders of the Company for the year ended 31 December 2024 and 2023 are as follows:



For the year ended 31 December 2024, the Group's revenue was approximately RMB156,168,720,000, representing a year-on-year increase of approximately 16.9%, mainly due to the increase in sales price of aluminum alloy products and alumina products of the Group compared to the corresponding period last year, and the increase in sales volume.

During the Year, the Group's sales volume of aluminum alloy products was approximately 5.837 million tonnes, representing an increase of approximately 1.5% as compared with the sales volume of approximately 5.748 million tonnes for the corresponding period last year. The average sales price of aluminum alloy products grew by approximately 6.6% to approximately RMB17,550/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 10.921 million tonnes, representing a year-on-year increase of approximately 5.3%. The average sales price of alumina products grew by approximately 33.6% to approximately RMB3,420/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 0.766 million tonnes, representing an increase of approximately 32.1% as compared with that of the corresponding period last year. The average sales price of aluminum fabrication products grew by approximately 2.5% to approximately RMB20,324/tonne (excluding value-added tax) as compared with that of the corresponding period last year.

For the year ended 31 December 2024, net profit attributable to shareholders of the Company amounted to approximately RMB22,372,331,000, representing a year-on-year increase of approximately 95.2%, mainly due to an increase in sales price of aluminum alloy products and alumina products of the Group compared to the corresponding period in 2023 as well as the increase in sales volume. Meanwhile, the purchase prices of the Group's major raw materials, including coal and anode carbon block, decreased compared to the corresponding period in 2023. Benefiting from these positive factors, the Group recorded a significant increase in gross profit of the aforementioned products compared to the corresponding period in 2023.

## FINANCIAL REVIEW

### Revenue, gross profit, gross profit margin and percentage of revenue

The following table shows comparison between the breakdown of revenue, gross profit, gross profit margin and percentage of revenue by product for the years ended 31 December 2024 and 2023.

Products	For the year ended 31 December							
	2024				2023			
	Revenue <i>RMB'000</i>	Gross profit <i>RMB'000</i>	Gross profit margin %	Proportion to total revenue %	Revenue <i>RMB'000</i>	Gross profit <i>RMB'000</i>	Gross profit margin %	Proportion to total revenue %
Aluminum alloy products	102,433,767	25,200,391	24.6	65.6	94,640,869	16,455,810	17.4	70.8
Alumina	37,351,737	13,238,017	35.4	23.9	26,557,457	2,959,858	11.1	19.9
Aluminum fabrication products	15,571,014	3,798,489	24.4	10.0	11,500,388	1,634,298	14.2	8.6
Steam	812,202	(74,205)	(9.1)	0.5	924,918	(95,369)	(10.3)	0.7
<b>Total</b>	<b>156,168,720</b>	<b>42,162,692</b>	<b>27.0</b>	<b>100.0</b>	<b>133,623,632</b>	<b>20,954,597</b>	<b>15.7</b>	<b>100.0</b>

For the year ended 31 December 2024, the Group's revenue derived from aluminum alloy products was approximately RMB102,433,767,000, representing an increase of approximately 8.2% as compared to that of approximately RMB94,640,869,000 for the corresponding period last year. The revenue derived from alumina products was approximately RMB37,351,737,000, representing an increase of approximately 40.6% as compared to that of approximately RMB26,557,457,000 for the corresponding period last year. The revenue from aluminum fabrication products was approximately RMB15,571,014,000, representing an increase of approximately 35.4% as compared to that of approximately RMB11,500,388,000 for the corresponding period last year. These increases were mainly due to the rise in sales volume and prices of aluminum alloy products, alumina products and aluminum fabrication products compared to the corresponding period last year.

For the year ended 31 December 2024, the overall gross profit margin of the Group's products was approximately 27.0%, representing an increase of approximately 11.3 percentage points as compared to that of approximately 15.7% for the corresponding period last year. Gross profit margin of aluminum alloy products was approximately 24.6%, representing an increase of approximately 7.2 percentage points as compared to that of the corresponding period last year. Gross profit margin of alumina products was approximately 35.4%, representing an increase of approximately 24.3 percentage points as compared to that of the corresponding period last year. Gross profit margin of aluminum fabrication products was approximately 24.4%, representing an increase of approximately 10.2 percentage points as compared with that of the corresponding period last year. These increases were mainly due to the rise in sales price of aluminum alloy products, alumina products and aluminum fabrication products compared to the corresponding period last year.

## **Selling and distribution expenses**

For the year ended 31 December 2024, the Group's selling and distribution expenses were approximately RMB661,024,000, representing a decrease of approximately 12.5% as compared with approximately RMB755,274,000 for the corresponding period last year, which was mainly due to the decrease in unit price of transportation cost, leading to a corresponding decrease in transportation cost.

## **Administrative expenses**

For the year ended 31 December 2024, the Group's administrative expenses amounted to approximately RMB4,992,949,000, representing an increase of approximately 0.8% as compared with approximately RMB4,952,875,000 for the corresponding period last year, which was basically unchanged compared to that of last year.

## **Finance costs**

For the year ended 31 December 2024, the Group's finance costs amounted to approximately RMB3,363,259,000, representing an increase of approximately 2.9% as compared with approximately RMB3,267,938,000 for the corresponding period of last year, which was mainly due to the increase in the Group's total interest-bearing debts during the Year, leading to higher interest expenses.

## **Liquidity and financial resources**

As at 31 December 2024, the Group's cash and cash equivalents were approximately RMB44,770,241,000, representing an increase of approximately 41.1% as compared to that of approximately RMB31,721,122,000 as at 31 December 2023. The increase in cash and cash equivalents was mainly due to the increase in net cash inflow from operating activities as a result of, among other factors, the increase in the Group's profit for the Year.

For the year ended 31 December 2024, the Group's net cash inflow from operating activities was approximately RMB33,982,862,000, net cash outflow from investing activities was approximately RMB12,557,372,000, and net cash outflow from financing activities was approximately RMB8,430,546,000. 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 outflow for financing activities was mainly attributable to the cash outflow for the dividend payout, the payment of interest on debts by the Group during the Year.

For the year ended 31 December 2024, the Group's capital expenditure amounted to approximately RMB12,608,507,000, mainly for the payment of the quality guarantee deposits for the preliminary stages of construction projects in accordance with the relevant contracts, the construction expenditure of the green aluminum innovation industrial park project in Yunnan (雲南綠色鋁創新產業園項目), lightweight material base (輕量化材料基地), new energy projects and others.



As at 31 December 2024, the Group had capital commitment of approximately RMB7,455,180,000 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 project in Yunnan, lightweight material base, and new energy projects. In addition, the Group agreed to provide 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 funding contribution under the Winning Consortium Holdings Pte. Ltd. Shareholders Agreement).

As at 31 December 2024, the Group's trade receivables amounted to approximately RMB9,773,923,000, representing an increase of approximately 78.1% as compared with that of approximately RMB5,488,751,000 as at 31 December 2023, which was mainly due to the increased credit terms granted to certain customers during the Year, leading to an increase in the trade receivables as at the end of the period.

As at 31 December 2024, the Group's prepayments and other receivables (including non-current assets) amounted to approximately RMB7,811,711,000, representing a decrease of approximately 10.7% as compared with that of approximately RMB8,747,804,000 as at 31 December 2023, which was mainly because certain prepayments and other receivables as at the end of 2023 were utilised or collected during the Year.

As at 31 December 2024, the Group's inventory was approximately RMB37,344,003,000, representing an increase of approximately 10.0% from approximately RMB33,958,455,000 as at 31 December 2023, which was mainly due to the slight increase in inventory quantity and unit price of certain raw materials.

### **Contingent liability**

As at 31 December 2024 and 2023, the Group had no material contingent liabilities save as disclosed in this results announcement.

### **Income tax**

The Group's income tax for 2024 amounted to approximately RMB8,251,619,000, representing an increase of approximately 143.2% from approximately RMB3,392,712,000 for the corresponding period last year. The significant increase in the income tax was mainly due to the significant 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**

As at 31 December 2024, net profit attributable to owners of the Company was approximately RMB22,372,331,000, representing an increase of approximately 95.2% as compared to approximately RMB11,460,678,000 for the corresponding period last year.

During the Year, basic earnings per share of the Company were approximately RMB2.3611 (2023: approximately RMB1.2095).

## 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 31 December 2024, the cash and cash equivalents of the Group amounted to approximately RMB44,770,241,000 (31 December 2023: approximately RMB31,721,122,000), which were mainly placed in commercial banks. Such level of cash and cash equivalents would assist in ensuring 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 31 December 2024, the total liabilities of the Group amounted to approximately RMB110,551,534,000 (31 December 2023: approximately RMB94,063,640,000). Gearing ratio (total liabilities to total assets) was approximately 48.2% (31 December 2023: approximately 47.0%).

The Group used certain 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 31 December 2024, secured bank borrowings of the Group amounted to approximately RMB15,547,656,000 (31 December 2023: approximately RMB12,537,863,000).

As at 31 December 2024, the Group's total bank borrowings were approximately RMB48,302,429,000. The Group maintained an appropriate portfolio of liabilities at fixed interest rates and variable interest rates to manage its interest expenses. As at 31 December 2024, approximately 64.3% of the Group's bank borrowings were subject to fixed interest rates while its remainder of approximately 35.7% was 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 31 December 2024, liabilities of the Group, other than bank borrowings included short-term bonds of approximately RMB3,000,000,000, medium-term notes and corporate bonds of approximately RMB15,334,959,000, guaranteed notes of approximately RMB2,154,409,000 and convertible bonds (inclusive of derivatives components) of approximately RMB4,202,500,000, the interest rates of which ranged from 2.35% to 7.75% per annum. Such notes and bonds would facilitate the optimisation of the Group's debt structure and reduce financing costs.

As at 31 December 2024, the Group had net current assets of approximately RMB32,842,010,000. The Group will continue to expand its financing channels and optimise its debt structure. In addition, the Group will continue to control its production costs, enhance its profitability and improve its cash flow position in order to ensure the Group to have adequate liquidity.

As at 31 December 2024, the Group's liabilities were mainly denominated in RMB and foreign currency, of which, approximately 88.7% of the total liabilities were denominated in RMB, and approximately 11.3% were denominated in foreign currency. The Group's cash and cash equivalents were mainly held in RMB and foreign currency, of which approximately 87.7% were held in RMB and approximately 12.3% were held in foreign currency.

## **Employee and remuneration policy**

As at 31 December 2024, the Group had a total of 51,320 employees, representing an increase of 2,412 employees as compared to 31 December 2023. During the Year, the total staff costs of the Group amounted to approximately RMB5,557,824,000, representing an increase of approximately 10.4% from approximately RMB5,035,092,000 for the corresponding period last year, mainly due to the slight increase in the number of staff of the Group during the Year as compared with the corresponding period last year, leading to the increase in staff costs. The total staff costs of the Group were approximately 3.6% 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 collected 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 31 December 2024, the Group's bank balances denominated in foreign currencies were approximately RMB5,499,156,000, and liabilities denominated in foreign currencies were approximately RMB8,230,304,000.

For the year ended 31 December 2024, the Group had an exchange loss of approximately RMB222,689,000 (2023: exchange loss of approximately RMB223,678,000).

During the Year 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 actively took the following measures to prevent foreign exchange 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 swap instruments to hedge foreign exchange risks in conjunction with changes in exchange rates and interest rates.

## **FUTURE PROSPECT**

With significant progress made in the global battle against inflation, cyclical imbalances have gradually eased, making the economic activities and potential output levels of the world's major economies more consistent. Looking ahead, it is expected that major central banks will continue to implement interest rate cuts, but the pace of interest rate cuts remains highly uncertain. In the meantime, the trend of trade protectionism will become increasingly apparent, global trade frictions will intensify, and the accelerated reshaping of supply chains and industrial chains will also have a profound impact on the trade landscape, which will lead to an increasingly fragile global trade environment. As a result, although the International Monetary Fund expects the global economy is likely to maintain relatively stable growth, the sustainability and balance of the recovery process will face many severe challenges.

In the wave of global transformation and the critical transition point of China's 14th Five-Year Plan, the Group will continue to be guided by the strategy of high-quality and green development, map out a deeply systematic and forward-looking strategic plan for the development of future industries, promote the implementation of key projects in an orderly manner, continuously improve the system for the transformation of technological innovation and scientific research achievements, reserve diverse development elements, and focus on forging new quality productive forces. At the same time, we will keep moving forward with determination and a spirit of practical endeavor, adhering to the principle of long-termism. We will deepen the "total-factor dual benchmarking" management mechanism, fully utilise various clean energy sources, accelerate the pace of low-carbon transformation, continuously expand the space for opening-up and cooperation, and build a broader pattern of co-building and sharing of the industrial chain, striving to engrave a mark of made in China on the world's metal map.

## **EVENTS AFTER THE REPORTING PERIOD**

On 6 January 2025, the board of directors of Shandong Hontron Aluminum Industry Holding Company Limited ("**Hontron Holding**", stock code: 002379.SZ), an indirect subsidiary of the Company, resolved to approve the preliminary plan for Hontron Holding to acquire 100% equity interests in Shandong Hongtuo Industrial Co., Ltd. ("**Hongtuo Industrial**"), an indirect subsidiary of the Company, held by the transaction parties by issuance of shares. Accordingly, Hontron Holding intends to issue new shares to the existing shareholders of Hongtuo Industrial (including Shandong Weiqiao Aluminum & Power Co., Ltd. ("**Weiqiao Aluminum & Power**"), an indirect subsidiary of the Company) to acquire the 100% equity interests held by them. Upon completion of the transaction, the shareholding proportion of the Company in Hontron Holding will increase accordingly, and both Hontron Holding and Hongtuo Industrial (through Hontron Holding) will continue to be subsidiaries of the Group. For details, please refer to the announcements of the Company dated 23 December 2024 and 6 January 2025.

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, guaranteed by certain subsidiaries of the Group. The gross proceeds from the issuance of the notes, before commissions and expenses, amounted to US\$330,000,000. The notes are listed and quoted on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Company intends to use the net proceeds of the offering to refinance existing offshore debt and for general corporate purposes. As at the date of this results announcement, the Company has not utilised the proceeds from the offering. Details are set out in the announcements of the Company dated 6 January 2025 and 14 January 2025, respectively.

Save as disclosed above, there were no important events affecting the Group that have occurred after 31 December 2024 and up to the date of this results announcement.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this results announcement, the Company had maintained the public float as approved by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and as permitted under the Listing Rules.

## **PRE-EMPTIVE RIGHTS**

There is no provision for pre-emptive rights under the Articles of Association of the Company and the law of the Cayman Islands, and there is no restriction regarding such rights which would oblige the Company to offer new shares on a pro-rata basis to the existing shareholders.

## **THE BOARD**

As at the date of this results announcement, the Board comprises four executive Directors, four non-executive Directors and four independent non-executive Directors. The members of the Board are as follows:

### **Executive Directors**

Mr. ZHANG Bo (*Chairman, Chief Executive Officer, Authorised Representative*)

Ms. ZHENG Shuliang (*Vice Chairman*)

Ms. ZHANG Ruilian (*Vice President, Chief Financial Officer*)

Ms. WONG Yuting (*Head of Corporate Finance Department*)

### **Non-executive Directors**

Mr. YANG Congsen

Mr. ZHANG Jinglei

Mr. TU Yikai<sup>Note 1</sup> (*Mr. Zhang Hao as his alternate*)

Mr. TIAN Mingming<sup>Note 1</sup> (*Mr. Zhang Hao as his alternate*)

Ms. SUN Dongdong

### **Independent Non-executive Directors**

Mr. WEN Xianjun

Mr. HAN Benwen

Mr. DONG Xinyi

Ms. FU Yulin

Ms. ZHENG Shuliang is the mother of Mr. ZHANG Bo and the mother-in-law of Mr. YANG Congsen.

*Note 1:* Mr. TU Yikai, due to work reallocation, resigned as a non-executive Director and Mr. ZHANG Hao ceased to act as an alternate Director to Mr. TU Yikai, with effect from 11 July 2024. With effect from the same date, Mr. TIAN Mingming has been appointed as a non-executive Director and Mr. ZHANG Hao has been appointed as an alternate Director to Mr. TIAN Mingming.

## **DIRECTORS' SERVICE CONTRACTS**

Each of the Directors has entered into a service contract with the Company for a term of three years with effect from their respective dates of appointment, which may be terminated by not less than one month's notice in writing served by either the Directors or the Company. The appointments are subject to the provisions of retirement and rotation of directors under the Articles of Association. None of the Directors proposed for re-election at the forthcoming annual general meeting of the Company has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

## EMOLUMENTS OF DIRECTORS

The Directors' fees are subject to shareholders' approval at general meetings of the Company. Other emoluments are determined by the Board with reference to the Directors' duties, responsibilities and performance. During the Year, Mr. Tu Yikai, a non-executive Director, and Mr. Tian Mingming, a non-executive Director, did not receive any Director's emolument from the Company pursuant to their respective service contract with the Company. Save as disclosed above, none of the Directors waived or agreed to waive any emoluments during the Year.

## MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of any business of the Company was entered into by the Company or subsisted during the year ended 31 December 2024.

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

As at 31 December 2024, the interests and short positions of the Directors and 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 Securities and Futures Ordinance (Chapter 571) (the "SFO") which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of 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 Listing Rules, were as follows:

### Long positions in the shares of the Company

Name of director	Capacity/type of interest	Number of total shares held	Approximate percentage of shareholding in the total issued share capital as at 31 December 2024 (%)
Mr. ZHANG Bo <sup>(1)</sup>	Beneficial owner	8,870,000(L)	0.09
	Interest in persons acting in concert	6,090,031,073(L)	64.27

*Note:*

- (1) Shiping Prosperity Private Trust Company ("Shiping Trust Company") held 100% equity interest in China Hongqiao Holdings Limited ("Hongqiao Holdings") as trustee. Shiping Global Holding Company Limited ("Shiping Global") is the settlor, protector and one of the beneficiaries of Shiping Prosperity Trust. Mr. Zhang Bo, Ms. Zhang Hongxia and Ms. Zhang Yanhong held 40%, 30% and 30% equity interests in Shiping Global respectively, and maintain an acting-in-concert arrangement in respect of the exercise of the shareholders' rights of Shiping Global. Accordingly, Mr. Zhang Bo, Ms. Zhang Hongxia and Ms. Zhang Yanhong are deemed to be interested in the shares of the Company held by Hongqiao Holdings.

Save as disclosed above, as at 31 December 2024, 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 the provisions of 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 under section 352 of the SFO; or to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2024, 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 pursuant to 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:

<b>Name of shareholder</b>	<b>Capacity/type of interest</b>	<b>Number of total shares held</b>	<b>Approximate percentage of shareholding in the total issued share capital as at 31 December 2024 (%)</b>
Shiping Trust Company <sup>(1)</sup>	Trustee	6,090,031,073 (L)	64.27
Hongqiao Holdings <sup>(1)</sup>	Beneficial owner	6,090,031,073 (L)	64.27
Ms. Zhang Hongxia <sup>(2)</sup>	Interest in persons acting in concert	6,098,901,073 (L)	64.36
Ms. Zhang Yanhong <sup>(2)</sup>	Interest in persons acting in concert	6,098,901,073 (L)	64.36
CTI Capital Management Limited <sup>(4)</sup>	Beneficial owner	565,690,170 <sup>(3)</sup> (L)	5.97
CITIC Limited <sup>(4)</sup>	Interest of a controlled corporation	565,690,170 (L)	5.97
CITIC Group Corporation <sup>(4)</sup>	Interest of a controlled corporation	565,690,170 (L)	5.97

*Notes:*

(1) Shiping Trust Company held 100% equity interest in Hongqiao Holdings.

- (2) 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 interests in Shipping Global respectively, and to maintain an acting-in-concert arrangement in respect of the exercise of the shareholders' rights of Shipping Global. Accordingly, Mr. Zhang Bo, Ms. Zhang Hongxia and Ms. Zhang Yanhong are deemed to be interested 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, and 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.

Save as disclosed above, as at 31 December 2024, so far as it is known to the Directors and chief executive of the Company, there was no any other person (other than the Directors or 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' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

At no time during the year ended 31 December 2024 and up to the date 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 in the Year.

## **FINAL DIVIDENDS**

The Board proposed the payment of a final dividend of HK102 cents per share for the year ended 31 December 2024 (the “**2024 Final Dividend**”). The 2024 Final Dividend, subject to the approval of the shareholders at the annual general meeting of the Company (the “**2024 Annual General Meeting**”) which will be held on Wednesday, 7 May 2025, will be paid on or before Friday, 13 June 2025 to the shareholders whose names appear on the register of members of the Company on Thursday, 29 May 2025.



The payment of 2024 Final Dividend of HK102 cents per share was proposed. Together with the paid 2024 interim dividend of HK59 cents per share in aggregate, the total dividend for the year 2024 is HK161 cents per share (2023: HK63 cents per share).

## **CLOSURE OF REGISTER OF MEMBERS**

The share register of the Company will be closed from Wednesday, 30 April 2025 to Wednesday, 7 May 2025 (both days inclusive), during which no transfer of shares will be effected. Shareholders of the Company whose names appear on the register of members of the Company on Wednesday, 7 May 2025 are entitled to attend and vote at the forthcoming 2024 Annual General Meeting. In order to be entitled to attend the 2024 Annual General Meeting and vote at the meeting, all completed share transfer documents accompanying with the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, for registration not later than 4:30 p.m. on Tuesday, 29 April 2025. The address of Computershare Hong Kong Investor Services Limited is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

The share register of the Company will be closed from Friday, 23 May 2025 to Thursday, 29 May 2025 (both days inclusive), during which no transfer of shares will be effected. Shareholders of the Company whose names appear on the register of members of the Company on Thursday, 29 May 2025 are entitled to the 2024 Final Dividend. In order to qualify for the 2024 Final Dividend, all completed share transfer documents accompanying with the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, for registration not later than 4:30 p.m. on Thursday, 22 May 2025. The address of Computershare Hong Kong Investor Services Limited is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

## **AUDIT COMMITTEE**

The Company has established the audit committee (the "**Audit Committee**") of the Board in compliance with the Corporate Governance Practices (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 14 March 2025 to review the annual results and the consolidated financial statements of the Group for the year ended 31 December 2024. The Audit Committee considered that the financial results of the Group for the year ended 31 December 2024 were in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

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

On 15 January 2025, 16 January 2025, 17 January 2025, 23 January 2025, 28 January 2025, 3 February 2025 and 5 February 2025, pursuant to the share repurchase mandate granted by the shareholders of the Company at the annual general meeting held on 14 May 2024, the Company repurchased 5,567,000, 1,129,500, 900,000, 2,497,500, 1,200,000, 14,500 and 341,000 ordinary shares of the Company, respectively. The foregoing share repurchases involved 11,649,500 ordinary shares in total. On 20 February 2025, the Company cancelled the aforesaid repurchased shares of 11,649,500 ordinary shares in total, representing approximately 0.12% of the total number of issued shares of the Company as at 31 December 2024.

The Company undertook share repurchases because 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 Company's long-term strategy and growth. The Directors considered that the share repurchases were in the best interests of the Company and the shareholders as a whole.

The Company repurchased the following shares on the Stock Exchange up to the date of this results announcement:

<b>Repurchase Date</b>	<b>Number of ordinary shares of US\$0.01 each</b>	<b>Price per share</b>		<b>Consideration paid (excluding commissions and other expenses) HK\$</b>
		<b>Lowest HK\$</b>	<b>Highest HK\$</b>	
15 January 2025	5,567,000	11.26	11.48	63,283,050
16 January 2025	1,129,500	11.94	12.00	13,516,610
17 January 2025	900,000	11.96	12.00	10,782,000
23 January 2025	2,497,500	12.50	12.60	31,269,199.5
28 January 2025	1,200,000	12.98	13.00	15,577,320
3 February 2025	14,500	12.60	12.60	182,700
5 February 2025	<u>341,000</u>	<u>12.76</u>	<u>12.80</u>	<u>4,361,355.9</u>
<b>Total</b>	<b><u>11,649,500</u></b>			<b><u>138,972,235.40</u></b>

Details are set out in the Company's next day disclosure returns dated 16 January 2025, 17 January 2025, 24 January 2025, 28 January 2025, 4 February 2025 and 6 February 2025, respectively.

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 year ended 31 December 2024 and up to the date of this results announcement.

## SENIOR NOTES

- (1) On 1 June 2021, the Company announced to issue 6.25% senior unsecured notes due 2024 with an aggregate principal amount of US\$500,000,000. The notes were listed and quoted on the SGX-ST and matured on 8 June 2024. 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 1 June 2021 and 10 June 2021 for details.
- (2) 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 net proceeds from the issue of the notes, after deducting the underwriting discounts and commission and other expenses payable in connection with the offering, were approximately US\$297,600,000. The notes were listed and quoted on the SGX-ST. The proceeds were fully utilised by the Company for the uses as described in the announcement of the Company dated 25 March 2024. Please refer to the announcements of the Company dated 25 March 2024 and 2 April 2024 for details.
- (3) 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 Company intends to use the net proceeds of the offering to refinance existing offshore debt and for general corporate purposes. As at the date of this results announcement, the Company has not utilised the proceeds from the offering. Please refer to the announcements of the Company dated 6 January 2025 and 14 January 2025 for details.

## CORPORATE BONDS OF SHANDONG HONGQIAO

- (1) On 2 September 2020, Shandong Hongqiao obtained the “Approval for the Registration for Public Issuance of Corporate Bonds to Professional Investors by Shandong Hongqiao New Material Co., Ltd. (Zheng Jian Xu Ke [2020] No. 2060)” (《關於同意山東宏橋新型材料有限公司向專業投資者公開發行公司債券註冊的批覆》) from the China Securities Regulatory Commission, approving Shandong Hongqiao to issue the corporate bonds of not more than RMB20,000,000,000 in the PRC.
  - (i) On 11 June 2021, Shandong Hongqiao completed the issuance of 2021 domestic corporate bonds (first tranche) (type 2), with an offering size of RMB500,000,000, for a term of 2+1 years (3-year fixed rate bonds, with the issuer’s option to adjust the coupon rate and the investors’ option to sell back at the end of the second year) and carrying an interest rate of 5.60% per annum. Pursuant to the terms on sell-back by investors as set out in the bond prospectus, during the sell-back period from 27 April 2023 to 4 May 2023, the sell-back amount of the bondholders was RMB150,000,000. From 12 June 2023 to 11 July 2023, Shandong Hongqiao resold the aforesaid sell-back amount, for a resold amount of RMB150,000,000. After completion of the resale, the remaining principal amount of the bonds is RMB500,000,000 and the coupon rate decreases to 4.50%.

The bonds matured on 11 June 2024 and Shandong Hongqiao has redeemed the bonds in full at their remaining aggregate principal amount together with interest accrued to the maturity date.

- (ii) On 20 August 2021, Shandong Hongqiao completed the issuance of 2021 domestic corporate bonds (second tranche), with an offering size of RMB1,000,000,000, for a term of 1+1+1 years (3-year fixed rate bonds, with the issuer's option to adjust the coupon rate and the investors' option to sell back at the end of the first and second year) and carrying an interest rate of 4.16% per annum. Pursuant to the terms on sell-back by investors as set out in the bond prospectus, during the sell-back period from 18 July 2022 to 20 July 2022, the sell-back amount of the bondholders was RMB350,000,000. From 22 August 2022 to 19 September 2022, Shandong Hongqiao resold the aforesaid sell-back amount, for a resold amount of RMB350,000,000. After completion of the resale, the remaining principal amount of the bonds is RMB1,000,000,000 and the coupon rate decreases to 3.90%.

Pursuant to the terms on sell-back by investors as set out in the bond prospectus, during the sell-back period from 17 July 2023 to 19 July 2023, the sell-back amount of the bondholders was RMB570,000,000. From 21 August 2023 to 15 September 2023, Shandong Hongqiao resold the aforesaid sell-back amount, for a resold amount of RMB570,000,000. After completion of the resale, the remaining principal amount of the bonds is RMB1,000,000,000 and the coupon rate increases to 4.20%.

The bonds matured on 20 August 2024 and Shandong Hongqiao has redeemed the bonds in full at their remaining aggregate principal amount together with interest accrued to the maturity date.

- (iii) On 13 June 2022, Shandong Hongqiao completed the issuance of 2022 domestic corporate bonds (first tranche), with an offering size of RMB1,000,000,000, for a term of 2+1 years (3-year fixed rate bonds, with the issuer's option to adjust the coupon rate and the investors' option to sell back at the end of the second year) and carrying an interest rate of 4.30% per annum.

Pursuant to the terms on sell-back by investors as set out in the bond prospectus, during the sell-back period from 20 May 2024 to 22 May 2024, the sell-back amount of the bondholders was RMB315,000,000. From 13 June 2024 to 10 July 2024, Shandong Hongqiao resold the aforesaid sell-back amount, for a resold amount of RMB315,000,000. After completion of the resale, the remaining principal amount of the bonds is RMB1,000,000,000 and the coupon rate decreases to 2.80%.

- (iv) On 3 August 2022, Shandong Hongqiao completed the issuance of 2022 domestic corporate bonds (second tranche), with an offering size of RMB1,000,000,000, for a term of 2+1 years (3-year fixed rate bonds, with the issuer's option to adjust the coupon rate and the investors' option to sell back at the end of the second year), carrying an interest rate of 4.50% per annum.

Pursuant to the terms on sell-back by investors as set out in the bond prospectus, during the sell-back period from 15 July 2024 to 17 July 2024, the sell-back amount of the bondholders was RMB341,000,000. From 3 August 2024 to 30 August 2024, Shandong Hongqiao resold the aforesaid sell-back amount, for a resold amount of RMB341,000,000. After completion of the resale, the remaining principal amount of the bonds is RMB1,000,000,000 and the coupon rate decreases to 2.35%.

- (v) On 3 November 2022, Shandong Hongqiao completed the issuance of 2022 domestic corporate bonds (third tranche) (commodity index-linked), with an offering size of RMB1,000,000,000, for a term of 1+1+1+1+1 years (5-year bonds, with the investors' option to sell back at the end of the first, second, third and fourth year and the issuer's option to redeem at the end of the third year). The annual interest rate of the bonds consists of a base rate plus a floating rate. The coupon rate for the first interest-bearing year is 4.00%.

Pursuant to the terms on sell-back by investors as set out in the bond prospectus, during the sell-back period from 26 September 2023 to 28 September 2023, the sell-back amount of the bondholders was RMB1,000,000,000. From 3 November 2023 to 30 November 2023, Shandong Hongqiao resold the aforesaid sell-back amount, for a resold amount of RMB620,000,000. After completion of the resale, the remaining principal amount of the bonds is RMB620,000,000 and the coupon rate for the second interest-bearing year is 4.01%.

Pursuant to the terms on sell-back by investors as set out in the bond prospectus, during the sell-back period from 23 September 2024 to 25 September 2024, the sell-back amount of the bondholders was RMB70,000,000. After completion of the sellback, the remaining principal amount of the bonds is RMB550,000,000 and the coupon rate for the third interest-bearing year is 4.06%.

- (2) On 31 August 2023, Shandong Hongqiao obtained the “Approval for the Registration for Public Issuance of Corporate Bonds to Professional Investors by Shandong Hongqiao New Material Co., Ltd. (Zheng Jian Xu Ke [2023] No. 2014)” (《關於同意山東宏橋新型材料有限公司向專業投資者公開發行公司債券註冊的批覆》) from the China Securities Regulatory Commission, approving Shandong Hongqiao to issue the corporate bonds of not more than RMB17,000,000,000 in the PRC.

On 3 July 2024, Shandong Hongqiao completed the issuance of 2024 domestic technology innovation corporate bonds (first tranche) (high-growth industrial bond), with an offering size of RMB500,000,000, for a term of 3 years (3-year fixed rate bonds) and carrying an interest rate of 3.08% per annum.

## **CORPORATE BONDS OF WEIQIAO ALUMINUM & POWER**

On 22 February 2019, Weiqiao Aluminum & Power received “Approval for the Public Issuance of Corporate Bonds to Eligible Investors by Shandong Weiqiao Aluminum & Power Co., Ltd. (Zheng Jian Xu Ke [2019] No. 238)” (《關於核准山東魏橋鋁電有限公司向合格投資者公開發行公司債券的批覆》) from the China Securities Regulatory Commission, approving Weiqiao Aluminum & Power to issue corporate bonds of no more than RMB5,300,000,000 in the PRC.

On 26 March 2019, Weiqiao Aluminum & Power completed the issuance of 2019 domestic corporate bonds (first tranche), with an offering size of RMB2,000,000,000, for a term of 3+2 years (5-year fixed rate bonds, with the issuer's option to adjust the coupon rate and the investors' option to sell back at the end of the third year) and carrying interest rate of 6.00% per annum. Pursuant to the terms on sell-back by investors as set out in the bond prospectus, during the sell-back period from 1 March 2022 to 3 March 2022, the sell-back amount of the bondholders was RMB878,058,200. From 29 March 2022 to 27 April 2022, Weiqiao Aluminum & Power resold the aforesaid sell-back amount, for a resold amount of RMB878,058,200. After completion of the resale, the remaining principal amount of the bonds is RMB2,000,000,000 and the coupon rate decreases to 4.40%.

The bonds matured on 26 March 2024 and Weiqiao Aluminum & Power has redeemed the bonds in full at their remaining aggregate principal amount together with interest accrued to the maturity date.

### **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 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 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 has 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 convertible bonds, as the Company declared the payment of the final dividend for the year 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 convertible bonds, as the Company declared the payment of the interim dividend for the year 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 convertible bonds, as the Company declared the payment of the final dividend for the year 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 convertible bonds, as the Company declared the payment of the interim dividend for the year 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 convertible bonds, as the Company declared the payment of the final dividend for the year 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 convertible bonds, as the Company declared the payment of the interim dividend and special dividend for the year 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 convertible bonds, as the Company declared the payment of the final dividend for the year 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 convertible bonds, as the Company declared the payment of the interim dividend for the year 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.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standards as set out in the Model Code.

Having made specific enquiry of all the Directors, the Company confirmed that each of the Directors has complied with the required standards set out in the Model Code and the code of conduct of the Company regarding directors' securities transactions throughout the year ended 31 December 2024 and up to the date of this results announcement.

## **COMPLIANCE WITH PROVISIONS OF THE CG CODE**

The Company has applied the principles as set out in the CG Code. For the year ended 31 December 2024, the Company has complied with the code provisions of 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 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 of the CG Code by the Company for the year ended 31 December 2024.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This results announcement is published 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 annual report will be published on or before 11 April 2025 and will be available on the Company's website and the website of the Stock Exchange.

## **ACKNOWLEDGEMENT**

I would like to take this opportunity to express my sincere gratitude to our Board members and management team, and to all the employees, business partners, customers and shareholders of the Group.

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

Hong Kong, the PRC  
14 March 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. Tian Mingming (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.*