



China Hongqiao Group Limited
中國宏橋集團有限公司

[Immediate Release]

China Hongqiao Announces 2015 Interim Results

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***Stable Growth in Profit and Efficient Implementation of Energy Saving
Further Strengthened Cost Advantage and Economy of Scale***

Financial Highlights

For the 6 months ended 30 June			
(RMB million)	2015	2014	Change (%)
Revenue	22,453	17,368	+29.3%
Gross profit	5,236	3,810	+37.4%
Gross profit margin	23.3%	21.9%	+1.4 percentage points
Net profit margin	12.1%	11.7%	+0.4 percentage points
Net profit attributable to owners of the Company	2,718	2,037	+33.4%
Basic earnings per share (RMB)	0.44	0.35	+25.7%

(HONG KONG, 31 August 2015) China Hongqiao Group Limited (“China Hongqiao” or the “Group”; Stock code: 1378), the leading aluminum product manufacturer in China, is pleased to announce its interim results for the six months ended 30 June 2015.

In the first half of 2015, with outstanding cost advantage and effective management, the Group continued to maintain steady development amid the challenging economic conditions. For the six months ended 30 June 2015, the Group’s revenue amounted to approximately RMB22.5 billion, representing a year-on-year increase of approximately 29.3%. Its gross profit totaled at approximately RMB5.2 billion, representing a year-on-year increase of approximately 37.4%. Net profit attributable to owners of the company was approximately RMB2.7 billion, representing a year-on-year increase of approximately 33.4%. Basic earnings per share were approximately RMB0.44 (corresponding period in 2014: approximately RMB0.35 per share). The Board did not recommend payment of an interim dividend for the six months ended 30 June 2015 (corresponding period in 2014: nil).

Mr. Zhang Bo, Chief Executive Officer and Executive Director of China Hongqiao, said, “Although the Chinese economy was a bit volatile in the first half of 2015 and price level of bulk commodities decreased, the business environment as a whole did not cast any negative impact upon the business development of the Group. With its unique strength in cost advantage and

economy of scale, the Group managed to achieve outstanding performance and maintained stable growth in business performance. At the same time, the Group was proactive in expanding its production capacity, which further satisfied downstream demand and fostered the healthy development of industry cluster. During the review period, the Group maintained its commitment in environmental protection. Living up to its leadership in the Chinese aluminium industry, the Group made remarkable achievements in energy conservation, emission reduction and environmental protection, which stimulated the industry to develop a low-carbon industry model.”

In order to set the industry benchmark of power station emissions, China Hongqiao managed to notably upgrade the desulfurization and denitrification technologies adopted by its established and newly-built power stations in the first half of the year. Also, the Group has executed the ultra-low emission plan, resulting in an emission standard higher than those using natural gas, allowing it gradually achieving eco-friendly production. Furthermore, the Group successfully operated the world’s first 600KA aluminum product line within the review period that reduces the electricity consumption for aluminum, lowers pollutant emissions and creates high efficiency. Major technology and economic efficiency have reached the advance level of the international standard. It is a milestone for China Hongqiao in becoming an eco-friendly, efficient and intelligent modern enterprise.

Despite the ban on export of 65 kinds of raw ore including bauxite by the Republic of Indonesia (“Indonesia”) starting from January last year, the Group planned in advance and actively expanded its overseas raw materials procurement channels. Among all, the Group commenced the bauxite mining project with its business partners in The Republic of Guinea in 2014. The Group also became the first Chinese enterprise that ships the bauxite it mined from Africa to China. This project favours stabilization of raw materials procurement and cost control, consolidates the Group’s advantages and improves core competitiveness, and mitigates the potential risks from fluctuation of raw material prices and supply and demand.

As for the alumina production joint venture in Indonesia, applying its rich construction and production experience as well as its cutting-edge and eco-friendly production technologies, China Hongqiao ensures the smooth construction and operation of the plant. The designed annual production capacity of the first phrase of the Indonesian project is 1,000,000 tons of alumina and its construction will complete by the end of this year, assuring the Group of steady raw material supply in the future.

As at 30 June 2015, the Group’s aggregate designed annual production capacity of aluminum products was approximately 4,536,000 tons, representing a year-on-year increase of approximately 44.6% (as at 30 June 2014: approximately 3,136,000 tons), allowing it becoming the largest aluminum product manufacturer in China. With the huge market potential brought by

the increasing popularity of aluminum products from the downstream markets, the Group's total output of aluminum products amounted to approximately 2,109,000 tons, representing a year-on-year increase of approximately 37%.

Mr. Zhang concluded, "By reviewing the business environment of the first half of 2015 and the recent two months, despite the overall economy still shows a significant downward trend, the management is confident to handle challenges from the economic downturn ahead with our unique competitive advantages. Looking forward, the Group will continue consolidating business models of "integration of aluminum, electricity and grid" and "integration of upstream and downstream business" and become a modernized enterprise of high efficiency and low emission. In addition, the Group shall persevere resorting to its core competitive strengths and grasp market opportunities under the current situation, to generate stable growth and long-term returns for shareholders."

~End~



Photo Caption (from left to right):

Ms. Xiao Xiao, Investor Relations General Manager

Mr. Zhang Bo, CEO and Executive Director

Ms. Wong Yuting, Christine, CEO Secretary and Head of Corporate Finance

Ms. Zhang Ruilian, CFO

About China Hongqiao Group Limited

China Hongqiao Group Limited (“China Hongqiao” or the “Group”; Stock code: 1378) is a leading aluminum product manufacturer in China. Located in Shandong Province of China, the Group is mainly engaged in the production and sales of molten aluminum alloy, aluminum alloy ingots, aluminum alloy casting-rolling products and aluminum busbars. In the first half of 2012, the Group successfully constructed its own alumina production lines. As of 30 June 2015, the Group’s aggregate designed annual production capacity was approximately 4,536,000 tons. With large scale operations, advanced technology, competitive cost structure, visionary strategy of industrial chain expansion and experienced management team, the Group has successfully strengthened its leading market position, sustaining its business growth and unique competitive edges.

China Hongqiao was successfully listed on the Main Board of the Stock Exchange of Hong Kong on 24 March 2011. For more details, please visit <http://www.hongqiaochina.com>.

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