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 2010

Annual results for the year ended 31 December 2010

Compared to 2009 financial results:

Revenue	an increase of approximately 74.6% to approximately RMB15,131,591,000
Gross profit	an increase of approximately 538.5% to approximately RMB5,741,869,000
Net profit attributable to owners of the Company	an increase of approximately 654.2% to approximately RMB4,195,738,000

The board of directors (the "Board") of China Hongqiao Group Limited (the "Company" or "China Hongqiao") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2010 (the "Year" or "Period under Review"). During the Period under Review, the revenue of the Group was approximately RMB15,131,591,000, an increase of approximately 74.6% as compared with the year ended 31 December 2009. Net profit attributable to owners of the Company amounted to approximately RMB4,195,738,000, with an increase of approximately 654.2% as compared with the year ended 31 December 2009.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2010

	Notes	2010 RMB'000	2009 RMB'000
Continuing operations			
Revenue	3	**15,131,591**	8,668,428
Cost of sales		**(9,389,722)**	(7,769,098)
Gross profit		**5,741,869**	899,330
Other income and gain and loss	4	**210,535**	97,216
Distribution and selling expenses		**(19,977)**	(40,961)
Administrative expenses		**(112,038)**	(92,335)
Finance costs	5	**(192,990)**	(89,243)
Other expenses		**(42,815)**	–
Profit before taxation	6	**5,584,584**	774,007
Income tax expense	7	**(1,395,868)**	(196,924)
Profit for the year from continuing operations		**4,188,716**	577,083
Discontinued operations			
Profit for the year from discontinued operations		**31,515**	(9,441)
		4,220,231	567,642
Profit and total comprehensive income attributable to			
Owners of the Company		**4,195,738**	556,289
Non-controlling interests		**24,493**	11,353
		4,220,231	567,642
Earnings per share			
From continuing and discontinued operations			
Basic	8	**0.84**	0.11
From continuing operations			
Basic	8	**0.83**	0.11
From discontinuing operations			
Basic	8	**0.01**	–

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Notes	**2010** **RMB'000**	2009 RMB'000
Non-current assets			
Property, plant and equipment		**8,111,661**	5,591,784
Prepaid lease payments – non-current portion		**153,129**	–
Deferred tax assets		**40,231**	12,124
Deposits paid for acquisition of property, plant and equipment		**120,314**	312,889
		8,425,335	5,916,797
Current assets			
Inventories		**1,122,100**	548,360
Trade receivables	*10*	**3,716**	44,416
Bills receivable		**882,570**	763,370
Prepayments and other receivables		**156,741**	15,377
Amounts due from related parties	*14(c)*	**–**	153,756
Prepaid lease payments – current portion		**3,015**	–
Tax recoverable		**–**	97,790
Restricted bank deposits	*11*	**82,650**	760,646
Bank balances and cash	*11*	**2,669,569**	443,133
		4,920,361	2,826,848
Financial assets contracted for Alumina Production Business	*14(b)(ii)*	**–**	1,029,762
Assets classified as held for sale		**–**	1,613,854
		4,920,361	5,470,464
Current liabilities			
Trade payables	*12*	**1,045,906**	394,346
Bills payable	*13*	**–**	310,000
Other payables		**805,425**	848,059
Amounts due to related parties	*14(c)*	**–**	3,556,479
Income tax payable		**157,974**	–
Bank borrowings – due within one year		**72,850**	929,173
		2,082,155	6,038,057

	Notes	**2010** *RMB'000*	2009 *RMB'000*
Financial liabilities contracted for Alumina Production Business	*14(b)(ii)*	**–**	1,105,843
Liabilities associated with assets classified as held for sale		**–**	980,551
		2,082,155	8,124,451
Net Current Assets (Liabilities)		**2,838,206**	(2,653,987)
Total Assets less Current Liabilities		**11,263,541**	3,262,810
Capital and Reserves			
Paid-in capital/share capital	*15*	**69**	114,398
Reserves		**7,302,472**	2,970,143
Equity attributable to owners of the Company		**7,302,541**	3,084,541
Non-controlling interests		**–**	62,950
Total Equity		**7,302,541**	3,147,491
Non-current Liabilities			
Bank borrowings – due after one year		**3,961,000**	115,319
		11,263,541	3,262,810

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

	Attributable to owners of the Company						
	Paid-in capital/share capital *RMB'000*	**Capital reserve** *RMB'000*	**Statutory surplus reserve** *RMB'000*	**Retained earnings** *RMB'000*	**Subtotal** *RMB'000*	**Non-controlling interests** *RMB'000*	**Total** *RMB'000*
At 1 January 2009	114,398	–	473,595	1,940,259	2,528,252	51,597	2,579,849
Profit and total comprehensive income for the year	–	–	–	556,289	556,289	11,353	567,642
Transfer to reserves	–	–	124,197	(124,197)	–	–	–
At 31 December 2009	114,398	–	597,792	2,372,351	3,084,541	62,950	3,147,491
Profit and total comprehensive income for the year	–	–	–	4,195,738	4,195,738	24,493	4,220,231
Issue of shares	1	–	–	–	1	–	1
Capitalization of retained earnings	656,758	–	–	(656,758)	–	–	–
Reorganisation	(771,088)	771,088	–	–	–	–	–
Acquisition of additional interests in a subsidiary	–	22,261	–	–	22,261	(87,443)	(65,182)
Transfer to reserves	–	–	430,868	(430,868)	–	–	–
At 31 December 2010	69	793,349	1,028,660	5,480,463	7,302,541	–	7,302,541

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 RMB'000	2009 RMB'000
OPERATING ACTIVITIES			
Profit for the year		**4,220,231**	567,642
Adjustments for:			
Interest income		**(8,639)**	(8,808)
Income tax expense		**1,395,868**	233,748
Finance costs		**198,108**	106,824
Depreciation of property, plant and equipment		**598,813**	415,807
Amortisation of intangible assets		**–**	123,628
Amortisation of prepaid lease payments		**2,268**	569
Loss on disposal of property, plant and equipment		**–**	555
Gain on disposal of a subsidiary		**(6,620)**	–
Gain on disposal of Dyeing Business		**(24,895)**	–
Release of deferred income in relation to government grants		**–**	(1,145)
Operating cash flows before movements in working capital		**6,375,134**	1,438,820
(Increase) decrease in inventories		**(575,723)**	128,209
Decrease in receivables, deposits and prepayments		**675,595**	1,113,621
Decrease in payables, deposits received and accrued charges		**(534,331)**	(518,388)
Cash generated from operations		**5,940,675**	2,162,262
Income tax paid		**(1,168,211)**	(238,687)
Net cash generated from operating activities		**4,772,464**	1,923,575
INVESTING ACTIVITIES			
Purchase of property, plant and equipment and prepayment for property, plant and equipment		**(2,715,082)**	(850,151)
Addition to prepaid lease payments		**(123,730)**	(39,754)
Proceeds on disposal of property, plant and equipment		**–**	944
Acquisition of a subsidiary		**(176,013)**	–
Interest received		**8,639**	8,808
Disposal of a subsidiary		**514,188**	–
Increase in restricted bank deposits		**677,996**	(592,537)
Net cash used in investing activities		**(1,814,002)**	(1,472,690)

	Notes	**2010**	2009
		RMB'000	*RMB'000*
FINANCING ACTIVITIES			
New bank borrowings raised		**4,334,441**	1,256,508
Repayment of bank borrowings		**(1,394,083)**	(1,084,373)
Issue of shares		**1**	–
Acquisition of additional interests in a subsidiary		**(65,182)**	–
Interest paid		**(198,108)**	(126,610)
Advance from related parties		**4,470,837**	8,872,087
Repayment to related parties		**(7,965,744)**	(8,957,501)
New other borrowings raised		**71,831**	–
Repayment to other borrowings		**(71,831)**	–
Net cash used in financing activities		**(817,838)**	(39,889)
Net increase in cash and cash equivalents		**2,140,624**	410,996
Cash and cash equivalents at beginning of the year		**528,945**	117,949
Cash and cash equivalents at end of the year		**2,669,569**	528,945
Comprised of:			
Cash and cash equivalents		**2,669,569**	443,133
Cash and cash equivalents classified as assets held for sale		**–**	85,812
Total cash and cash equivalents		**2,669,569**	528,945

NOTES TO THE FINANCIAL STATEMENTS :
As at 31 December 2010

1. GENERAL INFORMATION AND BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The Company was incorporated in the Cayman Islands on 9 February 2010 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 24 March 2011. Its parent and ultimate holding company is China Hongqiao Holdings Limited ("Hongqiao Holdings"), incorporated in the British Virgin Island ("BVI"). The registered office and principal place of business of the Company are set out in the section headed "Corporate Information" of the prospectus of the Company dated 14 March 2011 (the "Prospectus").

Prior to the reorganisation as described below (the "Reorganisation"), the operations of manufacture and sales of aluminum products and other businesses were carried out by Shandong Hongqiao and its subsidiaries. Shandong Hongqiao New Material Co., Ltd ("Shandong Hongqiao") and its subsidiaries were also engaged in the business of manufacture and sales of dyed facric and yarn-dyed denim ("Dyeing Business"), manufacture and sales of caustic soda products ("Marine Chemical Business") and acted an agent for the manufacture and sale of alumina ("Alumina Agency Business") for Shandong Weiqiao Chuangye Group Company Limited ("Chuangye Group") which were discontinued since 4 January 2010, 1 January 2010 and 31 December 2009, respectively.

Pursuant to the Reorganisation in March 2010, (1) the Company was incorporated and owned by Hongqiao Holdings, (2) China Hongqiao Investment Limited ("Hongqiao Investment") and Hongqiao Investment (Hong Kong) Limited ("Hongqiao Hong Kong") were also incorporated and became subsidiaries of the Company and (3) Profit Long Investment Limited ("Profit Long Investment") and Chuangye Group transferred their equity interest of 98% and 2% in Shandong Hongqiao to Hongqiao Hong Kong for a consideration of RMB3,193,921,000 and RMB65,182,000, respectively, of which RMB65,182,000 was settled by cash and paid in March 2010 and RMB3,193,921,000 was settled by issuance of 9,900 shares by the Company to its parent Hongqiao Holdings in April 2010. The Company became the holding company of Shandong Hongqiao and its subsidiaries in March 2010. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity.

The consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows are prepared as if the Company had been the holding company of Shandong Hongqiao throughout both years. The consolidated statements of financial position as at 31 December 2010 and 2009 present the assets and liabilities of the companies now comprising the Group as at that date as if the Company had been the holding company of Shandong Hongqiao at those dates. The 98% interests in Shandong Hongqiao held by Profit Long Investment, a company controlled by Mr. Zhang Shiping ("Mr. Zhang") through trust arrangements entered into since 2006, whereby Mr. Zhang has nominated two persons to hold the entire equity interests in Profit Long Investment on his behalf, was accounted for as equity attributable to owners of the Company when Shandong Hongqiao was consolidated by the Group using the principle of merger accounting for business combination under common control during both years. The remaining 2% interests in Shandong Hongqiao held by Chuangye Group was presented as non-controlling interests up to the date when the 2% equity interest of Shandong Hongqiao was transferred to the Group as detailed in the preceding paragraph. Pursuant to certain share transfer arrangements entered into in February 2010, Mr. Zhang has become the legal owner of the entire equity interests in Profit Long Investment.

The consolidated financial statements are presented in Renminbi ("RMB"), the currency of the primary economic environment in which the group entities operate (the functional currency of group entities).

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

The International Accounting Standards Board ("IASB") issued a number of new and revised International Accounting Standards("IAS"), IFRSs and the related Interpretations ("IFRICs") (hereinafter collectively referred to as "new IFRSs", which are effective for the Group's financial year beginning on 1 January 2010. The Group has applied the new IFRSs since the financial year beginning on 1 January 2007, except for IFRS 3 (revised 2008), which has been applied for business combination for which the acquisition date is on or after 1 January 2010 and IAS 27 (revised 2008) which has been applied for accounting period beginning on 1 January 2010.

The Group applies IFRS 3 (Revised) "Business Combinations" prospectively to business combinations for which the acquisition date is on or after 1 January 2010. The requirements in IAS 27 (Revised) "Consolidated and Separate Financial Statements" in relation to accounting for the Group's changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 January 2010.

The application of IFRS 3 (Revised) and IAS 27 (Revised) has had no material effect on the consolidated financial statements of the Group for the current or prior accounting years.

Results of the Group in future periods may be affected by future transactions to which IFRS 3 (Revised) and IAS 27 (Revised) and the consequential amendments to other HKFRSs are applicable.

The Group has not early applied the following new and revised Standards and Interpretations that have been issued but are not yet effective:

IFRSs	
IFRSs (Amendments)	Improvements to IFRSs 2010[1]
IAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets[6]
IAS 24 (Revised)	Related Party Disclosures[4]
IAS 32 (Amendment)	Classification of Rights Issues[2]
IFRS 1 (Amendment)	Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters[3]
IFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[5]
IFRS 7 (Amendment)	Disclosures – Transfers of Financial Assets[5]
IFRS 9	Financial Instruments[7]
IFRIC 14 (Amendment)	Prepayments of a Minimum Funding Requirement[4]
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments[3]

1 Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate
2 Effective for annual periods beginning on or after 1 February 2010
3 Effective for annual periods beginning on or after 1 July 2010
4 Effective for annual periods beginning on or after 1 January 2011
5 Effective for annual periods beginning on or after 1 July 2011
6 Effective for annual periods beginning on or after 1 January 2012
7 Effective for annual periods beginning on or after 1 January 2013

IFRS 9 *Financial Instruments* (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. IFRS 9 *Financial Instruments* (as revised in October 2010) adds requirements for financial liabilities and for derecognition.

- Under IFRS 9, all recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at fair values at the end of subsequent accounting periods.

- In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

IFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors of the Company anticipate that the application of the other new and revised Standards and Interpretations will have no material impact on the results and the financial position of the Group.

3. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sales of aluminum products.

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. The information reported to the board of directors, the Group's chief operating decision maker for the purpose of resource allocation and assessment of performance, includes only revenue analysis by products and does not contain gross profit information of each product line and the board of directors reviewed the gross profit of the Group as a whole reported under PRC GAAP, the segment result, which has no significant differences as compared with gross profit reported under IFRS. It was determined that the Group has only one single reportable segment, being the manufacture and sales of aluminum products. As a result, no segment information other than the entity-wide disclosure is presented.

The Group's revenue from continuing operations represents the amount received and receivable for sale of aluminum products and steam supply.

An analysis of the Group's revenue from continuing and discontinued operations is as follows:

	Continuing operations		Discontinued operations		Total	
	2010	2009	**2010**	2009	**2010**	2009
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Revenue from						
Sales of goods						
Aluminum products						
– molten aluminum alloy	**12,204,082**	5,334,467	**–**	–	**12,204,082**	5,334,467
– aluminum alloy ingots	**2,183,065**	3,243,692	**–**	–	**2,183,065**	3,243,692
– aluminum busbars	**66,786**	90,269	**–**	–	**66,786**	90,269
Dyed fabric and yarn-dyed denim products	**–**	–	**–**	1,344	**–**	1,344
Caustic soda products	**–**	–	**–**	248,533	**–**	248,533
Steam supply income	**677,658**	–	**–**	–	**677,658**	–
Rendering of services						
Management fee income	**–**	–	**–**	154,982	**–**	154,982
	15,131,591	8,668,428	**–**	404,859	**15,131,591**	9,073,287

All external revenues of the Group are contributable to customers established in the PRC, the place of domicile of the Group's operating entities. Meanwhile, the Group's non-current assets are all located in the PRC.

Revenue from customers of continuing operations contributing over 10% of the total revenue of the Group are as follows:

	2010	2009
	RMB'000	*RMB'000*
Customer A	**3,351,194**	1,737,187
Customer B	**6,180,228**	1,213,924
Customer C	**–**	1,180,138

4. OTHER INCOME AND GAIN AND LOSS

	2010	2009
	RMB'000	*RMB'000*
Continuing operations		
Interest income	**8,639**	8,714
Net gain (loss) on sales of raw materials *(note)*	**19,889**	(26,340)
Revenue from sales of slag of carbon anode blocks	**143,257**	97,835
Rental income	**27**	202
Foreign exchange gains (losses), net	**156**	(1,191)
Others	**38,567**	17,996
	210,535	97,216

Note:

The revenues and expenses resulting in the net gain (loss) on sales of raw materials are as follows:

	2010	2009
	RMB'000	*RMB'000*
Revenue from sales of raw materials		
– coal	**–**	432,881
– other materials and accessories	**36,623**	29,609
Expenses related to sales of raw materials	**(16,734)**	(488,830)
	19,889	(26,340)

5. FINANCE COSTS

	2010	2009
	RMB'000	*RMB'000*
Continuing operations		
Interest expenses on bank borrowings		
– wholly repayable within five years	**198,108**	42,383
Interest expenses on payable to a related party *(Note 14(b))*	**–**	38,505
Other interest expenses reimbursed to a supplier	**–**	8,355
Less: Amount capitalised under construction in progress	**(5,118)**	–
	192,990	89,243

Borrowing costs capitalised during the year are calculated by applying a capitalisation rate of 6.5% (2009: Nil) per annum to expenditure on qualifying assets.

6. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging (crediting):

	Continuing operations		Discontinued operations		Total	
	2010	2009	**2010**	2009	**2010**	2009
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Staff cost:						
Directors' emoluments	**213**	57	**–**	–	**213**	57
Other staff costs:						
– Wages and salaries	**304,295**	191,019	**–**	11,982	**304,295**	203,001
– Retirement benefit schemes contributions	**13,201**	14,813	**–**	384	**13,201**	15,197
Total staff costs	**317,709**	205,889	**–**	12,366	**317,709**	218,255
Auditors' remuneration	**2,070**	100	**–**	80	**2,070**	180
Depreciation of property, plant and equipment	**598,813**	392,594	**–**	23,213	**598,813**	415,807
Amortisation of intangible assets (included in cost of sales)	**–**	11,743	**–**	111,885	**–**	123,628
Loss on disposal of property, plant and equipment (included in administrative expenses)	**122**	555	**–**	–	**122**	555
Cost of inventories recognised as an expense	**9,297,420**	7,713,107	**–**	237,631	**9,297,420**	7,950,738
Amortisation of prepaid lease payments	**2,268**	–	**–**	569	**2,268**	569
Government grants credited to income	**–**	–	**–**	(1,145)	**–**	(1,145)
Other expenses *(Note)*	**42,815**	–	**–**	–	**42,815**	–

Note: Other expenses mainly included listing expenses.

7. INCOME TAX EXPENSES

	2010 *RMB'000*	2009 *RMB'000*
Continuing operations		
The charge comprises:		
Current tax		
Enterprise income tax in Mainland China	**1,423,350**	178,970
Under provision in prior years	**625**	–
Deferred tax (credit) charge	**(28,107)**	17,954
	1,395,868	196,924

The tax charge represents income tax in the PRC which is calculated at the prevailing tax rate on the taxable income of subsidiaries established in the PRC.

Under the Law of People's Republic of China on Enterprise Income Tax ("the New EIT Law") and Implementation Regulation of the New EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

In addition, the new EIT Law provides that qualified dividend income between two "PRC-resident enterprises" that have a direct investment relationship is exempted from income tax. Otherwise, such dividends will be subject to a 5% to 10% withholding tax under the tax treaty or the domestic law.

The Company and its subsidiaries incorporated in BVI and Hong Kong had no assessable profits since their incorporation.

The income tax expense for the year relating to continuing operations can be reconciled to the profit before taxation from continuing operations per the consolidated statements of comprehensive income as follows:

	2010 *RMB'000*	2009 *RMB'000*
Profit before taxation from continuing operations	**5,584,584**	774,007
Tax at the PRC income tax rate of 25% (2009: 25%)	**1,396,146**	193,502
Tax effect of expenses not deductible	**429**	3,422
Tax effect of tax losses not recognised	**1,091**	–
Utilisation of tax losses previously not recognised	**(2,423)**	–
Under provision in respect of prior years	**625**	–
Tax charge for the year relating to continuing operations	**1,395,868**	196,924

8. EARNINGS PER SHARE

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

	2010	2009
	RMB'000	*RMB'000*
Profit for the year from continuing and discontinued operations attributable to owners of the Company	**4,195,738**	556,289
Profit for the year from continuing attributable to owners of the Company	**4,164,853**	565,541
Profit (loss) for the year from discontinued operations attributable to owners of the Company	**30,885**	(9,252)

	2010	2009
	'000 shares	*'000 shares*
Number of shares	**5,000,000**	5,000,000

The number of ordinary shares for the purpose of calculating basic earnings per share has been retrospectively adjusted for the capitalisation issue on 24 March 2011 as if the shares had been in issue throughout both years.

No diluted earnings per share is presented as the Company did not have potential ordinary shares outstanding during both years.

9. DIVIDENDS

No dividends were declared or paid during both years.

10. TRADE RECEIVABLES

The Group has a policy of allowing credit period of no more than 90 days to its trade customers with trading history, or otherwise sales on cash terms are required.

The aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the reporting date is as follows:

			Assets held for sale		**Contracted for alumina production business**		**Total**	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
0 – 90 days	**3,716**	44,416	**–**	7,113	**–**	128,549	**3,716**	180,078
91 – 180 days	**–**	–	**–**	920	**–**	–	**–**	920
	3,716	44,416	**–**	8,033	**–**	128,549	**3,716**	180,998

Before accepting any new customer, the Group will internally assess the credit quality of the potential customer and define appropriate credit limits.

Management closely monitors the credit quality of trade receivables and considers the trade receivables that are neither past due nor impaired to be of a good credit quality.

The aged analysis of trade receivables which are past due but not impaired, presented based on the invoice date is as follows:

			Assets held for sale		Contracted for alumina production business		Total	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
91 – 180 days	**–**	–	**–**	920	**–**	–	**–**	920

Based on the historical experience of the Group, trade receivables which are past due but not impaired are generally recoverable. The Group does not hold any collateral over these balances.

Impairment for trade receivables over 90 days are provided for based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience and objective evidences of impairment and expected recoverable amounts.

Movements in allowance for trade receivables during the year:

			Assets held for sale		Contracted for alumina production business		Total	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Balance at beginning of the year	**24,371**	24,371	**–**	–	**–**	–	**–**	24,371
Allowance for the year	**–**	–	**–**	–	**–**	–	**–**	–
Decrease through disposal of Dyeing Business	**(24,371)**	–	**–**	–	**–**	–	**–**	–
Balance at end of the year	**–**	24,371	**–**	–	**–**	–	**–**	24,371

The allowance for trade receivable was related to the Dyeing Business. Full provision has been made in respect of individually fully impaired trade receivables which had been in severe financial difficulties.

In determining the recoverability of the trade receivables, the Group reassesses the credit quality of the trade receivables since the credit was granted and up to the reporting date. Based on the historical experience of the Group, the directors of the Company believe that no further allowance is required.

11. RESTRICTED BANK DEPOSITS AND BANK BALANCES

Restricted bank deposits represent the Group's bank deposits pledged to banks to secure certain short term facilities granted to the Group by banks.

The restricted bank deposits carried market interest rates ranging from 0.36% to 1.98% (2009: Nil to 2.25%) per annum as at 31 December 2010.

Bank balances and cash comprise cash and short-term deposits with an original maturity of three months or less which are held with financial institutions and carry interest at prevailing market rate.

Bank balances and cash at 31 December 2010 were mainly denominated in RMB which is not a freely convertible currency in the international market. The exchange rate of RMB is determined by the Government of the PRC and the remittance of these funds out of the PRC is subject to exchange restrictions imposed by the Government of the PRC.

12. TRADE PAYABLES

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period on purchases of goods is 180 days.

The aged analysis of trade payables presented based on the invoice date at the reporting date is as follows:

			Assets held for sale		Contracted for alumina production business		Total	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
0 – 180 days	**1,035,456**	340,606	**–**	103,704	**–**	312,439	**1,035,456**	756,749
181 – 365 days	**4,049**	11,782	**–**	18,724	**–**	–	**4,049**	30,506
1 – 2 years	**5,060**	36,746	**–**	11,309	**–**	–	**5,060**	48,055
Over 2 years	**1,341**	5,212	**–**	–	**–**	–	**1,341**	5,212
	1,045,906	394,346	**–**	133,737	**–**	312,439	**1,045,906**	840,522

13. BILLS PAYABLE

The aged analysis of bills payable presented based on the issue date at the reporting date is as follows:

			Liabilities held for sale		Contracted for alumina production business		Total	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
0 – 90 days	**–**	310,000	**–**	25,000	**–**	340,000	**–**	675,000
91 – 180 days	**–**	–	**–**	25,000	**–**	–	**–**	25,000
	–	310,000	**–**	50,000	**–**	340,000	**–**	700,000

14. RELATED PARTY TRANSACTIONS

The related party transactions and balances disclosed below include those from the discontinued operations and net assets classified as held for sale.

(a) Name and relationship with related parties

Name	Relationship
Chuangye Group	*Note ii*
濱州魏橋鋁業科技有限公司 Binzhou Weiqiao Aluminum Technology Co., Ltd. ("Aluminum Technology")	Controlled by Chuangye Group
山東魏聯印染有限公司 ("Shandong Weilian Printing & Dyeing Co. Ltd") *(note i)*	Controlled by Chuangye Group
濱州魏橋海化資源開發有限公司 ("Binzhou Weiqiao Salt Industrial Development Co. Ltd") *(note i)* (Formerly known as "濱州魏橋鹽業開發有限公司")	Controlled by Chuangye Group
鄒平魏橋再生資源利用有限公司 ("Zouping Weiqiao Recyclable Resources Utilization Co., Ltd") *(note i)*	Controlled by Chuangye Group
山東魏橋服裝有限公司 ("Shandong Weiqiao Costume Co., Ltd.") *(note i)* ("Weiqiao Costume")	Controlled by Chuangye Group
山東魏橋特寬福印染有限公司 ("Shandong Weiqiao Tekuanfu Co., Ltd.") *(note i)* ("Weiqiao Tekuanfu")	Controlled by Chuangye Group
山東潤霞投資有限公司 ("Shandong Runxia Investment Co., Ltd.") *(note i)* ("Runxia Investment")	Controlled by Mr Zhang Shiping's immediate family members
山東士平投資有限公司 ("Shandong Shiping Investment Co., Ltd. ") *(note i)* ("Shiping Investment")	Controlled by Mr Zhang Shiping
山東潤波投資有限公司 ("Shandong Runbo Investment Co., Ltd.") ("Runbo Investment") *(note i)*	Controlled by Mr. Zhang Shiping's immediate family members
濱州海洋化工有限公司 Binzhou Marine Chemical Co., Ltd. ("Marine Chemical")	*Note iv*
Ms. Zheng	Spouse of Mr. Zhang
Binzhou Zhengtong New Aluminum Profiles Co., Ltd ("Zhengtong")	*Note iii*

Notes:

(i) The English names of these companies are for reference only and have not been registered.

(ii) Mr. Zhang, the director and the controlling shareholder of the ultimate holding company of the Company, has a significant non-controlling beneficial interest in Chuangye Group during most of the two years ended 31 December 2010.

(iii) Zhengtong was significantly influenced by Ms. Zheng up to March 2010 when the entire equity interest of Zhengtong was acquired by the Group.

(iv) Marine Chemical was controlled by Huibin Dyeing since 1 January 2010.

(b) Except as disclosed in elsewhere in this announcement, the Group has entered into the following significant transactions with its related parties during the two years ended 31 December 2010:

	2010 *RMB'000*	2009 *RMB'000*
Continuing transactions *(Note i)*		
Purchases of carbon anode blocks *(Note v)*		
– Aluminum Technology	**309,867**	162,820
Sales of slag of carbon anode blocks *(Note v)*		
– Aluminum Technology	**23,461**	15,027
Discontinued transactions *(Note i)*		
Management fee *(Notes ii and vi)*		
– Chuangye Group	**–**	154,982
Purchases of alumina		
– Chuangye Group *(Notes ii and vi)*	**–**	2,382,343
Sales of accessories *(Note vi)*		
– Chuangye Group	**1**	8,888
– Aluminum Technology	**70**	10,494
– 濱州魏橋海化資源開發有限公司	**–**	3
– Marine Chemical	**1**	–
– Zouping Weiqiao Recyclable Resources Utilization Co., Ltd	**49**	–
	121	19,385
Sales of caustic soda products *(Note v)*		
– Chuangye Group	**–**	67,926
Sales of dyed fabric and yarn-dyed denim products *(Note vi)*		
– Chuangye Group *(Note iv)*	**–**	1,344
Sales of aluminum alloy ingots *(Note v)*		
– Chuangye Group	**1,928**	24,059
Sales of aluminum busbars *(Note v)*		
– Chuangye Group	**10,029**	90,269
Sales of coal *(Note v)*		
– Chuangye Group	**–**	112,838
Purchases of molten aluminum *(Note vi)*		
– Chuangye Group	**97,530**	–
Purchases of materials *(Note vi)*		
– Chuangye Group	**599**	19,224
– Aluminum Technology	**7**	596
– Marine Chemical	**2**	–
– 濱州魏橋海化資源開發有限公司	**–**	7,101
	608	26,921

	2010	2009
	RMB'000	*RMB'000*
Purchase of dyed fabric and yarn-dyed denim products and related raw materials *(Note vi)*		
– Weiqiao Costume	**–**	2,490
– Weiqiao Tekuanfu	**–**	1,315
	–	3,805
Purchase of cryolite *(Note vi)*		
– Chuangye Group	**6,256**	–
Purchases of property, plant and equipment *(Note vi)*		
– Aluminum Technology	**–**	75,210
Purchase of land use rights *(Note vi)*		
– Chuangye Group *(Note iii)*	**50,091**	–
Provision of coal by *(Note v)*		
– Chuangye Group	**–**	442,094
Provision of electricity by *(Note vi)*		
– Chuangye Group	**–**	1,280,787
Rental expense *(Notes iii and vi)*		
– Chuangye Group	**1,558**	16,318
Interest expense *(Note v, see note (c)* below for details)		
– Chuangye Group	**–**	38,505

In addition to the above, during the years ended 31 December 2009, the Group has also provided steam, a side product in the Group's production process, to Chuangye Group free of charge. Such provision has been discontinued since 1 January 2010.

Notes:

(i) In the opinion of the directors of the Company, the related party transactions were conducted in the ordinary course of the Group's business on terms set out in notes v and vi below, and the above continuing transactions will continue after the Listing, while the discontinued transactions will be discontinued.

(ii) Pursuant to the agency agreement entered into by Chuangye Group and Aluminum & Power on 25 May 2006, Aluminum & Power agreed to operate the business of alumina owned by Chuangye Group (the "Alumina Production Business") on behalf of Chuangye Group for the period from 26 May 2006 to 31 December 2009. In return, Chuangye Group agreed to pay management fee to Aluminum & Power for the sales of alumina to the third parties at a predetermined rate of RMB400, RMB200 and RMB100 per ton for the period from 26 May 2006 to 31 December 2007, for the year ended 31 December 2008 and 2009 respectively and to provide alumina to Aluminum & Power at cost.

The assets and liabilities of Alumina Production Business operated by the Group on behalf of Chuangye Group does not form part of the financial statements except for certain financial instruments contracted by the Group as an agent on behalf of Chuangye Group as a result of these arrangements, which were included in the financial statements according to the requirements of IAS 39 as disclosed below. During the year ended 31 December 2009, Aluminum & Power has recorded in its books and record, as an agent, the transactions of the Alumina Production Business other than those relating to property, plant and equipment which were purchased, recorded and maintained by Chuangye Group.

The financial assets and liabilities contracted by the Group on behalf of the Alumina Production Business are as follows:

	2009
	RMB'000
Financial assets	
Trade receivables	128,549
Bills receivable	678,259
Other receivables	1,173
Trade receivables due from related parties	221,781
	1,029,762

	2009
	RMB'000
Financial liabilities	
Trade payables	312,439
Bills payable	340,000
Other payables	1,743
Trade payables due to related parties	402,661
Bank borrowings under discounted bills facilities	49,000
	1,105,843

(iii) Pursuant to a lease entered into between Chuangye Group and the Group, Chuangye Group agreed to lease to the Group certain land for the Group's production facilities with effect from 1 July 2005. Pursuant to certain land purchase agreements entered into by Chuangye Group and the Group dated 11 January 2010, the Group acquired the land use rights for the land leased from Chuangye Group; and the land on which the production plants of the aluminum business of Chuangye Group acquired by the Group were located, for an aggregate cash consideration of RMB50,091,000, which was paid in January 2010.

(iv) The purchase and sales were related to the Dyeing Business of the Group incurred during the year ended 31 December 2009.

(v) The transactions were conducted at prices with reference to the then prevailing market prices.

(vi) The transactions were conducted at prices agreed by both parties.

(c) Balances with related parties

			Assets held for sale		Contracted for alumina production business		Total	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Amounts due from related parties:								
– 濱州魏橋海化資源開發有限公司	**–**	1,203	**–**	105,301	**–**	–	**–**	106,504
– Aluminum Technology	**–**	80,646	**–**	–	**–**	219,705	**–**	300,351
– Weiqiao Tekuanfu	**–**	7	**–**	–	**–**	–	**–**	7
– Zouping Weiqiao Recyclable Resources Utilization Co., Ltd	**–**	–	**–**	–	**–**	1,334	**–**	1,334
– Zhengtong	**–**	71,900	**–**	10,925	**–**	–	**–**	82,825
– Other subsidiaries of Chuangye Group	**–**	–	**–**	–	**–**	742	**–**	742
Total	**–**	153,756	**–**	116,226	**–**	221,781	**–**	491,763

All amounts due from related parties were denominated in RMB, unsecured, interest free and repayable on demand.

			Assets held for sale		Contracted for alumina production business		Total	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Amounts due to related parties:								
– Aluminum Technology	**–**	–	**–**	–	**–**	2,000	**–**	2,000
– Chuangye Group	**–**	3,554,740	**–**	89,745	**–**	366,051	**–**	4,010,536
– Zhengtong	**–**	–	**–**	–	**–**	32,524	**–**	32,524
– Weiqiao Costume	**–**	–	**–**	617	**–**	–	**–**	617
– Zouping Weiqiao Recyclable Resources Utilization Co., Ltd	**–**	200	**–**	–	**–**	2,086	**–**	2,286
– Weiqiao Tekuanfu	**–**	1,539	**–**	–	**–**	–	**–**	1,539
Total	**–**	3,556,479	**–**	90,362	**–**	402,661	**–**	4,049,502

All amounts due to related parties were unsecured, non-interest bearing and payable on demand except for the amount due to Chuangye Group of Nil (2009:RMB393,180,000) at 31 December 2010, which carried prevailing market rates for discounted bills banking facilities in the PRC.

(d) Compensation of key management personnel

	2010	2009
	RMB'000	*RMB'000*
Short term employee benefit	**121**	70
Retirement benefits scheme contributions	**12**	16
	133	86

Five key management personnel's emoluments are borne by Chuangye Group in 2009 and up to certain dates.

(e) Guarantees and security

At the end of the reporting period, details of amounts of bank borrowings of the Group guaranteed by a related party were as follows:

	2010	2009
	RMB'000	*RMB'000*
Chuangye Group	**–**	1,640,198

The guarantees provided by Chuangye Group were released in November 2010.

15. PAID-IN CAPITAL/SHARE CAPITAL

	The Company	
	Number of Shares	Share capital *US$*
Authorised		
Ordinary shares of US$1 each		
At date of incorporation	**50,000**	50,000
Increase on subdivision of shares on 7 June 2010	**4,950,000**	–
Ordinary shares of US$0.01 each		
At 31 December 2010	**5,000,000**	50,000
Issued and fully paid		
Ordinary shares of US$1 each		
At date of incorporation	**100**	100
Issue of new shares on 13 April 2010	**9,900**	9,900
Increase on subdivision of shares on 7 June 2010	**990,000**	–
Ordinary shares of US$0.01 each		
At 31 December 2010	**1,000,000**	10,000
		RMB'000
Shown on the consolidated statement of financial position		69

On 9 February 2010, the Company was incorporated in the Cayman Islands with an authorised share capital of US$50,000 divided into 50,000 shares of US$1 each. On the same date, 100 shares of US$1 each were issued.

As part of the Reorganisation set out in Note 1, the amount payable of RMB3,193,921,000 by the Group to Profit Long Investment for the acquisition of the 98% interest in Shandong Hongqiao was settled on 13 April 2010 by issuance of 9,900 shares by the Company to its parent Hongqiao Holdings in April 2010.

On 7 June 2010, the par value of the shares of the Company was reduced from US$1 each to US$0.01 each, and the authorised share capital was changed from US$50,000 divided into 50,000 shares of US$1 each to US$50,000 divided into 5,000,000 shares of US$0.01 each. The issued share capital then became 1,000,000 shares of US$0.01 each.

For the purpose of the preparation of the consolidated statement of financial position for the year, the balance of the paid-in capital at 31 December 2009 represented the paid-in capital of Shandong Hongqiao at that date.

16. SUBSEQUENT EVENTS

(a) Pursuant to the written resolutions passed on 16 January 2011 and 8 March 2011, upon the satisfactions of certain conditions, (i) conditional on the share premium account of the Company being credited as a result of the Share Offer, the sum of US$49,990,000 standing to the credit of the share premium account of the Company will be capitalised and applied in paying up in full at par 4,999,000,000 shares allotment and issue to the shareholders whose names were on the register of members of the Company as of the close of business on 8 March 2011; and (ii) the authorized share capital of the Company will be increased from US$50,000 to US$100,000,000 by the creation of an additional 9,995,000,000 shares. The directors of the Company allotted and issued such shares as aforesaid on 24 March 2011.

(b) On 24 March 2011, the Company issued 885,000,000 ordinary shares of US$0.01 each at the price of HK$7.20 per share by way of placing and public offering. On the same date, the Company's shares were listed on the Main Board of the Stock Exchange.

17. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board on 30 March 2011.

CHAIRMAN'S STATEMENT

Dear shareholders,

It is my pleasure to present on behalf of the Board of Directors (the "Board") of China Hongqiao Group Limited ("China Hongqiao" or the "Company") the first annual results announcement of the Company and its subsidiaries (together, the "Group") after its listing.

For the year ended 31 December 2010, China Hongqiao fully capitalized on the opportunities arising from the PRC government's efforts to expand domestic demand and the global economy's gradual recovery, and the business of China Hongqiao grew rapidly and achieved satisfactory results as a result of our strategy of expanding production capacity, improving operational efficiency and strengthening internal management. During the Year, the Company recorded a revenue of approximately RMB15,131.591 million, representing an increase of approximately 74.6% from approximately RMB8,668.428 million for 2009. Profit attributable to shareholders of the Company amounted to approximately RMB4,195.738 million, representing an increase of approximately 654.2% from approximately RMB556.289 million for 2009.

Leveraging on its management expertise, cost competitiveness and scale of operations, the Group has been continuously growing stronger. On 24 March 2010, with the persistent efforts of all our staff and the support of other parties, the Company was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). On behalf of the Board, I would like to welcome our new shareholders to participate in the development of the Group and to share our promising future. The successful listing of the Company has not only secured valuable financial support for our future development, but would further enhance our corporate governance and our competitive strengths in the PRC aluminium industry and lay down a solid foundation for the Group to become a leading aluminium products manufacturer adhering to the principles of "high efficiency, energy conservation and environment friendliness". As an industry leader in China, we will continue to rely on our competitive strengths to expand market share and maintain our leading position in China's and the global aluminum industry.

China's economy has maintained a strong growth momentum over the years. As a result of the PRC government's continuous increase in its investment in infrastructure construction and the implementation of a series of policies to stimulate the domestic demand, together with the rapid expansion of China's auto and real estate markets, the demand for aluminium products grew significantly. As a leading aluminium products manufacturer in China, China Hongqiao seized the opportunities arising from the increasing demand for aluminium products and achieved satisfactory results. The Group plans to continue to expand its production capacity to explore further market share. We will use the proceeds raised from the listing of the Company to speed up the construction and trial operation of our production lines in order to commence production at an earlier stage. Meanwhile, we will enhance our R&D capacities to refine our manufacturing techniques so as to improve product quality and lower cost. We will place more resources for our R&D activities and purchase advanced equipment to enhance our competitive capability. Through upgrading our manufacturing facilities, techniques and production process, we will be able to improve production efficiency, achieve savings in electricity and raw materials consumption, repair and maintenance expenses and labour costs so that our shareholders will be rewarded with favourable investment returns. While striving for business growth, we will also focus on developing our corporate culture which advocates practicable management and encourages innovation so that our operational efficiency can be further improved.

The Group will continue to strive for high standard corporate governance and strengthen the internal control and enhance our risk-prevention capability. We have appointed independent non-executive directors and established special Board committees (including the audit committee, remuneration committee and nomination committee). On the other hand, the Group will maintain efficient communications with its investors and update them with the latest information so as to secure their interests.

OUTLOOK AND PROSPECTS

I firmly believe that, with the joint efforts of other members of the Board, the senior management and our staff as well as the strong support of other parties, the Group will capture the favourable opportunities arising from the gradual recovery of market to achieve a faster growth through resource integration and production capacity expansion and maintain and further strengthen our leading market position in the aluminium industry in China, so as to provide our customers with the products they desire, provide the best business opportunities for our partners, and maximize our profit and the value for our customers, shareholders and project teams.

Chairman
Zhang Shiping

Shandong, PRC
30 March 2011

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

In 2010, driven by the strong consumption demand in the emerging markets including China, the global primary aluminum demand was strong. The demand and supply equilibrium of the aluminium products market was better in 2010 than in 2009.

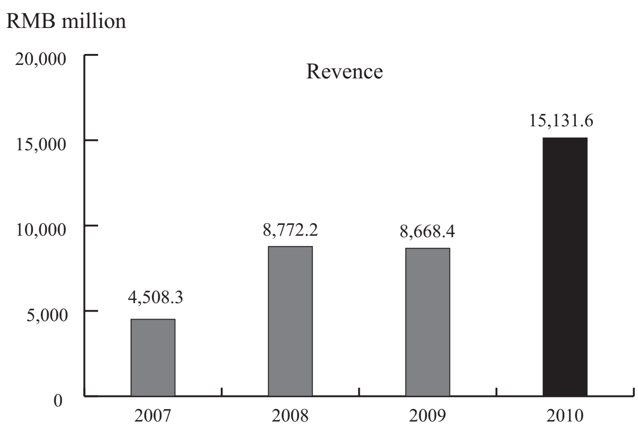
According to the statistics released by the China Aluminium Network, the production volume of the global primary aluminum was approximately 40.43 million tons, representing an increase of 11.2% as compared with approximately 36.36 million tons in 2009. As one of the fastest growth region in the world in 2010, the aluminum production volume in China increased by approximately 24.5% to approximately 16.13 million tons in 2010 from approximately 12.96 million tons in 2009. The global primary aluminum consumption in 2010 was approximately 40.22 million tons, representing an increase of 14.7% as compared with 35.07 million tons in 2009. During the same period, primary aluminum consumption in China amounted to approximately 16.50 million tons, with a 19.5% year-on-year increase.

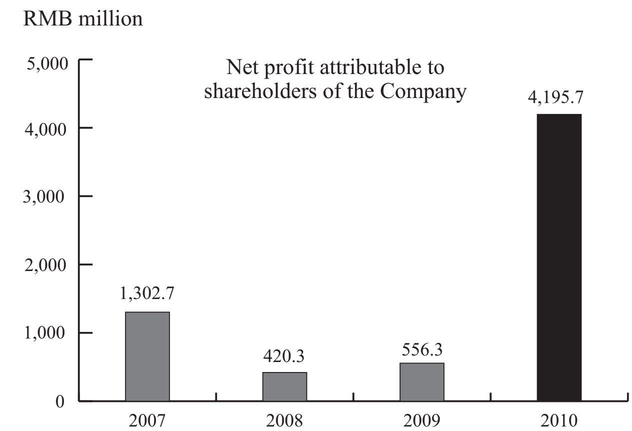
In 2010, the price of aluminium products in general has experienced stronger range-bound fluctuations. In mid-April 2010, the three-month aluminium futures price on the London Metal Exchange ("LME") has dropped to its lowest level at USD1,844/ton in 2010, and the three-month aluminium futures price on the Shanghai Futures Exchange ("SHFE") dropped to its lowest level at RMB14,580 per ton. In November 2010, the three-month aluminium futures price on LME rose to its highest level at USD2,477 per ton, while the three-month aluminium futures price on SHFE rose to its highest level at RMB18,470 per ton. In 2010, the average price of three-month aluminium futures on LME was USD2,272 per ton, representing a year-on-year increase of 34.5%; and the average price of three-month aluminium futures on SHFE was RMB16,186 per ton, representing a year-on-year increase of 20.3%.

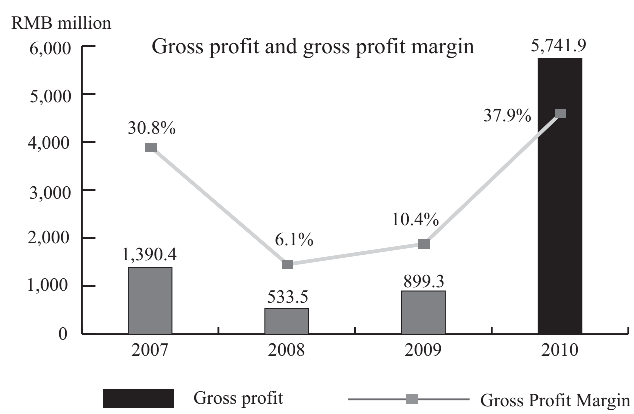
BUSINESS REVIEW

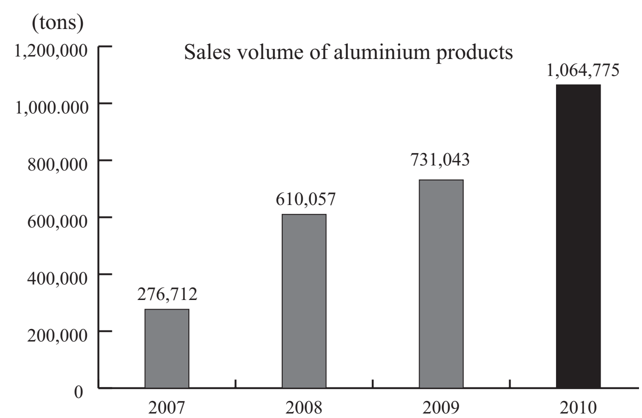
In 2010, the international market recovered gradually and the domestic market grew steadily, resulting in a rebound in the demand for aluminium products. China Hongqiao captured such opportunity to accelerate business development and achieved satisfactory results with a substantial increase in gross profit. The Group continued to expand production capacity and to enhance its business development, as well as to strengthen internal control and to lower production costs. Leveraging on the advantages of the local aluminium industry cluster, the Group secured a solid customer base and has successfully maintained its market share.

The consolidated results of the Company for the year ended 31 December 2010 together with the comparative figures for the years ended 31 December 2007, 2008 and 2009 are as follows:









For the year ended 31 December 2010, China Hongqiao recorded a revenue of approximately RMB15,131,591,000, representing an increase of approximately 74.6% as compared with the previous year. It was mainly due to the gradual recovery of China's economy which drove up market demand, leading to a significant increase in our sales and average prices; our aluminium product sales volume increased by approximately 45.7% to approximately 1,064,775 tonnes in 2010 from approximately 731,043 tonnes in 2009; the average price of our aluminium products increased by approximately 14.5% to approximately RMB13,575 per tonne for 2010 from approximately RMB11,858 per tonne for 2009.

For the year ended 31 December 2010, net profit attributable to shareholders of the Company increased by 654.2% to approximately RMB4,195,738,000 over the previous year. It was mainly due to the gradual recovery of China's economy which drove up market demand, leading to a significant increase in our sales and average prices. Meanwhile, the average electricity cost for each tonne of aluminium products we sold decreased by 38.2% to approximately RMB3,271 in 2010 from approximately RMB5,295 in 2009; and the average purchase price for alumina decreased to approximately RMB1,621 per tonne in 2010, as compared with approximately RMB1,712 per tonne in 2009.

The tables below are a comparison of the breakdown of revenue by products for the years ended 31 December 2010 and 2009:

Proportion of revenue by products

	2010		2009	
Products	**Revenue**	**Percentage of total revenue**	Revenue	Percetage of total revenue
	RMB'000	***%***	*RMB'000*	*%*
molten aluminium alloy	**12,204,082**	**80.7**	5,334,467	61.5
aluminium alloy ingots	**2,183,065**	**14.4**	3,243,692	37.5
aluminium busbars	**66,786**	**0.4**	90,269	1.0
Steam	**677,658**	**4.5**	–	–
Total	**15,131,591**	**100**	8,668,428	100

For the year ended 31 December 2010, the Group's revenue generated from the sales of molten aluminium alloy increased, which was primarily due to the significant increase in sales volume of our molten aluminium alloy products as a result of the strong demand from the downstream customers located in Zouping aluminium industry cluster where the Group's principal manufacturing base is located; the proportion of revenue generated from the sales of aluminium alloy ingots decreased, which was mainly due to the sales of molten aluminium alloy products increased which in turn led to a decrease in the sales of aluminium alloy ingots, while the proportion of revenue generated from the sales of aluminium busbars decreased, which was primarily because our customers' demand of aluminium busbars decreased while our aluminium busbars were used for the construction of the production facilities in our Binzhou manufacturing base.

For the year ended 31 December 2010, the Group had three production bases in total, namely:

1. Weiqiao manufacturing base;

2. Zouping manufacturing base; and

3. Binzhou manufacturing base.

All of the above production bases are located in Shandong Province of China with a total gross floor area of approximately 1,049,577.88 sq.m.

In 2010, the production volume of molten aluminium alloy, aluminium alloy ingots and aluminium busbars of the Group were approximately 903,428 tonnes, 159,009 tonnes and 13,759 tonnes respectively, which represented growth of 102.7%, -42.3% and 184.1%, respectively, over previous year. Such increase was primarily due to the significant increase in production of molten aluminium alloy in order to meet the strong demand from the customers located in Zouping aluminium industry cluster. Meanwhile, the production of aluminium busbars increased mainly because they were used for the construction of the production facilities in our Binzhou manufacturing base which in turn led to the decrease in production volume of aluminium alloy ingots.

During the Period under Review, the Group continued to actively expand its market share and explore new markets. For the year ended 31 December 2010, the Company had 50 customers.

FINANCIAL REVIEW

Revenue, gross profit and gross profit margin

The table below is an analysis of the Group's revenue, gross profit and gross profit margin attributable to its major product categories for the years ended 31 December 2010 and 2009:

	For the year ended 31 December					
	2010			2009		
Products	**Revenue**	**Gross profit**	**Margin**	Revenue	Gross profit	Margin
	RMB'000	***RMB'000***	**%**	*RMB'000*	*RMB'000*	%
Molten aluminum alloy	**12,204,082**	**4,612,937**	**37.8**	5,334,467	663,273	12.4
Aluminum alloy ingots	**2,183,065**	**876,086**	**40.1**	3,243,692	223,006	6.9
Aluminium busbars	**66,786**	**28,393**	**42.5**	90,269	13,051	14.5
Steam	**677,658**	**224,453**	**33.1**	–	–	–
Total	**15,131,591**	**5,741,869**	**37.9**	8,668,428	899,330	10.4

For the twelve months ended 31 December 2010, the Group's gross profit margin increased to 37.9%, as compared with 10.4% in the previous year, which was mainly due to the gradual recovery of China's economy which drove up market demand, leading to a significant increase in the average prices of our products; the average price of our aluminium products increased by approximately 14.5% to approximately RMB13,575 per tonne in 2010 from approximately RMB11,858 per tonne in 2009; meanwhile, as there was a significant decrease in the cost of electricity and alumina used for the production of our aluminium products, the unit cost of sales of aluminium products dropped significantly.

Distribution and selling expenses

The Group's distribution and selling expenses decreased by 51.2% to approximately RMB19,977,000 for the year ended 31 December 2010 from approximately RMB40,961,000 of the previous year. The decrease in distribution and selling expenses was mainly attributable to a 51.0% decrease in transportation cost to approximately RMB19,729,000 from approximately RMB40,247,000 in 2009. The decrease in transportation cost was mainly because we sold a smaller proportion of aluminium alloy ingots while we sold a higher portion of molten aluminium alloy, which had a short delivery distance and hence the transportation cost of which was lower than those for the other aluminium products. The average transportation cost in 2010 dropped to RMB19 per tonne from RMB55 per tonne in 2009.

Administrative expenses

Administrative expenses of the Group for the year ended 31 December 2010 amounted to approximately RMB112,038,000, representing an increase of approximately 21.3% as compared with approximately RMB92,335,000 of the previous year. It was mainly due to the increase in the local tax payables arising from the Group's purchase of land and the construction of new plants to meet the needs of production capacity expansion in 2010.

Other expenses

For the year ended 31 December 2010, the other expenses of the Group amounted to approximately RMB42,815,000, which was mainly the professional fees in connection with the listing of our Company on the Main Board of the Stock Exchange while we did not incur such expenses in 2009.

Finance costs

For the year ended 31 December 2010, finance costs of the Group were approximately RMB192,990,000, representing an increase of approximately 116.3% as compared with RMB89,243,000 of 2009. This was mainly due to our new bank loans in 2010 and the increase in interest rates.

Liquidity and financial resources

As at 31 December 2010, cash and cash equivalents of the Group were approximately RMB2,669,569,000, representing an increase of approximately 404.7% as compared with that of approximately RMB528,945,000 (including assets classified as held for sale) as at 31 December 2009. This was mainly due to the increase in the profit of the Company for the year which led to the increase in net cash flow generated from operating activities.

For the year ended 31 December 2010, the Group had a net cash outflow from investing activities of approximately RMB1,814,002,000, a net cash outflow from financing activities of approximately RMB817,838,000 and a net cash inflow from operating activities of approximately RMB4,772,464,000. The Group principally satisfies its demand for operating capital with cash inflow from operation.

For the year ended 31 December 2010, the capital expenditures of the Group amounted to approximately RMB2,949,476,000, mainly for the construction of Phase I of Binzhou manufacturing base and assets swap for aluminium production facilities by Shandong Hongqiao.

For the year ended 31 December 2010, the Group's average turnover days of trade receivables was 1 day, a decrease as compared with 2 days for the corresponding period of the previous year. It was mainly because we requested prepayment before delivery, and if the value of actual shipment exceeded the prepayment, we would allow no more than 90 turnover days, therefore, the Group's turnover period of our trade receivables is generally short .

For the year ended 31 December 2010, the Group's average turnover days of inventory was 32 days, an increase as compared with 30 days for the corresponding period of the previous year, which was mainly due to the increase in the inventory of raw materials required for its production and the expansion in production capacity had led to an increase in work-in-process.

For the year ended 31 December 2010, the Group did not have financial derivative instruments.

Net profit attributable to owners of the Company and earnings per share

Net profit attributable to owners of the Company was approximately RMB4,195,738,000 for the year ended 31 December 2010, representing an increase of approximately 654.2% as compared with approximately RMB556,289,000 in last year.

For the year ended 31 December 2010, earnings per share of the Company were RMB0.84. Details of the calculation of earnings per share are set out in Note 8.

Capital Structure

We have built an appropriate liquidity risk management framework to manage our short, medium and long-term funding and liquidity and satisfy their management requirements. Cash and cash equivalents of the Group amounted to approximately RMB2,669,569,000 (2009: RMB443,133,000) as at 31 December 2010 and mainly were deposited with commercial banks. As at 31 December 2010, the total liabilities of the Group amounted to approximately RMB6,043,155,000 (2009: RMB6,153,376,000). Gearing ratio (total liabilities to total equity) decreased to approximately 82.7% (2009: 195.5%).

The Group maintained a balanced portfolio of loans at fixed interest rate and variable rates to manage interest expenses. As at 31 December 2010, 36.5% of the Group's bank borrowings were subject to fixed interest rates while the remaining 63.5% were subject to floating interest rates.

The Group's bank borrowings were secured by bills receivable, restricted bank deposits and prepayment to finance its daily operations and projects constructions. As of 31 December 2010, the Company's secured bank borrowings was RMB89,850,000 (2009: RMB22,000,000).

The objective of the Group is to maintain a balance between the continuity and flexibility of funds through bank loans. As at 31 December 2010, approximately 1.8% of the Group's borrowings will become due within one year.

As at 31 December 2010, the Group's borrowings were denominated in Renminbi and US dollars, and 1.8% of the Group's borrowings were denominated in US dollars. Cash and cash equivalents were mainly held in Renminbi, US dollars and HK dollars, of which 0.2% was held in US dollars and 0.0005% of the cash and cash equivalents was held in HK dollars.

Employee and remuneration policy

As at 31 December 2010, the Group had a total of approximately 13,884 employees, representing an increase of 6,504 employees as compared with last year. Such increase in the number of staff was due to that with the expansion of its production capacity, the Group recruited additional new staff to meet the needs of the Group's production during the Year. Total staff costs amounted to approximately RMB317,709,000 during the Year, representing approximately 2.1% of its revenue, which remained the same as compared to 2.1% in the previous year. Such increase was mainly due to the increase in salary to attract talents and maintain a stable workforce. The remuneration package of our employees includes salary and various types of allowances. In addition, we have established a performance-based remuneration system under which employees may be awarded additional bonuses. We provide training programs for our employees to equip them with the requisite skills and knowledge.

Exposure to foreign exchange risk

We collected all of the revenue in Renminbi and incurred most of the expenditures as well as capital expenditures in Renminbi. Certain bank balances and borrowings are denominated in foreign currencies which expose us to certain currency risk. As of 31 December 2010, our bank balances denominated in foreign currencies were RMB3,997,000 and bank borrowings were RMB72,850,000. For the year ended 31 December 2010, the Group recognized foreign exchange gain of approximately RMB156,000. We have not used any financial instruments to hedge against currency risk.

CONTINGENT LIABILITIES

In 2010, Wuhan Boiler Company Limited (the "Wuhan Boiler") initiated legal proceedings against the Company in respect of the boiler purchase agreements entered into with the Company. As at 31 December 2010, the Group's contingent liabilities incurred as a results of such litigations totaled approximately RMB335,010,000 (2009: RMB0).

Please refer to the sections headed "Business" and "Financial Information" in the Prospectus for further details of contingent liabilities.

INCOME TAX

Income tax of the Group increased by 608.8% from approximately RMB196,924,000 for 2009 to approximately RMB1,395,868,000 for 2010. This was primarily due to the increase of the Group's profit before tax during the Period under Review.

MERGER AND ACQUISITION ACTIVITIES AND DISPOSAL OF ASSETS OF THE GROUP

On 25 March 2010, the Group acquired certain assets through the acquisition of 100% equity interests in Zhengtong, from Ms. Zheng and other independent third parties for an aggregate consideration of RMB205 million.

On 28 December 2009, the Company's subsidiary, Shandong Hongqiao entered into a share transfers framework agreement with Huibin Dyeing, Marine Chemical, Profit Long Investment and Chuangye Group, to dispose of the entire equity interests of Marine Chemical to Huibin Dyeing. In accordance with the agreement, the power to govern the financial and operating activities of Marine Chemical was passed to Huibin Dyeing by Shandong Hongqiao on 1 January 2010. On 31 December 2009, the assets and liabilities of Marine Chemical are reclassified as assets and liabilities held for sale. The Group has recorded a gain of RMB6,620,000 in the current year on the sale of Marine Chemical.

The Company's subsidiary, Shandong Hongqiao, disposed of its Dyeing Business, effective 4 January 2010 to Chuangye Group by exchanging of the assets and liabilities attributable to the Dyeing Business with a then fair value of approximately RMB35,420,000 and a cash consideration of approximately RMB1,154,277,000 to be paid by Shandong Hongqiao, for all the property, plant and equipment attributable to the aluminum business of Chuangye Group (excluding the land on which such production lines were located as the acquisition of such leasehold land is effected through separate land purchase agreements as detailed in Note 14(b)(iii)) with a then fair value of RMB1,189,697,000. The Group recorded a gain of RMB24,895,000 for the year ended 31 December 2010 on disposal of such assets.

OUTLOOK

With the gradual recovery of the market, we, as an aluminium industry leading manufacturer in China, will capture the opportunities by leveraging on the Group's competitive strengths to achieve a faster growth through resource integration and production expansion, so as to further enhance our leading market position in the industry and to provide our customers with the products they desire and maximize our profit and the interests of our shareholder.

SUPPLEMENTAL INFORMATION

Corporate reorganization and Initial Public Offering

The Company was incorporated in the Cayman Islands on 9 February 2010 as an exempted company with limited liability under the Companies Law of the Cayman Islands.

Through a series of group reorganization procedures, the Company became the holding company of the Group. Details of group reorganization is set out in the Prospectus.

The Company's shares were listed on the Main Board of the Stock Exchange on 24 March 2011 (the "Listing Date").

Principal activities

The Company was incorporated in the Cayman Islands on 9 February 2010 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Group were the fifth-largest aluminum product manufacturer in China, which is the fastest growing major aluminum market in the world, in terms of designed annual aluminum production capacity as of 30 September 2010, according to Antaike. The aluminum products of the Group consist of molten aluminum alloy, aluminum alloy ingots and aluminum busbars.

Use of proceeds from the listing

The net proceeds from the Company's initial public offering will be utilised in the manner consistent with that stated under the section headed "Use of Proceeds" of the Prospectus.

Share Capital

Changes of the authorized or issued share capital of the Company during the Year were as follows:

(a) As of the date of incorporation of the Company, its authorized share capital was US$50,000 divided into 50,000 shares of US$1.00 each and 100 shares were issued, of which 1 share and 99 shares were allotted and issued to Offshore Incorporation (Cayman) Limited (as nominee) and Hongqiao Holdings, respectively. Offshore Incorporation (Cayman) Limited transferred the one share held by it to Hongqiao Holdings at the nominal value of US$1.00 on the same day.

(b) On 13 April 2010, the Company agreed to issue and allot 9,900 Shares to Hongqiao Holdings at a consideration of RMB3,193,920,500.

(c) On 7 June 2010, the par value of the shares of the Company was changed from US$1.00 to US$0.01. Therefore, the shares held by Hongqiao Holdings increased from 10,000 to 1,000,000.

Sufficient public float

Based on the information that is publicly available to the Company and as far as the Directors are aware, the Company has maintained the amount of public float as approved by the Stock Exchange and as permitted under the Listing Rules as at the date of this announcement.

Pre-emptive rights

There is no provision for pre-emptive rights under the Company's Bye-laws and there is no restriction against such rights which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Directors

The Directors of the Company as at 24 March 2011, being the date of the listing of the Company's shares and up to the date of this announcement are:

Executive directors
Mr. Zhang Shiping *(Chairman)*
Ms. Zheng Shuliang *(Vice chairman)*
Mr. Zhang Bo *(Chief executive officer)*
Mr. Qi Xingli

Non-executive Directors
Mr. Yang Congsen
Mr. Zhang Jinglei

Independent Non-executive Directors
Mr. Xing Jian
Mr. Chen Yinghai
Mr. Han Benwen

Directors' service contracts

Each of the Directors has entered into a service contract with the Company for an initial term of three years with effect from their respective date of appointment unless 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 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.

Continuing Connected Transactions

As the Company was listed on the Stock Exchange on 24 March 2011, the relevant rules under Chapter 14A of the Listing Rules in relation to connected transactions are not applicable to the Company. Details of the transactions between the Company and its connected person are set out in the section headed "Connected Transactions" of the Prospectus.

Directors' Interests in Contracts

No directors had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party during the year ended 31 December 2010 and up to the date of this announcement.

Directors' Remuneration

The Directors' fees are subject to the shareholders' approval at general meetings. Other emoluments are determined by the Company's Board with reference to Directors' duties, responsibilities and performance and the results of our Group.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year and up to the date of this announcement.

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2010, there were no interests or short positions in any shares or underlying shares of the Company which were required to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO") as the Company was not listed on the Stock Exchange on that date.

As at the date of this announcement, the interests and short positions of our Directors and chief executives in the shares, underlying shares or debentures of the Company or any of our associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code"), were as follows:

(a) Long positions in the Company's shares

Name of Director	Capacity/Nature of interest	Total number of shares	Approximate percentage of shareholding *(%)*
Mr. Zhang Shiping[1]	Beneficial owner	5,000,000,000	84.96
Ms. Zheng Shuliang[2]	Interest of spouse	5,000,000,000	84.96

Notes:

(1) Mr. Zhang Shiping's interest in the shares of the Company is held through his wholly-owned investment company, Hongqiao Holdings.

(2) Ms. Zheng Shuliang is deemed to be interested in the 5,000,000,000 shares of the Company indirectly held by her husband, Mr. Zhang Shiping under the SFO.

Save as disclosed above, as at the date of this announcement, none of the Directors or chief executives of the Company has or is deemed to have 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 will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them has taken or deemed to have taken under the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein or which will be required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at the date of this announcement, the followings are the persons, other than the Directors or chief executives of the Company, who had interests or short positions in the Shares and underlying Shares as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO:

Name of Shareholder	Capacity/Nature of interest	Total number of shares	Approximate percentage of shareholding *(%)*
Mr. Zhang Shiping[1]	Interest in a controlled corporation	5,000,000,000	84.96
Ms. Zheng Shuliang[2]	Interest of spouse	5,000,000,000	84.96
Hongqiao Holdings	Beneficial owner	5,000,000,000	84.96

Notes:

(1) Mr. Zhang is the legal and beneficial owner of the entire issued share capital of Hongqiao Holdings and is deemed to be interested in the shares of the Company held by Hongqiao Holdings.

(2) Ms. Zheng, the spouse of Mr. Zhang, is deemed to be interested in all the shares of the Company in which Mr. Zhang is interested.

Save as disclosed above, as at the date of this announcement, there are no any other persons who have an interest or short position in Shares or underlying Shares which would be required to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of our Group.

Directors' Rights to Acquire Shares or Debentures

At no time during the year ended 31 December 2010 and up to the date of this 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 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 equity or debt securities of the Company or any other body corporate or had exercised any such right.

Final dividend

The Board did not recommend the payment of a final dividend in respect of the year ended 31 December 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 17 May 2011 to Friday, 20 May 2011 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for attending the forthcoming annual general meeting of the Company, all transfer documents accompanied by the relevant share certificates must be lodged the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Monday, 16 May 2011.

AUDIT COMMITTEE

The Company has established an audit committee in compliance with the Code of Best Practices for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee is composed of the three independent non-executive Directors. An Audit Committee meeting was held on 25 March 2011 to review the Company's annual report and financial statements.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Since the shares of the Company have been listed on the Stock Exchange on 24 March 2011, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2010.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code for securities transactions on terms equivalent to the required standard of the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") as set out in Appendix 10 to the Listing Rules.

Having made specific enquiries with the Directors, the Company has confirmed that each of the Directors complied with the required standard set out in the Model Code regarding securities transactions by the Directors throughout the year ended 31 December 2010.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles as set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") ("Listing Rules"). As the Company was not yet listed on the Stock Exchange during the period under review, the CG Code was not applicable to the Company for the period. Since the Listing Date on 24 March 2011, the Company is in compliance with the mandatory code provisions of the CG Code.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON WEBSITE OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.hongqiaochina.com. The annual report for the Year will be dispatched to shareholders on or before 18 April 2011 and will be available on the Company's website and the website of the Stock Exchange at the same time.

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, for their support and contribution to the Group.

By Order of the Board
China Hongqiao Group Limited
Zhang Shiping
Chairman

Shandong, the People's Republic of China
30 March 2011

Notes: As at the date of this announcement, the board of Directors of the Company comprises 9 Directors, namely Mr. Zhang Shiping, Ms. Zheng Shuliang, Mr. Zhang Bo, Mr. Qi Xingli as executive Directors, Mr. Yang Congsen, Mr. Zhang Jinglei as non-executive Directors, and Mr. Chen Yinghai, Mr. Xing Jian and Mr. Han Benwen as independent non-executive Directors.