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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)

ANNOUNCEMENT PRICE-SENSITIVE INFORMATION LITIGATION WITH WUHAN BOILER

This announcement is made by China Hongqiao Group Limited (the “**Company**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the prospectus of the Company dated 14 March 2011 (the “**Prospectus**”). Unless otherwise defined, terms used in this announcement have the same meaning when used in the Prospectus.

As disclosed in the paragraph headed “Legal Proceedings” under the section headed “Business” in the Prospectus, on June 26, 2007, Aluminum & Power and Wuhan Boiler entered into a boiler supply agreement (the “**Boiler Supply Agreement**”), pursuant to which Wuhan Boiler agreed to provide Aluminum & Power with four sets of boilers for RMB516 million. As at 8 March 2011, Wuhan Boiler had not delivered any boiler pursuant to the Boiler Supply Agreement. On June 28, 2010, Aluminum & Power initiated legal proceedings against Wuhan Boiler at Binzhou Intermediate People’s Court, seeking for the termination of the Boiler Supply Agreement on the basis of Wuhan Boiler’s breach of the Boiler Supply Agreement, the refund of the deposits of approximately RMB20 million (twice the original amount of the deposit) and the relevant litigation expenses.

On 4 March 2011, Wuhan Boiler initialed legal proceedings against Aluminum & Power at Shandong Higher People’s Court relating to the Boiler Supply Agreement, seeking for the termination of the Boiler Supply Agreement, forfeiture of the deposit made by Aluminum & Power to Wuhan Boiler in the amount of RMB10 million, the economic damages of approximately RMB67.4 million allegedly to be suffered by Wuhan Boiler as a result of the alleged breach of the Boiler Supply Agreement by Aluminum & Power, and the relevant litigation expenses. The relevant documents in relation to the aforesaid legal proceedings initialed by Wuhan Boiler were served to the Company on 11 April 2011. As the date of this announcement, Shandong Higher People’s Court has not heard the case.

Our Controlling Shareholders have agreed to indemnify any losses incurred by Aluminum & Power and our Group if the final judgment of the aforesaid legal proceedings is against Aluminum & Power.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Shandong, the People's Republic of China
12 April 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.