



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

[Immediate Release]

## China Hongqiao Announces 2013 Annual Results

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***Enhance Production Capacity by Leveraging Cost Advantage  
Consolidate its Industry Leading Position***

### **Financial Highlights**

<b>For the year ended 31 December</b>			
<i>(RMB million)</i>	<b>2013</b>	<b>2012</b>	<b>Change (%)</b>
Revenue	29,404	24,805	+18.5%
Gross profit	8,143	8,003	+1.7%
Gross profit margin	27.7%	32.3%	-4.6 percentage points
Net profit margin	19.0%	22.0%	-3.0percentage points
Net profit attributable to owners of the Company	5,593	5,453	+2.6%
Basic earnings per share <i>(RMB)</i>	0.95	0.93	+2.2%

(HONG KONG, 17 March 2014) - China Hongqiao Group Limited ("China Hongqiao" or the "Group"; Stock code: 1378), the leading aluminum product manufacturer in China, is pleased to announce its annual results for the year ended 31 December 2013.

In 2013, the Group continued to maintain a stable production capacity expansion and enhanced the unique industrial cluster model by expanding industrial chain and self-operated power plants so as to consolidate its leading position in the industry. As of 31 December 2013, the Group's revenue amounted to approximately RMB 29,404,462,000, representing a year-on-year increase of approximately 18.5%. Gross profit reached approximately RMB 8,142,802,000, representing a year-on-year increase of approximately 1.7%. Net profit attributable to shareholders of the Company amounted to approximately RMB 5,592,675,000, representing a year-on-year increase of approximately 2.6%. Basic earnings per share were approximately RMB0.95 (2012: approximately RMB0.93). The Board recommended the payment of a final dividend of HK\$27.0 cents per share for the Year (2012: HK\$26.0 cents per share).

**Mr. Zhang Bo, Chief Executive Officer and Executive Director of China Hongqiao said:** 'The overall global economy shows signs of recovery in 2013. However, there are still uncertainties in

the aluminum industry despite the slow recovery of economy. Despite the steady increase in aluminum demand in China, the market is still facing the problem of oversupply due to the release of new domestic production capacity. Because of this, aluminum price was suppressed throughout the year. On the other hand, the Republic of Indonesia (“Indonesia”) announced that a complete prohibition of the export of 65 kinds of raw ore including bauxite ore will be in place in early 2014, which caused the raw material shortage for China’s aluminum manufacturers. Nevertheless, the stable development of China Hongqiao was not affected by these uncertainties. In the past year, the Group leveraged on its proactive development strategies to ensure the continuous expansion of production and operation scale. In addition, the Group also leveraged its competitive business model to vigorously enhance the industrial positioning centered on the “integration of aluminum and electricity” as well as the “integration of upstream and downstream businesses” and achieved the early completion of its preset target.’

During the year, in face of strong headwinds, China Hongqiao still insisted on its proactive business development strategies to further enhance production capacity, which enabled the Group to consolidate its leading position in China’s aluminum industry. As of 31 December 2013, the Group’s designed annual production capacity of aluminum products was approximately 2,956,000 tons (31 December 2012: 2,016,000 tons), representing a capacity growth of approximately 47%.

Moreover, China Hongqiao is also committed to enhance its outstanding cost advantage and core competitiveness. The Group continued to expand the scale of its self-owned power plants, with the aggregate installed capacity of its co-generating captive power plants reaching 4,380 MW as of 31 December 2013, ensuring the Group’s stable energy supply and lifting self-supplied electricity ratio to approximately 66.2%. On the other hand, with the Group’s expanding source channels of raw materials and closer cooperation with downstream customers, the unique clustered industrial model has become another important pillar of the Group in maintaining its leading position in the future.

On downstream businesses front, the Group continuously explored the high-end aluminum processing industry to diversify its product portfolio. Meanwhile, the Group actively collaborated with many large-scale enterprises, including well-known companies in the sector, by entering future long-term strategic cooperative agreement, so as to establish a unique and mutual beneficial development model. Such model would enable the Group to seek buyers in advance. With the expansion of industry cluster, it would play an increasingly significant role in promoting the future business development of the Group.

Meanwhile, China Hongqiao also achieved a significant progress in its overseas business

development. The Group established a joint venture for alumina production in Indonesia with phase 1 designed annual production capacity of 1,000,000 tons of alumina. The construction of such plant has commenced and is expected to commence production in 2015. To ensure the production stability and security in the future, a sufficient amount of bauxite reserve has been accumulated. The Group also opened up overseas bauxite procurement channels such as India and Australia. In the future, the Group intends to expand its bauxite procurement scope to Africa to acquire quality and inexpensive bauxite.

**Mr. Zhang concluded,** ‘Despite the uncertainties surrounding China’s aluminum industry, the Group is confident in its own development outlook. The Group is well prepared for the future challenges and is expected to achieve satisfactory results regarding its future development path. Looking into the future, the Group will continue to facilitate the industrial models of the “integration of aluminum and electricity” and the “integration of upstream and downstream businesses”, actively grasp market opportunities, optimize enterprise development environment, so as to bring fruitful rewards and returns to the shareholders.’

~End~



**Photo Caption (from left to right):**

Investor Relations General Manager Ms. Xiao Xiao

CEO & Executive Director Mr. Zhang Bo

CEO Secretary & Head of Corporate Finance Ms. Wong Yuting

Vice President & Manager of Accounting Department Ms. Zhang Ruilian

**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 31 December 2013, the Group’s aggregate designed annual production capacity was approximately 2,956,000 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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