

[Immediate Release]



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

## **China Hongqiao Announces 2016 Interim Results**

**Consolidating Competitive Position  
through Reinforcing Established Strategies**

### **Financial Highlights**

<b>For the half year ended 30 June</b>			
<b>(RMB million)</b>	<b>1H2016</b>	<b>1H2015</b>	<b>Variance</b>
<b>Revenue</b>	<b>25,375</b>	22,453	+13.0%
<b>Gross profit</b>	<b>6,521</b>	5,236	+24.5%
<b>Gross profit margin</b>	<b>25.7%</b>	23.3%	+2.4 p.p.
<b>Net profit attributable to owners of the Company</b>	<b>3,279</b>	2,718	+20.7%
<b>Basic earnings per share (RMB)</b>	<b>0.46</b>	0.43	+7.0%

**(Hong Kong, 15 August 2016) China Hongqiao Group Limited** (“China Hongqiao” or the “Group”; stock code: 1378), the world’s leading aluminum product manufacturer, today announced its interim results for the half year ended 30 June 2016.

In the first half of 2016, despite the complex global economy, the Group has marked several major achievements, with continuous efforts in its strategy of “Integration of Upstream and Downstream Businesses”, “Integration of Aluminum, Electricity and Grid” and “Global Integration”, as well as steady expansion of its production scale and further enhancing its competitive position. As at 30 June 2016, the Group’s revenue amounted to approximately RMB 25,375 million, representing a year-on-year increase of approximately 13.0%. Gross profit was approximately RMB 6,521 million, with year-on-year growth of approximately 24.5%. Net profit attributable to the owners was approximately RMB 3,279 million, increasing approximately 20.7% compared with the corresponding period of 2015. Basic earnings per share were approximately RMB 0.46 (1H2015: RMB 0.43 per share). The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2016. (1H2015: N/A).

**Mr. Zhang Bo, Chief Executive Officer and Executive Director of China Hongqiao**, said, “In the first half of 2016, the global financial markets were shaken by a number of major challenges, and China’s economy entered into an L-shaped growth trend. The aluminum price rebounded from its previous decline, and both supply and demand of aluminum products raised stably. We are pleased to see that the “Antaike Aluminum Ingot Spot Index” is reflecting the genuine demand and supply of the market since its launch in January this year. This independent third party pricing system has generated a positive guiding impact to stabilize the aluminum price. We have reinforced our supply of raw materials with substantial development of the bauxite project in Guinea, and put the Indonesian alumina production project into operation, which effectively reduced costs and strengthened our risk mitigation. We continued to optimize and upgrade the industrial chain and actively participated in the process of industry development. We are committed to building an eco-friendly and disciplined aluminum industry in China.”

During the Period, the Group adhered to its established development strategy of steadily raising its production scale, and thereby strengthening its competitive position. Given the Group's expanding production capacity and the increase in demand from downstream markets, the Group's total output of aluminum products amounted to approximately 2,707,000 tons, representing a year-on-year increase of approximately 28.4% (1H2015: approximately 2,109,000 tons).

Given increasing demand for aluminum products in China, the Group accelerated industrial cluster development, and marked milestones regarding the supply of bauxite, technology innovation and eco-friendly production. For overseas businesses, the Group aligned its strategies with the country's "One Belt One Road" strategic initiative to expedite its "Going Out" plans. The Group's bauxite project in Guinea, Africa is performing well. Furthermore, the Group continued its strategy to diversify bauxite supply channels in Australia, Brazil and Malaysia. In the first half of 2016, the Group completed the construction of its one million ton alumina production line in Indonesia. This production line has been put into operation. The Group has therefore built up its scale, strengthening the stability and risk aversion of raw material supply. For domestic production, as the Group enhanced its capability in managing upstream raw materials, the quality of bauxite has become very stable, thus enabling it to better control its raw material costs. In addition, the installed capacity of the Group's captive power plants has been further upgraded to steadily improve the self-sufficiency of power supply and hence strengthen the Group's cost advantage. The above measures have enhanced the Group's overall profitability and consolidated its leading position in the industry.

**Mr. Zhang Bo, Chief Executive Officer and Executive Director of China Hongqiao**, added, "As part of the opening year of China's 13<sup>th</sup> Five Year Plan, we have seen increased needs for aluminum products in the first half of 2016. The Group believes that market demand will keep growing in the second half of the year. The demand is coming from construction, transportation, consumer electronic goods as well as food and pharmaceutical packaging, which will be key drivers for the industry. We will continue to leverage our competitive advantages to build an efficient and environmentally friendly enterprise with a sustainable approach. We will further accelerate the industry cluster development, pursue market expansion and seek for merger and acquisition opportunities, in order to create long-term value for our shareholders."

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### **About China Hongqiao Group Limited**

China Hongqiao Group Limited ("China Hongqiao" or the "Group"; Stock code: 1378) is the world's leading aluminum product manufacturer. Located in Shandong Province, 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. As at 30 June 2016, the Group's total output of aluminum products amounted to approximately 2,707,000 tons. With large scale operations, advanced technology, a competitive cost structure, a visionary strategy of industrial chain expansion and an experienced management team, the Group has successfully strengthened its leading market position, sustaining its business growth and unique competitive edges.

For more details, please visit <http://www.hongqiaochina.com>.

#### **For media inquiries, please contact:**

**Bell Pottinger (Hong Kong)**

Antonia Au / Qian Li

T: +852 3703 3611 / 3703 3612

E: [AAu@bellpottinger.com](mailto:AAu@bellpottinger.com) / [QLi@bellpottinger.com](mailto:QLi@bellpottinger.com)