

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**VOLUNTARY ANNOUNCEMENT**

This is a voluntary announcement made by China Hongqiao Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

The Company noticed that the Price Bureau of Shandong Province (山東省物價局) has recently published the Notice on Lowering General Industrial and Commercial Electricity Prices and Relevant Matters (Lu Jiageyi Fa [2018] No.112) (《關於降低一般工商業電價及有關事項的通知(魯價格一發[2018]112號)》) and the Notice on Improving the Pricing Policy for Self-owned Power Plants (Lu Jiageyi Fa [2018] No.115) (《關於完善自備電廠價格政策的通知(魯價格一發[2018]115號)》) (collectively, the “**Notices**”). The Notices provide that, among other things, the payment standard of the policy-related cross-subsidy for companies with self-owned power plants shall be RMB0.1016/kWh (tax inclusive) and the payment amount shall be calculated based on the volume of self-supplied electricity. The transition period for the above policy is from 1 July 2018 to 31 December 2019.

In view of the fact that the specific implementation measures of the aforementioned policy have not been further announced, and the Group has not received any specific notice at this time, under this circumstance, the Group will actively communicate with relevant government authorities to provide reasonable suggestions with a view to securing maximum interest of shareholders of the Company.

As an enterprise actively fulfilling its corporate social responsibility, the Group understands the background and consideration of such policy. The Group has a complete industrial chain covering bauxite mining, alumina, electrolytic aluminum and deep processing aluminum products and is surrounded by a large number of high-quality aluminum deep processing enterprises. Integration of upstream and downstream businesses and industrial clustering are the core competitive advantages of the Group. Such policy, if implemented, will affect the cost advantage of the Group’s self-owned power plants to some extent but will not have a fundamental impact on the core competitive advantages of the Group. The Group will take initiative to seek all kinds of measures, including actively optimizing the product structure and industrial chain, adopting a more active and flexible product pricing strategy according to market supply and demand condition, further improving management level, saving energy and reducing consumption and exploring new profit growth point, to endeavor to reduce the adverse impact which may be brought by such policy.

Currently, the Group's production and operation are in normal status. Benefiting from the prices of aluminum products at medium to high levels in China, the Group is under sound and stable operation.

The Company's shareholders and potential investors should 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  
17 September 2018

*As at the date of this announcement, the Board comprises ten directors, namely Mr. Zhang Shiping, Ms. Zheng Shuliang, Mr. Zhang Bo and Ms. Zhang Ruilian as executive directors, Mr. Yang Congsen, Mr. Zhang Jinglei and Mr. Chen Yisong (Mr. Zhang Hao as his alternate) as non-executive directors, and Mr. Xing Jian, Mr. Han Benwen and Mr. Dong Xinyi as independent non-executive directors.*