

To: Business Editor
For immediate release



中国忠旺控股有限公司
China Zhongwang Holdings Limited

China Zhongwang Net Profit Rises 24% to RMB1.95 Billion in First Three Quarters 2014

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Overseas Sales Jumps 30%
Gross Profit Margin Expands to 28.6%

Financial Highlights (Unaudited)

RMB Million	For the nine months ended 30 September		Change (%)
	2014	2013	
Revenue	12,311	10,931	+12.6
– China (as a % of revenue)	10,609 (86.2%)	9,620 (88.0%)	+10.3
– Overseas (as a % of revenue)	1,702 (13.8%)	1,311 (12.0%)	+29.8
Gross profit	3,523	3,021	+16.6
Gross profit margin (%)	28.6	27.6	+1.0 pts
Profit attributable to shareholders	1,952	1,574	+24.0

Sales Highlights

	For the nine months ended 30 September				Volume Growth (%)
	2014		2013		
	Tonnes	As a % of total volume	Tonnes	As a % of total volume	
Aluminium extrusion products sales volume	574,018	100%	495,423	100%	+15.9
– Industrial extrusion	476,942	83.1%	416,859	84.1%	+14.4
– Deep-processed aluminium	50,769	8.8%	40,702	8.2%	+24.7
– Construction extrusion	46,307	8.1%	37,862	7.7%	+22.3

(Hong Kong, 30 October 2014) – **China Zhongwang Holdings Limited** (“China Zhongwang” or “the Company”, together with its subsidiaries “the Group”, stock code: 01333), the world's second largest industrial aluminium extrusion product developer and manufacturer, announced unaudited results for the first three quarters of 2014. Revenue increased 12.6% to approximately RMB12.31 billion. Gross profit margin expanded by 1.0 percentage point to 28.6% while profit attributable to shareholders increased 24.0% to approximately RMB1.95 billion compared with the same period of last year.

During the nine months ended 30 September 2014 (the “review period”), sales volume of the Group’s aluminium extrusion products rose 15.9% to approximately 574,000 tonnes year-on-year. Among these, sales of deep-processed products amounted to approximately 51,000 tonnes, representing 9% of the total sales volume and accounting for 11.2% of the total revenue.

Mr. Lu Changqing, Executive Director and Vice President of China Zhongwang, said, “Thanks to the rising sales of high gross margin deep-processed products in the product mix, together with the Group’s endeavor in overseas market expansion and enhancing economies of scale, we see continued improvements in a number of operational indicators. Along with the development of aluminium alloys and aluminium processing technologies, there have been increasing applications of aluminium products in downstream sectors such as transportation, machinery and equipment, and electric power engineering, holding out huge market potentials. This is also one of the positive factors contributing to our improving performances. ”

Industrial aluminium extrusion products

As at 30 September 2014, the Group had a total of 93 aluminium extrusion production lines, with annual production capacity of over 1 million tonnes. Sales revenue from industrial aluminium extrusion products increased 11.3% year-on-year to approximately RMB10.16 billion, providing streams of stable income and profits for the Group.

Deep-processed products

During the review period, sales revenue from aluminium deep-processed products recorded a 22.7% growth to RMB1.38 billion. Currently, deep-processed products were primarily for export, with the U.S. being the main overseas market. Overseas revenue surged by 29.8% to approximately RMB1.70 billion for the review period.

During the review period, the Group successfully developed prototypes of high value-added deep-processed products with promising market potentials, such as aluminium-intensive fire trucks, refuse collection vehicles, semi-trailers, oil tank trucks and railway carriages. These products have attracted enormous attention from the market they can bring about long-term economic benefits to customers.

High-end aluminium flat rolled products

The Group’s high-end aluminium flat rolled products project is located in Tianjin Wuqing Auto Parts Industrial Park. During the review period, construction of the plant and installation of the production lines progressed as scheduled. The first production line of phase I is expected to commence operation in the second half of 2015, thus marking the formal entry of the Group into the high-end aluminium flat rolled business.

Mr. Lu said, “The applications of aluminium alloys have great potentials, especially when the transportation sector is gaining more and more momentum in energy saving and light-weight development. During this trend, processed aluminium products, as an unrivalled material of choice, play an important role in enhancing fuel economy, reducing greenhouse gas emission, lowering costs and improving efficiency of transportation. Looking ahead, on the back of China Zhongwang’s extensive R&D experience over the years in aluminium extrusion products and its state-of-art production equipment, the Group will continue to seize opportunities from light-weight development in the transportation sector and industry upgrade.

The Group will further hone its competitive edge by strengthening its industrial aluminium extrusion business, reinforcing its deep-processing business that holds great growth potentials, and driving the orderly development of its aluminium flat rolled product business. The three core businesses will build a sound and synergistic operational and production model, maximizing returns to our shareholders.”

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About China Zhongwang Holdings Limited

China Zhongwang is the second largest industrial aluminium extrusion product developer and manufacturer in the world and the biggest one in Asia and China. It has, over the years, been focusing on the light-weight development in transportation, machinery and equipment and electric power engineering sectors through the provision of quality industrial aluminium extrusion products. It now has 93 globally advanced extrusion production lines (including 21 aluminium extrusion production lines of 75MN or above) and a production capacity of over one million tonnes per year.

In addition, to further leverage its existing strengths in the industry, the Group is developing high value-added aluminium flat rolled product business with an overall planned annual production capacity of 3 million tonnes. The project will be carried out in two phases. Phase I with a planned annual production capacity of 1.8 million tonnes will have two aluminium flat rolling production lines, the first one of which is expected to commence operation in the second half of 2015. By then, the Group will have initially achieved the goal of tapping the high-end aluminium flat rolled product sector to become our third core business complementary to and synergistic with the existing industrial aluminium extrusion product and deep-processed product businesses.