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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)**

**Voluntary Announcement**

This is a voluntary announcement made by China Hongqiao Group Limited (the “**Company**”).

The 2019 interim financial information of Shandong Hongqiao New Material Co., Ltd. (“**Shandong Hongqiao**”) and Shandong Weiqiao Aluminum and Power Co., Ltd. (“**Aluminum & Power**”), both of which are wholly-owned subsidiaries of the Company, was disclosed on the website of Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of Shenzhen Stock Exchange (<http://www.szse.cn>). As the 2019 interim financial information of Shandong Hongqiao and Aluminum & Power is available only in Chinese, the Company wishes to provide the following unaudited consolidated balance sheet statement as at 30 June 2019 and unaudited consolidated income statement for the six months ended 30 June 2019 prepared by Shandong Hongqiao and Aluminum & Power.

The board of directors of the Company wishes to remind investors that the financial information of Shandong Hongqiao and Aluminum & Power contained herein is prepared based on the generally accepted accounting principles of the PRC and the unaudited management accounts. It has not been reviewed or audited by the auditors of Shandong Hongqiao and Aluminum & Power.

**The investors are cautioned not to unduly rely on such information and are advised to exercise caution when dealing in the shares of the Company.**

## CONSOLIDATED BALANCE SHEET

Prepared by Shandong Hongqiao New Material Co., Ltd.

Date: 30 June 2019

Unit: RMB

Assets	Row	Opening balance (restated)	Ending balance	Liabilities and owners' equity	Row	Opening balance (restated)	Ending balance
Current assets:				Current liabilities:			
Cash at bank and on hand	1	45,711,729,708.03	26,067,109,033.19	Short-term borrowings	28	14,929,054,607.62	19,000,445,318.79
Financial assets at fair value through profit or loss	2		53,625.00	Financial liabilities at fair value through profit or loss	29		
Derivative financial assets	3			Derivative financial liabilities	30		
Notes receivable	4	11,726,625,705.19	10,390,899,757.39	Notes payable	31	2,000,000,000.00	2,049,744,631.42
Accounts receivable	5	6,949,945,648.70	10,269,057,656.30	Accounts payable	32	16,668,872,874.83	13,471,301,596.42
Prepayments	6	1,226,748,489.70	7,572,714,768.35	Advances from customers	33	629,432,534.96	1,401,876,880.85
Other receivables	7	3,206,897,597.60	3,706,069,165.31	Staff remuneration payables	34	599,938,237.28	438,932,846.47
Inventories	8	19,351,221,610.46	21,708,934,598.11	Taxes payable	35	2,857,865,411.50	2,912,279,383.06
Assets held for sale	9		378,834,065.17	Other payables	36	9,297,075,247.98	9,229,266,454.68
Non-current assets due within one year	10			Liabilities held for sale	37		
Other current assets	11	1,297,891,658.34	1,489,189,280.85	Non-current liabilities due within one year	38	2,823,433,939.40	6,320,612,294.15
				Other current liabilities	39	4,019,450,000.00	
Total current assets:		89,471,060,418.02	81,582,861,949.67	Total current liabilities:		53,825,122,853.57	54,824,459,405.84
Non-current assets:				Non-current liabilities:			
Available-for-sale financial assets	12	111,000,782.51		Long-term borrowings	40	7,148,738,000.00	4,487,363,750.00
Held-to-maturity investments	13			Bonds payable	41	41,077,257,643.07	40,516,508,668.47
Long-term receivables	14		2,000,000,000.00	Long-term payables	42	10,244,386,411.63	4,481,233,221.38
Long-term equity investments	15	122,858,410.08	2,398,498,349.63	Special payables	43		
Other investments in equity instruments	16		111,000,782.51	Estimated liabilities	44		
Investment property	17	143,606,397.98		Deferred income	45	553,820,162.35	582,949,332.30
Fixed assets	18	66,137,975,621.65	65,661,603,118.55	Deferred tax liabilities	46	346,288,146.70	327,040,097.52
Construction in progress	19	4,400,632,534.25	2,077,946,010.46	Other non-current liabilities	47	14,735,814.04	14,140,903.22
Productive biological assets	20						
Oil and gas assets	21						
Intangible assets	22	5,037,438,248.62	5,041,289,262.28	Total non-current liabilities:		59,385,226,177.79	50,409,235,972.89
Development expenses	23		2,427,707.90				
Goodwill	24	608,817,605.80	608,817,605.80	Total liabilities:		113,210,349,031.36	105,233,695,378.73
Long-term prepaid expenses	25	898,345.39	2,804,804.71	Owners' equity:			
Deferred tax assets	26	1,890,173,759.18	2,265,856,665.84	Share capital	48	9,921,364,362.00	9,921,364,362.00
Other non-current assets	27	254,889,016.24	193,568,705.67	Capital reserve	49		
Total non-current assets:		78,708,290,721.70	80,363,813,013.35	Less: treasury shares	50		
				Other comprehensive income	51	-1,893,792.74	-1,624,841.03
				Surplus reserve	52	1,187,321,822.06	1,187,321,822.06
				Special reserve	53	389,683,008.50	423,203,077.43
				Undistributed profits	54	42,195,222,586.25	43,726,390,821.25
				Minority interests	55	1,277,304,122.29	1,456,324,342.58
				Total owners' equity:		54,969,002,108.36	56,712,979,584.29
TOTAL ASSETS		168,179,351,139.72	161,946,674,963.02	TOTAL LIABILITIES AND OWNERS' EQUITY		168,179,351,139.72	161,946,674,963.02

Person-in-charge  
of the company:  
**Zhang Bo**

Person-in-charge of  
accounting:  
**Zhang Ruilian**

Person-in-charge of  
accounting institution:  
**Ma Fei**

## CONSOLIDATED INCOME STATEMENT

Prepared by Shandong Hongqiao New Material Co., Ltd.

January to June 2019

Unit: RMB

Item	Row	Amount for the corresponding period last year (restated)	Amount for the current year
I. Operating income	1	43,578,549,738.06	41,136,992,457.45
Less: Operating cost	2	36,141,374,237.29	32,961,035,753.84
Taxes and surcharges	3	462,895,456.71	420,682,565.47
Selling expenses	4	334,079,977.67	291,647,548.92
Administrative expenses	5	989,050,277.60	1,011,438,734.71
Research and development expenses	6	417,198,302.56	325,294,734.51
Financial expenses	7	2,232,873,697.18	2,664,880,165.66
Of which: interest expenses	8	1,955,133,052.56	2,683,573,118.68
interest income	9	353,244,103.14	95,777,484.49
Asset impairment losses	10	528,897,295.63	1,175,825,833.81
Credit impairment losses	11		258,380.57
Add: Other gains	12	7,500,714.29	9,584,250.01
Investment gains (“-” indicating loss)	13	-646,605,863.02	36,294,074.26
Gains from changes in fair value (“-” indicating loss)	14	-1,923,675.00	53,625.00
Gain on disposal of assets (“-” indicating loss)	15		-15,193.05
II. Operating profit (“-” indicating loss)	16	1,831,151,669.69	2,331,845,496.18
Add: Non-operating income	17	30,379,040.82	155,119,222.49
Less: Non-operating expenses	18	224,770.18	658,743.92
III. Total profit (“-” indicating loss)	19	1,861,305,940.33	2,486,305,974.75
Less: Income tax expenses	20	1,023,114,001.02	785,117,519.44
IV. Net profit (“-” indicating net loss)	21	838,191,939.31	1,701,188,455.31
(1) Net profit from continuing operations (“-” indicating net loss)	22	838,191,939.31	1,701,188,455.31
(2) Net profit from discontinued operations (“-” indicating net loss)	23		

Person-in-charge  
of the company:  
**Zhang Bo**

Person-in-charge of  
accounting:  
**Zhang Ruilian**

Person-in-charge of  
accounting institution:  
**Ma Fei**

## CONSOLIDATED BALANCE SHEET

Prepared by Shandong Weiqiao Aluminum and Power Co., Ltd.

Date: 30 June 2019

Unit: RMB

Assets	Row	Opening balance (restated)	Ending balance	Liabilities and owners' equity	Row	Opening balance (restated)	Ending balance
Current assets:				Current liabilities:			
Cash at bank and on hand	1	44,252,177,533.96	24,970,554,688.78	Short-term borrowings	28	10,417,845,529.51	13,045,467,198.60
Financial assets at fair value through profit or loss	2		53,625.00	Financial liabilities at fair value through profit or loss	29		
Derivative financial assets	3			Derivative financial liabilities	30		
Notes receivable	4	10,663,538,859.79	9,168,541,021.67	Notes payable	31	2,000,000,000.00	2,000,000,000.00
Accounts receivable	5	3,976,509,312.52	6,498,054,953.68	Accounts payable	32	11,741,670,192.69	7,997,073,085.58
Prepayments	6	1,015,754,462.74	6,966,209,943.37	Advances from customers	33	428,374,107.12	541,994,943.86
Other receivables	7	2,834,068,532.96	3,379,319,656.33	Staff remuneration payables	34	502,218,045.87	360,838,454.20
Inventories	8	16,161,292,226.34	15,637,863,683.89	Taxes payable	35	2,234,431,212.20	2,242,216,035.08
Assets held for sale	9		370,058,072.87	Other payables	36	30,766,870,440.82	23,763,262,037.57
Non-current assets due within one year	10			Liabilities held for sale	37		
Other current assets	11	989,692,566.87	998,866,765.69	Non-current liabilities due within one year	38	1,066,310,560.00	3,343,803,592.07
				Other current liabilities	39	17,253,571.43	
Total current assets:		79,893,033,495.18	67,989,522,411.28	Total current liabilities:		59,174,973,659.64	53,294,655,346.96
Non-current assets:							
Available-for-sale financial assets	12	111,000,782.51		Non-current liabilities:			
Held-to-maturity investments	13			Long-term borrowings	40	7,135,000,000.00	4,475,000,000.00
Long-term receivables	14		2,000,000,000.00	Bonds payable	41	14,712,890,716.48	16,900,117,500.66
Long-term equity investments	15	122,858,410.08	2,398,498,349.63	Long-term payables	42	16,520,436,222.02	10,804,495,120.07
Other investments in equity instruments	16		111,000,782.51	Estimated liabilities	43		
Investment property	17			Deferred income	44	519,619,269.54	547,650,225.23
Fixed assets	18	57,462,495,624.08	56,348,030,574.17	Deferred tax liabilities	45	317,894,427.87	311,305,991.11
Construction in progress	19	3,788,444,797.36	1,880,040,805.25	Other non-current liabilities	46		
Productive biological assets	20			Total non-current liabilities		39,205,840,635.91	33,038,568,837.07
Oil and gas assets	21						
Intangible assets	22	4,669,804,132.31	4,619,093,109.38	Total liabilities:		98,380,814,295.55	86,333,224,184.03
Development expenses	23						
Goodwill	24	311,768,933.61	311,768,933.61	Owners' equity:			
Long-term prepaid expenses	25		2,374,389.03				
Deferred tax assets	26	1,535,105,086.38	1,874,457,856.98	Share capital	47	13,000,000,000.00	13,000,000,000.00
Other non-current assets	27	251,009,735.74	187,741,396.83	Capital reserve	48		
Total non-current assets:		68,252,487,502.07	69,733,006,197.39	Less: treasury shares	49		
				Other comprehensive income	50	-1,893,792.74	-1,624,841.03
				Special reserve	51	328,108,163.41	346,149,639.76
				Surplus reserve	52	3,057,140,474.18	3,057,140,474.18
				Undistributed profits	53	33,326,939,952.91	34,923,725,836.55
				Minority interests	54	54,411,903.94	63,913,315.18
				Total owners' equity:		49,764,706,701.70	51,389,304,424.64
TOTAL ASSETS		148,145,520,997.25	137,722,528,608.67	TOTAL LIABILITIES AND OWNERS' EQUITY		148,145,520,997.25	137,722,528,608.67

Person-in-charge  
of the company:  
**Zhang Bo**

Person-in-charge of  
accounting:  
**Zhang Ruilian**

Person-in-charge of  
accounting institution:  
**Ma Fei**

## CONSOLIDATED INCOME STATEMENT

Prepared by Shandong Weiqiao Aluminum and Power Co., Ltd.

January to June 2019

Unit: RMB

Item	Row	Amount for the corresponding period last year (restated)	Amount for the current year
I. Operating income	1	38,619,709,913.88	35,371,853,890.47
Less: Operating cost	2	32,142,546,779.11	28,867,281,070.22
Taxes and surcharges	3	412,985,349.44	372,711,663.96
Selling expenses	4	322,942,200.26	298,845,681.36
Administrative expenses	5	841,421,911.41	834,581,177.35
Research and development expenses	6	354,128,124.27	285,192,097.04
Financial expenses	7	1,335,680,026.19	1,470,113,906.62
Of which: interest expenses	8	1,242,721,896.80	1,536,221,686.79
interest income	9	356,362,895.52	96,823,747.64
Asset impairment losses	10	5,821,620.72	1,116,882,498.88
Credit impairment losses	11		264,225.20
Add: Other gains	12	7,500,714.29	9,111,035.72
Investment gains (“-” indicating loss)	13	-646,605,863.02	36,294,074.26
Gains from changes in fair value (“-” indicating loss)	14	-1,923,675.00	53,625.00
Gain on disposal of assets (“-” indicating loss)	15		
II. Operating profit (“-” indicating loss)	16	2,563,155,078.75	2,171,440,304.82
Add: Non-operating income	17	18,855,308.24	123,000,775.00
Less: Non-operating expenses	18	193,710.36	635,955.65
III. Total profit (“-” indicating loss)	19	2,581,816,676.63	2,293,805,124.17
Less: Income tax expenses	20	873,742,152.44	696,517,829.29
IV. Net profit (“-” indicating net loss)	21	1,708,074,524.19	1,597,287,294.88
(1) Net profit from continuing operations (“-” indicating net loss)	22	1,708,074,524.19	1,597,287,294.88
(2) Net profit from discontinued operations (“-” indicating net loss)	23		

Person-in-charge  
of the company:  
**Zhang Bo**

Person-in-charge of  
accounting:  
**Zhang Ruilian**

Person-in-charge of  
accounting institution:  
**Ma Fei**

By Order of the Board  
**China Hongqiao Group Limited**  
**Zhang Bo**  
*Chairman*

Shandong, the People's Republic of China  
30 August 2019

*As at the date of this announcement, the Board comprises nine directors, namely Mr. Zhang Bo, Ms. Zheng Shuliang 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.*