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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**

Reference is made to the announcement of China Hongqiao Group Limited (the “**Company**”) dated 25 April 2013 in relation to the issue of the Medium-term Notes and Short-Term Financial Bonds in the People’s Republic of China (“**PRC**”) by Shandong Hongqiao New Material Co., Ltd. (“**Shandong Hongqiao**”), a wholly-owned subsidiary of the Company.

As the third quarterly financial information in 2020 of Shandong Hongqiao is available only in Chinese, the Company wishes to provide the following unaudited consolidated balance sheets as at 30 September 2020 and unaudited consolidated income statements for the nine months ended 30 September 2020 prepared by Shandong Hongqiao.

The board of directors of the Company wishes to remind investors that the financial information 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 the Company.

**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 September 2020

Units: RMB

Assets	Row	Opening balance	Ending balance	Liabilities and owners' equity	Row	Opening balance	Ending balance
Current assets:				Current liabilities:			
Cash at bank and on hand	1	42,179,527,836.95	47,883,178,107.04	Short-term borrowings	29	20,206,524,388.98	21,685,000,000.00
Financial assets at fair value through profit or loss	2			Financial liabilities at fair value through profit or loss	30		
Financial assets for trading	3	2,005,336.43	34,750.00	Financial liabilities for trading	31	2,513,150.00	
Notes receivable	4	11,139,774,701.46	8,232,985,984.22	Notes payable	32	2,138,842,046.11	2,072,184,471.86
Accounts receivable	5	10,459,651,873.46	11,214,012,456.60	Accounts payable	33	17,604,071,560.90	11,562,541,397.25
Prepayments	6	3,306,735,499.22	2,036,789,333.18	Advances from customers	34	2,424,421,780.69	1,541,514,079.63
Other receivable	7	1,799,593,694.22	4,680,317,217.62	Staff remuneration payables	35	607,012,239.84	485,424,763.83
Inventories	8	21,561,663,723.07	20,506,323,930.96	Taxes payable	36	2,781,760,129.40	3,713,698,566.27
Assets held for sale	9	370,058,072.87		Other payable	37	10,337,986,206.37	8,419,833,528.73
Non-current assets due within one year	10		2,000,000,000.00	Liabilities held for sale	38		
Other current assets	11	1,018,348,932.08	980,365,142.11	Non-current liabilities due within one year	39	8,238,581,263.98	26,297,404,370.01
				Other current liabilities	40		
Total current assets:		91,837,359,669.76	97,534,006,921.73	Total current liabilities:		64,341,712,766.27	75,777,601,177.58
Non-current assets:				Non-current liabilities:			
Available-for-sale financial assets	12			Long-term borrowings	41	405,990,000.00	5,244,929,375.00
Other debt investment	13		2,499,000,000.00	Bonds payable	42	38,529,228,965.47	16,329,681,999.09
Held-to-maturity investments	14			Long-term payables	43	4,772,872,633.21	2,934,830,367.50
Long-term receivables	15	2,000,000,000.00		Special payables	44		
Long-term equity investments	16	2,410,689,480.69	3,321,512,447.90	Estimated liabilities	45		
Other equity instrument investments	17	111,000,782.51	111,000,782.51	Deferred income	46	571,416,378.60	630,866,994.46
Investment property	18			Deferred tax liabilities	47	318,245,792.65	311,269,037.51
Fixed assets	19	62,816,757,781.46	55,884,850,328.66	Other non-current liabilities	48	13,856,497.93	15,188,283.73
Construction in progress	20	1,399,591,944.50	2,629,672,065.06				
Biological assets for production	21			Total non-current liabilities:		44,611,610,267.86	25,466,766,057.29
Oil and gas assets	22						
Intangible assets	23	5,052,724,023.39	5,144,637,159.75	Total liabilities:		108,953,323,034.13	101,244,367,234.87
Development expenses	24	2,427,707.90					
Goodwill	25	608,817,605.80	509,574,519.00	Shareholders' equity:			
Long-term prepaid expenses	26	1,987,937.99	1,297,480.70	Share capital	49	9,921,364,362.00	10,272,439,362.00
Deferred tax assets	27	2,329,961,053.21	2,281,039,233.54	Capital reserve	50	5,375,558.27	5,475,558.27
Other non-current assets	28	213,348,113.84	536,422,762.56	Less: Treasury Share	51		
				Other comprehensive income	52	-1,919,041.77	-1,919,041.77
Total non-current assets:		76,947,306,431.29	72,919,006,779.68	Surplus reserve	53	1,237,468,987.08	1,237,468,987.08
				Special reserve	54	431,391,403.01	526,567,440.90
				Undistributed profits	55	46,861,507,439.03	53,412,680,998.70
				Minority interests	56	1,376,154,359.30	3,755,933,161.36
				Total owners' equity:		59,831,343,066.92	69,208,646,466.54
TOTAL ASSETS		168,784,666,101.05	170,453,013,701.41	TOTAL LIABILITIES AND OWNERS' EQUITY		168,784,666,101.05	170,453,013,701.41

Person-in-charge of  
corporate:  
**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 September 2020      Units: RMB

Item	Row	Amount for the corresponding period last year	Accumulated Amount for the current year
I. Operating income	1	62,637,823,784.54	65,735,655,006.29
Less: Operating cost	2	49,670,070,035.48	51,685,795,476.77
Taxes and surcharges	3	615,196,946.16	558,812,878.23
Selling expenses	4	360,915,131.40	267,838,008.59
Administrative expenses	5	1,560,418,633.83	1,785,698,773.93
Research and development expenses	6	689,511,556.02	592,725,009.26
Financial expenses	7	3,921,748,501.88	2,709,935,148.32
Of which: Interests expenses	8	3,688,515,624.02	2,994,841,298.77
Interests income	9	157,036,182.66	222,276,642.66
Add: Other gains	10	14,376,375.02	121,400,538.03
Investment gains (Losses are indicated by “-”)	11	84,695,534.42	388,654,907.93
Gains from changes in fair value (Losses are indicated by “-”)	12	53,625.00	2,548,236.00
Credit impairment losses (Losses are indicated by “-”)	13	-258,380.57	-18,069,473.71
Asset impairment losses (Losses are indicated by “-”)	14	-1,187,103,375.02	-335,048,525.03
Gains on disposal of assets (Losses are indicated by “-”)	15	-681,759.26	283,360,147.23
II. Operating profit (Losses are indicated by “-”)	16	4,731,044,999.36	8,577,695,541.64
Add: Non-operating income	17	274,207,930.26	105,076,928.26
Less: Non-operating expenses	18	3,859,988.78	10,149,252.91
III. Total profit (Losses are indicated by “-”)	19	5,001,392,940.84	8,672,623,216.99
Less: Income tax expenses	20	1,358,780,664.85	1,806,907,955.72
IV. Net profit (Net loss is indicated by “-”)	21	3,642,612,275.99	6,865,715,261.27
(I) Net profit from continuing operations (Net loss is indicated by “-”)	22	3,642,612,275.99	6,865,715,261.27
(II) Net profit from discontinued operations (Net loss is indicated by “-”)	23		

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**Zhang Ruilian**

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

Shandong, the People’s Republic of China  
23 October 2020

*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.*