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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**”) and Shandong Weiqiao Aluminum and Power Co., Ltd. (“**Aluminum & Power**”), both of which are wholly-owned subsidiaries of the Company.

As the first quarter financial information in 2018 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 31 March 2018 and unaudited consolidated income statement for the three months ended 31 March 2018 prepared by Shandong Hongqiao and Aluminum & Power, respectively.

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, Aluminum & Power 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: 31 March 2018

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	22,961,281,801.69	27,231,791,078.74	Short-term borrowings	26	8,769,445,229.27	9,614,649,283.23
Financial assets held for trading	2			Financial liabilities held for trading	27		
Notes receivable	3	12,239,979,362.88	10,232,357,073.94	Notes payable	28	2,000,000,000.00	2,000,000,000.00
Accounts receivable	4	2,032,506,051.05	3,172,847,508.10	Accounts payable	29	13,921,478,921.92	15,008,628,740.53
Prepayments	5	301,741,869.28	3,669,691,327.81	Advances from customers	30	735,232,096.93	737,671,111.74
Interests receivable	6	181,620.83	136,307.29	Staff remuneration payables	31	366,826,451.02	406,390,950.40
Dividends receivable	7			Taxes payable	32	2,183,454,358.19	2,624,019,099.53
Other receivables	8	1,924,963,128.69	2,053,964,215.42	Interests payable		1,541,242,843.38	1,160,806,140.31
Inventories	9	15,315,713,593.69	13,663,663,128.11	Dividends payable	33		
Non-current assets due within one year				Other payables	34	9,371,570,543.47	9,044,945,855.38
Other current assets	10	1,428,294,562.64	10,986,788,001.68	Non-current liabilities due within one year	35	10,455,872,727.23	5,932,964,558.05
				Other current liabilities	36	3,015,321,428.57	3,015,321,428.57
Total current assets:		56,204,661,990.75	71,011,238,641.09	Total current liabilities:		52,360,444,599.98	49,545,397,167.74
Non-current assets:							
Available-for-sale financial assets	11	117,000,782.51	117,000,782.51	Non-current liabilities:			
Held-to-maturity investments	12			Long-term borrowings	37	6,188,000,000.00	6,206,545,625.00
Long-term receivables	13			Bonds payable	38	36,271,870,703.78	37,281,880,630.29
Long-term equity investments	14	19,836,935.94	115,836,935.94	Long-term payables	39	5,612,400,028.32	10,113,036,723.86
Investment property	15	150,930,767.25	150,166,263.87	Special payables	40		
Fixed assets	16	74,148,641,677.13	72,933,873,562.51	Estimated liabilities	41		
Construction in progress	17	4,232,296,419.83	4,557,376,943.80	Deferred tax liabilities	23	362,864,193.98	362,864,193.98
Construction materials	18	11,638,791.94	285,045.52	Other non-current liabilities	42	263,479,473.56	389,678,224.53
Intangible assets	19	3,879,327,764.17	3,915,497,619.76				
Development expenses	20			Total non-current liabilities:		48,698,614,399.64	54,354,005,397.66
Goodwill	21	1,265,762,914.07	1,265,762,914.07				
Long-term prepaid expenses	22	2,340,527.18	2,240,266.46	Total liabilities:		101,059,058,999.62	103,899,402,565.40
Deferred tax assets	23	1,607,687,753.43	1,583,912,488.73				
Other non-current assets	24	10,386,111,838.15	477,714,460.90	Owners' equity:			
				Share capital	43	9,921,364,362.00	9,921,364,362.00
Total non-current assets:		95,821,576,171.60	85,119,667,284.07	Capital surplus	44		
				Special reserve	45	253,011,703.68	292,755,519.21
				Surplus reserve	46	1,155,914,646.70	1,155,914,646.70
				Undistributed profits	47	38,607,619,950.73	39,596,800,448.24
				Exchange differences			
				Minority's equity	48	1,029,268,499.62	1,264,668,383.61
				Total owners' equity:		50,967,179,162.73	52,231,503,359.76
TOTAL ASSETS		152,026,238,162.35	156,130,905,925.16	TOTAL LIABILITIES AND OWNERS' EQUITY		152,026,238,162.35	156,130,905,925.16

Person-in-charge
of the Company:
Zhang Shipping

Person-in-charge of
accounting:
Zhang Ruilian

Prepared by:
Zhang Ruilian

CONSOLIDATED BALANCE SHEET

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

Date: 31 March 2018

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	22,277,505,165.10	26,398,970,570.02	Short-term borrowings	26	5,313,961,322.13	5,291,512,792.85
Financial assets held for trading	2			Financial liabilities held for trading	27		
Notes receivable	3	11,565,585,808.86	9,794,590,611.45	Notes payable	28	2,000,000,000.00	2,000,000,000.00
Accounts receivable	4	1,342,265,250.46	1,601,729,314.99	Accounts payable	29	12,060,264,632.95	12,321,687,184.52
Prepayments	5	261,792,721.13	3,555,620,094.73	Advances from customers	30	503,091,995.87	709,288,030.19
Interests receivable	6			Staff remuneration payables	31	305,274,128.25	338,139,428.86
Dividends receivable	7			Taxes payable	32	1,866,208,856.36	2,444,304,575.53
Other receivables	8	1,695,908,112.37	4,377,928,976.86	Interests payable		671,639,753.69	497,172,615.62
Inventories	9	12,948,170,608.71	10,081,094,430.08	Dividends payable	33	2,000,000,000.00	2,000,000,000.00
Non-current assets due within one year				Other payables	34	19,934,333,933.45	22,186,919,188.58
Other current assets	10	929,002,319.87	10,530,500,958.36	Non-current liabilities due within one year	35	11,436,567,656.58	7,249,075,446.71
				Other current liabilities	36	15,321,428.57	15,321,428.57
Total current assets:		51,020,229,986.50	66,340,434,956.49	Total current liabilities:		56,106,663,707.85	55,053,420,691.43
Non-current assets:				Non-current liabilities:			
Available-for-sale financial assets	11	111,000,782.51	111,000,782.51	Long-term borrowings	37	6,188,000,000.00	6,188,000,000.00
Held-to-maturity investments	12			Bonds payable	38	14,691,651,850.52	14,697,750,294.96
Long-term receivables	13			Long-term payables	39	10,551,400,028.32	15,090,222,667.71
Long-term equity investments	14	19,836,935.94	115,836,935.94	Special payables	40		
Investment property	15			Estimated liabilities	41		
Fixed assets	16	65,170,077,521.38	64,117,350,347.29	Deferred tax liabilities	23	331,071,301.37	331,071,301.37
Construction in progress	17	3,656,657,306.90	3,949,652,382.42	Other non-current liabilities	42	250,229,473.56	340,290,873.56
Construction materials	18	11,634,405.10	130,676.31				
Intangible assets	19	3,489,194,155.23	3,489,011,054.51	Total non-current liabilities:		32,012,352,653.77	36,647,335,137.60
Development expenses	20						
Goodwill	21	311,768,933.61	311,768,933.61	Total liabilities:		88,119,016,361.62	91,700,755,829.03
Long-term deferred expenses	22			Owners' equity:			
Deferred tax assets	23	1,327,694,177.46	1,308,597,255.24	Share capital	43	13,000,000,000.00	13,000,000,000.00
Other non-current assets	24	10,265,877,041.26	336,052,759.69	Capital reserve	44		
Total non-current assets:		84,363,741,259.39	73,739,401,127.52	Special reserve	45	215,452,389.47	247,130,028.38
				Surplus reserve	46	2,812,678,745.97	2,812,678,745.97
				Undistributed profits	47	31,182,338,230.07	32,262,411,972.82
				Exchange differences			
				Minority's equity		54,485,518.76	56,859,507.81
				Total owners' equity:		47,264,954,884.27	48,379,080,254.98
TOTAL ASSETS		135,383,971,245.89	140,079,836,084.01	TOTAL LIABILITIES AND OWNERS' EQUITY		135,383,971,245.89	140,079,836,084.01

Person-in-charge
of the Company:
Zhang Bo

Person-in-charge of
accounting:
Zhang Ruilian

Prepared by:
Zhang Ruilian

CONSOLIDATED INCOME STATEMENT

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

January to March 2018

Units: RMB

Item	Row	Amount for the corresponding period last year	Amount for the current year
I. Operating income	1	21,397,108,787.74	19,659,441,764.95
Of which: principal operations revenue	2	19,156,244,655.66	14,742,367,319.92
other operations revenue	3	2,240,864,132.08	4,917,074,445.03
Less: Operating cost	4	18,224,324,719.89	17,415,643,731.75
Of which: principal operations cost	5	16,431,571,079.58	13,170,065,257.85
other operations cost	6	1,792,753,640.31	4,245,578,473.90
Taxes and surcharges	7	136,687,830.52	130,659,107.11
Selling and distribution expenses	8	65,295,033.34	48,125,946.54
Administrative expenses	9	115,462,472.42	414,316,109.98
Financial expenses	10	568,496,299.96	136,841,942.40
Asset impairment losses	11		
Add: Gains from changes in fair value	12		
Investment gains	13	13,227,242.07	9,401,787.91
II. Operating profit		2,300,069,673.68	1,523,256,715.08
Add: Non-operating income	14	54,427,323.61	8,104,605.75
Less: Non-operating expenses	15	2,254,004.73	1,541.43
Of which: losses on disposal of non-current assets	16		
III. Total profit		2,352,242,992.56	1,531,359,779.40
Less: Income tax expenses	17	571,020,739.47	448,912,047.60
IV. Net profit		1,781,222,253.09	1,082,447,731.80

Person-in-charge
of the Company:
Zhang Bo

Person-in-charge of
accounting:
Zhang Ruilian

Prepared by:
Zhang Ruilian

By Order of the Board
China Hongqiao Group Limited
Zhang Shiping
Chairman

Shandong, the People's Republic of China
27 April 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 as non-executive directors, and Mr. Chen Yinghai, Mr. Xing Jian, Mr. Han Benwen and Mr. Dong Xinyi as independent non-executive directors.