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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 2019 of Shandong Hongqiao is available only in Chinese, the Company wishes to provide the following unaudited consolidated balance sheets as at 30 September 2019 and unaudited consolidated income statements for the nine months ended 30 September 2019 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 2019

Units: 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	30,736,082,635.03	Short-term borrowings	28	14,929,054,607.62	19,620,310,949.25
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	9,626,988,842.84	Notes payable	31	2,000,000,000.00	2,044,837,089.09
Accounts receivable	5	6,949,945,648.70	12,099,550,780.76	Accounts payable	32	16,668,872,874.83	15,356,865,970.38
Prepayments	6	1,226,748,489.70	8,274,395,715.93	Advances from customers	33	629,432,534.96	2,310,343,698.72
Other receivable	7	3,206,897,597.60	1,802,418,856.56	Staff remuneration payables	34	599,938,237.28	454,849,330.88
Inventories	8	19,351,221,610.46	21,968,756,512.60	Taxes payable	35	2,857,865,411.50	2,575,997,385.96
Assets held for sale	9		378,834,065.17	Other payable	36	9,297,075,247.98	9,926,768,586.82
Non-current assets due within one year	10			Liabilities held for sale	37		
Other current assets	11	1,297,891,658.34	1,282,253,558.87	Non-current liabilities due within one year	38	2,823,433,939.40	3,331,808,702.08
				Other current liabilities	39	4,019,450,000.00	9,936,428.57
Total current assets:		89,471,060,418.02	86,169,334,592.76	Total current liabilities:		53,825,122,853.57	55,631,718,141.75
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	3,936,676,875.00
Held-to-maturity investments	13			Bonds payable	41	41,077,257,643.07	41,081,883,144.05
Long-term receivables	14		2,000,000,000.00	Long-term payables	42	10,244,386,411.63	4,797,090,518.90
Long-term equity investments	15	122,858,410.08	2,398,498,349.63	Special payables	43		
Other equity instrument investments	16		111,000,782.51	Estimated liabilities	44		
Investment property	17	143,606,397.98		Deferred income	45	553,820,162.35	559,394,613.71
Fixed assets	18	66,137,975,621.65	63,897,643,028.84	Deferred tax liabilities	46	346,288,146.70	341,150,823.70
Construction in progress	19	4,400,632,534.25	2,281,398,780.52	Other non-current liabilities	47	14,735,814.04	15,923,253.97
Biological assets for production	20						
Oil and gas assets	21			Total non-current liabilities:		59,385,226,177.79	50,732,119,229.33
Intangible assets	22	5,037,438,248.62	4,949,120,344.40				
Development expenses	23		2,427,707.90	Total liabilities:		113,210,349,031.36	106,363,837,371.08
Goodwill	24	608,817,605.80	608,817,605.80				
Long-term prepaid expenses	25	898,345.39	2,210,577.92	Owners' equity:			
Deferred tax assets	26	1,890,173,759.18	2,300,003,477.43	Share capital	48	9,921,364,362.00	9,921,364,362.00
Other non-current assets	27	254,889,016.24	232,096,825.25	Capital reserve	49		
				Less: Treasury Share	50		
Total non-current assets:		78,708,290,721.70	78,783,217,480.20	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	457,830,958.86
				Undistributed profits	54	42,195,222,586.25	45,631,388,838.18
				Minority interests	55	1,277,304,122.29	1,392,433,561.81
				Total owners' equity:		54,969,002,108.36	58,588,714,701.88
TOTAL ASSETS		168,179,351,139.72	164,952,552,072.96	TOTAL LIABILITIES AND OWNERS' EQUITY		168,179,351,139.72	164,952,552,072.96

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 2019 Units: RMB

Item	Row	Amount for the corresponding period last year	Accumulated Amount for the current year
I. Operating income	1	66,087,159,465.41	62,637,823,784.54
Less: Operating cost	2	53,934,183,538.56	49,670,070,035.48
Taxes and surcharges	3	666,136,935.87	615,196,946.16
Selling expenses	4	145,554,935.06	360,915,131.40
Administrative expenses	5	1,333,770,792.97	1,560,418,633.83
Research and development expenses	6	628,535,212.82	689,511,556.02
Financial expenses	7	3,879,109,983.36	3,921,748,501.88
Of which: Interests expenses	8	3,091,859,860.32	3,688,515,624.02
Interests income	9	512,846,500.11	157,036,182.66
Asset impairment losses	10	521,653,316.11	1,187,103,375.02
Credit impairment losses	11		258,380.57
Add: Other gains	12	7,500,714.29	14,376,375.02
Investment gains (Losses are indicated by “-”)	13	-639,747,014.91	84,695,534.42
Gains from changes in fair value (Losses are indicated by “-”)	14	-1,923,675.00	53,625.00
Gains on disposal of assets (Losses are indicated by “-”)	15	155,917.85	-681,759.26
II. Operating profit (Losses are indicated by “-”)	16	4,344,200,692.89	4,731,044,999.36
Add: Non-operating income	17	47,628,174.36	274,207,930.26
Less: Non-operating expenses	18	11,989,190.64	3,859,988.78
III. Total profit (Losses are indicated by “-”)	19	4,379,839,676.61	5,001,392,940.84
Less: Income tax expenses	20	1,902,540,232.83	1,358,780,664.85
IV. Net profit (Net loss is indicated by “-”)	21	2,477,299,443.78	3,642,612,275.99
(I) Net profit from continuing operations (Net loss is indicated by “-”)	22	2,477,299,443.78	3,642,612,275.99
(II) Net profit from discontinued operations (Net loss is indicated by “-”)	23		

Person-in-charge of
corporate:
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
28 October 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.