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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 2020 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 2020 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 2020 and unaudited consolidated income statement for the six months ended 30 June 2020 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 2020

Units: RMB

Assets	Row	Opening balance	Ending balance	Liabilities and owners' equity	Row	Opening balance	Ending balance
<b>Current assets:</b>				<b>Current liabilities:</b>			
Cash at bank and on hand	1	42,179,527,836.95	41,766,247,316.87	short-term borrowings	29	20,206,524,388.98	25,494,573,473.71
Financial assets at fair value through profit or loss	2			Financial liabilities at fair value through profit or loss	30		
Financial assets held for trading	3	2,005,336.43		Financial liabilities held for trading	31	2,513,150.00	441,350.00
Notes receivable	4	11,139,774,701.46	8,155,954,109.01	Notes payable	32	2,138,842,046.11	2,059,068,949.25
Accounts receivable	5	10,459,651,873.46	9,735,375,643.24	Accounts payable	33	17,604,071,560.90	12,467,289,123.41
Prepayments	6	3,306,735,499.22	4,324,807,147.52	Advances from customers	34	2,424,421,780.69	832,835,292.87
Other receivable	7	1,799,593,694.22	5,602,838,067.48	Staff remuneration payables	35	607,012,239.84	461,642,309.15
Inventories	8	21,561,663,723.07	20,840,115,941.35	Taxes payable	36	2,781,760,129.40	3,010,530,694.89
Assets held for sale	9	370,058,072.87		Other payable	37	10,337,986,206.37	8,389,856,185.65
Non-current assets due within one year	10			Liabilities held for sale	38		
Other current assets	11	1,018,348,932.08	1,123,526,189.32	Non-current liabilities due within one year	39	8,238,581,263.98	25,861,590,907.03
				Other current liabilities	40		161,490,336.06
<b>Total current assets:</b>		<b>91,837,359,669.76</b>	<b>91,548,864,414.79</b>	<b>Total current liabilities:</b>		<b>64,341,712,766.27</b>	<b>78,739,318,622.02</b>
<b>Non-current assets:</b>				<b>Non-current liabilities:</b>			
Available-for-sale financial assets	12			Long-term borrowings	41	405,990,000.00	507,616,250.00
Other debt investment	13		1,000,000,000.00	Bonds payable	42	38,529,228,965.47	18,895,488,897.04
Held-to-maturity investments	14			Long-term payables	43	4,772,872,633.21	2,965,537,417.42
Long-term receivables	15	2,000,000,000.00	2,000,000,000.00	Estimated liabilities	44		
Long-term equity investments	16	2,410,689,480.69	2,872,080,149.65	Deferred income	45	571,416,378.60	632,738,141.74
Investment in other equity instruments	17	111,000,782.51	111,000,782.51	Deferred tax liabilities	46	318,245,792.65	310,608,311.33
Investment property	18			Other non-current liabilities	47	13,856,497.93	14,441,781.23
Fixed assets	19	62,816,757,781.46	56,758,430,005.35				
Construction in progress	20	1,399,591,944.50	2,303,131,252.78	<b>Total non-current liabilities:</b>		<b>44,611,610,267.86</b>	<b>23,326,430,798.76</b>
Biological assets for production	21						
Oil and gas assets	22			<b>Total liabilities:</b>		<b>108,953,323,034.13</b>	<b>102,065,749,420.78</b>
Intangible assets	23	5,052,724,023.39	5,173,035,591.39				
Development expenses	24	2,427,707.90		<b>Shareholders' equity:</b>			
Goodwill	25	608,817,605.80	509,574,519.00	Share capital	48	9,921,364,362.00	10,272,439,362.00
Long-term prepaid expenses	26	1,987,937.99	1,572,755.54	Capital reserve	49	5,375,558.27	5,520,652.02
Deferred tax assets	27	2,329,961,053.21	2,469,029,886.65	Less: Treasury Share	50		
Other non-current assets	28	213,348,113.84	393,131,433.71	Other comprehensive income	51	-1,919,041.77	-1,915,377.38
				Surplus reserve	52	1,237,468,987.08	1,237,468,987.08
<b>Total non-current assets:</b>		<b>76,947,306,431.29</b>	<b>73,590,986,376.58</b>	Special reserve	53	431,391,403.01	494,315,318.35
				Undistributed profits	54	46,861,507,439.03	49,435,130,805.70
				Minority interests	55	1,376,154,359.30	1,631,141,622.82
				<b>Total shareholders' equity:</b>		<b>59,831,343,066.92</b>	<b>63,074,101,370.59</b>
<b>TOTAL ASSETS</b>		<b>168,784,666,101.05</b>	<b>165,139,850,791.37</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>168,784,666,101.05</b>	<b>165,139,850,791.37</b>

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 June 2020

Units: RMB

Item	Row	Amount for the corresponding period last year	Accumulated Amount for the current year
I. Operating income	1	41,136,992,457.45	40,258,530,135.33
Less: Operating cost	2	32,961,035,753.84	33,012,941,887.42
Taxes and surcharges	3	420,682,565.47	352,993,679.36
Selling expenses	4	291,647,548.92	152,545,110.29
Administrative expenses	5	1,011,438,734.71	1,134,416,751.27
Research and development expenses	6	325,294,734.51	375,147,328.36
Financial expenses	7	2,664,880,165.66	2,025,915,471.97
Of which: Interests expenses	8	2,683,573,118.68	1,955,418,792.31
Interests income	9	95,777,484.49	145,522,270.66
Add: Other gains	10	9,584,250.01	118,133,658.13
Investment gains (Losses are indicated by “-”)	11	36,294,074.26	270,167,964.49
Gains from changes in fair value (Losses are indicated by “-”)	12	53,625.00	2,072,136.00
Credit impairment losses (Losses are indicated by “-”)	13	-258,380.57	-26,785,606.11
Asset impairment losses (Losses are indicated by “-”)	14	-1,175,825,833.81	-334,154,303.70
Gains on disposal of assets (Losses are indicated by “-”)	15	-15,193.05	174,571,416.08
II. Operating profit (Losses are indicated by “-”)	16	2,331,845,496.18	3,408,575,171.55
Add: Non-operating income	17	155,119,222.49	80,498,931.44
Less: Non-operating expenses	18	658,743.92	6,695,744.50
III. Total profit (Losses are indicated by “-”)	19	2,486,305,974.75	3,482,378,358.49
Less: Income tax expenses	20	785,117,519.44	601,567,962.52
IV. Net profit (Losses are indicated by “-”)	21	1,701,188,455.31	2,880,810,395.97
(I) Net profit from continuing operations (Net loss is indicated by “-”)	22	1,701,188,455.31	2,880,810,395.97
(II) Net profit from discontinued operations (Net loss is indicated by “-”)	23		

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

## CONSOLIDATED BALANCE SHEET

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

Date: 30 June 2020

Units: RMB

Assets	Row	Opening balance	Ending balance	Liabilities and owners' equity	Row	Opening balance	Ending balance
<b>Current assets:</b>				<b>Current liabilities:</b>			
Cash at bank and on hand	1	30,736,539,592.81	30,207,922,341.48	short-term borrowings	29	14,418,000,000.00	19,332,208,261.92
Financial assets at fair value through profit or loss	2			Financial liabilities at fair value through profit or loss	30		
Financial assets held for trading	3	2,005,336.43		Financial liabilities held for trading	31	2,513,150.00	441,350.00
Notes receivable	4	9,575,821,778.54	6,642,288,769.39	Notes payable	32	2,000,000,000.00	2,000,000,000.00
Accounts receivable	5	6,700,053,684.73	5,898,830,624.43	Accounts payable	33	11,406,086,255.63	6,866,064,034.86
Prepayments	6	3,175,357,865.65	3,419,064,191.72	Advances from customers	34	1,219,501,351.25	719,303,403.23
Other receivable	7	2,629,066,036.50	6,870,354,111.39	Staff remuneration payables	35	490,023,409.47	369,386,487.66
Inventories	8	15,346,721,952.20	15,789,926,730.19	Taxes payable	36	2,262,581,502.04	2,235,139,890.81
Assets held for sale	9	370,058,072.87		Other payable	37	16,616,093,005.13	12,294,324,915.66
Non-current assets due within one year	10			Liabilities held for sale	38		
Other current assets	11	795,186,145.56	927,961,550.13	Non-current liabilities due within one year	39	6,740,000,000.00	15,802,182,139.44
				Other current liabilities	40		161,490,336.06
<b>Total current assets:</b>		<b>69,330,810,465.29</b>	<b>69,756,348,318.73</b>	<b>Total current liabilities:</b>		<b>55,154,798,673.52</b>	<b>59,780,540,819.64</b>
<b>Non-current assets:</b>				<b>Non-current liabilities:</b>			
Available-for-sale financial assets	12			Long-term borrowings	41	395,000,000.00	498,000,000.00
Other debt investment	13		1,000,000,000.00	Bonds payable	42	15,847,304,180.83	9,748,655,829.46
Held-to-maturity investments	14			Long-term payables	43	9,711,746,243.36	2,965,437,434.02
Long-term receivables	15	2,000,000,000.00	2,000,000,000.00	Estimated liabilities	44		
Long-term equity investments	16	2,410,689,480.69	2,872,080,149.65	Deferred income	45	537,215,485.85	503,809,020.31
Investment in other equity instruments	17	111,000,782.51	111,000,782.51	Deferred tax liabilities	46	304,717,554.37	298,129,117.61
Investment property	18			Other non-current liabilities	47		
Fixed assets	19	53,939,321,545.18	46,967,693,013.92				
Construction in progress	20	1,246,098,418.34	1,468,814,684.92	<b>Total non-current liabilities</b>		<b>26,795,983,464.41</b>	<b>14,014,031,401.40</b>
Biological assets for production	21						
Oil and gas assets	22			<b>Total liabilities:</b>		<b>81,950,782,137.93</b>	<b>73,794,572,221.04</b>
Intangible assets	23	4,634,351,596.58	4,566,431,704.25				
Development expenses	24			<b>Shareholders' equity:</b>			
Goodwill	25	311,768,933.61	311,768,933.61	Share capital	48	13,000,000,000.00	13,000,000,000.00
Long-term prepaid expenses	26	1,899,511.23	1,424,633.43	Capital reserve	49	4,026,911.53	4,172,005.28
Deferred tax assets	27	1,913,543,512.29	1,988,744,509.62	Less: Treasury Share	50		
Other non-current assets	28	187,062,109.98	202,680,359.92	Other comprehensive income	51	-1,919,041.77	-1,915,377.38
				Special reserve	52	340,052,733.57	388,297,540.78
<b>Total non-current assets:</b>		<b>66,755,735,890.41</b>	<b>61,490,638,771.83</b>	Surplus reserve	53	3,332,910,751.32	3,332,910,751.32
				Undistributed profits	54	37,451,258,293.04	40,714,040,183.23
				Minority interests	55	9,434,570.08	14,909,766.29
				<b>Total shareholders' equity:</b>		<b>54,135,764,217.77</b>	<b>57,452,414,869.52</b>
<b>TOTAL ASSETS</b>		<b>136,086,546,355.70</b>	<b>131,246,987,090.56</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>136,086,546,355.70</b>	<b>131,246,987,090.56</b>

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 Weiqiao Aluminum & Power Co., Ltd.

January to June 2020

Units: RMB

Item	Row	Amount for the corresponding period last year	Accumulated Amount for the current year
I. Operating income	1	35,371,853,890.47	36,467,456,738.62
Less: Operating cost	2	28,867,281,070.22	30,801,434,773.08
Taxes and surcharges	3	372,711,663.96	304,912,715.33
Selling expenses	4	298,845,681.36	160,709,331.31
Administrative expenses	5	834,581,177.35	940,289,795.64
Research and development expenses	6	285,192,097.04	307,493,487.23
Financial expenses	7	1,470,113,906.62	1,165,401,040.15
Of which: Interests expenses	8	1,536,221,686.79	1,184,648,614.29
Interests income	9	96,823,747.64	121,363,950.09
Add: Other gains	10	9,111,035.72	101,083,825.50
Investment gains(Losses are indicated by “-”)	11	36,294,074.26	270,167,964.49
Gains from changes in fair value (Losses are indicated by “-”)	12	53,625.00	2,072,136.00
Credit impairment losses (Losses are indicated by “-”)	13	-264,225.20	-21,540,670.88
Asset impairment losses (Losses are indicated by “-”)	14	-1,116,882,498.88	-197,218,272.57
Gains on disposal of assets (Losses are indicated by “-”)	15		785,254,689.31
II. Operating profit (Losses are indicated by “-”)	16	2,171,440,304.82	3,727,035,267.73
Add: Non-operating income	17	123,000,775.00	60,165,729.13
Less: Non-operating expenses	18	635,955.65	6,695,677.78
III. Total profit (Losses are indicated by “-”)	19	2,293,805,124.17	3,780,505,319.08
Less: Income tax expenses	20	696,517,829.29	518,278,232.69
IV. Net profit (Losses are indicated by “-”)	21	1,597,287,294.88	3,262,227,086.39
(I) Net profit from continuing operations (Net loss is indicated by “-”)	22	1,597,287,294.88	3,262,227,086.39
(II) Net profit from discontinued operations (Net loss is indicated by “-”)	23		

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

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

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

Shandong, the People’s Republic of China  
31 August 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.*