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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 first 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 31 March 2020 and unaudited consolidated income statements for the three months ended 31 March 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: 31 March 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	39,792,066,947.92	Short-term borrowings	29	20,206,524,388.98	24,616,237,233.57
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	17,548,975.00
Notes receivable	4	11,139,774,701.46	9,224,750,476.55	Notes payable	32	2,138,842,046.11	2,113,602,287.31
Accounts receivable	5	10,459,651,873.46	11,379,890,754.11	Accounts payable	33	17,604,071,560.90	16,344,466,532.89
Prepayments	6	3,306,735,499.22	7,250,928,450.70	Advances from customers	34	2,424,421,780.69	1,675,300,017.33
Other receivable	7	1,799,593,694.22	3,022,213,517.10	Staff remuneration payables	35	607,012,239.84	437,894,155.43
Inventories	8	21,561,663,723.07	22,882,985,693.85	Taxes payable	36	2,781,760,129.40	3,034,027,021.21
Assets held for sale	9	370,058,072.87	370,058,072.87	Other payable	37	10,337,986,206.37	8,963,312,721.00
Non-current assets due within one year	10			Liabilities held for sale	38		
Other current assets	11	1,018,348,932.08	1,204,521,977.93	Non-current liabilities due within one year	39	8,238,581,263.98	20,739,833,045.01
				Other current liabilities	40		
<b>Total current assets:</b>		<b>91,837,359,669.76</b>	<b>95,127,415,891.03</b>	<b>Total current liabilities:</b>		<b>64,341,712,766.27</b>	<b>77,942,221,988.75</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	405,303,125.00
Held-to-maturity investments	13			Bonds payable	42	38,529,228,965.47	24,168,718,739.24
Debt investment	14		1,000,000,000.00	Of which: Preference shares			
Long-term receivables	15	2,000,000,000.00	2,000,000,000.00	Perpetual bond			
Long-term equity investments	16	2,410,689,480.69	2,549,647,517.03	Long-term payables	43	4,772,872,633.21	4,657,483,654.68
Investment in other equity instruments	17	111,000,782.51	111,000,782.51	Estimated liabilities	44		
Investment property	18			Deferred income	45	571,416,378.60	666,888,638.71
Fixed assets	19	62,816,757,781.46	58,405,590,725.43	Deferred tax liabilities	46	318,245,792.65	316,269,889.12
Construction in progress	20	1,399,591,944.50	1,564,167,118.20	Other non-current liabilities	47	13,856,497.93	13,901,323.63
Biological assets for production	21						
Oil and gas assets	22			Total non-current liabilities		44,611,610,267.86	30,228,565,370.38
Intangible assets	23	5,052,724,023.39	5,021,681,599.10				
Development expenses	24	2,427,707.90	2,427,707.90	Total liabilities		108,953,323,034.13	108,170,787,359.13
Goodwill	25	608,817,605.80	608,817,605.80				
Long-term prepaid expenses	26	1,987,937.99	1,769,349.41	Shareholders' equity:			
Deferred tax assets	27	2,329,961,053.21	2,416,615,427.22	Share capital	48	9,921,364,362.00	10,272,439,362.00
Other non-current assets	28	213,348,113.84	452,739,384.67	Other equity instruments	49		
				Of which: Preference shares			
<b>Total non-current assets</b>		<b>76,947,306,431.29</b>	<b>74,134,457,217.27</b>	Perpetual bond			
				Capital reserve	50	5,375,558.27	5,375,558.27
				Less: Treasury Share	51		
				Other comprehensive income	52	-1,919,041.77	-1,919,041.77
				Special reserve	53	431,391,403.01	462,898,915.15
				Surplus reserve	54	1,237,468,987.08	1,237,468,987.08
				Undistributed profits	55	46,861,507,439.03	47,656,890,417.54
				Minority interests	56	1,376,154,359.30	1,457,931,550.90
				Total owners' equity:		59,831,343,066.92	61,091,085,749.17
<b>TOTAL ASSETS</b>		<b>168,784,666,101.05</b>	<b>169,261,873,108.30</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>168,784,666,101.05</b>	<b>169,261,873,108.30</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 March 2020      Units: RMB

Item	Row	Amount for the corresponding period last year	Accumulated Amount for the current year
I. Operating income	1	20,124,461,703.40	19,365,195,376.01
Less: Operating cost	2	16,903,337,739.31	15,990,624,487.16
Taxes and surcharges	3	217,897,516.21	168,919,355.83
Selling expenses	4	203,246,904.88	60,804,206.99
Administrative expenses	5	549,420,095.19	547,586,320.26
Research and development expenses	6	206,173,087.51	191,216,303.45
Financial expenses	7	903,831,156.98	1,093,674,045.59
Of which: Interests expenses	8	1,135,878,702.71	972,713,878.20
Interests income	9	31,937,378.35	83,371,539.25
Credit impairment losses	10		3,185,607.06
Asset impairment losses	11	-2,550.45	31,858,005.41
Add: Other gains	12		1,985,892.87
Investment gains (Losses are indicated by “-”)	13	8,272,653.11	114,429,443.93
Gains from changes in fair value (Losses are indicated by “-”)	14		-15,035,489.00
Gains on disposal of assets (Losses are indicated by “-”)	15	9,904,043.61	-3,781,995.04
II. Operating profit		1,158,734,450.49	1,374,924,897.02
Add: Non-operating income	16	27,655,082.45	22,108,456.84
Less: Non-operating expenses	17	958,891.83	165,502.28
III. Total profit		1,185,430,641.11	1,396,867,851.58
Less: Income tax expenses	18	401,407,801.64	268,632,681.41
IV. Net profit		784,022,839.47	1,128,235,170.17
(I) Net profit from continuing operations (Net loss is indicated by “-”)		784,022,839.47	1,128,235,170.17
(II) Net profit from discontinued operations (Net loss is indicated by “-”)			

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  
24 April 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.*