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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 2023 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 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 2023 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 2023 and unaudited consolidated income statement for the six months ended 30 June 2023 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 2023

Units: RMB

Item	Row	Opening balance	Ending balance	Item	Row	Opening balance	Ending balance
Current assets:				Current liabilities:			
Cash at bank and on hand	1	27,624,442,198.44	29,385,038,695.55	Short-term borrowings	32	19,233,888,710.24	21,763,600,184.71
Financial assets held for trading	2	6,403,475.00	5,011,375,875.00	Financial liabilities held for trading	33		9,407,450.00
Derivative financial asset	3	722,100.00	1,116,193.49	Derivative financial liabilities	34	222,475.00	7,250.00
Notes receivable	4	5,558,852,165.63	5,263,543,489.35	Notes payable	35	2,117,857,455.04	155,815,270.88
Accounts receivable	5	4,570,520,797.48	4,883,258,251.07	Accounts payable	36	13,313,565,436.33	9,322,340,762.07
Receivables financing	6			Advances from customers	37	33,012,540.19	4,117,953.70
Prepayments	7	9,687,100,293.70	5,008,142,392.41	Contract liabilities	38	1,324,833,762.12	1,284,739,314.24
Other receivables	8	12,215,160,732.74	13,969,435,824.00	Staff remuneration payables	39	902,113,004.50	833,263,330.94
Inventories	9	36,382,658,997.99	35,261,840,013.52	Taxes payable	40	1,140,095,001.61	1,095,935,111.51
Contract assets	10			Other payables	41	9,211,417,992.69	7,470,682,984.02
Assets held for sale	11			Liabilities held for sale	42		
Non-current assets due within one year	12	2,509,387,540.37	4,928,923.13	Non-current liabilities due within one year	43	19,833,549,139.48	16,903,031,081.93
Other current assets	13	4,744,388,473.69	3,776,506,586.46	Other current liabilities	44	7,732,460,066.04	10,207,352,412.74
Total current assets		103,299,636,775.04	102,565,186,243.98	Total current liabilities		74,843,015,583.24	69,050,293,106.74
Non-current assets:				Non-current liabilities:			
Debt investment	14		2,494,000,000.00	Long-term borrowings	45	2,192,747,500.00	7,918,303,854.83
Other debt investment	15			Bonds payable	46	5,960,847,022.03	2,889,806,840.26
Long-term receivables	16	2,186,165,754.08	2,180,861,721.31	Lease liabilities	47	952,394,481.67	1,374,378,204.11
Long-term equity investments	17	6,159,330,285.74	7,333,460,329.59	Long-term payables	48	1,482,986,166.83	2,023,934,858.69

Item	Row	Opening balance	Ending balance	Item	Row	Opening balance	Ending balance
Investment in other equity instruments	18	679,769,357.19	682,891,395.76	Specific payables	49		
Other non-current financial assets	19			Estimated liabilities	50	66,908,505.93	69,627,157.32
Investment property	20	44,958,236.50	44,374,837.83	Deferred income	51	833,136,917.93	838,981,844.61
Fixed assets	21	51,063,483,448.94	49,481,679,802.76	Deferred tax liabilities	52	665,507,889.12	842,489,536.80
Construction in progress	22	7,512,655,028.77	7,914,270,755.05	Other non-current liabilities	53		
Biological assets for production	23						
Oil and gas assets	24			Total non-current liabilities		12,154,528,483.51	15,957,522,296.62
Right-of-use assets	25	677,883,931.90	853,763,558.31				
Intangible assets	26	7,542,523,585.17	8,073,309,425.74	Total liabilities		86,997,544,066.75	85,007,815,403.36
Development expenses	27						
Goodwill	28	278,223,112.57	278,223,112.57	Shareholders' equity:			
Long-term prepaid expenses	29	44,628,243.34	36,027,418.08	Paid-in capital (or share capital)	54	11,759,333,009.10	11,759,333,009.10
Deferred tax assets	30	3,564,808,269.14	3,443,225,160.51	Capital reserve	55	5,608,460,913.35	5,701,397,384.68
Other non-current assets	31	3,136,374,217.72	1,082,785,878.02	Less: Treasury Share	56		-
				Other comprehensive income	57	28,425,101.42	-29,046,052.20
Total non-current assets:		82,890,803,471.06	83,898,873,395.53	Special reserve	58	844,216,633.68	982,028,718.63
				Surplus reserve	59	3,441,601,710.33	3,441,601,710.33
				Undistributed profits	60	72,624,736,156.17	74,830,694,818.84
				Minority interests	61	4,886,122,655.30	4,770,234,646.77
				Total shareholders' equity		99,192,896,179.35	101,456,244,236.15
TOTAL ASSETS		186,190,440,246.10	186,464,059,639.51	TOTAL LIABILITIES AND OWNERS' EQUITY		186,190,440,246.10	186,464,059,639.51

Person-in-charge of corporate:
Zhang Bo

Person-in-charge of accounting:
Zhang Ruilian

Person-in-charge of accounting institution:
Yang Jiajia

CONSOLIDATED INCOME STATEMENT

Prepared by Shandong Hongqiao New Material Co., Ltd.

January to June 2023

Units: RMB

Item	Row	Amount for the corresponding period last year	Accumulated Amount for the current year
I. Operating income	1	67,661,818,961.52	64,472,094,810.93
Less: Operating cost	2	52,115,781,659.09	58,279,812,531.10
Taxes and surcharges	3	591,605,361.66	420,207,383.16
Selling expenses	4	26,067,548.95	32,806,598.28
Administrative expenses	5	1,675,498,041.32	814,877,379.64
Research and development expenses	6	953,941,909.06	1,031,524,457.60
Financial expenses	7	941,705,341.43	1,349,448,509.80
Of which: Interests expenses	8	1,086,051,374.64	1,314,627,807.85
Interests income	9	413,975,565.91	293,231,488.33
Add: Other gains	10	76,838,714.58	28,660,798.12
Investment gains (Losses are indicated by “-”)	11	244,093,651.86	448,859,723.95
Gains from changes in fair value (Losses are indicated by “-”)	12	19,172,840.57	-1,152,325.00
Credit impairment losses (Losses are indicated by “-”)	13	67,938,968.47	6,844,244.65
Asset impairment losses (Losses are indicated by “-”)	14	-184,008,491.89	-77,878,368.79
Gains on disposal of assets (Losses are indicated by “-”)	15	105,365,456.33	63,630,473.50
II. Operating profit (Losses are indicated by “-”)	16	11,686,620,239.93	3,012,382,497.78
Add: Non-operating income	17	69,841,952.72	54,091,792.83
Less: Non-operating expenses	18	149,967,132.93	55,184,523.58
III. Total profit (Losses are indicated by “-”)	19	11,606,495,059.72	3,011,289,767.03
Less: Income tax expenses	20	2,666,546,999.97	804,288,137.32
IV. Net profit (Net loss is indicated by “-”)	21	8,939,948,059.75	2,207,001,629.71
(I) Net profit from continuing operations (Net loss is indicated by “-”)	22	8,939,948,059.75	2,207,001,629.71
(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:
Yang Jiajia

CONSOLIDATED BALANCE SHEET

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

Date: 30 June 2023

Units: RMB

Item	Row	Opening balance	Ending balance	Item	Row	Opening balance	Ending balance
Current assets:				Current liabilities:			
Cash at bank and on hand	1	17,573,215,481.74	19,352,405,281.07	Short-term borrowings	32	14,709,417,676.24	18,034,841,571.03
Financial assets held for trading	2	3,302,650.00	8,335,875.00	Financial liabilities held for trading	33		9,249,700.00
Derivative financial asset	3			Derivative financial liabilities	34		
Notes receivable	4	5,407,117,961.02	4,942,842,424.61	Notes payable	35	2,000,000,000.00	
Accounts receivable	5	3,643,414,576.09	3,156,724,311.40	Accounts payable	36	12,090,441,213.33	9,157,496,552.77
Receivables financing	6			Advances from customers	37	33,012,540.19	4,117,953.70
Prepayments	7	6,483,331,808.26	4,815,820,541.76	Contract liabilities	38	1,277,329,738.24	1,234,073,807.66
Other receivables	8	5,160,447,425.60	5,839,959,906.92	Staff remuneration payables	39	815,717,077.08	781,638,739.82
Inventories	9	33,625,943,494.43	33,751,141,258.44	Taxes payable	40	874,877,382.26	903,924,970.80
Contract assets	10			Other payables	41	7,911,812,247.98	8,617,303,447.41
Assets held for sale	11			Liabilities held for sale	42		
Non-current assets due within one year	12	1,007,677,019.82	4,928,923.13	Non-current liabilities due within one year	43	15,539,095,573.88	10,878,086,657.22
Other current assets	13	4,549,584,818.26	3,588,633,193.60	Other current liabilities	44	5,462,091,562.29	4,645,043,288.83
Total current assets		77,454,035,235.22	75,460,791,715.93	Total current liabilities		60,713,795,011.49	54,265,776,689.24
Non-current assets:				Non-current liabilities:			
Debt investment	14		1,294,000,000.00	Long-term borrowings	45	2,190,000,000.00	7,216,930,104.83
Other debt investment	15			Bonds payable	46	1,976,658,370.24	
Long-term receivables	16	2,186,165,754.08	2,180,861,721.31	Lease liabilities	47	915,045,667.11	1,323,488,908.45
Long-term equity investments	17	5,569,241,605.02	6,108,615,615.12	Long-term payables	48	2,982,986,166.83	3,219,616,092.65
Investment in other equity instruments	18	330,323,456.11	330,323,456.11	Specific payables	49		
Other non-current financial assets	19			Estimated liabilities	50	66,908,505.93	69,627,157.32
Investment property	20			Deferred income	51	513,218,581.28	506,109,047.82
Fixed assets	21	46,418,869,388.37	44,606,087,859.42	Deferred tax liabilities	52	620,697,666.60	796,282,015.22
Construction in progress	22	6,011,875,344.41	6,428,509,121.62	Other non-current liabilities	53		
Biological assets for production	23						
Oil and gas assets	24			Total non-current liabilities		9,265,514,957.99	13,132,053,326.29
Right-of-use assets	25	636,799,334.32	798,730,950.40				
Intangible assets	26	6,492,981,495.41	7,037,233,095.49	Total liabilities		69,979,309,969.48	67,397,830,015.53
Development expenses	27						
Goodwill	28	80,417,527.18	80,417,527.18	Shareholders' equity:			
Long-term prepaid expenses	29	43,680,007.94	35,202,219.76	Paid-in capital (or share capital)	54	13,000,000,000.00	13,000,000,000.00
Deferred tax assets	30	3,407,619,159.82	3,297,033,564.86	Capital reserve	55	1,674,709,835.18	1,767,646,306.51
Other non-current assets	31	601,993,259.68	1,071,995,355.79	Less: Treasury Share	56		
				Other comprehensive income	57	48,822,680.69	-11,891,023.45
Total non-current assets		71,779,966,332.34	73,269,010,487.06				

Item	Row	Opening balance	Ending balance	Item	Row	Opening balance	Ending balance
				Special reserve	58	842,350,371.69	966,442,237.92
				Surplus reserve	59	5,161,988,127.15	5,161,988,127.15
				Undistributed profits	60	55,391,418,839.51	57,380,624,521.58
				Minority interests	61	3,135,401,743.86	3,067,162,017.75
				Total shareholders' equity		79,254,691,598.08	81,331,972,187.46
TOTAL ASSETS		149,234,001,567.56	148,729,802,202.99	TOTAL LIABILITIES AND OWNERS' EQUITY		149,234,001,567.56	148,729,802,202.99

Person-in-charge of
corporate:
Zhang Bo

Person-in-charge of
accounting:
Zhang Ruilian

Person-in-charge of
accounting institution:
Yang Jiajia

CONSOLIDATED INCOME STATEMENT

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

January to June 2023

Units: RMB

Item	Row	Amount for the corresponding period last year	Accumulated Amount for the current year
I. Operating income	1	66,777,116,042.61	65,474,225,188.43
Less: Operating cost	2	52,024,948,290.17	60,244,749,138.97
Taxes and surcharges	3	547,432,656.99	380,709,127.29
Selling expenses	4	17,644,752.05	27,234,905.45
Administrative expenses	5	1,545,240,532.41	659,866,997.56
Research and development expenses	6	888,417,491.67	1,000,593,392.00
Financial expenses	7	702,185,810.01	965,415,776.27
Of which: Interests expenses	8	877,383,722.45	969,728,778.45
Interests income	9	297,672,621.67	236,350,198.92
Add: Other gains	10	32,896,930.59	20,824,576.92
Investment gains (Losses are indicated by “-”)	11	210,524,150.39	484,793,971.56
Gains from changes in fair value (Losses are indicated by “-”)	12	7,880,000.00	-1,466,525.00
Credit impairment losses (Losses are indicated by “-”)	13	-3,787,940.90	-254,216.19
Asset impairment losses (Losses are indicated by “-”)	14	-162,232,727.29	-53,299,278.28
Gains on disposal of assets (Losses are indicated by “-”)	15	141,462,281.71	107,322,834.80
II. Operating profit (Losses are indicated by “-”)	16	11,277,989,203.81	2,753,577,214.70
Add: Non-operating income	17	49,585,261.40	29,615,883.11
Less: Non-operating expenses	18	26,414,799.08	52,576,395.26
III. Total profit (Losses are indicated by “-”)	19	11,301,159,666.13	2,730,616,702.55
Less: Income tax expenses	20	2,578,552,062.81	690,315,137.85
IV. Net profit (Net loss is indicated by “-”)	21	8,722,607,603.32	2,040,301,564.70
(I) Net profit from continuing operations (Net loss is indicated by “-”)	22	8,722,607,603.32	2,040,301,564.70
(II) Net profit from discontinued operations (Net loss is indicated by “-”)	23		

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Zhang Bo

Person-in-charge of
accounting:
Zhang Ruilian

Person-in-charge of
accounting institution:
Yang Jiajia

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

Shandong, the People’s Republic of China
30 August 2023

As at the date of this announcement, the Board comprises twelve Directors, namely Mr. Zhang Bo, Ms. Zheng Shuliang, Ms. Zhang Ruilian and Ms. Wong Yuting as executive Directors, Mr. Yang Congsen, Mr. Zhang Jinglei, Mr. Liu Xiaojun (Mr. Zhang Hao as his alternate) and Ms. Sun Dongdong as non-executive Directors, and Mr. Wen Xianjun, Mr. Han Benwen, Mr. Dong Xinyi and Ms. Fu Yulin as independent non-executive Directors.