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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 2019 of Shandong Hongqiao is available only in Chinese, the Company wishes to provide the following unaudited consolidated balance sheets as at 31 March 2019 and unaudited consolidated income statements for the three months ended 31 March 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: 31 March 2019

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	45,711,729,708.03	42,855,417,324.72	Short-term borrowings	26	14,929,054,607.62	17,662,312,406.03
Financial assets at fair value through profit or loss	2			Financial liabilities at fair value through profit or loss	27		
Derivative financial assets	3			Derivative financial liabilities	28		
Notes receivable and Accounts receivable	4	18,676,571,353.89	21,235,897,192.01	Notes payable and Accounts payable	29	18,668,872,874.83	16,228,413,736.66
Prepayments	5	1,226,748,489.70	1,361,318,017.28	Advances from customers	30	629,432,534.96	1,481,288,188.20
Other receivable	6	3,206,897,597.60	2,944,388,727.34	Staff remuneration payables	31	599,938,237.28	476,421,578.90
Inventories	7	19,351,221,610.46	20,139,043,228.08	Taxes payable	32	2,857,865,411.50	2,743,373,169.32
Assets held for sale	8		30,774,246.44	Other payable	33	9,297,075,247.98	9,299,813,623.79
Non-current assets due within one year	9			Liabilities held for sale	34		
Other current assets	10	1,297,891,658.34	1,288,956,012.04	Non-current liabilities due within one year	35	2,823,433,939.40	2,678,034,432.72
				Other current liabilities	36	4,019,450,000.00	1,017,880,000.00
Total current assets		89,471,060,418.02	89,855,794,747.91	Total current liabilities		53,825,122,853.57	51,587,537,135.62
Non-current assets:				Non-current liabilities:			
Available-for-sale financial assets	11	111,000,782.51	111,000,782.51	Long-term borrowings	37	7,148,738,000.00	7,150,798,125.00
Held-to-maturity investments	12			Bonds payable	38	41,077,257,643.07	43,032,621,332.36
Long-term receivables	13			Of which: Preference shares			
Long-term equity investments	14	122,858,410.08	122,858,410.08	Perpetual bond			
Investment property	15	143,606,397.98	111,662,836.09	Long-term payables	39	10,244,386,411.63	9,601,236,435.45
Fixed assets	16	66,137,975,621.65	65,229,144,734.47	Estimated liabilities	40		
Construction in progress	17	4,400,632,534.25	4,886,300,485.38	Deferred income	41	553,820,162.35	575,221,872.33
Biological assets for production	18			Deferred tax liabilities	23	346,288,146.70	346,288,146.70
Oil and gas assets	19			Other non-current liabilities	42	14,735,814.04	14,551,050.65
Intangible assets	20	5,037,438,248.62	5,015,323,982.47				
Development expenses	21		1,338,819.33	Total non-current liabilities		59,385,226,177.79	60,720,716,962.49
Goodwill	22	608,817,605.80	608,817,605.80				
Long-term prepaid expenses	23	898,345.39	3,625,998.03	Total liabilities		113,210,349,031.36	112,308,254,098.11
Deferred tax assets	24	1,890,173,759.18	1,885,822,928.90				
Other non-current assets	25	254,889,016.24	273,444,992.11	Owners' equity:			
Total non-current assets		78,708,290,721.70	78,249,341,575.17	Share capital	43	9,921,364,362.00	9,921,364,362.00
				Other equity instruments	44		
				Of which: Preference shares			
				Perpetual bond			
				Capital reserve	45		
				Less: Treasury Share	46		
				Other comprehensive income	47	-1,893,792.74	-1,893,792.74
				Special reserve	48	389,683,008.50	424,540,285.69
				Surplus reserve	49	1,187,321,822.06	1,187,321,822.06
				Undistributed profits	50	42,195,222,586.25	42,977,732,142.43
				Minority interests	51	1,277,304,122.29	1,287,817,405.53
				Total owners' equity:		54,969,002,108.36	55,796,882,224.97
TOTAL ASSETS		168,179,351,139.72	168,105,136,323.08	TOTAL LIABILITIES AND OWNERS' EQUITY		168,179,351,139.72	168,105,136,323.08

Person-in-charge of
corporate:
Zhang Shipping

Person-in-charge of
accounting:
Zhang Ruilian

Prepared by:
Ma Fei

CONSOLIDATED INCOME STATEMENT

Prepared by Shandong Hongqiao New Material Co., Ltd.

January to March 2019

Units: RMB

Item	Row	Amount for the corresponding period last year	Accumulated Amount for the current year
I. Operating income	1	21,559,985,287.27	20,124,461,703.40
Less: Operating cost	2	18,849,147,329.19	16,903,337,739.31
Taxes and surcharges	3	142,524,590.51	217,897,516.21
Selling expenses	4	54,413,916.90	203,246,904.88
Administrative expenses	5	468,309,012.88	549,420,095.19
Research and development expenses	6	209,997,353.99	206,173,087.51
Financial expenses	7	379,182,234.87	903,831,156.98
Of which: Interests expenses	8	881,869,194.44	1,135,878,702.71
Interests income	9	175,361,794.50	31,937,378.35
Asset impairment losses	10	2,308,766.20	-2,550.45
Add: Other gains	11		
Investment gains (Losses are indicated by “-”)	12	9,401,787.91	8,272,653.11
Of which: Investment gains on joint ventures and associates	13		
Gains from changes in fair value (Losses are indicated by “-”)	14		
Gains on disposal of assets (Losses are indicated by “-”)	15	182,032.80	9,904,043.61
II. Operating profit		1,463,685,903.44	1,158,734,450.49
Add: Non-operating income	16	16,907,876.98	27,655,082.45
Less: Non-operating expenses	17	2,422.03	958,891.83
III. Total profit		1,480,591,358.39	1,185,430,641.11
Less: Income tax expenses	18	488,707,284.62	401,407,801.64
IV. Net profit		991,884,073.77	784,022,839.47
(I) Net profit from continuing operations (Net loss is indicated by “-”)		991,884,073.77	784,022,839.47
(II) Net profit from discontinued operations (Net loss is indicated by “-”)			

Person-in-charge of
corporate:
Zhang Shiping

Person-in-charge of
accounting:
Zhang Ruilian

Prepared by:
Ma Fei

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

Shandong, the People’s Republic of China
29 April 2019

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 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.