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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 2022 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 2022 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 2022 and unaudited consolidated income statement for the six months ended 30 June 2022 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 2022

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	48,642,599,939.00	47,275,855,811.20	Short-term borrowings	32	19,435,120,602.53	19,137,293,640.06
Derivative financial asset	2	208,100.00	2,871,500.00	Derivative financial liabilities	33	8,814,314.57	5,189,620.00
Financial assets held for trading	3	7,051,425.00	5,377,500.00	Financial liabilities held for trading	34	8,536,425.00	
Notes receivable	4	11,818,514,936.45	9,290,465,016.28	Notes payable	35	2,455,810,364.03	2,304,779,715.95
Accounts receivable	5	7,437,981,471.82	8,188,658,560.83	Accounts payable	36	16,090,884,076.92	14,920,897,617.50
Receivables financing	6			Advances from customers	37	2,283,616.83	44,892,785.17
Prepayments	7	6,537,206,141.21	4,819,231,688.52	Contract liabilities	38	1,765,339,755.62	3,462,519,514.03
Other receivables	8	3,957,723,557.63	10,252,521,644.52	Staff remuneration payables	39	641,800,106.10	967,734,022.96
Inventories	9	22,264,099,039.10	29,670,543,343.27	Taxes payable	40	4,219,001,084.89	2,006,093,916.53
Contract assets	10			Other payables	41	7,338,519,993.92	8,359,010,222.10
Assets held for sale	11			Liabilities held for sale	42		
Non-current assets due within one year	12	5,514,980.63	7,939,249.40	Non-current liabilities due within one year	43	4,162,899,596.97	9,233,715,539.43
Other current assets	13	3,088,912,957.79	2,350,429,589.23	Other current liabilities	44	1,725,395,868.39	1,980,017,847.65
Total current assets:		103,759,812,548.63	111,863,893,903.25	Total current liabilities:		57,854,405,805.77	62,422,144,441.38
Non-current assets:				Non-current liabilities:			
Debt investment	14	2,499,000,000.00	2,499,000,000.00	Long-term borrowings	45	10,111,495,000.00	3,500,121,250.00
Other debt investment	15			Bonds payable	46	9,544,944,445.65	11,997,523,364.25
Long-term receivables	16	2,188,406,811.31	2,232,168,119.49	Lease liabilities	47	1,288,718,535.64	1,302,367,620.22
Long-term equity investments	17	3,701,288,554.52	3,766,011,775.56	Long-term payables	48	2,920,399,663.89	2,610,781,999.43
Investment in other equity instruments	18	265,629,082.51	262,232,982.51	Specific payables	49		
Other non-current financial assets	19			Estimated liabilities	50	59,513,751.00	81,658,819.00
Investment property	20	3,807,629.32	3,729,049.92	Deferred income	51	862,190,800.16	853,270,797.49
Fixed assets	21	47,474,622,226.61	47,897,064,854.56	Deferred tax liabilities	52	558,847,247.90	589,030,752.50
Construction in progress	22	8,185,997,517.33	6,941,790,952.00	Other non-current liabilities	53	18,354,550.07	39,807,689.93
Biological assets for production	23						
Oil and gas assets	24			Total non-current liabilities:		25,364,463,994.31	20,974,562,292.82
Right-of-use assets	25	827,912,065.70	732,432,962.43				
Intangible assets	26	5,662,821,644.23	6,379,257,482.67	Total liabilities:		83,218,869,800.08	83,396,706,734.20
Development expenses	27						
Goodwill	28	278,223,112.57	278,223,112.57	Shareholders' equity:			
Long-term prepaid expenses	29	3,997,084.25	16,042,397.42	Paid-in capital (or share capital)	54	11,759,333,009.10	11,759,333,009.10
Deferred tax assets	30	3,243,467,944.56	3,722,768,926.42	Capital reserve	55	5,636,814,921.15	5,580,255,855.14
Other non-current assets	31	605,236,832.29	1,056,591,463.57	Less: Treasury Share	56		
				Other comprehensive income	57	-300,509.61	-4,495,208.89
Total non-current assets:		74,940,410,505.20	75,787,314,079.12	Surplus reserve	58	2,397,281,155.12	2,397,281,155.12
				Special reserve	59	690,564,176.80	768,734,266.76
				Undistributed profits	60	70,407,502,157.13	79,221,604,205.70
				Minority interests	61	4,590,158,344.06	4,531,787,965.24
				Total shareholders' equity:		95,481,353,253.75	104,254,501,248.17
TOTAL ASSETS		178,700,223,053.83	187,651,207,982.37	TOTAL LIABILITIES AND OWNERS' EQUITY		178,700,223,053.83	187,651,207,982.37

Person-in-charge of
corporate:
Zhang Bo

Person-in-charge of
accounting:
Zhang Ruilian

Person-in-charge of
accounting institution:
Zhao Ke

CONSOLIDATED INCOME STATEMENT

Prepared by Shandong Hongqiao New Material Co., Ltd.

January to June 2022

Units: RMB

Item	Row	Amount for the corresponding period last year	Accumulated Amount for the current year
I. Operating income	1	52,765,621,883.10	67,661,818,961.52
Less: Operating cost	2	35,948,161,980.03	52,115,781,659.09
Taxes and surcharges	3	616,367,225.27	591,605,361.66
Selling expenses	4	19,496,990.90	26,067,548.95
Administrative expenses	5	1,617,916,667.63	1,675,498,041.32
Research and development expenses	6	798,645,902.98	953,941,909.06
Financial expenses	7	1,453,743,738.12	941,705,341.43
Of which: Interests expenses	8	1,636,102,352.58	1,086,051,374.64
Interests income	9	233,120,720.68	413,975,565.91
Add: Other gains	10	22,401,972.96	76,838,714.58
Investment gains (Losses are indicated by “-”)	11	148,774,485.25	244,093,651.86
Gains from changes in fair value (Losses are indicated by “-”)	12	-1,304,159.40	19,172,840.57
Credit impairment losses (Losses are indicated by “-”)	13	-880,365.66	67,938,968.47
Asset impairment losses (Losses are indicated by “-”)	14	-101,230,059.75	-184,008,491.89
Gains on disposal of assets (Losses are indicated by “-”)	15	76,557,858.68	105,365,456.33
II. Operating profit (Losses are indicated by “-”)	16	12,455,609,110.25	11,686,620,239.93
Add: Non-operating income	17	44,483,419.22	69,841,952.72
Less: Non-operating expenses	18	10,919,004.63	149,967,132.93
III. Total profit (Losses are indicated by “-”)	19	12,489,173,524.84	11,606,495,059.72
Less: Income tax expenses	20	2,967,125,929.39	2,666,546,999.97
IV. Net profit (Net loss is indicated by “-”)	21	9,522,047,595.45	8,939,948,059.75
(I) Net profit from continuing operations (Net loss is indicated by “-”)	22	9,522,047,595.45	8,939,948,059.75
(II) Net profit from discontinued operations (Net loss is indicated by “-”)	23		

Person-in-charge of
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Zhang Bo

Person-in-charge of
accounting:
Zhang Ruilian

Person-in-charge of
accounting institution:
Zhao Ke

CONSOLIDATED BALANCE SHEET

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

Date: 30 June 2022

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	35,925,100,688.93	29,819,671,933.55	Short-term borrowings	32	14,810,943,182.42	14,156,838,589.37
Derivative financial asset	2			Derivative financial liabilities	33		
Financial assets held for trading	3	5,013,925.00	4,357,500.00	Financial liabilities held for trading	34	8,536,425.00	
Notes receivable	4	11,441,729,472.09	9,333,543,530.85	Notes payable	35	2,000,000,000.00	2,000,000,000.00
Accounts receivable	5	5,343,407,427.17	7,004,737,080.21	Accounts payable	36	11,482,135,764.02	12,146,933,859.37
Receivables financing	6			Advances from customers	37	2,283,616.83	44,892,785.17
Prepayments	7	5,098,917,392.78	3,394,897,372.45	Contract liabilities	38	1,693,707,992.40	3,405,758,600.51
Other receivable	8	5,328,432,652.62	10,712,716,914.60	Staff remuneration payables	39	583,335,661.18	909,503,834.69
Inventories	9	20,431,204,090.70	27,735,633,072.72	Taxes payable	40	3,731,755,483.90	1,842,165,181.57
Contract assets	10			Other payables	41	14,378,377,327.26	8,264,160,336.01
Assets held for sale	11			Liabilities held for sale	42		
Non-current assets due within one year	12	2,206,875.00	4,931,880.64	Non-current liabilities due within one year	43	509,703,900.98	8,016,409,925.52
Other current assets	13	2,515,706,302.22	1,977,085,415.97	Other current liabilities	44	210,597,314.70	490,439,079.86
Total current assets:		86,091,718,826.51	89,987,574,700.99	Total current liabilities:		49,411,376,668.69	51,277,102,192.07
Non-current assets:				Non-current liabilities:			
Debt investment	14	1,000,000,000.00	1,000,000,000.00	Long-term borrowings	45	8,486,000,000.00	2,596,000,000.00
Other debt investment	15			Bonds payable	46	7,550,807,758.79	7,516,625,026.51
Long-term receivables	16	2,188,406,811.31	2,232,168,119.49	Lease liabilities	47	1,241,217,064.70	1,274,632,324.57
Long-term equity investments	17	3,178,359,267.21	3,240,282,589.79	Long-term payables	48	4,892,631,663.89	4,110,781,999.43
Investment in other equity instruments	18	265,629,082.51	262,232,982.51	Specific payables	49		
Other non-current financial assets	19			Estimated liabilities	50	59,513,751.00	81,658,819.00
Investment property	20			Deferred income	51	532,382,764.69	531,163,987.32
Fixed assets	21	44,073,397,599.24	44,472,350,941.43	Deferred tax liabilities	52	522,029,071.55	550,666,572.86
Construction in progress	22	6,561,994,041.22	4,792,131,919.54	Other non-current liabilities	53		
Biological assets for production	23						
Oil and gas assets	24			Total non-current liabilities:		23,284,582,074.62	16,661,528,729.69
Right-of-use assets	25	772,115,188.04	702,163,749.05				
Intangible assets	26	5,014,975,963.46	5,395,696,272.20	Total liabilities:		72,695,958,743.31	67,938,630,921.76
Development expenses	27						
Goodwill	28	80,417,527.18	80,417,527.18	Shareholders' equity:			
Long-term prepaid expenses	29	3,951,455.73	16,002,990.96	Paid-in capital (or share capital)	54	13,000,000,000.00	13,000,000,000.00
Deferred tax assets	30	3,008,110,279.84	3,588,737,375.86	Capital reserve	55	1,651,610,876.44	1,652,702,251.20
Other non-current assets	31	590,162,563.37	1,017,783,518.07	Less: Treasury Share	56		
				Other comprehensive income	57	262,132.27	-2,338,302.01
Total non-current assets:		66,737,519,779.11	66,799,967,986.08	Special reserve	58	5,161,988,127.15	5,161,988,127.15
				Surplus reserve	59	690,564,176.80	768,734,266.76
				Undistributed profits	60	56,707,644,777.52	65,337,653,821.77
				Minority interests	61	2,921,209,772.13	2,930,171,600.44
				Total shareholders' equity:		80,133,279,862.31	88,848,911,765.31
TOTAL ASSETS		152,829,238,605.62	156,787,542,687.07	TOTAL LIABILITIES AND OWNERS' EQUITY		152,829,238,605.62	156,787,542,687.07

Person-in-charge of
corporate:
Zhang Bo

Person-in-charge of
accounting:
Zhang Ruilian

Person-in-charge of
accounting institution:
Zhao Ke

CONSOLIDATED INCOME STATEMENT

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

January to June 2022

Units: RMB

Item	Row	Amount for the corresponding period last year	Accumulated Amount for the current year
I. Operating income	1	52,211,427,530.98	66,777,116,042.61
Less: Operating cost	2	37,064,559,801.24	52,024,948,290.17
Taxes and surcharges	3	487,794,747.22	547,432,656.99
Selling expenses	4	13,506,543.19	17,644,752.05
Administrative expenses	5	1,519,212,763.50	1,545,240,532.41
Research and development expenses	6	770,969,872.48	888,417,491.67
Financial expenses	7	812,310,037.92	702,185,810.01
Of which: Interests expenses	8	1,022,766,061.11	877,383,722.45
Interests income	9	186,260,086.76	297,672,621.67
Add: Other gains	10	15,329,319.85	32,896,930.59
Investment gains (Losses are indicated by “-”)	11	87,928,240.97	210,524,150.39
Gains from changes in fair value (Losses are indicated by “-”)	12	-856,350.00	7,880,000.00
Credit impairment losses (Losses are indicated by “-”)	13	-94,596.18	-3,787,940.90
Asset impairment losses (Losses are indicated by “-”)	14	-91,191,711.73	-162,232,727.29
Gains on disposal of assets (Losses are indicated by “-”)	15	79,918,423.33	141,462,281.71
II. Operating profit (Losses are indicated by “-”)	16	11,634,107,091.67	11,277,989,203.81
Add: Non-operating income	17	18,209,833.78	49,585,261.40
Less: Non-operating expenses	18	10,873,202.23	26,414,799.08
III. Total profit (Losses are indicated by “-”)	19	11,641,443,723.22	11,301,159,666.13
Less: Income tax expenses	20	2,745,625,592.65	2,578,552,062.81
IV. Net profit (Net loss is indicated by “-”)	21	8,895,818,130.57	8,722,607,603.32
(I) Net profit from continuing operations (Net loss is indicated by “-”)	22	8,895,818,130.57	8,722,607,603.32
(II) Net profit from discontinued operations (Net loss is indicated by “-”)	23		

Note: In November 2021, Shandong Weiqiao Aluminum and Power Co., Ltd. acquired 16 companies, including Shandong Hongtuo Industrial Company Limited, through acquisition under common control, and therefore adjusted the relevant data in the comparative statement for January to June 2021.

Person-in-charge of
corporate:
Zhang Bo

Person-in-charge of
accounting:
Zhang Ruilian

Person-in-charge of
accounting institution:
Zhao Ke

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

Shandong, the People’s Republic of China
30 August 2022

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. Li Zimin (Mr. Zhang Hao as his alternate) and Ms. Sun Dongdong as non-executive directors, and Mr. Wen Xianjun, Mr. Xing Jian, Mr. Han Benwen and Mr. Dong Xinyi as independent non-executive directors.