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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 2021 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 2021 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 2021 and unaudited consolidated income statement for the six months ended 30 June 2021 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 2021

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	46,187,294,007.40	49,928,968,859.80	Short-term borrowings	31	20,621,426,697.02	20,723,172,720.51
Derivative financial asset	2		331,340.60	Derivative financial liabilities	32		559,500.00
Financial assets held for trading	3			Financial liabilities held for trading	33	212,650.00	1,006,400.00
Notes receivable	4	9,157,692,051.01	12,613,054,113.18	Notes payable	34	2,086,174,575.44	2,190,057,605.29
Accounts receivable	5	10,862,924,597.53	7,358,984,733.79	Accounts payable	35	11,209,721,286.61	15,847,702,568.17
Prepayments	6	4,910,980,329.39	9,363,015,051.84	Advances from customers	36		1,340,249.32
Other receivables	7	4,718,760,783.92	2,920,510,537.03	Contract liabilities	37	1,248,331,580.38	1,233,091,055.64
Inventories	8	19,325,133,438.37	19,140,773,985.61	Staff remuneration payables	38	656,157,970.62	536,891,980.58
Contract assets	9			Taxes payable	39	4,458,782,417.39	4,081,587,955.64
Assets held for sale	10			Other payables	40	6,602,778,307.44	7,509,525,134.44
Non-current assets due within one year	11	2,005,514,980.63	2,504,013,618.75	Liabilities held for sale	41		
Other current assets	12	1,228,361,822.72	1,662,646,826.69	Non-current liabilities due within one year	42	26,573,993,625.49	15,747,363,996.28
				Other current liabilities	43		150,177,464.73
<b>Total current assets:</b>		<b>98,396,662,010.97</b>	<b>105,492,299,067.29</b>	<b>Total current liabilities:</b>		<b>73,457,579,110.39</b>	<b>68,022,476,630.60</b>
Non-current assets:				Non-current liabilities:			
Available-for-sale financial assets	13			Long-term borrowings	44	8,220,242,500.00	4,711,868,750.00
Other debt investment	14	2,499,000,000.00		Bonds payable	45	13,345,377,568.65	11,356,394,166.25
Held-to-maturity investments	15			Lease liabilities	46		91,382,467.08
Long-term receivables	16	92,563,386.52	2,122,081,946.87	Long-term payables	47	2,525,447,725.35	6,144,299,544.43
Long-term equity investments	17	4,444,774,129.99	4,678,636,578.72	Specific payables	48		
Investment in other equity instruments	18	111,000,782.51	261,000,782.51	Estimated liabilities	49		
Investment property	19	4,052,712.05	168,305,506.99	Deferred income	50	603,003,357.66	592,084,242.33
Fixed assets	20	53,794,281,437.17	51,244,273,050.91	Deferred tax liabilities	51	272,378,395.90	475,441,768.00
Construction in progress	21	3,826,372,806.38	5,286,709,186.83	Other non-current liabilities	52	28,481,570.97	29,567,135.51
Biological assets for production	22						
Oil and gas assets	23			<b>Total non-current liabilities:</b>		<b>24,994,931,118.53</b>	<b>23,401,038,073.60</b>
Right-of-use assets	24		105,664,052.87				
Intangible assets	25	5,559,208,590.76	5,524,010,227.04	<b>Total liabilities:</b>		<b>98,452,510,228.92</b>	<b>91,423,514,704.20</b>
Development expenses	26						
Goodwill	27	278,223,112.57	278,223,112.57	<b>Shareholders' equity:</b>			
Long-term prepaid expenses	28	1,022,205.86	526,728.41	Share capital	53	10,605,196,325.04	11,759,333,009.10
Deferred tax assets	29	3,101,501,639.46	3,101,289,666.69	Capital reserve	54	5,675,933.28	5,651,687,898.02
Other non-current assets	30	542,501,836.33	728,813,059.24	Less: Treasury Share	55		
				Other comprehensive income	56	-3,563,405.19	-4,123,503.28
<b>Total non-current assets:</b>		<b>74,254,502,639.60</b>	<b>73,499,533,899.65</b>	Surplus reserve	57	1,616,664,787.79	1,616,664,787.79
				Special reserve	58	556,434,145.41	627,447,697.17
				Undistributed profits	59	57,253,295,560.74	63,776,104,097.71
				Minority interests	60	4,164,951,074.58	4,141,204,276.23
				<b>Total shareholders' equity:</b>		<b>74,198,654,421.65</b>	<b>87,568,318,262.74</b>
<b>TOTAL ASSETS</b>		<b>172,651,164,650.57</b>	<b>178,991,832,966.94</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>172,651,164,650.57</b>	<b>178,991,832,966.94</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 2021

Units: RMB

Item	Row	Amount for the corresponding period last year	Accumulated Amount for the current year
I. Operating income	1	40,258,530,135.33	52,765,621,883.10
Less: Operating cost	2	33,012,941,887.42	35,948,161,980.03
Taxes and surcharges	3	352,993,679.36	616,367,225.27
Selling expenses	4	152,545,110.29	19,496,990.90
Administrative expenses	5	1,134,416,751.27	1,617,916,667.63
Research and development expenses	6	375,147,328.36	798,645,902.98
Financial expenses	7	2,025,915,471.97	1,453,743,738.12
Of which: Interests expenses	8	1,955,418,792.31	1,636,102,352.58
Interests income	9	145,522,270.66	233,120,720.68
Add: Other gains	10	118,133,658.13	22,401,972.96
Investment gains (Losses are indicated by “-”)	11	270,167,964.49	148,774,485.25
Gains from changes in fair value (Losses are indicated by “-”)	12	2,072,136.00	-1,304,159.40
Credit impairment losses	13	-26,785,606.11	-880,365.66
Asset impairment losses	14	-334,154,303.70	-101,230,059.75
Gains on disposal of assets (Losses are indicated by “-”)	15	174,571,416.08	76,557,858.68
II. Operating profit (Losses are indicated by “-”)	16	3,408,575,171.55	12,455,609,110.25
Add: Non-operating income	17	80,498,931.44	44,483,419.22
Less: Non-operating expenses	18	6,695,744.50	10,919,004.63
III. Total profit (Losses are indicated by “-”)	19	3,482,378,358.49	12,489,173,524.84
Less: Income tax expenses	20	601,567,962.52	2,967,125,929.39
IV. Net profit (Losses are indicated by “-”)	21	2,880,810,395.97	9,522,047,595.45
(I) Net profit from continuing operations (Net loss is indicated by “-”)	22	2,880,810,395.97	9,522,047,595.45
(II) Net profit from discontinued operations (Net loss is indicated by “-”)	23		

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Person-in-charge of  
accounting institution:  
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## CONSOLIDATED BALANCE SHEET

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

Date: 30 June 2021

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	30,205,487,335.66	30,913,326,483.87	Short-term borrowings	31	14,974,132,452.83	14,505,703,808.34
Derivative financial asset	2			Derivative financial liabilities	32	239,425.00	223,850.00
Financial assets held for trading	3			Financial liabilities held for trading	33		
Notes receivable	4	7,779,217,872.45	11,488,189,136.96	Notes payable	34	2,000,000,000.00	2,000,000,000.00
Accounts receivable	5	5,564,777,042.77	3,096,581,494.01	Accounts payable	35	5,230,088,985.20	8,216,843,967.37
Prepayments	6	3,721,220,279.39	6,145,323,522.04	Advances from customers	36		
Other receivable	7	6,747,755,786.88	8,364,299,754.75	Contract liabilities	37	940,773,745.17	841,281,958.60
Inventories	8	14,635,229,446.40	14,441,201,557.09	Staff remuneration payables	38	513,635,431.87	423,341,956.69
Contract assets	9			Taxes payable	39	2,740,248,846.09	2,785,325,457.62
Assets held for sale	10			Other payables	40	8,650,531,735.34	12,110,912,378.45
Non-current assets due within one year	11	2,002,206,875.00	1,002,006,250.00	Liabilities held for sale	41		
Other current assets	12	741,873,434.27	999,523,088.51	Non-current liabilities due within one year	42	12,178,994,795.06	6,972,969,352.53
				Other current liabilities	43		102,131,856.74
<b>Total current assets:</b>		<b>71,397,768,072.82</b>	<b>76,450,451,287.23</b>	<b>Total current liabilities:</b>		<b>47,228,645,416.56</b>	<b>47,958,734,586.34</b>
Non-current assets:				Non-current liabilities:			
Available-for-sale financial assets	13			Long-term borrowings	44	6,552,000,000.00	2,100,000,000.00
Other debt investment	14	1,000,000,000.00		Bonds payable	45	9,755,504,381.31	9,762,752,690.58
Held-to-maturity investments	15			Lease liabilities	46		31,782,334.50
Long-term receivables	16	70,309,400.31	2,099,759,134.63	Long-term payables	47	2,525,375,080.71	4,238,525,703.78
Long-term equity investments	17	4,444,774,129.99	4,678,636,578.72	Estimated liabilities	48		
Investment in other equity instruments	18	111,000,782.51	261,000,782.51	Deferred income	49	472,372,450.55	464,542,871.69
Investment property	19			Deferred tax liabilities	50	260,185,952.89	354,599,829.50
Fixed assets	20	44,965,606,084.88	42,695,823,305.60	Other non-current liabilities	51		
Construction in progress	21	706,689,096.88	912,033,656.62				
Biological assets for production	22			<b>Total non-current liabilities</b>		<b>19,565,437,865.46</b>	<b>16,952,203,430.05</b>
Oil and gas assets	23						
Right-of-use assets	24		33,029,131.84	<b>Total liabilities:</b>		<b>66,794,083,282.02</b>	<b>64,910,938,016.39</b>
Intangible assets	25	4,863,770,842.92	4,999,719,858.62				
Development expenses	26			<b>Shareholders' equity:</b>			
Goodwill	27	80,417,527.18	80,417,527.18				
Long-term prepaid expenses	28	949,755.63	474,877.83	Share capital	52	13,000,000,000.00	13,000,000,000.00
Deferred tax assets	29	1,635,177,577.31	1,663,554,045.15	Capital reserve	53	4,327,286.54	4,475,935.34
Other non-current assets	30	265,622,815.83	229,747,507.62	Less: Treasury Share	54		
				Other comprehensive income	55	-3,563,405.19	-4,203,041.33
<b>Total non-current assets:</b>		<b>58,144,318,013.44</b>	<b>57,654,196,406.32</b>	Special reserve	56	435,658,954.74	486,297,599.81
				Surplus reserve	57	3,504,262,788.32	3,504,262,788.32
				Undistributed profits	58	45,792,152,154.42	52,185,204,111.38
				Minority interests	59	15,165,025.41	17,672,283.64
				<b>Total shareholders' equity:</b>		<b>62,748,002,804.24</b>	<b>69,193,709,677.16</b>
<b>TOTAL ASSETS</b>		<b>129,542,086,086.26</b>	<b>134,104,647,693.55</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>129,542,086,086.26</b>	<b>134,104,647,693.55</b>

Person-in-charge of  
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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 2021

Units: RMB

Item	Row	Amount for the corresponding period last year	Accumulated Amount for the current year
I. Operating income	1	36,467,456,738.62	44,833,602,202.96
Less: Operating cost	2	30,801,434,773.08	33,476,711,017.09
Taxes and surcharges	3	304,912,715.33	410,569,725.80
Selling expenses	4	160,709,331.31	13,449,593.83
Administrative expenses	5	940,289,795.64	1,260,913,969.61
Research and development expenses	6	307,493,487.23	618,121,949.70
Financial expenses	7	1,165,401,040.15	812,762,908.97
Of which: Interests expenses	8	1,184,648,614.29	981,819,377.01
Interests income	9	121,363,950.09	182,230,263.75
Add: Other gains	10	101,083,825.50	9,934,733.36
Investment gains(Losses are indicated by “-”)	11	270,167,964.49	67,797,098.93
Gains from changes in fair value (Losses are indicated by “-”)	12	2,072,136.00	15,575.00
Credit impairment losses	13	-21,540,670.88	-90,331.56
Asset impairment losses	14	-197,218,272.57	-73,450,704.53
Gains on disposal of assets (Losses are indicated by “-”)	15	785,254,689.31	78,741,542.09
II. Operating profit (Losses are indicated by “-”)	16	3,727,035,267.73	8,324,020,951.25
Add: Non-operating income	17	60,165,729.13	14,262,380.91
Less: Non-operating expenses	18	6,695,677.78	9,838,582.25
III. Total profit (Losses are indicated by “-”)	19	3,780,505,319.08	8,328,444,749.91
Less: Income tax expenses	20	518,278,232.69	1,937,761,658.91
IV. Net profit (Losses are indicated by “-”)	21	3,262,227,086.39	6,390,683,091.00
(I) Net profit from continuing operations (Net loss is indicated by “-”)	22	3,262,227,086.39	6,390,683,091.00
(II) Net profit from discontinued operations (Net loss is indicated by “-”)	23		

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**Ma Fei**

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

Shandong, the People’s Republic of China  
30 August 2021

*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.*