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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**”) and Shandong Weiqiao Aluminum and Power Co., Ltd. (“**Aluminum & Power**”), both of which are wholly-owned subsidiaries of the Company.

As the interim financial information in 2017 of Shandong Hongqiao, Aluminum & Power and the Company is available only in Chinese, the Company wishes to provide the following unaudited consolidated balance sheet statement as at 30 June 2017 and unaudited consolidated income statement for the six months ended 30 June 2017 prepared by Shandong Hongqiao and Aluminum & Power and the unaudited consolidated balance sheet statement as at 30 June 2017 and unaudited consolidated income statement, statement on changes in equity and statement on cash flow for the six months ended 30 June 2017 prepared by the Company, respectively.

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, and the financial information of the Company is prepared based on its unaudited management accounts. It has not been reviewed or audited by the auditors of Shandong Hongqiao, Aluminum & Power 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: 30 June 2017

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	11,528,268,160.45	10,395,912,208.87	Short-term borrowings	26	5,113,363,144.31	8,684,837,917.70
Financial assets held for trading	2		6,836,084.16	Financial liabilities held for trading	27	1,691,200.00	
Notes receivable	3	9,731,942,168.62	10,833,413,623.00	Notes payable	28		
Accounts receivable	4	309,996,059.00	2,518,426,924.03	Accounts payable	29	8,617,127,344.86	13,248,880,520.70
Prepayments	5	838,850,170.07	323,214,199.02	Advances from customers	30	781,768,143.58	280,959,978.03
Interests receivable	6			Staff remuneration payables	31	325,810,807.35	347,055,074.45
Dividends receivable	7			Taxes payable	32	1,282,794,177.61	1,257,461,825.13
Other receivables	8	2,990,326,996.68	15,846,782,992.83	Interests payable		1,413,539,095.45	1,358,487,367.95
Inventories	9	17,034,091,348.31	18,018,050,402.74	Dividends payable	33		
Non-current assets due within one year				Other payables	34	8,232,040,961.52	8,813,853,162.45
Other current assets	10	2,755,720,280.60	2,227,054,185.54	Non-current liabilities due within one year	35	1,200,787,865.31	10,528,712,643.86
				Other current liabilities	36	11,000,000,000.00	13,000,000,000.00
Total current assets:		45,189,195,183.73	60,169,690,620.19	Total current liabilities:		37,968,922,739.99	57,520,248,490.27
Non-current assets:				Non-current liabilities:			
Available-for-sale financial assets	11	261,000,782.51	117,000,782.51	Long-term borrowings	37	4,327,000,000.00	3,394,000,000.00
Held-to-maturity investments	12			Bonds payable	38	40,457,334,936.12	35,541,506,337.47
Long-term receivables	13			Long-term payables	39	5,926,049,332.28	3,489,079,459.04
Long-term equity investments	14	19,991,281.33	19,991,281.33	Special payables	40		
Investment property	15		94,191,365.19	Estimated liabilities	41		
Fixed assets	16	80,392,730,002.76	76,074,904,589.55	Deferred tax liabilities	23	344,248,174.87	337,659,738.12
Construction in progress	17	3,549,774,662.94	3,201,200,227.28	Other non-current liabilities	42	120,744,285.71	160,844,663.86
Construction materials	18	760,065.62	1,184,982.76				
Intangible assets	19	3,093,636,967.49	3,562,878,222.80	Total non-current liabilities:		51,175,376,728.98	42,923,090,198.49
Development expenses	20			Total liabilities:		89,144,299,468.97	100,443,338,688.76
Goodwill	21	477,031,224.37	2,032,297,409.99	Shareholders' equity:			
Long-term prepaid expenses	22		1,900,081.87	Share capital	43	9,921,364,362.00	9,921,364,362.00
Deferred tax assets	23	371,399,565.57	1,390,560,566.07	Capital reserve	44		
Other non-current assets	24	1,875,744,812.28	1,477,603,238.35	Less: treasury shares	45		
				Surplus reserve	46	5,185,812,368.40	5,185,812,368.40
Total non-current assets:		90,042,069,364.87	87,973,712,747.70	Special reserve			220,495,516.46
				Undistributed profits	47	30,955,461,028.11	31,449,747,100.34
				Exchange differences			
				Minority interests		24,327,321.12	922,645,331.93
				Total Shareholders' equity:		46,086,965,079.63	47,700,064,679.13
TOTAL ASSETS		135,231,264,548.60	148,143,403,367.89	TOTAL LIABILITIES AND OWNERS' EQUITY		135,231,264,548.60	148,143,403,367.89

Person-in-charge  
of the Company:  
**Zhang Shipping**

Person-in-charge of  
accounting:  
**Zhang Ruilian**

Prepared by:  
**Zhang Ruilian**

## CONSOLIDATED INCOME STATEMENT

Prepared by Shandong Hongqiao New Material Co., Ltd.

January to June 2017

Units: RMB

Item	Row	Amount for the corresponding period last year	Amount for the current year
I. Operating income	1	25,720,412,751.76	46,850,185,189.88
Of which: principal operations revenue	2	25,375,416,400.74	46,197,299,328.97
other operations revenue	3	344,996,351.02	652,885,860.91
Less: Operating cost	4	18,978,551,306.48	39,354,606,131.31
Of which: principal operations cost	5	18,938,547,469.83	39,328,611,204.77
other operations cost	6	40,003,836.65	25,994,926.54
Taxes and surcharges	7	57,348,332.29	304,560,723.84
Selling expenses	8	48,844,544.31	148,991,878.28
Administrative expenses	9	334,305,183.01	698,114,446.47
Financial expenses	10	1,619,447,970.41	1,621,507,847.98
Asset impairment losses	11	13,505,537.70	3,923,569,499.98
Add: Gains from changes in fair value	12		
Investment gains	13	-23,660.86	19,786,333.14
II. Operating profit		4,668,386,216.70	818,620,995.16
Add: Non-operating income	14	33,790,182.01	80,549,175.31
Less: Non-operating expenses	15	1,379,293.83	2,660,070.55
Of which: losses on disposal of non-current assets	16		
III. Total profit		4,700,797,104.88	896,510,099.92
Less: Income tax expenses	17	1,216,076,718.02	395,701,799.69
IV. Net profit		3,484,720,386.86	500,808,300.23
Net profit attributable to owners of the parent		3,484,739,010.13	494,286,072.23
Minority interests		-18,623.27	6,522,228.00

Person-in-charge  
of the Company:  
**Zhang Shiping**

Person-in-charge of  
accounting:  
**Zhang Ruilian**

Prepared by:  
**Zhang Ruilian**

## CONSOLIDATED BALANCE SHEET

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

Date: 30 June 2017

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	9,273,672,121.46	9,120,872,963.55	Short-term borrowings	26	3,698,567,666.86	5,711,918,493.14
Financial assets held for trading	2			Financial liabilities held for trading	27	1,691,200.00	
Notes receivable	3	9,049,509,157.64	9,559,493,781.82	Notes payable	28		
Accounts receivable	4	267,894,314.56	1,724,991,747.20	Accounts payable	29	7,352,439,812.93	11,269,916,813.41
Prepayments	5	802,188,945.86	276,191,627.13	Advances from customers	30	703,996,265.56	238,576,288.77
Interests receivable	6			Staff remuneration payables	31	285,697,353.49	327,564,483.36
Dividends receivable	7			Taxes payable	32	1,084,356,192.35	1,110,996,253.96
Other receivables	8	911,424,340.05	15,243,513,859.11	Interests payable		715,174,218.47	532,942,971.30
Inventories	9	15,025,485,101.14	14,838,789,853.18	Dividends payable	33		
Non-current assets due within one year				Other payables	34	10,270,367,712.17	13,545,650,816.49
Other current assets	10	2,447,500,217.02	1,538,376,420.44	Non-current liabilities due within one year	35	409,333,748.21	4,697,901,723.11
				Other current liabilities	36	7,000,000,000.00	8,000,000,000.00
Total current assets:		37,777,674,197.73	52,302,230,252.43	Total current liabilities:		31,521,624,170.04	45,435,467,843.54
Non-current assets:				Non-current liabilities:			
Available-for-sale financial assets	11	111,000,782.51	111,000,782.51	Long-term borrowings	37	2,600,000,000.00	2,900,000,000.00
Held-to-maturity investments	12			Bonds payable	38	17,665,489,338.40	14,677,357,702.00
Long-term receivables	13			Long-term payables	39	22,552,597,433.75	19,259,020,938.49
Long-term equity investments	14	19,991,281.33	19,991,281.33	Special payables	40		
Investment property	15			Estimated liabilities	41		
Fixed assets	16	73,398,842,878.44	67,255,625,858.65	Deferred tax liabilities	23	344,248,174.87	337,659,738.12
Construction in progress	17	2,036,899,509.00	2,776,424,234.38	Other non-current liabilities	42	120,744,285.71	160,844,663.86
Construction materials	18	760,065.62	1,124,889.93				
Intangible assets	19	2,979,399,264.73	3,225,935,087.64	Total non-current liabilities:		43,283,079,232.73	37,334,883,042.47
Development expenses	20						
Goodwill	21	477,031,224.37	379,834,814.57	Total liabilities:		74,804,703,402.77	82,770,350,886.01
Long-term deferred expenses	22						
Deferred tax assets	23	301,473,450.49	1,113,776,090.50	Shareholders' equity:			
Other non-current assets	24	1,804,435,375.80	1,285,117,261.70	Share capital	43	13,000,000,000.00	13,000,000,000.00
Total non-current assets:		81,129,833,832.29	76,168,830,301.21	Capital reserve	44		
				Less: treasury shares	45		
				Surplus reserve	46	3,993,060,984.11	3,993,060,984.11
				Special reserve			193,217,146.38
				Undistributed profits	47	27,085,416,322.02	28,486,535,031.03
				Exchange differences			
				Minority interests		24,327,321.12	27,896,506.11
				Total Shareholders' equity:		44,102,804,627.25	45,700,709,667.63
TOTAL ASSETS		118,907,508,030.02	128,471,060,553.64	TOTAL LIABILITIES AND OWNERS' EQUITY		118,907,508,030.02	128,471,060,553.64

Person-in-charge  
of the Company:  
**Zhang Bo**

Person-in-charge of  
accounting:  
**Zhang Ruilian**

Prepared by:  
**Zhang Ruilian**

## CONSOLIDATED INCOME STATEMENT

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

January to June 2017

Units: RMB

Item	Row	Amount for the corresponding period last year	Amount for the current year
I. Operating income	1	24,363,997,622.69	44,359,136,239.99
Of which: principal operations revenue	2	22,917,183,060.50	39,046,487,292.91
other operations revenue	3	1,446,814,562.19	5,312,648,947.08
Less: Operating cost	4	18,441,099,948.56	37,237,585,441.85
Of which: principal operations cost	5	17,314,610,951.39	33,027,196,352.52
other operations cost	6	1,126,488,997.17	4,210,389,089.33
Taxes and surcharges	7	35,661,084.48	274,620,874.42
Selling expenses	8	45,902,468.73	141,816,619.81
Administrative expenses	9	239,358,349.18	625,825,642.64
Financial expenses	10	1,145,481,001.46	1,055,077,253.07
Asset impairment losses	11	13,505,537.70	3,166,302,525.15
Add: Gains from changes in fair value	12		
Investment gains	13	-23,660.86	12,726,333.14
II. Operating profit		4,442,965,571.72	1,870,634,216.19
Add: Non-operating income	14	30,691,535.98	69,888,319.62
Less: Non-operating expenses	15	1,271,449.28	2,623,184.19
Of which: losses on disposal of non-current assets	16		
III. Total profit		4,472,385,658.42	1,937,899,351.62
Less: Income tax expenses	17	1,130,721,529.37	533,211,457.62
IV. Net profit		3,341,664,129.05	1,404,687,894.00
Net profit attributable to owners of the parent		3,341,682,752.32	1,401,118,709.01
Minority interests		-18,623.27	3,569,184.99

Person-in-charge  
of the Company:  
**Zhang Bo**

Person-in-charge of  
accounting:  
**Zhang Ruilian**

Prepared by:  
**Zhang Ruilian**

## CONSOLIDATED BALANCE SHEET

Prepared by China Hongqiao Group Limited

Date: 30 June 2017

Units: RMB'000

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	13,239,188	11,274,382	Short-term borrowings	26	8,792,973	9,055,659
Financial assets held for trading	2	27,678	25,712	Financial liabilities held for trading	27	1,691	-
Notes receivable	3	9,953,942	10,833,414	Notes payable	28	-	-
Accounts receivable	4	363,314	2,609,200	Accounts payable	29	7,507,999	13,128,485
Prepayments	5	360,514	323,273	Advances from customers	30	781,769	280,960
Interests receivable	6			Staff remuneration payables	31	454,188	352,171
Dividends receivable	7			Taxes payable	32	1,299,241	1,262,195
Other receivables	8	5,499,064	14,528,307	Interests payable		1,442,886	1,365,924
Inventories	9	17,143,522	18,108,977	Dividends payable	33	1	1
Non-current assets due within one year				Other payables	34	9,593,070	9,216,717
Other current assets	10	2,339,722	2,236,700	Non-current liabilities due within one year	35	12,626,947	17,053,289
				Other current liabilities	36	11,000,000	13,018,420
Total current assets:		48,926,944	59,939,965	Total current liabilities:		53,500,765	64,733,821
Non-current assets:				Non-current liabilities:			
Available-for-sale financial assets	11	150,000	6,000	Long-term borrowings	37	1,094,000	6,005,483
Held-to-maturity investments	12			Bonds payable	38	41,790,496	35,540,154
Long-term receivables	13	762,767	744,888	Long-term payables	39	-	-
Long-term equity investments	14	182,029	442,568	Special payables	40	-	-
Investment property	15	-	94,191	Estimated liabilities	41	-	-
Fixed assets	16	81,683,790	80,481,393	Deferred tax liabilities	23	579,632	573,043
Construction in progress	17	4,488,908	4,030,177	Other non-current liabilities	42	114,668	143,188
Construction materials	18	760	1,185				
Intangible assets	19	3,122,656	3,591,217	Total non-current liabilities:		43,578,796	42,261,868
Development expenses	20	-	-	Total liabilities:		97,079,561	106,995,689
Goodwill	21	379,835	2,032,297	Shareholders' equity:			
Long-term deferred expenses	22	2,375	1,900	Share capital	43	474,057	474,057
Deferred tax assets	23	575,175	1,477,398	Capital reserve	44	11,444,145	11,295,767
Other non-current assets	24	2,188,479	1,538,918	Less: treasury shares	45	-	-
				Surplus reserve	46	5,119,146	5,119,146
Total non-current assets:		93,536,774	94,442,132	Special reserve		-	220,496
				Undistributed profits	47	27,449,076	28,503,829
				Exchange differences		-	-
				Minority interests		897,733	1,773,113
				Total Shareholders' equity:		45,384,157	47,386,408
TOTAL ASSETS		142,463,718	154,382,097	TOTAL LIABILITIES AND OWNERS' EQUITY		142,463,718	154,382,097

Person-in-charge  
of the Company:  
**Zhang Shiping**

Person-in-charge of  
accounting:  
**Zhang Ruilian**

Prepared by:  
**Zhang Ruilian**

## CONSOLIDATED INCOME STATEMENT

Prepared by China Hongqiao Group Limited

January to June 2017

Units: RMB'000

Item	Row	Amount for the corresponding period last year	Amount for the current year
I. Operating income	1	25,717,707	47,812,525
Of which: principal operations revenue	2	25,375,417	46,197,299
other operations revenue	3	342,290	1,615,226
Less: Operating cost	4	18,831,673	39,784,539
Of which: principal operations cost	5	18,794,699	39,083,622
other operations cost	6	36,974	700,917
Taxes and surcharges	7	59,775	306,848
Selling expenses	8	48,845	169,691
Administrative expenses	9	443,626	679,334
Financial expenses	10	1,936,115	1,739,326
Asset impairment losses	11	13,506	3,923,569
Add: Gains from changes in fair value	12	0	1,691
Investment gains	13	39,811	209,211
		0	0
II. Operating profit		4,423,978	1,420,120
Add: Non-operating income	14	39,253	102,075
Less: Non-operating expenses	15	1,379	1,265
Of which: losses on disposal of non-current assets	16	0	0
		0	0
III. Total profit		4,461,852	1,520,930
Less: Income tax expenses	17	1,197,183	451,438
		0	0
IV. Net profit		3,264,669	1,069,492
Foreign exchange translation differences		35,490	0
Net profit attributable to owners of the parent		3,301,074	1,054,754
Minority interests		-915	14,739

Person-in-charge  
of the Company:  
**Zhang Shipping**

Person-in-charge of  
accounting:  
**Zhang Ruilian**

Prepared by:  
**Zhang Ruilian**



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF OWNERS

Prepared by China Hongqiao Group Limited

January to June 2017

Units: RMB'000

Item	Amount for the Current Period												Minority Shareholders' Equity	Total Owners' Equity
	Attributable to owners of the parent													
	Share Capital	Other Equity Instruments			Capital Reserves	Less: Treasury Stock	Other Comprehensive Income	Special Reserves	Surplus Reserves	Business Risk Reserves	Undistributed Profit			
Preferred Shares		Perpetual Debts	Others											
I. The ending balance for last year	474,057				11,444,145				5,119,146		27,449,076	897,733	45,384,157	
Add: Changes in Accounting Policy														
Correction for previous errors														
Combination of entities under common control														
Others														
II. The beginning balance for current period	474,057				11,444,145				5,119,146		27,449,076	897,733	45,384,157	
III. Increase and decrease for current period (decrease represent as "-")					-148,378			220,496			1,054,753	875,380	2,002,251	
(I) Total Other Comprehensive Income											1,054,753	14,739	1,069,492	
(II) Owners' Investing and Reducing Capital					-148,378							860,641	712,263	
1. Shareholders' investing ordinary shares														
2. Other equity instruments' holders' investing capital														
3. Share-based payment recognised in owners' equity														
4. Others					-148,378							860,641	712,263	
(IV) Profit Distribution														
1. Provision of Surplus Reserve														
2. Provision for Business Risk														
3. Distribution of Owners' (Shareholders')														
4. Others														
(V) Owners' Equity Internal Transfer														
1. Capital Reserve Transfer to Capital (or Share Capital)														
2. Surplus Reserve Transfer to Capital (or Share Capital)														
3. Surplus Reserve offset losses														
4. Others														
(VI) Special Reserves								220,496					220,496	
1. Amount provided for the current period								220,496					220,496	
2. Amount expended for the current period														
(VII) Others														
IV. The ending balance for current period	474,057				11,295,767			220,496	5,119,146		28,503,829	1,773,113	47,386,408	

Person-in-charge  
of the Company:  
**Zhang Shipping**

Person-in-charge of  
accounting:  
**Zhang Ruilian**

Prepared by:  
**Zhang Ruilian**



## CONSOLIDATION STATEMENT OF CHANGES IN EQUITY OF OWNERS

Prepared by China Hongqiao Group Limited

January to December 2016

Units: RMB'000

Item	Amount for the Current Period												Minority Shareholders' Equity	Total Owners' Equity
	Attributable to owners of the parent													
	Share Capital	Other Equity Instruments			Capital Reserves	Less: Treasury Stock	Other Comprehensive Income	Special Reserves	Surplus Reserves	Business Risk Reserves	Undistributed Profit			
Preferred Shares		Perpetual Debts	Others											
I. The ending balance for last year	415,834				8,035,233				4,292,876		22,764,862	728,134	36,236,939	
Add: Changes in Accounting Policy														
Correction for previous errors														
Combination of entities under common control														
Others														
II. The beginning balance for current period	415,834				8,035,233				4,292,876		22,764,862	728,134	36,236,939	
III. Increase and decrease for current period (decrease represent as "-")	58,223				3,408,912				826,270		4,684,214	169,599	9,147,218	
(I) Total Other Comprehensive Income											6,441,190	22,098	6,463,288	
(II) Owners' Investing and Reducing Capital	58,223				3,408,912							147,501	3,614,636	
1. Shareholders' investing ordinary shares	58,223				3,408,912							147,501	3,614,636	
2. Other equity instruments' holders' investing capital														
3. Share-based payment recognised owners' equity														
4. Others														
(IV) Profit Distribution									826,270		-1,756,976		-930,706	
1. Provision of Surplus Reserve									826,270		-826,270			
2. Provision for Business Risk														
3. Distribution of Owners' (Shareholders')											-930,706		-930,706	
4. Others														
(V) Owners' Equity Internal Transfer														
1. Capital Reserve Transfer to Capital (or Share Capital)														
2. Surplus Reserve Transfer to Capital (or Share Capital)														
3. Surplus Reserve offset losses														
4. Others														
(VI) Special Reserves														
1. Amount provided for the current period														
2. Amount expended for the current period														
(VII) Others														
IV. The ending balance for current period	474,057				11,444,145				5,119,146		27,449,076	897,733	45,384,157	

Person-in-charge of the Company:  
**Zhang Shipping**

Person-in-charge of  
accounting:  
**Zhang Ruilian**

Prepared by:  
**Zhang Ruilian**

## CONSOLIDATED STATEMENT OF CASH FLOWS

Prepared by China Hongqiao Group Limited

January to June 2017

Units: RMB'000

Item	Row	Amount for the prior period	Amount for the current year	Item	Row	Amount for the prior period	Amount for the current year
I. Cash Flow from Operating Activities	1			Supplementary Information:	37		
Cash receipts from the sale of goods and the rendering of services	2	29,215,948	50,527,697	1. Reconciliation of net profit to cash flows from operating activities	38		
Receipts of taxes and levy refunds	3		-	Net profit	39	3,264,669	1,069,492
Other Cash Receipts relating to operating activities	4	305,316	914,309	Add: Minority interests	40		-
Subtotal Cash Inflow	5	29,521,264	51,442,006	Less: Unrecognised investment losses (represent as "+")	41		-
Cash payments for goods and services acquired	6	16,962,305	34,013,843	Add: Provision for diminution in value of assets	42		3,923,569
Cash payments to and on behalf of employees	7	1,556,746	1,958,787	Depreciation of fixed assets	43	2,734,671	3,953,237
Payments of taxes and levy	8	1,592,648	3,086,625	Amortisation of intangible assets	44	18,482	24,667
Other cash payments relating to Operating Activities	9	2,465,321	1,201,093	Deferred long term expenses	45		-
Subtotal Cash Outflow	10	22,577,020	40,260,348	Decrease in deferred and prepaid expenses (or deduct: increase)	46		-
Net Cash Flow	11	6,944,244	11,181,658	Increase in accrued expenses (or deduct: decrease)	47		-
II. Cash Flow from Investing Activities	12		-	Losses on disposal of fixed assets, intangible assets and other long-term assets (or deduct: gains)	48	-4,027	-
Including: cash receipts from disposal of subsidiaries	13		-	Losses on scrapping of fixed assets	49		-
Cash receipts from return of investments	14		-	Financial expenses	50	1,617,353	2,089,441
Cash receipts from investing income	15		-	Losses arising from investments (or deduct: gains)	51		-
Net Cash receipts from the sale of fixed assets, intangible assets and other long-term assets	16	5,654	-	Deferred tax credit (or deduct: debit)	52	210,345	-908,812
Other cash receipts in investing activities	17	1,043,341	1,772,068	Decrease inventories (or deduct: increase)	53	-1,317,036	-965,455
Subtotal Cash Inflow	18	1,048,995	1,772,068	Decrease in operating receivables (or deduct: increase)	54	721,674	-2,985,095
Cash payments to acquire fixed assets, intangible assets and other long-term assets	19	10,148,824	6,821,534	Increase in operating payable (or deduct: decrease)	55	-589,348	4,980,614
Cash payments to acquire investments	20	2,616,523	568,195	Others	56	287,461	-
Including: cash payments to acquire subsidiaries	21		-	Net cash flows from operating activities	57	6,944,244	11,181,658
Other cash payments in investing activities	22	907,450	10,619,272	2. Investing and financing activities that do involve cash receipts and payments:	58		-
Subtotal Cash Outflow	23	13,672,797	18,009,001	Capital transferred from debts	59		-
Net Cash Flow from Investing Activities	24	-12,623,802	-16,236,933	Convertible bonds due within one year	60		-
III. Cash Flow from Financing Activities	25		-	Financial leased fixed assets	61		-
Cash proceeds from absorbing investment	26	37,012,873	-	Others	62		-
Cash receipts from borrowing	27		24,279,689	3. Net increase in cash and cash equivalent:	63		-
Other cash receipts in financing activities	28	3,369,641	-	Cash at the end of the period	64	12,586,387	10,875,056
Subtotal Cash Inflow	29	40,382,514	24,279,689	Less: Cash at the beginning of the period	65	8,488,534	12,728,144
Cash repayments of amount borrowed	30	23,443,716	18,911,099	Add: Cash equivalent at the end of the period	66		-
Cash payments for distribution of dividends, profits or interest expenses	31	2,613,059	2,166,403	Less: Cash equivalent at the beginning of the period	67		-
Other cash payments in financing activities	32	4,600,336	-	Net increase in cash and cash equivalent	68	4,097,853	-1,853,088
Subtotal Cash Outflow	33	30,657,111	21,077,502				
Net Cash Flow from Financing Activities	34	9,725,403	3,202,187				
IV. Effect of exchange rate changes on cash	35	52,008	-				
V. Net Increased in Cash and Cash Equivalent	36	4,097,853	-1,853,088				

Person-in-charge  
of the Company:  
**Zhang Shiping**

Person-in-charge of  
accounting:  
**Zhang Ruilian**

Prepared by:  
**Zhang Ruilian**

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

Shandong, the People's Republic of China  
1 September 2017

*As at the date of this announcement, the Board comprises eight directors, namely Mr. Zhang Shiping, Ms. Zheng Shuliang, Mr. Zhang Bo as executive directors, Mr. Yang Congsen, Mr. Zhang Jinglei as non-executive directors, and Mr. Chen Yinghai, Mr. Xing Jian and Mr. Han Benwen as independent non-executive directors.*