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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 first quarter financial information in 2017 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 31 March 2017 and unaudited consolidated income statement for the three months ended 31 March 2017 prepared by Shandong Hongqiao and Aluminum & Power, respectively.

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, 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: 31 March 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 | 12,728,395,591.71 | Short-term borrowings | 26 | 5,113,363,144.31 | 8,052,042,765.77 |
| Financial assets held for trading | 2 | | | Financial liabilities held for trading | 27 | 1,691,200.00 | 1,691,200.00 |
| Notes receivable | 3 | 9,731,942,168.62 | 9,515,818,015.80 | Notes payable | 28 | | |
| Accounts receivable | 4 | 309,996,059.00 | 2,384,051,446.38 | Accounts payable | 29 | 8,617,127,344.86 | 6,129,909,628.02 |
| Prepayments | 5 | 838,850,170.07 | 860,968,314.45 | Advances from customers | 30 | 781,768,143.58 | 529,705,081.54 |
| Interests receivable | 6 | | | Staff remuneration payables | 31 | 325,810,807.35 | 275,411,861.74 |
| Dividends receivable | 7 | | | Taxes payable | 32 | 1,282,794,177.61 | 1,357,547,587.02 |
| Other receivables | 8 | 2,990,326,996.68 | 3,181,398,826.14 | Interests payable | | 1,413,539,095.45 | 1,198,936,237.17 |
| Inventories | 9 | 17,034,091,348.31 | 15,559,711,808.45 | Dividends payable | 33 | | |
| Non-current assets due within one year | | | | Other payables | 34 | 8,232,040,961.52 | 8,262,878,827.65 |
| Other current assets | 10 | 2,755,720,280.60 | 2,483,674,094.89 | Non-current liabilities due within one year | 35 | 1,200,787,865.31 | 2,449,809,298.40 |
| | | | | Other current liabilities | 36 | 11,000,000,000.00 | 13,000,000,000.00 |
| Total current assets: | | 45,189,195,183.73 | 46,714,018,097.82 | Total current liabilities: | | 37,968,922,739.99 | 41,257,932,487.31 |
| Non-current assets: | | | | Non-current liabilities: | | | |
| Available-for-sale financial assets | 11 | 261,000,782.51 | 111,000,782.51 | Long-term borrowings | 37 | 4,327,000,000.00 | 1,394,000,000.00 |
| Held-to-maturity investments | 12 | | | Bonds payable | 38 | 40,457,334,936.12 | 41,958,129,227.62 |
| Long-term receivables | 13 | | | Long-term payables | 39 | 5,926,049,332.28 | 5,651,973,683.15 |
| 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 | 80,392,730,002.76 | 82,806,109,115.35 | Deferred tax liabilities | 23 | 344,248,174.87 | 344,248,174.87 |
| Construction in progress | 17 | 3,549,774,662.94 | 2,843,616,095.82 | Other non-current liabilities | 42 | 120,744,285.71 | 139,164,285.71 |
| Construction materials | 18 | 760,065.62 | 1,049,551.18 | | | | |
| Intangible assets | 19 | 3,093,636,967.49 | 3,101,904,002.18 | Total non-current liabilities: | | 51,175,376,728.98 | 49,487,515,371.35 |
| Development expenses | 20 | | | Total liabilities: | | 89,144,299,468.97 | 90,745,447,858.66 |
| Goodwill | 21 | 477,031,224.37 | 477,031,224.37 | Owners' equity: | | | |
| Long-term prepaid expenses | 22 | | | Share capital | 43 | 9,921,364,362.00 | 9,921,364,362.00 |
| Deferred tax assets | 23 | 371,399,565.57 | 468,096,183.16 | Capital surplus | 44 | | |
| Other non-current assets | 24 | 1,875,744,812.28 | 1,884,424,487.80 | 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 | 91,713,222,723.70 | Undistributed profits | 47 | 30,955,461,028.11 | 32,550,288,911.34 |
| | | | | Exchange differences | | | |
| | | | | Minority's equity | 48 | 24,327,321.12 | 24,327,321.12 |
| | | | | Total owners' equity: | | 46,086,965,079.63 | 47,681,792,962.86 |
| | | | | | | | |
| | | | | | | | |
| TOTAL ASSETS | | 135,231,264,548.60 | 138,427,240,821.52 | TOTAL LIABILITIES AND OWNERS' EQUITY | | 135,231,264,548.60 | 138,427,240,821.52 |

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 March 2017

Units: RMB

| Item | Row | Amount for the corresponding period last year | Amount for the current year |
|---|-----|---|--------------------------------|
| I. Operating income | 1 | 11,782,202,022.65 | 22,279,796,469.02 |
| Of which: principal operations revenue | 2 | 11,635,868,506.21 | 22,085,470,232.20 |
| other operations revenue | 3 | 146,333,516.44 | 194,326,236.82 |
| Less: Operating cost | 4 | 9,339,620,435.98 | 18,981,327,188.38 |
| Of which: principal operations cost | 5 | 9,325,637,636.60 | 18,959,844,389.75 |
| other operations cost | 6 | 13,982,799.38 | 21,482,798.63 |
| Taxes and surcharges | 7 | 31,418,107.14 | 146,907,532.77 |
| Selling and distribution expenses | 8 | 26,153,471.19 | 68,495,579.42 |
| Administrative expenses | 9 | 152,971,069.61 | 124,601,485.53 |
| Financial expenses | 10 | 687,971,234.23 | 847,800,616.79 |
| Asset impairment losses | 11 | | |
| Add: Gains from changes in fair value | 12 | | |
| Investment gains | 13 | | 13,227,242.07 |
| II. Operating profit | | 1,544,067,704.50 | 2,123,891,308.20 |
| Add: Non-operating income | 14 | 14,822,022.12 | 63,969,946.76 |
| Less: Non-operating expenses | 15 | 33,711.65 | 2,282,549.44 |
| Of which: losses on disposal of non-current assets | 16 | | |
| III. Total profit | | 1,558,856,014.97 | 2,185,578,705.52 |
| Less: Income tax expenses | 17 | 412,290,264.04 | 590,750,822.30 |
| IV. Net profit | | 1,146,565,750.93 | 1,594,827,883.22 |

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: 31 March 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 | 8,983,188,229.52 | Short-term borrowings | 26 | 3,698,567,666.86 | 5,585,390,308.87 |
| Financial assets held for trading | 2 | | | Financial liabilities held for trading | 27 | 1,691,200.00 | 1,691,200.00 |
| Notes receivable | 3 | 9,049,509,157.64 | 8,770,708,237.59 | Notes payable | 28 | | |
| Accounts receivable | 4 | 267,894,314.56 | 1,999,724,171.66 | Accounts payable | 29 | 7,352,439,812.93 | 5,142,077,578.15 |
| Prepayments | 5 | 802,188,945.86 | 543,041,166.95 | Advances from customers | 30 | 703,996,265.56 | 477,076,720.03 |
| Interests receivable | 6 | | | Staff remuneration payables | 31 | 285,697,353.49 | 263,587,997.03 |
| Dividends receivable | 7 | | | Taxes payable | 32 | 1,084,356,192.35 | 1,193,600,713.80 |
| Other receivables | 8 | 911,424,340.05 | 1,439,561,412.43 | Interests payable | | 715,174,218.47 | 460,727,358.55 |
| Inventories | 9 | 15,025,485,101.14 | 13,751,927,691.28 | Dividends payable | 33 | | |
| Non-current assets due within one year | | | | Other payables | 34 | 10,270,367,712.17 | 11,250,685,508.19 |
| Other current assets | 10 | 2,447,500,217.02 | 2,055,246,701.24 | Non-current liabilities due within one year | 35 | 409,333,748.21 | 241,526,248.21 |
| | | | | Other current liabilities | 36 | 7,000,000,000.00 | 8,000,000,000.00 |
| Total current assets: | | 37,777,674,197.73 | 37,543,397,610.67 | Total current liabilities: | | 31,521,624,170.04 | 32,616,363,632.83 |
| 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 | 900,000,000.00 |
| Held-to-maturity investments | 12 | | | Bonds payable | 38 | 17,665,489,338.40 | 17,678,009,257.56 |
| Long-term receivables | 13 | | | Long-term payables | 39 | 22,552,597,433.75 | 22,062,933,886.57 |
| Long-term equity investments (consolidated difference) | 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 | 74,394,366,214.39 | Deferred tax liabilities | 23 | 344,248,174.87 | 344,248,174.87 |
| Construction in progress | 17 | 2,036,899,509.00 | 2,033,318,026.96 | Other non-current liabilities | 42 | 120,744,285.71 | 139,164,285.71 |
| Construction materials | 18 | 760,065.62 | 857,031.48 | | | | |
| Intangible assets | 19 | 2,979,399,264.73 | 2,988,220,161.49 | Total non-current liabilities: | | 43,283,079,232.73 | 41,124,355,604.71 |
| Development expenses | 20 | | | | | | |
| Goodwill | 21 | 477,031,224.37 | 477,031,224.37 | Total liabilities: | | 74,804,703,402.77 | 73,740,719,237.54 |
| Long-term deferred expenses | 22 | | | | | | |
| Deferred tax assets | 23 | 301,473,450.49 | 391,318,672.59 | Owners' equity: | | | |
| Other non-current assets | 24 | 1,804,435,375.80 | 1,665,245,112.09 | Share capital | 43 | 13,000,000,000.00 | 13,000,000,000.00 |
| Total non-current assets: | | 81,129,833,832.29 | 82,081,348,507.21 | Capital reserve | 44 | | |
| | | | | Less: treasury shares | 45 | | |
| | | | | Surplus reserve | 46 | 3,993,060,984.11 | 3,993,060,984.11 |
| | | | | Undistributed profits | 47 | 27,085,416,322.02 | 28,866,638,575.11 |
| | | | | Exchange differences | | | |
| | | | | Minority's equity | | 24,327,321.12 | 24,327,321.12 |
| | | | | Total owners' equity: | | 44,102,804,627.25 | 45,884,026,880.34 |
| | | | | | | | |
| | | | | | | | |
| TOTAL ASSETS | | 118,907,508,030.02 | 119,624,746,117.88 | TOTAL LIABILITIES AND OWNERS' EQUITY | | 118,907,508,030.02 | 119,624,746,117.88 |

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 March 2017

Units: RMB

| Item | Row | Amount for the corresponding period last year | Amount for the current year |
|---|-----|---|--------------------------------|
| I. Operating income | 1 | 11,208,299,734.03 | 21,397,108,787.74 |
| Of which: principal operations revenue | 2 | 10,440,860,140.29 | 19,156,244,655.66 |
| other operations revenue | 3 | 767,439,593.74 | 2,240,864,132.08 |
| Less: Operating cost | 4 | 9,072,751,987.16 | 18,224,324,719.89 |
| Of which: principal operations cost | 5 | 8,471,060,174.16 | 16,431,571,079.58 |
| other operations cost | 6 | 601,691,813.00 | 1,792,753,640.31 |
| Taxes and surcharges | 7 | 25,098,183.98 | 136,687,830.52 |
| Selling and distribution expenses | 8 | 24,111,086.96 | 65,295,033.34 |
| Administrative expenses | 9 | 92,395,971.81 | 115,462,472.42 |
| Financial expenses | 10 | 488,839,037.41 | 568,496,299.96 |
| Asset impairment losses | 11 | | |
| Add: Gains from changes in fair value | 12 | | |
| Investment gains | 13 | | 13,227,242.07 |
| II. Operating profit | | 1,505,103,466.71 | 2,300,069,673.68 |
| Add: Non-operating income | 14 | 13,492,568.98 | 54,427,323.61 |
| Less: Non-operating expenses | 15 | 18,201.70 | 2,254,004.73 |
| Of which: losses on disposal of non-current assets | 16 | | |
| III. Total profit | | 1,518,577,833.99 | 2,352,242,992.56 |
| Less: Income tax expenses | 17 | 402,163,227.42 | 571,020,739.47 |
| IV. Net profit | | 1,116,414,606.57 | 1,781,222,253.09 |

Person-in-charge
of the Company:
Zhang Bo

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
28 April 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.