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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 subsidiary of the Company.

As the first quarterly financial information in 2023 of Shandong Hongqiao is available only in Chinese, the Company wishes to provide the following unaudited consolidated balance sheets as at 31 March 2023 and unaudited consolidated income statements for the three months ended 31 March 2023 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 2023

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 | 27,624,442,198.44 | 31,501,822,321.81 | Short-term borrowings | 32 | 19,233,888,710.24 | 22,101,961,325.84 |
| Derivative financial assets | 2 | 722,100.00 | 109,803.69 | Derivative financial liabilities | 33 | 222,475.00 | 290,125.00 |
| Financial assets held for trading | 3 | 6,403,475.00 | 11,298,775.00 | Financial liabilities held for trading | 34 | | |
| Notes receivable | 4 | 5,558,852,165.63 | 5,186,988,620.85 | Notes payable | 35 | 2,117,857,455.04 | 186,447,646.93 |
| Accounts receivable | 5 | 4,570,520,797.48 | 6,202,861,651.34 | Accounts payable | 36 | 13,313,565,436.33 | 10,552,506,500.46 |
| Receivables financing | 6 | | | Advances from customers | 37 | 33,012,540.19 | |
| Prepayments | 7 | 9,687,100,293.70 | 9,801,860,405.49 | Contract liabilities | 38 | 1,324,833,762.12 | 2,360,489,683.06 |
| Other receivable | 8 | 12,215,160,732.74 | 12,031,871,491.73 | Staff remuneration payables | 39 | 902,113,004.50 | 775,871,656.37 |
| Inventories | 9 | 36,382,658,997.99 | 32,809,138,121.99 | Taxes payable | 40 | 1,140,095,001.61 | 1,438,404,894.95 |
| Contract assets | 10 | | | Other payable | 41 | 9,211,417,992.69 | 8,484,743,704.30 |
| Assets held for sale | 11 | | | Liabilities held for sale | 42 | | |
| Non-current assets due within one year | 12 | 2,509,387,540.37 | 4,529,291.75 | Non-current liabilities due within one year | 43 | 19,833,549,139.48 | 18,589,611,752.62 |
| Other current assets | 13 | 4,744,388,473.69 | 4,241,547,031.57 | Other current liabilities | 44 | 7,732,460,066.04 | 8,241,224,501.24 |
| | | | | | | | |
| Total current assets: | | 103,299,636,775.04 | 101,792,027,515.22 | Total current liabilities: | | 74,843,015,583.24 | 72,731,551,790.77 |
| | | | | | | | |
| Non-current assets: | | | | Non-current liabilities: | | | |
| Debt investment | 14 | | 1,200,000,000.00 | Long-term borrowings | 45 | 2,192,747,500.00 | 6,094,060,625.00 |
| Other debt investments | 15 | | | Bonds payable | 46 | 5,960,847,022.03 | 2,289,778,205.46 |
| Long-term receivables | 16 | 2,186,165,754.08 | 2,191,462,630.59 | Lease liabilities | 47 | 952,394,481.67 | 969,170,108.32 |
| Long-term equity investments | 17 | 6,159,330,285.74 | 9,284,192,663.52 | Long-term payables | 48 | 1,482,986,166.83 | 2,271,622,567.80 |
| Investment in other equity instruments | 18 | 679,769,357.19 | 679,769,357.19 | Special payables | 49 | | |
| Other non-current financial assets | 19 | | | Estimated liabilities | 50 | 66,908,505.93 | 72,177,810.86 |
| Investment property | 20 | 44,958,236.50 | 45,067,561.44 | Deferred income | 51 | 833,136,917.93 | 838,855,202.66 |
| Fixed assets | 21 | 51,063,483,448.94 | 50,397,019,008.22 | Deferred tax liabilities | 52 | 665,507,889.12 | 661,026,862.72 |
| Construction in progress | 22 | 7,512,655,028.77 | 7,355,409,149.66 | Other non-current liabilities | 53 | | |
| Biological assets for production | 23 | | | | | | |
| Oil and gas assets | 24 | | | Total non-current liabilities: | | 12,154,528,483.51 | 13,196,691,382.82 |
| Right-of-use assets | 25 | 677,883,931.90 | 648,244,788.52 | | | | |
| Intangible assets | 26 | 7,542,523,585.17 | 7,487,321,201.15 | Total liabilities: | | 86,997,544,066.75 | 85,928,243,173.59 |
| Development expenses | 27 | | | | | | |
| Goodwill | 28 | 278,223,112.57 | 278,223,112.57 | Owners' equity: | | | |
| Long-term prepaid expenses | 29 | 44,628,243.34 | 33,127,600.93 | Paid up capital (or share capital) | 54 | 11,759,333,009.10 | 11,759,333,009.10 |
| Deferred tax assets | 30 | 3,564,808,269.14 | 3,656,358,756.57 | Capital reserve | 55 | 5,608,460,913.35 | 5,608,482,806.42 |
| Other non-current assets | 31 | 3,136,374,217.72 | 725,814,985.22 | Less: Treasury share | 56 | | |
| | | | | Other comprehensive income | 57 | 28,425,101.42 | 28,631,761.33 |
| Total non-current assets: | | 82,890,803,471.06 | 83,982,010,815.58 | Surplus reserve | 58 | 3,441,601,710.33 | 3,441,601,710.33 |
| | | | | Special reserve | 59 | 844,216,633.68 | 910,794,763.26 |
| | | | | Undistributed profits | 60 | 72,624,736,156.17 | 73,232,664,105.54 |
| | | | | Minority interests | 61 | 4,886,122,655.30 | 4,864,287,001.23 |
| | | | | | | | |
| | | | | Total owners' equity: | | 99,192,896,179.35 | 99,845,795,157.21 |
| | | | | | | | |
| TOTAL ASSETS: | | 186,190,440,246.10 | 185,774,038,330.80 | TOTAL LIABILITIES AND OWNERS' EQUITY | | 186,190,440,246.10 | 185,774,038,330.80 |

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 March 2023 Units: RMB

| Item | Row | Amount for the corresponding period last year | Accumulated amount for the current year |
|---|-----|---|---|
| I. Operating income | 1 | 32,288,131,396.02 | 32,773,600,443.10 |
| Less: Operating cost | 2 | 22,951,848,762.94 | 30,675,500,679.66 |
| Taxes and surcharges | 3 | 324,040,117.32 | 202,954,863.88 |
| Selling expenses | 4 | 9,274,541.02 | 24,312,966.34 |
| Administrative expenses | 5 | 718,493,462.20 | 409,044,568.07 |
| Research and development expenses | 6 | 495,033,467.97 | 499,619,216.91 |
| Financial expenses | 7 | 366,694,608.08 | 503,096,499.09 |
| Of which: Interests expenses | 8 | 573,185,181.21 | 619,923,083.53 |
| Interests income | 9 | 208,937,589.98 | 149,693,187.17 |
| Add: Other gains | 10 | 27,243,695.56 | 11,089,790.24 |
| Investment gains (Losses are indicated by “-”) | 11 | 258,589,769.37 | 214,601,917.17 |
| Gains from changes in fair value (Losses are indicated by “-”) | 12 | 6,100,860.25 | 4,474,332.14 |
| Credit impairment losses (Losses are indicated by “-”) | 13 | -3,944,897.27 | 42,173,995.72 |
| Asset impairment losses (Losses are indicated by “-”) | 14 | 28,664,945.47 | -9,675,840.27 |
| Gains on disposal of assets (Losses are indicated by “-”) | 15 | 67,739,732.11 | 54,813,462.13 |
| II. Operating profit (Losses are indicated by “-”) | | 7,807,140,541.98 | 776,549,306.28 |
| Add: Non-operating income | 16 | 27,912,039.52 | 30,162,391.73 |
| Less: Non-operating expenses | 17 | 69,601,206.03 | 15,858,034.77 |
| III. Total profit (Total loss is indicated by “-”) | | 7,765,451,375.47 | 790,853,663.24 |
| Less: Income tax expenses | 18 | 1,903,434,837.72 | 195,576,564.01 |
| IV. Net profit (Net loss is indicated by “-”) | | 5,862,016,537.75 | 595,277,099.23 |
| (I) Net profit from continuing operations (Net loss is indicated by “-”) | | 5,862,016,537.75 | 595,277,099.23 |
| (II) Net profit from discontinued operations (Net loss is indicated by “-”) | | | |

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
27 April 2023

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. Liu Xiaojun (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.