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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 2016 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 2016 and unaudited consolidated income statement for the three months ended 31 March 2016 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 2016

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	8,833,102,084.32	21,897,034,466.45	Short-term borrowings	26	4,399,006,122.12	4,667,725,298.75
Financial assets held for trading	2			Financial liabilities held for trading	27		
Notes receivable	3	7,503,960,612.18	7,511,328,932.37	Notes payable	28	150,000,000.00	
Accounts receivable	4	1,052,939,273.74	1,122,279,654.84	Accounts payable	29	8,302,765,900.70	7,991,858,400.58
Prepayments	5	195,165,270.91	262,170,062.32	Advances from customers	30	594,151,857.32	212,109,134.25
Interests receivable	6			Staff remuneration payables	31	256,420,648.06	210,995,297.53
Dividends receivable	7			Taxes payable	32	362,837,855.24	514,209,696.89
Other receivables	8	2,486,194,792.42	1,500,961,966.89	Interests payable		838,971,878.67	903,127,079.02
Inventories	9	12,243,559,553.88	13,473,329,274.22	Dividends payable	33		
Non-current assets due within one year				Other payables	34	8,056,147,510.59	7,068,303,790.43
Other current assets	10	2,138,641,923.17	1,969,697,658.88	Non-current liabilities due within one year	35	2,319,930,394.72	2,273,523,994.72
				Other current liabilities	36	14,000,000,000.00	17,000,000,000.00
Total current assets:		34,453,563,510.62	47,736,802,015.97	Total current liabilities:		39,280,232,167.42	40,841,852,692.17
Non-current assets:				Non-current liabilities:			
Available-for-sale financial assets	11	94,067,282.51	94,067,282.51	Long-term borrowings	37	7,276,036,564.47	7,569,613,562.49
Held-to-maturity investments	12			Bonds payable	38	11,905,771,028.73	23,796,787,799.75
Long-term receivables	13			Long-term payables	39	7,712,026,666.83	7,033,710,073.51
Long-term equity investments	14			Special payables	40		
Investment property	15			Estimated liabilities	41		
Fixed assets	16	55,991,932,565.72	57,736,641,009.93	Deferred tax liabilities	23	75,126,734.97	75,126,734.96
Construction in progress	17	9,506,158,332.79	9,372,193,007.73	Other non-current liabilities	42	52,490,000.00	52,490,000.00
Construction materials	18	2,143,745.66	33,542,484.58				
Intangible assets	19	1,749,200,905.71	1,739,988,595.11	Total non-current liabilities:		27,021,450,995.00	38,527,728,170.71
Development expenses	20						
Goodwill	21	80,417,527.18	80,417,527.18	Total liabilities:		66,301,683,162.42	79,369,580,862.88
Long-term prepaid expenses	22			Owners' equity:			
Deferred tax assets	23	172,743,067.57	160,609,178.78	Share capital	43	9,200,435,362.00	9,921,364,362.00
Other non-current assets	24	1,560,140,417.03	1,595,498,704.39	Capital surplus	44		
Total non-current assets:		69,156,803,844.17	70,812,957,790.21	Less: treasury shares	45		
				Surplus reserve	46	4,305,075,907.19	4,305,075,907.19
				Undistributed profits	47	23,803,172,923.18	24,949,738,674.11
				Exchange differences			
				Minority's equity	48		4,000,000.00
				Total owners' equity:		37,308,684,192.37	39,180,178,943.30
TOTAL ASSETS		103,610,367,354.79	118,549,759,806.18	TOTAL LIABILITIES AND OWNERS' EQUITY		103,610,367,354.79	118,549,759,806.18

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 2016

Units: RMB

Item	Row	Amount for the corresponding period last year	Amount for the current year
I. Operating income	1	11,169,153,537.11	11,782,202,022.65
Of which: principal operations revenue	2	10,988,209,670.54	11,635,868,506.21
other operations revenue	3	180,943,866.57	146,333,516.44
Less: Operating cost	4	8,493,428,851.78	9,339,620,435.98
Of which: principal operations cost	5	8,472,218,480.96	9,325,637,636.60
other operations cost	6	21,210,370.82	13,982,799.38
Taxes and surcharges	7	38,612,793.32	31,418,107.14
Selling and distribution expenses	8	19,830,631.29	26,153,471.19
Administrative expenses	9	149,390,834.85	152,971,069.61
Financial expenses	10	462,764,049.80	687,971,234.23
Asset impairment losses	11		
Add: Gains from changes in fair value	12		
Investment gains	13		
II. Operating profit		2,005,126,376.07	1,544,067,704.50
Add: Non-operating income	14	5,453,370.92	14,822,022.12
Less: Non-operating expenses	15	10,693,782.97	33,711.65
Of which: losses on disposal of non-current assets	16		
III. Total profit		1,999,885,964.02	1,558,856,014.97
Less: Income tax expenses	17	490,784,689.08	412,290,264.04
IV. Net profit		1,509,101,274.94	1,146,565,750.93

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 2016

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	6,935,711,018.33	18,722,796,525.75	Short-term borrowings	26	3,501,859,082.84	3,704,407,536.19
Financial assets held for trading	2			Financial liabilities held for trading	27		
Notes receivable	3	7,538,128,880.57	7,119,608,479.26	Notes payable	28	150,000,000.00	
Accounts receivable	4	1,024,071,619.91	1,093,376,238.23	Accounts payable	29	5,299,594,282.72	5,166,062,451.27
Prepayments	5	186,019,106.49	244,811,029.10	Advances from customers	30	574,981,596.14	199,078,452.54
Interests receivable	6			Staff remuneration payables	31	227,281,830.34	199,248,451.27
Dividends receivable	7			Taxes payable	32	267,085,387.79	369,842,283.42
Other receivables	8	4,290,894,340.41	1,765,030,815.45	Interests payable		307,777,845.49	404,854,207.59
Inventories	9	10,409,649,976.61	11,464,433,785.54	Dividends payable	33		
Non-current assets due within one year				Other payables	34	15,125,078,736.26	16,669,252,693.83
Other current assets	10	2,052,515,478.94	1,920,038,624.12	Non-current liabilities due within one year	35	317,023,528.52	241,829,128.52
				Other current liabilities	36	8,000,000,000.00	11,000,000,000.00
Total current assets:		32,436,990,421.26	42,330,095,497.45	Total current liabilities:		33,770,682,290.10	37,954,575,204.63
Non-current assets:				Non-current liabilities:			
Available-for-sale financial assets	11	94,067,282.51	94,067,282.51	Long-term borrowings	37	2,659,246,979.61	2,927,137,028.77
Held-to-maturity investments	12			Bonds payable	38	3,987,265,873.01	9,930,476,984.12
Long-term receivables	13			Long-term payables	39	19,047,628,370.00	19,090,380,798.11
Long-term equity investments	14			Special payables	40		
Investment property	15			Estimated liabilities	41		
Fixed assets	16	50,225,032,503.48	52,088,497,813.05	Deferred tax liabilities	23	75,126,734.98	75,126,734.96
Construction in progress	17	9,460,862,288.52	9,244,618,140.05	Other non-current liabilities	42	52,490,000.00	52,490,000.00
Construction materials	18	2,143,745.66	33,542,039.91				
Intangible assets	19	1,632,747,754.67	1,624,089,306.14	Total non-current liabilities:		25,821,757,957.60	32,075,611,545.96
Development expenses	20						
Goodwill	21	80,417,527.18	80,417,527.18	Total liabilities:		59,592,440,247.70	70,030,186,750.59
Long-term deferred expenses	22			Owners' equity:			
Deferred tax assets	23	160,141,669.06	147,986,092.35	Share capital	43	13,000,000,000.00	13,000,000,000.00
Other non-current assets	24	1,516,621,232.29	1,523,871,835.45	Capital reserve	44		
Total non-current assets:		63,172,034,003.37	64,837,090,036.64	Less: treasury shares	45		
				Surplus reserve	46	3,187,636,129.35	3,187,636,129.35
				Undistributed profits	47	19,828,948,047.58	20,945,362,654.15
				Exchange differences			
				Minority's equity			4,000,000.00
				Total owners' equity:		36,016,584,176.93	37,136,998,783.50
TOTAL ASSETS		95,609,024,424.63	107,167,185,534.09	TOTAL LIABILITIES AND OWNERS' EQUITY		95,609,024,424.63	107,167,185,534.09

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 2016

Units: RMB

Item	Row	Amount for the corresponding period last year	Amount for the current year
I. Operating income	1	10,350,498,880.09	11,208,299,734.03
Of which: principal operations revenue	2	9,651,560,956.94	10,440,860,140.29
other operations revenue	3	698,937,923.15	767,439,593.74
Less: Operating cost	4	8,212,275,900.05	9,072,751,987.16
Of which: principal operations cost	5	7,692,258,462.30	8,471,060,174.16
other operations cost	6	520,017,437.75	601,691,813.00
Taxes and surcharges	7	27,128,437.42	25,098,183.98
Selling and distribution expenses	8	19,017,837.76	24,111,086.96
Administrative expenses	9	97,124,988.62	92,395,971.81
Financial expenses	10	286,430,626.39	488,839,037.41
Asset impairment losses	11		
Add: Gains from changes in fair value	12		
Investment gains	13		
II. Operating profit		1,708,521,089.85	1,505,103,466.71
Add: Non-operating income	14	2,401,168.82	13,492,568.98
Less: Non-operating expenses	15	19,063.00	18,201.70
Of which: losses on disposal of non-current assets	16		
III. Total profit		1,710,903,195.67	1,518,577,833.99
Less: Income tax expenses	17	417,929,744.44	402,163,227.42
IV. Net profit		1,292,973,451.23	1,116,414,606.57

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 2016

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.