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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)

CLARIFICATION ANNOUNCEMENT
CLARIFICATION ON THE SECOND 2017 NEGATIVE REPORT

This announcement is made by China Hongqiao Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) to make clarification on the second negative report issued by Emerson Analytics Co. Ltd. (“**Emerson**”) on 30 October 2017 (the “**Second 2017 Negative Report**”).

Reference is made to the announcement of the Company (the “**Previous Clarification Announcement**”) dated 25 October 2017, in relation to the refutation and/or clarifications made by the Company against the allegations contained in the first 2017 negative report issued by Emerson on 28 February 2017 (the “**First 2017 Negative Report**”). Unless the context indicates otherwise, capitalised terms used but not otherwise defined herein shall have the same meanings as ascribed to them in the Previous Clarification Announcement.

The Directors are convinced that the allegations contained in the Second 2017 Negative Report (the “**Allegations**”) are misleading, untrue and unfounded. Relevant refutation and/or clarification to the Allegations have been already included in the Previous Clarification Announcement.

The Company would emphasize that Emerson did not take any action to comply with the letter of demand sent by the Company’s special legal counsel on 30 March 2017 and as such, the Company has formally filed a lawsuit against Emerson in court in Hong Kong as the Directors believe that the repeated attacks on the Company and its associate companies from Emerson are malicious in nature. The Company has been and will strive for the best interests of the Company and its Shareholders.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Shandong, the PRC
30 October 2017

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