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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)

COMPLETION OF THE PLACING AND SUBSCRIPTION

Joint Global Coordinators, Joint Bookrunners and Placing Agents



The Board is pleased to announce that all the conditions as set out in the Placing and Subscriptions Agreement have been fulfilled and the Placing and the Subscription were completed on 18 January 2018 and 23 January 2018, respectively.

Reference is made to the announcement of China Hongqiao Group Limited (the “**Company**”) dated 16 January 2018 (the “**Announcement**”), in relation to the Placing and the Subscription. Capitalised terms used in this announcement shall have the same respective meanings as defined in the Announcement unless otherwise stated.

COMPLETION OF PLACING AND SUBSCRIPTION

The Board is pleased to announce that all the conditions as set out in Placing and Subscriptions Agreement have been fulfilled and the Placing and the Subscription were completed on 18 January 2018 and 23 January 2018, respectively.

An aggregate of 650,000,000 Placing Shares have been successfully placed at the Placing Price of HK\$9.6 per Placing Share to six or more placees, who and whose beneficial owners are independent and not connected with Hongqiao Holdings or any person acting in concert with it (as defined in the Takeovers Code), and are also independent of the Company and its connected persons (as defined in the Listing Rules). None of the Placees becomes a substantial shareholder (as defined in the Listing Rules) immediately after completion of the Placing and the Subscription.

An aggregate of 650,000,000 Placing Shares, representing (i) approximately 8.07% of the existing issued share capital of the Company of 8,057,888,193 Shares as at the date of the Announcement; and (ii) approximately 7.46% of the issued share capital of the Company of 8,707,888,193 Shares as enlarged by the issue of the Subscription Shares immediately as at the date of this announcement, have been allotted and issued to Hongqiao Holdings at the Subscription Price of HK\$9.6 per Subscription Share. The net proceeds from the Subscription, after deducting relevant expenses, are approximately HK\$6.2 billion, 70% of which are intended to be used by the Group for reducing outstanding liabilities and 30% of which are intended to be used by the Group for replenishment of the Group's general working capital.

CHANGE OF SHAREHOLDING STRUCTURE

The table below sets out the shareholding structures of the Company (i) immediately before completion of the Placing; (ii) immediately after completion of the Placing but before the Subscription; and (iii) as at the date of this announcement:

	Immediately before completion of the Placing		Immediately after completion of the Placing but before the top-up Subscription		After completion of the Placing and the top-up Subscription	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Hongqiao Holdings	5,968,092,073	74.07	5,318,092,073	66.00	5,968,092,073	68.54
CTI Capital Management Limited ^{Note 1}	806,640,670	10.01	806,640,670	10.01	806,640,670	9.26
Shares held by Public Shareholders						
Placing Shares	–	–	650,000,000	8.07	650,000,000	7.46
Other Shares	<u>1,283,155,450</u>	<u>15.92</u>	<u>1,283,155,450</u>	<u>15.92</u>	<u>1,283,155,450</u>	<u>14.74</u>
Total	<u><u>8,057,888,193</u></u>	<u><u>100.00</u></u>	<u><u>8,057,888,193</u></u>	<u><u>100.00</u></u>	<u><u>8,707,888,193</u></u>	<u><u>100.00</u></u>

Note 1: After completion of the Placing and the top-up Subscription, the equity interests held by CTI Capital Management Limited in the Company reduced from 10.01% to 9.26% and thus CTI Capital Management Limited ceased to be a connected person of the Company as at the date of this announcement.

The management of the Company noticed that The Capital Group Companies Inc. has become one of the substantial shareholders (as defined under Part XV of the Securities and Futures Ordinance) of the Company and held approximately 6.27% of the total issued shares of the Company as at the date of this announcement. The Company is pleased to welcome the investors with long-term focus and forward-

looking insights and will continue to focus on its business development and increase its efforts to enhance the investment return of its shareholders.

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

Shandong Province, the People's Republic of China
23 January 2018

As at the date of this announcement, the Board comprises eleven directors, namely Mr. Zhang Shiping, Ms. Zheng Shuliang, Mr. Zhang Bo and Ms. Zhang Ruilian as executive directors, Mr. Yang Congsen, Mr. Zhang Jinglei and Mr. Chen Yisong (Mr. Zhang Hao as his alternate) as non-executive directors, and Mr. Chen Yinghai, Mr. Xing Jian, Mr. Han Benwen and Mr. Dong Xinyi as independent non-executive directors.