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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)**

### **INSIDE INFORMATION LATEST PROGRESS OF THE SHARE TRANSFER AGREEMENT**

This announcement is made by China Hongqiao Group Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcements made by the Company on 15 August 2016 and 27 September 2016 (the “**Announcements**”), in relation to the Share Transfer Agreement entered into between Shandong Hongqiao and Mr. Yu, and the Illegal Event. Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

After review of the due diligence opinion of the professional institution, the directors of the Company tentatively believe that the Illegal Event will not have any material adverse effect on the production and management of the Target Company nor will constitute material legal obstacle for the performance of the Share Transfer Agreement.

The Company will prudently proceed the Acquisition in line with the interests of the shareholders of the Company. The Company will promptly announce any further progress if necessary. The Acquisition is subject to the satisfaction of all conditions precedent and approval from relevant authorities. Therefore, the Acquisition may or may not materialize.

In addition, according to the approval of prior notification of concentrations of undertakings from the Anti-monopoly Bureau, Ministry of Commerce of the People’s Republic of China (中國商務部反壟斷局) (the “**Anti-monopoly Bureau**”) dated 26 October 2016, the Anti-monopoly Bureau will not conduct any further review on the Acquisition and accordingly, there will be no legal obstacles for the Acquisition under the PRC anti-monopoly laws.

**The shareholders of the Company and potential investors 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  
13 November 2016

*As at the date of this announcement, the board of directors of the Company 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.*