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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
AND
RESUMPTION OF TRADING**

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement of China Hongqiao Group Limited (the “**Company**”) dated 1 March 2017. At the request of the Company, trading in the Company’s shares on the Stock Exchange was halted with effect from 10:53 a.m. on Wednesday, 1 March 2017 pending the release of a clarification announcement regarding the negative report from Emerson Analytics Co. Ltd. (the “**Allegation Report**”).

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The directors of the Company (the “**Directors**”) are of the view that the allegations and information contained in the Allegation Report are biasedly-selected, materially misleading, untrue and unfounded.

The Company is still in the process of preparing a detailed clarification announcement to refute and/or clarify each of the key negative allegations in the Allegation Report and to rebut the attempt to undermine the confidence of the Company’s shareholders in its business and financial condition. Such detailed clarification announcement will be made by the Company as soon as practicable.

As stated in the disclaimer of the Allegation Report, Emerson Analytics Co. Ltd. and/or its associates/partners may have long or short positions in the equities and/or derivatives of the Company at the time of publication of the Allegation Report, and Emerson Analytics Co. Ltd. and/or its associates/partners may maintain or change their positions at any time. The Allegation Report contains errors of fact, misleading statements and unfounded malicious accusations against the Company and its management which the Company believes are used in the Allegation Report with a view to undermining the Company’s reputation, manipulating the price of the Company’s shares and deliberately frustrating the functioning of the market and conducting malicious

competition. Shareholders and potential investors are therefore reminded to exercise extreme caution when dealing in the securities of the Company. Shareholders and potential investors should also read this announcement carefully.

The Company reserves its right to take legal actions for damages or other relief against the entity and/or associated individual(s) that published the Allegation Report and anyone responsible for disseminating misleading and malicious statements designed to manipulate the price of the Company's shares for their gains.

If the Board considers the trading price of the shares of the Company (the "Shares") does not reflect their intrinsic value, the Board may exercise its powers under the repurchase mandate granted by the shareholders of the Company in the annual general meeting of the Company held on 9 May 2016 to repurchase the Shares when appropriate. Such possible repurchase will be conducted in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant applicable laws and regulations.

RESUMPTION OF TRADING

At the request of the Company, trading in the Company's shares on the Stock Exchange was halted with effect from 10:53 a.m. on Wednesday, 1 March 2017. The Company has applied to the Stock Exchange for resumption of trading in its shares on the Stock Exchange with effect from 9:00 a.m. on Tuesday, 7 March 2017.

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

Shandong, the PRC
6 March 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.