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China Hongqiao Group Limited
中國宏橋集團有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1378)

COMPLETION OF PLACING AND SUBSCRIPTION

Sole Placing Agent

BofA Merrill Lynch

Reference is made to the announcement of China Hongqiao Group Limited (the “**Company**”) dated 5 September 2014 (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.

The Board is pleased to announce that all conditions set out in the Placing and Subscription Agreement have been fulfilled and the Placing and the Subscription were completed on 10 September 2014 and 17 September 2014, respectively.

An aggregate of 275,880,000 Placing Shares have been successfully placed at the Placing Price of HK\$6.19 per Placing Share to not less than six 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). No individual placee becomes a substantial shareholder (as defined in the Listing Rules) immediately after completion of the Placing and the Subscription.

An aggregate of 275,880,000 Placing Shares, representing (i) 4.7% of the existing issued share capital of the Company of 5,885,000,000 Shares as at the date of the Announcement, and (ii) approximately 4.5% of the issued share capital of the Company of 6,160,880,000 Shares as enlarged by the issue of the Subscription Shares as at the date of this announcement, have been allotted and issued to Hongqiao Holdings at the Subscription Price of HK\$6.19 per Subscription Share. The net proceeds from the Subscription amount to approximately HK\$1,688.1 million, which are intended to be used by the Group for the repayment of indebtedness, acquisition of upstream bauxite resources and general corporate purposes.

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 Subscription		After completion of the Placing and the Subscription	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
	Hongqiao Holdings	5,000,000,000	84.96	4,724,120,000	80.27	5,000,000,000
Shares held by Public Shareholders						
Placing Shares	–	–	275,880,000	4.69	275,880,000	4.48
Other Shares	885,000,000	15.04	885,000,000	15.04	885,000,000	14.36
	<u>5,885,000,000</u>	<u>100.00</u>	<u>5,885,000,000</u>	<u>100.00</u>	<u>6,160,880,000</u>	<u>100.00</u>
Total	<u>5,885,000,000</u>	<u>100.00</u>	<u>5,885,000,000</u>	<u>100.00</u>	<u>6,160,880,000</u>	<u>100.00</u>

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

Shandong, the People's Republic of China
18 September 2014

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.