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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 OF US\$320,000,000 5.0% CONVERTIBLE BONDS
DUE 2022 UNDER CB SPECIFIC MANDATE**

The Board is pleased to announce that all the conditions as set out in the CB Placing Agreement have been fulfilled and the completion of the CB Placing took place on 28 November 2017 in accordance with the terms and conditions of the CB Placing Agreement. The Convertible Bonds with an initial principal amount of US\$320,000,000 have been successfully issued by the Company to the Purchaser under the CB Specific Mandate.

Reference is made to (i) the announcement of China Hongqiao Group Limited (the “**Company**”) dated 15 August 2017, (ii) the circular of the Company dated 2 November 2017 (the “**Circular**”), and (iii) the poll results announcement of the Company dated 20 November 2017 in relation to, among others, the Share Placing under the Share Specific Mandate and the CB Placing under the CB Specific Mandate. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Circular.

COMPLETION OF THE CB PLACING

The Board is pleased to announce that all the conditions as set out in the CB Placing Agreement have been fulfilled and the completion of the CB Placing took place on 28 November 2017 in accordance with the terms and conditions of the CB Placing Agreement. The Convertible Bonds with an initial principal amount of US\$320,000,000 have been successfully issued by the Company to the Purchaser under the CB Specific Mandate. Assuming full conversion of the Convertible Bonds at the initial Conversion Price of HK\$8.16, the Convertible Bonds will be convertible into approximately 306,713,725 Shares (subject to adjustment), representing approximately 3.66% of the issued share capital of the Company as enlarged by the issue of such 306,713,725 Shares.

The net proceeds from the CB Placing, after deduction of the related expenses, are estimated to be approximately US\$316,800,000.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes only, assuming there being no other change in the shareholding structure of the Company after the completion of the Share Placing, the following table sets out the shareholding structure of the Company (i) immediately before the completion of the CB Placing; (ii) immediately after the completion of the CB Placing, assuming no conversion of the Convertible Bonds; and (iii) immediately after the full conversion of the Convertible Bonds at the initial Conversion Price:

Shareholders	Immediately before the completion of the CB Placing		Immediately after the completion of the CB Placing, assuming no conversion of the Convertible Bonds		Immediately after the completion of the full conversion of the Convertible Bonds at the initial Conversion Price	
	<i>% of the issued share capital</i>		<i>% of the issued share capital</i>		<i>% of the issued share capital</i>	
	<i>No. of Shares</i>	<i>of the Company</i>	<i>No. of Shares</i>	<i>of the Company</i>	<i>No. of Shares</i>	<i>of the Company</i>
Hongqiao Holdings ⁽¹⁾	5,968,092,073	73.99	5,968,092,073	73.99	5,968,092,073	71.28
Mr. Zhang Bo ⁽²⁾	8,870,000	0.11	8,870,000	0.11	8,870,000	0.11
The Share Subscriber Holder(s) of the Conversion Shares	806,640,670	10.00	806,640,670	10.00	806,640,670	9.63
Other public Shareholders	–	–	–	–	306,713,725	3.66
	1,282,803,950	15.90	1,282,803,950	15.90	1,282,803,950	15.32
Total	8,066,406,693	100.00	8,066,406,693	100.00	8,373,120,418	100.00

Notes:

- (1) The entire issued share capital of Hongqiao Holdings is beneficially owned by Mr. Zhang Shiping and Mr. Zhang Shiping is deemed to be interested in the Shares held by Hongqiao Holdings. Ms. Zheng Shuliang, the spouse of Mr. Zhang Shiping, is deemed to be interested in all the Shares in which Mr. Zhang Shiping is interested.
- (2) Mr. Zhang Bo is the son of Mr. Zhang Shiping and Ms. Zheng Shuliang, and an executive Director.

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

Shandong, the PRC
28 November 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.