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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)

INDICATIVE ANNOUNCEMENT ON
THE EARLY REDEMPTION OF CONVERTIBLE BONDS

Reference is made to the announcement of China Hongqiao Group Limited (the “**Company**”) dated 21 March 2012 and 12 April 2012, respectively (“**Announcements**”), in relation to the issue and subscription of the Convertible Bonds in an initial aggregate principal amount of US\$150,000,000, and the Company’s announcements dated 23 May 2012, 24 May 2013 and 6 June 2014, respectively, in relation to the adjustment to the Conversion Price. Unless otherwise stated, capitalized terms used herein shall bear the same meanings as set out in the Announcements.

According to the Condition 8(C) of the terms and conditions of the Bond set out in the Offering Circular of the Company (“**Terms and Conditions**”), in relation to the issue of the US\$150,000,000 6.5% Convertible Bonds due 2017, the Conversion Period of the Convertible Bonds issued by the Company commenced on 21 May 2012. During the Conversion Period and at any time after 10 April 2015, on giving not less than 30 nor more than 90 days’ notice to the Trustee and the holders of the Convertible Bonds, the Company may redeem all, but not some only, of the Convertible Bonds for the time being outstanding at a redemption price equals to their principal amount together with accrued but unpaid interest to the date fixed for redemption, if the closing price of the Shares, translated into US\$ at the prevailing exchange rate applicable to the relevant Stock Exchange Business Day, for 20 out of 30 consecutive trading days prior to the date upon which notice of such redemption is published was at least 130% of principal amount of the Convertible Bonds divided by the Conversion Ratio.

From 17 April 2015 to 1 June 2015, the closing prices of the Shares of the Company for 20 trading days out of 30 consecutive trading days, translated into US\$ at the prevailing exchange rate applicable to the relevant Stock Exchange Business Day, have been higher than 130% of the principal amount of the Convertible Bonds divided by the Conversion Ratio as calculated pursuant to the Terms and Conditions, which has triggered the redemption clause of the Convertible Bonds.

The Company has served notice to the Trustee and holders of the Convertible Bonds to redeem all outstanding Convertible Bonds on 3 July 2015 (the “**Redemption Date**”) at a redemption price equals to the principal amount of the Convertible Bonds, together with accrued but unpaid interest up to such date.

Pursuant to Condition 6(A)(i) of the Terms and Conditions, conversion rights of the remaining holders attaching to any Convertible Bond may be exercised, at the option of the holders, until the close of business on 23 June 2015 (which is the date no later than 10 days prior to the Redemption Date).

As of the date of this announcement, the outstanding principal amount of the Convertible Bonds is US\$130,000,000. The Company will use its internal resources to satisfy the payment of the redemption of the remaining Convertible Bonds.

Upon redemption of the outstanding Convertible Bonds on the Redemption Date, all the redeemed Convertible Bonds (if any) will be cancelled.

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

Shandong, the People’s Republic of China
2 June 2015

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.