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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in China Hongqiao Group Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

Hong Kong Exchange and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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)**

**PROPOSED DECLARATION OF FINAL DIVIDENDS  
AND  
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS  
AND  
PROPOSED GRANTING OF GENERAL MANDATES  
TO REPURCHASE AND ISSUE SHARES  
AND  
NOTICE OF THE ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting of the Company to be held at the Conference Hall on 8th Floor, Company Office Building, No.12 Wei Fang Lu, Economic Development District, Zouping County, Shandong Province, the People's Republic of China on Tuesday, 19 May 2015 at 9:00 a.m. is set out on pages 17 to 21 of this circular. A form of proxy for use at the Annual General Meeting is enclosed herewith. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.hongqiaochina.com](http://www.hongqiaochina.com)) respectively.

Whether or not you are able to attend the Annual General Meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time fixed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting if they so wish.

17 April 2015

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## CONTENTS

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|   | <i>Page</i> |
|---|-------------|
| <b>Responsibility Statement</b> .....   | ii          |
| <b>Definitions</b> .....  | 1           |
| <b>Letter from the Board</b>  |             |
| 1. Introduction .....   | 3           |
| 2. Declaration of Final Dividends .....   | 4           |
| 3. Proposed Re-election of the Retiring Directors .....   | 4           |
| 4. Proposed Granting of the Repurchase and Issue Mandates .....   | 5           |
| 5. Annual General Meeting and Proxy Arrangement .....   | 6           |
| 6. Recommendation .....   | 6           |
| 7. Closure of Register of Members .....   | 7           |
| 8. General Information .....  | 7           |
| <b>Appendix I – Details of the Retiring Directors Proposed to be<br/>                    Re-elected at the Annual General Meeting</b> ..... | 8           |
| <b>Appendix II – Explanatory Statement on the Repurchase Mandate</b> .....  | 14          |
| <b>Notice of the Annual General Meeting</b> .....   | 17          |

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## **RESPONSIBILITY STATEMENT**

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This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement contained herein misleading.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

|                           |  |
|---------------------------|--|
| “Annual General Meeting”  | an annual general meeting of the Company to be held at the Conference Hall on 8th Floor, Company Office Building, No.12, Wei Fang Lu, Economic Development District, Zouping County, Shandong Province, the People’s Republic of China on Tuesday, 19 May 2015 at 9:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the Annual General Meeting which is set out on pages 17 to 21 of this circular, or any adjournment thereof |
| “Articles of Association” | the articles of association of the Company adopted on 8 March 2011 and became effective on 24 March 2011   |
| “Board”                   | the board of Directors   |
| “Company”                 | China Hongqiao Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange   |
| “Director(s)”             | the director(s) of the Company   |
| “Group”                   | the Company and its subsidiaries   |
| “HK\$”                    | Hong Kong dollars, the lawful currency of Hong Kong  |
| “Hong Kong”               | the Hong Kong Special Administrative Region of the People’s Republic of China  |
| “Issue Mandate”           | as defined in paragraph 4(b) of the letter from the Board in this circular   |
| “Latest Practicable Date” | 13 April 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular  |
| “Listing Date”            | 24 March 2011, the date on which trading in Shares commenced on the Stock Exchange   |
| “Listing Rules”           | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited   |
| “Repurchase Mandate”      | as defined in paragraph 4(a) of the letter from the Board in this circular   |

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## DEFINITIONS

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| “SFO”            | the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong                      |
| “Share(s)”       | the ordinary share(s) of US\$0.01 each in the share capital of the Company                      |
| “Shareholder(s)” | the holder(s) of Share(s)   |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited   |
| “Takeovers Code” | the Codes on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong |
| “%”              | per cent  |

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Zhang Shiping (*Chairman*)  
Ms. Zheng Shuliang (*Vice Chairman*)  
Mr. Zhang Bo (*Chief Executive Officer*)

*Non-executive Director:*

Mr. Yang Congsen  
Mr. Zhang Jinglei

*Independent non-executive Directors:*

Mr. Xing Jian  
Mr. Chen Yinghai  
Mr. Han Benwen

*Registered Office:*

Floor 4, Willow House  
Cricket Square  
PO Box 2804  
Grand Cayman KY1-1112  
Cayman Islands

*Principal Place of Business  
in Hong Kong:*

Rm 5108, The Center  
99th Queen's Road Central  
Hong Kong

17 April 2015

*To the Shareholders*

Dear Sir/Madam,

**PROPOSED DECLARATION OF FINAL DIVIDENDS  
AND  
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS  
AND  
PROPOSED GRANTING OF GENERAL MANDATES  
TO REPURCHASE AND ISSUE SHARES  
AND  
NOTICE OF THE ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the Annual General Meeting and to notify you of the Annual General Meeting for (i) proposed declaration of final dividends; (ii) the re-election of the retiring Directors; (iii) the granting of the Repurchase Mandate and the Issue Mandate to the Directors and the extension of the Issue Mandate by adding to it an amount representing the aggregate nominal amount of the Shares repurchased by the Company under the Repurchase Mandate.

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## LETTER FROM THE BOARD

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### 2. DECLARATION OF FINAL DIVIDENDS

According to the announcement of annual results of the Company for the year ended 31 December 2014 dated 27 March 2015, it was also proposed by the Board for the payment of final dividends for the year ended 31 December 2014 of HK\$28.0 cents per Share on Friday, 26 June 2015 to the Shareholders whose names appear on the Register of Members on Friday, 5 June 2015, subject to the approval of the Shareholders in the forthcoming Annual General Meeting.

### 3. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to 83(3) of the Articles of Association, the Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Shareholders after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Six Directors, namely Ms. Zheng Shuliang, Mr. Yang Congsen, Mr. Zhang Jinglei, Mr. Xing Jian, Mr. Chen Yinghai and Mr. Han Benwen, being eligible, will offer themselves for re-election at the Annual General Meeting.

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director(s) in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. The requisite details of the retiring Directors are set out in Appendix I to this circular.

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## LETTER FROM THE BOARD

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### 4. PROPOSED GRANTING OF THE REPURCHASE AND ISSUE MANDATES

The general mandates previously granted to the Directors to repurchase and issue Shares by written resolutions of the Shareholders passed on 16 May 2014 will expire at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase and issue Shares if and when appropriate, the following ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of new general mandates to the Directors:

- (a) to repurchase Shares on the Stock Exchange not exceeding 10% of the total nominal amount of the Company's issued share capital as at the date of passing of such resolution (i.e. an aggregate nominal amount of Shares not exceeding US\$6,160,880 (equivalent to 616,088,000 Shares) on the basis that issued share capital of the Company remains unchanged as at the date of the Annual General Meeting) (the "**Repurchase Mandate**");
- (b) to allot, issue or deal with Shares not exceeding 20% of the total nominal amount of the Company's issued share capital as at the date of passing of such resolution (i.e. an aggregate nominal amount of Shares not exceeding US\$12,321,760 (equivalent to 1,232,176,000 Shares) on the basis that the issued share capital of the Company remains unchanged as at the date of the Annual General Meeting) (the "**Issue Mandate**"); and
- (c) to extend the Issue Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate (the "**Extension**").

The Repurchase Mandate and the Issue Mandate will continue in force until the conclusion of the next annual general meeting of the Company to be held after the Annual General Meeting or any earlier date as referred to in the proposed ordinary resolutions contained in items 5 and 6 of the notice of the Annual General Meeting as set out on pages 17 to 21 of this circular. With reference to the Repurchase Mandate and the Issue Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any new Shares pursuant thereto.

In accordance with the requirements of the Listing Rules, the Company shall send to Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix II to this circular.



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## LETTER FROM THE BOARD

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### 5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 17 to 21 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, among others, declaration of final dividends, the re-election of the retiring Directors, the granting of the Repurchase Mandate and the Issue Mandate as well as the Extension of the Issue Mandate by the addition thereto of the nominal amount of Shares repurchased pursuant to the Repurchase Mandate.

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all the proposed resolutions will be put to vote by way of poll at the Annual General Meeting. An announcement on the poll vote results will be made by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.hongqiaochina.com](http://www.hongqiaochina.com)) respectively. Whether or not you are able to attend the Annual General Meeting, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority, to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish and in such event, the form of proxy shall be deemed to be revoked.

### 6. RECOMMENDATION

The Directors consider that the declaration of final dividends, the re-election of the retiring Directors, the granting of the Repurchase Mandate and the granting/extension of the Issue Mandate are in the interests of the Company, the Group and the Shareholders.

The Directors believe that the exercise of the Issue Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company.

The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases of Shares will benefit the Company and the Shareholders.

The exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 December 2014, being the date of its latest audited consolidated financial statements. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

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## LETTER FROM THE BOARD

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Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

### 7. CLOSURE OF REGISTER OF MEMBERS

The share register of the Company will be closed from Wednesday, 13 May 2015 to Tuesday, 19 May 2015 (both days inclusive), during which no transfer of shares will be effected. In order to be entitled to attend the forthcoming Annual General Meeting of the Company and vote at the meeting, all completed share transfer forms accompanying with the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, not later than 4:30 p.m. on Tuesday, 12 May 2015. The address of Computershare Hong Kong Investor Services Limited is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

The share register of the Company will be closed from Tuesday, 2 June 2015 to Friday, 5 June 2015 (both days inclusive), during which no transfer of shares will be effected. In order to qualify for the final dividend, all completed share transfer forms accompanying with the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, not later than 4:30 p.m. on Monday, 1 June 2015. The address of Computershare Hong Kong Investor Services Limited is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

### 8. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Details of the Retiring Directors Proposed to be Re-elected at the Annual General Meeting) and Appendix II (Explanatory Statement on the Repurchase Mandate) to this circular.

Yours faithfully,  
By Order of the Board  
**Zhang Shiping**  
*Chairman*

Pursuant to the Listing Rules, the details of the retiring Directors, who will offer themselves for re-election at the Annual General Meeting, are provided below.

**(1) Ms. Zheng Shuliang**

Ms. Zheng Shuliang (鄭淑良), aged 68, was appointed the vice chairman and an executive Director of our Company on 16 January 2011. She joined our Group in July 2009 and has been a director and vice chairman of Shandong Hongqiao New Material Co., Ltd.. She held the positions of the section chief, director of metering division of raw materials purchase department and deputy director of raw materials supply department of Shandong Weiqiao Chuangye Group Company Limited (“Chuangye Group”) (including its predecessor) from November 1996 to June 1999, director of metering department of Chuangye Group from June 1999 to June 2001. She is the wife of Mr. Zhang Shiping, the mother of Mr. Zhang Bo and the mother-in-law of Mr. Yang Congsen.

*Interests in shares*

As far as the Directors are aware, as at the Latest Practicable Date, Ms. Zheng Shuliang was deemed to be interested in 5,000,000,000 Shares directly held by China Hongqiao Holdings Limited (“Hongqiao Holdings”), representing 81.16% of the issued share capital of the Company, pursuant to Part XV of the SFO.

Save as disclosed above, Ms. Zheng Shuliang was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

*Director’s emolument*

As set out in the service contract entered into by Ms. Zheng Shuliang and the Company, the fixed portion of the annual salary of Ms. Zheng Shuliang shall be RMB500,000 (subject to adjustment made by the remuneration committee and the shareholders meeting of the Company). The Company may provide Ms. Zheng Shuliang with other benefits which it may determine from time to time. The emolument of Ms. Zheng Shuliang has been determined in accordance with the Articles of Association and the remuneration policy of the Company.

*Other information and matters that need to be disclosed or brought to the attention of the Shareholders*

Save as disclosed above, Ms. Zheng Shuliang does not have any relationship with any other Director, senior management, substantial or controlling Shareholder (as defined under the Listing Rules) of the Company and has no information to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Ms. Zheng Shuliang that need to be brought to the attention of the Shareholders.

**(2) Mr. Yang Congsen**

Mr. Yang Congsen (楊叢森), aged 45, was appointed a non-executive Director of our Company on 16 January 2011. He graduated from Ocean University of Qingdao (青島海洋大學) and obtained a junior college diploma in international trade in July 1998. Mr. Yang obtained a master's degree of business administration from Dalian University of Technology (大連理工大學) in July 2006. He joined our Group in January 2007 and has over 14 years' management experiences. He was responsible for the production and operation of the self-owned power plants of our Group and was also the deputy general manager of Shandong Weiqiao Aluminum and Power Company Limited prior to the listing of our Company in 2011. He held the positions of the network administrator of human resources division of Chuangye Group (including its predecessor) from October 1997 to December 1999, head of thermal power plant of Chuangye Group from December 1999 to October 2003, and deputy general manager of Chuangye Group from January 2005 to June 2006. He is currently a Director of Chuangye Group. He is the son-in-law of Mr. Zhang Shiping and Ms. Zheng Shuliang and the brother-in-law of Mr. Zhang Bo.

*Interests in Shares*

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Yang Congsen was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

*Director's emolument*

As set out in the service contract entered into by Mr. Yang Congsen and the Company, the fixed portion of the annual salary of Mr. Yang Congsen shall be RMB600,000 (subject to adjustment made by the remuneration committee and the shareholders meeting of the Company). The Company may provide Mr. Yang Congsen with other benefits which it may determine from time to time. The emolument of Mr. Yang Congsen has been determined in accordance with the Articles of Association and the remuneration policy of the Company.

*Other information and matters that need to be disclosed or brought to the attention of the Shareholders*

Save as disclosed above, Mr. Yang Congsen does not have any relationship with any other Director, senior management, substantial or controlling Shareholder (as defined under the Listing Rules) of the Company and has no information to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Yang Congsen that need to be brought to the attention of the Shareholders.

**(3) Mr. Zhang Jinglei**

Mr. Zhang Jinglei (張敬雷), aged 38, was appointed a non-executive Director of our Company on 16 January 2011. He joined our Group in January 2011. He graduated from Xi'an Engineering College (西安工程學院) and obtained the junior college diploma in proximate analysis in July 1997. He joined Weiqiao Textile (including its predecessor) in October 1997, and worked in the sales department of Weiqiao Textile Company Limited ("Weiqiao Textile") (including its predecessor) from September 1998 to September 2000. He worked at the securities office, production technology section and the securities department of Weiqiao Textile from October 2000. He is currently an executive director and company secretary of Weiqiao Textile (Stock Code: 2698.HK).

*Interests in Shares*

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Zhang Jinglei was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

*Director's emolument*

As set out in the service contract entered into by Mr. Zhang Jinglei and the Company, the fixed portion of the annual salary of Mr. Zhang Jinglei shall be RMB300,000 (subject to adjustment made by the remuneration committee and the shareholders meeting of the Company). The Company may provide Mr. Zhang Jinglei with other benefits which it may determine from time to time. The emolument of Mr. Zhang Jinglei has been determined in accordance with the Articles of Association and the remuneration policy of the Company.

*Other information and matters that need to be disclosed or brought to the attention of the Shareholders*

Mr. Zhang Jinglei does not have any relationship with any Director, senior management, substantial or controlling Shareholder (as defined under the Listing Rules) of the Company and has no information to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Zhang Jinglei that need to be brought to the attention of the Shareholders.

**(4) Mr. Xing Jian**

Mr. Xing Jian (邢建), aged 65, was appointed an independent non-executive Director of our Company on 16 January 2011. He graduated from Correspondence Institute of the Party School of the Central Committee of C.P.C. (中共中央黨校函授學院) and obtained a university diploma in economics and management in December 1995. He held the positions of deputy secretary and secretary of Weiqiao Town of Zouping County from August 1982 to October 1985, deputy mayor of Zouping County from October 1985 to February 1987, deputy secretary and county mayor of Gaoqing County from February 1987 to January 1994, director and party secretary of Audit Bureau of Zibo City of Shandong Province from July 1994 to March 1999, deputy commissioner and party secretary of Special Commissioner Office of National Auditing Administration in Jinan from April 1999 to January 2001, deputy director of Head Office Service Bureau of National Auditing Administration from January 2001 to May 2002, director of Building Materials Auditing Bureau of National Auditing Administration from May 2002 to August 2008 and auditor of Social Insurance Auditing Bureau of National Auditing Administration from August 2008 to June 2009.

*Interests in Shares*

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Xing Jian was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

*Director's emolument*

As set out in the service contract entered into by Mr. Xing Jian and the Company, the fixed portion of the annual salary of Mr. Xing Jian shall be RMB200,000 (subject to adjustment made by the remuneration committee and the shareholders meeting of the Company). The Company may provide Mr. Xing Jian with other benefits which it may determine from time to time. The emolument of Mr. Xing Jian has been determined in accordance with the Articles of Association and the remuneration policy of the Company.

*Other information and matters that need to be disclosed or brought to the attention of the Shareholders*

Mr. Xing Jian does not have any relationship with any Director, senior management, substantial or controlling Shareholder (as defined under the Listing Rules) of the Company and has no information to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Xing Jian that need to be brought to the attention of the Shareholders.

**(5) Mr. Chen Yinghai**

Mr. Chen Yinghai (陳英海), aged 55, was appointed an independent non-executive Director of our Company on 16 January 2011. He graduated from the School of Textile Science and Technology of Beijing Union University (北京聯合大學紡織工程學院) majoring in wool spinning and weaving and obtained the bachelor degree in engineering in July 1987. He held the position of the deputy section head of China Non-cotton Yarns & Fabrics Import & Export Co. (中紡化纖毛麻進出口公司) from December 1990 to April 1991, employer of Chinatex Industry Co., Ltd (中紡實業有限公司) from May 1991 to November 1994, general manager of Chinatex Singapore Trading Co., Ltd (中紡新加坡貿易有限公司) from December 1994 to November 1997, general manager of Chinatex Cotton Yarns and Fabrics Import & Export Corp. (中紡紗布進出口公司) from March 1998 to December 2000, director of representative office of Chinatex in Shanghai (中國紡織品進出口總公司) from March 2003 to May 2004. He is currently an executive director of RFH Equities Co., Ltd (融豐行投資有限公司) since October 2001.

*Interests in Shares*

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Chen Yinghai was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

*Director's emolument*

As set out in the service contract entered into by Mr. Chen Yinghai and the Company, the fixed portion of the annual salary of Mr. Chen Yinghai shall be RMB200,000 (subject to adjustment made by the remuneration committee and the shareholders meeting of the Company). The Company may provide Mr. Chen Yinghai with other benefits which it may determine from time to time. The emolument of Mr. Chen Yinghai has been determined in accordance with the Articles of Association and the remuneration policy of the Company.

*Other information and matters that need to be disclosed or brought to the attention of the Shareholders*

Mr. Chen Yinghai does not have any relationship with any Director, senior management, substantial or controlling Shareholder (as defined under the Listing Rules) of the Company and has no information to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Chen Yinghai that need to be brought to the attention of the Shareholders.



**(6) Mr. Han Benwen**

Mr. Han Benwen (韓本文), aged 64, was appointed an independent non-executive Director of our Company on 16 January 2011. He graduated from Shandong University (山東大學) and obtained a certificate in foreign economy in May 1994. He is a certified public accountant recognized by the Shandong branch of the Chinese Institute of Certified Public Accountants (山東省註冊會計師協會) and is a qualified middle level auditor. Mr. Han worked in Zouping County Audit Bureau (鄒平縣審計局) as a clerical officer from August 1985 to December 1999 and in Shandong Jianxin Certified Public Accountants Corporation (山東鑒鑫會計師事務所有限公司) (formerly known as Zouping Jianxin Certified Public Accountants Corporation) as an accountant from December 1999 to February 2007. He is currently working in Zouping Hongrui Accounting & Consulting Services Center (鄒平宏瑞會計諮詢服務中心) as an accountant since February 2007.

*Interests in Shares*

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Han Benwen was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

*Director's emolument*

As set out in the service contract entered into by Mr. Han Benwen and the Company, the fixed portion of the annual salary of Mr. Han Benwen shall be RMB200,000 (subject to adjustment made by the remuneration committee and the shareholders meeting of the Company). The Company may provide Mr. Han Benwen with other benefits which it may determine from time to time. The emolument of Mr. Han Benwen has been determined in accordance with the Articles of Association and the remuneration policy of the Company.

*Other information and matters that need to be disclosed or brought to the attention of the Shareholders*

Mr. Han Benwen does not have any relationship with any Director, senior management, substantial or controlling Shareholder (as defined under the Listing Rules) of the Company and has no information to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Han Benwen that need to be brought to the attention of the Shareholders.



The following is an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Repurchase Mandate.

### **1. REASONS FOR REPURCHASE**

The Directors believe that it is in the best interests of the Company and its Shareholders for the Directors to have general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements of the Company at the time, lead to an enhancement of the net asset value per share and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and its Shareholders.

### **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 6,160,880,000 Shares.

Subject to the passing of the ordinary resolution set out in item 5 of the notice of the Annual General Meeting in respect of the granting of the Repurchase Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting i.e. being 6,160,880,000 Shares, the Directors would be authorized under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, an aggregate nominal amount of Shares not exceeding US\$6,160,880 (equivalent to 616,088,000 Shares), representing 10% of the aggregate nominal amount of the Shares in issue as at the date of the Annual General Meeting.

### **3. FUNDING OF REPURCHASES**

The Directors propose that the repurchase of Shares under the Repurchase Mandate would be financed from the Company's internal resources.

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and Articles of Association, the Cayman Companies Law and/or any other applicable laws, as the case may be.

The Company is empowered by its memorandum and Articles of Association to repurchase Shares. The laws of the Cayman Islands provide that a purchase of shares may be made (to the extent of the par value of such shares) out of profits or the proceeds of a fresh issue of shares made for such purpose or, out of capital, provided that the Company is able to pay its debts as they fall due in the ordinary course of business and the purchase is authorized by its Articles of Association. Any premium payable on a purchase may be made out of profits, the Company's share premium account or out of capital, provided that the Company is able to pay its debts as they fall due in the ordinary course of business and the purchase is authorized by its Articles of Association.

**4. IMPACT OF REPURCHASES**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2014) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time befitting the Company.

**5. TAKEOVERS CODE**

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, to the best knowledge of the Directors, the controlling Shareholders (as defined in the Listing Rules) of the Company, namely Mr. Zhang Shiping and Hongqiao Holdings (the "Controlling Shareholders"), together control the exercise of 81.16% voting rights in the general meeting of the Company.

In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, the shareholding interest of the Controlling Shareholders would, based on their current shareholding, be increased to approximately 91.2% of the total issued share capital of the Company. The Directors are not aware of any consequences which would give rise to an obligation on the Controlling Shareholders to make a mandatory offer under Rule 26 or Rule 32 of the Takeovers Code.

The Directors will not make any repurchase of Shares if the repurchase would result in the number of issued Shares in the hands of the public falling below the public float percentage as required under the Listing Rules and agreed by the Stock Exchange.

**6. GENERAL**

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) has any present intention to sell any Share to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Share to the Company, or that they have undertaken not to sell any Share held by them to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

## 7. MARKET PRICES OF SHARES

The Shares are trading on the Stock Exchange and the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the following months up to the Latest Practicable Date are as follows:

| <b>Month</b>                              | <b>Highest</b><br><i>HK\$</i> | <b>Lowest</b><br><i>HK\$</i> |
|---|-------------------------------|------------------------------|
| <b>2014</b>                               |                               |                              |
| January                                   | 5.33                          | 4.56                         |
| February                                  | 4.95                          | 4.61                         |
| March                                     | 5.09                          | 4.54                         |
| April                                     | 5.45                          | 4.83                         |
| May                                       | 5.74                          | 5.03                         |
| June                                      | 5.78                          | 5.16                         |
| July                                      | 6.92                          | 5.58                         |
| August                                    | 6.92                          | 6.15                         |
| September                                 | 6.90                          | 5.70                         |
| October                                   | 6.05                          | 5.46                         |
| November                                  | 6.03                          | 5.53                         |
| December                                  | 5.94                          | 4.91                         |
| <b>2015</b>                               |                               |                              |
| January                                   | 5.41                          | 4.66                         |
| February                                  | 5.39                          | 4.76                         |
| March                                     | 5.50                          | 3.90                         |
| April (up to the Latest Practicable Date) | 6.65                          | 4.68                         |

## 8. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the period starting from the Listing Date to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

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## NOTICE OF THE ANNUAL GENERAL MEETING

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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)**

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting of China Hongqiao Group Limited (the “Company”) will be held at the Conference Hall on 8th Floor, Company Office Building, No.12, Wei Fang Lu, Economic Development District, Zouping County, Shandong Province, the People’s Republic of China on Tuesday, 19 May 2015 at 9:00 a.m. for the following purposes. Unless otherwise indicated, the capitalized terms used in this notice shall have the same meaning as those defined in the circular of the Company dated 17 April 2015 to convene the Annual General Meeting.

1. To consider and adopt the audited consolidated financial statements of the Company and the reports of the directors and the auditors of the Company for the year ended 31 December 2014;
2. To re-elect the retiring Directors and to authorize the Board to fix the respective Directors’ remuneration;
3. To re-appoint Deloitte Touche Tohmatsu as auditors of the Company and to authorize the Board to fix their remuneration;
4. To declare a final dividend of HK\$28.0 cents per share for the year ended 31 December 2014 to the shareholders of the Company;
5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to repurchase its Shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total nominal amount of Shares to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and

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## NOTICE OF THE ANNUAL GENERAL MEETING

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- (c) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the revocation or variation of the authority given under this resolution by an ordinary resolution passed by the Company’s shareholders in general meeting; and
  - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held”;
- 6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorized and unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period (as defined below);
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as defined below);
  - (ii) the exercise of options granted under the share option scheme of the Company;
  - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association; and
  - (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares,

shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and

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## NOTICE OF THE ANNUAL GENERAL MEETING

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(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the authority given under this resolution by an ordinary resolution passed by the Company’s shareholders in general meeting; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; and

“**Rights Issue**” means an offer of Shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange); and

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 5 and 6 of the notice convening the Annual General Meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 6 of the Notice be and is hereby extended by the addition to the aggregate nominal amount of Shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to the general mandate referred to in the resolution set out in item 5 of the Notice, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution”.

By order of the Board  
**Zhang Shiping**  
*Chairman*

Hong Kong, 17 April 2015

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## NOTICE OF THE ANNUAL GENERAL MEETING

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*Notes:*

- (a) Any Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on behalf of him/her. A proxy needs not be a Shareholder. A Shareholder who is the holder of two or more Shares may appoint more than one proxy to represent him/her to attend and vote on his/her behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
- (b) In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the Annual General Meeting and, in such event, the form of proxy shall be deemed to be revoked.
- (c) The share register of the Company will be closed from Wednesday, 13 May 2015 to Tuesday, 19 May 2015 (both days inclusive), during which no transfer of shares will be effected. In order to be entitled to attend the forthcoming Annual General Meeting of the Company and vote at the meeting, all completed share transfer forms accompanying with the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, not later than 4:30 p.m. on Tuesday, 12 May 2015. The address of Computershare Hong Kong Investor Services Limited is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

The share register of the Company will be closed from Tuesday, 2 June 2015 to Friday, 5 June 2015 (both days inclusive), during which no transfer of shares will be effected. In order to qualify for the final dividend, all completed share transfer forms accompanying with the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, not later than 4:30 p.m. on Monday, 1 June 2015. The address of Computershare Hong Kong Investor Services Limited is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

- (d) In relation to the ordinary resolutions set out in items 5, 6 and 7 of this notice, the Directors wish to state that they have no immediate plan to repurchase any existing Shares or issue any new Shares.
- (e) Where there are joint registered holders of any shares, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most, or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand in the register in respect of the relevant joint holding.
- (f) Subject to approval of the payment of the final dividend by the Shareholders at the Annual General Meeting, shareholders of the Company whose names appear on the Register of Members on Wednesday, 13 May 2015 are entitled to attend and vote at the Annual General Meeting or any adjourned meetings, and Shareholders whose names appear on the Register of Members on Friday, 5 June 2015 are entitled to the final dividends.
- (g) If a Shareholder wishes to propose a person the ("Candidate") to stand for election as a Director, (i) a notice signed by a Shareholder of the Company (other than him/herself) duly qualified to attend and vote at the Annual General Meeting of his/her intention to propose the Candidate for election; (ii) a notice signed by the Candidate of his/her willingness to be elected; and (iii) that Candidate's information as required to be disclosed under Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and (iv) the Candidate's written consent to the publication of his/her personal data, must be lodged at the head office of the Company or the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shop 1712-1716, 17th Floor, Hopewell Centre, 183

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## NOTICE OF THE ANNUAL GENERAL MEETING

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Queen's Road East, Wanchai, Hong Kong with minimum notice(s) period of at least seven days, and that the period of lodgment of such notice(s) shall commence on the day after the date of the despatch of the AGM Notice and end no later than seven days prior to 19 May 2015.

- (h) Please refer to Appendix I to the circular of the Company dated 17 April 2015 for the details of the retiring Directors subject to re-election at the Meeting.
- (i) The Annual General Meeting is expected to last half a day. Shareholders attending the Annual General Meeting should be responsible for their own transportation and accommodation expenses.