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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)**

### **APPOINTMENT OF AUDITORS**

This announcement is made by China Hongqiao Group Limited (the “**Company**”, collectively with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the announcement of the Company dated 28 April 2017 (the “**Announcement**”), in relation to, the resignation of Ernst & Young as the auditor of the Company, and the decision of the board of directors of the Company (the “**Board**”) on appointment of Baker Tilly Hong Kong Limited (“**Baker Tilly**”) as the auditor of the Company subject to relevant client acceptance procedures to be conducted by Baker Tilly. Unless the context indicates otherwise, capitalised terms used but not otherwise defined herein shall have the same meanings as that ascribed to them in the Announcement.

As mentioned in the Announcement, Baker Tilly Hong Kong Risk Assurance Limited (“**BT Risk Assurance**”) was engaged by the Company to perform the Agreed-upon Procedures over the 2016 Negative Report, the 2017 Negative Report and the Audit Findings, in accordance with Hong Kong Standard on Related Services 4400 – “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information” issued by the Hong Kong Institute of Certified Public Accountants. As at the date of this announcement, draft reports of the Agreed-upon Procedures have been prepared by BT Risk Assurance, and BT Risk Assurance is in the course of finalizing such reports of the Agreed-upon Procedures. Given the favorable development of the reports of the Agreed-upon Procedures, the Company will focus on the annual audit work for the year of 2016, and wishes to publish its annual results for the year ended 31 December 2016 and resume the trading in the shares of the Company as soon as possible for the best interest of the Company’s shareholders. Having considered (i) the current work load of the Group’s annual audit work, and the Company’s requirement on the deadline of completion of such audit work; and (ii) the existing commitments of Baker Tilly’s resources and its timetables for schedule work, Baker Tilly is not able to enter into the Company to complete relevant audit work on time according to the Company’s requirements on schedule and manpower. Accordingly, the Group would like to arrange the auditor with sufficient manpower so as to complete relevant audit work according to the Company’s requirements on completion deadline of its audit work and manpower. Based on such, the Company does not need Baker Tilly to complete client acceptance procedures and

Baker Tilly has informed the Company that it did not complete relevant client acceptance procedures. Baker Tilly did not assign any personnel to start the on-site audit work of the Company.

Baker Tilly has confirmed in writing that there is no matters in relation to its non-completion of the client acceptance procedures that needs to be brought to the attention of the shareholders or creditors of the Company. The Board has also confirmed that there is no disagreement or outstanding matter between the Company and Baker Tilly, and the Board is not aware of any other matters in relation to the non-completion of the client acceptance procedures that need to be brought to the attention of the shareholders or creditors of the Company.

On 12 July 2017, according to the articles of association of the Company, the Board decided to appoint SHINEWING (HK) CPA Limited (“**ShineWing HK**”) as the new auditor of the Company, to fill the vacancy following the resignation of Ernst & Young and to hold office until the conclusion of the next annual general meeting of the Company. The Company will endeavor to cooperate with ShineWing HK after ShineWing HK completes relevant client acceptance procedures, by virtue of its sufficient manpower and professional experiences, to publish the annual results for the year ended 31 December 2016 and resume the trading in the shares of the Company as soon as possible.

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

Shandong, the People’s Republic of China  
12 July 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.*