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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)**

### **ADJUSTMENT OF CONVERSION PRICE OF US\$320,000,000**

**5.0% CONVERTIBLE BONDS DUE 2022**

**AND**

### **ADJUSTMENT OF CONVERSION PRICE OF US\$300,000,000**

**5.25% CONVERTIBLE BONDS DUE 2026**

#### **ADJUSTMENT OF CONVERSION PRICE OF US\$320,000,000 5.0% CONVERTIBLE BONDS DUE 2022**

In accordance with the 2017 CB Terms and Conditions, as a result of the declaration of the Dividends by the Company, the conversion price of the 2017 Convertible Bonds will be adjusted from HK\$6.29 per Share to HK\$6.04 per Share with effect from 15 June 2021, being the business day immediately after the record date, i.e. 11 June 2021, in connection with such declaration.

#### **ADJUSTMENT OF CONVERSION PRICE OF US\$300,000,000 5.25% CONVERTIBLE BONDS DUE 2026**

In accordance with the 2021 CB Terms and Conditions, as a result of the declaration of the Dividends by the Company, the conversion price of the 2021 Convertible Bonds will be adjusted from HK\$8.91 per Share to HK\$8.55 per Share with effect from 15 June 2021, being the business day immediately after the record date, i.e. 11 June 2021, in connection with such declaration.

Reference is made to the announcement (the “**2017 Placing Announcement**”) of China Hongqiao Group Limited (the “**Company**”) dated 15 August 2017 in relation to, among other things, the issue of the US\$320,000,000 5.0% convertible bonds due 2022 (the “**2017 Convertible Bonds**”) by the Company, the announcement (the “**2021 Placing Announcement**”) of the Company dated 8 January 2021 in relation to, among other things, the issue of the US\$300,000,000 5.25% convertible bonds due 2026 (the “**2021 Convertible Bonds**”) by the Company, the announcement of the Company dated 2 December 2020 in relation to, among other things, adjustment of the conversion price of the 2017

Convertible Bonds, and the poll results announcement of the Company for the annual general meeting of the Company dated 6 May 2021 (the “**Poll Results Announcement**”). Capitalised terms used herein have the same meaning as those defined in the 2017 Placing Announcement and the 2021 Placing Announcement, unless otherwise defined herein.

## **ADJUSTMENT OF CONVERSION PRICE OF US\$320,000,000 5.0% CONVERTIBLE BONDS DUE 2022**

The terms and conditions of the 2017 Convertible Bonds (the “**2017 CB Terms and Conditions**”) provided, among other things, that if the Company pays or makes any Capital Distribution (as defined in the 2017 CB Terms and Conditions) to the shareholders of the Company (the “**Shareholders**”), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A-B}{A}$$

Where:

A is the Current Market Price (as defined in the 2017 CB Terms and Conditions) of one Share on the date on which the Capital Distribution is publicly announced; and

B is the Fair Market Value (as defined in the 2017 CB Terms and Conditions) on the date of such announcement of the portion of the Capital Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Capital Distribution is actually made or if a record date is fixed therefor, the business day immediately after such record date.

As announced in the Poll Results Announcement, the board of directors (the “**Board**”) of the Company will pay a final dividend of HK50 cents per Share for the year ended 31 December 2020 (the “**Dividends**”) to the Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 11 June 2021. Pursuant to the 2017 CB Terms and Conditions, the Dividends fall within the definition of Capital Distribution. Accordingly, the Conversion Price per Share will be adjusted from HK\$6.29 per Share to HK\$6.04 effective from 15 June 2021 (Hong Kong time), being the business day immediately after the record date, i.e. 11 June 2021, in connection with the declaration of the Dividends (the “**2017 CB Adjustment**”). Apart from the 2017 CB Adjustment, there is no change in the 2017 CB Terms and Conditions.

As at the date of this announcement, the total number of the issued shares of the Company is 9,121,352,349 Shares. Following the 2017 CB Adjustment, the number of Conversion Shares issuable by the Company upon full conversion of the outstanding 2017 Convertible Bonds will increase by 12,681,380 Shares and the maximum number of Conversion Shares to be issued by the Company upon full conversion of the outstanding 2017 Convertible Bonds will become 319,063,523 Shares. Such Conversion Shares will be issued and allotted pursuant to the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 6 May 2021.

## ADJUSTMENT OF CONVERSION PRICE OF US\$300,000,000 5.25% CONVERTIBLE BONDS DUE 2026

The terms and conditions of the 2021 Convertible Bonds (the “**2021 CB Terms and Conditions**”) provided, among other things, that if the Company pays or makes any Capital Distribution (as defined in the 2021 CB Terms and Conditions) to the Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A-B}{A}$$

Where:

A is the Current Market Price (as defined in the 2021 CB Terms and Conditions) of one Share on the date on which the Capital Distribution is publicly announced; and

B is the Fair Market Value (as defined in the 2021 CB Terms and Conditions) on the date of such announcement of the portion of the Capital Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Capital Distribution is actually made or if a record date is fixed therefor, the business day immediately after such record date.

As announced in the Poll Results Announcement, the Board will pay the Dividends to the Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 11 June 2021. Pursuant to the 2021 CB Terms and Conditions, the Dividends fall within the definition of Capital Distribution. Accordingly, the Conversion Price per Share will be adjusted from HK\$8.91 per Share to HK\$8.55 effective from 15 June 2021 (Hong Kong time), being the business day immediately after the record date, i.e. 11 June 2021, in connection with the declaration of the Dividends (the “**2021 CB Adjustment**”). Apart from the 2021 CB Adjustment, there is no change in the 2021 CB Terms and Conditions.

As at the date of this announcement, the total number of the issued shares of the Company is 9,121,352,349 Shares. Following the 2021 CB Adjustment, the number of Conversion Shares issuable by the Company upon full conversion of the outstanding 2021 Convertible Bonds will increase by 10,991,316 Shares and the maximum number of Conversion Shares to be issued by the Company upon full conversion of the outstanding 2021 Convertible Bonds will become 272,035,087 Shares. Such Conversion Shares will be issued and allotted pursuant to the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 6 May 2021.

Holders of the 2017 Convertible Bonds and the 2021 Convertible Bonds who are in any doubt as to the action to be taken should consult their stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

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

Shandong Province, the People's Republic of China

11 June 2021

*As at the date of this announcement, the Board comprises eleven directors, namely Mr. Zhang Bo, Ms. Zheng Shuliang and Ms. Zhang Ruilian as executive directors, Mr. Yang Congsen, Mr. Zhang Jinglei, Mr. Li Zimin (Mr. Zhang Hao as his alternate) and Ms. Sun Dongdong as non-executive directors, and Mr. Wen Xianjun, Mr. Xing Jian, Mr. Han Benwen and Mr. Dong Xinyi as independent non-executive directors.*