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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\$6.04 per Share to HK\$5.79 per Share with effect from 15 November 2021, being the business day immediately after the record date, i.e. 12 November 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\$8.47 per Share to HK\$8.12 per Share with effect from 15 November 2021, being the business day immediately after the record date, i.e. 12 November 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 11 June 2021 and the supplemental announcement dated 15 June 2021 in relation to, among other things, adjustment

of the conversion price of the 2017 Convertible Bonds and the 2021 Convertible Bonds, and the interim results announcement of the Company dated 20 August 2021 for the first half year of 2021 (the “**Interim 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 Interim Results Announcement, the board of directors (the “**Board**”) of the Company will pay an interim dividend for 2021 of HK45.0 cents per share for the six months ended 30 June 2021 (the “**Dividends**”) to the Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 12 November 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\$6.04 per Share to HK\$5.79 effective from 15 November 2021 (Hong Kong time), being the business day immediately after the record date, i.e. 12 November 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 13,776,490 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 332,840,013 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 Interim 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, 12 November 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\$8.47 per Share to HK\$8.12 effective from 15 November 2021 (Hong Kong time), being the business day immediately after the record date, i.e. 12 November 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 11,836,400 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 286,440,886 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
25 November 2021

As at the date of this announcement, the Board comprises twelve directors, namely Mr. Zhang Bo, Ms. Zheng Shuliang, Ms. Zhang Ruilian and Ms. Wong Yuting 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.