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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\$300,000,000 5.25% CONVERTIBLE BONDS DUE 2026

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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\$6.82 per Share to HK\$6.54 per Share with effect from 31 May 2024, being the business day immediately after the record date, i.e. 30 May 2024, in connection with such declaration.

Reference is made to the announcement (the “**2021 Placing Announcement**”) of China Hongqiao Group Limited (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, the supplemental announcement of the Company dated 15 June 2021, the announcement of the Company dated 25 November 2021, the announcement of the Company dated 31 May 2022, the announcement of the Company dated 21 November 2022, the announcement of the Company dated 31 May 2023 and the announcement of the Company dated 24 November 2023 in relation to, among other things, adjustment of the conversion price of the 2021 Convertible Bonds, and the annual results announcement of the Company dated 22 March 2024 for the year ended 31 December 2023 (the “**Annual Results Announcement**”). Capitalised terms used herein have the same meaning as those defined in the 2021 Placing Announcement, unless otherwise defined herein.

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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 shareholder 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 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 Annual Results Announcement, the board of directors (the “**Board**”) of the Company will pay a final dividend for 2023 of HK29.0 cents per share for the year ended 31 December 2023 (the “**Dividends**”) to the Shareholders whose names appear on the register of members of the Company at the close of business on Thursday, 30 May 2024. 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\$6.82 per Share to HK\$6.54 per Share effective from 31 May 2024 (Hong Kong time), being the business day immediately after the record date, i.e. 30 May 2024, 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 9,475,538,425 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 14,601,146 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 355,642,201 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 14 May 2024.

Holders of 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
30 May 2024

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. Tu Yikai (Mr. Zhang Hao as his alternate) and Ms. Sun Dongdong as non-executive Directors, and Mr. Wen Xianjun, Mr. Han Benwen, Mr. Dong Xinyi and Ms. Fu Yulin as independent non-executive Directors.