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NOTICE OF ADJUSTMENT TO CONVERSION PRICE OF THE CONVERTIBLE BONDS

Sail Vantage Limited

(incorporated in the British Virgin Islands with limited liability)

**HK\$2,750,000,000 Zero Coupon Guaranteed Convertible Bonds due 2027
(Debt Stock Code: 4401)**

Unconditionally and Irrevocably Guaranteed by



China MeiDong Auto Holdings Limited

中國美東汽車控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1268)

References are made to (i) the announcements of China MeiDong Auto Holdings Limited (the “**Company**”) dated 6 January 2022 (the “**CB Announcement**”) and 14 January 2022 in relation to, among other things, the issue of the Convertible Bonds by the Issuer; (ii) the announcement of the Company dated 16 December 2022 in relation to the interim dividend (the “**Interim Dividend**”) for the six months ended 30 June 2022; (iii) the announcements of the Company dated 4 January 2023 in relation to the top-up placing of existing shares

and subscription of new shares (the “**Placing**”); (iv) the announcement of the Company dated 30 March 2023 in relation to the annual results of the Company for the year ended 31 December 2022 and the declaration of a final dividend (the “**Final Dividend**”); and (v) the announcement of the Company dated 4 August 2023 in relation to the exchange rate for payment of the Final Dividend. Capitalised terms used in this announcement shall have the same meaning as those defined in the CB Announcement unless the context requires otherwise.

Following the determination of the exchange rate, the Final Dividend of RMB0.117 per Share (declared in Renminbi) will be paid in cash in Hong Kong dollars in the amount of HK\$0.12778 per Share.

Pursuant to the terms and conditions of the Convertible Bonds, the Conversion Price is subject to adjustment for, among other things, capital distributions of the Company, including distributions of cash dividend, and issues of shares by the Company at less than 95% of the current market price.

According to the terms and conditions of the Convertible Bonds, the Placing completed and the determination of the Interim Dividend paid and the Final Dividend payable have resulted in an aggregated adjustment of the Conversion Price for more than 1% from HK\$45.4881 per Share, the Conversion Price in effect before the adjustment, to HK\$44.7582 per Share (the “**Adjusted Conversion Price**”) effective from 4 August 2023. Save for such adjustment, all other terms of the Convertible Bonds remain unchanged.

As at the date of this announcement, an aggregate principal amount of HK\$2,740,000,000 of the Convertible Bonds remains outstanding. Based on the Adjusted Conversion Price, the maximum number of Shares to be issued by the Company upon full conversion of the Convertible Bonds will be increased from 60,235,534 Shares to 61,217,832 Shares, representing an increase of 982,298 Shares (the “**Additional Conversion Shares**”). Such Conversion Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by the Shareholders on 17 May 2021 to allot and issue up to 248,904,222 Shares. As at the date of this announcement, 22,719,837 Subscription Shares have been allotted under the General Mandate, and the limit of the General Mandate is sufficient to cover the issue of the Shares (including the Additional Conversion Shares) upon full conversion of the Convertible Bonds.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Additional Conversion Shares on the Stock Exchange in due course.

This announcement also serves as a notification to the Bondholders in respect of the adjustment to the Conversion Price.

By Order of the Board
China MeiDong Auto Holdings Limited
YE Fan
Chairman

Hong Kong, 4 August 2023

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. YE Fan (*Chairman*)

Mr. YE Tao (*Chief Executive Officer*)

Ms. LUO Liuyu

Independent Non-executive Directors:

Mr. CHEN Guiyi

Mr. WANG, Michael Chou

Mr. TO Siu Lun