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Zhongliang Holdings Group Company Limited

中梁控股集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2772)

(1) COMPLETION OF THE EXCHANGE OFFER AND CONSENT SOLICITATION RELATING TO (i) 8.5% SENIOR NOTES DUE MAY 2022 (STOCK CODE: 40680) AND (ii) 9.5% SENIOR NOTES DUE JULY 2022 (STOCK CODE: 40439) (the “Exchange Notes”)

AND THE ISSUE OF THE NEW NOTES,

(2) COMPLETION OF THE CONSENT SOLICITATION RELATING TO THE 12.0% SENIOR NOTES DUE APRIL 2023 (STOCK CODE: 40845)
(3) INSIDE INFORMATION
AND
(4) DELISTING OF THE MAY 2022 NOTES (STOCK CODE: 40680)

Reference is made to the announcements of the Company dated April 28, 2022, May 11, 2022 and May 17, 2022 (the “Announcements”) in relation to the Exchange Offer and Consent Solicitation and the Consent Solicitation. Capitalized terms used but not otherwise defined in this announcement shall have the same meaning ascribed to them in the Announcements, as the context requires. Reference is also made to Rule 13.09, Rule 13.19, Rule 37.47, Rule 37.47A, Rule 37.47B and Rule 37.47E(a) the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), pursuant to which this announcement is made.

COMPLETION OF THE EXCHANGE OFFER AND CONSENT SOLICITATION AND THE ISSUE OF THE NEW NOTES

The Board is pleased to announce that on May 18, 2022, all conditions precedent to the Exchange Offer and Consent Solicitation have been fulfilled and the Exchange Offer and Consent Solicitation have been completed.

Pursuant to the terms and conditions of the Exchange Offer and Consent Solicitation, a total of US\$262,172,000 May 2022 Notes were validly tendered for exchange (and deemed to have given consents to the proposed amendments) and accepted by the Company. Upon cancellation of these May 2022 Notes, the remaining outstanding principal amount of the May 2022 Notes will be US\$27,628,000. In addition, taking into consideration of the Company's acceptance of certain late tender instructions from Eligible Holders of the July 2022 Notes, a total of US\$368,334,000 July 2022 Notes were validly tendered for exchange (and deemed to have given consents to the proposed amendments) and accepted by the Company. Upon cancellation of these July 2022 Notes, the remaining outstanding principal amount of the July 2022 Notes will be US\$71,166,000. In exchange of the validly tendered and accepted May 2022 Notes and July 2022 Notes, the Company has issued US\$201,636,117 of the April 2023 New Notes and US\$428,869,883 of the December 2023 New Notes pursuant to the Exchange Offer and Consent Solicitation.

The April 2023 New Notes bear interest at the rate of 8.75% per annum from May 18, 2022, payable in arrears on October 15, 2022 and April 15, 2023. The December 2023 New Notes bear interest at the rate of 9.75% per annum from May 18, 2022, payable in arrears on December 31, 2022, June 30, 2023 and December 31, 2023.

In addition, on May 18, 2022, the Company, the Subsidiary Guarantors of the applicable Exchange Notes and the Trustee of the Exchange Notes have executed the Exchange Notes Supplemental Indentures to give effect to the proposed amendments to the Exchange Notes Indentures, and the Exchange Notes Supplemental Indentures have become operative upon receipt by the relevant Trustees of notification, by way of an Officer's Certificate, confirming the payment of the applicable Exchange and Consent Consideration on May 18, 2022. As a result, each present and future holder of the Exchange Notes are bound by the terms of each of the Exchange Notes Indentures as amended by the corresponding Exchange Notes Supplemental Indentures.

COMPLETION OF THE CONSENT SOLICITATION

The Board is pleased to announce that it has received the Requisite Consents necessary to effect the Proposed Amendment to the Indenture.

Pursuant to the consent solicitation statement dated April 28, 2022 (as amended and supplemented by the supplemental consent solicitation statement dated May 11, 2022, the “**Consent Solicitation Statement**”), the Company has also made payment of the applicable Consent Fee in relation to the Consent Solicitation. As such, the Supplemental Indenture giving effect to the Proposed Amendments to the Indenture dated as of September 17, 2021 (as amended or supplemented from time to time, the “**Indenture**”), between the Company and China Construction Bank (Asia) Corporation Limited as trustee (the “**Trustee**”), entered into in connection with the April 2023 Notes on May 18, 2022, has become operative upon receipt by the Trustee of notification, by way of an Officer’s Certificate, confirming the payment of the applicable Consent Fee on the same date.

REMAINING EXCHANGE NOTES

As announced previously, the Company does not expect to be in a position to make timely repayments in accordance with the terms of the remaining Exchange Notes upon their maturities. With respect to the Exchange Notes that remain outstanding, the Company will continue to communicate with such holders. Despite the completion of Exchange Offer and Consent Solicitation, the Company urges holders of the remaining Exchange Notes to exchange the remaining Exchange Notes for the New Notes under substantially the same terms as those of the Exchange Offer and Consent Solicitation. The Company encourages such holders to contact the Company as soon as practicable in order to come to mutually agreeable arrangements for such exchange.

INSIDE INFORMATION

Pursuant to the terms of the May 2022 Notes, all outstanding principal amount on the May 2022 Notes together with the accrued interest thereon are due and payable on the maturity date of May 19, 2022. As of the date of this announcement, the Company expects that it is not in position for payment of principal and/or interest on remaining non-tendered outstanding principal amount of the May 2022 Notes of US\$27,628,000 on May 19, 2022. Such non-payment of interest will constitute an event of default under the May 2022 Notes upon expiration of the 30-day grace period and there is no grace period for the repayment of principal; as of the date of this announcement, such event of default has not occurred.

As at the date of this announcement, the aforesaid circumstances have not led and would not lead to any defaults under (i) the outstanding 12.0% senior notes due April 2023 (ISIN: XS2386495100; common code: 238649510; stock code: 40845); (ii) the outstanding 9.5% senior notes due July 2022 (ISIN: XS2247412518; common code: 224741251; stock code: 40439); (iii) the April 2023 New Notes (ISIN: XS2476291062; common code: 247629106); and (iv) the December 2023 New Notes (ISIN: XS2476292037; common code: 247629203).

The board of directors of the Company is of the view that the aforesaid circumstances do not have any potential material impact on the business operations of the Group.

DELISTING OF THE MAY 2022 NOTES

Notice is also given that as the May 2022 Notes will mature on May 19, 2022, the May 2022 Notes will be delisted from the Stock Exchange upon its maturity. After withdrawal of listing on the Stock Exchange, noteholders requiring further information in relation to the May 2022 Notes may contact the Company at 27/F, Queen's Road Centre, 152 Queen's Road Central, Central, Hong Kong or ir@zldcgroup.com.

By order of the Board
Zhongliang Holdings Group Company Limited
Yang Jian
Chairman

Hong Kong, May 18, 2022

As at the date of this announcement, Mr. Yang Jian, Mr. Chen Hongliang, Mr. He Jian and Mr. Yau Sze Ka (Albert) are the executive Directors, and Mr. Wang Kaiguo, Mr. Wu Xiaobo and Mr. Au Yeung Po Fung are the independent non-executive Directors.