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**皓天財經集團**

**WONDERFUL SKY FINANCIAL GROUP HOLDINGS LIMITED**

**皓天財經集團控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

(Stock Code: 1260)

**MAJOR TRANSACTION  
IN RELATION TO THE ACQUISITION OF THE NEW  
ZHONGLIANG NOTES PURSUANT TO  
THE ZHONGLIANG NOTES EXCHANGE**

**ZHONGLIANG NOTES EXCHANGE**

The Board announces that the Company has acquired the New Zhongliang Notes in the principal amount of US\$6.06 million (equivalent to approximately HK\$47.6 million) at par value, with a total consideration of US\$6.06 million (equivalent to approximately HK\$47.6 million), through the exchange of the Existing Zhongliang Notes in the principal amount of US\$5.0 million (equivalent to approximately HK\$39.25 million) on 20 March 2024. No cash consideration was paid by the Company under the Zhongliang Notes Exchange.

**LISTING RULES IMPLICATIONS**

As the highest relevant applicable percentage ratio (as defined in the Listing Rules) in respect of the acquisition of the New Zhongliang Notes pursuant to the Zhongliang Notes Exchange exceeds 25% but less than 100%, the acquisition of the New Zhongliang Notes pursuant to the Zhongliang Notes Exchange constitutes a major transaction for the Company under the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, no Shareholder had a material interest in the Zhongliang Notes Exchange and would be required to abstain from voting for the resolution to approve the Zhongliang Notes Exchange, should the Zhongliang Notes Exchange be put forward to the shareholders to approve at a general meeting of the Company. The Controlling Shareholder of the Company, which is interested in 750,000,000 Shares, representing approximately 65.14% of the issued share capital of the Company as at the date of this announcement, has approved the Zhongliang Notes Exchange by a written shareholder's approval pursuant to Rule 14.44 of the Listing Rules in lieu of a resolution to be passed at a general meeting of the Company. Accordingly, the Company is exempted from the requirement to convene a shareholders' meeting for the approval of the Zhongliang Notes Exchange and no extraordinary general meeting will be convened for the purpose of considering and approving the Zhongliang Notes Exchange pursuant to Rule 14.44 of the Listing Rules.

## **INTRODUCTION**

The Board announces that the Company has acquired the New Zhongliang Notes in the principal amount of US\$6.06 million (equivalent to approximately HK\$47.6 million) at par value, with a total consideration of US\$6.06 million (equivalent to approximately HK\$47.6 million), through the exchange of the Existing Zhongliang Notes in the principal amount of US\$5.0 million (equivalent to approximately HK\$39.25 million) on 20 March 2024. Apart from the Cash Repayment, no further cash consideration has been/will be paid or received by the Group under the Zhongliang Notes Exchange.

The details about the Zhongliang Notes Exchange of the Group are shown as below:

<b>Existing Zhongliang Notes</b>	<b>New Zhongliang Package</b>
<p>(i) 8.75% notes due April 2023 in the principal amount of US\$1,500,000; and</p> <p>(ii) 9.75% notes due December 2023 in the principal amount of US\$3,500,000.</p>	<p>(i) Cash Repayment: About US\$50,000; and</p> <p>(ii) 5.00% notes due 1 July 2027 (the “New Zhongliang Notes”) in the principal amount of approximately US\$6.06 million.</p>
<p>The total principal amount of the Existing Zhongliang Notes is US\$5,000,000.</p>	<p>The New Zhongliang Package above, comprising the Cash Repayment and the New Zhongliang Notes, are exchanged with the Existing Zhongliang Notes and their outstanding interests of approximately US\$0.80 million which have not been settled by the Issuer.</p> <p>(The above amounts to be receivable from the New Zhongliang Package are estimated by reference to the public information as announced by the Issuer from time to time.)</p>

## SUMMARY OF PRINCIPAL TERMS OF THE NEW ZHONGLIANG NOTES

Issuer:	Zhongliang Holdings Group Company Limited
Issue date:	20 March 2024
Principal amount issued:	About US\$1,279 million
Interest commencement date:	1 January 2024
Interest per annum:	<ul style="list-style-type: none"><li>0% for the first 12 months after 1 January 2024</li><li>5.00% in cash after the first 12 months from 1 January 2024</li></ul>
Interest payment:	Semi-annual interest payment in arrears
Maturity date:	1 July 2027

It is also subject to redemption from time to time in accordance to the redemption schedules as stated below.

Optional redemption:	The Issuer has the right to redeem 6% of the principal amount of the New Zhongliang Notes (the “Coupon Notes”) at a price of 83.3% of the principal amount at any time and from time to time on or before the date which is the end of 12 months after 1 January 2024.
Mandatory redemption:	Excluding the portion of the Coupon Notes, the remaining principal amount of the New Zhongliang Notes shall be repayable in the amounts and on the redemption dates as below at 100% of the principal amount plus accrued and unpaid interest, if any.

Redemption date:	Principal amount to be redeemed:
<ul style="list-style-type: none"><li>1 July 2025</li></ul>	5%
<ul style="list-style-type: none"><li>1 January 2026</li></ul>	5%
<ul style="list-style-type: none"><li>1 July 2026</li></ul>	5%
<ul style="list-style-type: none"><li>1 January 2027</li></ul>	10%

If the Issuer's accumulated contracted sales in certain periods exceed the threshold amounts, the Issuer has to accelerate the redemption as pre-determined.

Guarantors: The same subsidiary guarantors as those in the Existing Zhongliang Notes with certain new subsidiaries of the Issuer to add in.

Specified assets sale: If the net proceeds from the designated asset package sale exceed RMB400 million, 50% of the excess portion will be separated out. When such accumulated separated balance exceeds US\$50 million, it will be used to repay the principal or interest of the New Zhongliang Notes.

Listing: The Singapore Exchange Securities Trading Limited

## **GENERAL**

As disclosed in the announcement dated 8 December 2021 issued by the Company, the Company announced that the Group acquired 9.5% notes due 29 July 2022 issued by the Issuer (the "**Original Zhongliang Notes**") on 7 January 2021, the reasons for and benefits of the transaction, and the implications under the Listing Rules, were also disclosed.

As disclosed in the announcement dated 16 June 2022 issued by the Company, the Company announced that Original Zhongliang Notes were exchanged to New April Notes and New December Notes as defined in the announcement, the reasons for and benefits of the transaction, and the implications under the Listing Rules, were also disclosed.

As disclosed in the announcement dated 13 November 2022 issued by the Issuer, the Issuer announced that due to continuous pressure on its funds available for offshore debt payments, it had decided to suspend payment of all interest and principal amount payable under its offshore indebtedness. The Issuer concluded that it should immediately explore a holistic solution to the current offshore debts situation to secure the sustainable operations of the Issuer for the benefit of all stakeholders.

As disclosed in the announcement dated 1 June 2023 issued by the Issuer, the Issuer proposed a scheme of notes exchange, Zhongliang Notes Exchange, as a holistic solution for its offshore debts.

For more details about the above New Zhongliang Package, the Zhongliang Notes Exchange, and the Zhongliang Restructuring, please refer to the announcements issued by the Issuer on 13 November 2022, 22 November 2022, 17 February 2023, 1 June 2023, 16 July 2023, 14 August 2023, 4 September 2023, 20 November 2023, 18 December 2023, 11 January 2024, 16 January 2024, 9 February 2024, 23 February 2024, 18 March 2024 and 20 March 2024. The summary of principal terms of the New Zhongliang Notes as shown above are also extracted from these announcements of the Issuer.

## **INFORMATION ON THE ISSUER**

According to the public information available to the Board, the Issuer is an investment holding company listed on the Main Board of the Stock Exchange and its subsidiaries are principally engaged in property development, property leasing and management consulting services.

As at the date of this announcement, to the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, the Issuer and their respective ultimate beneficial owners are Independent Third Parties.

## **INFORMATION ON THE COMPANY AND THE GROUP**

The Company is incorporated in Cayman Islands with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 1260).

The Group is principally engaged in investment holding and securities investment business.

## **REASONS FOR AND BENEFITS OF THE ZHONGLIANG NOTES EXCHANGE**

The Board has considered the following factors regarding the Zhongliang Notes Exchange:

- (i) the New Zhongliang Notes will mature on 1 July 2027, which represents an extension of maturity of about 51 months and 42 months when compared with the maturity date of the Existing Zhongliang Notes on 15 April 2023 and on 31 December 2023 respectively;
- (ii) the New Zhongliang Notes bear interest at 5.00% per annum, and a consent fee of 0.25% of the principal amount of the Existing Zhongliang Notes which was received on 24 March 2024 in cash by the Company;
- (iii) the unpaid and accrued interest of the Existing Zhongliang Notes up to but excluding the date of completion of the Zhongliang Notes Exchange which was exchanged to New Zhongliang Notes; and

- (iv) as stated in the public announcement of the Issuer dated 20 March 2024, the Issuer is working on generating sufficient cash flow to meet its financial commitments, including, among others, through extension of its existing credit facilities, opportunistic financing and expenditure conservation. As part of these efforts, the Issuer conducted the Zhongliang Notes Exchange to improve its financial condition, extend its debt maturity profile, strengthen its balance sheet and improve cash flow management.

After taking into account the above, the Board is of the opinion that the terms of the Zhongliang Notes Exchange are fair and reasonable and on normal commercial terms, and the Zhongliang Notes Exchange is in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the highest relevant applicable percentage ratio (as defined in the Listing Rules) in respect of the acquisition of the New Zhongliang Notes pursuant to the Zhongliang Notes Exchange exceeds 25% but is less than 100%, the acquisition of the New Zhongliang Notes pursuant to the Zhongliang Notes Exchange constitutes a major transaction for the Company under the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules. The Board initially determined that the Zhongliang Notes Exchange did not constitute either a disclosable or major transaction. The Board realised that it resulted in a non-compliance with Rules 14.38A and 14.40 of the Listing Rules.

To the best knowledge, information and belief of the Board, having made all reasonable enquiry, no Shareholder had a material interest in the Zhongliang Notes Exchange and would be required to abstain from voting for the resolution to approve the Zhongliang Notes Exchange, should the Zhongliang Notes Exchange be put forward to the shareholders to approve at a general meeting of the Company. The Controlling Shareholder of the Company, which is interested in 750,000,000 Shares, representing approximately 65.14% of the issued share capital of the Company as at the date of this announcement, has approved the Zhongliang Notes Exchange by a written shareholder's approval pursuant to Rule 14.44 of the Listing Rules in lieu of a resolution to be passed at a general meeting of the Company. Accordingly, the Company is exempted from the requirement to convene a shareholders' meeting for the approval of the Zhongliang Notes Exchange and no extraordinary general meeting will be convened for the purpose of considering and approving the Zhongliang Notes Exchange pursuant to Rule 14.44 of the Listing Rules.

## **REMEDIAL ACTIONS**

The Board considers that the failure to comply with the Listing Rules on a timely basis, which was inadvertent and regretful. To prevent similar occurrence, the Company would implement the following actions:

1. The Company will arrange more training on regulatory compliance matters relating to notifiable transactions to the Directors, senior management and the responsible staff on a regular basis to reinforce their understanding of and importance of compliance with the Listing Rules;
2. The Company will provide an internal guideline relating to notifiable and connected transactions under the Listing Rules for all the Directors as well as its management team in order to strengthen and reinforce their existing knowledge relating to notifiable and connected transactions, as well as their ability to identify potential issues at early stage; and
3. The Company shall, as and when appropriate and necessary, consult legal advisers and/or other professional adviser before entering into possible notifiable transaction.

Going forward, the Company will continue to comply with the compliance requirements under the Listing Rules and make such disclosure in a timely manner to ensure compliance with the Listing Rules.



## DEFINITIONS

“Board”	the board of directors of the Company
“Company”	Wonderful Sky Financial Group Holdings Limited (皓天財經集團控股有限公司), a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code:1260)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder”	Sapphire Star Investments Limited, a company incorporated in the British Virgin Islands and the controlling Shareholder of the Company
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any entity(ies) or person(s) which or who is/are not a connected person of the Company within the meaning ascribed thereto under the Listing Rules
“Issuer”	Zhongliang Holdings Group Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code:2772)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Zhongliang Package”	(i) the Cash Repayment and (ii) the 5.00% new notes due 1 July 2027 in the principal amount of approximately US\$6.06 million to be issued by Issuer to a wholly-owned subsidiary of the Company under the Zhongliang Notes Exchange pursuant to the Zhongliang Notes Exchange

“Existing Zhongliang Notes”	(i) 8.75% senior notes due 15 April 2023 in the principal amount of US\$1,500,000 issued by the Issuer pursuant to the Zhongliang Notes Exchange and (ii) 9.75% senior notes due 31 December 2023 in the principal amount of US\$3,500,000 issued by the Issuer pursuant to the Zhongliang Notes Exchange
“New Zhongliang Notes”	the New Notes issued by Issuer
“PRC”	The People’s Republic of China
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“Zhongliang Notes Exchange”	the exchange of the Existing Zhongliang Notes to the New Zhongliang Package in accordance with the terms of the Zhongliang Restructuring
“Zhongliang Restructuring”	the restructuring arrangements as announced by the Issuer on 13 November 2022, 22 November 2022, 17 February 2023, 1 June 2023, 16 July 2023, 14 August 2023, 4 September 2023, 20 November 2023, 18 December 2023, 11 January 2024, 16 January 2024, 9 February 2024, 23 February 2024, 18 March 2024 and 20 March 2024 which involve the Zhongliang Notes Exchange
“%”	per cent

By order of the Board of  
**Wonderful Sky Financial Group Holdings Limited**  
**Li Liju**  
*Company Secretary*

Hong Kong, 28 May 2024

*As at the date of this announcement, the executive directors of the Company are Mr. Liu Tianni and Ms. Liu Yan Yi, Joyce; the independent non-executive directors of the Company are Ms. Li Ling Xiu, Ms. Lam, Sally and Mr. Leung Tsz Wing.*

*Unless otherwise stated, for the purpose of illustration only, amounts denominated in US\$ in this announcement have been translated into HK\$ at the rate of US\$1.00 = HK\$7.85. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.*