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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)

FACILITY LETTER WITH SPECIFIC PERFORMANCE COVENANTS

This announcement is made pursuant to Rule 13.18 of the Listing Rules. On 16 March 2020, the Company as borrower accepted the Facility Letter issued by Hang Seng Bank Limited as lender in respect of a US\$20,000,000 term loan facility. The Facility Letter contains, among others, specific performance obligations on Mr. Yang Jian and Ms. Xu Xiaoqun, the Controlling Shareholders.

This announcement is made pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of Zhongliang Holdings Group Company Limited (the “**Company**”) announces that on 16 March 2020, the Company as borrower accepted a facility letter (the “**Facility Letter**”) issued by Hang Seng Bank Limited as lender (the “**Lender**”) pursuant to which a US\$20,000,000 term loan facility (the “**Facility**”) would be made available by the Lender to the Company subject to the terms and conditions of the Facility Letter, with maturity of 12 months after the first drawdown date.

Pursuant to the Facility Letter, the Company is required to procure that:

- (i) Mr. Yang Jian or his immediate family member(s) shall remain as the chairman of the Board and the executive director of the Company; and
- (ii) Mr. Yang Jian and Ms. Xu Xiaoqun (the “**Controlling Shareholders**”) collectively own at least 60% of the, direct or indirect, beneficial shareholding interest in the issued share capital of, and carrying at least 30% of the voting rights in, the Company, free from any security.

As at the date of this announcement, the Controlling Shareholders together, directly or indirectly, holds approximately 82.94% of the issued share capital of the Company. The Company will comply with the continuing disclosure requirements pursuant to Rule 13.21 of the Listing Rules and the disclosure will be included in the subsequent interim and annual reports of the Company for so long as circumstances giving rise to the above obligations continue to exist.

On behalf of the Board
Zhongliang Holdings Group Company Limited
Yang Jian
Chairman

Hong Kong, 16 March 2020

As at the date of this announcement, Mr. Yang Jian, Mr. Huang Chunlei, Mr. Chen Hongliang, Mr. Li Heli 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.