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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)

OFFER TO EXCHANGE 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)

AND

CONSENT SOLICITATION RELATING TO

12.0% SENIOR NOTES DUE APRIL 2023 (STOCK CODE: 40845)

INTRODUCTION

On the date of this announcement, Zhongliang Holdings Group Company Limited, a company incorporated in the Cayman Islands with limited liability (the “**Company**”) commenced the offer to exchange for at least (i) US\$260,820,000, or 90%, of the outstanding principal amount of the May 2022 Notes (the “**May 2022 Minimum Acceptance Amount**”) and (ii) US\$395,550,000, or 90%, of the outstanding principal amount of the July 2022 Notes (the “**July 2022 Minimum Acceptance Amount**”) and, together with the May 2022 Minimum Acceptance Amount, the “**Minimum Acceptance Amount**”) and soliciting consents from Eligible Holders to certain proposed amendments to the indentures governing the Exchange Notes (the “**Exchange Notes Indentures**”) upon the terms and subject to the conditions (the “**Exchange Offer and Consent Solicitation**”) set forth in the Exchange Offer and Consent Solicitation Memorandum. The purpose of the Exchange Offer and Consent Solicitation is to improve our overall financial condition, extend our debt maturity profile, strengthen our balance sheet and improve cash flow management.

The Company is also soliciting consents from the Holders of the April 2023 Notes, or the Consent Notes, to the relevant Proposed Amendment to the indenture dated as of September 17, 2021 (as supplemented or amended to the date hereof, the “**Consent Notes Indenture**”) by and among the Company, the Subsidiary Guarantors and China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司), as trustee for the Consent Notes, upon the terms and subject to the conditions set forth in the Consent Solicitation Statement. The principal purpose of the Consent Solicitation is to amend the events of default provision in the Consent Notes Indenture to carve out any default or event of default in respect of the Consent Notes as a result of a default or event of default occurring under the Exchange Notes, and to amend the insolvency events of default in line with the terms of the proposed New Notes to be issued under the Exchange Offer and Consent Solicitation, in accordance with the terms and subject to the conditions set forth in the Consent Solicitation Statement.

Unless otherwise defined, capitalized terms in this announcement will have the same meaning as those defined in the Exchange Offer and Consent Solicitation Memorandum and the Consent Solicitation Statement.

BACKGROUND AND PURPOSE

Since mid-2021, Chinese privately-owned property developers and the capital markets that have funded growth and development of the sector have experienced an inflection point. The Chinese government sustained its strict control measures on real estate industry. Reduced bank lending for real estate development has resulted in reduced access by property developers to onshore capital. In addition, reduced bank lending for mortgage finance for buyers, as well as concerns of buyers about the ability of property developers to complete projects, has resulted in reduced property sales. Due to the sharp change of market condition, several Chinese real estate developers have encountered liquidity issues and debt defaults. Adverse reaction to these credit events by offshore capital markets has limited the Company’s funding sources to address upcoming maturities. Since the beginning of 2022, the property sector in China has continued to experience volatility. Reduced bank lending for real estate development, coupled with certain negative credit events, have intensified market concerns over the operations of Chinese property developers and recent outbreak of pandemic in certain areas in the PRC as well as certain lockdown measures. As a result, pre-sale of Chinese property developers has generally decreased. The Group also experienced a noticeable decline of its aggregate contracted sales in recent months. The aggregate contracted sales of the Group for the three months ended March 31, 2022 were 55% lower compared to the corresponding period ended March 31, 2021.

Despite the adverse market environment, the Group 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. The Group also implemented measures to mitigate the challenges from adverse industry conditions, including through accelerating sales and cash collection, and suspension of land bank expansion. As part of these efforts, the Company is conducting the Exchange Offer and Consent Solicitation to improve its financial condition, extend its debt maturity profile, strengthen its balance sheet and improve

cash flow management. The Company is offering Eligible Holders of the Notes an opportunity to exchange their Exchange Notes for New Notes with an extended maturity and terms designed to allow us to improve its financial condition and stability.

We commenced the Exchange Offer and Consent Solicitation on April 28, 2022 by offering certain Holders of the Exchange Notes an opportunity to exchange their Exchange Notes for the New Notes to be issued with an extended maturity and terms designed to allow us to improve our financial condition and stability. We believe the Exchange Offer and Consent Solicitation, if successfully consummated, will help us further improve our financial stability. If either the Exchange Offer and Consent Solicitation or the Consent Solicitation is not successfully consummated, the Company may not be able to fully redeem the Exchange Notes upon maturity.

We also commenced the Consent Solicitation on April 28, 2022 by soliciting consents to amend event of default provisions of the Consent Notes Indenture. The principal purpose of the Consent Solicitation is to obtain the Requisite Consents (as defined below) to amend the events of default provision in the Consent Notes Indenture to carve out any default or event of default in respect of the Consent Notes as a result of a default or event of default occurring under the Exchange Notes, and to amend the insolvency events of default in line with the terms of the proposed New Notes to be issued under the Exchange Offer and Consent Solicitation, in accordance with the terms and subject to the conditions set forth in the Consent Solicitation Statement.

THE EXCHANGE OFFER AND CONSENT SOLICITATION

The Exchange Offer and Consent Solicitation for the Exchange Notes commenced on April 28, 2022 and will expire at 4:00 p.m., London time, on May 10, 2022 (the “**Exchange Expiration Deadline**”), unless otherwise extended or earlier terminated by the Company. An appropriate announcement will be made if and when the applicable Exchange Expiration Deadline is extended or earlier terminated.

Subject to the terms and conditions set forth in the Exchange Offer and Consent Solicitation Memorandum, the Company is offering to exchange at least the Minimum Acceptance Amount of the Company’s outstanding Exchange Notes held by Eligible Holders and soliciting Consents from Eligible Holders to the proposed amendments to the indentures governing the Exchange Notes for the Exchange and Consent Consideration (as defined below).

Eligible Holders of the Exchange Notes validly accepted and exchanged in the Exchange Offer and Consent Consideration will, from and including the Settlement Date, waive any and all rights with respect to the Exchange Notes (other than the right to receive the Exchange and Consent Consideration) and will release and discharge the Company from any and all claims such Eligible Holder may have, now or in the future, arising out of or related to such Exchange Notes, including any and all accrued and unpaid interest thereon.

If you are an Eligible Holder holding the Exchange Notes through Euroclear and Clearstream or through a fiduciary holding accounts and you wish to participate in the Exchange Offer and Consent Solicitation, you must tender your Exchange Notes pursuant to the procedures described herein by way of an electronic instruction, which must be submitted or delivered through the relevant Clearing System by each Eligible Holder of the Exchange Notes who is shown in the records of such Clearing System as a holder of an interest in the Exchange Notes, authorizing delivery of your tender to exchange the Exchange Notes that are the subject of such electronic instruction (the “**Electronic Instruction**”).

A separate Electronic Instruction needs to be submitted per each beneficial owner of the Exchange Notes held through Euroclear and Clearstream. Only direct participants in Euroclear or Clearstream may submit Electronic Instructions. If you are not a direct participant in Euroclear or Clearstream, you must contact your broker, dealer, bank, custodian, trust company or other nominee to arrange for its direct participant through which you hold the Exchange Notes to submit an Electronic Instruction on your behalf to the relevant Clearing System prior to the deadline specified by the relevant Clearing System.

Eligible Holders who intend to make different elections with respect to portions of their holding of Exchange Notes must deliver separate Electronic Instructions with respect to each such portion. Any Electronic Instructions must be given with respect to Exchange Notes in a minimum principal amount of US\$200,000 and integral multiples of US\$1,000 in excess thereof.

By validly tendering Exchange Notes in the Exchange Offer, such Eligible Holder will be deemed to have given its Consent in the Consent Solicitation. Eligible Holders may not give Consent in respect of the Exchange Notes only without tendering Exchange Notes.

Electronic Instructions in connection with the Exchange Offer and Consent Solicitation are irrevocable. Eligible Holders may not withdraw instructions at any time once delivered in accordance with the terms in the Exchange Offer and Consent Solicitation Memorandum. Upon giving Electronic Instructions with respect to any Exchange Notes, those Exchange Notes will be blocked and may not be transferred until the earlier of (i) the Settlement Date and (ii) the Exchange Offer and Consent Solicitation is modified or terminated so as to result in a cancellation of such Electronic Instructions.

Exchange and Consent Consideration

Upon the terms and subject to the conditions set forth in the Exchange Offer and Consent Solicitation Memorandum, the Company is offering to exchange for at least 90%, of the outstanding principal amount of each series of the Exchange Notes held by Eligible Holders for the following Exchange and Consent Consideration, for each US\$1,000 principal amount of the Exchange Notes:

- (a) US\$1,000 in aggregate principal amount of the New Notes (as defined below) (rounded down to the nearest US\$1) to be allocated in accordance with the Acceptance Priority Level (as defined below);

- (b) US\$10.00 in cash (the “**Incentive Fee**”); and
- (c) any Accrued Interest (paid in cash, rounded to the nearest US\$0.01, with US\$0.005 rounded upwards).

The Existing Notes validly tendered by each Eligible Holder and accepted for exchange by the Company will be exchanged into a combination of the US\$ denominated Senior Notes due December 2023 to be issued by the Company (the “**December 2023 New Notes**”) and the US\$ denominated Senior Notes due April 2023 to be issued by the Company (the “**April 2023 New Notes**” and, together with the December 2023 New Notes, the “**New Notes**”), in an aggregate principal amount that represents the same proportion of the New Notes as the proportion of the outstanding principal amount of the Existing Notes held by such Eligible Holder bears to the aggregate outstanding principal amount of the Existing Notes (the “**Total Outstanding Principal Amount**”), in accordance with the issuance priority level (the “**Issuance Priority Level**”) set forth below:

- (a) the aggregate principal amount of the December 2023 New Notes to be issued shall not exceed US\$533,000,000 (or such lesser amount as the Company may determine at its sole discretion) (the “**December 2023 New Notes Maximum Issuance Amount**”);
- (b) the principal amount of the December 2023 New Notes that such Eligible Holder will receive (“**December 2023 New Notes Issuance Amount**”) will be calculated by multiplying the principal amount of the Existing Notes held by such Eligible Holder by a proration factor of 70%, subject to the December 2023 New Notes Maximum Issuance Amount set forth in (a) above and the adjustment set forth in (d) below;
- (c) the principal amount of the April 2023 New Notes that such Eligible Holder will receive will be calculated by deducting the December 2023 New Notes Issuance Amount that such Eligible Holder will receive from the principal amount of the Existing Notes held by such Eligible Holder, subject to the adjustment set forth in (d) below;
- (d) if the allocation of either series of the New Notes would result in any Eligible Holder receiving less than the minimum denomination of such series of New Notes, such Eligible Holder may instead receive an allocation (which shall be at the Company’s sole discretion) in one series of the New Notes to ensure that such Eligible Holder holds at least the minimum denomination of US\$150,000 of either series of the New Notes; *provided, however*, that if such adjustment would result in the issuance of the December 2023 New Notes in excess of the December 2023 New Notes Maximum Issuance Amount, then the appropriate additional principal amount of the Existing Notes may be allocated at the Company’s sole discretion to the April 2023 New Notes such that the December 2023 New Notes Maximum Issuance Amount is not exceeded and the relevant Eligible Holder receives at least a minimum denomination of US\$150,000 of the April 2023 New Notes; and
- (e) any fractional amount of the New Notes that is remaining after the adjustment set out above will be forfeited.

Application will be made to the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the listing and quotation of the New Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Approval-in-principle from, admission to the Official List of, and the listing and quotation of the New Notes on the SGX-ST are not to be taken as an indication of the merits of the Exchange Offer and Consent Solicitation, the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) or any of their respective subsidiaries or associated companies, the New Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any). For so long as the New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the New Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of S\$200,000 (or its equivalent in foreign currencies). Accordingly, the New Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of US\$150,000.

Minimum Acceptance Amount

The minimum aggregate principal amount of the Exchange Notes, being US\$260,820,000, or 90%, of the outstanding principal amount of the May 2022 Notes, and US\$395,550,000, or 90%, of the outstanding principal amount of the July 2022 Notes, for which valid tenders are received and that the Company will determine, in its sole discretion, whether it will accept for exchange pursuant to the Exchange Offer and Consent Solicitation.

The Company reserves the right, in its sole discretion, to amend or waive the conditions to the Exchange Offer and Consent Solicitation, including the Minimum Acceptance Amount, in accordance with the terms of this Exchange Offer and Consent Solicitation.

Conditions to the Exchange Offer and Consent Solicitation

The obligation to consummate the Exchange Offer and Consent Solicitation is conditional upon the following:

- not less than the Minimum Acceptance Amount of the Exchange Notes shall have been validly tendered prior to the Exchange Expiration Deadline;
- there being no material adverse change in the market from the date of this Exchange Offer and Consent Solicitation Memorandum to the Settlement Date;
- an affirmative determination by us that accepting the exchanges, paying the Exchange and Consent Consideration and effecting the transactions contemplated hereby are in our best interests; and
- the satisfaction of the other conditions described in “Description of the Exchange Offer and Consent Solicitation — Conditions to the Exchange Offer and Consent Solicitation” in the Exchange Offer and Consent Solicitation Memorandum.

Subject to applicable law, the Company may terminate or withdraw the Exchange Offer and Consent Solicitation if any of the conditions are not satisfied or waived by the Company by the Settlement Date. The Company may also extend the Exchange Offer and Consent Solicitation from time to time until the conditions are satisfied or waived. Although the Company has no present plans or arrangements to do so, the Company reserves the right to amend, modify or waive, at any time, the terms and conditions of the Exchange Offer and Consent Solicitation, including the Minimum Acceptance Amount, subject to applicable law. The Company will give you and the Trustee notice of any amendments, modifications or waivers as and if required by applicable law.

Summary Timetable

The following summarizes the anticipated timetable for the Exchange Offer and Consent Solicitation.

Date	Event
April 28, 2022	Commencement of the Exchange Offer and Consent Solicitation and announcement via the websites of the SEHK, the Exchange Website and through Euroclear or Clearstream, as applicable. Exchange Offer and Consent Solicitation Memorandum will be made available to Eligible Holders of the Exchange Notes on the Exchange Website.
May 10, 2022 (4:00 p.m., London time)	Exchange Expiration Deadline. This being the last date and time on which Eligible Holders of the Exchange Notes who validly tender Exchange Notes are eligible to receive the relevant Exchange and Consent Consideration, as this is the last date and time for Eligible Holders of the Exchange Notes to participate in the Exchange Offer and Consent Solicitation.
As soon as practicable after the Exchange Expiration Deadline	Announcement of the amount of tenders for exchange received prior to the Exchange Expiration Deadline, and the final total aggregate principal amount of the New Notes to be issued to Eligible Holders in exchange for the Exchange Notes validly tendered, accepted and exchanged.
On or about May 17, 2022	Settlement of the New Notes, delivery of the Exchange and Consent Consideration to Eligible Holders whose Exchange Notes have been validly tendered and accepted for exchange.
On or about May 18, 2022	Listing of the New Notes on the SGX-ST.

THE CONSENT SOLICITATION

The Consent Solicitation for the Consent Notes commenced on April 28, 2022 and will expire at 4:00 p.m., London time, on May 10, 2022 (the “**Consent Expiration Deadline**”), unless otherwise extended or earlier terminated by the Company. An appropriate announcement will be made if and when the applicable Consent Expiration Deadline is extended or earlier terminated.

Subject to the terms and conditions set forth in the Consent Solicitation Statement, and for the Consent Fee, the Company is soliciting consents from Holders of the Consent Notes to the Proposed Amendment to the Consent Notes Indenture, and to the execution by the Company, the Subsidiary Guarantors and the Trustee of an amendment to the Consent Notes Indenture (the “**Supplemental Indenture**”), giving effect to the Proposed Amendment. As of the date of the Consent Solicitation Statement, US\$200,000,000 in aggregate principal amount of the Company’s Consent Notes is outstanding. As of the Record Date, neither we nor any of our Affiliates, to our knowledge, hold any Notes.

Any Holder wishing to participate in the Consent Solicitation must submit, or arrange to have submitted on its behalf, prior to the Consent Expiration Deadline and before the deadlines set by Euroclear and Clearstream (unless the Consent Solicitation is terminated earlier), a valid electronic consent instruction to Euroclear or Clearstream, as the case may be (an “**Electronic Consent Instruction**”). Only direct participants in Euroclear or Clearstream may submit Electronic Consent Instructions through Euroclear and Clearstream. If you are not a direct participant in Euroclear or Clearstream, you must arrange for the direct participant through which you hold the Consent Notes to submit an Electronic Consent Instruction on your behalf to the relevant clearing system prior to the deadline specified by the relevant clearing system. Participants in Euroclear or Clearstream must consent with respect to the Consent Notes in the minimum principal amount of US\$200,000 or any multiple of US\$1,000 in excess thereof.

A Holder may not revoke the Consents once delivered. With respect to the Consent Notes, upon our receipt of validly delivered Consents of not less than a majority in the aggregate outstanding principal amount of such Notes (the “**Requisite Consents**”), from and after the Effective Time, each present and future holder of such Notes will be bound by the terms of the Consent Notes Indenture, as amended by the Supplemental Indenture, whether or not such holder delivered a Consent. The Supplemental Indenture will provide that the Proposed Amendment shall not become operative until the Effective Time and unless and until we cause to be delivered to Holders entitled to such payment the necessary funds to pay the Consent Fee pursuant to this Consent Solicitation.

The Proposed Amendment would amend the events of default provisions in the Consent Notes Indenture to carve out any default or event of default in respect of the Consent Notes as a result of a default or event of default occurring under the Exchange Notes, and to amend the insolvency events of default in line with the terms of the proposed New Notes to be issued under the Exchange Offer and Consent Solicitation, in accordance with the terms and subject to the conditions set forth in the Consent Solicitation Statement.

The Proposed Amendment with respect to the Consent Notes will become effective only upon (i) receipt by the Information and Tabulation Agent on or prior to the earlier of the Effective Time and the Consent Expiration Deadline of valid consents from Holders representing not less than a majority in the aggregate principal amount of the outstanding Consent Notes on the Record Date; and (ii) execution of the Supplemental Indenture by us, the Subsidiary Guarantors and the relevant Trustee in accordance with the requirements of the Consent Notes Indenture.

As soon as practicable following the receipt of the Requisite Consents pursuant to the Consent Solicitation, the Information and Tabulation Agent will certify to the Trustees, the Company and the Subsidiary Guarantors that the Requisite Consents have been received as of the Consent Date, and in compliance with the conditions contained in the Consent Notes Indenture, we, the Subsidiary Guarantors and the relevant Trustee will execute the Supplemental Indenture.

The Supplemental Indenture will provide that the Proposed Amendment shall not become operative until the Effective Time and unless and until we deliver (via Euroclear or Clearstream, as the case may be) to Holders entitled to such payment the necessary funds to pay the Consent Fee pursuant to the Consent Solicitation. If the Supplemental Indenture becomes effective, it will be binding on all Holders, and any future transferees, whether or not such Holders have consented to the Proposed Amendment.

If the Company fails to obtain the Requisite Consents required to effect the Proposed Amendment, the increase of cross default risk as a result of any default of the Exchange Notes may adversely affect its flexibility in pursuing new business opportunities and new sources of capital, which may have a material and adverse effect on its business and financial condition, which in turn may have a material and adverse impact on its ability to service the Consent Notes and seek refinancing.

Consent Fee

Company will pay the US\$2.50 per US\$1,000 in principal amount of the Consent Notes (the “**Consent Fee**”) to each Holder who has validly delivered its Consent on or prior to the Consent Expiration Deadline, subject to satisfaction of the conditions for payment of such Consent Fee.

Conditions to the Consent Solicitation

Our obligation to accept Consents and pay the Consent Fee is conditioned on:

- (i) receipt of the Requisite Consents in respect of the Consent Notes being validly delivered pursuant to the terms of this Consent Solicitation on or prior to the Consent Expiration Deadline;
- (ii) execution of the Supplemental Indenture by each of the parties contemplated therein;

- (iii) the absence of any law or regulation which would, and the absence of any pending or threatened injunction or other proceeding which (if adversely determined) would, make unlawful or invalid or enjoin the implementation of the Proposed Amendment or the payment of the Consent Fee, or that would question the legality or validity thereof; and
- (iv) (A) no change (or development involving a prospective change) shall have occurred or shall be threatened in our business, properties, assets, liabilities, financial condition, operations, or results of operations, and (B) no change (or development involving a prospective change) shall have occurred in financial markets generally or affecting our equity, or any of the Consent Notes, or our other indebtedness, that, in our reasonable judgment in the case of either (A) or (B) above, is or may be adverse to us or has or may have a material adverse effect upon the contemplated benefits to us and/or any of our affiliates of the Consent Solicitation.

Unless all other conditions have been satisfied (or waived by us), receipt of the Requisite Consents by the Information and Tabulation Agent will not obligate us to accept the Consents or pay the Consent Fee to consenting Holders, or obligate the Company, the Subsidiary Guarantors or the relevant Trustee to execute the Supplemental Indenture.

If any of the conditions are not satisfied (or not waived by the Company) on or prior to the Consent Expiration Deadline, the Company may, in its sole discretion and without giving any notice, allow this Consent Solicitation to lapse or extend the solicitation period and continue soliciting Consents pursuant to the Consent Solicitation. Subject to applicable law, the Consent Solicitation may be abandoned or terminated at any time prior to the valid delivery of Consents, for any reason, in which case any Consents received will be voided and no Consent Fee will be paid.

Summary Timetable

The following summarizes the anticipated timetable for the Consent Solicitation.

Event	Time and Date	Description
Record Date	April 27, 2022.	Only the Holders of record as of the Record Date are eligible to consent to the Proposed Amendment.
Consent Expiration Deadline	4:00 p.m., London Time, May 10, 2022, unless extended by the Company and notified to the relevant Trustee or terminated.	In order to be eligible to receive the Consent Fee, Consents must be validly delivered on or prior to the Consent Expiration Deadline. The Consents may not be revoked once delivered.

Event	Time and Date	Description
Consent Date	The receipt of the Requisite Consents by the Information and Tabulation Agent who then certifies to the relevant Trustees and the Company that the Requisite Consents have been received as of 4:00 p.m., London Time on such date.	Immediately after the Consent Date, we may proceed to execute and deliver to the relevant Trustees the Supplemental Indenture with respect to the Consent Notes giving effect to the Proposed Amendment.
Effective Time	The time that we, the Subsidiary Guarantors and the relevant Trustee execute the relevant Supplemental Indenture with respect to the Proposed Amendment, which is after the Consent Date but may be prior to, concurrent with or after the Consent Expiration Deadline	Once the Supplemental Indenture has been duly executed, the Proposed Amendment will be effective and binding on all Holders of the Consent Notes, including non-consenting Holders. The Supplemental Indenture will provide that the Proposed Amendment shall not become operative until the Consent Fee is paid to consenting Holders.
Payment Date	As soon as practicable after the Consent Expiration Deadline and the Conditions under “The Consent Solicitation — Conditions to this Consent Solicitation” are met (or waived by the Company). The Company currently expects this date to be May 17, 2022.	Subject to satisfaction of the conditions for payment of the Consent Fee, the Company will pay the Consent Fee to each Holder of the Consent Notes who has validly delivered its Consent under such Notes on or prior to the Consent Expiration Deadline.

Further Details

The Company has appointed Morrow Sodali Limited as the Information, Exchange and Tabulation Agent with respect to the Exchange Offer and Consent Solicitation, and as the Information and Tabulation Agent with respect to the Consent Solicitation (each as stipulated in the Exchange Offer and Consent Solicitation Memorandum, the Consent Solicitation Statement and their respective related documents). The Exchange Offer and Consent Solicitation Memorandum, this announcement and all documents related to the Exchange Offer and Consent Solicitation can be found on the Exchange Website: <https://bonds.morrowsodali.com/zhongliangexchange>. The

Consent Solicitation Statement, this announcement and all documents related to the Consent Solicitation can be found on the Consent Website: <https://bonds.morrowsodali.com/zhongliangconsent>.

Requests for copies of the Exchange Offer and Consent Solicitation Memorandum and the Consent Solicitation Statement and their related documents may be directed to Morrow Sodali Limited at the address and telephone number as set forth below. The contact information of Morrow Sodali Limited is set out as follows:

Morrow Sodali Limited

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Exchange Website: <https://bonds.morrowsodali.com/zhongliangexchange>

Consent Website: <https://bonds.morrowsodali.com/zhongliangconsent>

THIS ANNOUNCEMENT IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE, OR A SOLICITATION OF AN OFFER TO SELL, THE EXCHANGE NOTES OR THE CONSENT NOTES. AN OFFER MAY ONLY BE MADE PURSUANT TO THE TERMS OF THE EXCHANGE OFFER AND CONSENT SOLICITATION MEMORANDUM AND THE CONSENT SOLICITATION STATEMENT.

SHAREHOLDERS, ELIGIBLE HOLDERS OF THE EXCHANGE NOTES AND POTENTIAL INVESTORS SHOULD NOTE THAT COMPLETION OF THE EXCHANGE OFFER AND CONSENT SOLICITATION IS SUBJECT TO THE FULFILLMENT OR WAIVER OF THE CONDITIONS PRECEDENT TO THE EXCHANGE OFFER AND THE CONSENT SOLICITATION AS SET FORTH IN THE EXCHANGE OFFER AND CONSENT SOLICITATION MEMORANDUM AND SUMMARIZED IN THE ANNOUNCEMENT. NO ASSURANCE CAN BE GIVEN THAT THE EXCHANGE OFFER AND CONSENT SOLICITATION WILL BE COMPLETED AND THE COMPANY RESERVES THE RIGHT TO AMEND, WITHDRAW OR TERMINATE THE EXCHANGE OFFER AND CONSENT SOLICITATION WITH OR WITHOUT CONDITIONS.

SHAREHOLDERS, HOLDERS OF THE CONSENT NOTES AND POTENTIAL INVESTORS SHOULD NOTE THAT COMPLETION OF THE CONSENT SOLICITATION IS SUBJECT TO THE FULFILLMENT OR WAIVER OF THE CONDITIONS PRECEDENT TO THE CONSENT SOLICITATION AS SET FORTH IN THE CONSENT SOLICITATION STATEMENT AND SUMMARIZED IN THE ANNOUNCEMENT. NO ASSURANCE CAN BE GIVEN THAT THE CONSENT SOLICITATION WILL BE COMPLETED AND THE COMPANY RESERVES THE RIGHT TO AMEND, WITHDRAW OR TERMINATE THE CONSENT SOLICITATION WITH OR WITHOUT CONDITIONS.

THE COMPANY MAY, IN ITS SOLE DISCRETION, AMEND OR WAIVE CERTAIN OF THE CONDITIONS PRECEDENT TO THE EXCHANGE OFFER AND CONSENT SOLICITATION AND THE CONSENT SOLICITATION. AS THE EXCHANGE OFFER AND CONSENT SOLICITATION AND THE CONSENT SOLICITATION MAY OR MAY NOT PROCEED, SHAREHOLDERS, HOLDERS OF THE EXCHANGE NOTES, HOLDERS OF THE CONSENT NOTES AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY, THE EXCHANGE NOTES OR THE CONSENT NOTES.

The Exchange Offer and Consent Solicitation and the Consent Solicitation are not being made to (nor will the tender of the Exchange Notes and the Delivery of Consents be accepted from or on behalf of) Holders in any jurisdiction where the making or acceptance of the Exchange Offer and Consent Solicitation or the Consent Solicitation would not comply with the laws of such jurisdiction. If the Company becomes aware of any jurisdiction in which the making of the Exchange Offer and Consent Solicitation or the Consent Solicitation or the delivery of Consents would not be in compliance with applicable laws, the Company may or may not, in its sole discretion, make an effort to comply with any such law. If, after such effort, if any, the Company cannot comply with any such law, the Exchange Offer and Consent Solicitation and the Consent Solicitation will not be made to (nor will tenders or Consents be accepted from or on behalf of) any Holder residing in such jurisdiction.

Forward Looking Statements

Forward-looking statements in this announcement, including those statements relating to the Exchange Offer and Consent Solicitation and the Consent Solicitation, are based on current expectations, assumptions, estimates and projections about the Company and its industry. These statements are not guarantees of future performance and that the Company's actual results of operations, financial condition and liquidity, and the development of the industry in which the Company operates may differ materially from those made in, or suggested by, the forward-looking statements in this announcement. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Important factors that could cause those differences include, but are not limited to, changes in the competitive environment and regulatory environment of the industry in the PRC relevant to the business of the Company, changes in the business and financial condition of the Company and its subsidiaries and changes in the general economic trend in the PRC.

Definitions

Unless the context otherwise requires, terms used in this announcement shall have the following respective meanings:

“Accrued Interest”	Accrued and unpaid interest on the Exchange Notes validly tendered and accepted for exchange, up to but not including the Settlement Date, will be payable in cash (rounded to the nearest US\$0.01, with US\$0.005 rounded upwards);
“April 2023 Notes” or “Consent Notes”	12.0% Senior Notes due April 2023 with an aggregate principal amount of US\$200,000,000. As of the date of this announcement, the outstanding principal amount are US\$200,000,000 under the April 2023 Notes;
“Clearstream”	Clearstream Banking S.A.;
“Company”	Zhongliang Holdings Group Company Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the SEHK (stock code: 2772);
“Consent Solicitation”	solicitation from the Company seeking Consents to all of the Proposed Amendment to the Consent Notes Indenture as a single proposal;
“Consents”	the consent of a Holder to the applicable Proposed Amendment;
“Consent Solicitation Statement”	the consent solicitation statement dated April 28, 2022 in relation to the Consent Solicitation;
“Euroclear”	Euroclear Bank SA/NV;
“Exchange Offer and Consent Solicitation”	the exchange offer and consent solicitation made by the Company upon the terms and subject to the conditions set forth in the Exchange Offer and Consent Solicitation Memorandum;
“Exchange Offer and Consent Solicitation Memorandum”	the Exchange Offer and Consent Solicitation Memorandum dated April 28, 2022 in relation to the Exchange Offer and Consent Solicitation;
“Exchange Notes”	the May 2022 Notes and the July 2022 Notes;
“Group”	the Company and its subsidiaries;
“Holder”	the holder of the Exchange Notes or the Consent Notes;

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“July 2022 Notes”	9.5% Senior Notes due July 2022 with an aggregate principal amount of US\$450,000,000. The ISIN and Common Code are XS2247412518 and 224741251, respectively, for the July 2022 Notes. As of the date of this announcement, the outstanding principal amount are US\$439,500,000 under the July 2022 Notes, excluding principal amount of the July 2022 Notes repurchased by the Company but not yet cancelled;
“May 2022 Notes”	8.5% Senior Notes due May 2022 with an aggregate principal amount of US\$300,000,000. The ISIN and Common Code are XS2341214059 and 234121405, respectively, for the May 2022 Notes. As of the date of this announcement, the outstanding principal amount are US\$289,800,000 under the May 2022 Notes, excluding principal amount of the May 2022 Notes repurchased by the Company but not yet cancelled;
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Proposed Amendment”	certain proposed amendments as mentioned and defined in the Consent Solicitation Statement;
“Regulation S”	Regulation S under the U.S. Securities Act;
“Settlement Date”	on or about May 17, 2022, unless the Exchange Offer and Consent Solicitation is extended or earlier terminated;
“Subsidiary Guarantors”	certain subsidiaries of the Company which provide unconditional and irrevocable guarantees to secure the Company’s obligations under the Exchange Notes and the Consent Solicitation Notes;
“SEHK”	The Stock Exchange of Hong Kong Limited;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“Trustee”	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司), acting as the trustee for the May 2022 Notes, the July 2022 Notes and the April 2023 Notes;
“U.S.” or “United States”	the United States of America;
“U.S. Securities Act”	the United States Securities Act of 1933, as amended;

“US\$” United States dollars, the lawful currency of the United States;
and

“%” per cent.

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

Hong Kong, April 28, 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.