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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 and Debt Stock Code: 40845)

INSIDE INFORMATION

This announcement is made by Zhongliang Holdings Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a), 13.25(1)(b), 37.47A, 37.47B and 37.47E of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 21 November 2022, a winding-up petition (the “**Petition**”) was filed by China Construction Bank (Asia) Corporation Limited as trustee of the May 2022 Notes (defined as below) against the Company at the High Court of the Hong Kong Special Administrative Region (the “**High Court**”) in relation to the outstanding 8.5% senior notes due May 2022 (“**May 2022 Notes**”, ISIN: XS2341214059; Common Code: 234121405) in the principal amount of approximately US\$18.65 million (plus accrued and unpaid interest), in which the Company was the issuer. The Petition was served on the Company on 22 November 2022.

The Company will oppose the Petition vigorously. However, taking into account the advice of the Company’s legal advisers, the board of directors of the Company (the “**Board**”) wishes to remind the shareholders of the Company and potential investors that under section 182 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the “**Ordinance**”), if the Company is ultimately wound up as a result of the Petition, any disposition of the property of the Company, including things in action, and any transfer of shares, or alteration in the status of the members of the Company, made after the date of the presentation of the Petition (that is, 21 November 2022) (the “**Commencement Date**”), will be void as a matter of Hong Kong law unless a validation order is obtained from the High Court. Any disposition made on or after the Commencement Date will not be affected if the Petition is subsequently withdrawn, struck out, dismissed or permanently stayed.

Pursuant to the circular dated 28 December 2016 issued by Hong Kong Securities Clearing Company Limited (“**HKSCC**”) in relation to the transfer of the shares of listed issuers after a Petition has been presented, in view of these restrictions and the uncertainties that may arise in relation to the transfer of shares of the Company, for participant(s) who conduct share transfers through HKSCC (the “**Participant(s)**”), HKSCC may, at any time, and without notice, exercise its powers under the General Rules of Central Clearing and Settlement System (“**CCASS**”) to temporarily suspend any of its services in respect of shares of the Company. This may include the suspension of acceptance of deposits of share certificates of the Company into CCASS. In that case, the share certificates of the Company received by HKSCC but not yet re-registered in HKSCC Nominee Limited’s name will be returned to the relevant Participant and HKSCC shall reserve the right to reverse any credit granted to such Participant by debiting the relevant securities from its CCASS account. These measures would generally cease to apply from the date when the Petition has been dismissed or permanently stayed, or the Company has obtained the necessary validation order from the High Court.

The Company will seek legal advice and take all necessary actions to protect its legal rights. Furthermore, the Company will seek legal measures to resolutely oppose the Petition, as the Board is of the view that the Petition does not represent the interests of other stakeholders and may impair the value of the Company. In view of the Petition, the Company may apply to the High Court for a relevant validation order. Shareholders are reminded that there is no guarantee that such validation order would be granted by the High Court. In the event that the validation order is not granted but the winding-up order is not dismissed or permanently stayed, all transfer of shares on or after the Commencement Date shall be void.

The Petition may lead to the Company’s other creditors demanding acceleration of repayment. As at the date of this announcement, to the best knowledge of the Directors and having made all reasonable enquiry, there is no other outstanding winding-up petition filed against the Company. As of the date of this announcement, other than the May 2022 Notes, the Company has not received any acceleration notice from the creditors with respect to other senior notes issued by the Group.

The Group is exploring a holistic solution to the current offshore debts situation to secure the sustainable operations of the Group for the benefit of all of its stakeholders. As at the date of this announcement, the aggregate outstanding principal amount of the Group’s offshore debts (including offshore senior notes and private loans) was approximately US\$1.18 billion (approximately RMB8.62 billion), and the principal amount in the Petition accounts for approximately 1.6% of the Group’s offshore debts. It is expected that the Petition would not materially affect the Group’s onshore operations as a whole in the near term. The Company looks forward to engaging and communicating with the offshore creditors and in quest for a holistic solution for the offshore debts as a whole with the Company mutually.

The Company will keep its shareholders and investors informed of any significant developments and further announcement(s) will be made by the Company as and when appropriate or as required under the Listing Rules.

Shareholders of the Company and other investors are reminded to consider the related risks and exercise caution when dealing in the securities of the Company.

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

Hong Kong, 22 November 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.