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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 PURCHASE FOR CASH OF ITS OUTSTANDING 8.75% SENIOR NOTES DUE 2021 UP TO THE MAXIMUM ACCEPTANCE AMOUNT (ISIN: XS2108015707; Common Code: 210801570; Stock Code: 40149)

Description of the Notes	ISIN/ Common Code	Outstanding		Purchase Price ⁽²⁾	Expiration Deadline
		principal amount of the Notes	Maximum Acceptance Amount ⁽¹⁾		
8.75% Senior Notes due 2021 (“2021 Notes”)	XS2108015707/ 210801570	US\$250,000,000	the lower of the Outstanding Principal Amount and the New Issue Amount	US\$1,005	4:00 p.m. (London Time) on January 13, 2021 ⁽³⁾

(1) As such amount may be changed by the Company in its sole discretion.

(2) Per US\$1,000 principal amount of the 2021 Notes accepted for purchase.

(3) Unless extended, re-opened, amended and/or terminated by the Company.

The Company is making an offer to purchase for cash its outstanding 2021 Notes up to the Maximum Acceptance Amount at a purchase price of US\$1,005 per US\$1,000 principal amount of the 2021 Notes. The Company has made available today to the Eligible Holders the Offer to Purchase setting out, among other things, the terms, the New Issue Condition and other conditions of the Offer.

The Offer is being made as part of the Company's policy to actively manage its balance sheet liabilities and optimize its debt structure.

UBS AG Hong Kong Branch and Guotai Junan Securities (Hong Kong) Limited are acting as the Dealer Managers and D.F. King is acting as the Information and Tender Agent in relation to the Offer.

Background

The 2021 Notes are listed on the Stock Exchange. The obligations of the Company under the 2021 Notes are guaranteed by certain of the Company's existing subsidiaries. As of the date of this announcement, the aggregate principal amount of US\$250.0 million of the 2021 Notes remains outstanding.

The Company is making an offer to purchase for cash its outstanding 2021 Notes up to the Maximum Acceptance Amount at a purchase price of US\$1,005 per US\$1,000 principal amount of the 2021 Notes. The Company has made available today to the Eligible Holders the Offer to Purchase setting out, among other things, the terms and the New Issue Condition and other conditions of the Offer.

The Company is conducting a Concurrent New Money Issuance. The Concurrent New Money Issuance is not part of the Offer and is conducted pursuant to a separate offering memorandum. The Offer to Purchase is subject to, among others, the New Issue Condition. We expect to announce the interest rate and other pricing details of the 2021 Notes on or about January 5, 2021.

The Offer

On the terms and subject to the New Issue Condition and other conditions of the Offer, the Company is offering to purchase for cash an aggregate principal amount of the 2021 Notes up to the Maximum Acceptance Amount (as such amount may be changed by the Company in its sole discretion). The Company will determine, in its sole discretion, the aggregate principal amount of the 2021 Notes that it will accept (if any) for purchase pursuant to the Offer.

Purchase Price

The Purchase Price payable to the Eligible Holders whose 2021 Notes are accepted for purchase will be equal to US\$1,005 for each US\$1,000 in principal amount of the 2021 Notes.

Proration

If the aggregate principal amount of 2021 Notes validly tendered is greater than the Maximum Acceptance Amount, the Company will accept tenders of 2021 Notes for purchase on a pro rata basis such that the aggregate principal amount of 2021 Notes accepted for purchase is no greater than the Maximum Acceptance Amount. Such pro rata application will be performed by accepting (in respect of each relevant Tender Instruction) that proportion of 2021 Notes validly tendered which is equal to the Maximum Acceptance Amount divided by the aggregate principal amount in respect of all 2021 Notes validly tendered, subject to rounding and as described below.

In the event of any such proration, the Company will round downward, if necessary, to ensure all purchases of the 2021 Notes will be in a minimum principal amount of US\$200,000 and integral multiples of US\$1,000 in excess thereof. However, the Company may elect to accept or reject such tender of the 2021 Notes in full if application of proration will otherwise result in either (i) the Company accepting the 2021 Notes from any Eligible Holder in a principal amount of less than US\$200,000 or (ii) the principal amount of the 2021 Notes not purchased due to pro rata application being less than US\$200,000. All the 2021 Notes not accepted as a result of proration will be returned to Eligible Holders.

Accrued Interest Payment

The Company will also pay an Accrued Interest Payment in respect of the 2021 Notes accepted for purchase pursuant to the Offer (from and including the last interest payment date up to, but excluding, the Settlement Date) on the Settlement Date.

Sources of Funds

The Company intends to finance the Offer with the proceeds from internal funding.

Tender Instruction

In order to participate in the Offer, Eligible Holders must validly tender their 2021 Notes for purchase by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Information and Tender Agent by the Expiration Deadline. Separate Tender Instructions must be submitted on behalf of each individual beneficial owner due to potential proration. Tender Instructions will be irrevocable once delivered in accordance with the terms of the Offer.

Each Tender Instruction must specify the principal amount of the 2021 Notes that the relevant Eligible Holder is tendering at the Purchase Price. The 2021 Notes may be tendered only in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof.

Dealer Managers and Information and Tender Agent

The Company has appointed UBS AG Hong Kong Branch and Guotai Junan Securities (Hong Kong) Limited as the dealer managers and D.F. King as the information and tender agent in relation to the Offer.

Indicative Timetable for the Offer

Events

Times and Dates

Commencement of the Offer

The Offer is announced. Offer to Purchase available from the Information and Tender Agent and on the Offer Website, and notice of the Offer delivered to the Clearing Systems for communication to Direct Participants. January 5, 2021

Announcement of the Pricing of the New Notes

The interest rate and other pricing of the New Notes offered in the Concurrent New Money Issuance are announced. On or about January 5, 2021

Expiration Deadline

Final deadline for receipt of valid Tender Instructions by the Information and Tender Agent. 4.00 p.m. (London Time) on January 13, 2021

Announcement of Results

Announcement of whether the Company will accept valid tenders of the 2021 Notes pursuant to the Offer and, if so accepted, (i) the aggregate principal amount of the 2021 Notes accepted for tender and any proration factor (if applicable), (ii) the Purchase Price and (iii) the Accrued Interest (expressed per US\$1,000 in principal amount of the 2021 Notes accepted for purchase by the Company). As soon as reasonably practicable after the Expiration Deadline

The Company plans to cancel the 2021 Notes it purchased pursuant to the Offer. The 2021 Notes that have not been validly tendered and accepted for purchase pursuant to the Offer will remain outstanding after the Settlement Date.

Settlement Date

Expected settlement date for the Offer. On or about January 15, 2021

The above times and dates are subject to the right of the Company to extend, re-open, amend and/or terminate the Offer (subject to applicable law and as provided in the Offer to Purchase).

Eligible Holders are advised to check with any bank, securities broker or other intermediary through which they hold the 2021 Notes when such intermediary would need to receive instructions from an Eligible Holder in order for that Eligible Holder to be able to participate in the Offer by the deadline set out above. The deadline set by any such intermediary and each Clearing System for the submission of Tender Instructions will be earlier than the deadline described above.

Unless stated otherwise, announcements in connection with the Offer will be made through the website of the Stock Exchange and the Offer Website, the issue of a press release to a Notifying News Service and/or the delivery of notices to the Clearing Systems for communication to Direct Participants. Copies of the announcements, press releases and notices can also be obtained from the Information and Tender Agent, the contact details for which are on page 5 of this announcement. Significant delays may be experienced where notices are delivered to the Clearing Systems, and Eligible Holders are urged to contact the Information and Tender Agent for the relevant announcements during the course of the Offer using the contact details on page 5 of this announcement. In addition, Eligible Holders may contact the Dealer Managers for information using the contact details on page 5 of this announcement.

Offer to Purchase

The Offer to Purchase contains important information which should be read carefully by Eligible Holders before any decision is made with respect to the Offer. Eligible Holders are recommended to seek their own financial and legal advice, including in respect of any tax consequences, from their broker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser.

The terms of the Offer are more fully described in the Offer to Purchase, which sets out further details regarding the tender procedures and the conditions of the Offer.

None of the Company, the Dealer Managers or the Information and Tender Agent (or any of their respective directors, employees or affiliates) makes any recommendation as to whether the Eligible Holders should tender their 2021 Notes in response to the Offer.

THIS ANNOUNCEMENT IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE, OR A SOLICITATION OF AN OFFER TO SELL, ANY SECURITIES. AN OFFER MAY ONLY BE MADE PURSUANT TO THE TERMS OF THE OFFER TO PURCHASE.

DEALER MANAGERS

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INFORMATION AND TENDER AGENT

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DEFINITIONS

“2021 Notes”	8.75% Senior Notes due 2021 (ISIN: XS2108015707), which were issued by the Company on February 18, 2020.
“Accrued Interest Payment”	an amount in cash (rounded to the nearest US\$0.01, with half a cent rounded upwards) equal to the Accrued Interest on the 2021 Notes accepted for purchase by the Company
“Board”	the board of directors of the Company
“Clearing System Notice”	the form of notice to be sent to Direct Participants by each of the Clearing Systems on or about the date of the Offer to Purchase informing Direct Participants of the procedures to be followed in order to participate in the Offer
“Clearing Systems”	Euroclear Bank SA/NV and Clearstream Banking, S.A.
“Company”	Zhongliang Holdings Group Company Limited, a company incorporated with limited liability under the laws of the Cayman Islands
“Concurrent New Money Issuance”	a tap offering of 9.5% senior notes due 2022 which is conducted by the Company concurrently with the Offer and pursuant to a separate offering memorandum
“Dealer Managers”	UBS AG Hong Kong Branch and Guotai Junan Securities (Hong Kong) Limited
“Direct Participants”	each person who is shown in the records of Euroclear or Clearstream as a holder of the 2021 Notes
“Eligible Holders”	holders of the 2021 Notes who are non-U.S. persons located outside United States (as those terms are defined in Regulation S under the Securities Act)
“Expiration Deadline”	4:00 p.m. (London Time) on January 13, 2021 (subject to the right of the Company to extend, re-open, amend and/or terminate the Offer)
“Information and Tender Agent”	D.F. King

“Maximum Acceptance Amount”	the aggregate principal amount of the 2021 Notes validly tendered pursuant to the Offer that the Company will determine, in its sole discretion, that it will accept for purchase pursuant to the Offer
“New Issue Amount”	The aggregate principal amount of the Concurrent New Money Issuance.
“New Issue Condition”	that the Concurrent New Money Issuance shall have been successfully consummated
“Notifying News Service”	a recognized financial news service or services (e.g. Reuters/Bloomberg) as selected by the Company
“New Notes”	senior notes offered by the Company in the Concurrent New Money Issuance by the Company
“Offer”	the offer to purchase for cash by the Company of its outstanding 8.75% Senior Notes due 2021 up to the Maximum Acceptance Amount (subject to the offer restrictions referred to in “ <i>Offer and Distribution Restrictions</i> ”), on the terms and subject to the conditions set out in the Offer to Purchase
“Offer to Purchase”	an Offer to Purchase dated January 5, 2021 issued to the Eligible Holders by the Company in connection with the Offer
“Offer Website”	the website, https://sites.dfkingltd.com/zhongliang , operated by the Information and Tender Agent for the purpose of this Offer
“Outstanding Principal Amount”	US\$250.0 million, the outstanding principal amount of the 2021 Notes.
“Purchase Price”	US\$1,005 per \$1,000 principal amount of the 2021 Notes
“Settlement Date”	On or about January 15, 2021 (subject to the right of the Company to extend, re-open, amend or terminate the Offer at any time)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tender Instruction”	The electronic tender and blocking instruction in the form specified in the Clearing System Notice for submission by Direct Participants to the Information and Tender Agent via the relevant Clearing System and in accordance with the requirements of such Clearing System by the deadline in order for Eligible Holders to be able to participate in an Offer.
	Such electronic tender and blocking instruction must specify the principal amount of the 2021 Notes that the relevant Eligible Holder is tendering at the Purchase Price. The 2021 Notes may be tendered only in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof.
“United States”	The United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and The Commonwealth of the Northern Mariana Islands), any state of the United States of America and the District of Columbia
“US\$”	United States dollars
“%”	percent

By Order of the Board
Zhongliang Holdings Group Company Limited
YANG Jian
Chairman

Hong Kong, 5 January 2021

As at the date of this announcement, Mr. Yang Jian, 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.