中梁控股集团
ZHONGLIANG HOLDINGS GROUP

Zhongliang Holdings Group Company Limited
中 梁 控 股 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2772)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

2024 INTERIM RESULTS HIGHLIGHTS

- Contracted sales (including the Group's subsidiaries, joint ventures and associates) amounted to RMB9.66 billion, decreased year-on-year by approximately 54.1%
- Total revenue amounted to RMB22.70 billion, decreased year-on-year by approximately 21.3%
- Net loss attributable to owners amounted to RMB1,708.9 million, as compared to a net profit attributable to the owners of approximately RMB18.6 million for the same period last year
- Total interest-bearing indebtedness amounted to RMB21.41 billion and net gearing ratio of 67.2%*
- The offshore debts holistic solution came into effect on 20 March 2024

* *As at 30 June 2024*

The board (the "**Board**") of directors (the "**Directors**", each the "**Director**") of Zhongliang Holdings Group Company Limited (the "**Company**" or "**Zhongliang**") is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2024 (the "**Period**") with the comparative figures for the corresponding period in 2023:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the six months ended 30 June	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
REVENUE	*3*	**22,701,159**	28,850,797
Cost of sales		**(22,495,932)**	(26,340,583)
GROSS PROFIT		**205,227**	2,510,214
Other income and gains	*3*	**527,442**	141,514
Selling and distribution expenses		**(245,661)**	(543,697)
Administrative expenses		**(300,396)**	(486,053)
Impairment losses on financial assets, net		**(12,823)**	(31,758)
Other expenses		**(930,061)**	(477,107)
Fair value losses on investment properties		**(74,542)**	(15,213)
Fair value gains on financial assets at fair value through profit or loss		**1,638**	2,958
Finance income		**16,897**	41,744
Finance costs	*4*	**(139,913)**	(201,876)
Share of profits and losses of:			
Joint ventures		**50,147**	693,958
Associates		**19,126**	93,197
(LOSS)/PROFIT BEFORE TAX	*5*	**(882,919)**	1,727,881
Income tax expense	*6*	**(1,074,475)**	(1,284,246)
(LOSS)/PROFIT FOR THE PERIOD		**(1,957,394)**	443,635

		For the six months ended 30 June	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Attributable to:			
Owners of the parent		**(1,708,904)**	18,628
Non-controlling interests		**(248,490)**	425,007
		(1,957,394)	443,635

(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic			
For (loss)/profit for the period	*8*	**RMB(0.47)**	RMB0.01
Diluted			
For (loss)/profit for the period	*8*	**RMB(0.52)**	RMB0.01

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
(LOSS)/PROFIT FOR THE PERIOD	**(1,957,394)**	443,635
OTHER COMPREHENSIVE INCOME		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**(4,736)**	(21,850)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(4,736)**	(21,850)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	**(4,736)**	(21,850)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	**(1,962,130)**	421,785
Attributable to:		
Owners of the parent	**(1,713,640)**	(3,222)
Non-controlling interests	**(248,490)**	425,007
	(1,962,130)	421,785

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**18,363**	34,309
Investment properties		**1,447,700**	1,508,800
Right-of-use assets		**2,960**	4,055
Intangible assets		**1,838**	1,198
Investments in joint ventures		**5,186,068**	5,333,585
Investments in associates		**10,939,777**	14,824,400
Deferred tax assets		**896,787**	1,569,841
Total non-current assets		**18,493,493**	23,276,188
CURRENT ASSETS			
Financial assets at fair value through profit or loss		**38,640**	37,002
Properties under development		**55,883,483**	69,283,257
Completed properties held for sale		**16,952,593**	26,440,141
Trade receivables	*9*	**9,000**	7,857
Due from related companies		**10,250,261**	10,700,345
Prepayments and other receivables		**37,121,548**	38,170,206
Tax recoverable		**2,158,234**	2,190,509
Cash and bank balances		**7,865,304**	10,662,500
Total current assets		**130,279,063**	157,491,817

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and bills payables	*10*	**20,489,002**	25,614,187
Other payables and accruals		**22,772,071**	23,390,513
Contract liabilities		**45,226,991**	65,018,077
Due to related companies		**14,272,901**	14,633,537
Interest-bearing bank and other borrowings		**7,588,606**	11,486,249
Lease liabilities		**2,695**	2,752
Tax payable		**3,955,962**	4,011,904
Provision for financial guarantee contracts		**393,604**	409,596
Derivative financial instruments		**12,416**	—
Senior notes and host debt of convertible bonds		**804,675**	6,564,246
Total current liabilities		**115,518,923**	151,131,061
NET CURRENT ASSETS		**14,760,140**	6,360,756
TOTAL ASSETS LESS CURRENT LIABILITIES		**33,253,633**	29,636,944
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**4,618,242**	3,115,353
Lease liabilities		**339**	1,376
Deferred tax liabilities		**105,561**	121,225
Senior notes		**8,393,963**	—
Total non-current liabilities		**13,118,105**	3,237,954
NET ASSETS		**20,135,528**	26,398,990
EQUITY			
Equity attributable to owners of the parent			
Share capital		**32,309**	31,450
Reserves		**5,148,000**	6,858,008
		5,180,309	6,889,458
Non-controlling interests		**14,955,219**	19,509,532
Total equity		**20,135,528**	26,398,990

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023.

Going concern basis

As at 30 June 2024, the Group's total interest-bearing bank and other borrowings, senior notes and convertible bonds amounted to RMB21,405,486,000, out of which RMB8,393,281,000 will be due for repayment within the next twelve months, while its cash and cash equivalents amounted to RMB5,107,899,000. As at 30 June 2024, an aggregate amount of principal of RMB3,112,975,000 for interest-bearing bank and other borrowings had not been repaid according to their scheduled repayment dates, triggering certain long term interest-bearing bank and other borrowings amounted to RMB240,829,000 becoming repayable on demand.

The directors of the Group have evaluated the sustainable operation ability for 12 months from the end of the reporting period, which is affected by the macroeconomic environment, industry environment and credit environment and came to an opinion that the liquidity risk of the Company is facing periodic challenges.

Certain measures have been and are being taken to manage its liquidity needs and to improve its financial position which include the following:

(a) the Group has been actively negotiating with the Group's existing debt holders to seek renewal or extension for repayment of the Group's bank and other borrowings;

(b) the Group will continue to actively communicate with banks to secure relevant project development loans for qualified project development in a timely manner;

(c) the Group will continue to seek other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures;

(d) the Group has prepared a business strategy plan focusing on the acceleration of the sales of properties;

(e) the Group has implemented measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses;

(f) the Group will continue to negotiate with construction contractors and other development vendors to manage payment schedules; and

(g) the Group will continue to seek suitable opportunities to dispose of its equity interests in certain project development companies in order to generate additional cash inflows.

The directors of the Company have reviewed the Group's cash flow forecast covering a period of 12 months from the end of the reporting period. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the directors believe it is appropriate to prepare the interim condensed consolidated financial information of the Group for the six months ended 30 June 2024 on a going concern basis.

Notwithstanding the above, given the volatility of the property sector in China and the uncertainties to obtain continuous support from the banks and the Group's creditors, material uncertainties exist as to whether the management of the Company will be able to achieve its plans and measures as described above.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the interim condensed consolidated financial information.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following new and revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current (the "2020 Amendments")*
Amendments to IAS 1	*Non-current Liabilities with Covenants (the "2022 Amendments")*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The nature and impact of the revised IFRSs are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

    The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**22,696,632**	28,840,914
Revenue from other sources		
Gross rental income	**4,527**	9,883
Total	**22,701,159**	28,850,797

Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Types of goods or services		
Sale of properties	**22,547,839**	28,781,947
Other services	**148,793**	58,967
Total	**22,696,632**	28,840,914
Timing of revenue recognition		
Sale of properties transferred at a point in time	**22,547,839**	28,781,947
Services transferred over time	**148,793**	58,967
Total	**22,696,632**	28,840,914
Other income and gains		
Gains from offshore debt restructuring	**429,948**	—
Net fair value gains on derivative financial instruments	**69,022**	—
Changes in provision for financial guarantee contracts	**16,580**	96,353
Government grants	**4,551**	4,870
Forfeiture of deposits	**1,766**	30,186
Gain on disposal of subsidiaries	**—**	820
Others	**5,575**	9,285
Total	**527,442**	141,514

4. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings, senior notes and convertible bonds	**573,706**	1,077,447
Interest expense arising from revenue contracts	**51,395**	48,646
Interest on lease liabilities	**213**	369
Total interest expense on financial liabilities not at fair value through profit or loss	**625,314**	1,126,462
Less: Interest capitalised	**(485,401)**	(924,586)
Total	**139,913**	201,876

5. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of properties sold	**22,211,770**	25,828,180
Impairment losses recognised for properties under development	**745,568**	805,116
Impairment losses written off for completed properties held for sale	**(598,683)**	(314,178)
Impairment losses recognised for properties held for sale	**137,277**	21,465
Loss/(gain) on disposal of subsidiaries, net	**491,946**	(820)
Changes in provision for financial guarantee contracts	**(16,580)**	(96,353)
Depreciation of items of property, plant and equipment	**17,153**	15,860
Depreciation of right-of-use assets	**2,059**	36,198
Amortisation of intangible assets	**4,932**	4,928
Foreign exchange loss, net	**59,101**	326,861
Loss on disposal of joint ventures and associates, net	**127,370**	80,329
Gain on disposal of items of property, plant and equipment	**(118)**	(362)
Impairment losses on financial assets, net	**12,823**	31,758
Gains from offshore debt restructuring	**(429,948)**	—
Net fair value gains on derivative financial instruments	**(69,022)**	—
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	**240,307**	375,256
Pension scheme contributions and social welfare	**35,901**	60,828
Equity-settled share option expenses	**41**	1,741

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands, the Company and the Group's subsidiaries incorporated in the Cayman Islands are not subject to any income tax. The Group's subsidiary incorporated in Hong Kong is not liable for income tax as it did not have any assessable profits arising in Hong Kong for the six months ended 30 June 2024 and 2023.

Subsidiaries of the Group operating in Chinese Mainland are subject to the PRC corporate income tax ("CIT") with a tax rate of 25%.

PRC land appreciation tax ("LAT") is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Chinese Mainland tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax:		
CIT	**247,297**	727,997
LAT	**169,788**	494,763
Deferred tax	**657,390**	61,486
Total tax charge for the period	**1,074,475**	1,284,246

7. DIVIDENDS

The Board does not recommend an interim dividend for the six months ended 30 June 2024.

8. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amount is based on the (loss)/profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,605,726,697 (30 June 2023: 3,492,670,410) in issue during the period.

The calculation of the diluted (loss)/earnings per share amount is based on the (loss)/profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares into ordinary shares. The Company's dilutive potential ordinary shares are derived from the shares granted under the share options and convertible bonds.

The calculation of the basic and diluted (loss)/earnings per share amounts is based on:

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
(Loss)/earnings		
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic (loss)/earnings per share calculation	**(1,708,904)**	18,628
Interest on convertible bonds	**34,974**	—
(Loss)/profit attributable to ordinary equity holders of the parent before interest on convertible bonds	**(1,673,930)***	18,628

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic (loss)/earnings per share calculation	**3,605,726,697**	3,492,670,410
Effect of dilution — weighted average number of ordinary shares:		
Share options	**(323,824,526)**	(297,954,545)
Convertible bonds	**1,223,402,047**	—
Total	**4,505,304,218***	3,194,715,865

* Because the diluted loss per share amount is decreased when taking convertible bonds into account, the convertible bonds had an anti-dilutive effect and were ignored in the calculation of diluted loss per share. Therefore, the diluted loss per share amount is based on the loss attributable to ordinary equity holders of the parent of RMB1,708,904,000 for the period, and the weighted average number of ordinary shares of 3,281,902,171 in issue during the period.

9. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Less than 1 year	**9,000**	7,857

10. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Less than 1 year	**10,089,470**	9,910,634
Over 1 year	**10,399,532**	15,703,553
	20,489,002	25,614,187

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am hereby pleased to present to you the business review of the Group for the six months ended 30 June 2024 and its outlook for the second half of 2024.

INTERIM DIVIDEND

The Board resolved that no interim dividend would be declared for the six months ended 30 June 2024.

INTERIM RESULTS

For the six months ended 30 June 2024, the Group's recognised revenue amounted to approximately RMB22.70 billion, representing a year-on-year decrease of approximately 21.3%.

Taking into account the impairment losses on various assets, fair value losses from the valuation of investment properties and foreign exchange loss, the Group recorded a loss attributable to owners of the Company of approximately RMB1.71 billion for the six months ended 30 June 2024, as compared to a profit attributable to owners of the Company of approximately RMB18.6 million for the corresponding period in the previous year.

REVIEW OF THE FIRST HALF OF 2024

Market review

Looking back on the first half of 2024, the global political and economic environment remains complex. The high interest rate environment may be maintained for longer, posing the risk of economic recession. Geopolitical conflicts have not been resolved, and different forms of trade disputes have emerged at the same time, adding uncertainties to the global economy. China's economy continues to recover. In the first half of the year, the GDP grew by 5%. The growth rate in the second quarter slowed down slightly compared with the first quarter of this year. The government continues to actively promote policies to stabilize growth to boost market confidence.

A series of supportive measures were implemented and executed in the first half of the year, including the "white list" of project financing and relaxing housing purchase restrictions in different cities. In April, the Political Bureau of the Central Committee proposed to study the destocking of the real estate sector. In May, the People's Bank of China abolished the lower limit of the mortgage loan interest rate, lowered the minimum down payment ratio, and established RMB300 billion affordable housing re-financing facility, which demonstrates the government's firm determination to continue to support the overall economy and the real estate industry. The market rebounded for a while but market confidence is still weak and the rebound did not last long. The overall real estate market in the first half of this year in China was at a low level. The difficulties in financing and property sales for private-owned developers still exist. It is expected the recovery of China's real estate industry will take a long time to recover, and the operating environment will remain harsh.

Operating under the current rigorous industry environment, the Group adopted decisive measures and adhered to its development strategies. The Group has continued to strengthen its operational control and efficiency, lower its operating costs, secure property delivery and financial stability, maintained its operating solvency, thereby demonstrating its resilience in its business.

The Group achieved contracted sales (including Group's subsidiaries, joint ventures and associates) of approximately RMB9.66 billion in the first half of 2024, representing a year-on-year decrease of approximately 54.1%.

Property delivery

In order to ensure smooth property delivery, the Group strengthened its construction and contractor management, and maintained tight control of the property delivery process and mitigated delivery risks.

During the first half of 2024, the Group (including its joint ventures and associated companies) completed the delivery of more than 30,000 property units. The Group was ranked as one of the top 12 Chinese real estate developers in terms of number of property units delivered in first half of 2024, according to the China Index Academy.

Land-banking

Due to the continued uncertainty of the Chinese real estate sector, the Group did not make any new purchases of land sites in the first half of 2024. As at 30 June 2024, the Group (together with its joint ventures and associates) had a land bank with a total GFA (including sold GFA) of approximately 27.0 million sq.m., covering five core economic regions of China.

Liability management

As the industry has been challenged by adverse liquidity and financing situations since mid-2021, the Group has implemented decisive measures and stabilised cash flow by accelerating sales and cash collection, lowering cost and enhancing operating efficiency, reduction of land banking and preservation of cash and controlling interest-bearing debts, and has achieved a stable financial status to enable property delivery, stable operations and onshore financing.

The Group's total interest-bearing debts were deleveraged and controlled at approximately RMB21.4 billion as at 30 June 2024 (out of which onshore interest-bearing debts amounted to approximately RMB11.9 billion whereas offshore interest-bearing debts amounted to approximately RMB9.5 billion). Due to the current market condition, the liquidity of the Group is constrained. The aggregate cash and bank balances (including restricted cash and pledged deposits) of the Group was approximately RMB7.9 billion as at 30 June 2024. Under the current strict requirement of local government policies, a substantial part of the Group's cash is under strict pre-sale cash escrow in designated bank accounts at project-level in order to ensure completion of the properties under development.

With respect to its onshore debts, as at 30 June 2024, a substantial part of the Group's onshore interest-bearing debts were loans with project pledges. The Group has been proactively working with onshore banks and lending institutions to extend the maturity at due dates of such onshore loans, and believes that the maturity risk of onshore loans would be manageable.

With respect to its offshore debts, the Company announced in November 2022 that it had been seeking a holistic solution to restructure its debts ("**Holistic Solution**") and continuously held proactive and constructive dialogue with its offshore creditors. The Company had obtained the approval of the requisite majorities of the Scheme creditors and support for its Holistic Solution by way of scheme of arrangement ("**Scheme**") on the terms and subject to the conditions set out in the restructuring support agreement dated 14 July 2023. All conditions precedent were fulfilled on 20 March 2024 and the restructuring took effect on the same date. Under the Holistic Solution, new senior notes (the "**New Senior Notes**") and new convertible bonds (the "**Convertible Bonds**") were issued, and a new private loan (the "**New Private Loan**") was signed in exchange of the outstanding offshore debts plus relevant accrued and unpaid interest as at 31 December 2023. The New Senior Notes, the Convertible Bonds and the New Private Loan have extended final maturity with amortization of principal repayments during the terms of the new offshore debt, cash interest reduction and effective grace period of payment-in-kind. The Holistic Solution alleviates the Company from the pressure of its offshore indebtedness.

OUTLOOK FOR THE SECOND HALF OF 2024

As the central government actively introduced policies in the first half of the year to support the overall economy and the real estate industry, the real estate industry has stabilized. However, it will take time for the effects of these new policies to appear. China's real estate industry market still faces many difficulties, but the government's determination to support the overall market is firm and obvious.

The real estate industry is a pillar industry of the overall economy, and the market's structural basic demand and upgrade demand are huge. The Third Plenum held in July 2024 proposed to continue to promote the reform of the real estate sector, accelerate the establishment of a housing system that promotes both rental and sales, accelerate the construction of a new real estate development model, support housing upgrade demands, and fully delegate local government autonomy in city-specific property policies, etc. Measures should be taken to adapt to the new changes in supply and demand in the real estate market, so that the real estate market in the transition period can develop sustainably, healthily and stably in the long term. Although the government continues to introduce supportive policies to stabilize the market, buyers are not confident enough and it is believed that the market will take longer to recover.

Looking forward to the second half of 2024, risks still exist. It will take a process to resolve the industry risks that have been accumulated over the years. The central and local governments are constantly releasing positive signals. The Political Bureau meeting in July emphasized the implementation of new policies to promote the stable and healthy development of the real estate market, actively supported the acquisition of existing residential housing inventory for use as affordable housing, and further ensured the property delivery. It is expected that further new stimulus policies and measures will be introduced, and proactive fiscal policies will be implemented to promote economic recovery, which is expected to boost market confidence. The Group will continue to emphasize financial safety, maintain operational liquidity, stabilize debt, control risks, ensure smooth delivery, save costs, strengthen organizational structure and improve management efficiency to ensure that the Group can navigate the industry challenges.

Yang Jian
Chairman

Hong Kong, 29 August 2024

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY DEVELOPMENT

Contracted sales

During the six months ended 30 June 2024, the Group (including its joint ventures and associates) achieved contracted sales of approximately RMB9.66 billion, representing a year-on-year decrease of approximately 54.1%. Contracted sales area amounted to approximately 918,000 sq.m., representing a year-on-year decrease of approximately 55.6%.

During the period, contracted ASP selling price was approximately RMB10,500 per sq.m..

Completed properties held for sale

Completed properties held for sale represents completed GFA remaining unrecognised at the end of each reporting period and are stated at the lower of cost and net realisable value. Cost of the completed properties held for sale refers to the related costs incurred attributable to the unsold properties. All completed properties held for sale are located in the PRC.

As at 30 June 2024, the Group's completed properties held for sale was approximately RMB16,952.6 million, versus approximately RMB26,440.1 million as at 31 December 2023.

Properties under development

Properties under development are intended to be held for sale after completion. Properties under development are stated at the lower of cost, which comprises land costs, construction costs, capitalised interests and other costs directly attributable to such properties incurred during the development period, and net realisable value. Upon completion, the properties are transferred to completed properties held for sale.

As at 30 June 2024, the Group's properties under development was approximately RMB55,883.5 million, versus approximately RMB69,283.3 million as at 31 December 2023.

Land bank

During the six months ended 30 June 2024, there was no new land parcel acquired by the Group.

As at 30 June 2024, the Group's (including its subsidiaries, joint ventures and associates) total land bank (including carparks), was approximately 27.0 million sq.m., among which, approximately 8.8 million sq.m. were completed properties available for sale/leasable and approximately 18.2 million sq.m. were under development or for further development.

FINANCIAL REVIEW

Revenue

During the six months ended 30 June 2024, the Group derived its revenue from (i) sales of properties; (ii) other services; and (iii) rental income from property leasing. The revenue of the Group was primarily derived from the sales of properties in the PRC. The following table sets forth the breakdown of the Group's revenue recognised by business line for the periods indicated:

	For the six months ended 30 June		Change in
	2024	2023	percentage
	RMB'000	*RMB'000*	%
Revenue			
Sales of properties	**22,547,839**	28,781,947	–21.7%
Other services	**148,793**	58,967	+152.3%
Rental income	**4,527**	9,883	–54.2%
Total	**22,701,159**	28,850,797	–21.3%
Recognised GFA (in sq.m.)	**1,738,391**	2,587,781	
Recognised ASP (in RMB/sq.m.)	**12,971**	11,122	

Revenue recognised from sales of properties

The Group recorded revenue from the sales of properties amounted to approximately RMB22,547.8 million for the six months ended 30 June 2024, a year-on-year decrease of approximately 21.7%, and recognised a year-on-year decrease in the total recognised GFA by approximately 32.8% to 1,738,391 sq.m. for the six months ended 30 June 2024. Recognised ASP was approximately RMB12,971 per sq.m. in the six months ended 30 June 2024 versus approximately RMB11,122 per sq.m. for the corresponding period in the previous year.

Cost of sales

The Group's cost of sales decreased year-on-year by approximately 14.6% to approximately RMB22,495.9 million for the six months ended 30 June 2024. The impairment losses recognised for properties under development and completed properties held for sale of approximately RMB882.8 million were included in the cost of sales for the six months ended 30 June 2024, as compared to approximately RMB826.6 million for the corresponding period in the previous year.

Gross profit and gross profit margin

Gross profit represents revenue less cost of sales. As a result of the foregoing, the Group's gross profit decreased year-on-year by approximately 91.8% to approximately RMB205.2 million for the six months ended 30 June 2024.

The Group's gross profit margin decreased from 8.7% for the six months ended 30 June 2023 to approximately 0.9% for the six months ended 30 June 2024, mainly because of lower ASP relative to the respective land acquisition costs in respect of property projects delivered and impairment on property projects during the period.

Other income and gains

The Group's other income and gains primarily include (i) gain from offshore debt restructuring; (ii) net fair value gains on derivative financial instruments; (iii) changes in provision for financial guarantee contracts; (iv) government grants; (v) forfeiture of deposits; and (vi) others, which mainly include sundry income. The Group's other income and gains increased year-on-year by approximately 272.7% to approximately RMB527.4 million for the six months ended 30 June 2024, primarily attributable to the gains from offshore debt restructuring.

Selling and distribution expenses

The Group's selling and distribution expenses decreased year-on-year by approximately 54.8% to approximately RMB245.7 million for the six months ended 30 June 2024, primarily due to the slow-down in marketing activities and less promotional expenses budget due to the impact of a weakened real estate market.

Administrative expenses

The Group's administrative expenses decreased year-on-year by approximately 38.2% to approximately RMB300.4 million for the six months ended 30 June 2024. The decrease was primarily due to the savings in staff costs and management consultancy fees during the period. The Group continued to strengthen cost control measures.

Other expenses and other net losses

The Group incurred other expenses of approximately RMB930.1 million for the six months ended 30 June 2024, as compared to approximately RMB477.1 million for six months ended 30 June 2023. The increase in other expenses were mainly due to the loss on disposal of subsidiaries, joint ventures and associates and recognition of the foreign exchange losses.

The Group recorded an aggregate of other net losses of approximately RMB85.7 million including fair value losses on investment properties and net fair value/impairment losses on financial assets for the six months ended 30 June 2024, as compared to an aggregate of other net losses of approximately RMB44.0 million for the previous year. The change was due to the turnaround from fair value losses to fair value gains on the financial assets at fair value through profit or loss during the period.

Finance income

The Group's finance income, which mainly represents bank interest income, decreased year-on-year by approximately 59.5% to approximately RMB16.9 million for the six months ended 30 June 2024.

Finance costs

The Group's finance costs decreased year-on-year by approximately 30.7% to approximately RMB139.9 million for the six months ended 30 June 2024.

The Group's total finance costs expensed and capitalised for the six months ended 30 June 2024 was approximately RMB625.3 million, representing a year-on-year decrease of approximately 44.5%, was due to the decrease in bank and other borrowings, and the decrease in overall interest rate of total indebtedness.

Share of profits of joint ventures and associates

The Group recorded share of profits of joint ventures of approximately RMB50.1 million for the six months ended 30 June 2024, versus share of profits of joint ventures of approximately RMB694.0 million for the six months ended 30 June 2023.

The Group recorded share of profits of associates of approximately RMB19.1 million for the six months ended 30 June 2024, versus share of profits of associates of approximately RMB93.2 million for the six months ended 30 June 2023.

On an aggregated basis, the Group's share of profits of joint ventures and associates amounted to approximately RMB69.2 million for the six months ended 30 June 2024, representing a year-on-year decrease of approximately 91.2%. The decrease was primarily due to the decrease in delivery of property projects held by the Group's joint ventures and associates during the six months ended 30 June 2024.

(Loss)/Profit before tax

As a result of the aforementioned changes in the Group's financials, the Group recorded a loss before tax of approximately RMB882.9 million for the six months ended 30 June 2024, as compared to a profit before tax of approximately RMB1,727.9 million for the six months ended 30 June 2023.

Income tax expense

The Group's income tax expense comprises provisions made for corporate income tax and land appreciation tax in the PRC, and deferred tax during the period. The Group's income tax expense decreased year-on-year by approximately 16.3% to approximately RMB1,074.5 million for the six months ended 30 June 2024.

(Loss)/Profit for the period and net (loss)/profit attributable to the owners of the Company

As a result of the aforementioned changes of the Group's financials, the Group recorded a net loss for the period (before deducting non-controlling interests) of approximately RMB1,957.4 million for the six months ended 30 June 2024, as compared to a profit for the period of approximately RMB443.6 million for the for the six months ended 30 June 2023.

The Group recorded a net loss attributable to the owners of the Company of approximately RMB1,708.9 million for the six months ended 30 June 2024, as compared to a net profit attributable to the owners of the Company of approximately RMB18.6 million for the six months ended 30 June 2023.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

The industry in which the Group engages is a capital-intensive industry. The Group primarily meets its operating capital, capital expenditure and other capital needs with cash generated from operations including proceeds from sale and pre-sale of properties, proceeds from bank and other borrowings, capital contribution from non-controlling shareholders and other financings.

Net current assets

As at 30 June 2024, the Group's net current assets amounted to approximately RMB14,760.2 million (31 December 2023: approximately RMB6,360.7 million). Specifically, the Group's total current assets decreased by approximately 17.3% from approximately RMB157,491.8 million as at 31 December 2023 to approximately RMB130,279.1 million as at 30 June 2024. The Group's total current liabilities decreased by approximately 23.6% from approximately RMB151,131.1 million as at 31 December 2023 to approximately RMB115,518.9 million as at 30 June 2024. The increase in the Group's net current assets was primarily attributable to the decrease in bank and other borrowing in current liabilities.

Cash position

The Group's cash and bank balances (including restricted cash and pledged deposits) amounted to approximately RMB7,865.3 million in total as at 30 June 2024 (31 December 2023: approximately RMB10,662.5 million), representing a decrease of approximately 26.2% as compared with the end of 2023. Under the current strict requirement of local government policies, a substantial part of the Group's cash was under strict pre-sale cash escrow in designated bank accounts at project-level in order to ensure completion of the properties under development.

Financial ratios

As at 30 June 2024, the Group had assets-to-liabilities ratio after excluding receipts in advance (calculated by dividing total liabilities minus contract liabilities by total assets minus contract liabilities) of approximately 80.6%, the net gearing ratio was approximately 67.2% and the non-restricted cash-to-current borrowings (calculated by dividing non-restricted cash and cash equivalents by current borrowings) was approximately 0.61.

Indebtedness

As at 30 June 2024, the Group had total outstanding indebtedness of approximately RMB21,405.5 million (31 December 2023: approximately RMB21,165.8 million), comprising bank and other borrowings of approximately RMB12,206.8 million (31 December 2023: approximately RMB14,601.6 million), senior notes of approximately RMB8,394.0 million (31 December 2023: approximately RMB6,564.2 million), and convertible bonds of approximately RMB804.7 (31 December 2023: nil).

Table 1: Breakdown of the Group's total indebtedness

	As at 30 June 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
Current		
Bank loans		
— secured	**814,952**	678,397
Other loans		
— secured	**860,468**	849,991
— unsecured	**1,750,692**	3,281,994
Current portion of long-term bank loans		
— secured	**1,841,555**	4,026,917
Current portion of long-term other loans		
— secured	**1,932,639**	2,187,034
— unsecured	**388,300**	461,916
Convertible bonds	**804,675**	—
Senior notes	**—**	6,564,246
Total current indebtedness	**8,393,281**	18,050,495

	As at 30 June 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
Non-current		
Bank loans		
— secured	**3,151,945**	1,652,199
Other loans		
— secured	**1,020,800**	954,100
— unsecured	**445,497**	509,054
Senior notes	**8,393,963**	—
Total non-current indebtedness	**13,012,205**	3,115,353
Total indebtedness	**21,405,486**	21,165,848
Secured	**18,820,997**	10,348,638
Unsecured	**2,584,489**	10,817,210
Total indebtedness	**21,405,486**	21,165,848

By fixed or variable interest rates

	As at 30 June 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
Fixed interest rate	**19,631,586**	19,271,737
Floating interest rate	**1,773,900**	1,894,111
Total Indebtedness	**21,405,486**	21,165,848

By currency denomination

	As at 30 June 2024	As at 31 December 2023
	RMB'000	*RMB'000*
Denominated in RMB	**11,927,872**	12,820,303
Denominated in US$	**9,477,614**	8,345,545
Total Indebtedness	**21,405,486**	21,165,848

By maturity profiles

	As at 30 June 2024	As at 31 December 2023
	RMB'000	*RMB'000*
Bank loans repayable:		
— Within one year or on demand	**2,656,507**	4,705,314
— In the second year	**1,382,903**	802,309
— In the third to fifth year, inclusive	**1,769,042**	849,890
	5,808,452	6,357,513
Other borrowings repayable:		
— Within one year or on demand	**4,932,099**	6,780,935
— In the second year	**1,056,421**	1,154,604
— In the third to fifth year, inclusive	**409,876**	308,550
	6,398,396	8,244,089
Senior notes repayable:		
— Within one year or on demand	**—**	6,564,246
— In the second year	**839,396**	—
— In the third to fifth year, inclusive	**7,554,567**	—
	8,393,963	6,564,246

	As at 30 June 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
Convertible bonds repayable:		
— Within one year or on demand	**804,675**	—
	804,675	—
Total Indebtedness	**21,405,486**	21,165,848

Pledge of assets

As at 30 June 2024, the Group's borrowings were secured by the Group's assets of approximately RMB30,073.4 million (31 December 2023: approximately RMB52,342.2 million) which included properties under development.

Financial risks

The Group's activities are exposed it to a variety of financial risks. Generally, the Group introduces conservative strategies on its risk management and did not use any derivatives or other instruments for hedging purposes during the period.

The Group has transactional currency exposures arising from transactions by the group entities in currencies other than their respective functional currencies. In addition, the Group has foreign currency exposures from its cash and cash equivalents, bank and other borrowings, senior notes and convertible bonds. The Group has not entered into any foreign currency hedging arrangement. However, the Group will closely monitor its exposure to exchange rates in order to best preserve the Group's cash value. The Group's interest-bearing bank and other borrowings are also exposed to risk for changes in market interest rates. The Group has not used derivative financial instruments to hedge any interest rate risk.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings, senior notes and convertible bonds. Cash flows are closely monitored on an ongoing basis.

The Group will continue to explore different means to generate cashflow in order to improve the overall liquidity of the Group and to settle its remaining outstanding debts, including but not limited to: (i) actively communicate with banks to secure relevant project development loans for qualified project development in a timely manner; (ii) seek other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures; (iii) focus on accelerating the sales of properties based on its business plans; (iv) implement measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses; and (v) seek suitable opportunities to dispose of its equity interests in certain project development companies in order to generate additional cash inflows.

CONTINGENT LIABILITIES

Mortgage guarantees

The Group provided guarantees in respect of mortgage facilities granted by certain banks to the purchasers of the Group's properties under development. Pursuant to the terms of the guarantee arrangements, in case of default on mortgage payments by the purchasers, the Group is responsible to repay the outstanding mortgage principals together with any accrued interest and penalties owed by the defaulted purchasers to those banks. Under such arrangement, the related properties were pledged to the banks as collateral for the mortgage loans, and upon default on mortgage repayments by these purchasers, the banks are entitled to take over the legal titles and will realise the pledged properties through open auction.

The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon the issuance and registration of property ownership certificates to the purchasers, which will generally be available within half a year to two years after the purchasers take possession of the relevant properties.

The total outstanding guarantee amounts provided by the Group to banks amounted to approximately RMB11,228.2 million as at 30 June 2024 (31 December 2023: RMB17,392.0 million).

The Group did not incur any material losses during the period in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's properties under development. The Directors considered that in case of default on payments, the net realisable value of the related properties would be sufficient to repay the outstanding mortgage loans together with any accrued interest and penalty, and therefore no provision has been made in connection with the guarantees.

Financial guarantees

As at 30 June 2024, the Group guaranteed certain bank and other borrowings made to its joint ventures and associates up to approximately RMB5,343.8 million (31 December 2023: approximately RMB6,352.2 million).

Legal contingents

The Group may be involved in lawsuits and other proceedings in its ordinary course of business from time to time. The Group believes that no liabilities resulting from these proceedings will have a material and adverse effect on its business, financial condition or operating results.

COMMITMENTS

As at 30 June 2024, the Group's property development expenditures and acquisition of land use rights and capital contributions payable to joint ventures and associates that had contracted but yet provided for were approximately RMB16,792.6 million (31 December 2023: approximately RMB19,362.7 million).

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Except for the contingent liabilities disclosed above, as at 30 June 2024, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Other than those carried out under the Group's ordinary course of business, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures, nor was there any plan authorised by the Group for other material investments or additions of capital assets during the six months ended 30 June 2024.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2024, the Group employed a total of 3,703 full-time employees. For the six months ended 30 June 2024, the staff cost recognised as expenses of the Group amounted to approximately RMB276.2 million (30 June 2023: approximately RMB437.8 million). The Group offers its employees competitive remuneration packages that include basic salaries, discretionary bonuses, performance-based payments, share options and share awards.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability.

The Company has adopted and applied the Corporate Governance Code as its own code on corporate governance and, to the best knowledge of the Directors, the Company has complied with all applicable code provisions under the Corporate Governance Code for the six months ended 30 June 2024.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the guidelines for the Directors' dealings in the securities of the Company since the Listing. In response to specific enquiry made by the Company, all Directors confirmed that they have complied with the Model Code for the six months ended 30 June 2024.

INTERIM DIVIDEND

The Board resolved not to recommend the payment of an interim dividend for the six months ended 30 June 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Save as disclosed in this announcement, the Company and its subsidiaries have not purchased, sold or redeemed any of the listed securities (including sale of treasury shares) of the Company during the six months ended 30 June 2024. As at 30 June 2024, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The Board established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with the Corporate Governance Code. The terms of reference of the Audit Committee has been uploaded to the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.zldcgroup.com).

The primary duties of the Audit Committee are to review, supervise and approve the financial reporting process and internal control system and to provide advice and comments to the Board. The Audit Committee consists of three members, namely Mr. Au Yeung Po Fung, Mr. Wang Kaiguo and Mr. Wu Xiaobo, each of them is an independent non-executive Director. The chairman of the Audit Committee is Mr. Au Yeung Po Fung, who possesses appropriate professional qualifications. The Audit Committee has reviewed the interim results of the Group for the six months ended 30 June 2024.

EVENTS AFTER THE REPORTING PERIOD

In July 2024, the conversion price of the Convertible Bonds was adjusted to HK$0.8 per Share in accordance with the indenture of the Convertible Bonds, and additional Convertible Bonds were issued as payment-in-kind interest, which further increased the outstanding principal amount of the Convertible Bonds to US$127,359,290, details of which are set out in the Company's announcement dated 28 June 2024.

Save as disclosed above, Group had no significant events occurred which have material impact on the performance of the Group after the six months ended 30 June 2024 and up to the date of this announcement.

THE BOARD OF DIRECTORS

As at the date of this announcement, the Board consisted of four executive Directors, including Mr. Yang Jian, Mr. Chen Hongliang, Mr. He Jian and Mr. Yeung Tak Yip; and three independent non-executive Directors, including Mr. Wang Kaiguo, Mr. Wu Xiaobo and Mr. Au Yeung Po Fung.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT ON WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk as well as the website of the Company at www.zldcgroup.com. The Company's interim report for the six months ended 30 June 2024 will be dispatched to the Shareholders (if requested) and published on the aforementioned websites in due course.

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

Hong Kong, 29 August 2024

GLOSSARY AND DEFINITION

"ASP"	average selling price
"Board"	The board of Directors
"China" or "PRC"	the People's Republic of China
"contracted sales"	the total contractual value of properties that are contracted for pre-sale and sale in a given period, which is not equivalent to the revenue in the relevant period and shall not be deemed as an indication for the revenue to be recognised in any future period. Contracted sales data is unaudited, provided for investors' for reference only and may be subject to various uncertainties during the process of collating such sales information
"Corporate Governance Code"	Corporate Governance Code as set out in Appendix C1 to the Listing Rules, as amended from time to time
"Director(s)"	director(s) of the Company
"GFA"	gross floor area
"gross profit margin"	calculated based on gross profit for the year/period divided by revenue for year/period and multiplied by 100%
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange on 16 July 2019
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"net gearing ratio"	calculated based on the total indebtedness less cash and bank balances divided by the total equity at the end of the year/period multiplied by 100%

"Scheme"	the scheme of arrangement effected pursuant to section 674 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) between the Company and the scheme creditors for the purpose of implementing the restructuring of the offshore indebtedness of the Company, as contemplated under the restructuring support agreement dated 14 July 2023 entered into by, among others, the Company and the ad-hoc group of offshore creditors of the Company
"Share(s)"	ordinary share(s) in the capital of the Company with the nominal value of HK$0.01 each
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"total indebtedness"	total interest-bearing bank and other borrowings, senior notes and convertible bonds
"Zhongliang" or "Company"	Zhongliang Holdings Group Company Limited, an exempted company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 2772)

The expression "we", "us", "Zhongliang" and "Company" may be used to refer to the Company or the Group as the context may require.

The site area information for an entire project is based on the relevant land use rights certificates, land grant contracts or tender documents, depending on which documents are available. If more than one document is available, such information is based on the most recent document available.

The figures for GFA are based on figures provided in or estimates based on the relevant governmental documents, such as the property ownership certificate, the construction work planning permit, the pre-sale permit, the construction land planning permit or the land use rights certificate.