

For Immediate Release

22 August 2019



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)

Core Net Profit Attributable to Owners Increased by 88%
Dividend Payout Ratio Reached 40%

Financial Highlights (For the Period ended 30 June 2019)

- Contracted sales amounted to RMB63,673.0 million, increased by approximately 26.8% as compared with the six months ended 30 June 2018.
- Total revenue amounted to RMB20,556.6 million, increased by approximately 111.2% as compared with the six months ended 30 June 2018.
- Core net profit attributable to owners of the Company amounted to RMB1,232.2 million, increased by approximately 88.4% as compared with six months ended 30 June 2018.
- Declared interim dividend of HK15.3 cents (equivalent to RMB13.8 cents) per share, representing 40% of the core net profit attributable to owners of the Company.
- Bank balances and cash of RMB24,721.4 million and deposits received from customers (contract liabilities) of RMB114,184.0 million.
- Total borrowings of RMB28,802.2 million and net gearing ratio of 43.5%.

(22 August 2019 - Hong Kong) **Zhongliang Holdings Group Company Limited** (“Zhongliang” or the “Company” and its subsidiaries (together, the “Group”) stock code:2772) is pleased to announce the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2019 (the “Reporting Period”), together with the comparative figures for the corresponding period of 2018.

During the Reporting Period, to address the industry situation in the first half of 2019, the Group pursued the principles of “facing challenges, optimizing the business model, opening up capital markets and maintaining steady growth” since the beginning of the year. As a result, the Group was

ranked as one of the top 20 national real estate enterprises in China, the Group achieved an aggregate of contracted sales of RMB63,673.0 million, representing an increase of 26.8% as compared to that of RMB50,233.0 million for the corresponding period in 2018; revenue recognized amounted to RMB20,556.6 million, representing an increase of 111.2% as compared to the corresponding period last year; net profit attributable to the owners of the Company for the Period grew to RMB1,204.1 million by 81.8% from that of RMB662.5 million for the corresponding period in 2018; the Group's core net profit attributable to the owners of the Company for the Period grew to RMB1,232.2 million, representing an increase of 88.4% from RMB654.2 million in the corresponding period last year; the Group declared the payment of an interim dividend of HK15.3 cents per share, the dividend payout ratio is 40% of the core net profit attributable to the owners of the Company.

Setting full-coverage and full-structure layout

The Group is strongly committed to setting a full-structure layout and solidifying its national footprint by adopting a two-pronged approach of vertical and horizontal development at the core of lands in the PRC. During the first half of 2019, the Group acquired 70 new projects, with an average cost of land parcel acquired of RMB3,934 per sq.m. Most of them were acquired through bidding, auction and listing in the open market. The aggregate land consideration attributable to the Group for the Period was RMB 25.2billion. During the six months ended 30 June 2019, the Group has entered into 18 new cities in China, including Nanjing, Nanchang, Tianjin, Dalian, Guiyang, Xi'an, Fuzhou, Weifang, etc. As at 30 June 2019, the Group had a presence in a total of 23 provinces and 139 cities. These land-banking efforts demonstrate that the Group has made a further step towards a full-structure layout across China in the first half of 2019.

Optimizing financial structure and enhancing financing capability

Since the second quarter of 2019, the financing market has tightened up significantly for real estate developers in China with more restriction in their financing channels. As always, maintaining a sound financial position serves an objective of development of the Group. On 16 July 2019, Zhongliang Holding was officially listed on the Main Board of the Stock Exchange, raising gross proceeds of approximately HK\$3.2 billion (including the exercise of the over-allotment options). This signifies that the Group has successfully kicked off a new journey by entering into the international funding market, and will enhance its financing capability in a steady manner. On 8 August 2019, the Company was assigned a credit rating of B+ with a stable outlook by Fitch Ratings, a credit rating of B1 with a stable outlook by Moody's Investors Service, and a credit rating of B+ with a stable outlook by S&P Global Ratings. The Group has achieved significant improvement in terms of its key financial ratios. Specifically, the Group's total equity increased from RMB6,754.2 million as at 31 December 2018 to RMB9,387.6 million as at 30 June 2019 primarily due to the profits generated by the Group during the period, resulting in the improvement of net gearing ratio from 58.1% as at 31 December 2018 to 43.5% as at 30 June 2019, which fell at the lower end of the industry range as compared to other real

estate enterprises with a market capitalization of hundreds of billions.

Upholding people-oriented principle and continuously optimizing organizational structure

The Group regards its people as its most valuable assets. Also, to achieve high-quality business growth, the Group endeavors to optimize its organizational structure. In particular, the Group provides continuous staff training with an attempt to give support to high-caliber staff members by organizing talent training programs such as new blood training program, as well as to better manage and foster its key staff members. In addition, the Group will engage a third-party consulting agency to help further enhance and deepen the job scope of all organizational levels, optimize the accountability system, appropriately delegate authority and increase the operating flexibility.

Looking forward, being one of the top 20 national leading real estate developers in China, Zhongliang has land bank nationwide and adopts a business strategy which ensures high operation efficiency. Despite the current challenging real estate market environment, the Group remains confident of keeping a sizable growth. In the second half of 2019, the Group will strive to make a breakthrough in structure, optimize the organization, and manage its risk exposure by taking practical and effective measures. The Group will also enhance its operation with emphasis on full-cycle orientation, full-structure layout and full structure business model. As for the sales performance, the Group will take active steps to boost sales in order to deliver better sales results in the second half of the year. In 2019, the Group aims to reach an annual contracted sales target of RMB130 billion. Meanwhile, the Group will continue to strengthen cash flow management by focusing on the cash collection and maintaining adequate liquidity, so as to get well-prepared for any potential volatility in the market. The Group will optimize its capital structure by exploring different financing channels in an active manner, such that it will be able to grasp and capture the opportunities for development.

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About Zhongliang Holdings Group Company Limited

Headquartered in Shanghai, based in the Yangtze River Delta Economic Region with a national footprint, Zhongliang Holdings is a fast - growing comprehensive nationwide real estate developer with 100 billion contracted sales. In 2019, we are recognized as TOP 20 real estate developer in China and ranked TOP 1 in terms of development potential by China Real Estate Association and E-house China R&D Institute China Real Estate Appraisal Center. We focus on the development of residential properties and have recently started to develop, operate and manage commercial properties.

We offer three standardized product series, namely, the Shanti, the Glory and the Royal series (「香」系列、「御」系列及「國」系列), targeting first-time purchasers, first-time upgraders and second-time upgraders. By virtue of approximately 19 years of experience in China' s real estate industry and regional expansion strategy, we have a product portfolio of 385 projects across five core economic zones in China, namely, Yangtze River Delta, the Midwest China, the Pan-Bohai, the Western Taiwan Straits and the Pearl River Delta, covering 139 cities in 23 provinces and municipalities, our total land bank reached 53 million sq.m as at 30 June 2019.

This press release is issued by **Wonderful Sky Financial Group Company Ltd.** on behalf of **Zhongliang Holdings Group Company Limited**

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