

Contracted Sales

First 5 months 2022 contacted sales amounted to RM31.7 bn, year-on-year decreased 58%

May 2022 contracted sales amounted to RMB6.0 bn, year-on-year decreased 56%

- From January to May 2022, the Group achieved contracted sales (including those from joint ventures and associated companies) of approximately RMB31.7 billion, representing a year-on-year decrease of 58%, with contracted GFA of approximately 3,101,000 sq.m. Contracted average selling price was approximately RMB10,200 per sq.m.
- In May 2022, the Group achieved contracted sales of approximately RMB6.0 billion, representing a year-on-year decrease 56%, with contracted GFA was approximately 530,000 sq.m. with contracted ASP of RMB11,400 per sq.m.

News Updates

Reopened USD Senior Notes Exchange Offer with Cumulative High Acceptance Rate Over 97% Successful Liability Management of Offshore Debts Maturing This Year

- The Company completed its exchange offer on 18 May 2022 and closed its reopening of the exchange offer on 10 June 2022 for senior notes due in May 2022 and July 2022 (“Exchanged Notes”) and obtained high acceptance rate from investors with cumulative exchange rate of over 97%, one of the highest participation rates of recent exchange offer exercises by China real estate issuers.
- Taking into consideration the results of two rounds of the exchange offer by the Company, US\$271,147,000 (representing approximately 93.56% of the original outstanding principal amount of US\$289,800,000) of the May 2022 Notes, and US\$426,926,000 (representing approximately 97.14% of the original outstanding principal amount of US\$439,500,000) of the July 2022 Notes, respectively, have been validly tendered for exchange by the Eligible Holders into new senior notes due April 2023 and December 2023.
- The Company sincerely thanks the noteholders for their supports and understandings! With respect to the Exchange Notes that remain outstanding, the Company will continue to communicate with such holders. The Company encourages such holders to contact the Company as soon as practicable in order to come to mutually agreeable arrangements.
- The exchange offer improves the Group’s overall financial position, extends its debt maturity and strengthens its balance sheet. After this round of liability management exercise, the Company has effectively extended the maturity of its original US dollar senior notes due May, July and August 2022 with an aggregate principal amount of around US\$870 million to 2023. As a result, the Company has no major US dollar senior notes maturing this year and the Group’s cashflow pressure would be substantially alleviated. With the upcoming supportive government policies and anticipated sales recovery of the sector, the Company will strive to accelerate its sales and cash collection. It allows sufficient time for the Group to overcome the current industry difficulties, and to leverage upon upcoming recovery of the real estate sector in China.

Land Acquisition

- During January to May 2022, there was no new land acquired by the Group.

Company Profile

Headquartered in Shanghai, Zhongliang Holdings is large-scale nationwide real estate enterprise with annual contracted sales over RMB100 billion, and has been ranked as a Top 20 Real Estate Developer in China by China Real Estate Association and China Real Estate Evaluation Center of E-House Real Estate Research Institute in 2019, 2020 and 2021.

We focus on developing residential housing and in recent years have expanded our scope of business to commercial property development, operations, and management. We offer three standardised product series, targeting first-time home buyers, second-time home buyers and recurrent home buyers. With approximately 20 years of experience in China's real estate industry and a regional expansion strategy, we had total attributable land bank of about 60 million sq.m. as at 31 December 2021 across five core economic zones in China, namely, the Yangtze River Delta, the Midwest China, the Bohai Economic Rim, West Coast Economic Zone and the Pearl River Delta, covering 153 cities of 25 provinces and municipalities.

Disclaimer

All information contained in this newsletter is meant for your own reference only, and is not intend to, nor should it, constitute any investment advice. Any information contained in this newsletter, including those relating to contracted sales or land bank of Zhongliang Holdings Group Co. Ltd. (the "Group"), are management date without being audited. It may be subject to change as a result of changes in our development, sales and investment processes and may not be consistently reflected in our financial reports. The Group expressly disclaims any liability for any of your loss or damaged howsoever arising from or in reliance upon the contents of this newsletter.

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