

## Contracted Sales

**First eight months contracted sales increased by 12% to RMB 96.5 bn while contracted ASP increased by 21% to RMB 12,500 per sq.m..**

- From January to August 2020, the Group recorded contracted sales (including those from joint ventures and associated companies) of approximately RMB 96.5 billion, representing a YoY increase of 12% and contracted GFA amounted to approximately 7,716,960 sq.m., representing a YoY drop of 7%. Contracted ASP was increased by 21% to RMB 12,500 per sq.m. The Group's steadily increasing ASP reflected the fruitful impact from the Group's operating strategy of shifting to the second-tier and strong third-tier cities in recent years.
- First 8 months contracted sales ranked 19th in CRIC's Top 100 Chinese Real Estate Enterprises by Sales, firmly retaining a position among Top 20
- In August 2020, the Group achieved contracted sales of approximately RMB 16.9 billion, representing a YoY increase of 53%. Contracted GFA increased by 23% to approximately 1,373,310 sq.m with contracted ASP increased by 25% to approximately RMB 12,300 per sq.m.

## News Updates

- On August 5, Huatai Hong Kong initiated coverage of Zhongliang Holdings with a BUY rating and target price of HK\$7.9, representing a potential upside of 45%. Huatai Hong Kong stated that Zhongliang Holdings achieved rapid contracted sales CAGR of 53% over 2017 to 2019, which enables it to enjoy high earnings visibility, and they expect Zhongliang will distribute 40% of core earnings in 2020E, leading to an attractive dividend yield of 9.5%. Also, they expect further financing costs optimization to a range of 8.5% and 8.8% in 2020E, providing a positive share-price catalyst. They expect Zhongliang to reap the benefits of years of expanding footprints in the Yangtze River Delta which allow them to project rising earnings and valuation multiples. In addition, the report highlighted that Zhongliang Holdings has a distinctive corporate management structure (Amoeba Ecosystem) and has implemented employee co-investment schemes to motivate sales personnel and on-the-ground execution.
- The Group was initiated by several international and well-known securities analysts after its listing. Since 2020, four international securities houses, namely CGS-CIMB, CITIC CLSA, Jefferies and Huatai Hong Kong have initiated coverage of Zhongliang Holdings.
- On August 16, the opening ceremony of ZHONGLIANG GBA DEVELOPMENT GROUP (GBA) was successfully held. GBA was an upgrade of the Southern Regional Group to further penetration based on existing districts, while take response to major national strategic decisions, and to better service the development in GBA.



## News Updates

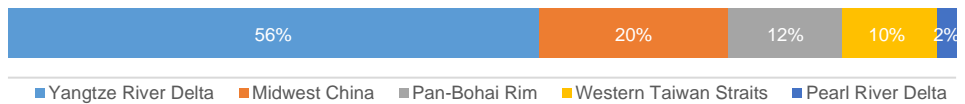
(Cont'd)

- On August 18, Zhongliang Holdings was awarded the 8th place in the '2020 Shanghai Top 100 Private Enterprises', the 31st place in the '2020 Shanghai Top 100 Enterprises', the 7th place in the '2020 Shanghai Top 100 Private Service Enterprises', the 19th place in the '2020 Shanghai Top 100 Service Enterprises', and the 7th place in the 'Shanghai Top 50 Growth Enterprises. Being on the list of Shanghai Top 100 Enterprises for many years is the affirmation and recognition of the development of Zhongliang Holdings from all walks of life.
- On August 25, Zhongliang Holdings held an online interim results briefings. Amid the severe challenge from the coronavirus pandemic, the Group achieved steady growth for its interim results, and recorded a total revenue of RMB23.76 billion, representing a year-on-year increase of approximately 16%; core net profits attributable to owners of the Company amounted to RMB1.31 billion, representing a year-on-year increase of approximately 6%; an interim dividend of HK\$ 16.3 cents per share was distributed by the Group, with the dividend payout ratio accounting for 40% of core net profit attributable to the owners of the Company. In the first seven months of the year, the contracted sales amounted to approximately RMB79.6 billion, representing a year-on-year increase of approximately 6% and achieved near half of the full year sales target. With stable supply of saleable resources and demand, the Group is confident in achieving the full year contracted sales target of RMB168 billion. The Group's debt structure continued to be optimized, and financing costs continued to decrease with a net gearing ratio of 69.9%, maintaining a healthy level.
- On August 26, Zhongliang Holdings was listed on the "2020 China's Listed Real Estate Enterprise with Growing Potential" led by China Real Estate Association and rated by Le Ju Finance News. The award was assessed on the basis of comprehensive measurement covering contracted sales, sales growth, land acquisition amount, product innovation, development mode, earnings, and a comprehensive evaluation at gross profit margin, net profit margin, gearing ratio and other indicators.

## Land acquisition

- From January to August in 2020, the Group added a total of **83** land parcels, with an aggregate land premium of approximately RMB **53** billion.

### Land Acquisition By Economic Region



Project	City	City level	Province	Region	Land Cost (RMB10,000)	Site Area (sq.m.)	Total Planned GFA Excluding Carpark (sq.m.)	Average Land Cost (RMB/sq.m.)
<b>Land Acquisitions in August 2020</b>								
Plot D-4-14, Qianku Town (Plot C-1-08A)	Wenzhou	Second-tier	Zhejiang	Yangtze River Delta	17,215	42,688	139,901	1,483
Sanjiangkou Lot 2020-35, Cangshan District, Fuzhou	Fuzhou	Second-tier	Fujian	Western Taiwan Straits	121,000	37,140	112,336	14,165
2020WR028 Plot, Wangniudun Town, Dongguan	Dongguan	Second-tier	Guangdong	Pearl River Delta	14,339	6,848	21,341	10,469
Plot HGT-16-05, Municipal Administrative Center Section of Mengzi	Mengzi	Third-tier	Yunnan	Midwest China	17,778	45,468	136,402	1,303
Plot of Yifeng Corduroy Factory in Fushan District, Yantai	Yantai	Third-tier	Shandong	Pan-Bohai Rim	33,530	42,678	85,356	3,928
46 acres of land in the old town of Suining	Suining	Third-tier	Sichuan	Midwest China	26,802	30,808	92,424	2,900
West of Yinshan Road and North of Zhujiang Road, Tongshan District, Xuzhou	Xuzhou	Third-tier	Jiangsu	Yangtze River Delta	248,640	142,721	313,987	7,919
Bengbu High-speed Rail Plate (2020) No. 24	Bengbu	Fourth-tier	Anhui	Yangtze River Delta	39,500	67,781	135,563	2,914
157 acres of land, No. 15-01-A15-01-B, Zhaochu, Zhaotong	Zhaotong	Fourth-tier	Yunnan	Midwest China	49,618	104,459	313,377	1,583
<b>Land Acquisitions From January to July 2020</b>								
Plot 212, Future Science and Technology City, Yuhang District, Hangzhou	Hangzhou	Second-tier	Zhejiang	Yangtze River Delta	490,154	97,535	214,577	22,843
No. 2017-3, Huayuan Street, Kecheng District, Quzhou	Quzhou	Third-tier	Zhejiang	Yangtze River Delta	39,650	43,329	73,659	5,383
Block C of Lukang North Plant	Jining	Third-tier	Shandong	Pan-Bohai Rim	19,843	30,716	61,433	3,230
Plot on the east side of Heyi Road, Higher Education Park, Huaian	Huaian	Third-tier	Jiangsu	Yangtze River Delta	35,380	68,362	150,397	2,352
Plot DEA2019159 in Shangrao City Center	Shangrao	Fourth-tier	Jiangxi	Western Taiwan Straits	71,250	53,928	129,427	5,505
Lot 2 of Huhua Avenue, Fancheng District, Xiangyang	Xiangyang	Third-tier	Hubei	Midwest China	2,897	5,517	12,138	2,386
Lot [2019] 86, High-tech Zone, Xiangyang	Xiangyang	Third-tier	Hubei	Midwest China	26,769	29,496	79,639	3,361
Plot No. [2019] 16, Western Section in National Land, Hanshan	Ma'anshan	Fourth-tier	Anhui	Yangtze River Delta	12,847	43,698	74,287	1,729
No. 034 (2019), Gong'an County, Jingzhou	Jingzhou	Fourth-tier	Hubei	Midwest China	19,080	44,367	110,917	1,720
Plots on the north side of Shunyu Road and the west side of Jinsheng North Road in Yuyao City, Ningbo	Ningbo	Second-tier	Zhejiang	Yangtze River Delta	29,375	41,533	124,599	1,823
Land No.YB-08-D15 at Yongzhong, Yongqiang North Zone, Longwan	Wenzhou	Second-tier	Zhejiang	Yangtze River Delta	110,430	57,018	150,528	7,336
Plots T8-2-4-1 and T8-1-11 in Tangxia, Ruian City, Wenzhou	Wenzhou	Second-tier	Zhejiang	Yangtze River Delta	94,611	56,885	154,838	6,110
JCR2020-13 (Xinhui 05), Jiangmen	Jiangmen	Third-tier	Guangdong	Pearl River Delta	51,552	29,911	74,778	6,894
Intersection plot of South Shundi Road and Hibiscus Road, New Town, Ningyuan County, Yongzhou	Yongzhou	Fourth-tier	Hunan	Midwest China	12,000	48,643	150,793	796
147-acre Bai He Plot, Longaquan District, Chengdu	Chengdu	Second-tier	Sichuan	Midwest China	120,055	98,084	176,552	6,800
Lot south of Jiganghuai Road and east of Yucai Road, Changfenggang District, Hefei City	Hefei	Second-tier	Zhejiang	Yangtze River Delta	62,759	62,635	112,743	5,567
Plot B, Qingfeng, Liangxi District, Wuxi	Wuxi	Second-tier	Jiangsu	Midwest China	61,380	27,099	60,008	13,324
Plot on Shilin 3rd Road, Jimo District, Qingdao	Qingdao	Second-tier	Shandong	Pan-Bohai Rim	86,923	106,628	213,256	4,076
Plots XXFD-JM02-135 & 139 (commercial) in Fengdong New Town, Xixian New District, Xi'an	Xi'an	Second-tier	Shanxi	Midwest China	69,100	65,529	163,383	4,229
Plot JK202001 by Nanyan Lake, Hefei Economic and Technological Development Zone, Hefei	Hefei	Second-tier	Anhui	Yangtze River Delta	272,476	133,078	266,155	10,238
Plot G2019-96 in Nanyang Hi-tech Industrial Development Zone, Nanyang	Nanyang	Third-tier	Henan	Midwest China	42,499	48,974	122,435	3,471
Plot J.B.K.(G)2019-5 in Binhai New Area, Tianjin	Tianjin	Second-tier	Tianjin	Pan-Bohai Rim	135,280	46,030	129,122	10,477
Plot DH2019-24 in Crystal Town, Donghai County	Yancheng	Third-tier	Jiangsu	Yangtze River Delta	44,398	60,678	133,492	3,326
Plot 1 to the west of Fuyuan 2nd Road, Zaozhuang National High-tech Industrial Development Zone, Zaozhuang	Zaozhuang	Third-tier	Shandong	Pan-Bohai Rim	42,970	69,866	153,705	2,796
Plot J.B.B.(G)2019-19 in Tianjin Airport Economic Zone, Tianjin	Tianjin	Second-tier	Tianjin	Pan-Bohai Rim	192,000	103,962	166,340	11,543
Plots 2020-1 and 2020-2 in Nanxin District, Qingyang County	Chizhou	Fourth-tier	Anhui	Yangtze River Delta	34,220	75,279	150,558	2,273
Plot 2020-005 in Wangcheng District, Changsha	Changsha	Second-tier	Hunan	Midwest China	55,277	92,118	276,353	2,000

(Cont'd)

Project	City	City level	Province	Region	Land Cost (RMB10,000)	Site Area (sq.m.)	Total Planned GFA Excluding Carpark (sq.m.)	Average Land Cost (RMB/sq.m.)
Plot K1-9-1/07 in Zone K, Nanping Group, Nan'an District, Chongqing	Chongqing	Second-tier	Chongqing	Midwest China	133,102	103,501	207,002	6,430
Plot 3, Huishan Chengtie Business District, Wuxi	Wuxi	Second-tier	Jiangsu	Yangtze River Delta	25,600	15,020	39,051	6,556
North Lot of Shazhou West Road, Zhangjiagang, Suzhou	Suzhou	Second-tier	Jiangsu	Yangtze River Delta	96,219	54,494	108,989	8,828
Plot 2019G-131, Jianshe Road, Gangbei District, Guigang	Guigang	Fourth-tier	Guangxi	Midwest China	20,020	32,760	131,038	1,528
Plots north of Fengyang Road and west of Shengtang Road, Yangchenghu Town, Suzhou	Suzhou	Second-tier	Jiangsu	Yangtze River Delta	78,148	49,035	88,263	8,854
Lot J04 by Longquan Corporation, Renhe Zutuan, Liangjiang New Area, Chongqing	Chongqing	Second-tier	Chongqing	Midwest China	20,600	12,400	37,200	5,538
Plot CC09-01-16a, CC09-01-16b in Jiangbei District, Ningbo	Ningbo	Second-tier	Zhejiang	Yangtze River Delta	51,814	48,784	75,311	6,880
Lot 2019-42, Tianping Lake Area, Western area of Taian	Taian	Third-tier	Shandong	Pan-Bohai Rim	40,274	65,000	130,000	3,098
Lot 2020-01 in Xialinzhongtan, PS bid-, South Putian	Putian	Third-tier	Fujian	Western Taiwan Straits	79,400	41,857	92,685	8,567
Lot 2020003, West of Central Yulong Road, Yuquan District, Hohhot	Hohhot	Third-tier	Inner Mongolia	Midwest China	18,238	35,656	71,311	2,557
Lot Xiayangyan, Dayang Subdistrict, Linhai	Taizhou	Third-tier	Zhejiang	Yangtze River Delta	65,100	37,264	81,981	7,941
Lot at the southeastern corner, intersection of Yuanqiao Road and No. 1 Guihua Road, Huashan District, Ma'anshan	Ma'anshan	Fourth-tier	Anhui	Yangtze River Delta	57,600	90,056	198,123	2,907
Lot in the southwestern side of Hengjiang Bridge, Central Huangshan	Huangshan	Third-tier	Anhui	Yangtze River Delta	28,669	34,755	62,559	4,583
Lot No. HD-2020-03-1, Fuxing District, Handan	Handan	Third-tier	Hebei	Pan-Bohai Rim	37,800	73,012	197,133	1,917
Lot 2020-J-WY-03, Wuyi New Area, Nanping	Nanping	Third-tier	Fujian	Western Taiwan Straits	28,500	41,737	75,125	3,794
Plot on the east side of Wanshou South Road, Chengnan Plate, Rugao	Nantong	Third-tier	Jiangsu	Yangtze River Delta	92,390	76,482	183,557	5,033
Plot WG2020-304 of Xinyang High-tech Zone	Xinyang	Third-tier	Henan	Midwest China	41,198	95,855	239,636	1,719
Public transfer part of Lot 05-01, Xincheng West Unit, Ruian Block B-14, Nanhu Lake, Chabai Area, Wenzhou	Wenzhou	Second-tier	Zhejiang	Yangtze River Delta	12,101	6,882	36,634	3,303
Commercial land plot on the east side of Shuangze Road, south of Zhenze South Road, Zhenze Town, Wujiang District, Suzhou	Suzhou	Second-tier	Jiangsu	Yangtze River Delta	53,521	84,020	140,692	3,804
Lot CF202009, Shuangdun Town, Changfeng County	Hefei	Second-tier	Anhui	Yangtze River Delta	48,026	44,405	79,929	6,008
Plot of Urban Village Reconstruction Project of Rentian Village, Qiaotou Town, Yongjia County, Wenzhou	Wenzhou	Second-tier	Zhejiang	Yangtze River Delta	39,467	30,100	90,300	4,371
Block AB, North of Anshun Gas, Yanshan New District, Liyang	Liyang	Third-tier	Jiangsu	Yangtze River Delta	96,780	89,426	160,967	6,011
Changfu Lot No. 2020P07 in Chengdong District of Zhangzhou	Zhangzhou	Third-tier	Fujian	Western Taiwan Straits	139,600	82,551	214,632	6,504
Plot No. 06-1, YXTC (2006), Hongta District, Yuxi City	Yuxi	Third-tier	Yunnan	Midwest China	53,300	49,450	98,900	5,389
Plot No. 3 of Furong New City, Changtu Net, Wuling District, Changde	Changde	Third-tier	Hunan	Midwest China	68,100	106,998	288,007	2,365
Lot C-29, Lengshuitan District, Yongzhou City	Yongzhou	Fourth-tier	Hunan	Midwest China	19,246	35,152	123,032	1,564
Bengbu Bengshan Bengshan (2019) No. 65	Bengbu	Fourth-tier	Anhui	Yangtze River Delta	62,742	123,251	246,502	2,545
Lot No. 2020-17.18 in Jieshou Old Town	Jieshou	Fourth-tier	Anhui	Yangtze River Delta	31,226	78,172	156,345	1,997
Lot KCJ2020-24, Economic Development Zone, Kunming	Kunming	Second-tier	Yunnan	Midwest China	34,182	50,410	141,147	2,466
Plot of Puhu Community, Shifan Street, No. 2020002, Yueqing	Wenzhou	Second-tier	Zhejiang	Yangtze River Delta	38,000	26,686	83,851	5,696
Plot on the east side of Huajin South Road, Yijiang District, Wuhu	Wuhu	Third-tier	Anhui	Yangtze River Delta	72,999	63,050	126,101	5,789
2020 Taorang (hanging) Lot 48, Taojiang County, Yiyang	Yiyang	Third-tier	Hunan	Midwest China	22,429	57,822	173,467	1,293
72 acres of land in the second phase of Hedong New District, Suining	Suining	Third-tier	Sichuan	Midwest China	25,492	48,282	72,423	3,520
Yindi (G)[2020]-10 Lot, Jinfeng District, Yinchuan	Yinchuan	Third-tier	Ningxia	Midwest China	50,571	93,715	168,681	2,998
Plot of Xingfu Road, Hanting District, Weifang	Weifang	Third-tier	Shandong	Pan-Bohai Rim	32,974	95,576	206,635	1,596
The plot on the south side of Dingxiang Road and the east side of Tongzhihe East Road, Zhonglou District, Changzhou	Changzhou	Third-tier	Jiangsu	Yangtze River Delta	101,900	49,911	99,822	10,208
Plot 2019-028, Decheng District, Dezhou	Dezhou	Third-tier	Shandong	Pan-Bohai Rim	23,945	20,857	50,058	4,783
Commercial and residential plot No. LYTD-2020-28, Guangwu Avenue, Yibin District, Luoyang	Luoyang	Third-tier	Henan	Midwest China	85,723	92,876	278,627	3,077
2020-C-6, Chengdi, Xinqiao Town, Jiangyin City, Jiangsu Province	Jiangyin	Third-tier	Jiangsu	Yangtze River Delta	50,984	63,132	138,890	3,671
2020-C-7 Chengdi, Xinqiao Town, Jiangyin City, Jiangsu Province	Jiangyin	Third-tier	Jiangsu	Yangtze River Delta	33,680	29,085	87,255	3,860
Lot 2020-3, Tian'an South Road, Quanzhou	Quanzhou	Third-tier	Fujian	Western Taiwan Straits	34,600	9,807	38,195	12,630
Putian Huangshi PS Auction 2020-14 Lot	Putian	Third-tier	Fujian	Western Taiwan Straits	17,300	28,127	77,311	2,929
TD2020(NH)WG0020 plot on the west side of Qiaojin Road and the south side of Qiaoyu Road, Xiqiao Town, Nanhai District, Foshan	Foshan	Third-tier	Guangdong	Pearl River Delta	41,280	21,861	86,894	6,744
P(2020) 018 Plot, Wude District, Jingzhou	Jingzhou	Fourth-tier	Hubei	Midwest China	40,500	34,178	119,623	3,386
Yushan Chengdong DED2020046 plot	Yushan	Fourth-tier	Jiangxi	Western Taiwan Straits	18,350	39,824	55,753	3,291
Ningguo City East Block Xinning Middle Northwest Block	Ningguo	Fourth-tier	Anhui	Yangtze River Delta	30,323	54,932	109,865	2,760
Total					5,263,876	4,686,280	10,915,227	4,823

## Company profile

Headquartered in Shanghai, Zhongliang Holdings is a fast-growing real estate developer with RMB100 billion's worth of annual contracted sales. We are rooted in the Yangtze River Delta with a national coverage. In 2019 and 2020, we were named 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 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 63 million sq.m. as at 30 June 2020. We have 504 property projects across five core economic zones in China, namely, the Yangtze River Delta, the Midwest China, the Pan-Bohai Rim, the Western Taiwan Straits and the Pearl River Delta, covering 149 cities of 23 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.

## Investor Relations Contacts

**Zhongliang Holdings Group Co. Ltd.**

**Investor Relations**

Kenneth Yeung / Queenie Hung

**Tel. :** +852 3793 3139

**E-mail:** [ir@zldcgroup.com](mailto:ir@zldcgroup.com)

**Wonderful Sky Financial Group**

Aileen Wang / Christina Zhou

**Tel. :** +852 3970 2226

**E-mail:** [zhongliang@wsfg.hk](mailto:zhongliang@wsfg.hk)