

Contracted Sales

February contracted sales rose 4.5 times YoY to RMB17.0 bn while contracted ASP increased to RMB13,800 per sq.m., firmly retaining a position among Top 20 developers, ranked 17th among developers

- In February 2021, the Group achieved contracted sales of approximately RMB17.0 billion, representing a significant YoY increase of 445% and a MoM increase of 23%. Contracted GFA increased by 466% to approximately 1,236,000 sq.m with contracted ASP increased by 10% MoM to approximately RMB13,800 per sq.m.
- From January to February 2021, the Group achieved contracted sales (including those from joint ventures and associated companies) of approximately RMB30.8 billion, representing a YoY increase of 193% with contracted GFA of approximately 2,343,000 sq.m., representing a YoY increase of 147%. Contracted average selling price was increased by 8% YoY to approximately RMB13,200 per sq.m., the 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.
- Ranked 17th in CRIC's Top 200 Chinese Real Estate Enterprises by first 2 months sales, firmly retaining a position among Top 20 developers.

News Updates

Essence International maintains the "Buy" rating of Zhongliang Holdings with it continuously optimising debt structure

- On 17 February, **Essence International** published a research report, expressing positive views on the long-term development of Zhongliang Holdings and maintains its "Buy" rating.

CLSA expects the Zhongliang's debt structure to improve and financing costs to drop

- On 12 January, Zhongliang Holdings participated in the "Meet the Boss" roadshow of **CLSA**. Subsequently, CLSA published a research report, expecting Zhongliang to be one of the pilot real estate enterprises under the "three red lines" policy with continued improvement in debt structure and funding cost.



CLSA China property
Sector outlook

Meet the Boss - Day 2: Zhongliang

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Key takeaways

- 2020 achievement: Zhongliang achieved a 17% YoY increase in revenue to HK\$277.28 billion, driven by strong performance in the first 12 months of 2020.
- 2021 outlook: Zhongliang is expected to continue its growth trajectory in 2021, with a focus on improving its debt structure and reducing financing costs.

News Updates

(Cont'd)

CGSCIMB reiterated the “Buy” rating of Zhongliang Holdings

- On 27 January, **CGSCIMB** published a research report and reiterated the “Buy” rating of Zhongliang Holdings.



CGSCIMB
 Company Note
 Property Development - Hong Kong - January 27, 2021

Zhongliang Holdings
 Slower growth under new policy regime

Key messages in this note:

- We forecast a low-to-medium growth rate for Zhongliang's contracted sales in FY21-FY22, on the back of lower land acquisitions to control total debt level.
- We reiterate its further gross profit margin trend through FY21-FY as long-term macroeconomic trends in Tier-2 cities.
- Through we expect a dip in FY22F core net profit, its dividend payout ratio should remain stable at 40%.
- Referring A&L with a lower TP of HK\$12.00 (20% discount to bid).

Key changes in this note:

- FY22F EPS increased by 10%.
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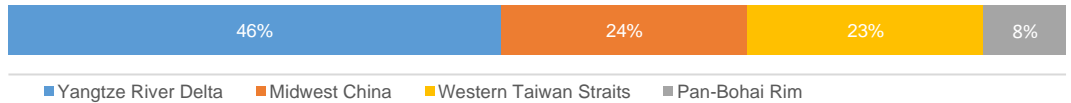
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Land Acquisition

- From January to February in 2021, the Group added a total of **10** land parcels, with an aggregate land premium of approximately **RMB 5.7 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.)
Land Acquisitions from January to February 2021								
Blocks B-5-03 and B6-1-03, Standard Zone B, Yunzhushan District, Banan District, Chongqing	Chongqing	Second-tier	Chongqing	Midwest China	61,500	84,367	126,551	4,860
Plot on the northeast side of the intersection of Suxi Avenue and Longqi Road, Suxi Town	Yiwu	Third-tier	Zhejiang	Yangtze River Delta	150,020	47,709	124,043	12,094
Plot on the south side of Wenchang Road, Chengnan, Xinghua	Xinghua	Third-tier	Jiangsu	Yangtze River Delta	44,062	31,036	62,071	7,099
Block 2020-20, Northwest Area, Wuwei City, Wuhu	Wuhu	Third-tier	Anhui	Yangtze River Delta	58,000	81,041	137,770	4,210
Plot 1 south of Beier Road and east of Kangyang Road, Dongcheng District, Dongying	Dongying	Third-tier	Shandong	Pan-Bohai Rim	43,000	122,265	146,718	2,931
Plot TP030218 on Chengdong Street	Taizhou	Third-tier	Zhejiang	Yangtze River Delta	9,300	4,458	8,916	10,431
P (2020) 01 Plot, Dongcheng District, Xiaogan	Xiaogan	Fourth-tier	Hubei	Midwest China	46,674	65,509	189,975	2,457
Phase II plot of Guobin No.1, Old Town, Enshi	Enshi	Fourth-tier	Hubei	Midwest China	4,829	16,942	55,909	864
Plot DEA2020074 in Shangrao City Centre	Shangrao	Fourth-tier	Jiangxi	Western Taiwan Straits	129,200	88,643	212,743	6,073
Plot G21014, Chengbei Plate, Daye City	Huangshi	Fourth-tier	Hubei	Midwest China	22,520	39,238	121,639	1,851
Total					569,105	581,208	1,186,334	4,797



Company profile

Headquartered in Shanghai, Zhongliang Holdings is a fast-growing real estate developer with annual contracted sales over RMB100 billion. 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 standardized 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

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