

## Contracted Sales

### First Five-month Contracted sales rose 76% to RMB75.8 bn, firmly retaining a position among Top 20 developers

- From January to May 2021, the Group achieved contracted sales (including those from joint ventures and associated companies) of approximately RMB75.8 billion, representing a YoY increase of approximately 76% and contracted GFA of approximately 6,084,100 sq.m., representing a YoY increase of approximately 57%. Contracted average selling price was increased by 12% YoY to approximately RMB12,500 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.
- In May 2021, the Group achieved contracted sales of approximately RMB13.7 billion, representing a YoY decrease of approximately 9%. Contracted GFA decreased by 22% to approximately 1,131,600 sq.m with contracted ASP increased by 16% to approximately RMB12,100 per sq.m.
- Ranked 20<sup>th</sup> in CRIC's Top 100 Chinese Real Estate Enterprises by first 5 months sales, firmly retaining a position among Top 20 developers.

## News Updates

### Fitch Upgrades Zhongliang's Outlook to 'Positive' from 'Stable'

- On 28 May 2021, **Fitch Ratings** ("Fitch") has revised Zhongliang Holdings' rating outlook to 'Positive' from 'Stable'; reflecting Zhongliang's improved contracted sales scale and sustained consolidated leverage improvement. Fitch affirmed Zhongliang's senior unsecured rating at 'B+' rating with a Recovery Rating of RR4. Zhongliang's 'B+' rating reflects its geographically diversified landbank, attributable contracted sales, revenue and amount of implied cash collected are comparable with that of 'BB' category homebuilders.

FitchRatings

RATING ACTION COMMENTARY

### Fitch Revises Outlook on Zhongliang to Positive; Affirms at 'B+'

Fri 28 May, 2021 - 上午 9:46 ET

Fitch Ratings - Hong Kong/Shanghai - 28 May 2021: Fitch Ratings has revised the Outlook on China-based homebuilder Zhongliang Holdings Group Company Limited's Long-Term Issuer Default Rating (IDR) to Positive, from Stable, and has affirmed the rating at 'B+'. Fitch has also affirmed the senior unsecured rating at 'B+' rating with a Recovery Rating of RR4.

The Positive Outlook reflects Zhongliang's improved contracted sales scale, which is now comparable with that of 'BB' category homebuilders. The group's projects are spread across five core economic regions in China, mitigating regional economic and policy risk. Zhongliang adopts an ultra-fast-turn model and aims to begin sales soon after acquiring land, leading to efficient use of capital. Proportional consolidated leverage has been well controlled in the past three years, supported by higher trade payables and non-controlling interests.

We will consider positive rating action upon a sustained consolidated leverage improvement, an available cash/short-term debt ratio above 1x and no deterioration in cash collection.

### Guotai Junan Issued Initiation report on Zhongliang Holdings with "Buy" Rating

- On 7 May 2021, **Guotai Junan Securities** published a research report, initiating coverage on Zhongliang with a "Buy" rating at the target price of HK\$7.20. It forecasts the Company's total revenue and shareholders' net profit to grow at a CAGR of 14.9% and 10.2% during 2020-2023 respectively, and anticipating that dividend payout ratio will stay at approx. 40% in the coming years. Zhongliang Holdings has grown into one of the leading property developers in China. Nationwide land bank layout plus flexible and accurate investment strategy jointly constitute long-term competitiveness. Alongside timely rotation of regional and city property development, property sales will maintain healthy sell-through levels. At the same time, Zhongliang's continued development in ESG will further promote optimization in governance structure and green product upgrade.

**国泰君安证券**  
GUOTAI JUNAN SECURITIES

Company Report: Zhongliang Holdings (02772.HK) 中文版: (021) 2021 2140  
 中梁控股 (02772.HK) Chinese version: csm.hq.gtja.com.cn

**Sustained Leading Edge Amid Steady Growth, Initiate With 'Buy'**  
 稳健增长中保持领先地位，给予“买入”

Rating: Buy  
 Target Price: HK\$7.20

Item	2020	2021E	2022E	2023E
Revenue (RMB bn)	1,076	1,176	1,321	1,477
Net Profit (RMB bn)	1,040	1,106	1,241	1,397
EPS (RMB)	0.407	0.436	0.481	0.529
Dividend Yield (%)	1.06	1.06	1.06	1.06
Dividend Payout Ratio (%)	26.0	26.0	26.0	26.0

## News Updates

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### Successful Debut Issuance of US\$300 Million Green Senior Notes

- On 11 May 2021, Zhongliang Holdings has successfully issued the first US\$300 million green senior notes due in 2022 at an interest rate of 8.5% per annum. Previously, Zhongliang Holdings has released its Sustainable Finance Framework which emphasizes the product philosophy featuring “culture, comfort, health, green, science and technology”, reflecting the Group's active commitment to corporate environmental responsibility.

### Zhongliang Holdings Continues to be Ranked among Forbes Global 2000

- On 13 May 2021, Zhongliang Holdings was placed at 1032 in Forbes' latest edition of the Global 2000, backed by its steady development and continued positive performance, rose 179 spots from last year.

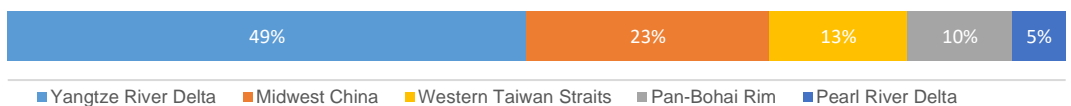


排名	公司	国家和地区
1032	China Huarong Asset Mgt	China
1048	Anita Sports Products	China
1050	Jiangsu Hengrui Medicine	China
1023	China Southern Airlines	China
1026	Huadian Power Internat	China
1027	Faxi Money Information	China
1032	Zhongliang Holdings	China
1035	Luzhou Lao Jiao	China
1046	China Molybdenum	China
1067	Jiangsu Yanghe Therapy	China

## Land Acquisition

- From January to May in 2021, the Group added a total of **57** land parcels, with an aggregate land premium of approximately RMB **33.8** 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 from January to May 2021</b>								
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
Plot on the east side of Shengting Garden, Xiting Town, Nantong	Nantong	Third-tier	Jiangsu	Yangtze River Delta	38,367	38,367	57,157	6,712
Plot D-21, Huichanghe Unit, Core Area of Wenzhou	Wenzhou	Second-tier	Zhejiang	Yangtze River Delta	99,290	15,939	44,789	22,169
Block D18-1-A, Chengdong New District, Kunyang Town, Pingyang District	Wenzhou	Second-tier	Zhejiang	Yangtze River Delta	45,261	35,736	74,970	6,037
Block D18-1-B, Chengdong New District, Kunyang Town, Pingyang District	Wenzhou	Second-tier	Zhejiang	Yangtze River Delta	45,379	37,611	75,222	6,033
South Block of Wuyue Plaza, North Lake Block, New District, Changchun	Changchun	Second-tier	Jilin	Pan-Bohai Rim	32,029	32,029	77,835	4,115
Plot [2020] 022 Changsha County, Changsha	Changsha	Second-tier	Hunan	Midwest China	20,607	37,799	113,398	1,817
Block 55, Chengbei, Shangyu District, Shaoxing	Shaoxing	Third-tier	Zhejiang	Yangtze River Delta	143,470	62,591	101,398	14,149
Plot 20-12, Jiangnan Street, Linhai, Taizhou	Taizhou	Third-tier	Zhejiang	Yangtze River Delta	78,610	69,164	104,962	7,489
Plot 2020-18, Taian Tianping Hunan	Taian	Third-tier	Shandong	Pan-Bohai Rim	37,597	37,597	75,194	5,000
Plot on the south side of Zhongyang Avenue and the east side of Guorui Hospital, Longhu	Shantou	Third-tier	Guangdong	Pearl River Delta	108,800	62,425	249,652	4,358
Block B-1-3 (40 acres) on the north side of Guilui Road, Chengzhong District, Liuzhou	Liuzhou	Third-tier	Guangxi	Midwest China	23,245	26,836	53,671	4,331
Plot No. 2021JC-1 and 2 of Nanchuan Industrial Park, Xining	Xining	Third-tier	Qinghai	Midwest China	136,113	136,113	351,131	3,876
Plot (2020) 02, Dongcheng District, Xiaogan	Xiaogan	Third-tier	Hubei	Midwest China	41,137	41,137	157,487	2,612
Plot YDXG-2010, Yanhu District, Yuncheng	Yuncheng	Third-tier	Shanxi	Midwest China	53,868	53,868	167,899	3,208
Block 2020-14, Yingzhou District, Fuyang	Fuyang	Fourth-tier	Anhui	Yangtze River Delta	86,055	86,055	244,123	3,525
Plot 2021-2, Lucheng District, Luohe	Luohe	Fourth-tier	Henan	Midwest China	53,921	53,921	188,075	2,867
Plot 01, Lianjiang County, Fuzhou [2021]	Fuzhou	Second-tier	Fujian	Western Taiwan Straits	48,500	25,699	59,108	8,205
Plot G10-02/02-1, Huaiyuan New District Group, Tongliang District, Chongqing	Chongqing	Second-tier	Chongqing	Midwest China	30,366	61,345	92,018	3,300
Xinyang Road North, North Block, Yancheng	Yancheng	Third-tier	Jiangsu	Yangtze River Delta	73,433	27,755	72,163	10,176



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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.)
North Plot of Yongyi Road, Jingjiang Chengnan Park	Taizhou	Third-tier	Jiangsu	Yangtze River Delta	87,832	70,210	140,420	6,255
27 acres East of Guizhou Avenue, Cang County, North of Tianjin Road	Cangzhou	Third-tier	Hebei	Pan-Bohai Rim	12,918	17,793	33,908	3,810
54 acres East of Guizhou Avenue and South of Xining Road, Cang County	Cangzhou	Third-tier	Hebei	Pan-Bohai Rim	29,792	36,310	80,478	3,702
Plot LC-05-07, East of Jingchuan Avenue, Old Town, Jing County	Xuancheng	Third-tier	Anhui	Yangtze River Delta	44,480	69,716	111,545	3,988
Shucheng Plot 2021-04	Lu'an	Third-tier	Anhui	Yangtze River Delta	18,224	53,054	79,581	2,290
56 acres of China Fortune Land Development in Hangfu Town, Shucheng County	Lu'an	Third-tier	Anhui	Yangtze River Delta	10,558	37,438	67,388	1,567
West Block of Beihai Road, Economic Development Zone, Weifang	Weifang	Third-tier	Shandong	Pan-Bohai Rim	19,323	45,520	122,904	1,572
Dengzhou City DT (2021) No. 3	Nanyang	Third-tier	Henan	Midwest China	21,021	63,701	159,252	1,320
81 acres South of Yuhua West Road, Taocheng District, Hengshui	Hengshui	Fourth-tier	Hebei	Pan-Bohai Rim	22,988	53,773	135,479	1,697
Block J2020P03 on the South side of Xiamen, Jimei Fuyou	Xiamen	Second-tier	Fujian	Western Taiwan Straits	188,000	19,978	59,900	31,385
Impressions of Liang Yurong in Fuqing Datang	Xiamen	Second-tier	Fujian	Western Taiwan Straits	67,800	25,835	67,171	10,094
Block A above Wangfuzhuang, Huaiyin District, Jinan	Jinan	Second-tier	Shandong	Western Taiwan Straits	101,500	145,869	204,217	4,970
Block H12-2/02, Shuangfu New District, Jiangjin District, Chongqing	Chongqing	Second-tier	Chongqing	Midwest China	33,100	51,249	102,498	3,229
Block T08-2/04, Block T, Division T, Banan Jieshi Group, Chongqing	Chongqing	Second-tier	Shandong	Western Taiwan Straits	32,901	47,039	70,559	4,663
Block S43-2/01, S43-3/01, S41-3/01, S48-1/01 Division S, Banan Jieshi Group, Chongqing	Chongqing	Second-tier	Chongqing	Midwest China	79,993	94,061	179,036	4,468
Ciguan Haiwei I 201906-A plot, Ningbo	Ningbo	Second-tier	Zhejiang	Yangtze River Delta	112,327	74,956	164,903	6,812
South of Yancheng Chengbei Hardware and Electrical City	Yancheng	Third-tier	Jiangsu	Yangtze River Delta	181,000	65,428	170,113	10,640
Block C, East of Huajin South Road, Yijiang District, Wuhu	Wuhu	Third-tier	Anhui	Yangtze River Delta	101,375	65,773	131,547	7,706
Plot on East of the intersection of Shangcheng Road and Shangfo Road, Shangxi Town	Jinhua	Third-tier	Zhejiang	Yangtze River Delta	94,000	34,986	90,963	10,334
Plot TD2021 (NH)WG0016 in the "Dakeng Bridge" area of Shijie Village, Guanyao Social Management Office, Shishan Town, Foshan	Foshan	Third-tier	Guangdong	Pearl River Delta	76,341	43,166	107,915	7,074
Zhonghong Block, Hetu East Road, Mengjin County, Luoyang	Luoyang	Third-tier	Henan	Midwest China	15,323	48,552	121,305	1,263
Plot A North of Yuqing West Street and East of Yiyuan Road, Weicheng District, Weifang	Weifang	Third-tier	Shandong	Pan-Bohai Rim	32,423	51,588	128,970	2,514
107 acres South of Bohai Road, Bohai New District, Cangzhou	Cangzhou	Third-tier	Hebei	Pan-Bohai Rim	14,550	71,362	102,268	1,423
Plot 1, Xindai West Road South and Shanghai Road East, Xinyi Development Zone	Xuzhou	Third-tier	Jiangsu	Yangtze River Delta	34,088	49,034	122,585	2,781
Plot 3, Xindai West Road South and Shanghai Road East, Xinyi Development Zone	Xuzhou	Third-tier	Jiangsu	Yangtze River Delta	32,340	45,440	113,600	2,847
68 acres of Swallow Nest, Shunqing District, Nanchong	Nanchong	Third-tier	Sichuan	Midwest China	38,481	45,567	82,021	4,692
77 acres of Swallow Nest, Shunqing District, Nanchong	Nanchong	Third-tier	Sichuan	Midwest China	48,342	51,155	112,542	4,295
Plot 14, Bengbu City High-speed Rail Plate (2021)	Bengbu	Fourth-tier	Anhui	Yangtze River Delta	60,400	148,904	260,891	2,315
Total					3,376,572	3,207,255	6,870,544	4,915

## 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 65 million sq.m. as at 31 December 2020. We have 480 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 153 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.

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