



Zhongliang Holdings Group Company Limited

中梁控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2772)

**Zhongliang Holdings Successfully Issues US\$250 Million Senior Notes
Oversubscribed by Five Times with Improving Financial Structure**

(18 June 2020 – Hong Kong) Zhongliang Holdings Group Company Limited (“Zhongliang Holdings” or the “Group”, stock code: 2772) is pleased to announce its successful issuance of US\$250 million 8.75% senior notes due in 2021. The total subscription for the bonds receiving enthusiastic market response amounted to US\$1.25 billion during the peak, oversubscription of approximately five times; the net proceeds will be used for refinancing for the Group’s existing debt.

The joint-global coordinators, joint bookrunners and joint lead managers are all authoritative investment banks, including UBS, BOC International, CCB International, China CITIC Bank International, Credit Suisse, Deutsche Bank, Goldman Sachs (Asia), Guotai Junan International, Morgan Stanley, Nomura and Standard Chartered Bank.

Fitch Ratings has assigned the 364-day senior notes a 'B+' rating which is the first ever rating on short-term notes. Zhongliang's ratings are underpinned by its contracted sales scale, which is comparable with 'BB' category homebuilders. As of the end of 2019, the Group had a total of 458 projects, covering 142 cities in China’s five core economic zones, an effective way to counter regional economic and policy risks, with its land bank expanding since 2019 to include more second-tier and promising third-tier cities. Fitch indicated Zhongliang Holdings’ strong sales growth as one of top 20 property developers in China, and estimated that its EBITDA will edge up to approximately 20% during 2020-21.

Zhongliang Holdings is committed to optimising its financial structure and expanding its financing channels. Following its first successful issuance of USD-denominated bonds of US\$400 million last September, the Group raised more than US\$420 million in offshore market between February and March this year, including USD notes and bilateral loans from Hang Seng Bank. In onshore market, the Group received a no objection letter from the Shenzhen Stock Exchange for RMB4,000 million in supply chain financing in March and April, before obtaining another such letter for RMB340 million

of sales receivable ABS in June, further expanding its financing channels and supplementing its liquidity. This time, the Group once again successfully issued US\$250 million of short-term debt with a lower annual interest rate of 8.75%; therefore, it is expected the Group's financing costs will gradually decline in the future.

As of 31 December 2019, Zhongliang Holdings' net gearing ratio was 65.5%, relatively low amongst property developers with over RMB100 billion in sales scales. Meanwhile, the Group successively received recognition from international rating agencies including Fitch Ratings, Moody's, S&P Global Ratings and Lianhe Ratings Global, which fully demonstrates the capital market's recognition for the Group's credibility and confidence in its development prospects, laying a solid foundation for it to expand its financing channels going forward.

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 and nationwide real estate developer with over RMB100 billion in contracted sales. In both 2019 and 2020, we were consecutively recognised as one of the TOP 20 real estate developers 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 strive to become one of the leading comprehensive real estate developers in China. We offer three standardised product series,-targeting first-time property purchasers and first- and second-time upgraders. By virtue of approximately 20 years of experience in China's real estate industry and our regional expansion strategy, we have an total land bank of about 57 million sq.m as of 31 December 2019, with a product portfolio of 458 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 142 cities in 23 provinces and municipalities.

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

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