



Zhongliang Holdings Group Company Limited

中梁控股集團有限公司

(於開曼群島註冊成立的有限公司)

(股份代號：2772)

Zhongliang Holdings Announces Positive Profit Alert Core Net Profit Attributable to Shareholders Significantly Increase 80-100%

(2 March 2020 – Hong Kong) **Zhongliang Holdings Group Company Limited** (“Zhongliang Holdings”, together with its subsidiaries, the “Group”; Stock Code: 2772) is pleased to announce that based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2019, the Group is expected to record a significant increase of around 80%-100% in the core net profit attributable to shareholders. The increase was primarily attributable to the increase in the total gross floor area delivered to buyers in respect of the Group’s property development business during the period.

With diversified and defensive quality land bank, Zhongliang Holdings continuously expands its business empire at a steady pace and has established a stable market position. The Group primarily focuses on the Yangtze River Delta Region and gradually optimises its land portfolio, with focus coverage on tier- 2 and tier-3 cities. Among the total gross land purchase in 2019, 53% was located in tier-2 cities. Besides, Zhongliang Holdings achieved contracted sales of approximately RMB152.5 billion in 2019, representing a YoY increase of approximately 50%, exceeding full year sales target by 17%, its total sales increased steadily and ranked 19th in 2019 CRIC China property sales ranking.

The Group has obtained ‘BB’ global scale Long-term Issuer Credit Rating with Stable Outlook by Lianhe Global on 28 February 2020, which reflects the high level of recognition from the international capital market for the Group. Lianhe Global recognises that Zhongliang Holdings has a strong market position and actively implements its urban upgrade and shifting to higher-tier cities while primarily focuses on the Yangtze River Delta Region. In addition, Lianhe Global expects the Group to gradually reduce its proportion of trust loans and improve its short-term debt ratio, in order to optimise its capital structure. After initially issuing US\$400 million bonds of interest rate 11.5% last September, the Group successfully issued another US\$250 million short-term bond with an annual interest rate of 8.75% in early February. The interest rate was lower than before, which implies that the Group’s future financing costs is expected to decrease.

Mr. Yang Jian, the Chairman of Zhongliang Holdings Group Company Limited, stated that Zhongliang Holdings is one of fast-growing Top 20 real estate developers in China with a national footprint, with the rigorous land acquisition decisions process, balanced regional layout and continuously optimized debt and capital structure, the Group is confident to maintain the quality growth in scale continuously. The Group will seize the market opportunities and continue to expand and deepen its presence in cities of various tiers, to create and maximise values to shareholders and

investors.

** Core net profit represents the net profit excluding changes of fair value of investment properties and financial assets at fair value through profit or loss, foreign exchange gains/losses and listing expenses, net of deferred tax.*

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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 nationwide real estate developer with 100 billion contracted sales. In 2019, we are recognized 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 the development of residential properties and strive to become one of the leading comprehensive real estate developers in China.

We offer three standardized product series, namely, the Shanti, the Glory and the Royal series (「香」系列、「御」系列及「國」系列), targeting first-time purchasers, first-time upgraders and second-time upgraders. By virtue of approximately 19 years of experience in China's real estate industry and regional expansion strategy, we have total attributable land bank of about 53 million sq.m as at 30 June 2019. By the end of June 2019, we have a product portfolio of 385 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 139 cities in 23 provinces and municipalities.

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

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