



## **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 is Added to “Hang Seng Composite LargeCap & MidCap Index” and “Hang Seng Stock Connect Hong Kong Index”**

(8 November 2019- Hong Kong) **Zhongliang Holdings Group Company Limited** (“Zhongliang Holdings” or the “Group”, stock code: 2772) is pleased to announce that the Group is included in “Hang Seng Composite LargeCap & MidCap Index”, “Hang Seng Stock Connect Hong Kong Index” and “Hang Seng Stock Connect Hong Kong MidCap & SmallCap Index” in the results of the 2019Q3 review of the Hang Seng Family of Indexes, with effect from 9 December this year, expecting the Group to be included in “Stock Connect” for southbound trading. Domestic investors can directly trade the stocks within the “Stock Connect” through their domestic securities accounts which may expand the shareholder base of Zhongliang Holdings and enhance its stock volatility.

### **Accomplished 88% of the full year sales target in the first ten months of the year and newly acquired land in second-tier cities accounted for 50%**

In the first ten months of 2019, the Group has achieved 88% of full year sales target, with contracted sales of approximately RMB114.5 billion, representing a YoY increase of approximately 40% which is higher than the total amount of last whole year. The contracted ASP amounted to approximately RMB10,400 /sq.m in the first ten months of the year. The Group will continue to expand its business presence in a stable manner. At the same time, the Group is gradually improving its landbank portfolio, with coverage shifting to second-tier cities from third- and fourth-tier cities. During the first ten months of 2019, the Group added a total of 115 land parcels, with an aggregate land premium of approximately RMB59.2 billion. Among which, 50% are located in second-tier cities, 40% in third-tier cities, and only 10% in fourth-tier cities.

### **Initiated by Essence which affirmed its clear dividend payout policy**

In early November, Essence International issued initiation report of Zhongliang Holdings. According to the report, although a large portion of its landbank is located in low-tier cities, many of the lands are across in the regions with stronger economic power, such as the Yangtze River Delta. And the Group tends to achieve higher asset turnover rate with smaller scale of projects. After shifting the focus to top-tier cities since the second half of 2018, the risks of projects are under control. Essence International also indicated that Zhongliang Holdings will be revaluated with improving financing cost in the future. The Group was firstly assigned a “Buy” rating from Essence International. The report also stated that the clear dividend payout policy will be 40% of its core net profit, with a dividend yield of 10%, which is higher than peer level, showing that the Group has confidence in the cash flow level.

The management of Zhongliang Holdings said, the Group was successfully included in the a series of indexes

including “Hang Seng Composite LargeCap & MidCap Index”, “Hang Seng Stock Connect Hong Kong Index”, “Hang Seng Stock Connect Hong Kong MidCap & SmallCap Index”, “Hang Seng SCHK Mainland China Companies Index” and “Hang Seng SCHK ex-AH Companies Index” in less than four months after listing. It is a full recognition of the capital market for asset quality and financial performance of Zhongliang Holdings. In the future, the Group will continue to diversify channels and optimize financial structure.

In August, the Group obtained a credit rating of “B+” with a stable outlook by Fitch Ratings, a credit rating of “B1” with a stable outlook by Moody’s, and a credit rating of “B+” with a stable outlook by S&P. Also, the Group successfully issued US\$300 million debut notes in September with 2.5 times oversubscription and has been added to “Hang Seng Composite MidCap Index” in November and will be included in “Stock Connect” in the following December. Above achievements reflect the Group meets the requirements of the HKEx for market capitalization and turnover in a short period of time, indicating a strong endorsement of international and Hong Kong capital markets for Zhongliang Holdings.

### **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 have recently started to develop, operate and manage commercial properties.

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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