



众安集团

ZHONG AN GROUP

(Stock Code: 672.HK)

# 2022 Interim Results

Zhong An Group Limited

Braving Difficulties Seeking Changes

众享美好生活

TO ENJOY  
A BETTER LIFE



# CONTENT

01

Results Highlights

02

Financial Review

03

Business Operations

04

Development Strategy

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01

## Results Highlights

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# Results Highlights in 1H2022

2022 top 10 real estate development enterprises in Zhejiang Province

83rd 2022 top 500 comprehensive strength of real estate development enterprises

2022 Chinese Mainland listed real estate companies in Hong Kong Top 10 for financial soundness

ESG BB level enterprise

2022 top 10 investment value of Chinese Mainland listed real estate companies in Hong Kong

## Quality newly added land bank

**523,903** sq.m GFA

**80%** in Hangzhou

## Total land bank

**10.44** mn sq.m GFA

**87%** Located in the Yangtze River Delta Economic Dynamic Area

## Cooperation with banks to accelerate growth

**RMB7 bn**

**M&A Credit line**


Agricultural Bank of China  
Zhejiang Branch

Focus on supporting the M&A and restructuring of Zhongan in residential, commercial, property and hotel segments

## Revenue growth

Revenue  **156.2%** → RMB5.08 bn

GPM **34.0%** Industry high level

Profit for the period  **106.9%** → RMB70.2 mn

Basic earnings per share **RMB2.44** cents

## “Three red lines” remains green camp

**67.9%** asset-liability ratio (excluding advance receipts)

**82.9%** net gearing ratio

**1.65x** cash to short-term debt ratio

02

## Financial Review

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## Summary of Profit or Loss

(RMB'000)	1H2022	1H2021	YoY Change
Revenue	<b>5,077,587</b>	1,982,203	↑ 156.2%
Gross profit	<b>1,726,106</b>	628,421	↑ 174.7%
Gross profit margin	<b>34.0%</b>	31.7%	↑ 2.3%
Profit before tax	<b>1,086,995</b>	230,997	↑ 370.6%
Profit for the period	<b>70,231</b>	33,950	↑ 106.9%
Profit attributable to owners of the parent	<b>137,660</b>	12,430	↑ 1007.5%
Non-controlling interests	<b>-67,428</b>	21,520	
Basic earnings per share	<b>RMB2.44 Cents</b>	RMB0.22 Cents	↑ 1009.1%

For the six months ended 30 June

- Revenue from sales of properties was approx. RMB4,744.1 mn, representing a year-on-year increase of approx. 187.9%, mainly due to the increase in delivery of projects as compared to the corresponding period of last year.

Note :

1. Total cash = cash and cash equivalents + restricted cash

2. Net gearing ratio = (interest bearing liabilities - cash and cash equivalents - restricted cash) / total equity

## Summary of Financial Position

(RMB'000)	30 June 2022	31 Dec 2021
Total assets	<b>60,019,674</b>	57,240,309
Total liabilities	<b>47,833,267</b>	45,310,225
Total equity	<b>12,186,407</b>	11,930,084
Total cash <sup>1</sup>	<b>7,230,185</b>	7,895,697
Total interest-bearing borrowings	<b>17,329,719</b>	16,993,861
Debt to asset ratio after advance receipts	<b>67.9%</b>	66.9%
Net gearing <sup>2</sup>	<b>82.9%</b>	76.3%
Cash to short-term debt	<b>1.65x</b>	2.18x

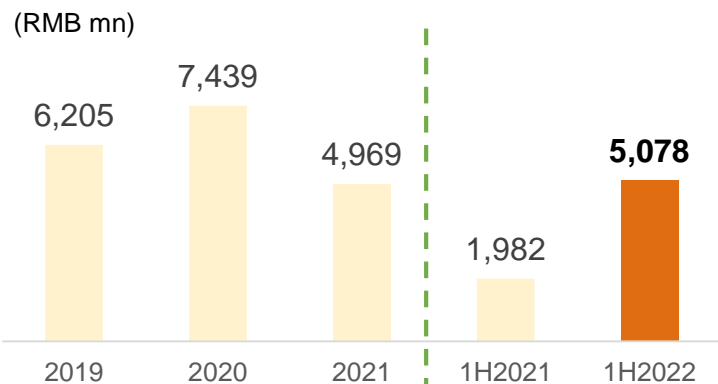
Maintained a solid liquidity position:

- Current ratio: 1.37x
- Interest-bearing loans to total assets ratio: 29%
- Net gearing ratio: 82.9%

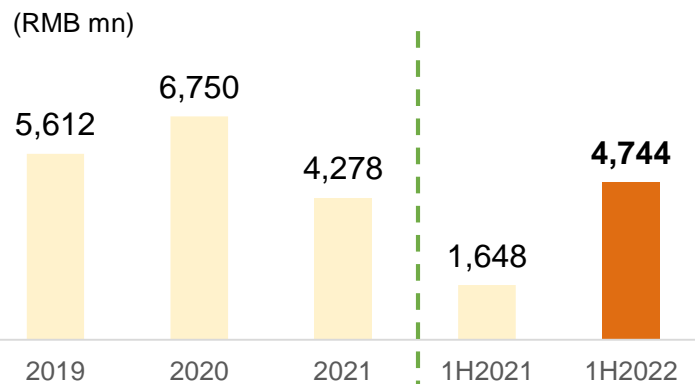
# Growing Revenue and Profit

Revenue in 1H2022 amounted to RMB5.08 bn, GPM 34.0% maintained industry high level

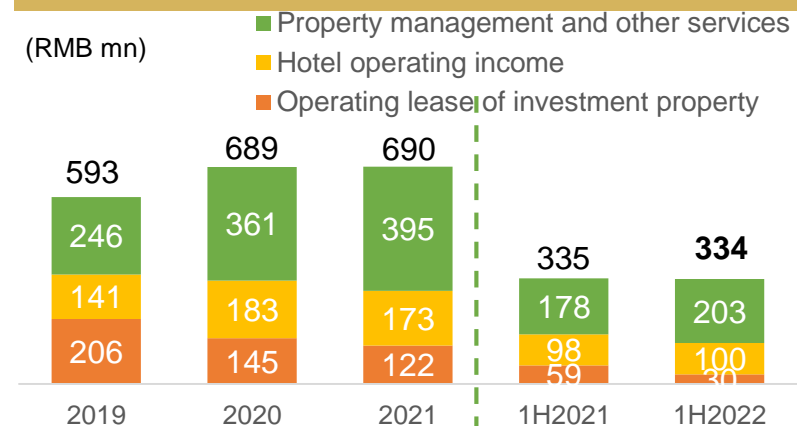
## Revenue



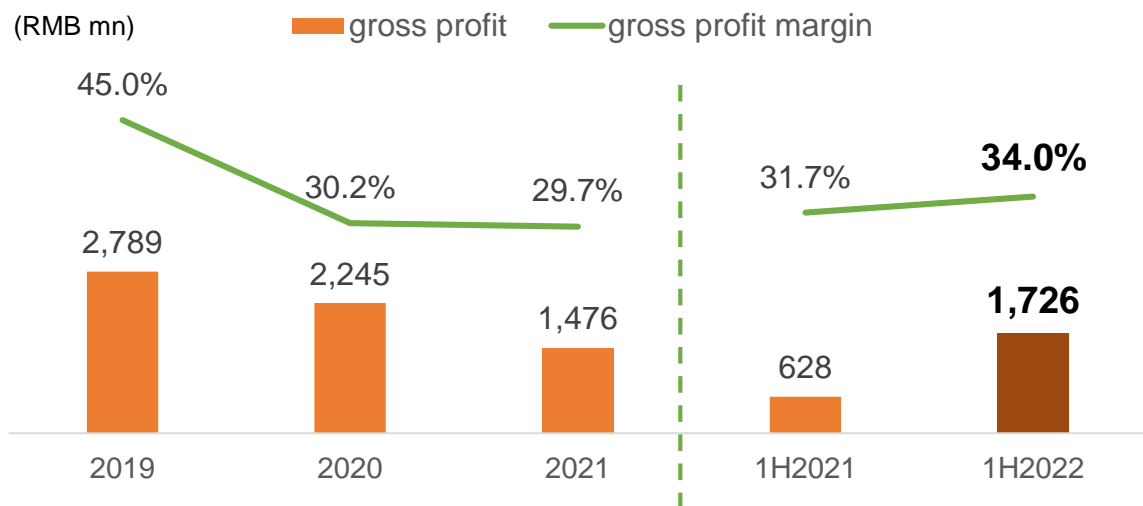
## Recognised Sales



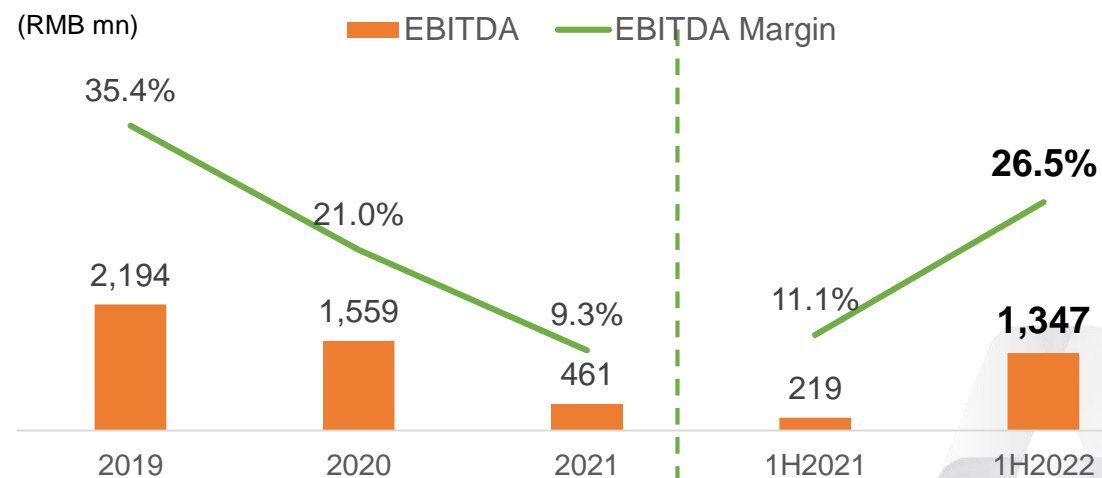
## Operating Income<sup>1</sup>



## Gross Profit and Gross Profit Margin



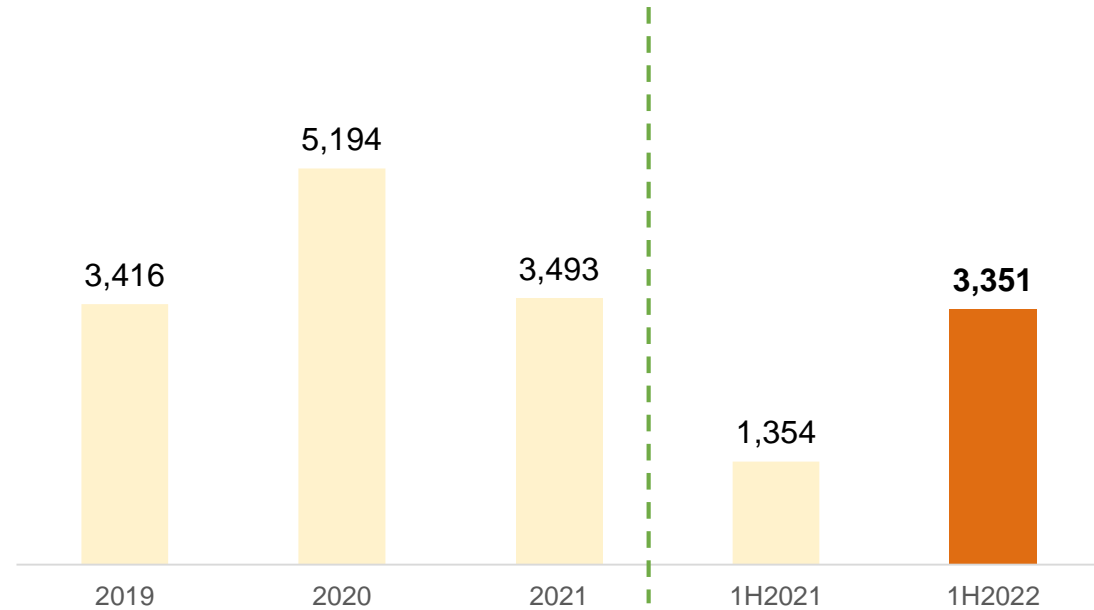
## EBITDA and EBITDA Margin



Note: 1. Operating income includes income generated from investment property operating leases, hotel operation, property management and other services.

## Cost of Sales

(RMB mn)

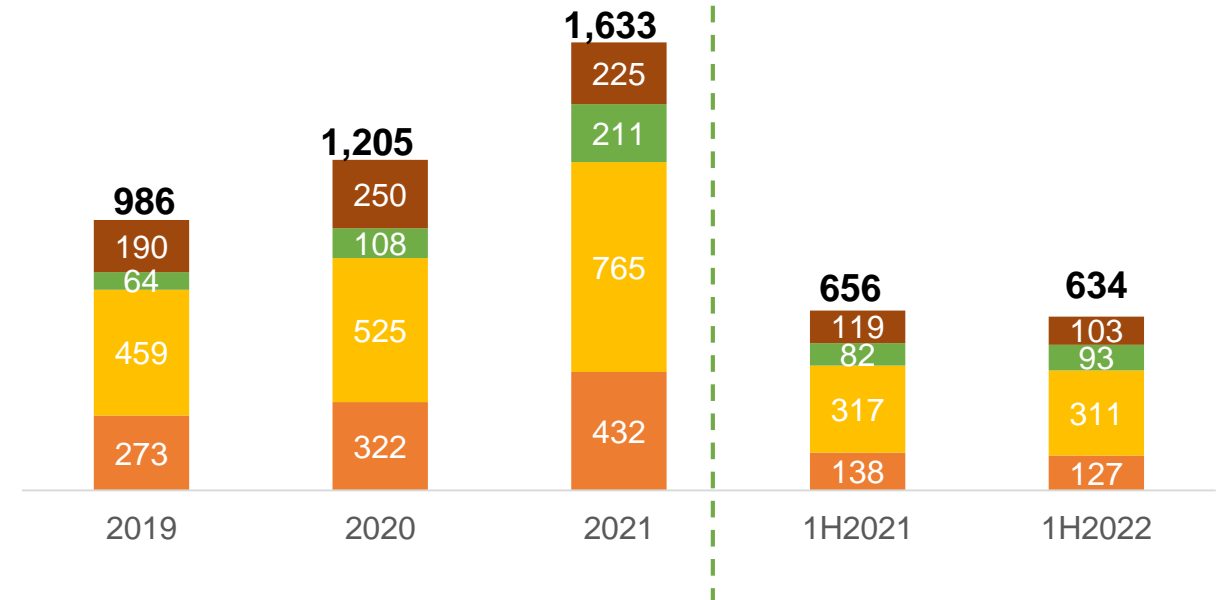


- The increase in the cost of sales was due to the increase of properties delivered this period as compared to the corresponding period of last year.
- Further tap the potential of cost control and improve profitability utilizing the strategic centralized purchase of bulk materials and equipment, cost responsibility system, budget limit control, etc.

## Selling and distribution expenses, administrative expenses and finance costs

(RMB mn)

■ Sales and distribution expenses    ■ Administrative expenses  
■ Other expenses    ■ Financial expenses



- Effective cost control kept the following expenses in a stable range.
- Selling and distribution expenses decreased by 7.9% year-on-year.
  - Administrative expenses decreased by 1.9% year-on-year.
  - Finance costs decreased by 13.2% year-on-year, mainly due to the increase in the amount of interest capitalized during the period.

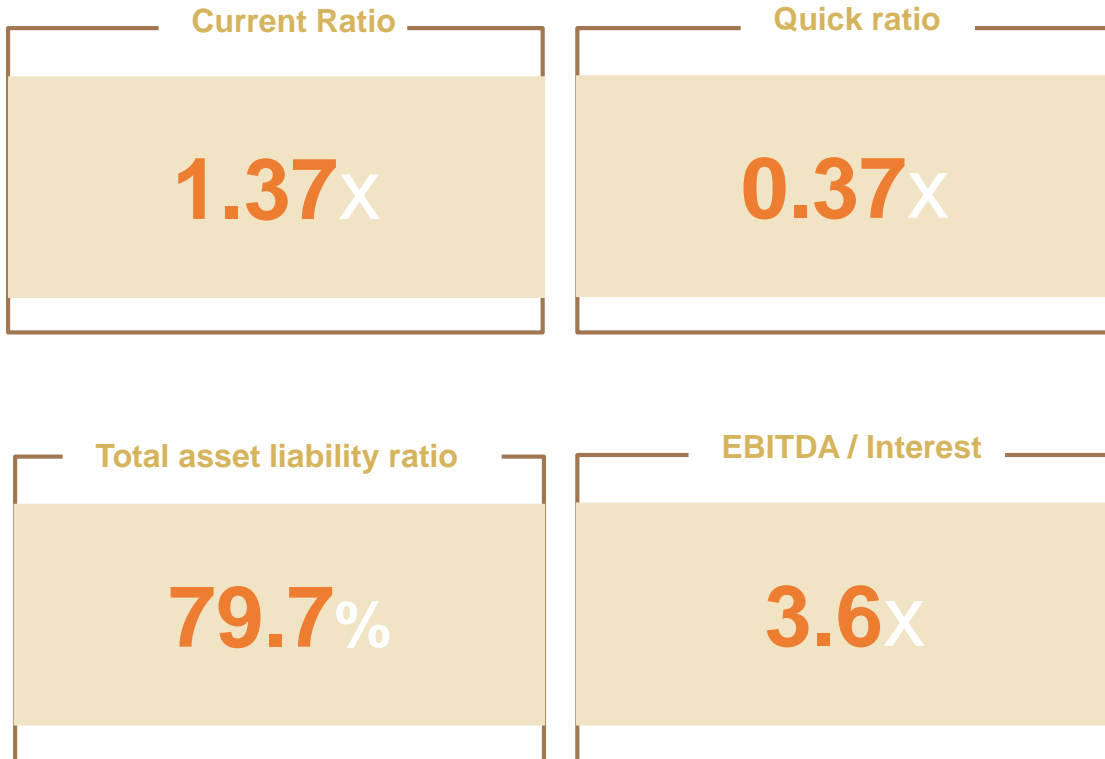


# Healthy Balance Sheet

Interest cost can be covered from interest income by adhering to financial self-discipline and maintaining sufficient liquidity. The “Three Red Lines” remains green as ever

## Key financial ratios

(倍)

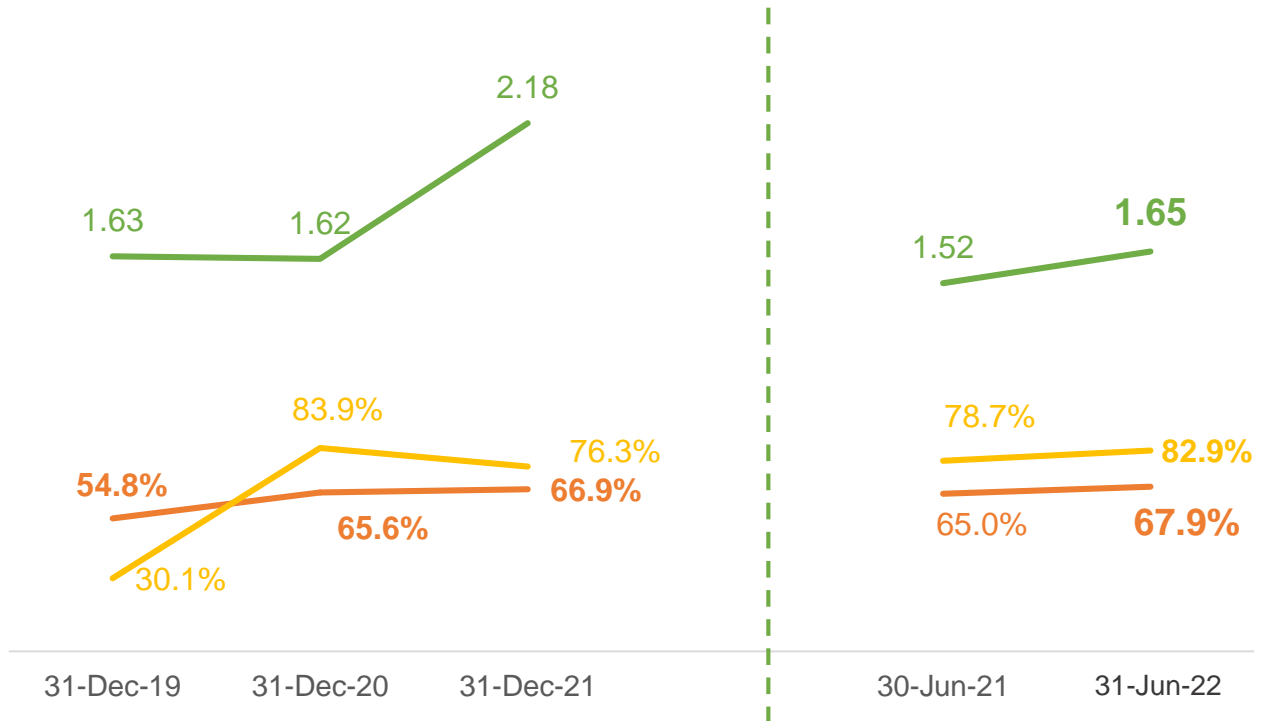


Note :

1. Current Ratio = Current Assets / Current Liabilities
2. Quick ratio = (current assets - Completed properties held for sale - Property under development - inventory - Investment property) / Current Liabilities
3. Total asset-liability ratio = Total liabilities / total assets

## “Three red lines” Indicator

— Debt to asset ratio after advance receipts — Net gearing — Cash to short-term debt

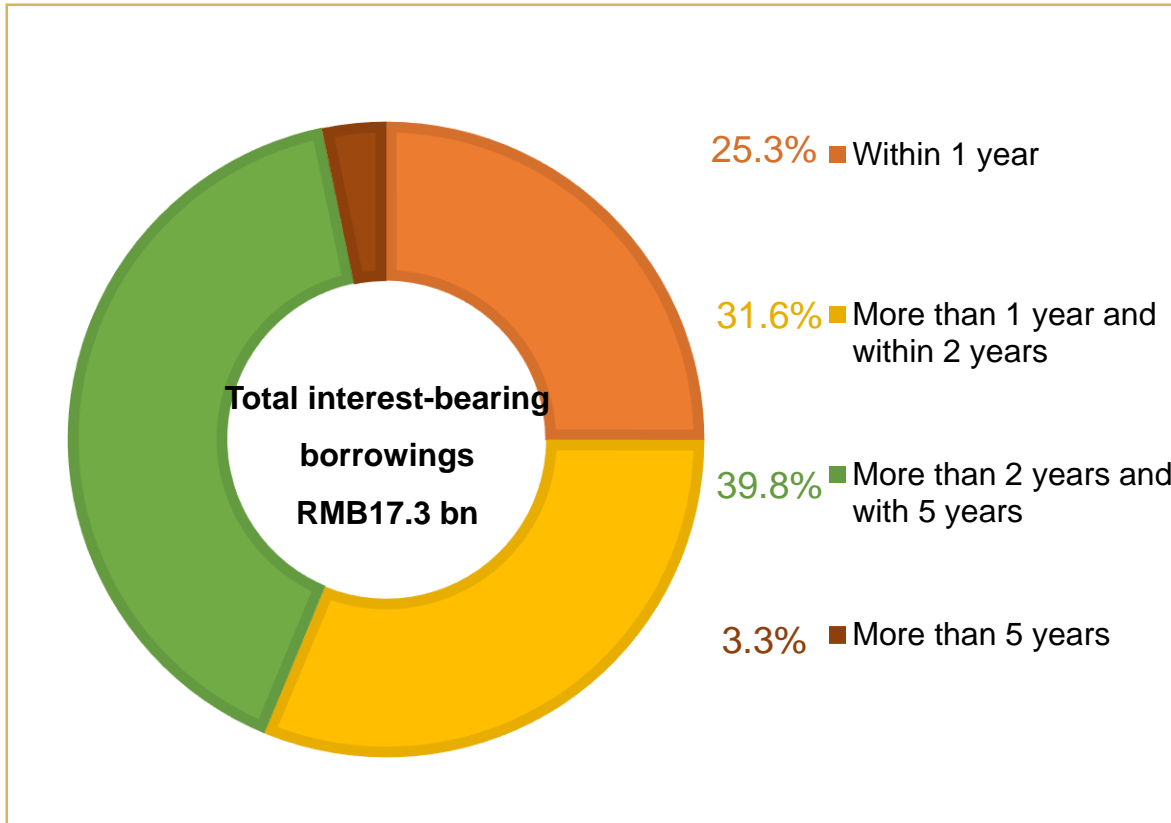


Note :

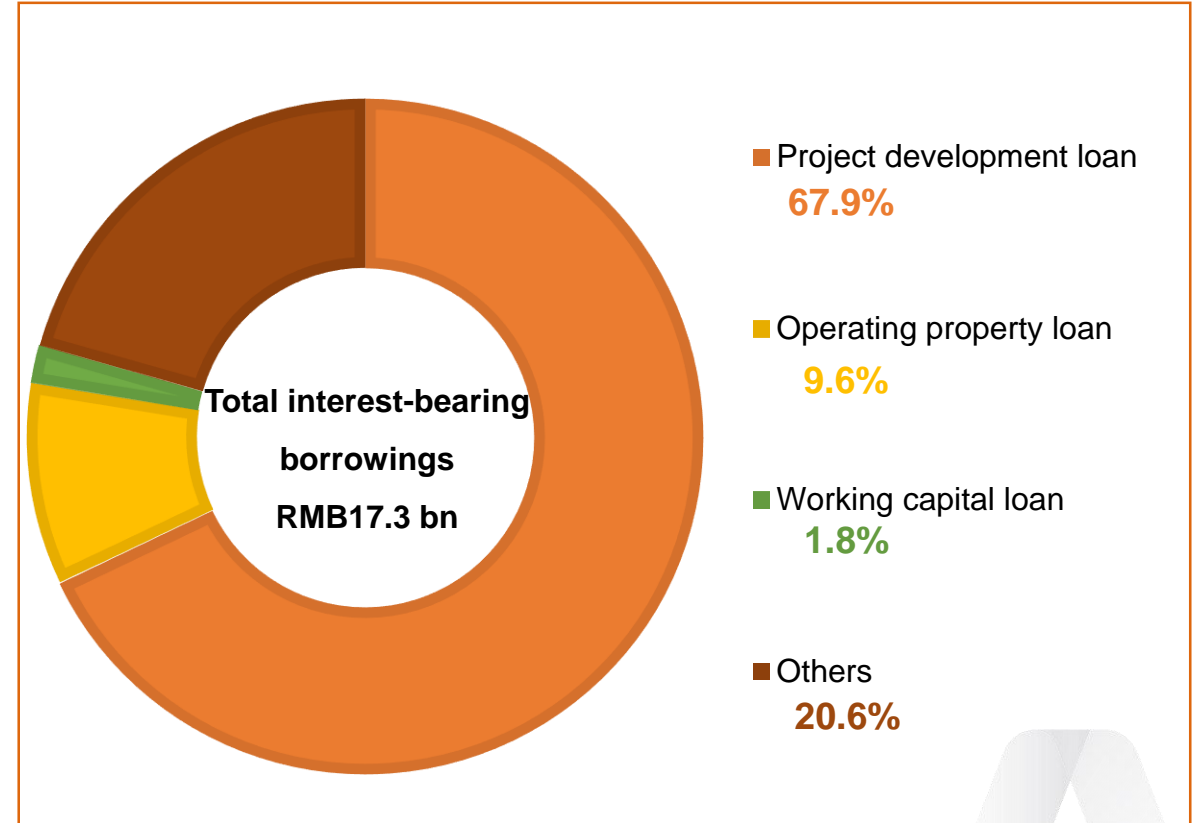
1. Debt to asset ratio after advance receipts = (total liabilities – advance receipts) / (total assets – advance receipts)
2. Net gearing ratio = (interest-bearing liabilities - cash and cash equivalents - restricted cash) / total equity
3. Cash to short-term debt ratio = (cash and cash equivalents + restricted cash) / short-term borrowings

- As at 30 June 2022, interest-bearing borrowings were approx. RMB17.3 bn, mainly bank loans and operating property loans
- An average effective rate of 5.8% (31 December 2021: 6.2%)

## Debt Structure Analysis - by Maturity



## Debt Structure Analysis by Type of Loan



03

## Business Operations

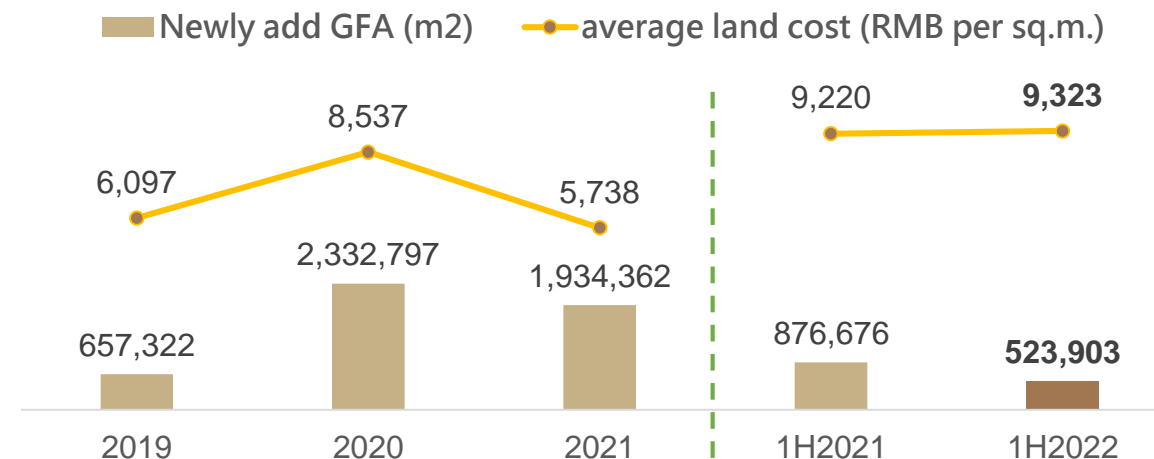
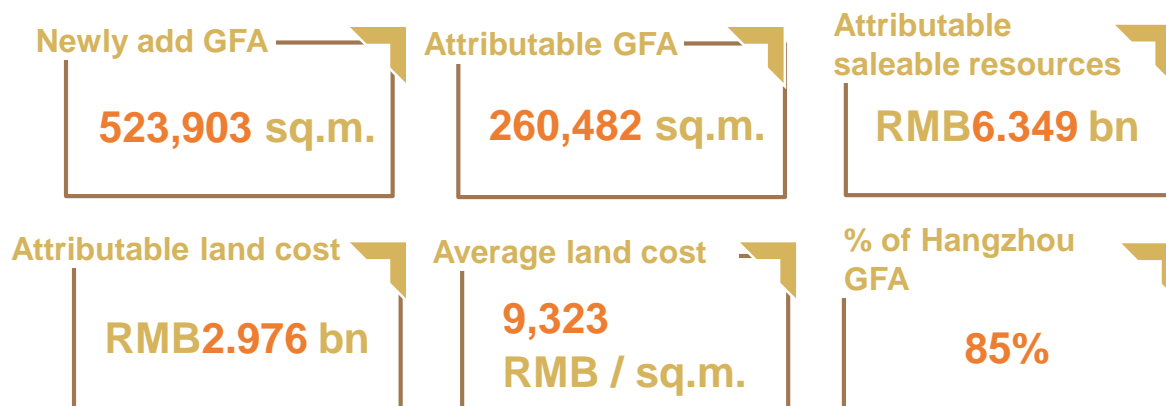
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# Newly Add Landbank in 1H2022: mainly in Hangzhou, Zhejiang Province

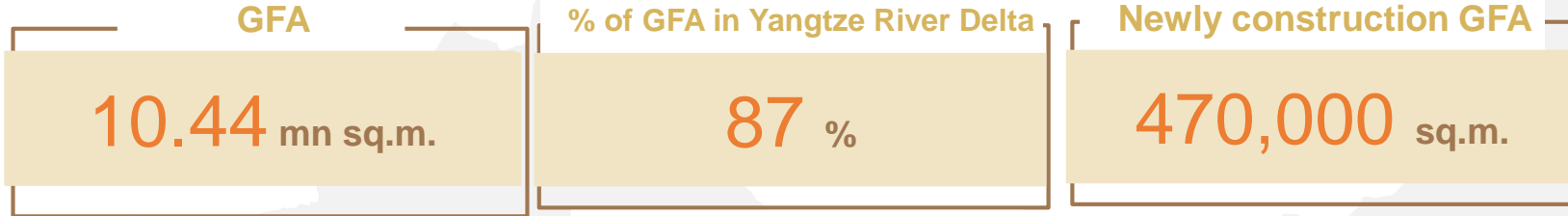


7 new parcels of lands and RMB10.5 bn saleable resources

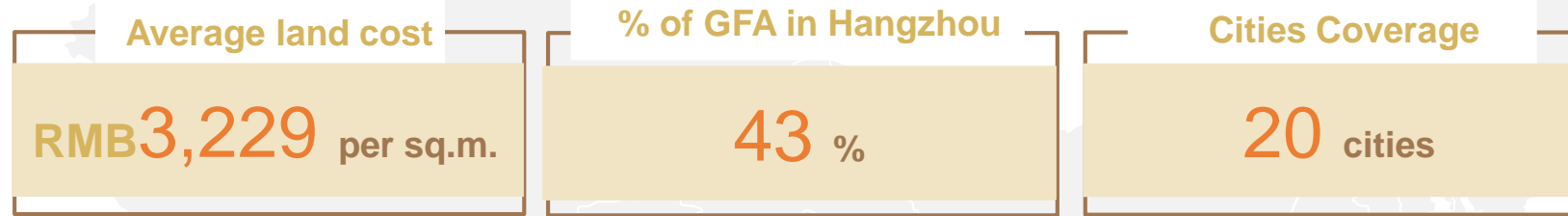


Land parcels name	Land parcels location	% of interest	Site area (sq.m.)	GFA (sq.m.)	Land cost (100 mn)	Average land cost (RMB per sq.m)	Land use
1 Large Harbor bridge Project	Xihu District, Hangzhou	21.6%	21,336	74,676	4.25	5,692	Commercial
2 Chenyue Land	Liandu District, Lishui	30.6%	52,293	104,583	5.50	5,259	Residential
3 Chuyue Mansion	Xiaoshan District, Hangzhou	100%	18,641	41,010	6.89	16,799	Residential
4 Zecui Ju	Xiaoshan District, Hangzhou	100%	39,973	71,951	4.68	6,500	Residential
5 Weikechenming Mansion	Yuhang District, Hangzhou	50%	70,802	127,444	14.70	11,536	Residential
6 Lan Lotus Mansion	Xihu District, Hangzhou	65%	19,802	43,564	10.05	23,061	Residential
7 Zhangyuan Mansion	Xiaoshan District, Hangzhou	51%	24,270	60,675	2.78	4,582	Residential
<b>Subtotal</b>			<b>247,117</b>	<b>523,903</b>	<b>48.85</b>		

# Abundant Land Bank In the Yangtze River Delta Economic Area



**Base in Hangzhou**  
Mainly cover Yangtze River Delta Economic Area

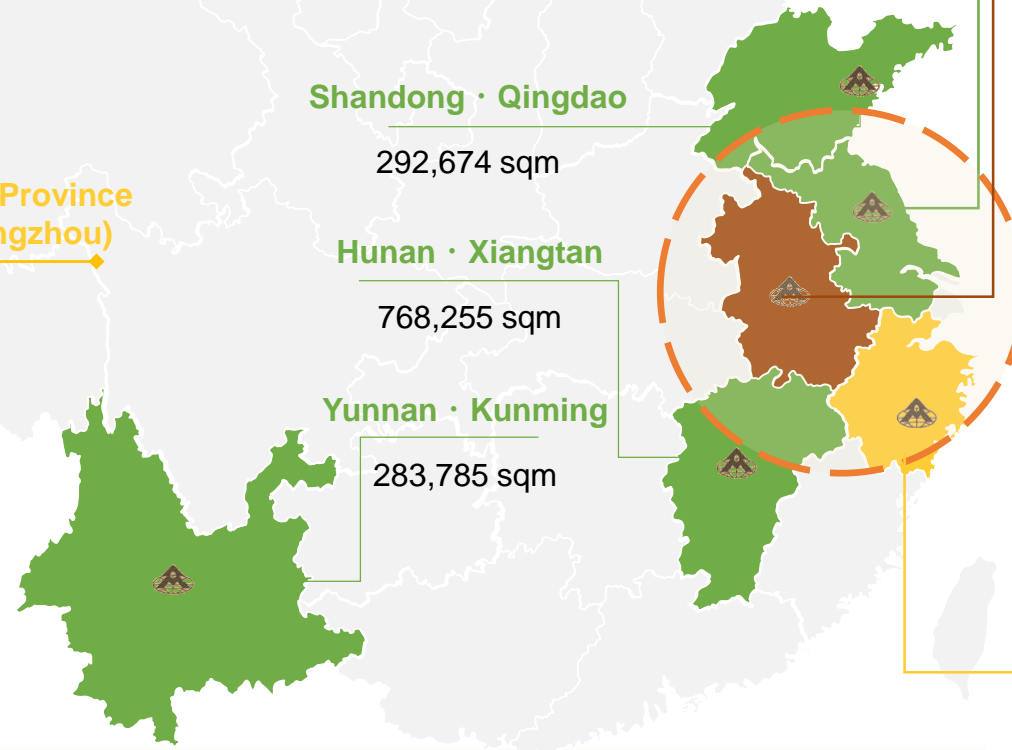
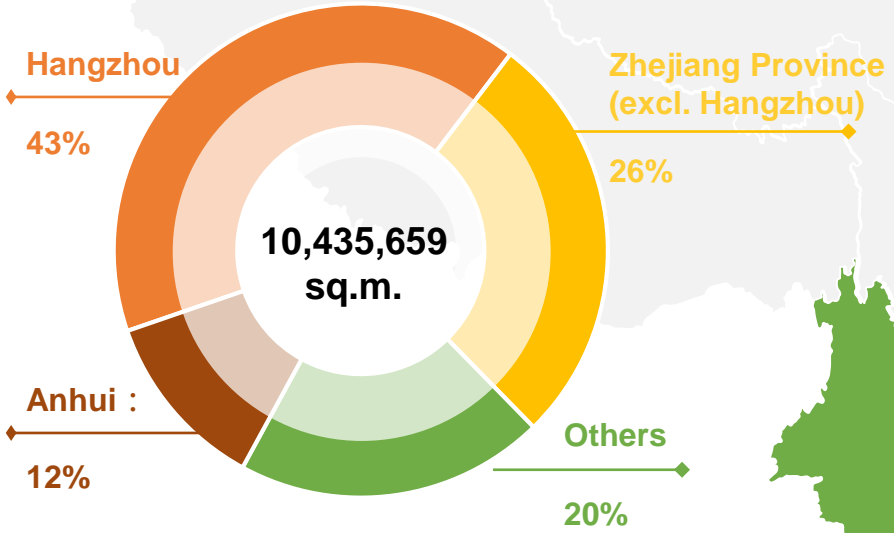


Jiangsu: 3 cities		
Nanjing	Wuxi	Xuzhou
154,297 sq.m.	47,923 sq.m.	562,371 sq.m.

Anhui: 2 cities	
Hefei	Huabei
673,870 sq.m.	556,026 sq.m.

Zhejiang: 11 cities				
Hangzhou		4,385,103 sq.m.		
Yuyao	Cixi	Ningbo	Lishui	Yiwu
254,479 sq.m.	18,279 sq.m.	111,013 sq.m.	401,487 sq.m.	192,739 sq.m.
Wenzhou	Shaoxing	Zhoushan	Quzhou	Taizhou
834,575 sq.m.	369,920 sq.m.	44,968 sq.m.	106,250 sq.m.	369,926 sq.m.

**GFA by regions**



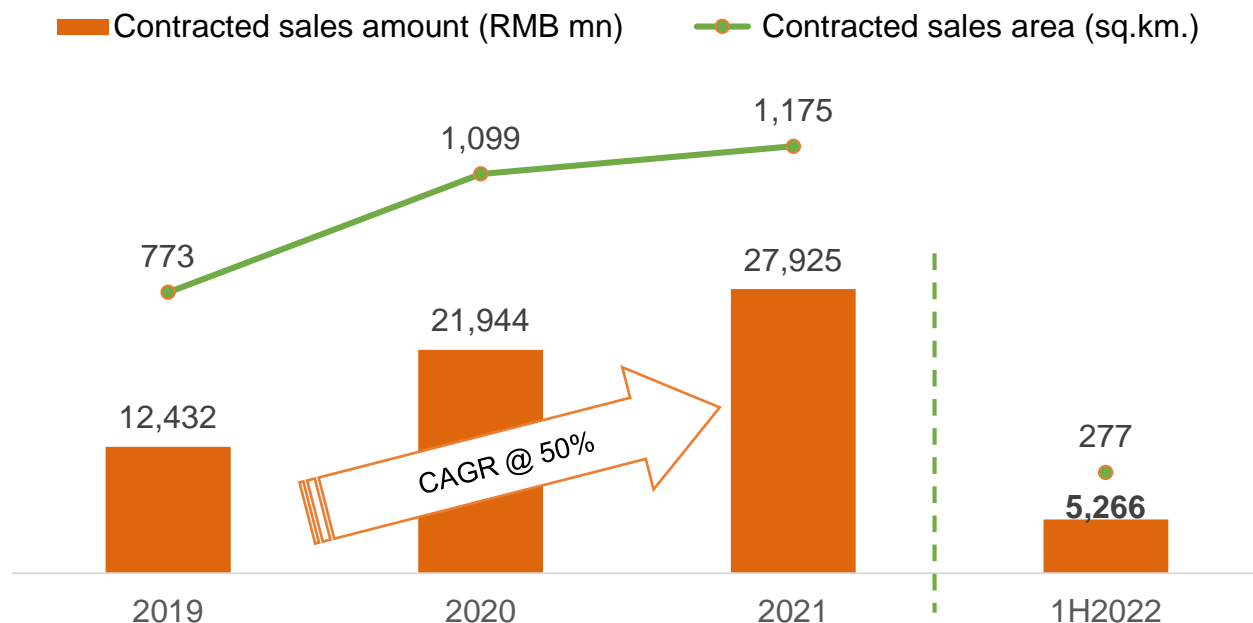
# Contracted Sales: Cash Collection Maintains at Industry level

In 1H2022, cash collection exceeded RMB8.54 bn, cash collection rate was 162%

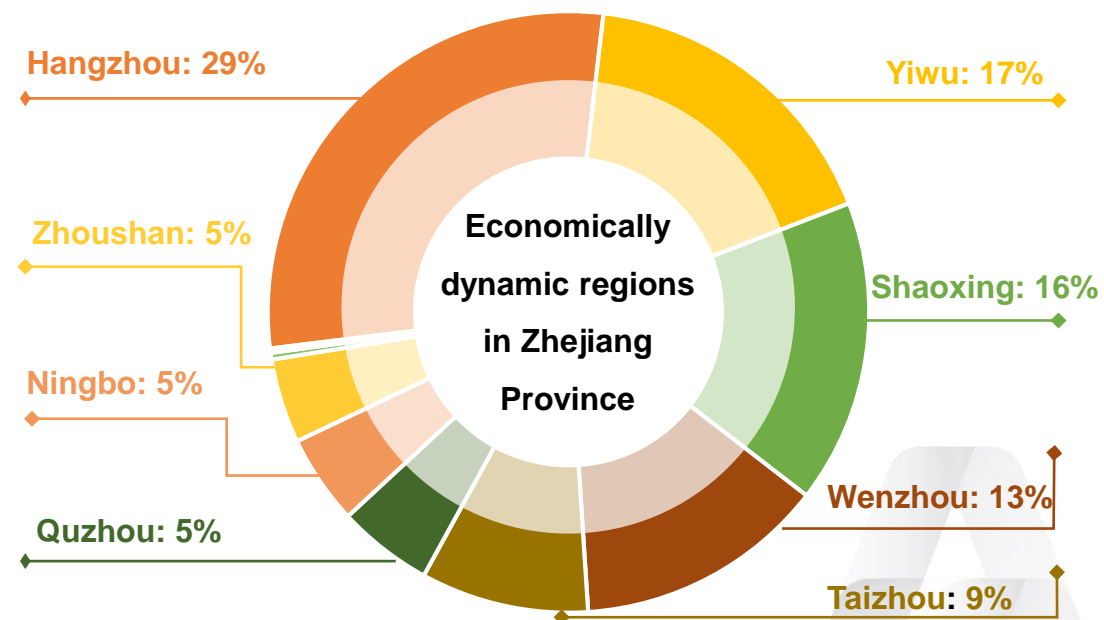
Contract sales about RMB5.27 bn, about 92% comes from economically dynamic regions in Zhejiang Province

Sales amount	Area of sales	ASP	Cash collection amount	% of Zhejiang contracted sales
RMB5.27 bn	277,000 sq.m.	RMB19,025 per sq.m.	RMB8.54 bn	92%

## Analysis of contract sales amount and area



## Contracted sales in Zhejiang Province



\*Projects of the contracted sales other than those in Zhejiang Province are mainly located in Anhui (5%), Jiangsu (1%), Qingdao (1%) and Kunming (1%).

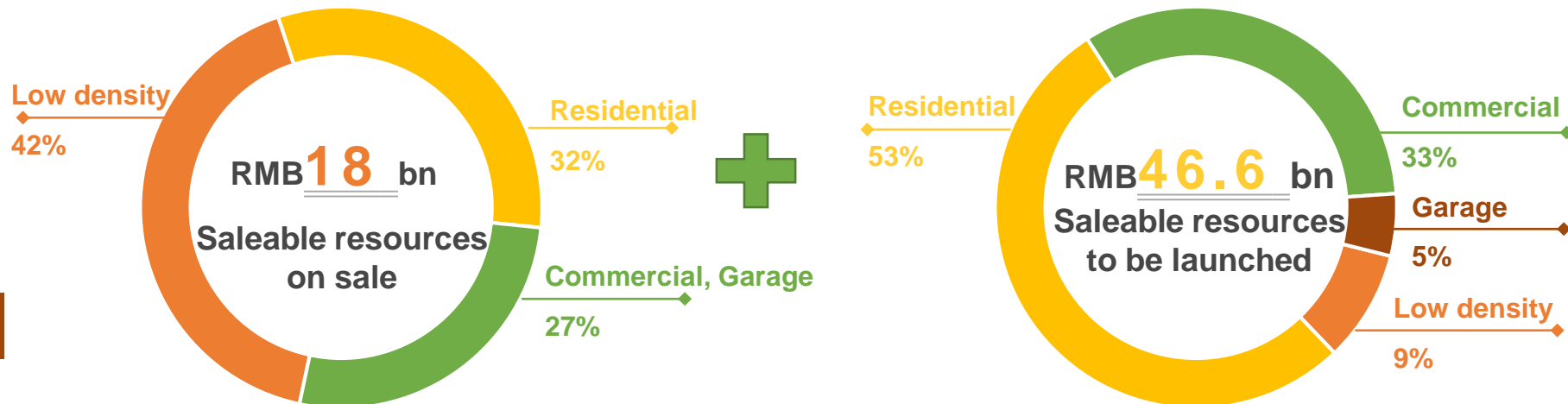
# Ample Saleable Resources

As of 30 June 2022, remaining saleable resources were approx. RMB64.6 bn, approx. 43% was in Hangzhou, Zhejiang Province

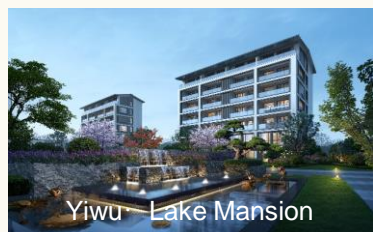
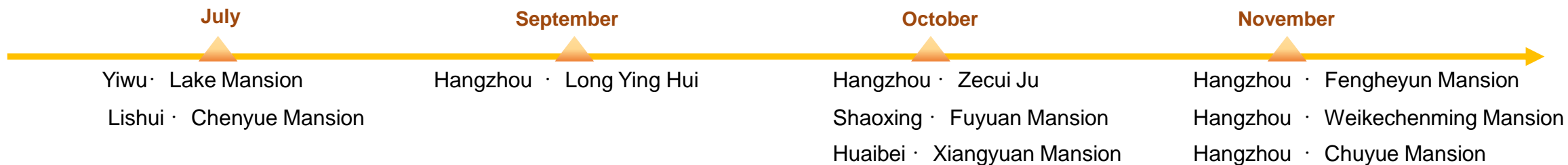
**RMB64.6 bn**

Overall remaining saleable resources

6%	43%	30%	20%
Late	On sale	To be launched	To be developed



## Projects to be launched in 2H2022





# Five Residential Product Series by Hangzhou Craftmanship

Adhere to the Hangzhou craftsmanship, quality first,  
to cultivate five-product series: mansion series, idyllic series, future city series, new city, future community to create diverse lifestyle



## Awards

Customer satisfaction  
in 2022\*

**85.3%**

Industry average 75%

Customer loyalty in  
2022\*

**68.7%**

Industry average 57.8%

### Mansion Series

- Featuring high-rise and villa
- City core, living facilities, convenient transportation

Hangzhou · Lotus Mansion



### Idyllic series

- Featuring Chinese courtyard
- Inheritance of Oriental Culture

Hangzhou · Xiyuan



### Future City series

- Future core area of city
- Benchmark of rigid demand products

Jiangyin · Future City



### New City

- Core section of urban transportation hub
- Create TOD complex

Qingdao · Qingdao New City



### Future City

- Key government projects
- New urbanization construction project

Qingdao · Zhong An Future City



Wenzhou · Zhong An Future City



Taizhou · Zhong An Future City



Note: according to the 2022 China real estate customer satisfaction survey report of China Index Academy.



# Stable Leasing of Investment Properties

Upgrade products, rebranding, make every effort to build influential products

Investment Property

12

Floor Area of  
Investment Property

332,468 sq.m.

Investment Property  
Rent out ratio

75 %

Hangzhou : 7

Shanghai : 1

Ningbo : 3

Yiwu : 1

## Investment property list

Name	Location	Floor Area (m <sup>2</sup> )
1 Hangzhou-Guomao Financial Tower	Center of Xiaoshan District	12,225
2 Hangzhou-Comprehensive Service Center	Center of Xiaoshan District	5,913
3 Hangzhou · Zhong An Square	Center of Xiaoshan District	63,889
4 Hangzhou-Landscape Garden	Center of Xiaoshan District	8,781
5 Hangzhou-Zhong An Hidden Dragon Bay Shopping Mall	Xianghu New Town, Xiaoshan District	17,814
6 Hangzhou-Xixi New City	Xihu District, Hangzhou City	17,092
7 Hangzhou-Zhong An International Office Center (IOC) A3	Qiangjian Century Town, Xiaoshan District	59,306
8 Shanghai-Yi Le Xuan	Xuhui District, Shanghai City	341
9 Ningbo · Zhong An Square	Core Area of Yuyao City	92,489
10 Ningbo-Zhong An Time Square Phas 1	Core Area of Yuyao City	2,160
11 Ningbo-Zhong An Time Square Phas 2	Core Area of Yuyao City	6,648
12 Yiwu · Zhong An Square	Core Area of Yiwu	45,812
<b>Total</b>		<b>332,468</b>



- Cooperate with top artists to create a trendy benchmark.
- The upgrading and transformation will be completed by 1 October 2022.



- Adjust to be "trendy and experience-oriented plaza". OK Billiard Club has opened and introduced new energy vehicles such as GAC Aian New Energy Vehicle.
- Women's clothing hall will be opened in the second half of the year after a new upgrade.



- Carry out the theme of "national pride & ecology", and create a new way of life that is avant-garde, cool and fun.
- Grand opening on 23 September 2022.



- Present the concept of boundless aesthetic show, focus on fashion and social life, and strengthen community bonds.
- Upgrade completed and reopened on 30 July 2022.

# Hotel operations: Strengthen digitization and brand building

Product upgrading: focusing on medium to high-end hotels, integrating elements such as ancient style and local culture, to strengthen brand name of Bright Hotel, a nationwide popular hotel brand.



Holiday Inn Hangzhou Xiaoshan

GFA: 36,000 sq.m.



Qiandao Lake Bright Resort Hotel

GFA: 46,691 sq.m.



Ningbo Bright Hotel

GFA: 65,000 sq.m.



Huaibei Bright Hotel

GFA: 67,061 sq.m.



In the face of the normalization of epidemic prevention and control, actively adjust marketing strategies, and relied on its own membership system to incubate the Tiktok we media account matrix.



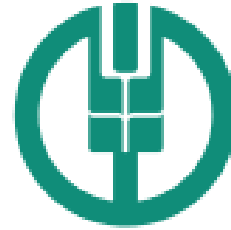
In response to the two major pain points of catering ingredients and labor under the epidemic, we joined hands with Michelin 3-star chefs to launch Berit's "Yangmingxuan Theme Culture Restaurant" catering brand and Berit's "12 Tastes of Star Selection" signature dishes in May, which is a comprehensive upgrade of catering products.



Linking the Group's resources, accelerating the functional integration of community hotels, and building a multi-system development model through food processing plants (OEM model), food delivery to door, and travel agencies.

# Grasp M&A Opportunities, Improve Growth Quality

In March 2022, the Zhejiang branch of Agricultural Bank of China signed the Strategic Cooperation Agreement on M & A Businesses with Zhong An Group, granting a financing facility of RMB7 bn for M & A intention, in particular to support M & A and restructuring in residential, commercial, property and hotel segments



Zhejiang branch of Agricultural Bank of China will grant Zhong An Group a financing facility of RMB7 bn, on the premise of meeting the capital needs of Zhong An Group's business development, for M&A intention to support Zhong An Group to accelerate the development of the upstream and downstream business through M&A;



Provide Zhong An Group with high-quality comprehensive financial services in credit approval, capital settlement, agency business, and wealth management.

*Strategic Cooperation Agreement on M & A Businesses*



On the site



04

## Development Strategy

众享美好生活

TO ENJOY  
A BETTER LIFE

# Service Provider to Build a Better Life: Well Community, home for the heart

In January 2022, the Zhong An “Well Community” system was officially launched.

In multi-dimensional scene, quality space, education growth, community operation, social welfare, etc., it realizes the all-round development of individuals in the community and explores the ideal model of a new generation of communities.



Diversified business development  
Build the yearning of the times

## Diversification

- Commercial operation
- Entrepreneurial support
- Educational growth
- Health Empowerment



Hangzhou Craftmanship  
Up to the top standard

## Products

- Respect for land value
- Rich and diversified product design
- Inheritance of craftsmanship of Hangzhou Craftmanship
- Organic renewal of urban space

## Services

Safe living  
Life cycle service system



Rich scene experience  
Grow together with children

## Ananhu paradise

- Vigorous sports
- Nature class
- Artistic aesthetics
- Parenting



Reshape neighborhood bondings  
Construct contemporary community

## Zhongle community

- Creation Camp
- Fun fair
- Enjoy the season
- Enjoy the family

## Shared Space



Sports space



Shared Space



Children's space



Elders' space



Neighborhood space



Take corporate responsibility  
to give back to society

## Social responsibility

- Stamen plan
- Ivy League plan
- Warm sun plan
- Military-civilian joint construction
- Rural vitalization
- Fight against epidemic situation





In 2017, Zhong An Charity Foundation was established with the purpose of "All hearts together to love the world".

Since its establishment, it has invested more than RMB800 mn in various public welfare undertakings.

A matrix of three major projects has been formed, namely, education assistance, orphan poverty alleviation and medical assistance.



## Stamen Plan

- Provide better education and teaching environment for children with difficulties
- A series of innovative public welfare activities and donations



## Warm Sun Project

- Help frontline social groups, such as firemen, martyrs' families, disabled people, construction workers, etc
- Financial assistance, medical assistance, sympathy and companionship, etc

## Ivy League Project

- Subsidize poor students
- Provide professional internships and job opportunities



## Epidemic prevention and disaster relief

- Set up a RMB10 mn fund for pandemic
- Donations for typhoon, flood and earthquake resistance



05

## Appendix

# Consolidated Statement of Profit or Loss



众安集团  
ZHONG AN GROUP

RMB'000	For the six months ended 30 June	
	1H2022	1H2021
<b>Revenue</b>	<b>5,077,587</b>	1,982,203
Cost of sales	<b>(3,351,481)</b>	(1,353,782)
<b>Gross profit</b>	<b>1,726,106</b>	628,421
Other income and gains, net	<b>178,891</b>	188,775
Selling and distribution expenses	<b>(126,896)</b>	(137,809)
Administrative expenses	<b>(311,155)</b>	(317,272)
Other expenses	<b>(92,931)</b>	(82,089)
Finance costs	<b>(102,932)</b>	(118,509)
Changes in fair value of investment properties	<b>(95,590)</b>	(13,786)
Share of profits /(losses) of:		
Joint ventures	<b>(7,528)</b>	108,988
Associates	<b>(80,970)</b>	(17,681)
<b>Profit before tax</b>	<b>1,086,995</b>	230,997
Income tax expense	<b>(1,016,764)</b>	(197,047)
<b>Profit for the period</b>	<b>70,231</b>	33,950
Attributable to:		
Owners of the parent	<b>137,659</b>	12,430
Non-controlling interests	<b>(67,428)</b>	21,520
Earnings per share attributable to equity holders of the parent		
Basic and diluted	<b>RMB2.44 Cents</b>	RMB0.22 cents

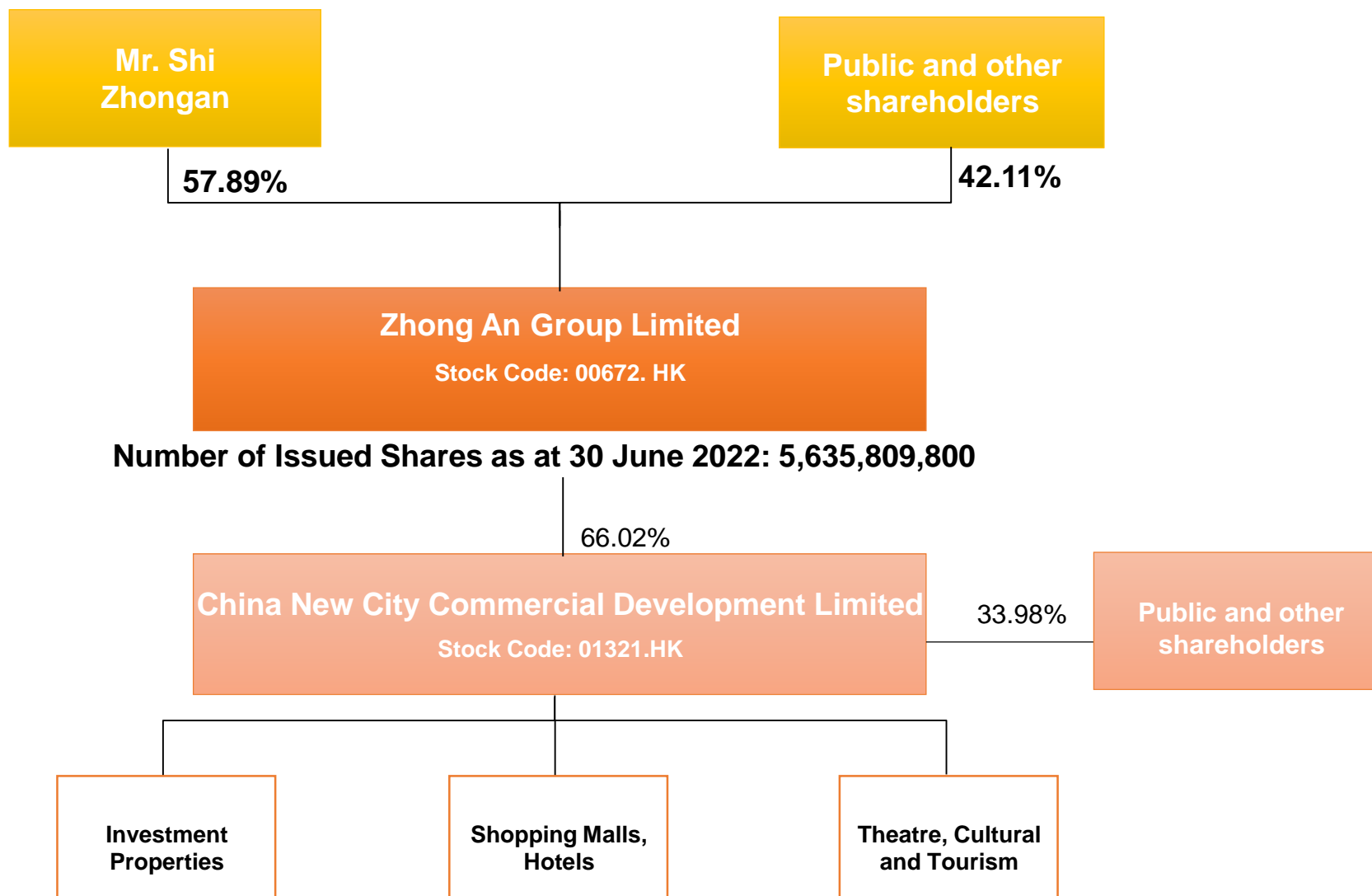


# Consolidated Statement of Financial Situations



(RMB'000)	30 June 2022	31 December 2021	(RMB'000)	30 June 2022	31 December 2021
<b>Non-current assets</b>			<b>Current liabilities</b>		
Property and equipment	2,537,382	2,524,317	Trade payables	1,762,680	2,131,544
Investment properties	5,352,666	5,245,954	Other payables and accruals	1,719,727	1,039,381
Properties under development	1,926,984	2,475,637	Contract liabilities	22,002,762	21,176,187
Right-of-use assets	150,587	160,807	Lease liabilities	47,458	39,267
Other intangible assets	29,919	30,787	Advances from joint ventures	506,558	768,306
Restricted cash	145,170	145,003	Advances from joint ventures	819,307	374,257
Equity investments designated at fair value through other comprehensive income	493,259	504,131	Interest-bearing bank and other borrowings	4,389,326	3,618,903
Long term prepayments	406,280	677,918	Tax payable	2,585,227	1,700,955
Investments in joint ventures	1,079,509	635,298	<b>Total current liabilities</b>	<b>33,833,045</b>	30,848,800
Investments in associates	1,136,658	1,145,297	<b>Net current assets</b>	<b>12,585,347</b>	12,559,932
Deferred tax assets	342,868	286,428	<b>Total assets less current liabilities</b>	<b>26,186,629</b>	26,391,509
<b>Total non-current assets</b>	<b>13,601,282</b>	13,831,577	<b>Non-current liabilities</b>		
<b>Current assets</b>			Interest-bearing bank and other borrowings	12,940,393	13,374,958
Completed properties held for sale	3,099,715	5,893,841	Deferred tax liabilities	921,190	936,358
Properties under development	30,580,917	25,648,975	Lease liabilities	138,639	150,109
Inventories	39,466	42,591	<b>Total non-current liabilities</b>	<b>14,000,222</b>	14,461,425
Trade receivables	119,867	113,329	<b>Net assets</b>	<b>12,186,407</b>	11,930,084
Prepayments, other receivables and other assets	3,365,822	2,539,954	<b>Equity</b>		
Financial assets at fair value through profit or loss	113,720	132,795	Equity attributable to owners of the parent		
Loans to joint ventures	1,683,607	462,872	Share capital	498,653	498,653
Loans to associates	251,829	779,135	Reserves	8,917,967	8,746,065
Restricted cash	3,119,571	2,518,037		<b>9,416,620</b>	9,244,718
Cash and cash equivalents	3,965,444	5,232,657	<b>Non-controlling interests</b>	<b>2,769,787</b>	2,685,366
Investment properties classified as held for sale	78,434	44,546	<b>Total equity</b>	<b>12,186,407</b>	11,930,084
<b>Total current assets</b>	<b>46,418,392</b>	43,408,732			

# Shareholding Structure



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