



众安集团
ZHONG AN GROUP

2022 Annual Results Announcement

Z h o n g A n G r o u p L i m i t e d

(Stock Code: 00672.HK)

ZHONG AN GROUP LIMITED



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Results Highlights

Results Highlights in FY2022

2022 Top 100 China Real Estate Developers 64th

2022 Top 10 Hong Kong Listed Domestic Property Companies with Financial Stability

2022 Top 10 Hong Kong Listed Domestic Property Companies with Investment Value

2022 TOP10 Yangtze River Delta City Cluster Property Company with Brand Competitiveness

2022 Top 10 China Real Estate Enterprises in Zhejiang Province with Brand Competitiveness

ESG
BB level enterprise

Newly-acquired high-quality land parcels

523,000 sq.m GFA

80% in Hangzhou, Zhejiang

Total land bank

10,110,000 sq.m gross floor area

87% Located in the Yangtze River Delta economically active area

Cooperation between Banks and Enterprises to Help Development

RMB 7 bn financing facility for M&A intention

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

Income  86.2% → RMB 9.25 bn

Gross profit margin **26.7%** Maintain high level in the industry

Profit for the period  483% → RMB 1.32 bn

Basic earnings per share  154% → RMB cents

Three-red-line remains green

65.2% asset-liability ratio (excluding advance payment)

65.8% net gearing ratio

1.2x cash to short-term debt ratio



Financial Review

Financial Summary for FY2022



Revenue Summary

(RMB'000)	2022	2021	Change
Revenue*	9,250,499	4,968,682	↑ 86.2%
Gross profit	2,470,929	1,476,136	↑ 67.4%
Gross profit margin	26.7%	29.7%	
Profit before tax	1,318,384	226,011	↑ 483.3%
Profit attributable to owners of the parent	186,734	73,132	↑ 155.4%
Basic earnings per share	RMB3.3Cents	RMB1.3Cents	↑ 153.8%

For Twelve months ended December 31

* Revenue from sales of properties was approximately RMB8,520 mn, representing a year-on-year increase of approximately 99% as compared to that of RMB4,280 mn in 2021.

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)	2022	2021
Total assets	59,096,852	57,240,309
Total liabilities	46,763,688	45,310,225
Total equity	12,333,164	11,930,084
Total cash ¹	6,633,387	7,895,697
Total interest-bearing borrowings	14,747,680	16,993,861
Debt to asset ratio after advance receivables	65.2%	66.9%
Net gearing ²	65.8%	76.3%
Cash to short-term debt	1.2x	2.18x

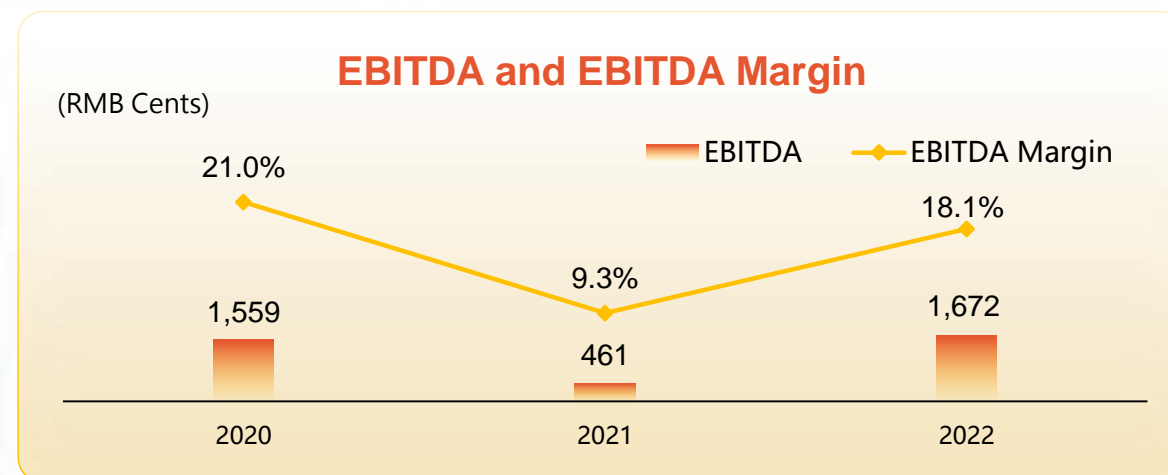
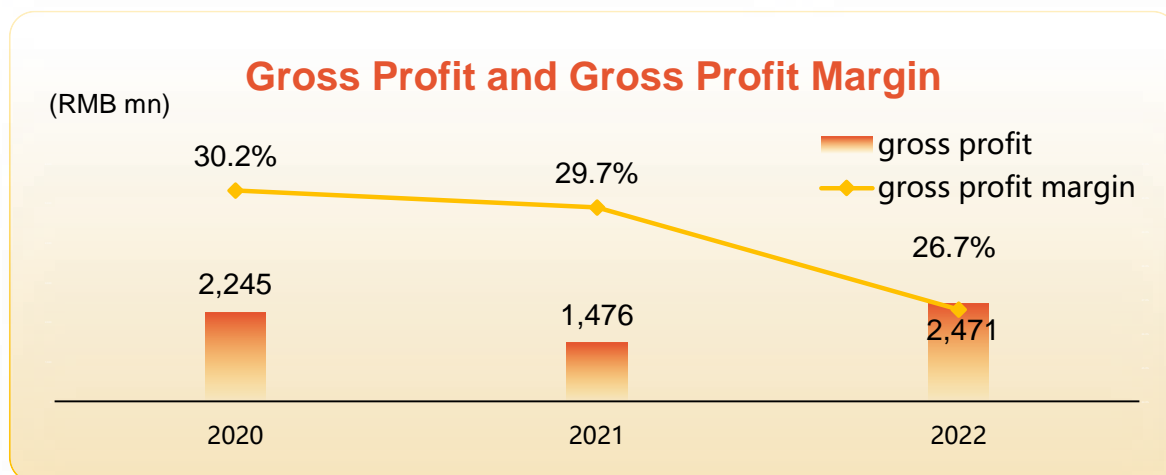
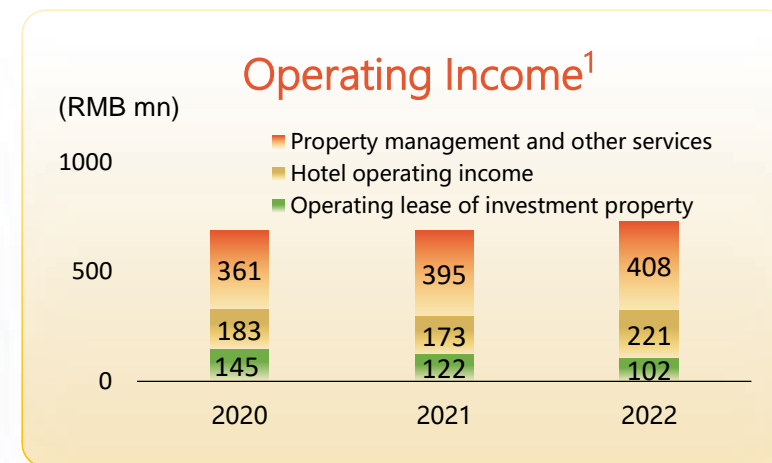
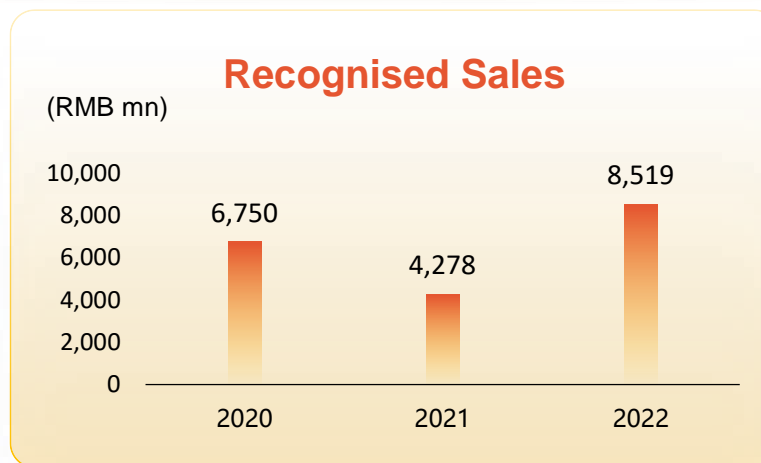
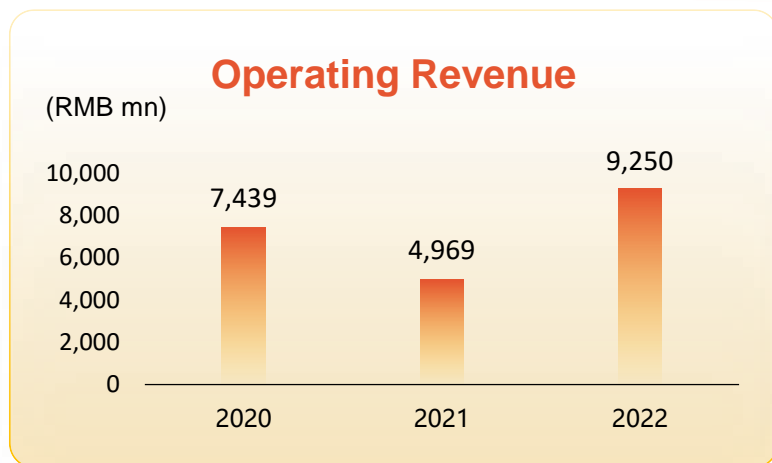
On December 31

Maintained a solid liquidity position:

- Current ratio: 1.25
- Interest-bearing loans to total assets ratio: 25%
- Net gearing ratio: 65.8%

Growing Revenue and Profit

Revenue in FY2022 amounted to RMB9.25 bn, GMV of 26.7% maintained a high level in the industry segment



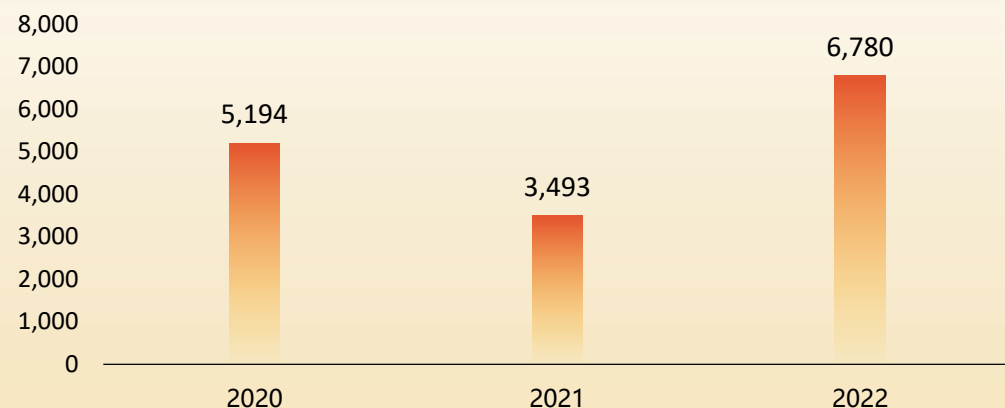
Note: 1. Operating income includes income generated from investment property operating leases, hotel operation, property management and other services.

Effective Cost Expenses

Reduce costs and increase profitability, effectively reducing all expenses

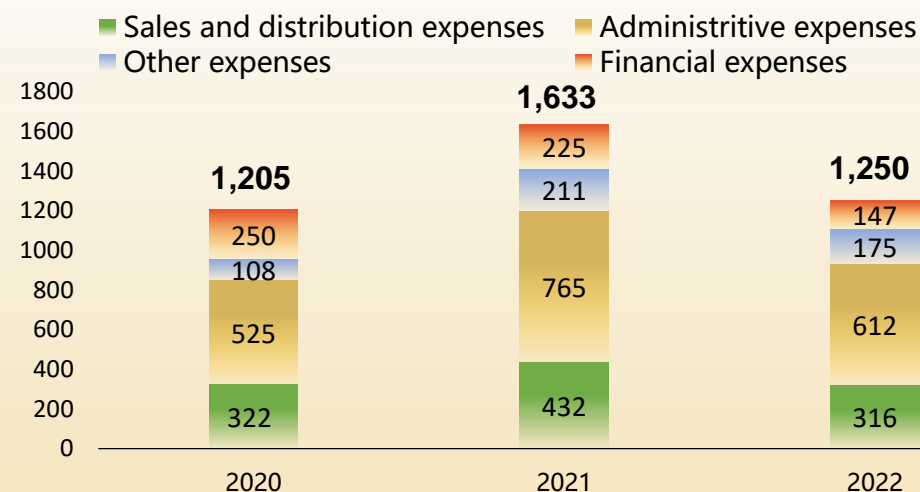
Cost of Sales

(RMB mn)



Selling and distribution expenses, administrative expenses and finance costs

(RMB mn)



- ◆ The increase in the cost of sales matches the increase in land purchase and construction costs in recent years and is controlled within the budget;
- ◆ 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.
- ◆ Effective cost control kept the cost of the above-mentioned three expenses in a stable range.

Sound Balance Sheet

Adhere to financial self-discipline and maintaining sufficient liquidity. The “Three Red Lines” remains green all year round

(times)

Key financial ratios

Current Ratio

1.25 x

Quick ratio

0.32 x

Total asset liability ratio

79.1 %

EBITDA/Interest

2.2 x

Note :

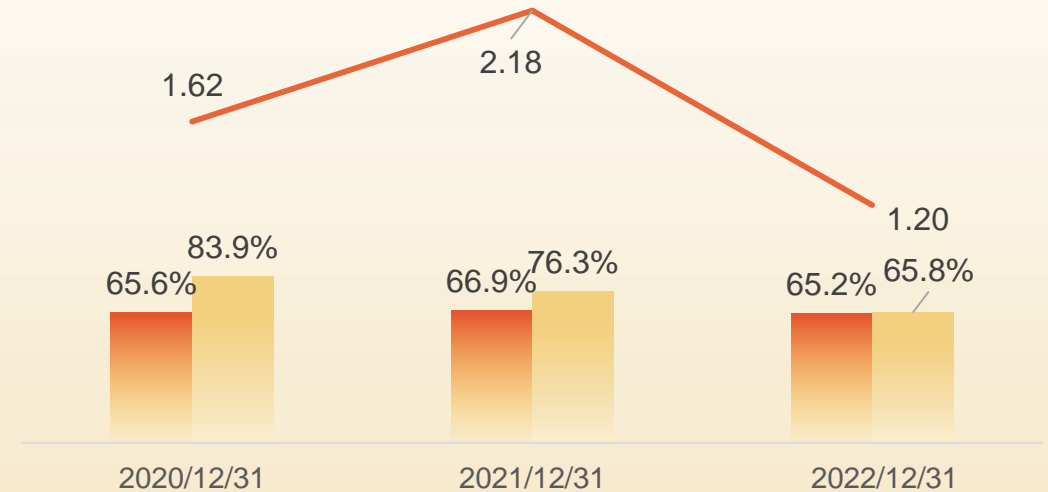
1. Current Ratio = Current Assets / Current Liabilities
2. Quick ratio = (current assets - Completed properties held for sale - Property under development - inventory - Investment property) / Current Liabilities
3. Total asset-liability ratio = Total liabilities / total assets

“Three-red-line” Indicator

Debt to asset ratio (after advance receivables)

Net gearing

Cash to short-term debt



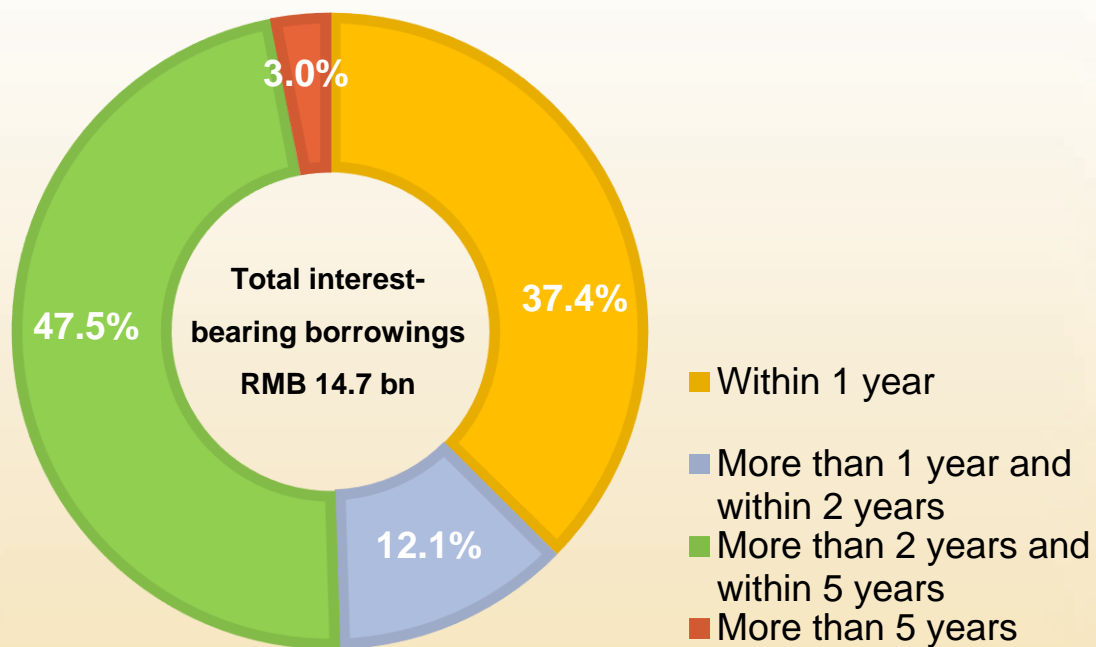
Note :

1. Debt to asset ratio after advance receivables = (total liabilities – advance receivables) / (total assets – advance receivables)
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

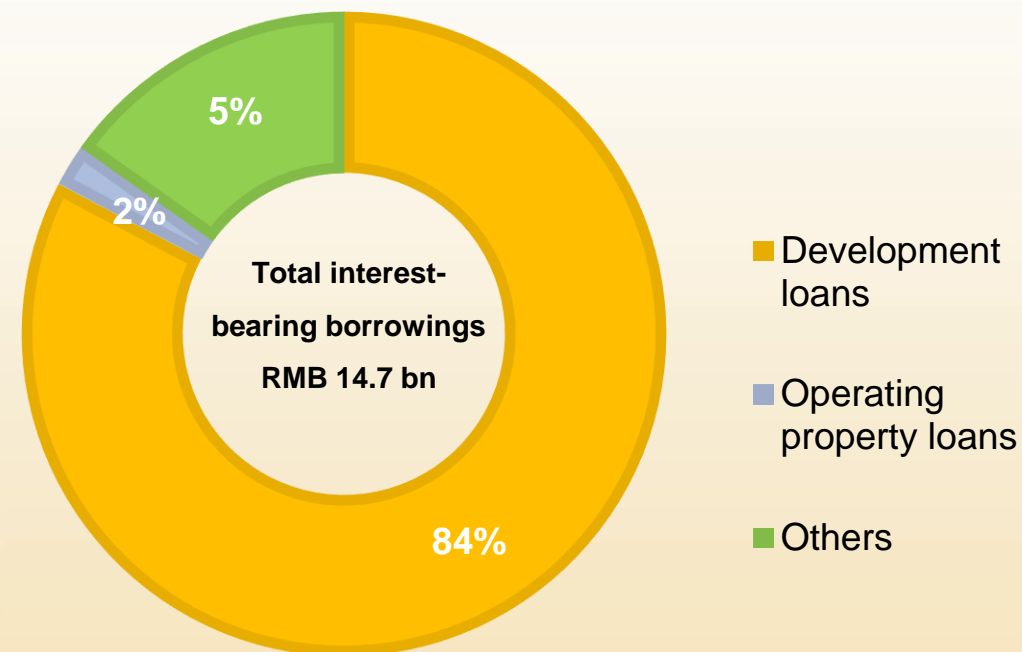
Safe Debt Structure

- As at 31 December 2022, interest-bearing borrowings were approx. RMB14.7bn , mainly development 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 Types



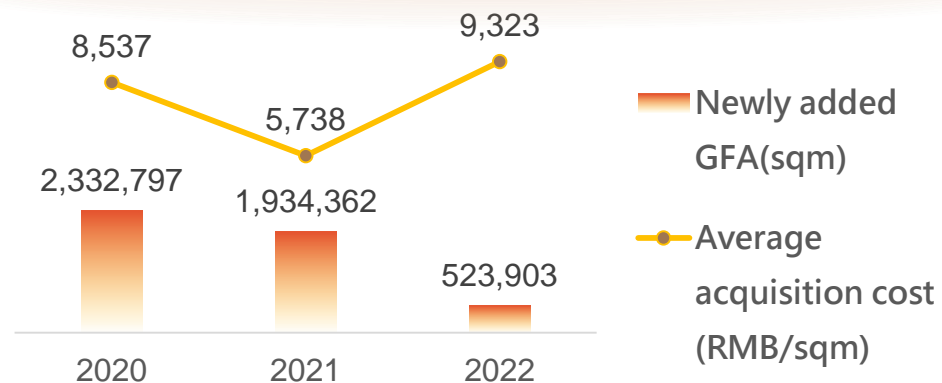


Business Operation

New land bank in 2022: in Hangzhou and other economically active areas of Zhejiang Province



New projects were acquired, expanding saleable resources of RMB10.5 bn in total.



Land Parcels Location	Site area (sq.m.)	GFA (sq.m.)	Land cost (100 mn)	Average acquisition cost (RMB/sq.m)	Equity Proportion	Land use
1 Xihu District, Hangzhou	21,336	74,676	4.25	5,692	21.6%	Ccommercial
2 Liandu District, Lishui	52,293	104,583	5.50	5,259	30.6%	residential
3 Xiaoshan District, Hangzhou	18,641	41,010	6.89	16,799	100%	residential
4 Xiaoshan District, Hangzhou	39,973	71,951	4.68	6,500	100%	residential
5 Yuhang District, Hangzhou	70,802	127,444	14.70	11,536	50%	residential
6 Xihu District, Hangzhou	19,802	43,564	10.05	23,061	65%	residential
7 Xiaoshan District, Hangzhou	24,270	60,675	2.78	4,582	51%	residential
subtotal	247,117	523,903	48.85	RMB9,323 per sq.m.		

Abundant and Quality Land Bank In the Yangtze River Delta Economic Area

GFA 10.11 mn sq.m.	Percentage of Yangtze River Delta Land Bank 87%	New construction area 1.47 mn sq.m.
Average land cost RMB3,116 per sq.m.	Percentage of Hangzhou Land Bank 41%	The cities have entered 20 cities

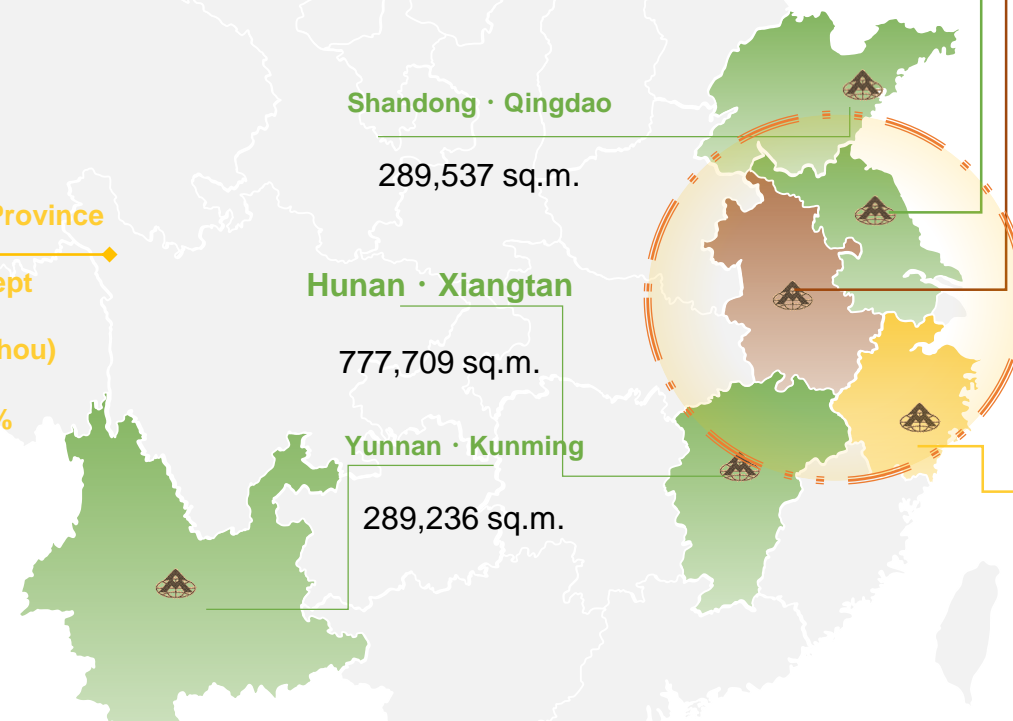
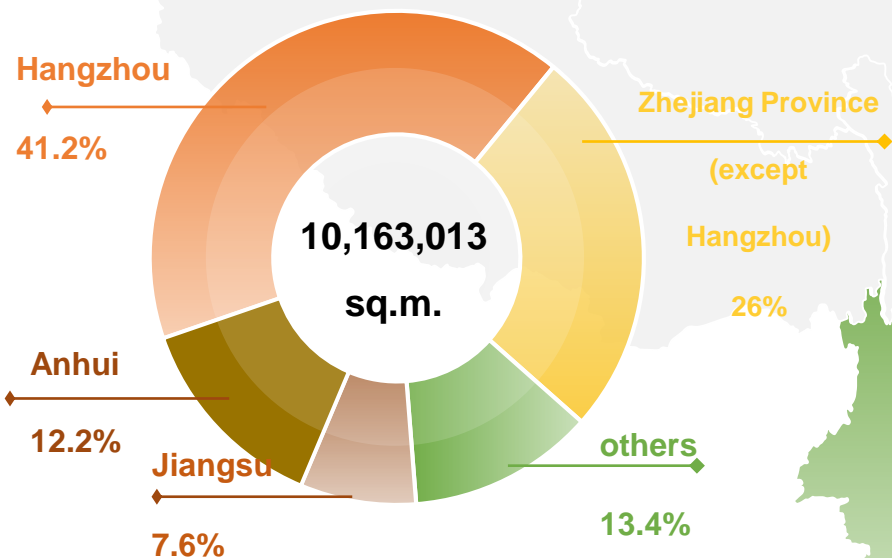
Take Hangzhou as the core in the Yangtze River Delta Economic Area

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

Anhui : 2 cities	
Hefei	Huaibei
673,870 sq.m.	554,170

Zhejiang : 11 cities				
Hangzhou		4,164,948 sq.m.		
Yuyao	Cixi	Ningbo	Lishui	Yiwu
217,133	18,018	111,013	343,671	184,256
Wen zhou	Shao xing	Zhou shan	Qu zhou	Tai zhou
834,575	369,920	44,968	106,250	283,088

GFA by regions



Notice: New construction area includes the area of earth excavation, pile construction and foundation construction.

Contracted sales: Cash collection at high level

The contract sales are about RMB14.3 bn , and about 93% of the contract sales comes from economically active regions in Zhejiang Province

Sales amount RMB14.27 bn

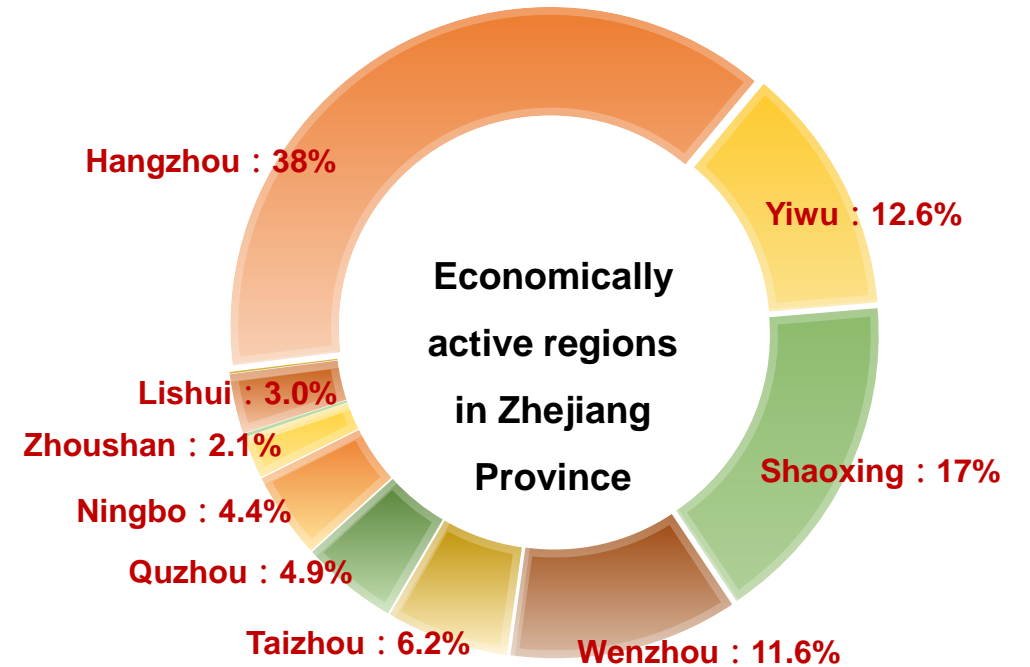
Area of sales 75,000 sq.m.

ASP RMB19,006 per sq.m.

Sales cash collection amount RMB16.79 bn

Zhejiang' s proportion in contracted sales 93%

Contract sales amount in Zhejiang Province — analysis by city



*Projects of the contracted sales other than those in Zhejiang Province are mainly located in Anhui (51%), Jiangsu (26%), Qingdao (10%) and Kunming (13%).

Abundant Saleable Resources

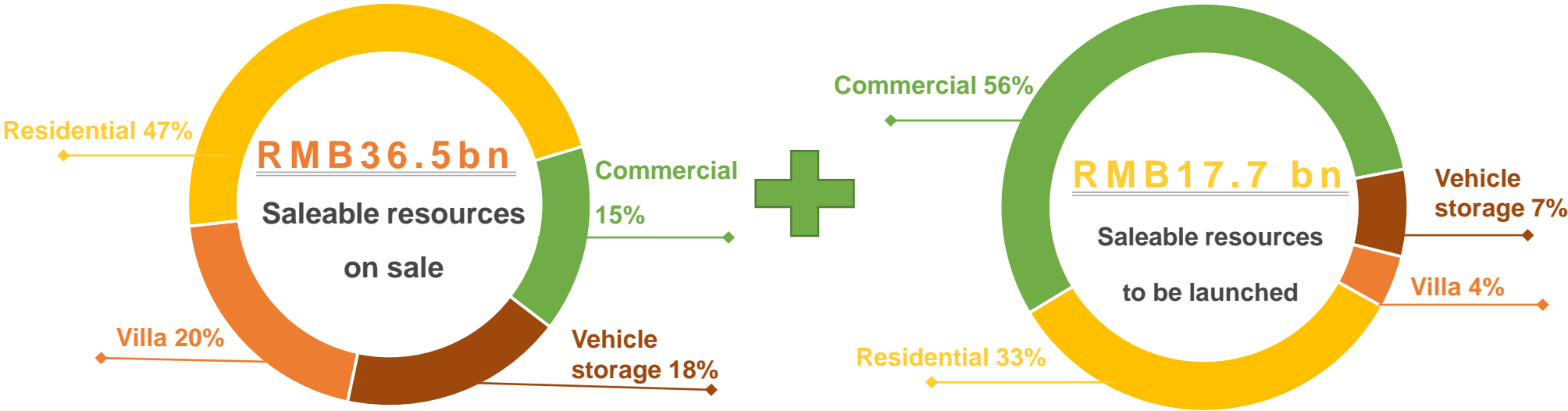


As of 31 December 2022, the remaining saleable resources were approximately RMB54.2 bn, and approximately 42.8% was in Hangzhou, Zhejiang Province

RMB54.2 bn

Overall remaining saleable resources

On sale	60%
Late	8%
To be launched	11%
To be developed	21%



Investment property operating leases: stable occupancy rate

Adjust the product system, reshape the brand value, and make every effort to build the first product with market influence

Investment Property

12

Floor Area of Investment Property

320,000 sq.m

Occupancy rate of investment property

86 %

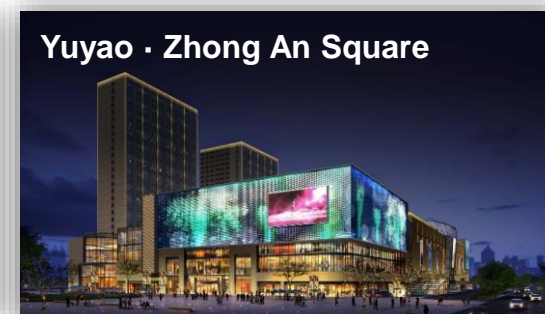


Investment property list

Name	Location	Floor Area (m ²)
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	63,593
4 Hangzhou-Landscape Garden	Center of Xiaoshan District	3,236
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	16,680
7 Hangzhou-Zhong An International Office Center (IOC) A3	Qianjiang Century Town, Xiaoshan District	58,127
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 Phase 1	Core Area of Yuyao City	2,160
11 Ningbo-Zhong An Time Square Phase 2	Core Area of Yuyao City	1,289
12 Yiwu · Zhong An Square	Core Area of Yiwu	45,812
Total		319,680



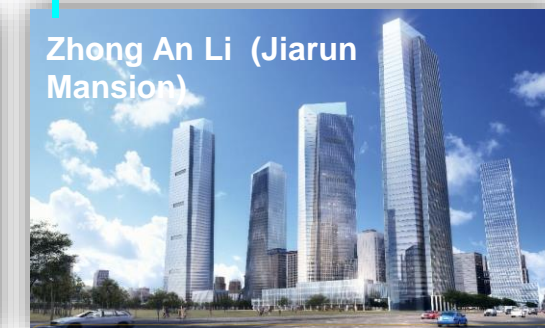
- Cooperate with top managers and artists to create successful cases and set a trend benchmark.
- The upgrading and transformation will be completed by 1 October 2022.



- Adjust to the positioning of the “trendy and experience-oriented plaza” and introducing experience-oriented businesses, OK Billiard Club has opened and introduced new energy vehicles such as GAC Aian New Energy Vehicle.
- The women’s clothing hall will be opened in the second half of the year after a new upgrade.



- Carry out the theme of “national tide ecology”, and create a new way of life that is avant-garde, cool and fun.
- It was opened within this year.



- Present the concept of boundless aesthetic show, focus on fashion and social life, art life circle and strengthen community operation.
- The adjustment and upgrading were completed within this year, and the curtain was reopened.

Hotel operations: Strengthen media matrix and enhance brand influence

Focusing on medium and high-end hotels and lifestyle, integrating the development of elements such as ancient style and regional culture, to create a brand selected by Bright Hotel, a nationwide popular hotel brand.



Holiday Inn Hangzhou Xiaoshan

GFA: 36,000 m²



Qiandao Lake Bright Resort Hotel

GFA: 46,691 m²



Ningbo Bright Hotel

GFA: 65,000 m²



Huaibei Bright Hotel

GFA: 67,061m²



Adjust the operation structure and optimize the operation model; Meanwhile, accumulate strength, cultivate internal skills, and improve the brand level of merchants.



The renovation of Zhong An Li (众安里) Jiarun Mansion was opened, with a series of measures recognized by the industry, and won a series of honors such as the 2022 Top 10 Commercial Real Estate in China.

Grasp the opportunity of M & A and improve the quality of development

In March 2022, the Zhejiang branch of Agricultural Bank of China signed the Strategic Cooperation Agreement on M & A Business 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

The Zhejiang branch of Agricultural Bank of China will grant a financing facility of RMB7 bn for M & A intention to Zhong An Group and support it to accelerate the development of residential industry through M&A and restructuring;

On the premise of meeting the capital needs of Zhong An Group 's business development, particularly support M & A and restructuring in residential, commercial, property and hotel segments of Zhong An ;

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 Business

Practice corporate responsibility



Stamen plan

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



Ivy League project

- Subsidize poor students
- Provide professional internships and job opportunities



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.



Epidemic prevention and disaster relief

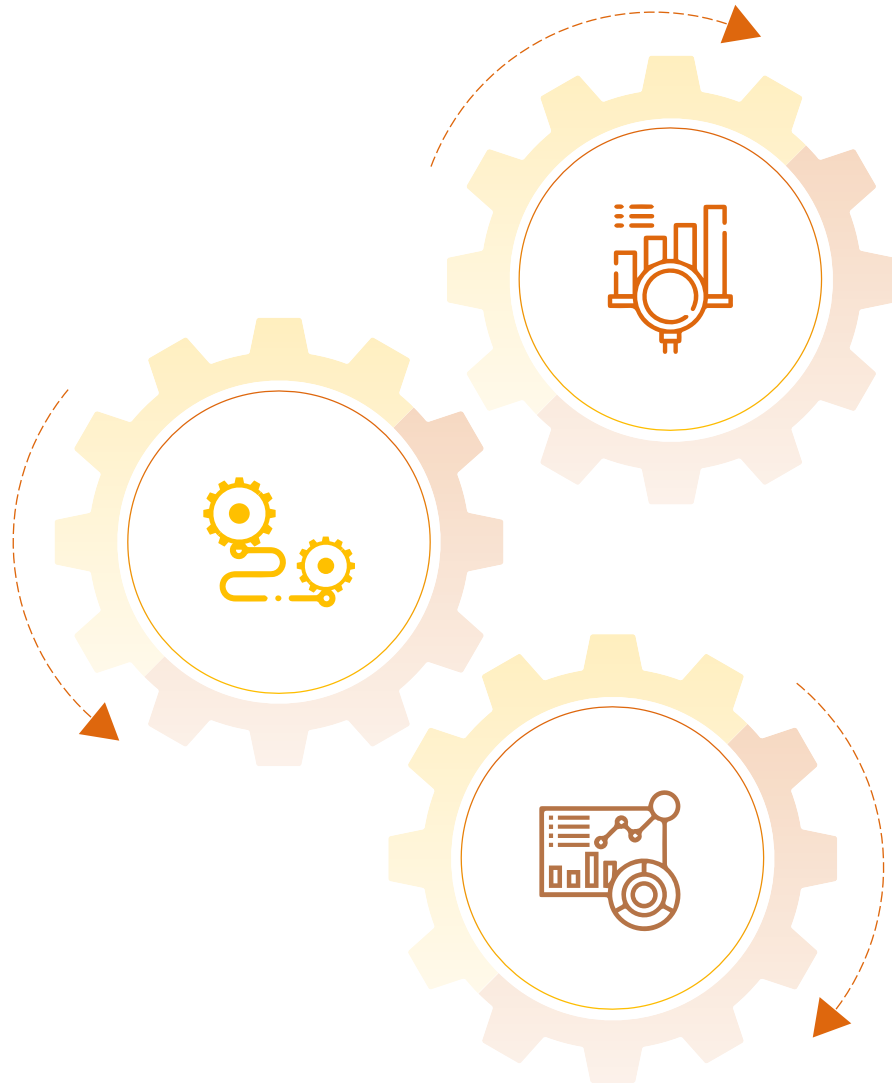
- Set up a RMB10 mn fund for pandemic
- Donations for typhoon, flood and earthquake resistance





Development Strategy

Development Strategy



Adhering to carry out deep regional cultivation and hard work in the Yangtze River Delta region to seize opportunities and grow steadily

Building “ Hangzhou Workmanship Spirit” , “Quality Zhong An ”, realizing the double-curve drive and comprehensive upgrade of product power and marketing power

To achieve an effective balance between financing and development based on financial soundness and appropriate broadening of financing channels



Appendix

Five Major Residential Project Series with Hangzhou Workmanship Spirit

We adhere to the construction spirit of Hangzhou Workmanship, take the quality first, and carefully create the five project series of mansion series, garden series, future series, new city, and future city to create happiness for the city

Enterprise Honor

Customer satisfaction
in 2022*

Future City series
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



Garden series

- Featuring Chinese courtyard
- Inheritance of Oriental Culture

Hangzhou · Nan Hu Ming Yue



Future City series

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

Hangzhou · Xixi Future Square



New City

- Core section of urban transportation hub
- Create TOD complex

Qingdao · Qingdao New City



Future City

- Key government projects
- Key government projects

Wenzhou · Zhong An Future City



Taizhou · Zhong An Future City



Consolidated Statement of Profit or Loss

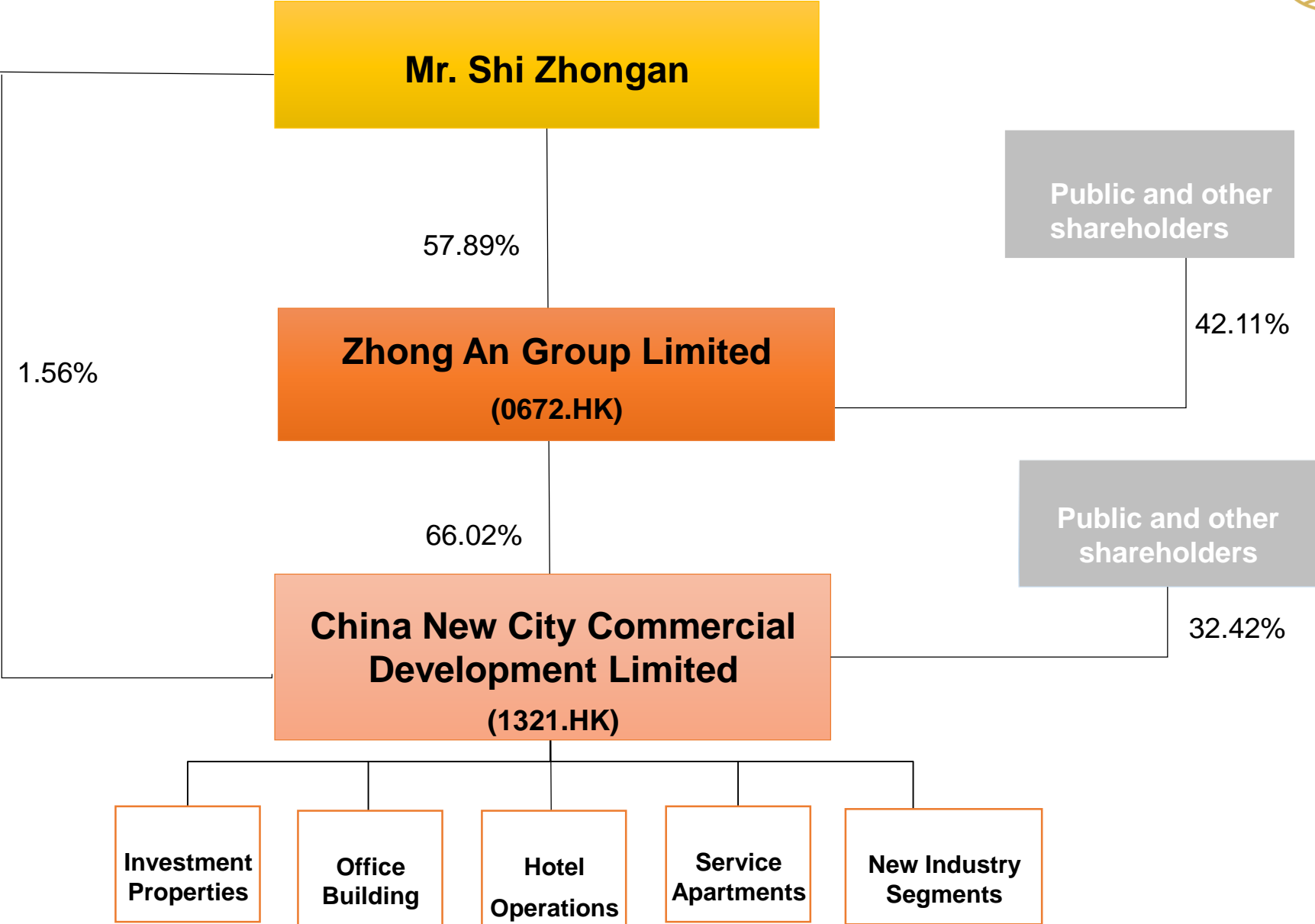
RMB'000	For Twelve months ended December 31, 2022	
	2022	2021
Revenue	9,250,499	4,968,682
Cost of sales	(6,779,570)	(3,492,546)
Gross profit	2,470,929	1,476,136
Other income and expenses	138,808	99,399
Selling and distribution expenses	(315,552)	(431,929)
Administrative expenses	(611,729)	(764,509)
Other expenses	(174,886)	(210,720)
Finance costs	(147,765)	(225,076)
Changes in fair value of investment properties	(115,160)	(60,311)
Share of profits / (losses) of joint ventures	(15,324)	(22,353)
Share of profits / (losses) of associates	(86,323)	(154,654)
Profit before tax	1,318,384	226,011
Income tax expense	(1,296,966)	(187,485)
Profit for the year	21,418	38,526
Attributable to:		
Owners of the parent	186,734	73,132
Non-controlling interests	(165,316)	(34,606)
	21,418	38,526
Earnings per share attributable to equity holders of the parent		
Basic and diluted	RMB3.3 cents	RMB1.3 cents

Consolidated Statement of Financial Situations



(RMB'000)	31 December 2022	31 December 2021	(RMB'000)	31 December 2022	31 December 2021
Non-current assets			Current liabilities		
Property, plant and equipment	2,497,023	2,524,317	Trade payables	1,931,079	2,131,544
Investment properties assets	5,202,000	5,245,954	Other payables and accruals	1,352,872	1,039,381
Properties under development	1,923,669	2,475,637	Contract liabilities	23,635,988	21,176,187
Right-of-use assets	129,969	160,807	Lease liabilities	53,069	39,267
Other intangible assets	14,194	30,787	Advances from joint ventures / associates	456,692	768,306
Restricted cash	146,956	145,003	Interest-bearing bank and other borrowings	5,512,718	3,618,903
Equity investments designated at fair value through other comprehensive income	516,341	504,131	Tax payable	2,642,693	1,700,955
Long term prepayments	439,123	677,918	Total current liabilities	36,497,689	30,848,800
Investments in joint ventures	1,109,214	635,298	Net current assets	9,142,494	12,559,932
Investments in associates	1,123,805	1,145,297	Total assets less current liabilities	22,599,163	26,391,509
Deferred tax assets	354,375	286,428	Non-current liabilities		
Total non-current assets	13,456,669	13,831,577	Interest-bearing bank and other borrowings	9,234,962	13,374,958
Current assets			Deferred tax liabilities	890,622	936,358
Completed properties held for sale	3,060,872	5,893,841	Lease liabilities	140,415	150,109
Properties under development	30,728,107	25,648,975	Total non-current liabilities	10,265,999	14,461,425
Inventories	39,909	42,591	Net assets	12,333,164	11,930,084
Trade receivables	171,054	113,329	Equity		
Prepayments, other receivables and other assets	3,545,203	2,539,954	Equity attributable to owners of the parent		
Financial assets at fair value and changes through profit or loss	162,561	132,795	Share capital	498,653	498,653
Loans to joint ventures	681,760	462,872	Reserves	8,978,050	8,746,065
Loans to associates	689,386	779,135		9,476,703	9,244,718
Restricted cash	3,484,859	2,518,037	Non-controlling interests	2,856,461	2,685,366
Cash and cash equivalents	3,001,572	5,232,657	Total equity	12,333,164	11,930,084
Investment properties classified as held for sale	74,900	44,546			
Total current assets	45,640,183	43,408,732			

Equity and corporate structure



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