



(Stock Code: 0672.HK)

Zhong An Group Announced 2022 Annual Results

Sound finance and rich cash, with total revenue up 86.2% yoy

Financial and Business Highlights

For the twelve months ended 31 December 2022:

- The Group's revenue was approximately RMB9,250.5 million, representing an approximately 86.2% increase compared to the same period in;
- The Group's gross profit was approximately RMB2,470.9 million, representing a year-on-year increase of approximately 67.4%;
- The profit attributable to owners of the parent was approximately RMB183.9 million, representing a year-on-year increase of approximately 151.6%;
- The Group's total gearing ratio and net gearing ratio remained at a reasonable level of approximately 79.9% and 68.5%, respectively.
- 7 land parcels were acquired in 2022 with a total GFA of 524,000 sq.m, which were located in China's relatively active and developed cities;
- The Group was recognized with several awards and accolades from the PRC government and recognized authorities during the year, including 2022 Top 100 China Real Estate Developers, 2022 Chinese Mainland listed real estate companies in Hong Kong Top 10 for financial soundness, 2022 top 10 investment value of Chinese Mainland listed real estate companies in Hong Kong, 2022 Top 100 China Real Estate Enterprise Brand Value and Top 100 Property Enterprises in 2022 etc.

(March 24, 2023 - Hong Kong) As a leading national property developer in the Yangtze River Delta region of China. The board of directors of **Zhong An Group Limited** (“Zhong An Group” or the “Company”, Stock Code: 0672.HK) is pleased to announce the results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2022 (the “**Period**” or the “**Period under review**”).

During the Period under review, the Group maintained a robust growth momentum, and recorded a total revenue of RMB9,250.5 million in 2022, representing an increase of approximately 86.2% as compared to 2021. The gross profit in 2022 was approximately RMB2,470.9 million, representing an increase of about 67.4% compared to 2021. Gross profit margin was about 26.7%, maintaining a high level in the industry. The profit attributable to owners of the parent was RMB186.7 million, representing an increase of approximately 155.3% compared to 2021. The basic earnings per share was RMB3.3 cents, representing a year-on-year increase of 153.8% compared to 2021. The Board does not recommend the payment of dividend for the year ended 31 December 2022. (for the year ended 31 December 2021: nil)

Steady and healthy development with high-quality delivery

Despite the constantly changing market environment, the Group has maintained a steady and healthy development by uniting to overcome obstacles and difficulties. During the Period under review, the Group successfully delivered major properties such as Nan Hu Ming Yue and Lotus Mansion with high quality on schedule and received unanimous praise from consumers; The Group has a total of 62 projects on sale, mainly located in multiple cities and regions of the Yangtze River Delta Region, and contract sales have maintained a steady progress. For the year ended 31 December 2022, the Group recorded contracted sales of approximately RMB14.27 billion with the sales receipts of RMB16.79 billion, completing the annual sales receipts task ahead of schedule. The annual contract sales area was approximately 750,000 square meters with an average contract sales price of approximately RMB19,006 per square meter, maintaining a high level in the industry.

While developing steadily, the Group adhered to quality, improved service quality in all aspects, and strived for high-quality development. Many series of products, including garden and mansion series, have won many architectural awards during the year. Additionally, the China Index Academy recognized the Group's overall satisfaction and loyalty as significantly higher than the industry average in 2022. In terms of finance, the Group continued to maintain the three red lines in “green lights” with the relatively low financing cost and the stable

operation. The Group was re-elected the “Chinese Mainland listed real estate companies in Hong Kong Top 10 for financial soundness” with solid financial data, and was awarded the honorary title of “Top 10 investment value of Chinese Mainland listed real estate companies in Hong Kong” due to its with strong development potential.

During the Period under review, the Group’s commitment to sustainable development was recognized by the industry as it received the “BB” level rating for its value created in environmental, social, and governance aspects at the ESG Sustainable Development Summit Forum (Ehconsulting) in 2022. This accolade highlighted the Group’s high recognition in the industry for its comprehensive strength, growing brand influence, and involvement in the ESG field.

Actively integrate internal and external resources to accelerate urban renewal

During the Period under review, China New City Commercial Development Limited ("China New City"), a subsidiary of the Company listed on the Hong Kong Exchanges and Clearing Limited, together with its subsidiaries, collectively referred to as the "China New City Group", continued to promote the development of its commercial, investment properties and hotel businesses with its professional team to create a value-creating urban complex for the city. As of the end of 2022, China New City has actively integrated internal and external resources, expanded and developed various industries, and initiated strategic cooperation with several well-known enterprises to accelerate urban renewal and empower high-quality regional economic and social development.

In terms of commercial operations, the management of the Commercial Group implemented cost reduction measures, adjusted the operating structure, optimized the business model, and actively advocated in the industry to enhance the influence of its brand.

In terms of hotel operations, the management of the Hotel Group focused on improving restaurant operations and exceeded various benchmarks such as revenue, which has been highly recognized by the industry and has received a series of prestigious awards..

In terms of property management, the management of Property Management Group continued to expand its business and actively acquired more than 30 new projects, mainly from independent third parties. These new projects covered a wide range of commercial properties including residential, government buildings, flats, hospitals and museums, resulting in a significant increase in the number, area and revenue of the Group. The value-added community business maintained steady growth and continued to rank among “China’s Top

100 Property Management Service Providers”.

Focusing on urban development values and precise layout of land bank

In terms of land bank, the Group has been strategically cultivating in the Yangtze River Delta region, and has been adhering to a land acquisition strategy with urban development value as the core, which has provided protection for the steady development of the Company. During the Period under review, the Group successfully acquired 7 land parcels through bidding, auction and listing in Xihu, Yuhang and Xiaoshan Districts of Hangzhou, Zhejiang and Lishui, Zhejiang. The total gross floor area of the acquired land was approximately 524,000 sq.m. with a development value of approximately RMB10.5 billion.

As of December 31, 2022, the Group’s land bank had a total gross floor area of approximately 10.11 million square meters, mainly distributed across various cities and regions in the Yangtze River Delta. The land bank is capable of supporting the Group’s development over the next five years, with an average cost of floor land price at approximately RMB3,116 per square metres.

Outlook

In 2023, the economy will gradually recover and grow steadily as the epidemic is gradually under control. Stimulated by a series of comprehensive measures and favourable policies, the financing environment for the real estate industry will gradually improve and the industry will see a steady and sound development in the future. The city circle in the Yangtze River Delta, with its strong economic performance, received rapid economic recovery after the epidemic, and still took the the lead in the development of the industry. Additionally, the holding of the Asian Games in 2023 will further boost the economic development of the Yangtze River Delta.

The Group will maintain a short-term prudent and long-term optimistic view, fully utilise its brand advantages in the Yangtze River Delta, actively grasp market opportunities and continue to deeply cultivate the cities in the Yangtze River Delta. At the same time, the group will actively promote standard innovation of the products to achieve a double-curved drive and comprehensive upgrading of the product and marketing power. In addition, the Group will actively build a “Quality Zhongan”, maintain high quality development, accelerate the capitalisation of certain segments so as to drive diversified development and comprehensively enhance the Group’s overall strength.

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About Zhong An Group Limited

Zhong An Group Limited (stock code: 0672.HK), one of the leading real estate developers in Yangtze River Delta region, focuses on the development of mid- to-high-end residential and urban complexes while values the diverse development and is involved in various investments such as property investments, property management and special services. Since its establishment in 1997, the Group has focused on the market in Yangtze River Delta region and has been rewarded a strong brand advantage in the region.

For further information about Zhong An Group Limited, please refer to the company website:

<http://www.zhongangrouphk.com/s/index.php>

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