



(Stock Code : 0672.HK)

Zhong An Group Announces 2023 Annual Results

Profitability Improved Significantly Underpinned by Stable Operations

Financial and Business Highlights

For the twelve months ended 31 December 2023:

- The Group's revenue was approximately RMB14,490.2million, representing a year-on-year increase of approximately 56.6%;
- The Group's gross profit was approximately RMB1,525.4 million; and the Group's net profit was approximately RMB287.1million, representing a year-on-year increase of over 12 times;
- The profit attributable to owners of the parent was approximately RMB479.4 million, representing a year-on-year increase of approximately 156.8%;
- As of 31 December 2023, the Group's total gearing ratio and net gearing ratio remained at a reasonable level of approximately 73.3% and 43.1%, respectively.

(26 March 2024 - Hong Kong) **Zhong An Group Limited** ("Zhong An" or the "Group", Stock Code: 0672.HK), a leading property developer in the Yangtze River Delta region of China. The board of directors is pleased to present the results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2023 (the "Review Period").

During the Period under review, the Group maintained its high-quality development with strong momentum. In 2023, the Group recorded a total revenue of RMB14,490.2 million, representing a year-on-year increase of approximately 56.6%; gross profit of approximately RMB1,525.4 million and net profit of approximately RMB287.1 million, representing a year-on-year increase of approximately 12 times; profit attributable to owners of the parent of approximately RMB479.4 million representing a year-on-year increase of approximately 156.8%; and basic earnings per share of RMB8.5 cents.

Keeping Security Baseline of Operation and Accomplishing High-quality Delivery

In 2023, the real estate industry continued its deep adjustment. In the face of complex and changeable market environment, the Group aimed at high-quality delivery with the first day delivery rate of some projects reaching 100%. The Group has a total of over 40 projects on sale, mainly located in Zhejiang Province / multiple cities and regions of the Yangtze River Delta Region, maintaining a steady growth in contracted sales while fulfilling the goal of cash collection ahead the schedule. For the year, the Group recorded contracted sales of approximately RMB11.67 billion, the annual contract sales area was approximately 616,000 square meters, and the contracted sales average price of approximately RMB18,948 per square meter.

At the same time, the Group has always maintained high-quality development requirements, continuously strengthened its brand power, optimized its product power and enhanced its service power. The Group has also strived to build a full-lifecycle service system of “Nine quality services for long-term living”, and has been doing its utmost to provide every customer with system protection of “quality services for quality living”, with a customer satisfaction rate much higher than the industry average, and with its industry influence continuing to increase. The solid business reputation has also earned the Group a high degree of recognition from financial institutions and relevant government departments, and it has been included in the “white lists” of a number of authoritative organizations.

In terms of finance, the Group continued to maintain the three red lines in “green” level and to keep financing cost at a low level, with stable overall operation. In 2023, the Group continued to rank as one of the “Top 10 Financial Stability for Listed Real Estate Companies in Hong Kong” and has been awarded the “Top 10 Investment Value for Listed Real Estate Companies in Hong Kong” for its strong development potential and Outstanding Enterprises of Operational Safety for China Real Estate 2023. As for the land bank, the Group pursued a prudent strategy of land acquisition to

optimize its reserve structure by making timely purchases of quality and lower-cost land that meet market demand while maintaining a sound financial position. As of December 31, 2023, the total gross floor area of the land bank of the Group was approximately 8.63 million square meters, mainly located in [many] different cities and regions in the Yangtze River Delta, which is expected to support the development for the next 5 years at an average cost of land premium of approximately RMB2,977 per square meter only.

Promoting Other Business Operations to Foster Sustainable Development

During the Period under review, the Company's subsidiary, China New City (1321.HK), listed on the Stock Exchange of Hong Kong Limited, actively integrated internal and external resources, expanded and developed various industry sectors, and initiated strategic cooperation with a number of well-known enterprises to accelerate urban regeneration and empower high-quality regional economic and social development.

As for commercial operation, the Group currently manages businesses including office buildings, shopping malls and community commercial complexes. In the past year, Zhong An Commercial laid out new commercial and living scenarios in core cities such as Shanghai and Hangzhou, and witnessed a year-on-year increase in revenue from its leasing business. The overall occupancy rate of the shopping malls was approximately 86%, which significantly improved profitability. During the year, the Group also won the recognition as the "2023 Top Ten Commercial Real Estate Operation Enterprises".

In terms of hotel operations, the Group has consistently striven to enhance its operational proficiency and innovate its business model, ultimately exceeding its annual targets such as revenue and profit. The Group's revenue and profit exceeded its annual targets as the occupancy rate of its hotels reached 70%, driven by the increase in visitor traffic in various places after the outbreak of the epidemic.

In terms of property management, the Group's property management company, Zhong An Intelligent Living Services Limited ("Zhong An Intelligent Living", 2271.HK), was listed on the main board of the Hong Kong Stock Exchange in July 2023, marking the Group's position as a large enterprise group in Zhejiang Province that owns listed companies in real estate, commerce, and property management. During the Period under review, Zhong An Intelligent Living solidified its

foundation in core services while consistently expanding its service chain and business scope. Its commitment to delivering exceptional services has earned the trust of numerous customers, resulting in notable improvements in managed area, number expansion, revenue, and cash flow. As of December 31, 2023, Zhong An Intelligent Living added a total of 27 new projects under its management, with a new managed area of approximately 4.2 million square meters. It also continued to rank among “China’s Top 100 Property Management Service Providers” and was included in multiple authoritative institutional TOP lists.

Outlook

In 2024, the Chinese economy is expected to continue its recovery. With the stimulus of a series of real estate relaxed policies, and the comprehensive implementation of the demand for owner-occupied residential property and long-term mechanisms, the real estate market will gradually return to a rational level with the industrial development ushering in an era of quality competition. The economically powerful and strategically important Yangtze River Delta is one of the regions that make adjustment earlier in this round of real estate cycle and will also be one of the regions that see the earliest recovery. In the future, in pursuit of the strategic layout of “based in Zhejiang and deep cultivation of the Yangtze River Delta”, the Group will fully utilize innovative concepts and its own brand advantages, seize opportunities and make stable development to enable itself to emerge out of the industry cycle with high-quality development. At the same time, through the comprehensive layout of “real estate+”, the Group will further deepen the diversified industrial layout, including commerce, hotels, services, finance, boosting the long-term sustainable development.

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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

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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