



(Stock Code : 0672.HK)

## Zhong An Group Announces 2024 Interim Results Revenue Doubles Against the Odds

### **Financial and Business Highlights**

For the six months ended 30 June 2024:

- The Group's revenue was approximately RMB9,282.9million, a year-on-year increase of approximately 127.6% over the corresponding period in 2023;
- The Gross profit was approximately RMB1,830.0 million, representing a year-on-year increase of approximately 161.7% from the same period in 2023;
- The Gross profit margin was approximately 19.7%, representing a year-on-year increase of approximately 2.6 percentage points from the same period in 2023;
- The Group's profit was approximately RMB117.9 million;
- As of 30 June 2024, the Group's total debt asset ratio and net gearing ratio remained at a reasonable level of approximately 69.1% and 44.8%, respectively.

(23 August 2024 - Hong Kong) **Zhong An Group Limited** (“**Zhong An**” or the “**Group**”, Stock Code: 672.HK), a leading property developer in the Yangtze River Delta region of China. The board of directors is pleased to present the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2024 (the “**Review Period**”).

In the first half of 2024, the real estate market in China sought to recover in the midst of a downturn under the main theme of an accommodative policy, with the overall downward pressure remaining relatively strong. In the face of the changing domestic landscape, the Group focused on steady development by strengthening its fundamentals and internal strengths. During the Review Period, the Group's revenue amounted to approximately RMB9,282.9 million, representing an increase of approximately 127.6% as compared to the corresponding period in 2023; gross profit amounted to

approximately RMB1,830.0 million, representing an year-on-year increase of approximately 161.7%; gross profit margin was approximately 19.7%, representing a year-on-year increase of approximately 2.6 percentage points; profit amounted to approximately RMB117.9 million; profit attributable to the Company's owners amounted to approximately RMB62.5 million; and earning per share was RMB1.11 cents.

On the financial front, the Group has always adopted a more prudent financial policy. As of 30 June 2024, total debt asset ratio and net gearing ratio remained at a reasonable level of approximately 69.1% and 44.8%, respectively. At the same time, the Group maintains a stable liquidity position, with a current ratio of approximately 1.23, and a net gearing ratio of 0.45. As of 30 June 2024, the Group's total assets were approximately RMB42,393.9million, and its cash and cash equivalents and restricted cash amounted to approximately RMB 1,913.6 million, with a healthy capital structure.

### **Significant results in cost reduction and efficiency improvement, abundant high-grade land reserves**

In the first half of 2024, in response to the overall weak sales in the real estate industry due to economic and market conditions, the Group focused on achieving the semi-annual targets with "ensuring delivery, stable operation, and risk control" as the core. Taking sales amount collection as prior motivation, breaking down business targets, optimizing internal operations, strengthening cost control, enhancing resource integration and team collaboration efficiency, and launching the "Harvest Together, Seek Development" all-staff marketing campaign, the Group was able to boost sales performance and improve economic benefits.

During the Review Period, the Group's contracted GFA area was approximately 166,612 sq.m, with the amount of approximately RMB 2,875 million. The recognized GFA was approximately 414,373 square meters, with the amount of approximately RMB 8,920.8 million yuan. The average property sales price per sq.m. was approximately RMB 21,528, a year-on-year increase of approximately 3.9%. The average sales cost per sq.m. was approximately RMB 16,843, a year-on-year decrease of approximately 5.2%, demonstrating improved management efficiency in a challenging industry environment.

It is worth noting that as of 30 June 2024, the Group's total land reserve was approximately 8.1 million square meters, with an average acquisition cost of approximately RMB 2,845 sq.m. The land reserve is of high quality and abundant, enough to support the Group's development for more than five years and effectively support daily operations and business growth.

## **Collaborative development of all business segments based on customer needs**

In the complex situation of reshaping the real estate market and a deep reshuffling of the industry, the Group adhered to its core business nature and customer-oriented approach. It consistently linked customer satisfaction, product quality, and corporate growth, and has been among the top performers in the "Chinese Urban Residents' Satisfaction Survey (中國城市居民居住滿意度調查)" conducted by the China Index Research Institute for several years.

During the Review Period, due to an increase in delivered properties compared to the same period in 2023, revenue from property sales was approximately RMB8,920.8 million, an increase of approximately 145.9% year-on-year. Revenue from property leasing was approximately RMB 48.6 million. Hotel operations recorded revenue of approximately RMB 112.7 million. Revenue from property management and other services was approximately RMB 200.8 million.

With the successful listing of Zhong An Intelligent on the Hong Kong Stock Exchange in 2023 against all odds, Zhong An has become the first large-scale enterprise group in Zhejiang Province to have three listed companies in the real estate, commercial, and service sectors. The three listed companies are complementary to each other and jointly create success: real estate development builds the backbone of core assets, commercial operations provide diverse value and resources, and property services inject continuous vitality. Together, they create a super stable "corporate foundation" with a three-point anchor, forming a diverse ecosystem integrating real estate development, commercial operations, property services, financial investment, hotel management, film and culture, parent-child education, and cultural tourism and wellness. It is continuously contributing to the good life of the people and will continue to contribute to the power of Zhong An.

## **Outlook**

Looking ahead to the second half of 2024, the Chinese real estate industry will continue to face both opportunities and challenges. With the guidance of policies and market promotion, it is expected to achieve stable and healthy development.

Facing the changes and uncertainties in the domestic and international situation, the Group will strive to seize the opportunities brought by the new type of urbanization, adapt to new development models, strengthen fine sales management and innovative strategies, deepen the implementation of business strategic goals through regional brand advantages, steadily promote the integrated development of "real estate +" and build "multi-faceted capabilities". We devote ourselves into improving customer service quality and reputation, continuously explore and enrich the theme of family and life, forge vitality that can withstand cycles, and achieve a stable and solid development

for the future.

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**About Zhong An Group Limited (0672.HK)**

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 website of the Group:

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

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