众安房产
ZHONG AN REAL ESTATE

ZHONG AN REAL ESTATE LIMITED
眾安房產有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 672)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		
	2017	2016	Increase/ (Decrease)
Revenue (RMB million)	**4,395.1**	5,007.1	(-12.2%)
Profit attributable to owners of the parent (RMB million)	**547.4**	125.3	336.9%
Basic earnings per share (RMB)	**0.10**	0.03	233.3%

The board of directors (the "**Board**" or the "**Directors**") of Zhong An Real Estate Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2017 (the "**year**" or the "**year under review**"), together with the comparative figures for the corresponding year ended 31 December 2016, and such annual results have been reviewed by the audit committee of the Company:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
Year ended 31 December 2017

	Notes	2017 RMB'000	2016 RMB'000
Revenue	4	**4,395,117**	5,007,148
Cost of sales		**(3,385,190)**	(4,382,170)
Gross profit		**1,009,927**	624,978
Other income and gains	4	**109,276**	30,193
Selling and distribution expenses		**(269,631)**	(187,495)
Administrative expenses		**(302,104)**	(311,611)
Other expenses		**(25,517)**	(19,029)
Fair value gain upon transfer to investment properties		**523**	–
Changes in fair value of investment properties		**825,362**	123,908
Finance costs	5	**(41,426)**	(11,717)
Share of loss of joint ventures		**(4,371)**	(15)
Profit before tax	6	**1,302,039**	249,212
Income tax expense	7	**(493,635)**	(88,250)
Profit for the year		**808,404**	160,962
Attributable to:			
Owners of the parent		**547,435**	125,272
Non-controlling interests		**260,969**	35,690
		808,404	160,962
Earnings per share attributable to ordinary equity holders of the parent	8		
Basic		**RMB10 cents**	RMB3 cents
Diluted		**RMB10 cents**	RMB3 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2017

	2017 *RMB'000*	2016 *RMB'000*
Profit for the year	**808,404**	160,962
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(2,545)**	4,070
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**(2,545)**	4,070
Total comprehensive income for the year	**805,859**	165,032
Attributable to:		
Owners of the parent	**541,870**	131,540
Non-controlling interests	**263,989**	33,492
	805,859	165,032

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2017

	Notes	2017 RMB'000	2016 RMB'000
Non-current assets			
Property and equipment		**2,059,812**	1,362,070
Investment properties		**5,475,911**	5,129,937
Properties under development		**1,857,179**	2,285,929
Restricted cash		**139,927**	141,351
Available-for-sale investments		**367,653**	28,300
Long term prepayments		**236,665**	409,958
Investment in joint ventures		**629**	759
Loans and receivables from a joint venture		–	173,246
Deferred tax assets		**101,062**	168,779
Total non-current assets		**10,238,838**	9,700,329
Current assets			
Completed properties held for sale		**3,528,806**	5,506,562
Properties under development		**4,416,081**	2,931,314
Inventories		**17,431**	16,158
Trade and bills receivables	9	**64,239**	78,321
Prepayments, deposits and other receivables		**764,020**	479,164
Equity investments at fair value through profit or loss		**72,298**	491
Restricted cash		**790,733**	354,138
Cash and cash equivalents		**2,502,367**	946,651
Investment properties classified as held for sale		**202,889**	257,313
Total current assets		**12,358,864**	10,570,112
Current liabilities			
Advance from a joint venture		**108,520**	–
Trade payables	10	**1,747,904**	1,938,978
Other payables and accruals		**636,930**	603,226
Advances from customers		**4,573,014**	3,051,080
Interest-bearing bank and other borrowings		**1,627,419**	2,131,739
Tax payable		**785,661**	668,900
Total current liabilities		**9,479,448**	8,393,923
Net current assets		**2,879,416**	2,176,189
Total assets less current liabilities		**13,118,254**	11,876,518

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
31 December 2017

	2017	2016
	RMB'000	*RMB'000*
Non-current liabilities		
Interest-bearing bank and other borrowings	**2,932,000**	3,136,609
Deferred tax liabilities	**1,127,090**	1,028,774
Total non-current liabilities	**4,059,090**	4,165,383
Net assets	**9,059,164**	7,711,135
Equity		
Equity attributable to owners of the parent		
Share capital	**516,469**	220,811
Reserves	**6,934,889**	6,318,091
	7,451,358	6,538,902
Non-controlling interests	**1,607,806**	1,172,233
Total equity	**9,059,164**	7,711,135

NOTES TO FINANCIAL STATEMENTS

1. GENERAL

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise standards and interpretations approved by the International Accounting Standards Board (the "IASB"), and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect and the disclosure requirements of the Hong Kong Companies Ordinance and The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). They have been prepared under the historical cost convention, except for investment properties and derivative financial instruments which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

2. APPLICATION OF NEW AND REVISED IFRSs

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

Amendments to IAS 7	*Disclosure Initiative*
Amendments to IAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to IFRS 12 included in *Annual Improvements 2014-2016 Cycle*	*Disclosure of interests in Other Entities*

The adoption of the above new and revised standards has had no significant financial effect on these financial statements.

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions*[1]
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*[1]
IFRS 9	*Financial Instruments*[1]
Amendments to IFRS 9	*Prepayment Features with Negative Compensation*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
IFRS 15	*Revenue from Contracts with Customers*[1]
Amendments to IFRS 15	*Clarifications to IFRS 15 Revenue from Contracts with Cutomers*[1]
IFRS 16	*Leases*[2]
Amendments to IAS 40	*Transfers of Investment Property*[1]
IFRIC 22	*Foreign Currency Transactions and Advance Consideration*[1]
IFRIC 23	*Uncertainty over Income Tax Treatment*[2]
Amendments to IFRS 1 included in *Annual Improvements 2014-2016 Cycle*	*First-time Adoption of International Financial Reporting Standards*[1]
Amendments to IAS 28 included in *Annual Improvements 2014-2016 Cycle*	*Investments in Associates and Joint Ventures*[1]

[1] Effective for annual periods beginning on or after 1 January 2018
[2] Effective for annual periods beginning on or after 1 January 2019
[3] No mandatory effective date yet determined but available for adoption

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on income derived from business and has two reportable operating segments as follows:

(a) the residential segment develops and sells residential properties, and provides management and security services to residential properties in Mainland China and Canada;

(b) the commercial segment develops and sells commercial properties, leases investment properties, owns and operates hotels and provides management and security services to commercial properties in Mainland China.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of profit/loss before tax from continuing operations. Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Year ended 31 December 2017	**Residential**	**Commercial**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue:			
Sales to external customers	**4,099,131**	**295,986**	**4,395,117**
Intersegment sales	**800**	**–**	**800**
Sales to external customers	**4,099,931**	**295,986**	**4,395,917**
Reconciliation:			
Elimination of intersegment sales			**(800)**
Revenue from continuing operations			**4,395,117**
Segment results	**549,949**	**752,090**	**1,302,039**
Segment assets	**10,039,749**	**13,254,174**	**23,293,923**
Reconciliation:			
Elimination of intersegment receivables			**(696,221)**
Total assets			**22,597,702**
Segment liabilities	**6,332,009**	**7,245,818**	**13,577,827**
Reconciliation:			
Elimination of intersegment payables			**(39,289)**
Total liabilities			**13,538,538**
Other segment information:			
Share of loss of:			
a joint venture:	**4,371**	**–**	**4,371**
Impairment losses recognised in the statement of profit or loss	**(1,213)**	**–**	**(1,213)**
Depreciation	**14,675**	**17,191**	**31,866**
Investments in joint ventures	**629**	**–**	**629**
Capital expenditure	**55,600**	**252,834**	**308,434**

Year ended 31 December 2016	Residential	Commercial	Total
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue:			
Sales to external customers	4,148,777	858,371	5,007,148
Intersegment sales	1,200	–	1,200
	4,149,977	858,371	5,008,348
Reconciliation:			
Elimination of intersegment sales			(1,200)
Revenue from continuing operations			5,007,148
Segment results	(16,495)	265,707	249,212
Segment assets	9,249,696	11,288,945	20,538,641
Reconciliation:			
Elimination of intersegment receivables			(268,200)
Total assets			20,270,441
Segment liabilities	6,692,487	5,946,886	12,639,373
Reconciliation:			
Elimination of intersegment payables			(80,067)
Total liabilities			12,559,306
Other segment information:			
Share of loss of:			
a joint venture:	–	15	15
Impairment losses recognised in the statement of profit or loss	(71,611)	–	(71,611)
Depreciation	7,868	13,090	20,958
Investments in joint ventures	–	759	759
Capital expenditure	13,601	117,328	130,929

Geographical information

All of the Group's revenue is derived from customers based in Mainland China except one property in Canada, and all of the non-current assets of the Group are located in Mainland China.

Information about major customers

No sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue for the years ended 31 December 2017 and 2016.

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents income from the sale of properties, property leasing income, property management fee income and hotel operating income during the year, net of business tax and other sales related taxes and discounts allowed.

An analysis of revenue, other income and gains is as follows:

	2017	2016
	RMB'000	*RMB'000*
Revenue		
Sale of properties	**4,242,937**	5,027,694
Property leasing income	**77,402**	62,040
Property management fee income	**121,109**	100,652
Hotel operating income	**67,391**	46,749
Less: Business tax and surcharges*	**(113,722)**	(229,987)
	4,395,117	5,007,148

* Pursuant to the VAT reform in the PRC effective from 1 May 2016, all pre-sales of properties incurred after 1 May 2016 are subject to VAT. Accordingly, once the related revenue from these sales of properties is recognised, more revenue represents the net invoiced value of properties sold with VAT exclusive. Revenue in connection with the pre-sales incurred prior to 1 May 2016 is still subject to business tax, and the revenue represents the net invoiced value of properties sold with business tax exclusive.

	2017	2016
Other income		
Bank interest income	**24,383**	9,139
Subsidy income*	**1,724**	12,007
Others	**18,923**	8,173
	45,030	29,319
Gains		
Gain on disposal of investment properties	**61,991**	–
Foreign exchange gain	**2,255**	874
	64,246	874
	109,276	30,193

* There are no unfulfilled conditions or contingencies relating to these grants.

5. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	2017	2016
	RMB'000	*RMB'000*
Interest on bank borrowings	**257,479**	263,852
Interest on other borrowings	**68,166**	109,732
Total interest expense	**325,645**	373,584
Less: Interest capitalised in properties under development	**(284,219)**	(361,867)
	41,426	11,717

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2017	2016
	RMB'000	*RMB'000*
Cost of properties sold	**3,220,810**	4,322,573
Depreciation	**31,866**	20,958
Minimum lease payments under operating leases:		
– Office premises	**9,568**	4,771
Auditors' remuneration	**2,320**	2,720
Staff costs including directors' and chief executive's remuneration:		
– Salaries and other staff costs	**198,477**	177,687
– Pension scheme contributions	**22,508**	20,179
Foreign exchange differences, net	**(2,255)**	(874)
Direct operating expenses (including repairs and maintenance arising on investment properties)	**3,553**	2,807
(Gain)/loss on disposal of investment properties	**(61,991)**	5,684
Fair value gain, net:		
Fair value gain upon transfer to investment properties	**(523)**	–
Changes in fair value of investment properties	**(825,362)**	(123,908)
Equity investments at fair value through profit or loss – held for trading	**(1,825)**	67
Realise of properties under development to net realisable value	**(1,213)**	(71,611)

7. INCOME TAX

The Group's subsidiaries incorporated in Hong Kong and Canada are not liable for income tax as they did not have any assessable profits arising in Hong Kong and Canada during the year (2016: Nil).

The provision for the PRC income tax has been provided at the applicable income tax rate of 25% (2016: 25%) on the assessable profits of the Group's subsidiaries in Mainland China.

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. Prior to the actual cash settlement of the LAT liabilities, the LAT liabilities are subject to the final review/approval by the tax authorities.

	2017	2016
	RMB'000	*RMB'000*
Current – PRC corporate income tax for the year	**179,955**	52,949
Current – PRC LAT for the year	**169,954**	23,644
Deferred	**143,726**	11,657
Total tax charge for the year	**493,635**	88,250

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent of RMB547,435,000 (2016: RMB125,272,000) and the weighted average number of ordinary shares of 5,311,316,200 (2016: 4,697,164,800) in issue during the year, as adjusted to reflect the rights issued during the year.

The calculation of basic earnings per share is based on:

	2017	2016
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent	**547,435**	125,272

	Number of shares	
	2017	2016
		(Restated)
Shares		
Weighted average number of ordinary shares in issue during the year	**5,311,316,200**	4,697,164,800

The Group had no potentially dilutive ordinary shares during the year ended 31 December 2017 (2016:Nil).

9. TRADE AND BILLS RECEIVABLES

The Group's trading terms with its customers are mainly lease receivables on credit. The credit period is generally one month, extending up to three months for major customers. All balances of the trade and bills receivables as at the end of the year were neither past due nor impaired and aged within one to three months.

Trade and bills receivables are non-interest-bearing and unsecured.

10. TRADE PAYABLES

An aging analysis of the Group's trade payables as at the end of the reporting period, based on the payment due dates, is as follows:

	2017	2016
	RMB'000	*RMB'000*
Within six months	**1,541,738**	1,682,979
Over six months but within one year	**153,441**	221,791
Over one year	**52,725**	34,208
	1,747,904	1,938,978

The above balances are unsecured and interest-free and are normally settled based on the progress of construction.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

The consolidated revenue of the Group for 2017 was RMB4,395.1 million, representing a decrease of about 12.2% from that of 2016. The gross profit for 2017 was RMB1,009.9 million, representing an increase of about 61.6% from that of 2016. During the year under review, the total revenue of the investment properties sold was RMB927.6 million. The sales income generated from part of the investment properties was about RMB62.0 million for the year. The profit attributable to owners of the parent for 2017 was about RMB547.4 million, representing an increase of about 336.9% from that in 2016. The basic earnings per share was RMB0.10 (2016: RMB0.03).

Industry Review

The performance of the Chinese economy was satisfactory in 2017. GDP growth was 6.9% for the year, which exceeded the expected target of 6.5%. With the promotion of supply-side structural reform in 2017, an upward trend for most of the commodity prices relating to the reform continued. Meanwhile, with the deepening of deleverage in the financial system, the monetary policy of the central bank remained generally steady and neutral in 2017.

According to the National Bureau of Statistics of China, in 2017, the investment in property development amounted to RMB10,979.9 billion nationwide, representing a nominal growth of 7.0% as compared with that of last year. Among which, residential investment amounted to RMB7,514.8 billion, representing a growth of 9.4%. The residential investment accounted for a proportion of 68.4% of the investment in property development. In 2017, the gross floor area (GFA) of commodity properties sold was 1,694.08 million sq.m., representing an increase of 7.7% as compared with that of last year. Among which, the growth of GFA of residential properties sold, office buildings sold and commercial business properties sold were 5.3%, 24.3% and 18.7% respectively. The sales of commodity properties amounted to RMB13,370.1 billion, representing a growth of 13.7%. Among which, the growth of sales of residential properties, office buildings and commercial business properties were 11.3%, 17.5% and 25.3% respectively.

In 2017, the land area purchased by property development enterprise was 255.08 million sq.m., representing a growth of 15.8% as compared with that of last year; the premium of the land transaction amounted to RMB1,364.3 billion, representing a growth of 49.4% as compared with that of last year. The area under construction by property development enterprise was 7,814.84 million sq.m., representing a growth of 3.0% as compared with that of last year. Among which, the area under construction for residential properties was 5,364.44 million sq.m., representing a growth of 2.9%. The area of newly commenced properties was 1,786.54 million sq.m., representing a growth of 7.0%. Among which, the area of newly commenced residential properties was 1,280.98 million sq.m., representing a growth of 10.5%. The completed construction area of properties was 1,014.86 million sq.m., representing a drop of 4.4%. Among which, the completed construction area of residential properties was 718.15 million sq.m., representing a drop of 7.0%. At the end of 2017, the area of commodity properties pending for sale was 589.23 million sq.m., representing a decrease of 6.83 million sq.m. as compared with the end of November of the same year. Among which, the area of residential properties pending for sale was decreased by 6.70 million sq.m, the area of office buildings pending for sale was increased by 1.18 million sq.m and the area of commercial business properties pending for sale was decreased by 2.15 million sq.m..

Business Review

The recognised revenue of properties sold and delivered by the Group in 2017 was about RMB4,242.9 million (2016: RMB5,027.7 million), representing a decrease of about 15.6% compared to that of 2016. The decrease was due to the decrease in GFA of properties sold and delivered by the Group in 2017.

The GFA of properties sold and delivered by the Group in 2017 was about 400,769 sq.m. (2016: 623,230 sq.m.), representing a decrease of 35.7% as compared to that of 2016.

The recognised average selling price per sq.m. achieved by the Group in 2017 was about RMB10,586.9, representing an increase of about 31.2% from RMB8,067.2 in the previous year. It is due to the greater increase in selling prices in the market and substantial increase in the portion of sales of properties with higher selling prices in the year under review.

During the year under review, the total recognised GFA sold for the major projects of the Group and the respective recognised revenue are as follows:

Projects	**Recognised GFA** *sq. m.*	**Recognised revenue** *RMB million*	**Percentage of interest in the project attributable to the Group**
Zhejiang Province			
Hangzhou			
Hidden Dragon Bay		6.6	63.6%
Jiarun Mansion	3,036	79.0	68.8%
Landscape Bay	7,770	147.3	92.6%
White Horse Manor	15,584	251.8	90.0%
Ideal Bay	104,217	1,053.2	45.9%
Chaoyang No.8	99,039	1,353.3	90.0%
Others*	235	29.0	
Yuyao			
Dragon Bay	11,328	315.0	90.0%
Jade Mansion	30,313	233.2	93.0%
Zhong An Times Square (Phase II)	15,042	178.3	93.0%/64.0%
Zhong An Landscape Garden, Cixi	3,027	20.6	90.0%
Anhui Province			
Hefei			
Green Harbour	81	1.4	84.2%
Huaibei			
Vancouver City	111,097	574.2	100.0%
	400,769	4,242.9	

* Including: White Horse Noble Mansion, New White Horse Apartments, Landscape Garden and Onshore Blue Mountain.

The average cost of properties sold per sq.m. of the Group was about RMB8,042 in 2017, representing an increase of about 15.9% from RMB6,936 in the previous year. It was due to the higher development cost of relevant projects recognized for sale during the year.

Progress of development on the major projects

Hangzhou, Zhejiang Province

Landscape Bay

This is a residential project located on the south bank of Qiantang River, Xiaoshan District, Hangzhou, Zhejiang Province, which was completed in phases in previous years, with a total GFA of about 300,012 sq.m.. The project includes island-style townhouses, high-rise apartments with river view, car park lots and clubhouse. The entire project was completed in 2011. So far, it is sold out apart from some car parking lots and few housing for sales control.

Hidden Dragon Bay

This is an integrated commercial complex in Wenyan Town, Xiaoshan District, Hangzhou, Zhejiang Province with a total GFA of 241,695 sq.m.. The project includes low-rise luxurious leisure mansions for corporations, high-rise serviced apartments (SOHO), street shops and car park lots. The project was completed in April 2013. The volume of sales of this project during the year under review was within expectation.

International Office Centre (IOC)

IOC is a large-scale integrated commercial complex located in Qianjiang Century City (錢江世紀城), Xiaoshan District, Hangzhou, comprising serviced apartments, shopping malls and offices. The total site area of Plot A is 92,610 sq.m. and planned total GFA is 798,795 sq.m.. The project is constructed in three phases, consists of Plots A1, A2 and A3. Among which, Plot A3 was completed in 2015, comprising serviced apartments, shops and underground car parking spaces with a total GFA of approximately 327,996 sq.m.. It is expected that Plot A2 will commence in 2018.

White Horse Manor

This is a residential project in Xiaoheshan, Yuhang District, Hangzhou, Zhejiang Province with a total GFA of about 243,497 sq.m.. It consists of high-rise residential buildings and low-density residential townhouses situated at a hilly terrain with beautiful scenery and green vegetation. The townhouse units are built with American architectural design and on the terrain with spacious view. The project is in proximity to local universities and Xixi Wetland. The entire project was completed in December 2015. The volume of sales of the project during the year under review was within expectation.

Ideal Bay

This is a residential project in Linping, Yuhang District, Hangzhou, Zhejiang Province with a total GFA of about 538,856 sq.m.. The project consists of townhouses in British architectural design and high-rise apartment units, which was fully completed in June 2016. The volume of sales of the project during the year under review was within expectation.

Chaoyang No. 8

This is a project including residential units, apartments and block-type commercial amenities in Shushan Town, Xiaoshan District, Hangzhou, Zhejiang Province and it is at the prime location with Hangzhou Metro Line No.2 terminal in the proximity with a total GFA of about 199,224 sq.m.. The project was completed in May 2017 and delivered by the end of 2017. The volume of sales of the project during the year under review was within expectation.

Hangzhou Qiandao Lake Bright Resort Hotel

This is a hotel project in Qiandaohu Town, Chunan County, Hangzhou, Zhejiang Province with a GFA of about 46,691 sq.m.. This hotel is built at the shore of Qiandao Lake with a beautiful lake view and natural habitat. Blocks A, B and C are located in the hotel area and opened in April 2017.

College Square

This is a residential project located at Yuhang District, Hangzhou, Zhejiang Province and its total GFA is about 195,293 sq.m.. It consists of high-rise residential apartments and shopping units. It is very close to the old city of Yuhang District and situated at the planned hi-tech center of Hangzhou. The project was commenced in April 2016 and is in the progress of construction, and it is expected to be completed in around the third quarter of 2018. The pre-sale of this project during the year under review was within expectation.

White Horse Palace

This is a residential project located at Xiaoshan District, Hangzhou, Zhejiang Province and its total GFA is about 68,220 sq.m.. It consists of 4 high-rise residential apartments, 3 multi-storey garden apartments and 5 townhouses. It is at the core areas of Xiaoshan District, Hangzhou. The project is still in the process of construction and enters the stage of ancillary construction works. It is expected to be completed in 2018. So far, the properties are sold out apart from some car parking lots and few housing for sales control. The pre-sale of this project during year under review was within expectation.

Xixi New City (Jiangcun Parcel)

It is located in Jiangcun Unit, Xihu District, Hangzhou and is in proximity to Xixi Wetland. The total site area of the project is 39,703 sq.m. and the total GFA is 59,555 sq.m.. The construction of the project was commenced in May 2017, which will become an integrated commercial complex comprising offices, serviced apartments and shops. It is planned to be completed and delivered in 2019. The pre-sale of this project during the year under review was within expectation.

Xixi Manhattan

It is located in the future science and technology city which is the segment to be emphasized by Hangzhou Municipal Government, and it is a high-end serviced apartment project of Xixi Financial Island in Yuhang District, Hangzhou. The GFA of the project is 109,998 sq.m.. It was offered and sold in late August 2017 and is expected to be delivered in 2019. The pre-sale of this project during the year under review was within expectation.

Phase II Parcel of Blue Mountain, Jimei, Yuhang (余杭集美藍山二期地塊)

It is located at Xian Lin Street, Yuhang District, Hangzhou and consists of residential and commercial parcels, with a total GFA of about 98,668 sq.m.. The project consists of multi-storey, small high-rise and high-rise buildings as well as townhouses, and is surrounded by well-developed community facilities. The project is scheduled to start in 2018.

Yuyao, Zhejiang Province

Dragon Bay

This is a high-end low-density residential project in Yuyao, Zhejiang Province, which was completed in 2013, with a total GFA of 196,809 sq.m.. The project consists of French, European and Spanish-style low-density residential buildings. The sale during the year under review was within expectation.

Jade Mansion

This is a low-density residential project in Yuyao, Zhejiang Province with a total GFA of 292,807 sq.m.. The project consists of 3 phases with townhouses and residential apartments and it is next to the Dragon Bay. The construction of Phase I with townhouse was completed in 2014 and the construction of Phase III with residential apartments was completed in June 2016. The construction of Phase II started at the end of 2016 and is planned to be completed at the end of December 2018. The volume of sales of this project during the year under review was within expectation.

Zhong An Times Square

This is a large-scale integrated commercial project in Yuyao, Zhejiang Province, with a total GFA of about 628,408 sq.m. in 2 phases. It is next to the Dragon Bay and the Jade Mansion, which are projects spanning along a river. The project consists of 2 phases. Phase I includes a shopping mall (Zhong An•Yin Tai Cheng) (眾安 • 銀泰城), a boutique hotel and two commercial office towers and underground car parking spaces, while Phase II includes a hotel, a Grade A office tower and six high-rise serviced apartment buildings, underground car parking spaces and shops. Phase II of this project was completed in September 2016 and Phase I will be completed in 2018. The volume of sales of Phase II of this project during the year under review was within expectation.

Zhong An Landscape Garden, Cixi

This is a commercial property project in Cixi, Zhejiang Province. The total site area is about 197,424 sq.m.. The residential project includes the commercial portion for providing supporting services to local residents, with a total GFA of about 402,529 sq.m., of which the GFA of the residential portion is about 278,189 sq.m. and the GFA of the commercial portion for supporting services is about 124,340 sq.m..

Hefei, Anhui Province

Green Harbour

It is a low-density residential project in Guanzhen Village, Hefei, Anhui Province, with the completion of blocks A1, C1, C2 and F1 in the previous years. The sale of this project during the year under review was within expectation.

Huaibei, Anhui Province

Vancouver City

This is a low-density residential project in Huaibei, Anhui Province, which includes townhouses, multi-storey apartments and shopping units. The project is developed in phases, and its sale and pre-sale during the year under review were within expectation. The VC Bright Hotel (溫哥華伯瑞特酒店), with a GFA of about 67,061 sq.m., was put into business in September 2017. The GFA of Phase IV south project is about 120,000 sq.m. and it is planned to commence construction at the end of March 2018.

Tianjin

This is a land re-development project located in Hexi District, Tianjin. The reallocation and demolition works are expected to be commenced later. It is expected that this allocated land will, upon completion of the re-development project, be transferred to the local government. This re-development project is a part of the urban renewal project of the Tianjin government.

Overseas

Amber Rise

This project was set up in Vancouver, Province of British Columbia, Canada with a total GFA of about 7,719 sq.m.. The site is located in wealthy district with about 20 minutes drive to downtown of Vancouver City. A total of 11 townhouses with individual swimming pools and deluxe design will be built in 2 phases. Construction was commenced in the fourth quarter of 2016 and it is expected that the entire project will be completed by end of 2018.

Contracted sales in 2017

As at 31 December 2017, the contracted GFA sold by the Group was about 679,415 sq.m. (2016: 504,176 sq.m.) with the amount of about RMB10,101.2 million (2016: RMB5,030.2 million), which exceeds an amount of ten billion for the first time for the sales amount of the Group. Set out below are the details of the contracted sales from the major projects:

Projects	**Contracted GFA sold** *(sq.m.)*	**Contracted amount** *(RMB million)*	**Percentage of interest in the project attributable to the Group**
Zhejiang Province			
Hangzhou			
Chaoyang No. 8	25,953	396.0	90%/61.9%
Hidden Dragon Bay	6,288	68.5	63.6%
Ideal Bay	66,010	898.7	45.9%
Jiarun Mansion	30,925	745.3	68.8%
Landscape Bay	4,558	104.5	92.6%
White Horse Manor	8,857	191.3	90.0%
White Horse Palace	33,106	906.8	90.0%
College Square	57,554	950.1	90.0%
Highlong Plaza	24,258	335.8	61.9%
Xixi Manhattan	18,520	321.0	31.6%
Xixi New City	9,007	302.4	68.8%
Shenglong Landscape Garden	1,372	14.5	61.9%
Gentle Mansion	87,899	2,175.8	21.6%
Xinnongdu	105,983	945.0	12.3%
Others		2.4	
Yuyao			
Dragon Bay	10,554	299.0	90.0%
Jade Mansion	27,404	357.1	93.0%
Zhong An Times Square (Zhong An Yin Tai Cheng)	22,366	223.2	93.0%/64.0%
Cixi			
Zhong An Landscape Garden, Cixi	59,725	376.9	90.0%
Anhui Province			
Hefei			
Green Harbour	81	1.3	84.2%
Huaibei			
Vancouver City	78,995	485.6	100.0%
	679,415	10,101.2	

It is expected that the GFA available for sale or lease or operation from the projects to be completed as of 2018 would be about 1,300,898 sq.m., the details of which are as follows:

Projects	**GFA available for sale/lease/ operation** *(sq.m.)*	**Percentage of interest in the project attributable to the Group**	**Usage**
Chaoyang Yinzuo	36,452	61.9%	For sale
White Horse Palace	68,220	90.0%	For sale
College Square	195,293	90.0%	For sale
Zhong An Landscape Garden, Cixi (Phase II)	50,109	90.0%	For sale
Zhong An Times Square (Phase I)	305,473	65.8%	For operation and sale
Vancouver City (Sections 3, 4 of Phase 3)	173,896	100.0%	For sale
Gentle Mansion	164,908	21.6%	For sale
International Office Centre (Plot A3)	112,449	68.8%	For sale/leasing
Hidden Dragon Bay	121,169	63.6%	For sale/leasing
Highlong Plaza	72,929	61.9%	For sale/leasing
Total	1,300,898		

Land bank

As at 31 December 2017, the total GFA of the Group's land bank was about 6,265,939 sq.m., out of which the total unsold or undelivered GFA of the completed properties projects was about 1,515,792 sq.m.. As at 31 December 2017, the average acquisition cost of the Group's overall land bank was about RMB1,141 per sq.m..

During the year under review, the GFA of properties of which the construction was newly commenced by the Group was about 426,720 sq.m..

OTHER BUSINESS DEVELOPMENT

The businesses of the Group are diversifying which provide the basis for securing more stable income in the future and diversification of investment risks. The Group will steadily promote an asset-light business model and gradually broaden the scope of property services and business operation which includes hotel operation, commercial leasing, office building management and property services, and will continue to adopt new business models and types such as the promotion of development of new agricultural and healthcare industries at the same time, so as to enhance the upstream and downstream business linkage and synergetic development of our property business and to maintain a trend of sustainable development.

Hotel operation

There are three hotels currently under operation, Holiday Inn Hangzhou Xiaoshan, Hangzhou Qiandao Lake Bright Resort Hotel and Huaibei Bright Hotel. The hotel operation of the Group recorded a revenue of approximately RMB67.4 million (2016: approximately RMB46.7 million), representing an increase of approximately 44%, during the year under review and the overall hotel occupancy rate was approximately 52% (2016: approximately 58%).

Commercial leasing

The leasing revenue for 2017 was about RMB77.4 million, representing an increase of about 24.8% compared to RMB62.0 million in 2016. It was mainly due to the commencement of the leasing business of International Office Centre (IOC).

Currently, Highlong Plaza, International Office Centre (IOC) and the shopping units of Hidden Dragon Bay provide the main source of leasing income. Highlong Plaza consists of office buildings, a shopping centre, a hotel, serviced apartments and underground car parking lots. The serviced apartments at Highlong Plaza were sublet to and managed by independent operators, Ningbo Sanbi Hotel and Hangzhou Youbang Hotel. The performance of the operation was satisfactory.

The shopping units of Hidden Dragon Bay with a GFA of about 20,281 sq.m. and the shops of International Office Centre (IOC) with a GFA of about 29,311 sq.m. had contributed another source of rental income during the year under review. The overall leasing rate was 91% (2016: 79%).

Property management services

The Group provides quality property management services to the communities located in properties developed by the Group and other developers. The services are further enhanced by the provision of travel tours, housekeeping and nanny services, etc.. The provision of customer-oriented services and the wide variety of services offered have strengthened the Group's corporate brand management.

Other services

The Group achieved greater progress in developing new industries such as education and culture, healthcare, film and television entertainment, leisure travel and modern agriculture while further expanding its commercial property business. It also introduced a new business form themed on children's activities, "Happy Time", which focused on urban children's services comprising children's health, education, entertainment and sports activities.

Awards and Recognitions

The Group had received the following awards and accolades from the PRC government and recognized authorities during the year under review:

Awarded by	Awards	Awarded parties/projects
Enterprise Research Institute of Development Research Center of State Council, Real Estate Research Institute of Tsinghua University and China Index Academy	Star of 2017 Top 100 China Real Estate Developers 2017 Top 10 Hong Kong Listed Domestic Property Companies with Financial Stability 2017 Top 10 China Real Estate Integrated Development Expert Pioneer Brand Value-Worthy of Investment By City	Zhong An Real Estate Limited
Hong Kong renowned financial magazine "China Financial Market"	"Best Investment Value Award" in the 2017 China Financial Market Listed Companies Awards	China New City Commercial Development Limited
China Real Estate Research Association, China Real Estate Industry Association	2017 Commercial Property with Greatest Investment Value	"Zhong An Jiarun Mansion" of Henlly Enterprise Management (Hangzhou) Co., Ltd.
China Index Academy, China Real Estate Top 10 Research Team	2017 China Top 100 Property Management Companies	Zhejiang Zhong An Property Management Co., Ltd.
Real Estate and Property Committee of China Optimization Society of Capital Construction	Innovative Design Project for Real Estate (房地產設計創新項目)	The Four Seasons Youyuan Project of Jade Mansion, Zhong An (眾安翡翠瓏灣四季有院項目)
Health Service Promotion Association in Zhejiang Province	Outstanding Members for the year 2017	Zhong An Health Co., Ltd
Department of Housing and Urban-Rural Development of Anhui Province	"Huangshan Cup" Award (「黃山杯」獎) of 2017 Anhui Province Construction Projects	Times Apartment (時代公寓) of Phase VI of Vancouver City, Zhong An

Human resources

As at 31 December 2017, the Group employed a total of 3,115 staff (2016: 2,610 staff). In 2017, the staff cost of the Group was about RMB221.0 million (2016: about RMB197.9 million), representing an increase of about 11.7% (2016: 13.8%). The increase was mainly due to the increase in quality staff recruited during the year under review following the continuous development of the business. The employees' remuneration policy was determined by reference to factors such as remuneration information in respect of the local market, the overall remuneration standard in the industry, inflation level, corporate operating efficiency and performance of the employees. The Group conducts performance appraisal on a yearly basis for its employees, the results of which are taken into account of the annual salary review and promotion assessment. The Group's employees are considered for the entitlement of annual discretionary bonus according to certain performance conditions and appraisal results. To attract high calibre people and solidify the management of the Group, eligible participants (including employees of the Group) may be granted options to subscribe for shares in the Company pursuant to the share option scheme adopted by the Company. The Group also provides continuous learning and training programs to its employees to enhance their skills and knowledge, so as to maintain the attraction of the Company for talents and their competitiveness in the market.

Dividend policy

The Board determines the dividend policy of the Company according to financial condition, operating results, capital requirements, shareholders' equity, contractual restraint and other factors as considered relevant by the Board.

Financial Analysis

Gross profit

For the year ended 31 December 2017, the Group recorded gross profit of about RMB1,009.9 million, representing an increase of about 61.6% as compared to that of about RMB625.0 million in the previous year. The increase in gross profit is the net effect of (i) the increase in recognised revenue from the properties sold and delivered; and (ii) the relatively higher unit costs of the properties sold and delivered in the year under review.

Other income and gains

Other income and gains increased by about 261.9% to about RMB109.3 million in 2017 from about RMB30.2 million in 2016. The increase was primarily attributable to (i) the substantial increase in gains from sale of investment properties with an amount of RMB62.0 million; and (ii) the increase in interest income in the year under review.

Selling and distribution expenses

Owing to the recovery of the market in 2017 and the more stringent cost control, selling and distribution expenses increased by about 43.8% to about RMB269.6 million in 2017 from about RMB187.5 million in 2016. The amount of contracted sales achieved for 2017 increased by 100.8% from that of 2016.

Administrative expenses

Administrative expenses were declined by about 3.0% to about RMB302.1 million in 2017 from about RMB311.6 million in 2016, which was substantially the same as compared with 2016.

Other expenses

Other expenses increased by about 34.2% to about RMB25.5 million in 2017 from about RMB19.0 million in 2016.

Finance costs

Finance costs increased by about 253.8% to about RMB41.4 million in 2017 from about RMB11.7 million in 2016. This increase was mainly due to the decrease in capitalised interest of projects under construction in the year under review.

Income tax expenses

Income tax expenses increased by about 459.0% to about RMB493.6 million in 2017 from about RMB88.3 million in 2016. The primary reasons for the increase are: (i) there was an increase in the amount of PRC land appreciation tax accounted for in the year under review and (ii) there was a deferred tax expense resulted from the increase in fair value gain of completed properties to investment properties in the year under review.

Capital structure

As at 31 December 2017, 5,836,596,800 shares in the Company were in issue (31 December 2016: 2,348,582,400 shares).

As at 31 December 2017, the Group had total assets of approximately RMB22,597.7 million (2016: approximately RMB20,270.4 million) which were financed by current liabilities of approximately RMB9,479.4 million (2016: approximately RMB8,393.9 million), non-current liabilities of approximately RMB4,059.1 million (2016: approximately RMB4,165.4 million) and shareholders' equity of approximately RMB9,059.2 million (2016: approximately RMB7,711.1 million).

As at 31 December 2017, the Group had aggregate cash and cash equivalents and restricted cash of about RMB3,433.0 million (2016: RMB1,442.1 million).

As at 31 December 2017, the Group's interest-bearing bank and other borrowings amounted to approximately RMB4,559.4 million (2016: approximately RMB5,268.3 million). The decrease was mainly due to the increase in repayment of bank loans and borrowings by the Group with sufficient self-owned funds during the year under review.

The maturity profile of the borrowings was as follows:

	As at 31 December 2017	As at 31 December 2016
	RMB'000	*RMB'000*
Within 1 year or on demand	**1,627,419**	2,131,739
Over 1 year but within 2 years	**2,275,000**	1,439,609
Over 2 years but within 5 years	**487,000**	1,247,000
Over 5 years	**170,000**	450,000
	4,559,419	5,268,348

Interest-bearing bank and other borrowings bear interest at fixed rates and floating rates. As at 31 December 2017, the Group's interest-bearing bank and other borrowings bore effective interest rates ranging from 0.90% to 8.2% per annum (2016: 2.11% to 12.00% per annum).

The denominated amounts of the borrowings were as follows:

	As at 31 December 2017	As at 31 December 2016
	RMB'000	*RMB'000*
Renminbi	**4,239,070**	4,905,220
Canadian dollars	–	15,422
Hong Kong dollars	–	45,097
Japanese Yen	**37,565**	–
United States dollars	**282,784**	302,609
	4,559,419	5,268,348

For the year under review, the total cost of borrowings of the Group was approximately RMB325.6 million (2016: approximately RMB373.6 million), and interests with an amount of approximately RMB284.2 million (2016: approximately RMB361.9 million) were capitalized.

The Group maintained a healthy liquidity position. The current ratio, being a ratio of total current assets to total current liabilities, was approximately 1.30 (2016: approximately 1.26). The ratio of interest-bearing bank and other borrowings to total assets was 0.20 (2016: 0.26). The net gearing ratio of the Group (defined as net debt divided by total equity) was 0.12 (2016: 0.50) (net debt is defined as total interest-bearing bank and other borrowings less cash and cash equivalent and total restricted cash). The Group always adopts a prudent financial policy in its operation and business development.

Capital commitments

As at 31 December 2017, the Group had capital commitments of about RMB1,234.2 million (2016: RMB1,058.4 million) in respect of property development expenditure. It is expected that the Group will finance such commitments from its own funds, cash proceeds from sales and external financing (such as bank loans).

Contingent liabilities

As at 31 December 2017, the contingent liabilities of the Group was about RMB3,205.4 million (2016: RMB4,124.4 million), which were guarantees provided by the Group in favour of certain banks for the grant of mortgage loans to buyers of the Group's properties.

Pledge of assets

As at 31 December 2017, investment properties of the Group with carrying value of about RMB1,732.8 million (2016: RMB2,355.7 million), properties under development of about RMB1,577.5 million (2016: RMB2,599.5 million), completed properties held for sale of about RMB1,899.2 million (2016: RMB2,947.3 million), property and equipment of about RMB90.7 million (2016: RMB132.5 million), restricted cash of about RMB183.9 million (2016: RMB141.7 million) were pledged to secure the banking facilities and other borrowings for the Group.

Foreign exchange risk

As the sales, purchase and bank borrowings of the Group in 2017 and 2016 were made mainly in Renminbi, the foreign exchange risk exposed to the Group was relatively minor. The Group did not use foreign exchange hedging instruments to hedge foreign exchange risks in 2017 and 2016.

Interest rate risk

The interest rates for certain portion of the Group's loans were floating. Upward fluctuations in interest rates will increase the interest cost of new loans and existing loans. Given that certain portion of loans are RMB loans and the stable domestic economic situation, the Group currently does not use derivative instruments to hedge its interest rate risks.

Event(s) after the reporting period

On 18 March 2018, the Company, through its non-wholly owned subsidiary (杭州眾嘉投資管理有限公司 (Hangzhou Zhongjia Investment Management Co., Ltd.*)) (the "**Purchaser**"), entered into an equity transfer agreement with an independent third party (杭州彭博大向實業有限公司 (Hangzhou Pengbo Daxiang Enterprise Co., Ltd.*)) (the "**Vendor**") for the acquisition from the Vendor of the entire equity interest in 浙江尚拓投資有限公司 (Zhejiang Shangtuo Investment Co., Ltd.) (the "**Target Co**") at the cash consideration of RMB360 million with the ultimate aim of pursuing the implementation of the construction and development of a project on a plot of land (held by the wholly owned subsidiary of the Target Co) located at 中國浙江省杭州市余杭鎮上湖村彭餘公路(西側) (Yu Hang Town, Shanghu

Village, Pengyu Highway (West Side)*) with a total site area of 121,894 square meters and a plot raito of 2.18, subject to and upon the terms contained in the equity transfer agreement. The acquisition constituted a discloseable transaction for the Company under the Listing Rules. Details of the acquisition were set out in the Company's announcement dated 18 March 2018.

Save as disclosed above, there was no matter occurred that bears significant effect to the Group between the year end date and the date of this announcement.

Environmental, Social and Governance Aspects

The Group is always committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. A report on the environmental, social and governance aspects is being prepared with reference to Appendix 27 (Environmental, Social and Governance Reporting Guide) to the Listing Rules and will be published respectively on the websites of the Company and the Stock Exchange in due course.

Prospects

Looking forward to 2018, the global economy will continue towards full-scale recovery, with the Chinese economy maintaining a stable and upward trend under the 'new normal' conditions. It is believed that the PRC government will continue to facilitate housing system reform by combining short-term adjustment and control with long-term systems, and by directing the classification, adjustment and control of "implementation of policies based on situations of various cities" and "various policies for one city" to improve the multi-layered housing supply system.

In the current development environment, mergers and acquisitions may be regarded as the industry mainstream, with the real estate industry continuing to become increasingly concentrated. For third-and fourth-tier cities with more land reserve, destocking remains the main task, though substantial reduction in prices may be difficult as first- and second-tier cities have relatively less land reserve. The Group's major development area is the Yangtze River Delta Region, which boasts a strong economic base and a low-cost land bank. It is believed that the real estate market's stable development will continue in the coming year as it benefits from the PRC's "One Belt One Road" and "Yangtze River Economic Zone" strategies.

The Group will continue to promote its business model of 'acquiring land and selling products at a fair price; developing projects and collecting sales proceeds in a quick process'. To accelerate asset turnover, we will develop more quick-sale products targeting end-users and high value-added, low-density residential units. We will continue to fully leverage our strong brand name and optimise our marketing approaches and channels to achieve rapid growth in sales. Meanwhile, we will expand our business in first- and second-tier cities as well as third- and fourth-tier cities with healthy market development by means of cooperation and acquisition, in-depth study of regional economic markets and real estate policies, and exploration of valuable low-lying land. The Group will also carefully analyse consumer demand and preferences to enhance its ability to innovate and improve existing products, so as to progressively build up a more sophisticated and competitive product lines.

DIVIDEND

The Directors do not recommend the payment of dividend for the year ended 31 December 2017 (2016: nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the "**Model Code**"). Following specific enquiries by the Company, all Directors confirmed with the Company that they had complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions during the year.

CORPORATE GOVERNANCE

Throughout the year, the Company had applied the principles and complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules, save for the deviation from code provision A.2.1 of the CG Code.

Code provision A.2.1 states that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. During 1 January 2017 to 1 July 2017, Mr Shi Kancheng served as the Chairman and the Chief Executive Officer of the Company. The Board considers that the taking of the roles of both chairman and chief executive officer by the same individual provides the Company with consistent leadership and enables the Company to carry out the planning and implementation of business plans and decisions efficiently. Nevertheless, to enhance the level of corporate governance, Mr Shi Kancheng ceased to be the Chief Executive Officer with effect from 2 July 2017, and Ms Wang Shuiyun, an executive Director, was appointed as the Chief Executive Officer. As a result, the Company has complied with code provision A.2.1 of the CG Code with the roles of chairman of the Board and chief executive officer being assumed by different people.

The Board considers that the taking of the roles of chairman of the Board and chief executive officer by different people provides the Company with more visible leadership and enables the Company to effectively and distinctively carry out the division of work between decision planning and business implementation.

The Board will review the management structure of the Group from time to time and adopt appropriate measures as may be desirable for future development of the operating activities or business of the Group.

AUDIT COMMITTEE

The audit committee of the Company (comprising all the independent non-executive Directors) had reviewed the consolidated results of the Company for the year ended 31 December 2017 and considered that the Company had complied with all applicable accounting standards and requirements and made adequate disclosure.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 31 May 2018 to Tuesday, 5 June 2018 (both days inclusive) for the purpose of determining shareholders who are entitled to attend and vote at the forthcoming annual general meeting of the Company to be held on Tuesday, 5 June 2018. In order to qualify for attending and voting at the annual general meeting, all transfer documents accompanied by the relevant share certificates should be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Wednesday, 30 May 2018.

DISCLOSURE OF ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The annual report of the Group containing all the relevant information required by the Listing Rules will be despatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Zhong An Real Estate Limited
Shi Kancheng
Chairman

The PRC, 21 March 2018

As at the date of this announcement, the Board comprised five executive Directors, namely Mr Shi Kancheng (Chairman), Ms Wang Shuiyun, Ms Shen Tiaojuan, Mr Zhang Jiangang and Mr Jin Jianrong, one non-executive Director, namely Ms Shen Li, and three independent non-executive Directors, namely Professor Pei Ker Wei, Dr Loke Yu and Mr Zhang Huaqiao.

* *For identification purpose only*