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众安集团
ZHONG AN GROUP

眾安集團有限公司
Zhong An Group Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 672)

ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2024

SUMMARY

- The consolidated revenue in the FY2024 was approximately RMB13,930.2 million, representing a decrease of approximately 3.9% as compared to that of the FY2023
- The gross profit for the FY2024 was approximately RMB2,284.9 million, representing an increase of approximately 49.8% from that of the FY2023
- The profit for the FY2024 was approximately RMB218.0 million, representing a decrease of approximately 24.1% from that of the FY2023
- As at 31 December 2024, the Group's total gearing ratio and net gearing ratio were approximately 67.2% and 29.2% respectively, which were maintained at a reasonable level
- The awards and accolades issued by the PRC government and recognised authorities to the Group during the FY2024 include 2024 Top 100 China Real Estate Developers, 2024 Top 10 Hong Kong Listed Domestic Property Companies with Financial Stability, 2024 Top 10 Hong Kong Listed Domestic Property Companies with Investment Value and 2024 Top 100 China Integrated Property Service Enterprises No. 37.

The board of directors (the “**Board**” or the “**Directors**”) of Zhong An Group 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 2024 (the “**FY2024**”), together with the comparative figures for the corresponding year ended 31 December 2023 (the “**FY2023**”) as below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

		2024	2023
	<i>Notes</i>	<i>RMB’000</i>	<i>RMB’000</i>
Revenue	<i>4</i>	13,930,179	14,490,232
Cost of sales		<u>(11,645,270)</u>	<u>(12,964,836)</u>
Gross profit		2,284,909	1,525,396
Other income and gains, net	<i>4</i>	70,238	97,103
Selling and distribution expenses		(224,893)	(337,752)
Administrative expenses		(464,658)	(589,284)
Other expenses	<i>4</i>	(170,584)	(112,299)
Finance costs	<i>6</i>	(148,412)	(129,068)
Changes in fair value of investment properties		(388,312)	(352,311)
Share of profits of:			
Joint ventures		154,147	187,408
Associates		<u>136,847</u>	<u>162,014</u>
Profit before tax	<i>5</i>	1,249,282	451,207
Income tax expense	<i>7</i>	<u>(1,031,310)</u>	<u>(164,093)</u>
Profit for the year		<u>217,972</u>	<u>287,114</u>

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Attributable to:			
Owners of the parent		19,924	479,442
Non-controlling interests		<u>198,048</u>	<u>(192,328)</u>
		<u>217,972</u>	<u>287,114</u>
Earnings per share attributable to ordinary equity holders of the parent	8		
Basic		<u>RMB0.4 cents</u>	<u>RMB8.5 cents</u>
Diluted		<u>RMB0.4 cents</u>	<u>RMB8.5 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit for the year	<u>217,972</u>	<u>287,114</u>
Other comprehensive income		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	<u>27,124</u>	<u>(38,300)</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>27,124</u>	<u>(38,300)</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	60,148	11,518
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	(16,888)	65,920
Income tax effect	<u>4,222</u>	<u>(16,480)</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>47,482</u>	<u>60,958</u>
Total comprehensive income for the year	<u>292,578</u>	<u>309,772</u>
Attributable to:		
Owners of the parent	85,192	518,347
Non-controlling interests	<u>207,386</u>	<u>(208,575)</u>
	<u>292,578</u>	<u>309,772</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	2024 RMB'000	2023 RMB'000
Non-current assets			
Property and equipment		2,235,984	2,371,886
Investment properties		4,785,200	4,840,200
Properties under development		1,376,934	1,959,634
Right-of-use assets		20,790	83,274
Restricted cash		7,450	184,982
Equity investments designated at fair value through other comprehensive income		440,275	457,163
Long term prepayments		584,208	451,495
Investments in joint ventures		996,022	1,093,138
Investments in associates		1,236,041	1,285,819
Deferred tax assets		268,495	367,495
Total non-current assets		11,951,399	13,095,086
Current assets			
Completed properties held for sale		13,284,073	7,551,181
Properties under development		6,510,845	19,017,731
Inventories		28,460	39,997
Trade receivables	9	581,656	220,738
Prepayments, other receivables and other assets		2,999,023	4,258,159
Financial assets at fair value through profit or loss		75,459	99,542
Loans to joint ventures		253,783	816,098
Loans to associates		771,551	740,104
Restricted cash		956,351	1,925,366
Cash and cash equivalents		1,823,340	787,166
Investment properties classified as held for sale		26,800	18,600
Total current assets		27,311,341	35,474,682

		2024	2023
	Note	RMB'000	RMB'000
Current liabilities			
Trade payables		4,906,366	3,460,881
Other payables and accruals		1,709,540	1,175,552
Contract liabilities		8,072,903	16,671,292
Lease liabilities		12,841	56,351
Advances from joint ventures		704,140	1,273,867
Advances from associates		906,056	1,209,012
Interest-bearing bank and other borrowings		2,406,762	2,511,810
Tax payable	10	2,771,301	2,374,082
Total current liabilities		21,489,909	28,732,847
Net current assets		5,821,432	6,741,835
Total assets less current liabilities		17,772,831	19,836,921
Non-current liabilities			
Interest-bearing bank and other borrowings		4,136,040	5,974,349
Deferred tax liabilities		732,881	815,272
Other non-current liabilities		3,369	—
Lease liabilities		22,176	92,100
Total non-current liabilities		4,894,466	6,881,721
Net assets		12,878,365	12,955,200
Equity			
Equity attributable to owners of the parent			
Share capital		498,653	498,653
Reserves		9,771,876	9,720,836
		10,270,529	10,219,489
Non-controlling interests		2,607,836	2,735,711
Total equity		12,878,365	12,955,200

NOTES TO FINANCIAL STATEMENTS

1 GENERAL

These 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 and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, investment properties classified as held for sale, equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value as explained in the accounting policies set out below. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

2 ACCOUNTING POLICIES

2.1 Changes in accounting policies and disclosures

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

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current (the “2020 Amendments”)</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants (the “2022 Amendments”)</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The revised standards have had no significant financial effect on these financial statements.

2.2 Issued but not yet effective International Financial Reporting Standards

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRSs, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements³</i>
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures³</i>
Amendments to and IFRS 7 IFRS 9	<i>Amendments to the Classification and Measurement of Financial Instruments²</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity²</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴</i>
Amendments to IAS 21	<i>Lack of Exchangeability¹</i>
Annual Improvements to IFRS Accounting Standards – Volume 11	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7²</i>

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual/reporting periods beginning on or after 1 January 2027

⁴ No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group considers that, these new and revised IFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

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 property management services, project management services and other services to residential properties in Chinese Mainland and Canada;
- (b) the commercial segment develops and sells commercial properties, leases investment properties, owns and operates hotels and provides project management services and other services to commercial properties in Chinese Mainland, Japan and United Kingdom.

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 2024	Residential RMB'000	Commercial RMB'000	Total RMB'000
Segment revenue			
Sales to external customers	9,826,423	4,103,756	13,930,179
Intersegment sales	31,474	–	31,474
Sales to external customers	9,857,897	4,103,756	13,961,653
<u>Reconciliation:</u>			
Elimination of intersegment sales			(31,474)
Revenue from continuing operations			13,930,179
Segment results	118,900	1,130,382	1,249,282
Segment assets	25,877,013	13,577,036	39,454,049
<u>Reconciliation:</u>			
Elimination of intersegment receivables			(191,309)
Total assets	25,877,013	13,385,727	39,262,740
Segment liabilities	18,532,091	8,043,593	26,575,684
<u>Reconciliation:</u>			
Elimination of intersegment payables			(191,309)
Total liabilities	18,340,782	8,043,593	26,384,375
Other segment information:			
Share of (profits)/losses of:			
Associates	(136,847)	–	(136,847)
Joint ventures	(161,411)	7,264	(154,147)
Impairment losses recognised in the			
statement of profit or loss	196,761	77,664	274,425
Investments in joint ventures	971,523	24,499	996,022
Investments in associates	1,236,041	–	1,236,041
Depreciation and amortisation	21,167	121,784	142,951
Capital expenditure	17,693	44,990	62,683

Year ended 31 December 2023	Residential RMB'000	Commercial RMB'000	Total RMB'000
Segment revenue			
Sales to external customers	13,192,997	1,297,235	14,490,232
Intersegment sales	20,349	–	20,349
Sales to external customers	13,213,346	1,297,235	14,510,581
<u>Reconciliation:</u>			
Elimination of intersegment sales			(20,349)
Revenue from continuing operations			<u>14,490,232</u>
Segment results	927,874	(476,667)	451,207
Segment assets	35,366,685	13,533,007	48,899,692
<u>Reconciliation:</u>			
Elimination of intersegment receivables			(329,924)
Total assets	35,036,761	13,533,007	<u>48,569,768</u>
Segment liabilities	26,922,400	9,022,092	35,944,492
<u>Reconciliation:</u>			
Elimination of intersegment payables			(329,924)
Total liabilities	26,922,400	8,692,168	<u>35,614,568</u>
Other segment information:			
Share of losses of:			
Associates	(162,014)	–	(162,014)
Joint ventures	(188,071)	663	(187,408)
Impairment losses recognised in the			
statement of profit or loss	238,691	21,280	259,971
Investments in joint ventures	1,056,749	36,389	1,093,138
Investments in associates	1,285,819	–	1,285,819
Depreciation and amortisation	14,189	149,526	163,715
Capital expenditure	4,921	70,899	75,820

Geographical information

(a) Revenue from external customers

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Chinese Mainland	13,929,432	14,474,030
Others	747	16,202
	<u>13,930,179</u>	<u>14,490,232</u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Chinese Mainland	10,837,321	12,190,099
Others	405,308	80,329
	<u>11,242,629</u>	<u>12,270,428</u>

The non-current asset information above is based on the locations of the assets and excludes equity investments designated at fair value through other comprehensive income and deferred tax assets.

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 2024 and 2023.

4 REVENUE, OTHER INCOME AND GAINS, NET, AND OTHER EXPENSES

An analysis of revenue is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<i>Revenue from contracts with customers</i>	13,807,905	14,379,520
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases	<u>122,274</u>	<u>110,712</u>
	<u>13,930,179</u>	<u>14,490,232</u>

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2024

Segments	Property development <i>RMB'000</i>	Property management and other services <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods or services				
Sale of properties	13,192,529	–	–	13,192,529
Hotel operation services	–	–	224,586	224,586
Property management and other services	<u>–</u>	<u>390,790</u>	<u>–</u>	<u>390,790</u>
Total revenue from contracts with customers	<u>13,192,529</u>	<u>390,790</u>	<u>224,586</u>	<u>13,807,905</u>
Timing of revenue recognition				
At a point in time	13,192,529	–	224,586	13,417,115
Over time	<u>–</u>	<u>390,790</u>	<u>–</u>	<u>390,790</u>
Total revenue from contracts with customers	<u>13,192,529</u>	<u>390,790</u>	<u>224,586</u>	<u>13,807,905</u>

For the year ended 31 December 2023

Segments	Property development <i>RMB'000</i>	Property management and other services <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods or services				
Sale of properties	13,692,115	–	–	13,692,115
Hotel operation services	–	–	257,923	257,923
Property management and other services	–	429,482	–	429,482
Total revenue from contracts with customers	<u>13,692,115</u>	<u>429,482</u>	<u>257,923</u>	<u>14,379,520</u>
Timing of revenue recognition				
At a point in time	13,692,115	–	257,923	13,950,038
Over time	–	429,482	–	429,482
Total revenue from contracts with customers	<u>13,692,115</u>	<u>429,482</u>	<u>257,923</u>	<u>14,379,520</u>

Revenue from the sale of properties recognised that was included in contract liabilities at the beginning of the reporting period was amounted to RMB11,600,183,000 (2023: RMB13,661,072,000).

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Other income		
Bank interest income	19,859	66,758
Subsidy income*	3,562	963
Others	<u>13,052</u>	<u>16,407</u>
	<u>36,473</u>	<u>84,128</u>
Gains		
Gain on disposal of subsidiaries	2,863	—
Compensation of lease termination	2,876	—
Gain on disposal of right-of-use assets	24,402	—
Gain on disposal of items of property and equipment	—	4,308
Changes in fair value of financial assets at fair value through profit or loss	<u>3,624</u>	<u>8,667</u>
	<u>33,765</u>	<u>12,975</u>
	<u>70,238</u>	<u>97,103</u>

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Other expenses		
Impairment provision for property and equipment	(59,481)	(1,653)
Impairment of financial assets	(69,499)	(52,743)
Impairment provision for right-of-use assets	(2,166)	(729)
Impairment of an investment in a joint venture	(5,626)	–
Loss on disposal of financial assets at fair value through profit or loss	(2,374)	–
Loss on disposal of items of property and equipment	(2,812)	–
Loss on disposal of subsidiaries	–	(8,189)
Loss on disposal of investment properties	–	(4,382)
Loss on disposal of right-of-use assets	–	(4,834)
Donations	(3,322)	(6,041)
Foreign exchange loss	(1,735)	(6,844)
Compensation	(9,274)	(18,724)
Others	(14,295)	(8,160)
	<u>(170,584)</u>	<u>(112,299)</u>

5 PROFIT BEFORE TAX

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Cost of properties sold	10,970,939	12,242,581
Depreciation of property and equipment	117,254	130,350
Depreciation of right-of-use assets	25,697	32,520
Amortisation of other intangible assets	–	845
Lease payments not included in the measurement of lease liabilities	26,387	49,220
Auditor's remuneration	6,640	6,665
Staff costs including directors' and chief executive's remuneration:		
– Salaries and other staff costs	292,387	342,121
– Pension scheme contributions*	48,386	55,488
Loss on disposal of financial assets at fair value through profit or loss	2,374	–
Foreign exchange differences, net	1,735	6,844
Direct operating expenses (including repairs and maintenance arising on investment properties)	5,778	5,522
Loss on disposal of investment properties	–	4,382
Loss/(gain) on disposal of right-of-use assets	(24,402)	4,834
Loss/(gain) on disposal of items of property and equipment	2,812	(4,308)
(Gains)/loss on disposal of subsidiaries	(2,863)	8,189
Fair value losses/(gains), net:		
Changes in fair value of investment properties	388,312	352,311
Changes in fair value of financial assets at fair value through profit or loss	(3,624)	(8,667)
Impairment provision for property and equipment **	59,481	1,653
Impairment provision for right-of-use assets**	2,166	729
Write down to net realisable value of completed properties held for sale	137,653	53,211
Write down to net realisable value of properties under development	–	151,635
Impairment of an investment in a joint venture**	5,626	–
Impairment of financial assets**	69,499	52,743

* *There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.*

** *Included in "Other expenses" in the consolidated statement of profit or loss.*

6 FINANCE COSTS

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

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank and other borrowings	469,325	700,081
Interest on lease liabilities	3,519	5,688
	<hr/>	<hr/>
Total interest expense on financial liabilities not at fair value through profit or loss	472,844	705,769
Less: Interest capitalised in properties under development	324,432	576,701
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	148,412	129,068
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7 INCOME TAX

The Group's subsidiaries incorporated in Hong Kong, Canada and Japan are not liable for income tax as they did not have any assessable profits arising in Hong Kong, Canada and Japan during the year (2023: Nil).

The provision for the PRC income tax has been provided at the applicable income tax rate of 25% (2023: 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 the sale 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.

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current – PRC corporate income tax for the year	419,573	202,973
Current – PRC LAT for the year	590,868	52,270
Deferred	20,869	(91,150)
	<hr/>	<hr/>
Total tax charge for the year	<u>1,031,310</u>	<u>164,093</u>

A reconciliation of the tax expense applicable to profit before tax using the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before tax	<u>1,249,282</u>	<u>451,207</u>
Tax at the statutory tax rate of 25% (2023: 25%)	312,321	112,802
Effect of withholding tax at 10% on the distributable profits of the Group's PRC subsidiaries	7,733	46
Utilised tax losses not recognised in previous periods	(24,009)	–
Profits and losses attributable to joint ventures and associates	(72,749)	(87,356)
Income not subject to tax	(1,029)	(1,589)
Expenses not deductible for tax	11,346	15,827
Tax losses not recognised	354,546	85,160
Provision for LAT	590,868	52,270
Tax effect on LAT	<u>(147,717)</u>	<u>(13,067)</u>
	<hr/>	<hr/>
Tax charge at the Group's effective rate	<u>1,031,310</u>	<u>164,093</u>

Tax payable in the consolidated statement of financial position represents:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
PRC corporate income tax	1,265,869	975,937
PRC LAT	<u>1,505,432</u>	<u>1,398,145</u>
	<u><u>2,771,301</u></u>	<u><u>2,374,082</u></u>

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 RMB19,924,000 (2023: RMB479,442,000) and the weighted average number of ordinary shares of 5,635,809,800 (2023: 5,635,809,800) in the issue of shares during the year, as adjusted to reflect the rights issued during the year.

The calculation of basic earnings per share is based on:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Profit		
Profit attributable to ordinary equity holders of the parent	<u><u>19,924</u></u>	<u><u>479,442</u></u>
Number of shares		
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the year	<u><u>5,635,809,800</u></u>	<u><u>5,635,809,800</u></u>

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2024 and 2023 in respect of a dilution as the Group had no potential dilutive ordinary shares in issue during the year ended 31 December 2024 (2023: Nil).

9 TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to various diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing and unsecured.

An ageing analysis of the trade receivables as at the end of the reporting period is as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within six months	566,066	220,847
Over six months but within one year	19,820	6,071
Over one year but within two years	15,343	2,399
Over two years but within three years	62	4,205
Over three years	<u>1,120</u>	<u>—</u>
	602,411	233,522
Impairment	<u>(20,755)</u>	<u>(12,784)</u>
	<u>581,656</u>	<u>220,738</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating, and forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. For the sale of properties, rentals under operating leases and provision of hotel operation businesses and other business of the Group, management has assessed that the expected credit loss rate for trade receivables is minimal as at 31 December 2024 and 2023. In the opinion of the directors of the Company, the Group's trade receivables relate to a large number of diversified customers with no recent history of significant default and the balances are considered fully recoverable considering the historical records and forward-looking information.

10 TRADE PAYABLES

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within six months	3,687,315	3,207,298
Over six months but within one year	1,182,655	219,585
Over one year but within two years	16,394	33,998
Over two years	<u>20,002</u>	<u>—</u>
	<u>4,906,366</u>	<u>3,460,881</u>

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

11 DIVIDENDS

The Board does not recommend the payment of dividends for the year ended 31 December 2024 (for the year ended 31 December 2023: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Results

The consolidated revenue of the Group for the FY2024 was approximately RMB13,930.2 million, representing a decrease of approximately 3.9% from that of the FY2023. The gross profit for the FY2024 was approximately RMB2,284.9 million, representing an increase of approximately 49.8% from that of the FY2023. The profit attributable to owners of the parent for the FY2024 was approximately RMB19.9 million, representing a decrease of approximately 95.8% from that of the FY2023. The basic earnings per share was approximately RMB0.4 cents (FY2023: approximately RMB8.5 cents).

Industry Review

According to data from the National Bureau of Statistics of the PRC, in 2024, China's gross domestic product (GDP) reached RMB134,908.4 billion, representing a growth of 5.0% compared to the previous year calculated at constant prices. Faced with a complex and severe situation of increasing external pressures and growing internal difficulties, China adheres to the fundamental working principle of keeping progress with stability. China has comprehensively and accurately implemented the new development philosophy, accelerated the construction of a new development pattern, and solidly promoted high-quality development. In particular, it has timely deployed a package of incremental policies to effectively boost social confidence and visibly revitalize the economy. The overall operation of the national economy has remained stable and progresses steadily, with new advances in high-quality development and the successful accomplishment of the main goals and tasks for economic and social development.

In 2024, nationwide real estate development investment amounted to RMB10,028.0 billion, representing a decrease of 10.6% compared to the previous year. Among them, residential investment amounted to RMB7,604 billion, representing a decrease of 10.5%. In 2024, the gross floor area ("GFA") of newly built commodity properties sold was 973.58 million sq.m., representing a decline of 12.9% compared to the previous year. Among them, the decline of GFA of residential properties sold was 14.1%, while the decline of GFA of office building sold was 11.5%, and the decline of GFA of commercial business properties sold was 5.9%. The sales volume of newly built commodity properties amounted to RMB9,675.0 billion, representing a decrease of 17.1%, with sales of residential properties decreasing by 17.6%, sales of office building decreasing by 14.3%, and sales of commercial business properties decreasing by 13.6%.

In 2024, the area under construction by property development enterprises amounted to 7,332.47 million sq.m., representing a decrease of 12.7% compared to the previous year. Among them, the area under construction of residential buildings was 5,133.30 million sq.m., representing a decrease of 13.1%. The newly started construction area of buildings amounted to 738.93 million sq.m., representing a decrease of 23.0%. Among them, the newly started construction area of residential buildings was 536.60 million sq.m., representing a decrease of 23.0%. The completed construction area of buildings amounted to 737.43 million sq.m., representing a decrease of 27.7%. Among them, the completed construction area of residential buildings was 537.41 million sq.m., representing a decrease of 27.4%. At the end of 2024, the area of commodity properties for sale amounted to 753.27 million sq.m., representing an increase of 10.6% compared to the previous year. Among them, the area of residential buildings for sale increased by 16.2%, the area of office buildings for sale increased by 8.6%, and the area of commercial business buildings for sale increased by 0.6%.

Business Review

The recognised revenue of properties delivered by the Group in the FY2024 was approximately RMB13,192.5 million (FY2023: approximately RMB13,692.1 million), representing a decrease of approximately 3.6%, which was mainly due to the decrease in the total GFA of properties delivered by the Group to approximately 703,812 sq.m. in the FY2024 from approximately 718,117 sq.m. in the FY2023, representing a decrease of approximately 2.0%, and the corresponding amount of recognised revenue that can be counted in the FY2024 decreased accordingly.

The recognised average selling price per sq.m. achieved by the Group in the FY2024 was approximately RMB18,744.4, representing a decrease of approximately 1.7% from approximately RMB19,066.7 for the FY2023.

During the FY2024, the total recognised GFA sold for the major projects of the Group and the respective recognised revenue are as follows:

Projects	City	Recognised GFA sold <i>sq.m.</i>	Recognised amount <i>RMB million</i>	% of interest attributable to the Group
Zhejiang				
Hidden Dragon Bay	Hangzhou	15,583	194.7	61.1%
International Office Centre (IOC)A2	Hangzhou	64,240	2,866.1	66.0%
White Horse Manor	Hangzhou	626	11.1	90.0%
Xixi Manhattan	Hangzhou	1,038	10.3	59.4%
College Square	Hangzhou	–	3.3	90.0%
Fashion Color City	Hangzhou	14,738	221.6	59.4%
Cloud Land	Hangzhou	–	2.4	90.0%
Ruiyuan Mansion	Hangzhou	39,389	751.1	100.0%
Others	Hangzhou	–	5.8	90.0%
Long Ying Hui Jin Zuo(Bin He Yin)	Hangzhou	16,623	375.6	59.4%
Chaoyang Yinzuo	Hangzhou	–	3.3	59.4%
Ideal Bay	Hangzhou	1,347	17.9	45.9%
Chun'an Lotus Mansion	Hangzhou	36,906	357.4	90.0%
Nan Hu Ming Yue	Hangzhou	1,639	51.9	59.9%
Xiaoshan Lotus Mansion	Hangzhou	–	14.8	90.0%
Wenzhou Future City	Wenzhou	97,419	1,398.2	45.0%
Taizhou Future City	Taizhou	28,559	469.1	90.0%
Comphor Tree Bay	Lishui	261	5.0	90.0%
Chaoyue Mansion	Ningbo	31,083	720.5	90.0%
Guyue Mansion	Shaoxing	5,096	171.2	90.0%
Zhong An Times Square Phase II	Yuyao	–	3.2	61.4%
Jade Mansion	Yuyao	–	1.1	93.0%
Cixi Landscape Garden	Cixi	–	0.3	90.0%
Cixi New City	Cixi	7,473	46.3	59.4%
Xiuhu Lotus Gardon	Yiwu	60,438	2,513.9	90.0%
Typha Lotus Garden	Yiwu	–	0.9	90.0%
Ruyi Mansion	Zhoushan	179	2.0	90.0%
Cloud Chen Square	Quzhou	85,455	1,238.1	45.9%
Jiangsu				
Nanjing Future City	Nanjing	61,680	383.0	90.0%
Jiangyin Future City	Wuxi	44,535	471.7	90.0%
Anhui				
Vancouver City	Huaibei	6,917	50.1	100.0%
Green Harbour	Hefei	706	9.0	84.2%
Shandong				
Qingdao New City	Qingdao	824	6.7	100.0%
Zhong An Future City	Qingdao	36,241	285.5	90.0%
Yunnan				
Yunxing Imperial Palace	Kunming	44,818	529.3	90.0%
		<u>703,812</u>	<u>13,192.5</u>	

The average cost of properties sold per sq.m. of the Group was approximately RMB15,587.9 in the FY2024, representing a decrease of approximately 8.6% from approximately RMB17,048.2 in the FY2023.

Progress of development on the major projects

Hangzhou City, Zhejiang Province

Shunyuan Mansion

It is located in the Yinhu plot of Fuyang District, Hangzhou. It consists of high-rise, small high-rise and shops with a total floor area of approximately 54,493 sq.m. and a total GFA of approximately 130,783 sq.m., which is for residential use. The project commenced construction and started the pre-sale in the third quarter of 2020. It was completed in 2023. The volume of sales of the project during the year under review was in line with expectation. So far, it has been basically sold out apart from some car parking lots and a few housings.

Fashion Color City

It is located in Xinjie Village, Xiaoshan District, Hangzhou. It consists of finely-finished loft apartments, large flat-floor apartments and shops, with a total floor area of approximately 26,087 sq.m. and a total GFA of approximately 78,261 sq.m., which is for commercial use. The project commenced construction in the third quarter of 2020 and started the pre-sale in the fourth quarter of 2020. It was completed in 2023. The volume of sales of the project during the year under review was in line with expectation. So far, it has been basically sold out apart from some car parking lots and a few housings.

Cloud Land

It is located in the City of Future Science and Technology, Yuhang District, Hangzhou. It consists of multi-storey buildings, with a total floor area of approximately 46,737 sq.m. and a total GFA of approximately 78,087 sq.m., which is for residential use. The project commenced construction in the first quarter of 2021 and started the pre-sale in the third quarter of 2021. It was completed in 2023. The volume of sales of the project during the year under review was in line with expectation. So far, it has been basically sold out apart from some car parking reserves.

International Office Center (IOC)

IOC is a large-scale integrated commercial complex located in Qianjiang Century City (錢江世紀城), Xiaoshan District, Hangzhou, which comprises 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, which 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. So far, Plot A3 has been basically sold out apart from a few housings and car parking lots. The construction of Plot A2 has commenced in 2019 with a total GFA of approximately 263,555 sq.m. The project started the pre-sales in the third quarter of 2020, and was completed in 2023. The volume of pre-sales of Plot A2 during the year under review was in line with expectation.

Ruiyuan Mansion

It is located in Yinhu Street, Fuyang District, Hangzhou. It consists of high-rise buildings, large flat floors and shops, with a total floor area of approximately 39,480 sq.m. and a total GFA of approximately 94,752 sq.m., which is for residential use. The project commenced construction in the third quarter of 2021 and started the pre-sales in the fourth quarter of 2021. It was completed in 2023. During the year under review, it has been basically sold out apart from a few housings and some car parking lots.

Lotus Mansion (Chun'an)

It is located in the Pearl Peninsula plot, Chun'an County, Hangzhou. It consists of high-rise buildings and villas, with a total floor area of approximately 22,417 sq.m., and a total GFA of approximately 48,870 sq.m., which is for residential use. The project commenced construction in the third quarter of 2021 and started the pre-sale in the fourth quarter of 2021. It has been delivered in the first quarter of 2024. During the year under review, it has been basically sold out apart from a few housings and some reserves for car parking lots.

Long Ying Hui Jin Zuo (Bin He Yin)

It is located in Beigan Technology Innovation Park, Xiaoshan District, Hangzhou. It consists of large flat floors and shops, with a total floor area of approximately 12,819 sq.m., and a total GFA of approximately 44,867 sq.m., which was for commercial use. The project commenced construction in the fourth quarter of 2021 and started the pre-sales in the third quarter of 2022. It has been completed and delivered in the third quarter of 2024. During the year under review, it has been basically sold out apart from a few housings and some car parking lots.

Chuyue Mansion

It is located in Shushan Unit, Xiaoshan District, Hangzhou. It consists of high-rise buildings, with a total floor area of approximately 18,641 sq.m. and a total GFA of approximately 41,010 sq.m., which is for residential use. The project commenced construction in the second quarter of 2022 and started the pre-sales in the fourth quarter of 2022. It is expected to be completed in 2025. The volume of pre-sales of the project during the year under review was in line with expectation. So far, it has been basically sold out apart from some car parking lots.

Zecui Ju

It is located in Daicun Unit, Xiaoshan District, Hangzhou. It consists of high-rise buildings, with a total floor area of approximately 39,973 sq.m. and a total GFA of approximately 71,951 sq.m., which is for residential use. The project commenced construction in the second quarter of 2022 and started the pre-sales in the fourth quarter of 2022. It is expected to be completed in 2025. The volume of pre-sales of the project during the year under review was in line with expectation.

Lan Lotus Mansion

It is located in Sandun Unit, Xihu District, Hangzhou. It consists of high-rise buildings, with a total floor area of approximately 19,802 sq.m. and a total GFA of approximately 43,564 sq.m., which is for residential use. The project commenced construction in the third quarter of 2022 and started the pre-sales in the fourth quarter of 2022. It is expected to be completed in the first quarter of 2025. The volume of pre-sales of the project during the year under review was in line with expectation. So far, it has been basically sold out apart from some car parking lots.

Zhangyuan Mansion

It is located in Dangwan Unit, Xiaoshan District, Hangzhou. It consists of high-rise buildings and shops, with a total floor area of approximately 24,270 sq.m. and a total GFA of approximately 60,675 sq.m., which is for residential use. The project commenced construction in the third quarter of 2022 and started the pre-sales in the fourth quarter of 2022. It is expected to be completed in 2025. The volume of pre-sales of the project during the year under review was in line with expectation.

Ningbo, Zhejiang Province

Cixi Zhong An Landscape Gard\Cixi New City

This is a residential and commercial property project located in Cixi, Zhejiang Province. The total site area is approximately 197,655 sq.m. The project includes a commercial portion that provides supporting services to local residents, with a total GFA of approximately 510,125 sq.m., consisting of multi-storey apartments which are developed in six phases. So far, the residential part has been basically sold out apart from some car parking lots. Commercial Phase 1, with a total GFA of approximately 28,158 sq.m., commenced construction in July 2019, and started the pre-sales in the third quarter of 2020. It was completed in 2021. Commercial Phase II, with a total GFA of approximately 72,000 sq.m., commenced construction in the second quarter of 2021, and was completed in 2023. The volume of sales of the project during the year under review was in line with expectation.

Chaoyue Mansion

It is located at the south site of Daqi Songhuajiang Road station in Beilun District, Ningbo, Zhejiang Province. It consists of small high-rise buildings, with a total floor area of approximately 17,393 sq.m. and a total GFA of approximately 31,307 sq.m., which is for residential use. The project commenced construction in the third quarter of 2021 and started the pre-sales in the fourth quarter of 2021. It has been completed and delivered in the first quarter of 2024. The volume of sales of the project during the year under review was in line with expectation and it has been basically sold out.

Yiwu, Zhejiang Province

Xiuhu Lotus Garden

It is located in the West Plot of Hutang, Yiwu, Zhejiang Province. It is mainly composed of courtyards, with a total floor area of approximately 49,428 sq.m. and a total GFA of approximately 52,214 sq.m., which is for residential use. The project commenced construction in the first quarter of 2021 and started the pre-sales in the third quarter of 2021. It has been delivered in the first quarter of 2024. So far, it has been basically sold out apart from a few housing and car parking lots.

Lakeside Mansion

It is located in Beiyuan Street, Yiwu, Zhejiang Province. It is mainly composed of houses, villas, flat floors and shops, with a total floor area of approximately 20,411 sq.m. and a total GFA of approximately 32,658 sq.m., which is for residential use. The project commenced construction in the fourth quarter of 2021 and started the pre-sales in the third quarter of 2022. It has been completed in the end of 2024. The volume of pre-sales of the project during the year under review was in line with expectation.

Wenzhou, Zhejiang Province

Shunyuan Mansion

It is located in the core area of Wenzhou. It consists of finely finished high-rise buildings, with a total floor area of approximately 30,236 sq.m. and a total GFA of approximately 84,963 sq.m., which is for residential use. The project commenced construction in the second quarter of 2020 and started the pre-sales in the third quarter of 2020. It was completed in 2023. The volume of sales of the project during the year under review was in line with expectation. So far, it has been basically sold out apart from a few car parking lots.

Future Center (Da Guan Ming Zhu)

It is located in Longgang Future Community, Wenzhou. It consists of high-rise buildings and shops, with a total floor area of approximately 69,369 sq.m. and a total GFA of approximately 168,141 sq.m., which is for residential use. The project commenced construction in the fourth quarter of 2021 and started the pre-sales in the fourth quarter of 2021. It has been completed in the second quarter of 2024 and delivered in the third quarter of 2024. The volume of pre-sales of the project during the year under review was in line with expectation.

Shaoxing, Zhejiang Province

Guyue Mansion

It is located in the west of the main urban area of Shaoxing. It is composed of courtyards and shops, with a total floor area of approximately 43,412 sq.m. and a total GFA of approximately 52,528 sq.m., which is for residential use. The project commenced construction in the third quarter of 2020 and started the pre-sales in the first quarter of 2021. It was completed in 2023. The volume of sales of the project during the year under review was in line with expectation.

Future City (Fuyuan Mansion)

It is located in Fuquan Future Community, Keqiao District, Shaoxing. It is composed of housings for talents, offices and shops. The project also includes the construction of housings for repurchase and placement. The project covers a total floor area of approximately 78,484 sq.m. and a total GFA of approximately 211,907 sq.m., which is for residential use. The project commenced construction in the fourth quarter of 2021, started the pre-sales in the third quarter of 2022, and is expected to be completed in 2025. The volume of pre-sales of the project during the year under review was in line with expectation.

Taizhou, Zhejiang Province

Heyuan Mansion

It is located in the Evergrande East Plot of Hongjia Street, Jiaojiang District, Taizhou. It is composed of high-rise and small high-rise buildings, with a total floor area of approximately 39,742 sq.m. and a total GFA of approximately 86,838 sq.m., which is for residential use. The project commenced construction in the fourth quarter of 2020 and started the pre-sales in the fourth quarter of 2020. It was completed in 2023. The volume of sales of the project during the year under review was in line with expectation. So far, it has been basically sold out apart from a few car parking lots.

Future City (Spring Breeze)

It is located in High-tech Zone of Taizhou. It is composed of high-rise buildings, with a total floor area of approximately 122,354 sq.m. and a total GFA of approximately 283,088 sq.m., which is for residential use. The project commenced construction in the fourth quarter of 2020 and started the pre-sales in the second quarter of 2021. It was completed in 2023. The volume of sales of the project during the year under review was in line with expectation.

Quzhou, Zhejiang Province

Cloud Palace Square (Cloud Chen Square)

It is located in the High-speed railway station area of Quzhou. It is composed of high-rise buildings, floor stores and supermarkets, with a total floor area of approximately 72,774 sq.m. and a total GFA of approximately 106,250 sq.m., which for residential use. The project commenced construction in the second quarter of 2021, and started the pre-sales in the third quarter of 2021. It has been completed and delivered in the second of 2024. The volume of pre-sales of the project during the year under review was in line with expectation. So far, it has been basically sold out apart from a few car parking lots, commercial supporting facilities and housing.

Lishui, Zhejiang Province

Chenyue Mansion (Chenyue Mingdi)

It is located in Liandu District, Lishui. It is composed of high-rise buildings and shops, with a total floor area of approximately 52,293 sq.m. and a total GFA of approximately 104,586 sq.m., which is for residential use. The project commenced construction in the second quarter of 2022 and started the pre-sales in the third quarter of 2022. It is expected to be completed by 2025. The volume of pre-sales of the project during the year under review was in line with 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 several phases, and its sale and pre-sales during the year under review were in line with expectation. The Huaibei Bright Hotel (淮北伯瑞特酒店), with a GFA of approximately 67,061 sq.m., has been put into business in September 2017. The GFA of Phase V project of south Jinyuan Mansion is approximately 100,000 sq.m. The project commenced construction in the third quarter of 2021 and started the pre-sales in the third quarter of 2021. It was completed in 2023. So far, it has been basically sold out apart from some car parking lots. The GFA of project of Xiangyuan Mansion is approximately 90,000 sq.m. The project commenced construction and started pre-sales in the fourth quarter of 2022. It is expected to be completed in 2025. The volume of pre-sales of the project during the year under review was in line with expectation.

Nanjing, Jiangsu Province

Future Mansion

It is located in Development Zone of Gaochun District, Nanjing, Jiangsu Province. It is composed of high-rise and small high-rise buildings, with a total floor area of approximately 67,085 sq.m. and a total GFA of approximately 154,297 sq.m., which is for residential use. The first and second lots of the project commenced construction in the third quarter of 2020 and started the pre-sales in the third quarter of 2021, and has been completed and delivered in 2024. The third lots is expected to be completed in 2025. The volume of pre-sales of the project during the year under review was in line with expectation.

Wuxi, Jiangsu Province

Future Mansion (Shun Yuan Graceland)

It is located in Yangjia Village, Jiangyin, Wuxi, Jiangsu Province. It is composed of high-rise, small high-rise and multi-storey buildings, with a total floor area of approximately 29,952 sq.m. and a total GFA of approximately 47,923 sq.m., which is for residential use. The project commenced construction in the fourth quarter of 2020 and started the pre-sales in the fourth quarter of 2021. It has been delivered in the first quarter of 2024. So far, it has been basically sold out apart from some housings and car parking lots.

Qingdao, Shandong Province

Qingdao New City

It is located in Hetao District, Hongdao Economic Zone, Qingdao. It mainly consists of high-rise residential buildings, apartments, offices and shops with a total floor area of 51,376 sq.m. and a GFA of 111,483 sq.m., among which, the planed building area of the residential plot is approximately 53,254 sq.m. The pre-sales started in the fourth quarter of 2019 and it was completed in 2021. So far, it has been basically sold out apart from some housings and car parking lots.

Future Mansion (Residential)

It is located in Huangdao District, Qingdao. It consists of high-rise, small high-rise, multi-storey buildings and apartments for talents, with a total floor area of approximately 58,596 sq.m. and a total GFA of approximately 158,209 sq.m., which is for residential use. The project commenced construction in the second quarter of 2021 and started the pre-sales in the second quarter of 2021. It has been completed and delivered in 2024. The volume of pre-sales of the project during the year under review was in line with expectation.

Future Community (Commercial)

It is located in Huangdao District, Qingdao. It mainly consists of shops, apartments, supermarkets, hotels and villas, with a total floor area of approximately 26,486 sq.m. and a total GFA of approximately 39,729 sq.m., which is for commercial use.

Kunming, Yunnan Province

Yunxing Imperial Palace

It is located in the plot of Yongshan Street Office, Xishan District, Kunming. It mainly consists of high-rise residential buildings, apartments and shops with a total floor area of 37,024 sq.m. and a total GFA of approximately 283,932 sq.m. The project commenced construction in the second quarter of 2020. It has been completed in the third quarter of 2024 and delivered in the fourth quarter of 2024. The volume of pre-sales of the project during the year under review was in line with expectation.

Overseas

Amber Rise

This project is in Vancouver, Province of British Columbia, Canada with a total GFA of approximately 7,719 sq.m. The site is located in a wealthy district with approximately 20 minutes drive to the downtown of Vancouver City. A total of 12 townhouses with individual swimming pools and deluxe design will be built in 3 phases. The construction commenced in 2016, and the construction of 3 independent houses has been completed.

Contracted sales in 2024

For the FY2024, the contracted GFA sold by the Group was approximately 353,329 sq.m. (FY2023: approximately 615,858 sq.m.) with the contracted amount of approximately RMB5,868.5 million (FY2023: approximately RMB11,669.3 million), representing a year-to-year decrease of approximately 49.7%. The decrease was mainly attributable to a modest decrease in demand for residential and commercial properties and cautious market sentiment stemming from challenges that faced the domestic economy and the real estate industry in the FY2024. Set out below are the details of the contracted sales from the major projects:

Projects	City	Contracted	Contracted	% of interest
		GFA sold	amount	attributable to
		sq.m.	RMB million	the Group
	Zhejiang			
Others (Residential)	Hangzhou	123	4.6	90.0%
Hidden Dragon Bay	Hangzhou	296	12.5	61.1%
International Office Centre (IOC)A3	Hangzhou	–	1.1	66.0%
International Office Centre (IOC)A2	Hangzhou	13,791	674.7	66.0%
Others (Commercial)	Hangzhou	949	12.4	59.4%
Nan Hu Ming Yu	Hangzhou	577	31.7	59.9%
Shunyuan Mansion	Hangzhou	225	4.5	90.0%
Xiaoshan Lotus Mansion	Hangzhou	–	7.3	90.0%
Fashion Color City	Hangzhou	11,400	181.2	59.4%
Chun'an Lotus Mansion	Hangzhou	5,780	74.0	90.0%
Ideal Bay	Hangzhou	1,474	21.0	45.9%

Projects	City	Contracted GFA sold <i>sq.m.</i>	Contracted amount <i>RMB million</i>	% of interest attributable to the Group
Long Ying Hui Jin Zuo (Bin He Yin)	Hangzhou	8,510	193.9	59.4%
Chuyue Mansion	Hangzhou	1,116	35.3	90.0%
Lan Lotus Mansion	Hangzhou	–	1.0	58.5%
Zecui Ju	Hangzhou	34,578	592.7	90.0%
Zhangyuan Mansion	Hangzhou	10,654	129.3	57.9%
Yunqiqiling	Hangzhou	9,394	147.1	36.0%
Lin Qi Yun Fu	Hangzhou	98	2.1	22.5%
Weikechenming Mansion	Hangzhou	12,736	306.2	45.0%
Ruiyuan Mansion	Hangzhou	–	1.3	100.0%
Xinnongdu	Hangzhou	26,339	176.1	11.8%
Zi Jin Mansion	Hangzhou	32,179	468.7	21.6%
Zhong An Times Square Phase II	Yuyao	–	3.4	61.4%
Cixi New City	Cixi	8,443	57.1	59.4%
Cixi Landscape Garden	Cixi	–	0.3	90.0%
Chaoyue Mansion	Ningbo	–	0.1	90.0%
Chenyue Land	Lishui	8,402	110.1	30.6%
Others (Residential)	Lishui	105	1.4	90.0%
Xiuhu Lotus Gardon	Yiwu	4,540	232.1	90.0%
Lakeside Mansion	Yiwu	7,027	305.6	71.9%
Typha Lotus Garden	Yiwu	–	5.5	90.0%
Shunyuan Mansion	Wenzhou	864	24.6	90.0%
Wenzhou Future City	Wenzhou	16,054	264.2	45.0%
Sky Tree (Residential)	Wenzhou	6,212	98.5	22.5%
Glory One	Wenzhou	283	9.4	22.5%
Guyue Mansion	Shaoxing	4,628	160.3	90.0%
Tang Song He Ming	Shaoxing	3,987	179.9	44.1%
Shaoxing Future City	Shaoxing	12,422	91.5	51.3%
Cloud Chen Square	Quzhou	996	17.0	45.9%
Ruyi Mansion	Zhouhsan	89	1.1	90.0%
Heyuan Mansion	Taizhou	–	0.7	90.0%
Taizhou Future City	Taizhou	28,514	513.3	90.0%
Jiangsu				
Nanjing Future City	Nanjing	226	0.2	90.0%
Jiangyin Future City	Wuxi	7,685	101.8	90.0%

Projects	City	Contracted	Contracted	% of interest
		GFA sold	amount	attributable to
		sq.m.	RMB million	the Group
	Anhui			
Vancouver City	Huaipei	29,151	191.9	100.0%
Green Harbour	Hefei	1,698	22.0	84.2%
	Shandong			
Qingdao New City	Qingdao	1,476	12.8	100.0%
Zhong An Future City	Qingdao	9,933	80.0	90.0%
	Yunnan			
Yunxing Imperial Palace	Kunming	30,379	304.6	90.0%
		353,329	5,868.5	

Land bank

As at 31 December 2024, the total GFA of the Group's land bank was approximately 7.42 million sq.m., among which the total unsold or undelivered GFA of the completed properties projects was approximately 2.55 million sq.m. As at 31 December 2024, the average acquisition cost of the Group's overall land bank was approximately RMB2,713 per sq.m.

OTHER BUSINESS DEVELOPMENT

The Group's businesses have become increasingly diversified, which lays a solid foundation for more stable income and risk diversification in the future. The group will steadily advance its high-quality development strategic goals and light-asset operating management model. While solidifying the foundation of its real estate business, the Group has gradually expanded the scope of commercial operations, intelligent property management services, and other businesses, including not only hotel management, commercial operations, office building management, intelligent property management services and etc. and has continue to explore business development in the construction and capital sectors, so as to enhance the linkage and synergy among its upstream and downstream businesses in the real estate industry, and strive to maintain a good momentum of sustainable development.

Hotel Management

There are currently four hotels under the Group's management, namely, Hangzhou Xiaoshan Holiday Inn Hotel, Hangzhou Qiandao Lake Bright Resort Hotel, Huaibei Bright Hotel, and Ningbo Bright Hotel. The Group recorded hotel operating revenue of approximately RMB224.6 million during the FY2024 (FY2023: approximately RMB257.9 million). The hotels' overall occupancy rate for the FY2024 was approximately 63% (FY2023: approximately 69%).

Commercial Operations

For the FY2024, the Group's revenue from leasing business was approximately RMB122.3 million, representing an increase of approximately 10.4% as compared to approximately RMB110.7 million in the FY2023.

Currently, the Group's leasing income is mainly derived from Highlong Plaza, International Office Center (IOC), Yiwu Zhongan Square, Yuyao Zhongan Square, and the shopping units of Hidden Dragon Bay. Highlong Plaza consists of office buildings, a shopping center, a hotel, serviced apartments, and underground parking lots. The performance of the respective leasing properties has been satisfactory. The overall occupancy rate for the FY2024 was approximately 81% (FY2023: approximately 86%).

Property Management and Other Services

For the FY2024, the Group's revenue from property management and other services was approximately RMB390.8 million, representing a decrease of approximately 9.0% as compared to RMB429.5 million in the FY2023. The Group provides high-quality property management and other services to the owners of properties developed by the Group and other developers. While solidifying the basic services, the Group continues to expand its service chain and business scope. In addition to providing services such as housekeeping, car washing and property renovations, the Group newly tapped into pet services in the FY2024, which contributed to satisfactory revenue growth. By delivering high-quality services, the Group has gained the trust of its customers and managed to expand the property area under its management nationwide by continuously taking on new projects.

As the Group's businesses become increasingly diversified, the Group steadily advances its high-quality development strategic goals and light-asset operating management model. While maintaining a solid foundation of its real estate business, the Group has gradually expanded the scope of commercial operations, intelligent property management services, and other businesses. The Group not only extends its reach in hotel management, commercial operations, office building management, and intelligent property management services but also expands into modern agriculture, education and culture, film and entertainment, leisure tourism, and wellness industries to align with its overall industry development. The Group has also continued to explore business development in the construction and capital sectors to enhance the linkage and synergy among its upstream and downstream businesses in the overall real estate industry, has made unremitting efforts to maintain a good momentum of sustainable development.

Awards and Recognitions

The Group had received the following awards and accolades from the PRC government and recognised authorities during the FY2024:

Awards	Awarded parties/projects
2024 Top 100 China Real Estate Developers	Zhong An Group Limited
2024 Top 10 Hong Kong Listed Domestic Property Companies with Financial Stability	Zhong An Group Limited
2024 Top 10 Hong Kong Listed Domestic Property Companies with Investment Value	Zhong An Group Limited
2024 Top 10 Chinese Real Estate Companies by Operational Efficiency	Zhong An Group Limited
2024 Outstanding Real Estate Development and Companies in China	Zhong An Group Limited

Awards	Awarded parties/projects
2024 Top 100 Hong Kong Listed Companies – Top 10 Revenue Growth	Zhong An Group Limited
2024 ESG Creative Pioneer Enterprise	Zhong An Group Limited
2024 Top 100 China Integrated Property Service Enterprises No. 37	Zhong An Intelligent Living Service Limited
2024 Top 100 Property Management Companies in China	Zhong An Intelligent Living Service Limited

Human resources

As at 31 December 2024, the Group employed a total of 4,916 staff (31 December 2023: 5,017 staff). In the FY2024, the staff cost of the Group was approximately RMB340.8 million (FY2023: approximately RMB397.6 million), representing a decrease of approximately 14.3%. The employees' remuneration policy was determined with 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 employees and solidify the management of the Group, eligible participants (including employee 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 programmes 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 Company may distribute dividends by way of cash or by other means that the Board considers appropriate. Any proposed distribution of dividends is subject to the discretion of the Board and, where applicable, the approval of the shareholders of the Company (the “**Shareholders**”). The Board will consider various factors before declaring or recommending any payment of dividends. These factors include the results of operation of the business of the Group, the retained earnings and distributable reserves of the Company and each of the members of the Group, the Group’s actual and expected financial performance, the general business conditions and strategies, the Group’s expected working capital requirements and future expansion plans, the general economic conditions and business cycle of the Group’s business, the future prospects of the business of the Group, Shareholders’ interests, statutory and regulatory restrictions on the payment of dividend and other internal or external factors that the Board deems appropriate.

FINANCIAL ANALYSIS

Revenue

For the FY2024, the Group recorded a total revenue of approximately RMB13,930.2 million, representing a decrease of approximately 3.9% as compared to that of approximately RMB14,490.2 million for the FY2023. Among them, the revenue derived from the sale of properties had contributed and is expected to continually contribute to the vast majority of the Group’s total revenue, accounting for approximately 94.7% of the total revenue for the year. The decrease in the revenue was mainly due to the decrease in the total GFA of the properties delivered in the FY2024 as compared to that of FY2023, and the corresponding decrease in the amount of recognised revenue that can be counted in the FY2024.

Cost of sales

For the FY2024, the Group's cost of sales was approximately RMB11,645.3 million, representing a decrease of approximately 10.2% as compared to that of approximately RMB12,964.8 million for the FY2023. Such decrease was mainly due to the decrease in the average floor area cost of the properties delivered in the FY2024 as compared to that of the FY2023.

Gross profit and Gross profit margin

For the FY2024, the Group recorded a gross profit of approximately RMB2,284.9 million, representing an increase of approximately 49.8% as compared to that of approximately RMB1,525.4 million for the FY2023. The gross profit margin was approximately 16.4%, which increased by approximately 5.9 percentage points as compared to that of the FY2023. It was mainly due to the decrease in the average floor area cost recognised by the Group for the FY2024 as compared to that of the FY2023.

Other income and gains

The other income and gains of the Group amounted to approximately RMB70.2 million for the FY2024, representing a decrease of approximately 27.7% as compared to that of approximately RMB97.1 million for the FY2023. This was mainly due to the decrease in bank interest income.

Selling and distribution expenses

The selling and distribution expenses decreased by approximately 33.4% to approximately RMB224.9 million for the FY2024 from approximately RMB337.8 million in the FY2023. It was mainly due to the decrease in sales and promotion expenses in the FY2024 as compared to that of the FY2023.

Administrative expenses

Administrative expenses of the Group decreased by approximately 21.1% to approximately RMB464.7 million for the FY2024 from approximately RMB589.3 million for the FY2023. It was mainly as a result of the fact that the Group had adopted a number of measures to reduce costs and increase efficiency in the FY2024.

Other expenses

Other expenses of the Group increased by approximately 51.9% to approximately RMB170.6 million for the FY2024 from approximately RMB112.3 million for the FY2023. It was mainly due to the increase in impairment provision for property and equipment.

Finance costs

Finance costs of the Group increased by approximately 15.0% to approximately RMB148.4 million for the FY2024 from approximately RMB129.1 million for the FY2023.

Income tax expenses

Income tax expenses of the Group increased by approximately 528.5% to approximately RMB1,031.3 million for the FY2024 from approximately RMB164.1 million for the FY2023. It was mainly due to the increase in profit before tax and provision for LAT in the FY2024.

Capital structure

As at 31 December 2024, 5,635,809,800 shares in the Company were in issue (31 December 2023: 5,635,809,800 shares).

As at 31 December 2024, the Group had total assets of approximately RMB39,262.7 million (31 December 2023: approximately RMB48,569.8 million) which were financed by current liabilities of approximately RMB21,489.9 million (31 December 2023: approximately RMB28,732.8 million), non-current liabilities of approximately RMB4,894.5 million (31 December 2023: approximately RMB6,881.7 million) and shareholders' equity of approximately RMB12,878.4 million (31 December 2023: approximately RMB12,955.2 million).

As at 31 December 2024, the Group had aggregate cash and cash equivalents and restricted cash of approximately RMB2,787.1 million (31 December 2023: RMB2,897.5 million).

As at 31 December 2024, the Group's interest-bearing bank and other borrowings amounted to approximately RMB6,542.8 million (31 December 2023: approximately RMB8,486.2 million).

The maturity profile of the borrowings was as follows:

	As at 31 December 2024 <i>RMB'000</i>	As at 31 December 2023 <i>RMB'000</i>
Within 1 year or on demand	2,406,762	2,511,810
Over 1 year but within 2 years	1,517,610	3,015,644
Over 2 years but within 5 years	1,364,250	2,367,965
Over 5 years	1,254,180	590,740
	<u><u>6,542,802</u></u>	<u><u>8,486,159</u></u>

Interest-bearing bank and other borrowings bear interest at fixed rates and floating rates. As at 31 December 2024, the Group's interest-bearing bank and other borrowings bore average effective interest rate of approximately 4.34% (31 December 2023: 4.86%).

The denominated amounts of the borrowings were as follows:

	As at 31 December 2024 <i>RMB'000</i>	As at 31 December 2023 <i>RMB'000</i>
RMB loans and borrowings	<u>6,542,802</u>	<u>8,486,159</u>
	<u>6,542,802</u>	<u>8,486,159</u>

For the FY2024, the total cost of borrowings of the Group was approximately RMB469.3 million (FY2023: approximately RMB700.1 million), and, among which, interests with an amount of approximately RMB324.4 million (FY2023: approximately RMB576.7 million) were capitalised.

The Group maintained a healthy liquidity position. The current ratio, being a ratio of total current assets to total current liabilities, was approximately 1.27 (31 December 2023: approximately 1.23) as at 31 December 2024. The ratio of interest-bearing bank and other borrowings to total assets was approximately 0.17 (31 December 2023: approximately 0.17). The net gearing ratio of the Group (defined as net debt divided by total equity) was approximately 0.29 (31 December 2023: approximately 0.43) (net debt is defined as total interest-bearing bank and other borrowings less cash and cash equivalent and total restricted cash) as at 31 December 2024. The Group always adopts a prudent financial policy in its operation and business development.

Capital commitments

As at 31 December 2024, the Group had capital commitments of approximately RMB1,477.9 million (31 December 2023: approximately RMB5,535.8 million) in respect of property and project 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).

As at 31 December 2024, the Group had a payment commitment of approximately RMB80,000,000 which arose from a settlement deed (the “**Settlement Deed**”) entered into between (i) Zhejiang Zhongan Shenglong Commercial Co., Ltd* (浙江眾安盛隆商業有限公司)(“**Zhong An Shenglong**”), an indirect non-wholly owned subsidiary of the Company; (ii) China New City Group Limited (“**CNC**”), an indirect non-wholly owned subsidiary of the Company, the shares of which are listed on the Stock Exchange (stock code: 1321); and (iii) Hangzhou Oriental Culture Tourism Group Co., Ltd.* (杭州東方文化園旅業集團有限公司)(“**Hangzhou Oriental**”) and which became effective on 17 May 2024, pursuant to which, among other things, Zhong An Shenglong was required to pay RMB210,000,000 to Hangzhou Oriental by 30 June 2025. As at 31 December 2024, a sum of RMB130,000,000 out of the RMB210,000,000 was fully paid by Zhong An Shenglong to Hangzhou Oriental. Further details on the Settlement Deed were disclosed in the announcements of CNC dated 28 May 2024 and 5 August 2024, respectively and the circular of CNC dated 18 October 2024.

Contingent liabilities

As at 31 December 2024, the contingent liabilities of the Group were approximately RMB5,736.6 million (31 December 2023: approximately RMB9,445.9 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 2024, investment properties with a carrying value of approximately RMB3,458.3 million (31 December 2023: approximately RMB2,993.9 million), properties under development of approximately RMB3,062.7 million (31 December 2023: approximately RMB10,538.4 million), completed properties held for sale of approximately RMB6,385.4 million (31 December 2023: approximately RMB1,605.6 million), property and equipment of approximately RMB957.1 million (31 December 2023: approximately RMB1,081.6 million) and no restricted cash (31 December 2023: approximately RMB208.0 million) of the Group were pledged to secure the banking facilities and other borrowings for the Group.

Foreign exchange risk

Foreign exchange risk represents the risk to the Group's financial conditions results of operations arising from movements of foreign exchange rates. As the Group principally operates in the PRC and the sales, purchase and external financing of the Group in the FY2024 and the FY2023 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 the FY2024 and the FY2023.

Interest rate risk

The interest rates of a 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 the Group's loans are denominated in RMB and the stable domestic economic situation of the PRC, the Group currently does not use derivative instruments to hedge its interest rate risks.

Events after the reporting period

There had been no event occurred that bears significant effect to the Group after 31 December 2024 and up to 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 C2 (Environmental, Social and Governance Reporting Code) to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and will be published on the websites of the Company and the Stock Exchange, respectively, in due course.

Prospects

Looking towards 2025, with the country continuously rolling out a series of comprehensive measures and strong favorable incremental fiscal and monetary policies as stimulus and support, the momentum of gradual and all-around economic recovery and steady growth is becoming increasingly prominent. With the improvement of the macroeconomic environment and expected growth, demand in the real estate market is anticipated to gradually release and achieve further stable development. The year 2025 will be a pivotal year for the real estate industry's "stabilization after decline" with core cities leading the way in warming up, and policy bottoming out alongside market differentiation coexisting. With continuous deployment from the policy toolkit and marginal improvements in supply-demand relationships, it has laid the groundwork for the mid-to-long term healthy development of the industry. Particularly, the Yangtze River Delta city cluster, known for its robust economic strength and purchasing power, exhibits a strong resilience in early recovery, maintaining its leading position in regional industry development.

Our group, deeply rooted in the prosperous area of the Yangtze River Delta, is full of confidence in the overall national economy and industry development in the coming year, holding a long-term optimistic view. The group will make full use of its brand and business advantages established over a long period in the Yangtze River Delta region to actively seize market opportunities and continue to deepen regional cultivation. On the foundation of maintaining financial stability, we will persistently control liquidity risk strictly, scientifically balancing the proportion between sustainable and healthy business development and debt scale, flexibly broadening stable and advantageous financing channels. In 2025, amidst the grand era of our nation's comprehensive economic recovery cycle, during the upgrade phase of industrial market differentiation, and the rise in consumer demand following economic recovery, our group will closely follow the direction of new quality productivity in national industrial development, sustaining high-quality, innovative developmental momentum. We aim to strengthen comprehensive industrial operational capabilities, enhance product marketing abilities, deepen new chain industry development potential, and refine customer service capabilities. Meanwhile, the group will also accelerate synergistic empowerment among various sectors, break through inertia thinking, surpass conventional practices, and promote collaborative development between new industry operation models and traditional platforms, all of which to comprehensively enhance the group's overall integrated operational strength. Anchoring our targets, focusing on new journeys, keeping the national development landscape in mind, implementing corporate management strategies earnestly, we march forward with hope and aspiration, transcending cycles, and welcoming a brilliant new era!

FINAL DIVIDEND

The Board does not recommend the payment of dividend for the FY2024 (FY2023: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined in the Listing Rules)) during the FY2024.

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 C3 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 FY2024.

CORPORATE GOVERNANCE

Throughout the FY2024, the Company had applied the principles and complied with the applicable code provisions set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules.

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.

SCOPE OF WORK OF ERNST & YOUNG

The figures above in respect of this annual results announcement for the FY2024 have been agreed with the Company's auditor, Ernst & Young, certified public accountants ("**Ernst & Young**"), to be consistent with the amounts set out in the Group's consolidated financial statements for the FY2024. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

AUDIT COMMITTEE

The Audit Committee of the Company (comprising all the independent non-executive Directors) had reviewed the consolidated financial statements of the Group for the FY2024, and reviewed with the management of the Group regarding the accounting standards and practices adopted by the Group, and discussed with them the internal controls and financial reporting matters.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company will be held on Thursday, 5 June 2025 (the "**AGM**"). A notice convening the AGM will be published and despatched in due course to the Shareholders in the manner required by the Listing Rules. The register of members of the Company will be closed from Monday, 2 June 2025 to Thursday, 5 June 2025 (both days inclusive) for the purposes of determining Shareholders who are entitled to attend and vote at the forthcoming AGM. In order to qualify for attending and voting at the AGM, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m. on Friday, 30 May 2025.

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

The annual report of the Company for the FY2024 containing all the relevant information required by the Listing Rules will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.zhongangrouphk.com) and despatched to the Shareholders in due course.

By order of the Board
Zhong An Group Limited
Shi Zhongan
Chairman

The PRC, 27 March 2025

As at the date of this announcement, the Board comprised five executive Directors, namely Mr Shi Zhongan (Chairman), Mr Zhang Jiangang (Chief Executive Officer), Ms Shi Jinfan, Ms Jin Ni and Mr Shen Jiayang, and three independent non-executive Directors, namely Professor Pei Ker Wei, Mr Zhang Huaqiao and Mr Fung Che Wai Anthony.