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新城发展

SEAZEN GROUP LIMITED

新城發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1030)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

ANNUAL RESULTS HIGHLIGHTS

- Contracted sales were approximately RMB250,963 million;
- Rental and management fee income from Wuyue Plazas was approximately RMB5,309 million;
- Revenue was approximately RMB146,119 million, representing a year-on-year growth of approximately 68.2%;
- Net profit attributable to equity holders of the Company was approximately RMB10,178 million, representing a year-on-year increase of 30.3%;
- Core earnings* attributable to equity holders of the Company was approximately RMB8,564 million, representing a year-on-year increase of 25.9%;
- The net debt-to-equity ratio was 50.7% ; the cash** to short-term debt ratio was 2.03 times;
- The contracted amount of pre-sold but not recognized properties was approximately RMB377,995 million, subject to further recognition;
- The total gross floor area (“GFA”) of the land bank was approximately 143 million sq.m.; and
- The Board recommended a payment of final dividends of RMB41 cents per share.

* Core earnings equal to net profit less after-tax fair value gains or losses on investment properties and financial assets, and unrealized foreign exchange gains or losses relating to borrowings and financial assets and after-tax gains or losses on disposal of subsidiaries.

** Including restricted cash.

The board (the “**Board**”) of directors (the “**Directors**”) of Seazen Group Limited (the “**Company**”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2020 together with the comparative figures for the year 2019 as follows:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	<i>Note</i>	31 December 2020 RMB'000	31 December 2019 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		6,498,269	4,899,719
Right-of-use assets – Land use rights		992,978	426,306
Right-of-use assets – Others		77,185	191,934
Investment properties		85,705,342	66,182,793
Intangible assets		412,761	474,954
Investments in associates		12,724,497	7,833,878
Investments in joint ventures		10,184,181	11,734,122
Deferred income tax assets		4,767,163	3,900,916
Financial assets at fair value through profit or loss		466,271	581,673
Financial assets at amortised costs		570,229	488,996
Goodwill		10,260	10,260
Trade and other receivables and prepayments	4	257,218	250,654
Total non-current assets		122,666,354	96,976,205
Current assets			
Prepayments for leasehold land		12,734,497	578,819
Properties held or under development for sale		270,616,600	231,283,880
Trade and other receivables and prepayments	4	70,308,846	70,759,431
Contract costs		2,473,915	1,962,747
Financial assets at fair value through other comprehensive income		677,362	338,697
Financial assets at fair value through profit or loss		869,292	733,870
Financial assets at amortised costs		773,022	34,697
Restricted cash		4,402,276	5,882,328
Cash and cash equivalents		58,965,908	59,691,685
Total current assets		421,821,718	371,266,154
Total assets		544,488,072	468,242,359

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

As at 31 December 2020

	<i>Note</i>	31 December 2020 RMB'000	31 December 2019 RMB'000
EQUITY			
Equity attributable to owners of the Company			
Share capital: nominal value	5	5,081	4,807
Reserves		<u>35,763,189</u>	<u>24,987,914</u>
		<u>35,768,270</u>	<u>24,992,721</u>
Non-controlling interests		<u>45,701,702</u>	<u>32,823,080</u>
Total equity		<u>81,469,972</u>	<u>57,815,801</u>
LIABILITIES			
Non-current liabilities			
Borrowings	6	73,417,094	46,997,939
Lease liabilities		663,024	58,282
Deferred income tax liabilities		<u>5,703,404</u>	<u>4,486,053</u>
Total non-current liabilities		<u>79,783,522</u>	<u>51,542,274</u>
Current liabilities			
Trade and other payables	7	134,148,309	106,303,180
Advances from lessees		794,544	698,017
Contract liabilities		202,196,750	197,667,554
Current income tax liabilities		14,770,224	13,128,753
Borrowings	6	31,226,480	40,849,008
Lease liabilities		98,271	144,841
Financial liabilities at fair value through profit or loss		-	80,993
Dividends payables		-	11,938
Total current liabilities		<u>383,234,578</u>	<u>358,884,284</u>
Total liabilities		<u>463,018,100</u>	<u>410,426,558</u>
Total equity and liabilities		<u><u>544,488,072</u></u>	<u><u>468,242,359</u></u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2020

		Year ended 31 December	
		2020	2019
	Note	RMB'000	RMB'000
Revenue	8	146,118,718	86,851,178
Cost of sales and services	9	<u>(114,530,455)</u>	<u>(60,505,751)</u>
Gross profit		31,588,263	26,345,427
Fair value gains on investment properties		2,306,223	2,438,106
Fair value (losses)/gains on financial instruments at fair value through profit or loss		(41,662)	131,177
Selling and marketing costs	9	(5,560,285)	(4,422,306)
Administrative expenses	9	(4,728,207)	(4,301,454)
Net impairment losses on financial assets		(158,530)	(146,849)
Other income		360,672	136,784
Other expenses		(28,984)	(12,650)
Other gains – net		<u>294,400</u>	<u>902,282</u>
Operating profit		<u>24,031,890</u>	<u>21,070,517</u>
Finance income	10	559,611	506,077
Finance costs	10	<u>(1,139,613)</u>	<u>(1,845,650)</u>
Finance costs – net	10	<u>(580,002)</u>	<u>(1,339,573)</u>
Share of results of associates		1,751,213	1,839,785
Share of results of joint ventures		<u>1,182,463</u>	<u>54,442</u>
Profit before income tax		26,385,564	21,625,171
Income tax expense	11	<u>(10,267,182)</u>	<u>(9,018,982)</u>
Profit for the year		<u>16,118,382</u>	<u>12,606,189</u>
Profit for the year attributable to:			
– Equity holders of the Company		10,178,247	7,812,268
– Non-controlling interests		<u>5,940,135</u>	<u>4,793,921</u>
		<u>16,118,382</u>	<u>12,606,189</u>
Earnings per share for profit attributable to equity holders of the Company			
– Basic earnings per share	12	RMB1.65	RMB1.32
– Diluted earnings per share	12	<u>RMB1.65</u>	<u>RMB1.32</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Year ended 31 December	
	2020	2019
Note	RMB'000	RMB'000
Profit for the year	<u>16,118,382</u>	<u>12,606,189</u>
Other comprehensive income/(loss)		
<i>Items that may be reclassified subsequently to profit or loss</i>		
– Currency translation differences	606,673	(241,012)
<i>Items that will not be reclassified subsequently to profit or loss</i>		
– Currency translation differences attributable to non-controlling interests	286,189	–
– Share of other comprehensive income of an associate accounted for using the equity method	(45,942)	–
– Changes in fair value of equity investments at fair value through other comprehensive income	<u>3,863</u>	<u>1,503</u>
Other comprehensive income/(loss) for the year, net of tax	<u>850,783</u>	<u>(239,509)</u>
Total comprehensive income for the year	<u><u>16,969,165</u></u>	<u><u>12,366,680</u></u>
Total comprehensive income for the year attributable to:		
– Equity holders of the Company	10,741,296	7,648,137
– Non-controlling interests	<u>6,227,869</u>	<u>4,718,543</u>
	<u><u>16,969,165</u></u>	<u><u>12,366,680</u></u>

NOTES:

1 GENERAL INFORMATION

Seazen Group Limited was incorporated in the Cayman Islands on 23 April 2010 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of its registered office is Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, Grand Cayman KY1-1205, Cayman Islands.

The principal activities of the Company and its subsidiaries (together, the “**Group**”) are property development and property investment in the People’s Republic of China (the “**PRC**”). The Company’s parent company is Wealth Zone Hong Kong Investments Limited (“**Wealth Zone Hong Kong**”) and the Company’s ultimate holding company is First Priority Group Limited, both of which are incorporated in the British Virgin Islands. The ultimate controlling party of the Group is Mr. Wang Zhenhua (“**Mr. Wang**” or the “**Controlling Shareholder**”).

To prepare for the initial listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Group has undertaken a reorganisation (the “**Reorganisation**”) pursuant to which the Company became the holding company of the subsidiaries comprising the Group.

The Company’s shares began to list on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 29 November 2012 (the “**Listing**”).

The consolidated financial statements are presented in thousands of Renminbi (“**RMB’000**”), unless otherwise stated.

The annual results set out in this announcement do not constitute the Group’s consolidated financial statements for the year ended 31 December 2020 but are extracted from those financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

(i) Compliance with HKFRS and HKCO

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRS**”), issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622 (“**HKCO**”).

(ii) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income and investment properties, which are carried at fair value.

(iii) New standard, amendments and interpretation adopted by the Group in 2020

A number of new standard, amendments and interpretation became applicable for the current reporting period and the Group changed its accounting policies and make adjustments as a result of adopting these new standard, amendments and interpretation set out below:

- Definition of Material – amendments to HKAS 1 and HKAS 8
- Interest Rate Benchmark Reform – amendments to HKFRS 9, HKAS 39 and HKFRS 7
- Revised Conceptual Framework for Financial Reporting

The Group also elected to adopt the following amendments early:

- Annual Improvements to HKFRS Standards 2018-2020 Cycle
- COVID-19-Related Rent Concessions – amendments to HKFRS 16

The standards, amendments and interpretation listed above are either currently not relevant to the Group or had no material impact on the Group's financial statements.

(iv) Impact of new standard and amendments issued but not yet adopted by the Group

Certain new accounting standard and amendments have been published but are not mandatory for 31 December 2020 reporting period and have not been early adopted by the Group. The other yet-to-be adopted new standard and amendments are not expected to have a material impact on the Group's financial statements when they become effective.

3 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker (the “**CODM**”) that are used to make strategic decisions. The board of directors has been identified as the CODM.

The Group manages its business by two operating segments, which is consistent with the way in which information is reported internally to the Group's CODM for the purpose of resources allocation and performance assessment. No operating segments have been aggregated to form the following reportable segments.

- Seazen Holdings Co., Ltd, a company listed on the Shanghai Stock Exchange (the “**A share company**” or “**Seazen Holdings**”).
- Other service companies not within the A share company (the “**Non-A share companies**”).

The A share company is mainly engaged in development of residential properties and mixed-use complexes for sale and investment, while the Non-A share companies are mainly engaged in services. Corporate expenses are also primarily included in the Non-A share companies segment. All the property development projects are in the PRC, and accordingly majority of the revenue of the Group are derived from the PRC and most of the assets are located in the PRC.

The CODM assesses the performance of the operating segments based on a measure of revenue and profit before income tax. The measurement basis excludes the effects of income tax expense.

	Year ended 31 December 2020				
	A share company RMB'000	Non-A share companies RMB'000	Total segment RMB'000	Elimination RMB'000	Total Group RMB'000
Segment revenue	145,475,225	773,817	146,249,042	(130,324)	146,118,718
– At a point in time	138,384,635	333,822	138,718,457	(3,083)	138,715,374
– Over time	4,095,101	439,663	4,534,764	(66,695)	4,468,069
– Rental income	2,995,489	332	2,995,821	(60,546)	2,935,275
Segment profit/(loss) before income tax expense	26,719,033	2,806,823	29,525,856	(3,140,292)*	26,385,564
Fair value gains on investment properties	2,572,033	(4,343)	2,567,690	(261,467)	2,306,223
Finance income	512,192	574,052	1,086,244	(526,633)	559,611
Finance costs	(1,280,049)	(386,197)	(1,666,246)	526,633	(1,139,613)
Depreciation and amortisation	(564,763)	(336,297)	(901,060)	–	(901,060)
Share of results of associates	1,742,056	166,499	1,908,555	(157,342)	1,751,213
Share of results of joint ventures	1,145,351	37,112	1,182,463	–	1,182,463

* The elimination represents mainly the dividends declared by the A share company.

A reconciliation to profit for the year is as follows:

Total segment profits before income tax expense after elimination	26,385,564
Income tax expense	(10,267,182)
Profit for the year	<u>16,118,382</u>

	As at 31 December 2020				
	A share company RMB'000	Non-A share companies RMB'000	Total segment RMB'000	Elimination RMB'000	Total Group RMB'000
Segment assets	<u>537,752,834</u>	<u>17,927,019</u>	<u>555,679,853</u>	<u>(11,191,781)</u>	<u>544,488,072</u>
Segment assets include:					
Investments in associates	12,172,175	3,054,961	15,227,136	(2,502,639)*	12,724,497
Investments in joint ventures	10,154,017	30,164	10,184,181	–	10,184,181
Additions to non-current assets (other than financial instruments and deferred tax assets)	<u>20,051,543</u>	<u>671,895</u>	<u>20,723,438</u>	<u>–</u>	<u>20,723,438</u>
Segment liabilities	<u>455,614,365</u>	<u>14,365,899</u>	<u>469,980,264</u>	<u>(6,962,164)</u>	<u>463,018,100</u>

* The elimination represents mainly the Non-A share companies' associate interests in companies controlled by the A share company.

	Year ended 31 December 2019				
	A share company RMB' 000	Non-A share companies RMB' 000	Total segment RMB' 000	Elimination RMB' 000	Total Group RMB' 000
Segment revenue	85,847,041	1,126,573	86,973,614	(122,436)	86,851,178
– At a point in time	80,862,931	648,766	81,511,697	(4,472)	81,507,225
– Over time	2,617,878	477,807	3,095,685	(48,545)	3,047,140
– Rental income	2,366,232	–	2,366,232	(69,419)	2,296,813
Segment profit/(loss) before income tax expense	22,397,782	1,693,251	24,091,033	(2,465,862)*	21,625,171
Fair value gains on investment properties	2,550,616	–	2,550,616	(112,510)	2,438,106
Finance income	455,410	474,183	929,593	(423,516)	506,077
Finance costs	(1,205,912)	(1,063,254)	(2,269,166)	423,516	(1,845,650)
Depreciation and amortisation	(397,689)	(286,040)	(683,729)	–	(683,729)
Share of results of associates	1,822,444	17,341	1,839,785	–	1,839,785
Share of results of joint ventures	54,722	(280)	54,442	–	54,442

* The elimination represents mainly the dividends declared by the A share company.

A reconciliation to profit for the year is as follows:

Total segment profits before income tax expense after elimination	21,625,171
Income tax expense	(9,018,982)
Profit for the year	<u>12,606,189</u>

	As at 31 December 2019				
	A share company RMB' 000	Non-A share companies RMB' 000	Total segment RMB' 000	Elimination RMB' 000	Total Group RMB' 000
Segment assets	<u>462,110,081</u>	<u>15,676,802</u>	<u>477,786,883</u>	<u>(9,544,524)</u>	<u>468,242,359</u>
Segment assets include:					
Investments in associates	7,266,384	3,388,341	10,654,725	(2,820,847)*	7,833,878
Investments in joint ventures	11,622,254	111,868	11,734,122	–	11,734,122
Additions to non-current assets (other than financial instruments and deferred tax assets)	<u>25,427,978</u>	<u>868,660</u>	<u>26,296,638</u>	<u>–</u>	<u>26,296,638</u>
Segment liabilities	<u>400,174,770</u>	<u>14,995,313</u>	<u>415,170,083</u>	<u>(4,743,525)</u>	<u>410,426,558</u>

* The elimination represents mainly the Non-A share companies' associate interests in companies controlled by the A share company.

4 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Trade accounts receivables	594,190	648,824
Notes receivables	33,292	39,883
	<hr/>	<hr/>
Total trade receivables	627,482	688,707
Less: Impairment losses	(7,962)	(6,488)
	<hr/>	<hr/>
Trade receivables – net	619,520	682,219
	<hr/>	<hr/>
Prepayments		
– Prepaid income tax and land appreciate tax	9,053,662	8,915,633
– Prepaid value-added tax and input VAT to be deducted	12,422,537	12,573,262
– Prepaid surcharges and other taxes	608,708	664,426
– Prepayments for construction costs	277,616	371,622
– Others	485,157	500,490
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	22,847,680	23,025,433
	<hr/>	<hr/>
Receivables from government related bodies		
– Earnest money for reconstructing villages	293,540	621,810
– Tender deposits	627,770	1,119,490
– Advanced proceeds received from customers deposited with a government designated entity	2,240,835	2,203,379
– Government issued coupon for house buyers	104,276	199,226
– Deposits with public housing fund centres	614,085	283,037
– Deposits with property maintenance	337,393	249,325
– Others	1,032,395	1,181,362
	<hr/>	<hr/>
	5,250,294	5,857,629
Less: Impairment losses	(5,775)	(5,858)
	<hr/>	<hr/>
	5,244,519	5,851,771
	<hr/>	<hr/>
Due from related parties	14,379,146	22,571,773
Less: Impairment losses for particular items	(181,244)	(148,197)
	<hr/>	<hr/>
	14,197,902	22,423,576
Less: Impairment losses for other items	(166,164)	(211,861)
	<hr/>	<hr/>
	14,031,738	22,211,715
	<hr/>	<hr/>
Receivables from joint ventures partners	4,253,284	1,927,279
Receivables from non-controlling shareholders of subsidiaries	20,395,020	14,650,229
	<hr/>	<hr/>
	24,648,304	16,577,508
	<hr/>	<hr/>

	As at 31 December	
	2020	2019
	RMB'000	RMB'000
Less: Impairment losses	<u>(330,287)</u>	<u>(165,775)</u>
	24,318,017	16,411,733
Receivables from others		
– Lending to an investee	260,680	250,241
– Other deposits	1,196,658	1,042,785
– Others	<u>2,100,039</u>	<u>1,581,698</u>
	3,557,377	2,874,724
Less: Impairment losses for particular items	<u>(5,187)</u>	<u>(18,952)</u>
	3,552,190	2,855,772
Less: Impairment losses for other items	<u>(47,600)</u>	<u>(28,558)</u>
	3,504,590	2,827,214
Total trade and other receivables and prepayments	71,310,283	71,595,774
Less: Total impairment losses	<u>(744,219)</u>	<u>(585,689)</u>
	70,566,064	71,010,085
Less: Non-current portion	<u>(257,218)</u>	<u>(250,654)</u>
Current portion	<u>70,308,846</u>	<u>70,759,431</u>

The aging of trade receivables and notes receivables based on the invoice date as at 31 December 2020 and 2019 are as follows:

	As at 31 December	
	2020	2019
	RMB'000	RMB'000
Less than 1 year	568,872	588,928
Between 1 and 2 years	49,663	91,714
Between 2 and 3 years	<u>8,947</u>	<u>8,065</u>
	<u>627,482</u>	<u>688,707</u>

The maximum exposure to credit risk at 31 December 2020 and 2019 is the carrying value of each class of receivables mentioned above.

As at 31 December 2020 and 2019, the fair value of trade and other receivables approximate their carrying amounts.

As at 31 December 2020 and 2019, the carrying amounts of trade and other receivables and prepayments are primarily denominated in RMB.

5 SHARE CAPITAL

(a) Authorised shares

	Number of authorised shares <i>HKD share</i>
As at 1 January 2019, 31 December 2019, and 31 December 2020 (par at HKD0.001)	10,000,000,000

(b) Issued shares

	Number of issued shares <i>HKD0.001 each</i>	Ordinary shares <i>RMB'000</i>
Opening balance as at 1 January 2020	5,899,000,000	4,807
Placing of Shares (i)	311,000,000	274
Closing balance as at 31 December 2020	6,210,000,000	5,081

- (i) On 21 January 2020, a total of 311,000,000 shares were placed with not less than six places at a price of HKD8.78 per share. The net proceeds from the placing, after deduction of related costs and expenses amounted to approximately HKD2,711 million, equivalent to RMB2,393,241,000, among which RMB274,000 was recorded as share capital and RMB2,392,967,000 was recorded as reserves.

During the year ended 31 December 2020, the Group purchased a total of 26,500,000 shares from the open market at a total consideration of HKD170,274,000 (equivalent to RMB146,957,000) for its employee share based payments scheme.

6 BORROWINGS

	As at 31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current, secured:		
– Bank loans and non-bank financial institutions	37,669,694	29,993,247
– Trust financing arrangements	8,987,340	4,406,800
– Senior notes	7,466,640	20,692,123
– Financing under securitisation arrangements	6,426,162	2,080,750
	<u>60,549,836</u>	<u>57,172,920</u>
Non-current, unsecured:		
– Bank loans and non-bank financial institutions	5,736,764	–
– Middle term notes	5,456,000	8,500,000
– Private placement notes	1,930,000	4,500,000
– Corporate bonds	7,455,534	6,419,845
– Senior notes	13,858,814	–
	<u>36,437,112</u>	<u>19,419,845</u>
Less: Current portion of long-term borrowings	<u>(23,569,854)</u>	<u>(29,594,826)</u>
	<u>73,417,094</u>	<u>46,997,939</u>

	As at 31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Current, secured:		
– Bank loans and non-bank financial institutions	2,262,529	1,946,615
– Trust financing arrangements	449,700	2,839,110
– Senior notes	–	2,091,910
– Financing under securitisation arrangements	1,513,000	3,073,000
	<u>4,225,229</u>	<u>9,950,635</u>
Current, unsecured:		
– Bank loans and non-bank financial institutions	1,018,907	134,370
– Corporate bonds	10,000	1,169,177
– Short-term commercial paper	1,750,000	–
– Senior notes	652,490	–
	<u>3,431,397</u>	<u>1,303,547</u>
Current portion of long-term borrowings	<u>23,569,854</u>	<u>29,594,826</u>
	<u>31,226,480</u>	<u>40,849,008</u>

7 TRADE AND OTHER PAYABLES

	As at 31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	53,677,122	36,785,256
Payables to related parties	29,165,794	30,599,865
Output VAT on contract liabilities to be transferred	17,530,771	17,156,476
Advances from non-controlling shareholders of subsidiaries	8,243,104	3,464,387
Notes payable	6,785,407	4,267,825
Deposits for construction biddings and rental deposits	3,563,959	2,511,944
Amounts received for potential investments in property projects	2,445,171	2,217,980
Value-added tax and other taxes payable	2,207,633	2,120,176
Accrued payroll	1,924,699	1,827,052
Advance payment of resettlement housing	1,850,000	–
Interest payable	1,155,594	1,371,484
Payables for acquisition of subsidiaries, joint ventures and associates	980,937	1,145,549
Others	4,618,118	2,835,186
	<u>134,148,309</u>	<u>106,303,180</u>
Less: Non-current portion	<u>–</u>	<u>–</u>
Current portion	<u>134,148,309</u>	<u>106,303,180</u>

The aging analysis of trade payables and notes payable based on the invoice date as at 31 December 2020 and 2019 are as follows:

	As at 31 December	
	2020	2019
	RMB'000	RMB'000
Less than 1 year	57,958,807	39,101,037
Between 1 and 2 years	1,709,748	914,412
Between 2 and 3 years	339,674	487,357
Over 3 years	454,300	550,275
	<u>60,462,529</u>	<u>41,053,081</u>

As at 31 December 2020 and 2019, the fair value of trade and other payables approximate their carrying amounts.

As at 31 December 2020 and 2019, the carrying amounts of trade and other payables are primarily denominated in RMB.

8 REVENUE

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major line:

	Year ended 31 December	
	2020	2019
	RMB'000	RMB'000
Revenue from contract with customers recognised at a point in time		
A share Company		
– Sales of properties	137,577,933	80,322,329
– Others services	806,702	540,602
Non-A share companies		
– Others services	330,739	644,294
	<u>138,715,374</u>	<u>81,507,225</u>
Revenue from contract with customers recognised over time		
A share Company		
– Commercial property management services	2,373,081	1,640,085
– Others services	1,655,325	929,248
Non-A share companies		
– Others services	439,663	477,807
	<u>4,468,069</u>	<u>3,047,140</u>
Rental income		
A share Company	2,934,943	2,296,813
Non-A share companies	332	–
	<u>2,935,275</u>	<u>2,296,813</u>
	<u>146,118,718</u>	<u>86,851,178</u>

9 EXPENSES BY NATURE

Expenses included in cost of sales and services, selling and marketing expenses and administrative expenses are analysed as follows:

	Year ended 31 December	
	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Construction costs	61,489,124	26,955,905
Land use rights costs	37,195,956	19,875,924
Capitalised interest	9,240,143	8,714,263
Staff costs	6,375,593	5,495,655
Advertising and publicity costs	1,912,602	1,634,600
Provision for impairment of properties held or under development for sale	1,597,021	939,796
Sales commission	1,213,092	956,204
Tax and surcharges	1,198,376	357,855
Professional fees	640,746	198,108
Depreciation of property, plant and equipment	585,143	536,820
Amortisation of right-of-use assets and intangible assets	315,917	146,909
Travelling expenses	233,254	319,475
Bank charges	208,508	141,643
Entertainment expenses	145,274	322,400
Auditors' remuneration		
– annual audit and interim review of the Group	2,400	2,400
– annual audit of the A share company charged by its auditor	5,380	5,200
– non-audit services	1,854	2,530
Rental expenses of low-value and short-term leases	3,983	21,761
Other expenses	2,454,581	2,602,063
Total cost of sales and services, selling and marketing expenses and administrative expenses	124,818,947	69,229,511

10 FINANCE INCOME AND COSTS

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Finance costs		
– Interest on borrowings	(6,548,312)	(6,100,222)
– Interest on proceeds from pre-sale to customers	(5,987,775)	(9,071,450)
– Interest and finance charges paid/payable for lease liabilities	(61,487)	(8,251)
– Less: Interest capitalised	<u>10,966,887</u>	<u>13,595,153</u>
	<u>(1,630,687)</u>	<u>(1,584,770)</u>
– Net foreign exchange gains/(losses)	<u>491,074</u>	<u>(260,880)</u>
Total finance costs	<u>(1,139,613)</u>	<u>(1,845,650)</u>
Finance income		
– Interest income on bank deposits	<u>559,611</u>	<u>506,077</u>
Net finance costs	<u>(580,002)</u>	<u>(1,339,573)</u>

11 INCOME TAX EXPENSE

	Year ended 31 December	
	2020 RMB'000	2019 RMB'000
Current income tax		
– PRC land appreciation tax	4,482,325	4,584,788
– PRC corporate income tax	<u>5,448,316</u>	<u>4,709,847</u>
	<u>9,930,641</u>	<u>9,294,635</u>
Deferred income tax	<u>336,541</u>	<u>(275,653)</u>
Total income tax charged for the year	<u>10,267,182</u>	<u>9,018,982</u>

Cayman Island income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

British Virgin Islands income tax

British Virgin Islands (“BVI”) income tax under the current laws of BVI, our subsidiaries incorporated in BVI and all dividends, interest, rents, royalties, compensation and other amounts paid by such subsidiaries incorporated in the BVI to persons who are not resident in the BVI and any capital gains realised with respect to any shares, debt obligations, or other securities of such subsidiaries incorporated in the BVI by persons who are not resident in the BVI are exempt from all provisions of the Income Tax Ordinance in the BVI. In addition, upon payments of dividends by our BVI subsidiaries to us, no BVI withholding tax is imposed.

Hong Kong profits tax

Hong Kong profits tax has been provided at 16.5% for as the Group has assessable profits in Hong Kong during the year (2019: 16.5%).

PRC corporate income tax

Under the Corporate Income Tax Law of the PRC (the “CIT Law”), the CIT rate applicable to the Group’s subsidiaries located in mainland China is 25%.

The CIT Law and its implementation rules impose a withholding tax at 10% for dividends distributed by a PRC-resident enterprise to its immediate holding company outside the PRC for earnings generated beginning 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. For the year ended 31 December 2020, the Group accrued for PRC withholding tax based on the tax rate of 5% on a portion of the earnings generated by its PRC entities. The Group controls the dividend policies of these subsidiaries and it has been determined that it is probable that a majority of these earnings will not be distributed in the foreseeable future.

Land appreciation tax

PRC land appreciation tax 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 lease charges for land use rights and all property development expenditures, and is included in the consolidated statement of profit or loss as income tax expense.

12 EARNINGS PER SHARE

Basic earnings per share for the year is calculated by dividing the profit of the Group attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2020	2019
Consolidated profit attributable to equity holders of the Company (RMB’ 000)	10,178,247	7,812,268
Weighted average number of ordinary shares in issue (’ 000)	6,186,533	5,899,000
Basic earnings per share (RMB)	1.65	1.32

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's share based payment schemes are of dilutive potential.

	Year ended 31 December	
	2020	2019
Consolidated profit attributable to equity holders of the Company in calculating diluted earnings per share (RMB' 000)	<u>10,178,247</u>	<u>7,812,268</u>
Weighted average number of ordinary shares in issue (' 000)	6,186,533	5,899,000
Add: number of dilutive shares (' 000)	<u>25</u>	<u>–</u>
Weighted average number of ordinary shares in issue and potential ordinary shares used as the denominator in calculating diluted earnings per share (' 000)	<u>6,186,558</u>	<u>5,899,000</u>
Diluted earnings per share (RMB)	<u>1.65</u>	<u>1.32</u>

13 DIVIDENDS

	Year ended 31 December	
	2020	2019
	RMB' 000	RMB' 000
Proposed final dividend of RMB0.41 (2019: RMB0.31) per ordinary share	<u>2,546,100</u>	<u>1,925,027</u>

No interim dividend was declared during the year (2019: No interim dividend was declared during the year).

At a Board meeting held on 26 March 2021, the Directors proposed a final dividend for 2020 of RMB0.41 per ordinary share using the share premium account and the retained earnings account. This proposed dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of reserves for the year ending 31 December 2021 upon approval by the shareholders at the forthcoming annual general meeting of the Company.

A final dividend in respect of 2019 of RMB0.31 (translated as HKD0.3386 at an exchange rate of HKD1.00 to RMB0.9155) per ordinary share, amounting to RMB1,925,027,000, was approved at the annual general meeting of the Company held on 10 June 2020. The dividend is reflected as an appropriation of retained earnings for the year ended 31 December 2020. As of 31 December 2020, dividends mentioned above had been fully paid.

14 EVENTS AFTER THE BALANCE SHEET DATE

- (a) On 7 January 2021, the Company issued USD300,000,000 4.45% senior notes due 2025.
- (b) On 22 January 2021, the Company repaid USD300,000,000 7.5% senior notes when it fell due.
- (c) On 27 January 2021, New Metro Global Limited, one of the subsidiaries of the Group, issued USD404,000,000 4.5% senior notes due 2026 guaranteed by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Review

In 2020, the outbreak of the COVID-19 epidemic had a significant impact on the socio-economic condition of the world. Despite the complex and volatile economic environment domestically and internationally, the PRC's GDP exceeded RMB100 trillion for the first time, achieving the dual victory of fighting against the epidemic and significant economic development.

As “homes are for living in, not for speculation” was included into the five-year plan for the first time, monetary policies became stabilised and there were increasing real estate regulations. Policies such as the “Three Red Lines (三條紅線)”, the New Regulations on Management of Financing for Real Estate Development Enterprises (房地產開發企業融資管理新規), the Management of Concentration of Real Estate Lending amongst Commercial Banks (商業銀行房地產貸款集中度管理) and the “Two Concentrations” of Land Transfer in 22 Hot-spot Cities (22 熱點城市土地出讓“兩集中”) were successively implemented, reflecting the central government's determination in emphasizing that “homes are for living in, not for speculation” and stabilising the market, which will be conducive to the long-term sustainable development of the real estate industry.

Looking back to 2020, despite the impact of the epidemic, the industry change and the market fluctuations, all of our staff made concerted efforts and successfully realized various major performance targets. In 2020, the Group achieved contracted sales revenue of approximately RMB251 billion by launching over 400 projects in 112 cities. Throughout the year, the Group newly acquired 120 projects and additional land reserves that cover an area of 41.39 million sq.m., demonstrating the Group's potential on intensive development strategy to enhance its efficiencies. As of the end of 2020, the Group had a total of 156 commercial complexes in operation, under development and under management, including 100 complexes in operation, with an area under management of approximately 9.48 million sq.m. which realized rental and management fee incomes of approximately RMB5.3 billion for the year, representing a year-on-year increase of over 30%.

During the period from the end of 2020 to the beginning of 2021, Standard & Poor's, Fitch and Moody's, the three major international rating agencies, upgraded the Group's international ratings to BB/positive, BB+/stable and Ba1/stable successively, demonstrating their recognition of the Group's sound operation and efforts for strengthening financial soundness. As of the end of 2020, the Group's net debt-to-equity ratio was 50.7%, of which the portion of the Group's long-term borrowings exceeded 70% and our ratio of cash to short-term borrowings reached 2.03times, thus optimizing debt structure as well as enhancing the Group's resilience against financial risks.

PROSPECTS

While the current international environment remains relatively uncertain, the PRC's economy has a clear advantage in its recovery. The central government has made the construction of "dual-cycle" the main line of macroeconomy during the 14th Five-Year Plan period, emphasizing the deepening of supply-side structural reform, enlarging domestic demand and stressing demand-side management. For the real estate industry, the trend and direction of regulation in 2021 will remain adhering to "homes are for living in, not for speculation", reducing financial attributes and returning to physical attributes, while the real estate industry will maintain the trend of stable and healthy development.

In 2021, the Company will further strengthen the shift from scale oriented to quality oriented, stabilize growth and increase profit at the same time, accelerate enhancement of the capacities of operation, investment, productivity and marketing, and continue to provide customers with good products and services, building a leading domestic platform for quality residential development and the most valuable platform for commercial real estates. Meanwhile, the Company will pay full attention to environment, society and governance while consolidating its strengths and improving its shortcomings.

For 2021, the Group's target for contracted sales is RMB260 billion, with a plan to add 30 new Wuyue Plazas and a target for rental and management fee income including tax at RMB8.5 billion. As the journey begins again, we will gather new momentum and continue to focus on quality development. Externally, we will respond to policies and strengthen benchmarking, while emphasizing on optimizing internally and incentivize the organization. On the road towards building a centenarian company, Seazen will work together and advance courageously.

Property Development

In 2020, the Group recorded contracted sales of approximately RMB250,963 million. Contracted sales was approximately 23.49 million sq.m. in gross floor area (“GFA”). A total of 112 cities across the country have contributed to our contracted sales. The aggregate contracted selling price (excluding carparks sales) for the year was RMB12,015 per sq.m..

Table 1: Details of contracted sales of the Group in 2020

The following table sets out the geographic breakdown of the Group’s contracted sales in 2020:

City/Region	Contracted GFA sold (sq.m.)	Contracted sales (RMB million)
Yangtze River Delta Area		
Changzhou	1,142,396	13,647
Suzhou	912,036	13,604
Wenzhou	587,721	11,094
Hangzhou	304,835	8,735
Shanghai	171,023	8,466
Yancheng	1,026,715	8,154
Nanjing	245,827	7,608
Huzhou	616,847	6,628
Xuzhou	582,747	5,827
Suqian	639,107	4,848
Ningbo	334,095	4,768
Taizhou	275,401	4,257
Nantong	385,895	4,170
Chuzhou	354,579	3,120
Huai’an	464,567	2,964
Jiaxing	250,205	2,846
Yangzhou	296,440	2,801
Hefei	226,115	2,682
Fuyang	340,268	2,678
Zhenjiang	265,058	2,517
Jinhua	254,747	2,501
Taizhou	266,464	2,147
Shaoxing	117,145	2,078
Lianyungang	220,640	1,677
Lu’an	164,510	1,136
Tongling	142,962	1,133
Wuxi	134,102	980
Huaibei	142,891	911
Ma’anshan	101,427	797

City/Region	Contracted GFA sold (sq.m.)	Contracted sales (RMB million)
Wuhu	56,364	699
Bozhou	72,397	530
Suzhou	44,002	376
Zhoushan	18,309	209
Bengbu	26,200	119
Huainan	9,163	52
Central and Western China Area		
Changsha	555,504	5,288
Wuhan	339,474	5,142
Kunming	685,676	5,058
Chongqing	416,468	3,793
Guiyang	327,711	3,574
Chengdu	394,857	3,304
Zhengzhou	263,416	2,053
Zhaotong	272,258	1,979
Zunyi	306,708	1,868
Yinchuan	234,136	1,733
Xiangyang	221,728	1,612
Deyang	202,901	1,368
Jingzhou	168,050	1,289
Nanning	140,617	1,194
Taiyuan	101,667	1,126
Xining	84,305	1,053
Xi'an	73,257	961
Datong	154,981	896
Xiaogan	152,407	871
Lanzhou	61,711	840
Huangshi	132,622	774
Liupanshui	127,158	706
Xuchang	112,520	697
Beihai	63,089	637
Jiujiang	87,269	632
Suizhou	91,858	625
Guilin	122,245	608
Baoshan	81,627	595
Neijiang	71,169	538
Guigang	83,705	538
Yuncheng	74,082	526
Xiangtan	136,376	511
Baoji	75,561	506
Ankang	54,213	443

City/Region	Contracted GFA sold (sq.m.)	Contracted sales (RMB million)
Pingxiang	58,008	413
Nanchang	29,343	341
Zhuzhou	44,088	285
Anyang	25,852	265
Qinzhou	53,152	243
Ya'an	29,915	176
Meishan	18,560	170
Qiannan Buyei and Miao Autonomous Prefecture	12,368	163
Hanzhong	24,777	153
Leshan	36,329	143
Urumqi	17,513	120
Ezhou	15,589	101
Huanggang	16,603	95
Shangrao	13,333	54
Bohai Rim		
Beijing	279,568	11,504
Tianjin	860,256	10,742
Qingdao	349,385	3,650
Tangshan	289,864	3,501
Cangzhou	272,042	2,969
Tai'an	357,579	2,773
Jining	229,193	2,230
Shenyang	241,882	2,044
Baotou	221,208	1,549
Rizhao	195,345	1,454
Ji'nan	163,053	1,398
Liaocheng	133,925	757
Dezhou	99,649	630
Zibo	82,761	522
Weifang	119,456	442
Langfang	42,406	380
Yantai	26,252	265
Weihai	39,316	243
Dongying	18,956	138
Binzhou	14,348	133
Linyi	15,887	110
Changchun	16,574	32

City/Region	Contracted GFA sold (sq.m.)	Contracted sales (RMB million)
Greater Bay Area		
Huizhou	387,403	2,801
Zhaoqing	307,196	1,989
Foshan	118,118	1,334
Dongguan	50,812	1,188
Shanwei	84,833	436
Jiangmen	21,872	191
Zhongshan	13,104	155
	<hr/>	<hr/>
Others	376,352	2,584
	<hr/>	<hr/>
Total	23,488,547	250,963
	<hr/> <hr/>	<hr/> <hr/>

Land Bank

As at 31 December 2020, the land bank of the Group was approximately 142,876,372 sq.m.. The historical average acquisition cost of land bank was approximately RMB2,615 per sq.m.. The geographic spread of the land bank of the Group as at 31 December 2020 was as follows:

Table 2: Details of land bank of the Group

City/Region	Full-caliber land bank (sq.m.)	Percentage of the Group's total GFA (%)	Attributable land bank (sq.m.)	Percentage of GFA attributable to the Group's interests (%)
Yangtze River Delta Area				
Suzhou	5,663,525	3.96%	2,639,821	3.44%
Changzhou	5,093,981	3.57%	2,240,850	2.92%
Xuzhou	4,605,273	3.22%	2,615,187	3.41%
Suqian	3,467,944	2.43%	2,082,759	2.71%
Yancheng	3,232,025	2.26%	1,986,320	2.59%
Huai'an	2,429,288	1.70%	1,530,487	1.99%
Wenzhou	2,393,775	1.68%	710,049	0.93%
Nantong	2,279,828	1.60%	805,012	1.05%
Taizhou	2,178,555	1.52%	1,049,073	1.37%
Zhenjiang	1,787,131	1.25%	901,833	1.18%
Huzhou	1,780,344	1.25%	907,538	1.18%
Nanjing	1,748,553	1.22%	843,252	1.10%
Taizhou	1,622,002	1.14%	673,011	0.88%
Yangzhou	1,588,991	1.11%	1,008,393	1.31%
Fuyang	1,471,239	1.03%	739,026	0.96%
Chuzhou	1,187,879	0.83%	766,042	1.00%
Hefei	1,100,787	0.77%	651,051	0.85%
Lianyungang	1,011,387	0.71%	517,862	0.68%
Jiaxing	933,782	0.65%	454,198	0.59%
Ningbo	861,637	0.60%	364,037	0.47%
Hangzhou	771,878	0.54%	200,584	0.26%
Wuxi	722,458	0.51%	203,388	0.27%
Shanghai	698,256	0.49%	206,260	0.27%
Tongling	548,731	0.38%	365,151	0.48%
Shaoxing	541,457	0.38%	262,010	0.34%
Lu'an	537,317	0.38%	358,169	0.47%
Huaibei	519,128	0.36%	345,451	0.45%
Bengbu	433,677	0.30%	240,514	0.31%
Jinhua	406,138	0.28%	144,704	0.19%
Suzhou	249,955	0.17%	166,332	0.22%
Bozhou	226,069	0.16%	73,068	0.10%
Ma'anshan	206,923	0.14%	133,329	0.17%
Huainan	205,047	0.14%	136,448	0.18%
Wuhu	165,883	0.12%	106,751	0.14%
Zhoushan	55,109	0.04%	12,286	0.02%

City/Region	Full-caliber land bank (sq.m.)	Percentage of the Group's total GFA (%)	Attributable land bank (sq.m.)	Percentage of GFA attributable to the Group's interests (%)
Central and Western China Area				
Kunming	5,803,332	4.06%	3,296,118	4.30%
Chongqing	4,710,477	3.30%	2,476,370	3.23%
Changsha	3,619,212	2.53%	1,547,188	2.02%
Guiyang	3,040,994	2.13%	1,949,421	2.54%
Zhengzhou	2,339,131	1.64%	1,036,251	1.35%
Wuhan	2,302,642	1.61%	1,250,902	1.63%
Urumqi	1,695,808	1.19%	854,779	1.11%
Chengdu	1,575,195	1.10%	730,657	0.95%
Xi'an	1,378,815	0.97%	884,022	1.15%
Baoshan	1,269,632	0.89%	844,872	1.10%
Nanchang	1,246,481	0.87%	547,544	0.71%
Shangrao	1,241,790	0.87%	385,634	0.50%
Changde	1,186,184	0.83%	789,342	1.03%
Qiannan Buyei and Miao Autonomous Prefecture	1,185,148	0.83%	406,235	0.53%
Zunyi	1,028,962	0.72%	687,508	0.90%
Xining	922,780	0.65%	614,061	0.80%
Guilin	850,219	0.60%	509,985	0.66%
Datong	849,875	0.59%	571,201	0.74%
Ezhou	806,267	0.56%	535,985	0.70%
Yuncheng	795,161	0.56%	530,045	0.69%
Zhaotong	788,463	0.55%	574,808	0.75%
Anyang	780,880	0.55%	519,633	0.68%
Taiyuan	774,376	0.54%	419,429	0.55%
Liupanshui	758,017	0.53%	506,101	0.66%
Xiangyang	724,028	0.51%	527,031	0.69%
Jingzhou	689,191	0.48%	397,001	0.52%
Suizhou	687,049	0.48%	500,875	0.65%
Ankang	675,545	0.47%	451,037	0.59%
Guang'an	664,267	0.46%	442,034	0.58%
Xuchang	625,816	0.44%	208,501	0.27%
Xiaogan	625,714	0.44%	248,504	0.32%
Guigang	618,246	0.43%	411,409	0.54%
Yinchuan	609,470	0.43%	409,625	0.53%
Nanning	597,629	0.42%	366,241	0.48%
Xiangtan	596,832	0.42%	396,678	0.52%
Neijiang	551,383	0.39%	366,916	0.48%
Deyang	525,493	0.37%	349,687	0.46%
Beihai	524,844	0.37%	349,255	0.46%
Yan'an	489,961	0.34%	326,043	0.42%
Baoji	478,193	0.33%	318,212	0.41%
Huangshi	447,508	0.31%	187,015	0.24%

City/Region	Full-caliber land bank (sq.m.)	Percentage of the Group's total GFA (%)	Attributable land bank (sq.m.)	Percentage of GFA attributable to the Group's interests (%)
Lanzhou	418,838	0.29%	279,193	0.36%
Yichang	389,323	0.27%	259,073	0.34%
Qinzhou	303,057	0.21%	201,668	0.26%
Jiujiang	253,214	0.18%	101,107	0.13%
Luohe	245,268	0.17%	39,250	0.05%
Ya'an	225,457	0.16%	93,812	0.12%
Zhuzhou	217,226	0.15%	72,196	0.09%
Hanzhong	190,864	0.13%	127,010	0.17%
Meishan	166,517	0.12%	66,824	0.09%
Leshan	132,370	0.09%	84,731	0.11%
Huanggang	126,875	0.09%	26,801	0.03%
Pingxiang	103,336	0.07%	35,073	0.05%
Bohai Rim Area				
Tianjin	5,003,573	3.50%	2,651,924	3.46%
Qingdao	3,794,093	2.66%	1,369,027	1.78%
Tai'an	2,463,064	1.72%	1,414,432	1.84%
Baotou	1,351,569	0.95%	902,394	1.18%
Beijing	1,179,069	0.83%	312,158	0.41%
Cangzhou	1,112,747	0.78%	771,769	1.01%
Tangshan	1,099,711	0.77%	592,928	0.77%
Rizhao	1,099,006	0.77%	617,778	0.81%
Shenyang	1,081,588	0.76%	719,739	0.94%
Weifang	1,014,696	0.71%	663,586	0.86%
Dezhou	887,118	0.62%	590,329	0.77%
Dongying	791,616	0.55%	504,619	0.66%
Ji'nan	762,670	0.53%	392,195	0.51%
Binzhou	762,667	0.53%	508,488	0.66%
Jining	595,571	0.42%	398,402	0.52%
Zibo	594,514	0.42%	329,581	0.43%
Liaocheng	507,180	0.35%	269,691	0.35%
Changchun	283,079	0.20%	186,490	0.24%
Linyi	263,331	0.18%	175,779	0.23%
Yantai	236,872	0.17%	127,814	0.17%
Weihai	235,060	0.16%	110,494	0.14%
Langfang	220,956	0.15%	111,304	0.15%
Baoding	213,274	0.15%	70,237	0.09%
Shijiazhuang	189,035	0.13%	84,107	0.11%
Handan	186,236	0.13%	125,169	0.16%

City/Region	Full-caliber land bank (sq.m.)	Percentage of the Group's total GFA (%)	Attributable land bank (sq.m.)	Percentage of GFA attributable to the Group's interests (%)
Greater Bay Area				
Huizhou	2,158,252	1.51%	1,010,256	1.32%
Shanwei	1,046,870	0.73%	703,602	0.92%
Zhaoqing	915,226	0.64%	646,973	0.84%
Yunfu	662,704	0.46%	440,994	0.57%
Foshan	576,483	0.40%	317,327	0.41%
Fuzhou	543,613	0.38%	235,147	0.31%
Jiangmen	305,718	0.21%	182,423	0.24%
Shenzhen	228,830	0.16%	75,360	0.10%
Zhongshan	226,699	0.16%	66,614	0.09%
Dongguan	109,167	0.08%	73,371	0.10%
Other completed projects	3,595,206	2.52%	2,416,338	3.15%
Total	142,876,372	100.00%	76,719,983	100.00%

In 2020, the Group acquired a total of 120 projects to replenish its land bank. The acquired land bank was approximately 41.4 million sq.m. (including those of the Group's joint ventures and associates' projects on a 100% basis) (including underground floor area) whilst the average acquisition cost was approximately RMB3,031 per sq.m..

Table 3: Details of land acquisition from January to December 2020

Location	Name of Land Parcel	Land use	Proportion of interest	Site area (sq.m.)	Total GFA (sq.m.)	Total land premium (RMB million)
Beijing	Land Parcel B1_05_(2) in Xihongmen Township, Daxing District, Beijing City	Residential	67.21%	35,978	120,898	3,012
Shanghai	Seazen Millennium Park	Residential	67.21%	39,755	109,569	1,345
Shenzhen	Land Parcel G12314 in Shijing Subdistrict, Pingshan District	Residential	32.93%	37,254	228,830	2,800
Suzhou	Weitang Lakeview Chunxiao Project	Residential	22.16%	52,279	181,822	1,452
	Fengqi Heming Yayuan	Residential	13.70%	70,304	216,445	2,436
	Huiying Shidai Garden	Residential	20.14%	58,082	170,582	2,091
	Jiayue Shidai Garden	Residential	34.24%	31,768	94,052	1,167
	Heyue Garden	Residential	53.71%	65,675	185,535	788
	Feili Paradiso Pavilion	Residential	34.05%	57,334	184,539	1,001
	Land Parcel No. WG391 in High-tech Zone, Taicang	Residential	66.77%	44,157	126,915	1,029
Hangzhou	Xinwang Yayuan	Residential	66.72%	54,921	142,573	1,048
	Xiangyue Hemingfu	Residential	47.05%	57,135	186,242	2,285
	Tangyuewan	Residential	10.07%	65,845	227,794	4,169
Nanjing	Nanjing Seazen Riverbank Yunji	Residential	64.43%	27,022	73,522	1,150
	Nanjing Yunyang Binjiang	Residential	32.86%	106,661	336,023	2,220
Chengdu	22 Mu Land Parcel in Wenjiang	Residential	54.41%	15,058	53,049	308
Tianjin	Projects 015, 017 in Dazhangzhuang	Residential	26.37%	87,229	192,847	536
	Land Parcel No. 19 in Airport Economic Zone, Binhai New District	Residential	49.91%	103,962	232,720	1,920
	Seazen • Xiyue Xitang	Residential	31.94%	78,099	178,459	1,313
	Land Parcel No. 41 in Eco-City, Tourism Area	Residential	66.54%	42,514	91,730	410
Qingdao	Land Parcel No. 004 in Xiaodian, Beichen	Residential	39.93%	28,409	70,435	333
	Jimo Yuefu	Residential	20.15%	115,869	264,785	615
	Pingdu Yuejun Daduhui Phase II	Residential	53.73%	36,465	131,642	191
Chongqing	Chongqing Beibei Wuyue Plaza	Commercial	67.21%	76,430	359,336	880
	Chongqing Dazu Wuyue Plaza	Commercial	66.54%	360,556	994,555	898
	Chongqing Jiangjin Wuyue Plaza	Commercial	66.54%	223,808	670,234	715
Changsha	Changsha County Langjun	Residential	20.34%	66,453	254,013	498
	Seazen • Hengwei • Huijun Fenghua	Residential	33.24%	44,127	117,273	311
	Seazen • Guanshanyin	Residential	20.34%	214,461	561,469	2,410
	Changsha Mingyu Dongfang Project	Residential	53.17%	126,678	369,467	1,352

Location	Name of Land Parcel	Land use	Proportion of interest	Site area (sq.m.)	Total GFA (sq.m.)	Total land premium (RMB million)
Wuhan	Seazen Tianyue Guanlan	Residential	64.01%	68,769	246,028	428
Zhengzhou	Seazen • Yuejun Mansion	Residential	42.89%	39,477	126,664	172
	Land Parcel No. 5 in Jindai, Zhengzhou	Residential	30.98%	40,134	163,963	783
	87 Mu Land Parcel in Donglinhu, Xinyang	Residential	51.21%	58,396	151,104	311
	Seazen Xiyue Lanting	Residential	32.64%	32,961	93,036	251
	Seazen Xiyue Huating	Residential	32.64%	36,022	92,538	209
Ningbo	Yuefu	Residential	19.67%	66,624	228,821	1,447
Nanning	Nanning Jinyuefu	Residential	34.28%	35,308	132,467	516
	Seazen • Mingyu Park	Residential	67.21%	13,675	64,338	242
Xi'an	Seazen Capital	Residential	60.34%	36,710	171,293	1,117
Guiyang	Guiyang Economic Development Zone Wuyue Plaza	Commercial	66.54%	508,586	1,526,156	2,762
	Guiyang Yunyan Wuyue Plaza	Commercial	66.54%	99,911	746,878	4,043
Kunming	Kunming Seazen Heyue	Residential	67.21%	71,146	173,038	569
	68 Mu Land Parcel in Economic Development Zone, Kunming	Residential	32.93%	45,880	197,438	625
	Kunming Taiping Wuyue Plaza	Commercial	66.54%	351,172	1,267,406	1,195
Nanchang	Seazen Yuejun Shidai	Residential	66.54%	27,441	64,851	283
	Land Parcel No. 025 in Xianghu Binjiang, Nanchang County	Residential	39.93%	39,812	121,336	486
	365 Mu Land Parcel in west of Xueyuan Road, High-Tech Industrial Development Zone	Residential	22.16%	161,278	525,250	2,783
	Nanchang Jinxian Wuyue Plaza	Commercial	67.04%	133,653	464,396	596
Shijiazhuang	Seazen Zhenghongfu	Residential	44.49%	70,537	189,035	666
Jinan	Seazen Shiguang Yinxiang	Residential	66.54%	12,449	44,943	504
Fuzhou	Fuzhou Pingtan Wuyue Plaza	Commercial	43.26%	140,000	543,613	1,070
Taiyuan	Taiyuan Dajingyu Wuyue Plaza	Commercial	66.54%	35,029	198,007	657
Urumqi	Urumqi Shuimogou Wuyue Plaza	Commercial	33.38%	325,286	831,110	1,988
	Urumqi Midong Wuyue Plaza	Commercial	66.77%	319,603	864,698	1,051
Xining	Xining Chengbei Wuyue Plaza	Commercial	66.54%	144,524	577,974	1,734
Lanzhou	Lanzhou Anning Wuyue Plaza	Commercial	66.66%	81,214	418,838	1,006
Changzhou	Shangjun Tianjiao Garden	Residential	38.61%	56,966	154,763	684
	Changzhou Yunyi Garden	Residential	31.84%	46,057	144,274	1,715
	Huijuan Garden	Residential	38.61%	60,515	174,205	694
	Jintan Yijun Garden	Residential	38.61%	55,669	167,989	618
	Land Parcel in the north of Jintan Jingui East Road and west of Yongqing Road	Residential	38.61%	50,900	155,177	566

Location	Name of Land Parcel	Land use	Proportion of interest	Site area (sq.m.)	Total GFA (sq.m.)	Total land premium (RMB million)
Wuxi	Wenhui Mingyuan	Residential	64.35%	75,699	204,877	2,038
Wenzhou	Seazen • Oujiang Bay	Residential	42.77%	132,688	438,580	1,660
	Wenzhou Future Community Project	Commercial	32.94%	76,485	372,788	2,864
Xuzhou	Gulou Yingyue	Residential	31.69%	54,171	124,335	666
	Seazen • Yunjing	Residential	63.38%	14,866	34,583	169
	Puyue • Yulonghu Land Parcel BC	Residential	32.32%	73,239	120,134	1,422
	Puyue • Yulonghu Land Parcel A	Residential	44.37%	81,570	236,055	2,412
	Xuzhou Feng County Wuyue Plaza	Commercial	66.54%	294,806	993,774	578
Yancheng	Jinyuefu	Residential	26.86%	77,818	258,915	482
	Yandangshang Road Project in Economic Development Zone, Yancheng	Residential	26.86%	104,088	317,896	1,103
Taizhou	Taizhou Hailing Wuyue Plaza	Commercial	6.88%	307,759	677,848	4,165
Tai'an	Seazen • Wuyue Capital	Residential	33.27%	65,000	148,703	403
	Tai'an Xintai Wuyue Plaza	Commercial	66.89%	250,160	714,831	754
	Tai'an Feicheng Wuyue Plaza	Commercial	66.54%	320,906	778,234	723
Taizhou	Seazen Jingling • Yunyue Dongfang	Residential	36.66%	104,530	316,850	1,455
	Yunyue Fenghua Xiaoqu	Residential	42.77%	41,844	131,559	822
Suqian	Suqian Siyang Wuyue Plaza	Commercial	66.54%	172,441	806,329	349
	Suqian Sihong Wuyue Plaza	Commercial	63.22%	280,409	917,273	705
	Land Parcel 10 in Sucheng, Suqian	Residential	63.38%	74,925	234,126	1,020
Yangzhou	Yangzhou Shiguangyue	Residential	30.22%	26,504	63,933	221
Yichang	Yichang Xiling Wuyue Plaza	Commercial	66.54%	110,540	389,323	470
Binzhou	Binzhou Bincheng Wuyue Plaza	Commercial	66.67%	201,480	762,667	549
Cangzhou	117 Mu Land Parcel in Yunhe District, Cangzhou	Residential	66.54%	78,353	169,428	642
Changde	Changde Dingcheng Wuyue Plaza	Commercial	66.54%	316,237	1,186,184	1,330
Nantong	Guangqi Huayuan	Residential	22.03%	76,482	257,267	924
	Yunjing Yayuan	Residential	19.31%	60,885	178,025	847
	Land Parcel in Central Avenue, Qidong City	Residential	66.65%	175,005	420,048	4,135
	Land Parcel No. R20021 in Chongchuan, Nantong	Residential	26.88%	65,064	190,859	1,459
Rizhao	Rizhao Time Glory Project	Residential	33.58%	40,717	111,915	400
	Rizhao Donggang Wuyue Plaza	Commercial	66.54%	209,945	615,902	884

Location	Name of Land Parcel	Land use	Proportion of interest	Site area (sq.m.)	Total GFA (sq.m.)	Total land premium (RMB million)
Zibo	Zibo Zhoucun Wuyue Plaza	Commercial	66.66%	89,645	262,195	347
Yuncheng	Yuncheng Yanhu Wuyue Plaza	Commercial	66.66%	207,791	795,161	696
Shangrao	Taolijun	Residential	33.94%	74,433	214,972	533
Huai'an	Huai'an Jinyuefu Project	Residential	21.47%	41,476	157,577	769
	Pu 13 Project	Residential	65.47%	30,222	92,566	505
	Huai'an Xuyi Wuyue Plaza	Commercial	66.54%	119,537	380,996	335
Jiaxing	Feicui Fenghua City	Residential	32.50%	52,385	176,823	928
	Land Parcel No. 201819 in Economic Development Zone, Jiashan County	Residential	40.06%	29,791	87,390	507
Lianyungang	Lianyungang Haizhou Project	Residential	22.82%	41,478	120,009	651
	Seazen • Haiyue Mingzhu	Residential	32.32%	45,820	119,020	315
	Donghaifu	Residential	31.69%	60,678	180,117	444
Jinhua	Xiangyue Lancheng	Residential	40.33%	69,998	196,931	666
Huizhou	Land Parcel in Luoyang Shangtoutang	Residential	31.37%	64,920	221,099	416
Liaocheng	Land Parcel 118 in Liaocheng Resort	Residential	39.93%	78,320	260,146	519
Jiangmen	Seazen Bofu Linghui International	Residential	51.21%	51,279	173,971	763
Qiannan Buyei and Miao Autonomous Prefecture	Seazen Longyuefu	Residential	34.28%	539,200	1,185,148	1,054
Luohe	Xihe Celestial Mansion	Residential	16.00%	88,102	245,268	457
Anyang	Anyang Wenfeng Wuyue Plaza	Commercial	66.54%	245,782	780,880	1,052
Ankang	Ankang Hanbin Wuyue Plaza	Commercial	66.77%	187,958	675,545	516
Baotou	Baotou Kunbei Wuyue Plaza	Commercial	66.77%	48,476	139,778	300
Baoshan	Baoshan Longyang Wuyue Plaza	Commercial	66.54%	344,467	1,269,632	1,044
Handan	Seazen • Gongyuan Shangfu	Residential	67.21%	59,907	186,236	448
Baoding	Land Parcel in Great Wall, Lianchi District, Baoding City	Residential	32.93%	53,955	213,274	365
Bengbu	Seazen Yikang Shiguang Yinxiang	Residential	32.38%	49,547	130,524	414
Dongying	Dongying Dongying Wuyue Plaza	Commercial	66.54%	317,204	694,818	803
Yunfu	Yunfu Yuncheng Wuyue Plaza	Commercial	66.54%	178,469	662,704	800
Ezhou	Ezhou Echeng Wuyue Plaza	Commercial	66.54%	208,994	784,866	1,228
Guang'an	Guang'an Guang'an Wuyue Plaza	Commercial	66.54%	221,676	664,267	488

Property Investment

The Group's investment properties were mainly derived from the 95 Wuyue Plazas in operation as at 31 December 2020.

Table 4: Details of rental and management fee income from investment properties of the Group in 2020

Rental and management fee income	Occupancy rate	Year ended 31 December		Opening date
		2020 RMB'000	2019 RMB'000	
Changzhou Wujin Wuyue Plaza	100.00%	197,243	207,265	April 2012
Changzhou Wuyue International Plaza	100.00%	135,815	153,363	December 2012
Shanghai Qingpu Wuyue Plaza	99.39%	90,129	139,205	December 2014
Suzhou Wujiang Wuyue Plaza	100.00%	66,981	77,243	June 2015
Suzhou Zhangjiagang Wuyue Plaza	100.00%	71,911	79,789	September 2015
Zhenjiang Danyang Wuyue Plaza	100.00%	96,512	101,612	December 2015
Haikou Wuyue Plaza	100.00%	116,308	116,663	October 2016
Nanchang Wuyue Plaza	100.00%	68,765	77,442	November 2016
Changzhou Jintan Wuyue Plaza	100.00%	89,748	93,784	December 2016
Anqing Wuyue Plaza	100.00%	89,002	78,989	December 2016
Chengdu Wuyue Plaza	100.00%	91,355	91,969	December 2016
Jiaxing Tongxiang Wuyue Plaza	100.00%	109,359	105,606	May 2017
Quzhou Wuyue Plaza	100.00%	73,202	79,517	June 2017
Changchun Wuyue Plaza	100.00%	86,531	94,887	July 2017
Zhenjiang Wuyue Plaza	100.00%	85,717	93,669	August 2017
Qingdao Wuyue Plaza	100.00%	94,445	114,433	September 2017
Shaoxing Shengzhou Wuyue Plaza	100.00%	88,201	85,007	October 2017
Nantong Rugao Wuyue Plaza	100.00%	88,652	82,668	November 2017
Ningbo Wuyue Plaza	100.00%	63,068	67,813	November 2017
Nanjing Wuyue Plaza	100.00%	58,397	64,075	December 2017
Chengdu Wuhou Wuyue Plaza	95.67%	45,565	52,219	December 2017
Quanzhou Jinjiang Wuyue Plaza	100.00%	53,066	60,574	December 2017
Weinan Wuyue Plaza	100.00%	48,462	39,945	May 2018
Wenzhou Rui'an Wuyue Plaza	100.00%	122,108	121,519	July 2018
Jinhua Yiwu Wuyue Plaza	100.00%	98,554	92,279	July 2018
Huainan Wuyue Plaza	100.00%	71,037	69,503	August 2018
Taizhou Huangyan Wuyue Plaza	100.00%	84,951	82,902	September 2018
Jiaxing Pinghu Wuyue Plaza	100.00%	81,860	74,541	September 2018
Suzhou Kunshan Wuyue Plaza	100.00%	69,038	66,524	September 2018

Rental and management fee income	Occupancy rate	Year ended 31 December		Opening date
		2020	2019	
		RMB'000	RMB'000	
Yangzhou Wuyue Plaza	100.00%	71,767	75,467	September 2018
Nanchang New District Wuyue Plaza	96.85%	43,229	57,286	November 2018
Kunming Wuyue Plaza	100.00%	61,279	76,730	November 2018
Taizhou Taixing Wuyue Plaza	100.00%	78,668	81,636	November 2018
Changsha Wuyue Plaza	100.00%	109,059	102,862	November 2018
Nanning Wuyue Plaza	100.00%	56,048	64,702	December 2018
Zhenjiang Jurong Wuyue Plaza	98.52%	49,462	67,014	December 2018
Linyi Wuyue Plaza	100.00%	71,959	77,553	December 2018
Taizhou Yuhuan Wuyue Plaza	100.00%	71,442	80,207	December 2018
Nantong Qidong Wuyue Plaza	100.00%	69,802	68,659	December 2018
Taizhou Xianju Plaza	100.00%	46,417	61,899	December 2018
Ningbo Cixi Wuyue Plaza	100.00%	68,146	89,292	December 2018
Shangrao Wuyue Plaza	100.00%	70,730	46,750	June 2019
Hefei Wuyue Plaza	100.00%	87,757	61,384	June 2019
Huai'an Wuyue Plaza	100.00%	75,761	44,283	July 2019
Qinzhou Wuyue Plaza	100.00%	60,214	35,334	July 2019
Xi'an Xixian Wuyue Plaza	100.00%	100,706	40,193	September 2019
Yan'an Wuyue Plaza	100.00%	53,192	21,392	September 2019
Lianyungang Ganyu Wuyue Plaza	100.00%	70,633	26,779	September 2019
Changzhou Tianning Wuyue Plaza	100.00%	117,197	35,066	October 2019
Baoji Wuyue Plaza	95.80%	63,480	18,616	October 2019
Yangzhou Baoying Wuyue Plaza	100.00%	62,102	18,433	October 2019
Tianjin Jinnan Wuyue Plaza	100.00%	91,184	20,214	November 2019
Huaipei Wuyue Plaza	95.28%	38,469	12,218	November 2019
Hanzhong Wuyue Plaza	100.00%	86,080	15,933	November 2019
Guilin Wuyue Plaza	96.29%	48,372	6,469	November 2019
Lianyungang Haizhou Wuyue Plaza	100.00%	78,603	11,600	December 2019
Changzhou Liyang Wuyue Plaza	98.05%	58,225	9,213	December 2019
Yancheng Wuyue Plaza	98.50%	46,348	7,652	December 2019
Yangzhou Gaoyou Wuyue Plaza	96.22%	64,225	7,205	December 2019
Bengbu Wuyue Plaza	97.36%	62,339	6,970	December 2019
Suzhou Wuyue Plaza	97.98%	65,830	4,174	December 2019
Changsha High-speed Rail Wuyue Plaza	95.69%	71,818	6,566	December 2019

Rental and management fee income	Occupancy rate	Year ended 31 December		Opening date
		2020	2019	
		<i>RMB'000</i>	<i>RMB'000</i>	
Shaoxing Zhuji Wuyue Plaza	–	–	43,935	July 2017
Harbin Wuyue Plaza	–	19,313	–	January 2020
Xi'an Fengxi Wuyue Plaza	100.00%	30,282	–	September 2020
Changchun Beihu Wuyue Plaza	100.00%	23,388	–	September 2020
Fuyang Yingzhou Wuyue Plaza	100.00%	25,444	–	September 2020
Jiaxing Haiyan Wuyue Plaza	100.00%	26,468	–	September 2020
Kunming Chenggong Wuyue Plaza	100.00%	23,783	–	September 2020
Taizhou Xinghua Wuyue Plaza	100.00%	28,307	–	September 2020
Zhaotong Wuyue Plaza	99.90%	22,579	–	September 2020
Baotou Kunqu Wuyue Plaza	100.00%	23,506	–	September 2020
Guigang Wuyue Plaza	96.83%	11,804	–	October 2020
Lu'an Wuyue Plaza	100.00%	16,041	–	October 2020
Xuzhou Jiawang Wuyue Plaza	100.00%	12,909	–	October 2020
Huzhou Wuyue Plaza	100.00%	16,855	–	October 2020
Tangshan Wuyue Plaza	100.00%	23,781	–	October 2020
Yancheng Sheyang Wuyue Plaza	100.00%	14,719	–	October 2020
Suzhou High-speed Rail Wuyue Plaza	100.00%	24,078	–	November 2020
Yancheng Dafeng Wuyue Plaza	100.00%	16,551	–	November 2020
Jingzhou Wuyue Plaza	100.00%	14,530	–	November 2020
Chuzhou Wuyue Plaza	100.00%	8,683	–	November 2020
Xining Chengdong Wuyue Plaza	100.00%	17,415	–	November 2020
Xiangyang Wuyue Plaza	100.00%	12,721	–	November 2020
Nanjing Yuhua Wuyue Plaza	100.00%	17,282	–	November 2020
Guiyang Qingzhen Wuyue Plaza	99.10%	7,562	–	November 2020
Zunyi Wuyue Plaza	100.00%	6,582	–	December 2020
Suizhou Wuyue Plaza	100.00%	7,054	–	December 2020
Yancheng Dongtai Wuyue Plaza	100.00%	8,086	–	December 2020
Huai'an Lianshui Wuyue Plaza	100.00%	7,913	–	December 2020
Beihai Wuyue Plaza	100.00%	4,575	–	December 2020

Rental and management fee income	Occupancy rate	Year ended 31 December		Opening date
		2020 RMB'000	2019 RMB'000	
Kunming Anning Wuyue Plaza	100.00%	4,828	–	December 2020
Wenzhou Longwan Wuyue Plaza	100.00%	11,908	–	December 2020
Deyang Wuyue Plaza	99.61%	2,520	–	December 2020
Chuzhou Tianchang Wuyue Plaza	100.00%	4,507	–	December 2020
Tongling Wuyue Plaza	100.00%	4,588	–	December 2020
Changsha Wangcheng Wuyue Lifestyle Plaza	94.58%	1,876	–	December 2020
Seazen Holdings Tower B (office building)	96.48%	47,931	39,524	January 2016
Total		5,356,897	4,108,210	

Notes:

1. As at 31 December 2020, the Group owned 93 Wuyue Plazas in operation and 2 Wuyue Plazas in operation providing entrusted management services. In addition, the Group had 5 entrusted management projects that were newly contracted projects at the end of 2020 and have not been included in the 2020 annual results;
2. The partnership in connection with Harbin Wuyue Plaza has been terminated since October 2020; and
3. The occupancy rate represents the occupancy of the commercial property on 31 December 2020.

As at 31 December 2020, the Group had 56 investment properties under development.

The Group did not hold any other significant investments except for the aforementioned investment properties as at 31 December 2020.

Property Delivery and Revenue from Sale of Properties

For the year ended 31 December 2020, revenue from sale of properties by the Group was approximately RMB137,577.9 million, representing an increase of 71.3% compared to 2019. Properties with a total GFA of approximately 15,386,229 sq.m. were delivered during the year ended 31 December 2020, representing an increase of 123.7% compared to 2019. Average selling price of properties delivered and recognized as sales was RMB8,942 per sq.m. in 2020.

Table 5: Details of revenue from sale of properties of the Group in 2020

Projects	City	Revenue (RMB million)	Average	
			GFA (sq.m.)	selling price (RMB/sq.m.)
Changzhou Liyang Project	Changzhou	4,457.03	412,831	10,796
Nanjing Yuefeng	Nanjing	4,305.87	166,395	25,877
Huai'an Eco-City Project	Huai'an	3,779.21	360,853	10,473
Taizhou Xianju Project	Taizhou	3,453.64	298,714	11,562
Suzhou MOC Xinchenghui Project	Suzhou	3,078.11	166,626	18,473
Kunming Chenggong Project	Kunming	2,786.82	235,778	11,820
Changzhou Taoli Garden	Changzhou	2,740.99	248,412	11,034
Hangzhou Jingjun Mingdi	Hangzhou	2,738.08	122,104	22,424
Lianyungang Ganyu Project	Lianyungang	2,594.50	395,237	6,564
Hanzhong Hantai Project	Hanzhong	2,410.56	367,450	6,560
Jinan Fragrant Xiangyi Huating	Ji'an	2,350.14	175,221	13,412
Changzhou Tianning Project	Changzhou	2,304.32	196,174	11,746
Changchun New District Project	Changchun	2,137.88	247,681	8,632
Huzhou Nanxun Haishangfenghua	Huzhou	2,076.69	277,968	7,471
Qidong Diehu Shijiewan	Qidong	2,065.05	180,541	11,438
Taizhou Yuhuan Project	Taizhou	2,015.99	210,589	9,573
Binhu Daduhui	Hefei	1,969.34	106,572	18,479
Lianyungang Haizhou Project	Lianyungang	1,914.91	167,585	11,426
Taizhou Rongyue	Taizhou	1,846.75	129,322	14,280
Changsha International Metropolis	Changsha	1,801.82	256,058	7,037
Hangzhou Future Legend Mansion	Hangzhou	1,796.31	87,732	20,475
Ningbo Cixi Project	Ningbo	1,747.23	173,644	10,062
Changzhou Legend Mansion	Changzhou	1,715.73	123,246	13,921
Yancheng Yandu Project	Yancheng	1,714.69	183,921	9,323
Suqian Shuimuqinghua	Suqian	1,640.23	201,149	8,154
Jurong Yuefu	Zhenjiang	1,518.02	174,305	8,709
Yangzhou Baoying Project	Yangzhou	1,393.18	167,704	8,307
Shuyang Country Garden Seazen	Suqian	1,267.52	146,693	8,641
Chingbaijiang Vanke Seazen Time Glory	Chengdu	1,259.80	174,915	7,202
Zhangjiagang Mansion 1790	Zhangjiagang	1,239.39	108,112	11,464
Huai'an Shangjun Garden	Huai'an	1,200.40	165,107	7,270
Jiayang Yuejun Jiangshan	Chengdu	1,174.64	133,633	8,790
Xi'an Fengxi Project	Xi'an	1,174.06	95,196	12,333
Changsha Heyue	Changsha	1,165.96	161,859	7,204
Hefei Feidong Project	Hefei	1,154.73	137,410	8,404
Huai'an Yuejun	Huai'an	1,141.51	159,166	7,172

Projects	City	Revenue (RMB million)	Average	
			GFA (sq.m.)	selling price (RMB/sq.m.)
Nantong Rugao Yuejun Shidai	Nantong	1,129.74	107,990	10,462
Jianyang Yuejun Fenghua	Chengdu	1,113.66	131,816	8,449
Yancheng Yuejun Shidai	Yancheng	1,106.08	159,637	6,929
Huaibei Duji Project	Huaibei	1,103.36	173,356	6,365
Suzhou Yuejun Pinglanfu	Suzhou	1,093.13	123,887	8,824
Suzhou Yong Qiao Project	Suzhou	1,091.45	115,330	9,464
Taian Taishan Project	Tai'an	1,079.02	122,505	8,808
Chongqing Langjun Daduhui	Chongqing	1,076.92	73,221	14,708
Fuyang Yingzhou Project	Fuyang	1,073.10	101,646	10,557
Xi'an Yuejun Gongyuanli	Xi'an	1,065.39	144,989	7,348
Changsha County Xiyue	Changsha	1,049.65	144,488	7,265
Jiaxing Haiyan Project	Jiaxing	1,022.25	103,618	9,866
Longquan Xinli Taoxichuan	Chengdu	1,021.37	97,733	10,451
Seazen Jinyuefu	Chengdu	1,005.24	184,467	5,449
Tianjin Dagang Gangdongfu	Tianjin	1,003.74	116,159	8,641
Shaoxing Shengzhou Project	Shaoxing	1,001.23	149,645	6,691
Yancheng Dafeng Yuejun	Yancheng	992.69	153,473	6,468
Lu'an Yu'an Project	Lu'an	976.61	130,481	7,485
Huainan Tianjiaan Project	Huainan	934.03	167,825	5,566
Guilin Lingui Project	Guilin	931.92	131,510	7,086
Jinan Fragrant Legend	Ji'nan	918.67	86,706	10,595
Xi'an Xiyuelifu	Xi'an	912.14	54,919	16,609
Qinzhou Qinnan Project	Qinzhou	911.32	183,694	4,961
Chuzhou Nanqiao Project	Chuzhou	905.58	117,129	7,732
Kunming Seazen Yayue	Kunming	865.95	119,917	7,221
Baoji Hi-Tech Project	Baoji	864.43	121,371	7,122
Chongqing Jinyuefu	Chongqing	859.33	111,481	7,708
Shenzhen Tingrui Junyue Guanlan Project/Wuhan Tingrui Junyue Guanlan Project	Wuhan	853.04	92,658	9,206
Chongqing Heyu Linyun	Chongqing	849.00	136,161	6,235
Xuzhou Jiawang Project	Xuzhou	846.77	149,849	5,651
Yancheng Dafeng Project	Yancheng	836.18	93,647	8,929
Dongyang Shengyu Zhiguang	Jinhua	834.92	103,860	8,039
Bengbu Bengshan Project	Bengbu	817.54	112,991	7,235
Huizhou Mingyu Garden	Huizhou	807.90	165,354	4,886
Taizhou Xianju Shangjun Mansion	Taizhou	778.92	83,679	9,308
Jinan Seazen Ling Yu	Ji'nan	778.50	81,116	9,597
Gedian Seazen • Xinjinghui	Ezhou	776.23	91,199	8,511
Tianjin Jinnan Project	Tianjin	774.39	74,586	10,383
Qingdao Excellent Queen's Road	Qingdao	736.38	68,453	10,758
Gaotang Jinyuefu	Liaocheng	709.13	123,110	5,760
Changzhou Huyue Langjun Garden	Changzhou	689.50	82,070	8,401
Sanshui Jinghui Haoyuan	Foshan	683.17	53,237	12,833
Haiyan Jingjun Lanting	Jiaxing	680.36	68,383	9,949
Qingdao Seazen Yunyue Xiaoyuan	Qingdao	676.70	53,510	12,646

Projects	City	Revenue (RMB million)	Average	
			GFA (sq.m.)	selling price (RMB/sq.m.)
Zibo Seazen Yuejun Jiangshan	Zibo	675.81	80,387	8,407
Suqian Lakeview Park	Suqian	668.19	129,167	5,173
Huangshi Seazen Langjun	Huangshi	663.16	116,108	5,712
Changfeng Yuejun Jiuli	Hefei	659.03	60,578	10,879
Seazen Shangjun	Zhengzhou	656.91	77,155	8,514
Yangzhou Gaoyou Project	Yangzhou	642.40	89,612	7,169
Taizhou Huangyan Project	Taizhou	610.51	46,109	13,240
Laiwu Seazen Yuejun	Jinan	601.10	91,363	6,579
Jinhu Yuejun Fenghua	Huai'an	591.24	98,071	6,029
Yancheng Sheyang Project	Yancheng	587.89	70,742	8,310
Zhaoqing Seazen Heyu Construction Project	Zhaoqing	581.84	71,578	8,129
Duhui Lanting	Huzhou	580.38	43,190	13,438
Baotou Kunqu Project	Baotou	562.93	29,890	18,834
Changge Jinyuefu	Xuchang	527.42	89,523	5,891
Xiaogan Seazen•Jingyuefu	Xiaogan	522.06	88,129	5,924
Qingdao Seazen Xiyue	Qingdao	502.85	51,611	9,743
Jinhua Yunyu	Jinhua	492.82	77,731	6,340
Xiaogan Seazen Xi Yue	Xiaogan	488.84	75,631	6,463
Zhuzhou Yuefu	Zhuzhou	476.41	68,787	6,926
Zhaotong Zhaoyang Project	Zhaotong	467.48	27,948	16,727
Yancheng Dongtai Project	Yancheng	453.59	23,741	19,106
Qihe Seazen Yuejun	Dezhou	449.30	72,670	6,183
Seazen Jinyuefu	Chengdu	443.47	184,467	2,404
Emeishan Jinyue Tianxi	Leshan	423.94	98,431	4,307
Taizhou Xinghua Project	Taizhou	422.86	19,785	21,372
Linshuiwan Jingyuan	Suzhou	419.77	47,941	8,756
Nanzhang Seazen Yuejun	Xiangyang	417.88	103,083	4,054
Xiangtan Jingjun	Xiangtan	411.39	87,110	4,723
Yancheng Jianhu Yuejun Capital	Yancheng	396.85	71,621	5,541
Qihe Seazen Xiyue	Dezhou	393.78	40,225	9,789
Guigang Gangbei Project	Guigang	380.13	26,222	14,497
Huizhou Yunyu Garden	Huizhou	363.83	48,328	7,528
Jingzhou Shashi Project	Jingzhou	362.48	15,668	23,135
Wuhan Jingtang	Wuhan	360.11	37,354	9,640
Nanjing Puyue Heshan	Nanjing	349.27	31,281	11,165
Ya'an Seazen Ruisheng Jinyue Lan'an	Ya'an	322.09	54,181	5,945
Changsha Yuhua Project	Changsha	309.47	16,442	18,822
Zhongshan Lancai Mingyuan	Zhongshan	304.14	27,334	11,127
Pinghu Seazen Yuejun	Jiaxing	286.40	31,602	9,063
Shangrao Guangxin Project	Shangrao	280.81	119,141	2,357
Zhenjiang Yuejun Wuyuefang	Zhenjiang	263.09	54,805	4,801
Jinan Seazen Hechang Lakeview Yueshan	Jinan	258.60	39,139	6,607
Xingsheng Yuejun Tianjiao	Chengde	200.51	33,012	6,074

Projects	City	Revenue (RMB million)	Average GFA selling price (sq.m.) (RMB/sq.m.)
Others		<u>2,377.17</u>	<u>440,577</u> 5,396
Total		<u><u>137,577.93</u></u>	<u><u>15,386,229</u></u> 8,942

Of the properties the Group had pre-sold, a total GFA of approximately 36,000,898 sq.m. with value of approximately RMB377,995 million, but had not been delivered as at 31 December 2020 (including those of the Group's joint ventures and associates' projects). This laid a solid foundation for a steady growth in the Group's revenue for the year to come.

Principal Risks and Uncertainties

The PRC's economy has been transitioning from a centrally planned economy to a more market oriented economy. For approximately three decades, the PRC government has implemented economic reform measures to utilize market forces in the development of the PRC's economy. The Group cannot predict whether changes in the PRC's economic, political and social conditions and in its laws, regulations and policies will have any adverse effect on the Group's current or future business, financial condition or results of operations. In addition, many of the economic reforms carried out by the PRC government are unprecedented or experimental and are expected to be refined and improved over time. This refining and adjustment process may not necessarily have a positive effect on the Group's operations and business development.

The PRC property market is volatile and may experience undersupply or oversupply of property units and significant property price fluctuations. The Group's business depends and will continue to depend on the growth of the economy in the PRC. A significant downturn in the PRC's economy could adversely affect the demand for commercial and residential properties. The PRC central and local governments frequently adjust monetary, fiscal or other economic policies to prevent and curtail the overheating of the economy, which may affect the PRC property market. Such policies may lead to changes in market conditions, including price instability and an imbalance of supply and demand in respect of commercial and residential properties, which may materially and adversely affect the Group's business and financial condition.

The property market in the Yangtze River Delta and major cities along the Shanghai-Nanjing Economic Corridor has been highly competitive in recent years. Property developers from the PRC and overseas have entered the property development markets in the Yangtze River Delta and major cities along the Shanghai-Nanjing Economic Corridor where the Group has operations or where the Group may expand into. Many of the Group's competitors, including overseas listed foreign developers and top-tier domestic developers, may have more financial or other resources than the Group and may be more sophisticated than the Group in terms of engineering and technical skills. Competition among property developers may cause an increase in land costs and raw material costs, shortages in quality construction contractors, surplus in property supply leading to decline of property price, further delays in issuance of governmental approvals, and higher costs to attract or retain talented employees. Moreover, property markets across the PRC are influenced by other various factors, including changes in economic conditions, banking practices and consumer sentiment.

The business of the Group is subject to the overall economic and social conditions in the PRC. Natural disasters, epidemics and other acts of God which are beyond the Company's control may adversely affect the economy, infrastructure and livelihood of the people in the PRC. An outbreak of epidemics in the PRC, such as the avian flu, the human swine flu or another outbreak of COVID-19, especially in the cities where the Group has operations, may result in material disruptions to the Group's property development projects and the Group's sales and marketing efforts, which in turn may adversely affect the Group's financial condition and results of operations.

Compliance with Relevant Laws and Regulations

The PRC property market is heavily regulated and subject to frequent introduction of new regulations, including further measures taken by the PRC government to slow down the growth of the property sector, which may adversely affect property developers. The PRC government exerts considerable direct and indirect influence on the growth and development of the PRC property market through industry policies and other economic measures such as setting interest rates, controlling the supply of credit by changing bank reserve ratios and implementing lending restrictions, increasing tax and duties on property transfers and imposing foreign investment and currency exchange restrictions. From 2004 to 2020, the PRC government introduced a series of regulations and policies designed to control the growth of the property market, including, among others:

- (i) strictly enforcing the idle land related laws and regulations;
- (ii) restricting the grant or extension of revolving credit facilities to property developers that hold a large amount of idle land and vacant commodity properties;
- (iii) prohibiting commercial banks from lending funds to real estate developers with an internal capital ratio of less than a certain prescribed percentage; and
- (iv) restricting PRC commercial banks from granting loans to property developers for the purpose of paying land grant premiums.

In particular, the PRC government also introduced the following policies, among others, to specifically control the growth of the residential property market by:

- (i) limiting the maximum amount of monthly mortgage and the maximum amount of total monthly debt service payments of an individual borrower;
- (ii) imposing tax levy on the sales proceeds for second-hand transfers subject to the length of holding period and type of properties;
- (iii) increasing the minimum amount of down payment of the purchase price of family residential property;

- (iv) tightening the availability of individual housing loans in the property market for individuals and their family members with more than one residential property; and
- (v) limiting the availability of individual housing provident fund loans for the purchase of second (or more) residential properties by labourers and their family members.

These measures resulted in downward pricing pressures on the PRC property market. The PRC government may implement further tightening measures to restrain the PRC property market at the national, provincial, municipal and/or local level, which may lead to the declining trends in transaction volume and selling prices of properties in the PRC. As a result, the Group's financial condition and results of operations may be affected.

Environmental Policies and Performance

Property developers in the PRC are subject to a number of environmental laws and regulations including the Environment Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Prevention and Control of Noise Pollution Law of the People's Republic of China (《中華人民共和國環境噪聲污染防治法》), the Environmental Impact Assessment Law (《環境影響評價法》), and Administrative Regulations on Environmental Protection in Relation to Construction Projects (《建設項目環境保護管理條例》). The Group is subject to these laws and regulations concerning the protection of health and environment. The local authorities may request a developer to submit the environmental impact documents, issue orders to suspend the construction and impose a penalty for a project where environmental impact assessment documents have not been approved before commencement of construction. The Group is in compliance in all material respects with applicable environmental laws and regulations in the PRC.

Relationships with Customers and Suppliers

The Group has maintained good relationships with its customers and suppliers. The major suppliers of the Group are construction material suppliers and construction contractors, and the five largest suppliers accounted for approximately 8.1% of the total purchases for the year ended 31 December 2020. The Group's five largest customers accounted for approximately 0.2% of the total revenue for the year ended 31 December 2020.

The Group engages third-party contractors to carry out various services relating to property development projects, including design, pile setting, foundation building, construction, equipment installation, electromechanical and pipeline engineering, elevator installation and landscaping. The Group generally selects third-party contractors through a tender process and endeavors to engage companies with good reputation and track record, high performance, reliability and adequate financial resources.

Financial Review

Revenue

The Group's revenue comprises income from sale of properties and, to a lesser extent, property management, rental and other related services earned during the year. The Group's revenue increased by 68.2%, to approximately RMB146,118.7 million for the year ended 31 December 2020 from approximately RMB86,851.2 million for the year ended 31 December 2019.

	For the year ended 31 December	
	2020	2019
	<i>RMB million</i>	<i>RMB million</i>
Revenue from sale of properties	137,577.9	80,322.3
Revenue from commercial property management services	2,373.1	1,640.1
Rental income	2,935.3	2,296.8
Other income	3,232.4	2,592.0
	<u>146,118.7</u>	<u>86,851.2</u>

Cost of Sales and Services

Cost of sales and services consists primarily of the costs the Group incurred directly in relation to property development activities, leasing and property management and other businesses. Cost of sales and services includes construction costs, land use rights costs, tax and surcharges, capitalized interest and other business costs. The Group's cost of sales and services increased by 89.3% to approximately RMB114,530.5 million for the year ended 31 December 2020 from approximately RMB60,505.8 million for the year ended 31 December 2019.

The following table sets forth information relating to the Group's cost of sales for the years indicated:

Table 6: Details of the Group's cost of sales and services

Details of the Group's cost of sales and services	For the year ended 31 December		Year-on- year change compared to 2019
	2020 RMB'000	2019 RMB'000	2019 %
Land use rights costs	37,195,956	19,875,924	87
Construction costs	61,489,124	26,955,905	128
Capitalised interest	9,240,143	8,714,263	6
Tax and surcharges	1,198,376	357,855	235
Provision for impairment of properties held or under development for sale	1,597,021	939,796	70
Other expenses	3,809,835	3,662,008	4
Total	114,530,455	60,505,751	89
Total GFA delivered (sq.m.)	15,386,229	6,878,657	124
Average cost per sq.m. sold (RMB) (Note)	7,014	8,075	-13
Average selling price per sq.m. sold (RMB)	8,942	11,677	-23
Average cost as percentage of average selling price	78.44%	69.15%	13

Note: Average cost per sq.m. sold refers to the average cost of the Group's property sales (excluding the Group's leasing and property management operations, etc.) and is derived by dividing the sum of land use rights costs, construction costs and capitalized interest by the total GFA delivered in that year.

Gross Profit

The Group's gross profit increased by 19.9% to approximately RMB31,588.3 million for the year ended 31 December 2020 from approximately RMB26,345.4 million for the year ended 31 December 2019. The increase in gross profit was mainly attributable to the increase in revenue from sale of properties. The Group recorded a gross profit margin of approximately 21.6% for the year ended 31 December 2020.

Fair Value Gains on Investment Properties

The Group develops and holds certain of its commercial properties such as retail shops, shopping malls and car parks for rental income or capital appreciation. The Group's investment properties are appraised annually by an independent property valuer. Any appreciation or depreciation in the Group's investment property value is recognized as fair value gains or losses in the Group's consolidated statements of income. Valuation gains on investment properties was approximately RMB2,306.2 million before tax for the year ended 31 December 2020. The fair value gain recorded for investment properties was primarily attributable to the increase in capital value on the whole.

Other Gains – Net

Net other gains amounted to approximately RMB294.4 million, mainly derived from the gain arising from disposal of certain subsidiaries.

Selling and Marketing Expenses

Selling and marketing expenses increased by 25.7% to approximately RMB5,560.3 million for the year ended 31 December 2020 from approximately RMB4,422.3 million for the year ended 31 December 2019. The increase was primarily attributable to an increase in selling and marketing expenses incurred as the Group launched more projects for pre-sale in 2020.

Administrative Expenses

Administrative expenses increased by 9.9% to approximately RMB4,728.2 million for the year ended 31 December 2020 from approximately RMB4,301.5 million for the year ended 31 December 2019. The increase in administrative expenses was primarily attributable to an increase in staff costs resulting from an increase in employees of the Group in 2020.

Finance Costs – Net

The Group's finance costs primarily consists of interest expenses on bank loans, senior notes and corporate bonds less capitalized interest, and foreign exchange losses and gains. Interest on borrowings relating to project development is capitalized to the extent that it is directly attributable to a particular project and used to finance the development of that project. Net finance costs of the Group decreased by 56.7% to approximately RMB580.0 million for the year ended 31 December 2020 from approximately RMB1,339.6 million for the year ended 31 December 2019. The decrease in net finance costs was mainly attributable to the increase in foreign exchange gains in 2020.

Income Tax Expense

The Group's income tax expense includes provisions made for land appreciation tax, PRC corporate income tax and deferred income tax during the year. Income tax expense increased by 13.8% to approximately RMB10,267.2 million for the year ended 31 December 2020 from RMB9,019.0 million for the year ended 31 December 2019. The increase in income tax expense was primarily due to the increase in the Group's profit in 2020.

Profit for the Year

Net profit attributable to equity holders of the Company increased by 30.3% to approximately RMB10,178.2 million for the year ended 31 December 2020 from approximately RMB7,812.3 million for the year ended 31 December 2019.

Core earnings attributable to equity holders of the Company increased by 25.9% to approximately RMB8,564.4 million for the year ended 31 December 2020 from approximately RMB6,802.0 million for the year ended 31 December 2019.

Liquidity, Financial and Capital Resources

Cash position

The Group's cash at bank and at hand is as follows:

	As at 31 December	
	2020	2019
	<i>RMB million</i>	<i>RMB million</i>
Cash at bank and on hand (including restricted cash)	63,368.2	65,574.0
Cash and cash equivalents	<u>58,965.9</u>	<u>59,691.7</u>

Borrowings and charges on the Group's assets

The Group's outstanding current and non-current borrowings amounted to RMB104,643.6 million. The maturity groupings of the borrowings are as follows:

Borrowing terms	As at 31 December	
	2020	2019
	<i>RMB million</i>	<i>RMB million</i>
Within 1 year	31,226.5	40,849.0
Over 1 year but within 2 years	36,867.0	31,100.3
Over 2 years but within 5 years	33,236.4	15,480.2
Over 5 years	<u>3,313.7</u>	<u>417.4</u>
	<u>104,643.6</u>	<u>87,846.9</u>

As at 31 December 2020, the Group's bank loans were approximately RMB43,267.7 million. Bank loans include guaranteed borrowings. Guaranteed borrowings were secured by one or a combination of the following methods: land use rights, properties under development, investment properties, property, plant and equipment, shares of the Company's subsidiaries, financial assets, bank deposits and/or guarantees by the Company's subsidiaries. The Group's bank borrowings are from major commercial banks, all of which are independent third parties.

The proportion of the Group's long-term borrowings in the total borrowings reached 70.2% as at 31 December 2020, ensuring the healthy and stable cash flow of the Group in the future. The Directors believed that the constant optimization of the Group's debt level and financial structure had laid a solid foundation for the Group to withstand market volatility and diminish financial risks.

The weighted average interest rate for the Group's bank borrowings, senior notes and corporate bonds, etc. as at 31 December 2020 was 6.69%.

Net debt-to-equity ratio

As at 31 December 2020, the Group's net debt-to-equity ratio was 50.7% (as at 31 December 2019: 38.5%). Net debt-to-equity ratio is calculated by dividing net debt at the end of the period by total equity and multiplying by 100%. Net debt is calculated as total borrowings less cash, cash equivalents and restricted cash.

Contingent Liabilities

Pursuant to the mortgage contracts, banks require the Group to guarantee its purchasers' mortgage loans. Guarantees for mortgages on pre-sold residential properties are generally discharged at: (i) the issue of the real estate ownership certificate by government authorities to the purchaser; or (ii) the satisfaction of mortgage loans by the purchasers of the properties (whichever is earlier). If a purchaser defaults on a mortgage loan, the Group is responsible to repay the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting purchasers to the banks, and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period typically starts from the date of grant of the mortgage.

As at 31 December 2020, the Group's contingent liabilities in respect of the guarantees given to the financial institutions for mortgage loan facilities granted to purchasers of the Group's properties amounted to approximately RMB80,015.1 million (as at 31 December 2019: approximately RMB 67,426.5 million). In light of the minimal historical default rates of such mortgage loans facilities, the Directors considered that the likelihood of default of payments by the purchasers is minimal and therefore the financial guarantee measured at fair value is immaterial.

As at 31 December 2020, there are certain corporate guarantees provided by the Company's subsidiaries for each other in respect of borrowings. The Directors considered that the Company's subsidiaries are sufficiently and financially resourced to settle their obligations.

As at 31 December 2020, the Group provided guarantee with the amount of RMB13,605.2 million (as at 31 December 2019: RMB19,299.6 million) to its joint ventures and associates.

Save as those disclosed in this results announcement, the Group had no other material contingent liabilities as at 31 December 2020.

Foreign Exchange Risk

As at 31 December 2020, the cash balances held by the Group are as follows:

Cash balances	As at 31 December	
	2020	2019
	<i>RMB million</i>	<i>RMB million</i>
Denominated in Renminbi	61,465.2	62,263.2
Denominated in Hong Kong dollars	80.2	15.2
Denominated in U.S. dollars	1,822.8	3,295.6
	<u>63,368.2</u>	<u>65,574.0</u>

Almost all of the Group's operating activities are carried out in the PRC with most of the transactions denominated in Renminbi. The Group is exposed to foreign currency risk arising from the exposure of U.S. dollars and Hong Kong dollars against Renminbi as a result of certain cash balances and the settlement of certain general and administrative expenses and other loans in U.S. dollars or Hong Kong dollars.

As a result of the issuance of these senior notes, the Group became exposed to foreign currency risk arising from the exposure of Renminbi against U.S. dollars. Each of the Directors has closely monitored the scale of assets and liabilities in foreign currencies to reduce the foreign exchange risks to the largest extent.

In addition, Renminbi is not freely convertible into foreign currencies and the conversion of Renminbi into foreign currencies is subject to rules and regulations of the foreign exchange control promulgated by the PRC government.

Material Acquisition and Disposal

During the year ended 31 December 2020, the Group did not have any material acquisition or disposal of subsidiaries, associates or assets.

Future Plans for Material Investment or Capital Assets

The Directors confirmed that as at the date of this results announcement, there are no current plans to acquire any material investment or capital assets other than in the Group's ordinary business of property development.

Employees and Compensation Policy

As at 31 December 2020, the Group had 32,127 full-time employees in the PRC and Hong Kong, 29,405 of which worked in the property development operations and management of commercial complexes and 2,722 were engaged in other operations.

The Group determines the remuneration packages of all employees (including the Directors) based on their performance, work experience and the prevailing market wage level, and provides promotional opportunities for them with reference to their individual strengths and potentials. The remuneration package of the employees consists of basic salary, cash bonus and share-based payments. The Group has established a performance appraisal system so as to evaluate the performance of its employees on an annual basis and use the evaluation results to determine their salary increment or promotion accordingly. The Group recognized an expense in relation to share-based payments of RMB196.9 million for the year ended 31 December 2020 (for the year ended 31 December 2019: RMB41.0 million).

Issuance and Redemption of Senior Notes during the year

In June 2020, the Company issued the 6.45% senior notes due 2022 with a principal amount of USD400 million (the “**2022 Notes**”). In August 2020, the Company issued the 6.0% senior notes due 2024 with a principal amount of USD250 million (the “**2024 Notes**”). The 2022 Notes and 2024 Notes are listed and traded on the Singapore Stock Exchange. Details of the issuance of the 2022 Notes and the 2024 Notes are set out in the announcements of the Company dated 4 June 2020, 5 June 2020, 5 August 2020 and 6 August 2020. The proceeds have been fully used to repay certain of its offshore indebtedness.

On 16 February 2020, the Company has fully redeemed the 5.0% senior notes at maturity of the principal amount of USD350 million together with all accrued interests thereon. On 14 September 2020, the Company has fully redeemed the 6.5% senior notes at maturity of the principal amount of USD300 million together with all accrued interests thereon. Details of the redemptions are set out in the announcements of the Company dated 16 February 2020 and 14 September 2020.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the “**AGM**”) is to be held on Wednesday, 26 May 2021 and the notice of AGM is expected to be published and dispatched to the shareholders of the Company (the “**Shareholders**”) on or about Friday, 23 April 2021.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of RMB0.41 per share for the year ended 31 December 2020 (2019: RMB0.31 per share) to the Shareholders.

The proposed final dividend will be paid on or about 30 July 2021 after approval by the Shareholders at the forthcoming AGM.

The proposed final dividend shall be declared in RMB and paid in Hong Kong dollars. The final dividend payable in Hong Kong dollars will be converted from RMB at the average middle rate of RMB to Hong Kong dollars as announced by the People’s Bank of China for the business days during the period from 20 May 2021 to 24 May 2021.

CLOSURE OF THE REGISTER OF MEMBERS

To determine the identity of Shareholders who are entitled to attend and vote at the annual general meeting

Latest date for lodging transfer:	4:30 p.m. on Thursday, 20 May 2021
Period of closure of register:	Friday, 21 May 2021 to Wednesday, 26 May 2021, both days inclusive

To determine the Shareholders' entitlement to the final dividend

Ex-entitlement date for final dividend:	Friday, 11 June 2021
Latest date for lodging transfer:	4:30 p.m. on Tuesday, 15 June 2021
Period of closure of register:	Wednesday, 16 June 2021 to Friday, 18 June 2021, both days inclusive
Record date:	Friday, 18 June 2021

In order to be eligible to attend and vote at the AGM and/or entitled to the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than the corresponding latest date for registration.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") as set out in Appendix 14 of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as its own code of corporate governance. The Company has complied with all applicable code provisions of the CG Code throughout the year ended 31 December 2020. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he has complied with the Model Code during the year ended 31 December 2020.

During the year ended 31 December 2020, the Company has also adopted its own code of conduct regarding employees' securities transactions on terms no less exacting than the standards set out in the Model Code for compliance by its relevant employees who are likely to be in possession of inside information of the Company in respect of their dealings in the Company's securities.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2020.

EVENTS DURING THE REPORTING PERIOD

Placing of new shares under general mandate

The Company has conducted a fund raising activity by way of placing of new shares under general mandate of 311,000,000 shares (the "**Placing Shares**") at a price of HK\$8.78 per share (the "**Placing**"). The Placing was completed on 21 January 2020. The Placing Shares, representing approximately 5.01% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares, have been successfully placed to not less than six places pursuant to the terms and conditions of the placing agreement dated 14 January 2020. The Company's issued share capital was increased from 5,899,000,000 shares to 6,210,000,000 shares after the completion of the Placing.

The net proceeds from the Placing, after deduction of related costs and expenses to be borne by the Company, amounted to approximately HK\$2,711 million, has been used as purchase consideration for land located in Jiangsu, Yunnan and Jiangxi, the PRC, which is in accordance with the disclosure made.

Further details of the Placing are set out in the announcements of the Company dated 14 January 2020 and 21 January 2020, the circular of the Company dated 27 March 2019 and will be made in the annual report of the Company.

Establishment of Environment, Social and Governance Committee

During the year, an environmental, social and governance committee (the "**ESG Committee**") of the Group has been formed with effect from 20 November 2020. The ESG Committee is mainly responsible for: (i) formulating and reviewing the Company's environmental, social and governance ("**ESG**") responsibilities, vision, strategy, framework, principles and policies, and strengthening the materiality assessment and reporting process to ensure the continuous execution and implementation of ESG policies passed by the Board; (ii) considering and approving the Company's ESG goals, and regularly reviewing the achievement of ESG goals; and (iii) monitoring main ESG trends and related risks and opportunities and evaluating whether the Group's ESG-related structure and business model are adequate and effective in this regard, adopting and updating the Group's ESG policies when necessary and ensuring that such policies are up-to-date and comply with applicable laws, regulations and regulatory requirements, as well as international standards.

EVENTS AFTER THE REPORTING PERIOD

Connected Transaction – Disposal of Assets

On 8 February 2021, a subsidiary of the Group entered into an asset disposal agreement with a subsidiary of S-Enjoy Service Group Co., Limited, and agreed to dispose the assets (including courier lockers and their spare parts inventory and intangible assets relating to courier lockers), at a consideration of RMB32,931,300. For details of the disposal, please refer to the announcement of the Company dated 8 February 2021.

Issuance and Redemption of Senior Notes

In January 2021, the Company has issued the 4.45% senior notes due 2025 with a principal amount of USD300 million (the “**2025 Notes**”). The 2025 Notes are listed and traded on the Singapore Stock Exchange. Details of the issuance of the 2025 Notes are set out in the announcement of the Company dated 6 January 2021 and 7 January 2021. The proceeds have been fully used to repay certain of its offshore indebtedness.

On 22 January 2021, the Company has fully redeemed the 7.5% senior notes at maturity of the principal amount of USD300 million together with all accrued interests thereon. Details of the redemption are set out in the announcement of the Company dated 22 January 2021.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The audit committee of the Company, comprising all the independent non-executive Directors, has reviewed the accounting principles and policies adopted by the Group with the management and has reviewed the consolidated financial statements for the year ended 31 December 2020.

The financial information contained in this announcement is based on the audited consolidated financial statements of the Group for the year ended 31 December 2020. Such information was extracted from the financial statements agreed with the auditors of the Company.

PUBLICATION OF THE CONSOLIDATED ANNUAL RESULTS AND 2020 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.seazengroup.com.cn), and the 2020 annual report containing all the information required under the Listing Rules will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Seazen Group Limited
Wang Xiaosong
Chairman

PRC, 26 March 2021

As at the date of this announcement, the Directors are Mr. Lv Xiaoping and Mr. Lu Zhongming as executive Directors, Mr. Wang Xiaosong, Mr. Qu Dejun and Mr. Zhang Shengman as non-executive Directors, and Mr. Chen Huakang, Mr. Zhu Zengjin and Mr. Zhong Wei as independent non-executive Directors.

* *Denotes English translation of the name of a Chinese company or entity is provided for identification purpose only.*