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Radiance Holdings (Group) Company Limited
金輝控股(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9993)

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2020

RESULTS HIGHLIGHTS

- Contracted sales for 2020 amounted to approximately RMB97,200,000,000 with contracted gross floor area sold of approximately 6,920,000 square meters. The contracted average selling price amounted to approximately RMB14,046 per square meter.
- Revenue amounted to approximately RMB34,880,000,000, representing an increase of approximately 34.3% as compared with the corresponding period in 2019.
- Gross profit for the year was approximately RMB7,710,000,000, representing an increase of approximately 36.2% as compared with the corresponding period in 2019.
- Net Profit for the year was approximately RMB3,820,000,000, representing an increase of approximately 42.0% as compared with the corresponding period in 2019.
- Profit attributable to the owners of the Company was approximately RMB3,130,000,000, representing an increase of approximately 24.7% as compared with the corresponding period in 2019.
- Cash and bank balances were approximately RMB26,590,000,000 as at 31 December 2020, representing a year-on-year increase of approximately 98.4%.
- Deposits received from customers (contract liabilities) were approximately RMB69,090,000,000 as at 31 December 2020, representing a year-on-year increase of approximately 21.9%.
- Net gearing ratio was reduced to 75.3% as at 31 December 2020.
- Cash to current borrowings ratio was increased to 1.4 as at 31 December 2020.
- Assets to liabilities ratio after excluding receipts in advance was reduced to 69.0% as at 31 December 2020.
- The Board proposed a final dividend for of HK0.32 dollars (equivalent to RMB0.27) per ordinary share, subject to approval by the Shareholders at the Annual General Meeting.

ANNUAL RESULTS

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
	Notes	RMB'000	RMB'000
REVENUE	3	34,875,174	25,963,108
Cost of sales		<u>(27,162,266)</u>	<u>(20,300,888)</u>
Gross profit		7,712,908	5,662,220
Finance income		95,302	100,431
Other income and gains	3	436,406	187,641
Selling and distribution expenses		(1,152,834)	(771,495)
Administrative expenses		(1,196,128)	(988,052)
Finance costs	4	(525,246)	(494,863)
Other expenses		(80,592)	(49,065)
Fair value gains on investment properties		437,006	480,869
Fair value losses on financial assets at fair value through profit or loss		(77)	(266)
Share of profits and losses of:			
Joint ventures		992,533	510,165
Associates		<u>(182,519)</u>	<u>(68,769)</u>
PROFIT BEFORE TAX	5	6,536,759	4,568,816
Income tax expense	6	<u>(2,717,686)</u>	<u>(1,878,828)</u>
PROFIT FOR THE YEAR		<u>3,819,073</u>	<u>2,689,988</u>

		2020	2019
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<u>—</u>	<u>—</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>3,819,073</u>	<u>2,689,988</u>
Attributable to:			
Owners of the parent		3,127,526	2,508,068
Non-controlling interests		<u>691,547</u>	<u>181,920</u>
		<u>3,819,073</u>	<u>2,689,988</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted earnings per share	8	<u>RMB0.89</u>	<u>RMB0.74</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 RMB'000	2019 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		354,532	375,297
Right-of-use assets		121,185	133,728
Investment properties		10,952,600	10,506,200
Intangible assets		17,609	18,276
Investments in joint ventures		2,461,115	1,736,684
Investments in associates		4,911,875	2,341,967
Financial assets at fair value through profit or loss		110,300	309,951
Deferred tax assets		2,884,290	2,873,970
Other non-current assets		1,402,644	1,402,644
Total non-current assets		23,216,150	19,698,717
CURRENT ASSETS			
Properties under development		103,990,664	86,103,704
Completed properties held for sale		12,450,866	8,884,710
Trade receivables	9	24,191	25,360
Contract cost assets		771,064	481,756
Due from related parties		7,314,208	7,815,085
Prepayments, other receivables and other assets		10,455,096	12,243,759
Tax recoverable		814,489	685,978
Financial assets at fair value through profit or loss		33,808	5,739
Restricted cash		5,420,396	3,762,566
Pledged deposits		438,433	418,642
Cash and cash equivalents		20,732,123	9,218,547
Total current assets		162,445,338	129,645,846
CURRENT LIABILITIES			
Trade and bills payables	10	12,922,569	8,401,573
Other payables and accruals		2,890,303	3,300,649
Contract liabilities		69,086,961	56,685,129
Due to related parties		4,604,199	4,911,899
Tax payable		3,783,703	2,763,367
Interest-bearing bank and other borrowings		9,734,431	13,979,311
Proceeds from asset-backed securities		770,798	1,156,041
Senior notes		1,745,743	34,154
Corporate bonds		7,056,468	4,035,868
Lease liabilities within one year		15,637	20,380
Total current liabilities		112,610,812	95,288,371
NET CURRENT ASSETS		49,834,526	34,357,475
TOTAL ASSETS LESS CURRENT LIABILITIES		73,050,676	54,056,192

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	25,868,005	19,466,254
Proceeds from asset-backed securities	2,690,573	3,426,599
Senior notes	3,549,874	1,706,044
Corporate bonds	2,358,100	5,266,794
Lease liabilities	7,402	12,231
Deferred tax liabilities	2,464,316	2,799,068
	<u>36,938,270</u>	<u>32,676,990</u>
Net assets	<u>36,112,406</u>	<u>21,379,202</u>
EQUITY		
Equity attributable to owners of the parent		
Share capital	35,095	–
Reserves	21,527,316	16,830,242
	<u>21,562,411</u>	<u>16,830,242</u>
Non-controlling interests	14,549,995	4,548,960
	<u>14,549,995</u>	<u>4,548,960</u>
Total equity	<u>36,112,406</u>	<u>21,379,202</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) (which include all standards and interpretations, International Accounting Standards (“**IASs**”) and Standing Interpretations Committee interpretations) approved by the International Accounting Standards Board (the “**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2020. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has early adopted the amendments to IFRS 9, IAS 39 and IFRS 7 *Interest Rate Benchmark Reform*, amendments to IFRS 3 *Definition of a Business* and amendments to IAS 1 and IAS 8 *Definition of Material* for the comparative year's financial statements.

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised IFRS for the first time for the current year's financial statements.

Amendment to IFRS 16

Covid-19-Related Rent Concessions (early adopted)

The nature and the impact of the *Conceptual Framework for Financial Reporting 2018* and the revised IFRS are described below:

- (a) *Conceptual Framework for Financial Reporting 2018* (the "Conceptual Framework") sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Group.

- (b) Amendment to IFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 June 2020 with earlier application permitted and shall be applied retrospectively.

During the year ended 31 December 2020, certain monthly lease payments for the leases of the Group's office buildings have been reduced or waived by the lessors as a result of the pandemic and there are no other changes to the terms of the leases. The Group has early adopted the amendment on 1 January 2020 and elected not to apply lease modification accounting for all rent concessions granted by the lessors as a result of the covid-19 pandemic during the year ended 31 December 2020. The reduction in the lease payments arising from the rent concessions accounted for as a variable lease payment by derecognising part of the lease liabilities and crediting to profit or loss for the period ended 31 December 2020 was insignificant.

2. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group's business which includes property development, property leasing, and the provision of management consulting services. Property leasing and the provision of management consulting services are not significant in revenue contribution. Thus, property development is the only reportable operating segment of the Group, and no further operating segment analysis thereof is presented.

Geographical information

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Mainland China and no non-current assets of the Group are located outside Mainland China.

Information about major customers

No revenue from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue at the end of the reporting period.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Revenue from contracts with customers	34,538,561	25,610,326
Revenue from other sources		
Property lease income	<u>336,613</u>	<u>352,782</u>
	<u>34,875,174</u>	<u>25,963,108</u>

Revenue from contracts with customers

(a) *Disaggregated revenue information*

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Types of goods or services:		
Sale of properties	34,380,524	25,037,479
Property management services	–	517,219
Management consulting services	<u>158,037</u>	<u>55,628</u>
Total revenue from contracts with customers	<u>34,538,561</u>	<u>25,610,326</u>
Timing of revenue recognition:		
Properties transferred at a point in time	34,380,524	25,037,479
Services transferred over time	<u>158,037</u>	<u>572,847</u>
Total revenue from contracts with customers	<u>34,538,561</u>	<u>25,610,326</u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of properties	<u><u>26,381,422</u></u>	<u><u>20,091,303</u></u>

(b) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Sale of properties

The performance obligation is satisfied upon delivery of the properties and the Group has already received the payment or has the right to receive the payment probably.

Management consulting services

For management consulting services, the Group recognises revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customer of the Group's performance to date. The Group has elected the practical expedient not to disclose the remaining performance obligations for these types of contracts. The majority of the management consulting service contracts do not have a fixed term. The term of the contracts for pre-delivery and consulting services is generally set to expire when the counterparties notify the Group that the services are no longer required.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

Amounts expected to be recognised as revenue:

	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	42,795,431	33,250,619
After one year	<u>35,366,277</u>	<u>33,207,634</u>
	<u><u>78,161,708</u></u>	<u><u>66,458,253</u></u>

An analysis of other income and gains is as follows:

	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Other income and gains		
Gain on disposal of subsidiaries	21,502	97,589
Gain on disposal of an associate	51,100	–
Remeasurement gain on investment in an associate held before business combination	35,052	–
Subsidy income	1,587	8,419
Deposit forfeiture	10,573	14,247
Investment income from financial assets at fair value through profit or loss	16,907	63,330
Gain on disposal of items of property, plant and equipment	167	16
Exchange gain	293,569	–
Others	<u>5,949</u>	<u>4,040</u>
	<u><u>436,406</u></u>	<u><u>187,641</u></u>

4. FINANCE COSTS

An analysis of finance costs is as follows:

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Interest on interest-bearing bank and other borrowings, proceeds from asset-backed securities, corporate bonds and senior notes (“loans and borrowings”)	3,869,507	3,644,387
Interest on lease liabilities	2,170	3,018
Interest expense arising from revenue contracts	<u>600,536</u>	<u>553,127</u>
Total interest expense on financial liabilities not at fair value through profit or loss	4,472,213	4,200,532
Less: Interest capitalised	<u>(3,946,967)</u>	<u>(3,705,669)</u>
	<u><u>525,246</u></u>	<u><u>494,863</u></u>

5. PROFIT BEFORE TAX

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

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Cost of inventories sold (excluding impairment losses recognised for properties under development and properties held for sale)	26,796,159	19,407,407
Cost of services provided	62,925	444,273
Impairment losses recognised for properties under development	155,979	183,913
Impairment losses recognised for properties held for sale	147,203	265,295
Impairment of financial assets	(572)	83
Depreciation of items of property, plant and equipment	44,778	54,878
Amortisation of intangible assets	3,260	3,767
Depreciation of right-of-use assets	26,702	26,395
Rental expenses	3,768	4,653
Auditors’ remuneration	9,225	5,413
Employee benefit expense (including directors’ and chief executive’s remuneration):		
Wages and salaries	419,137	583,756
Pension scheme contributions and social welfare	31,034	97,893

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong were not liable for income tax as they did not have any assessable profits currently arising in Hong Kong for the year ended 31 December 2020.

Subsidiaries of the Group operating in Mainland China were subject to PRC corporate income tax ("CIT") with a tax rate of 25% for the year except for the following subsidiary:

Company name	Corporate income tax rate
Chongqing Jinhui Changjiang Properties Co., Ltd. ("Chongqing Jinhui Changjiang")*	15%

* According to the Announcement on Further Implementation of Corporate Income Tax Policy for the development of the Western Regions (2012 No.12) issued by the State Taxation Administration and the extension of the Corporate Income Tax Policy for the development of the Western Regions (2020 No.23) jointly issued by the Ministry of Finance, State Taxation Administration and National Development and Reform Commission, Chongqing Jinhui Changjiang, a subsidiary of the Group, is qualified to enjoy the preferential tax policy of western regions enterprise income tax of 15% from 2011 to 2030.

PRC land appreciation tax ("LAT") is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Mainland China tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

	2020 RMB'000	2019 RMB'000
Current tax:		
CIT	1,528,152	1,375,919
LAT	1,609,553	1,107,069
Deferred tax	(420,019)	(604,160)
Total tax charge for the year	<u>2,717,686</u>	<u>1,878,828</u>

Tax payable in the consolidated statement of financial position represents:

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Tax payables:		
CIT	1,176,820	660,586
LAT	<u>2,606,883</u>	<u>2,102,781</u>
 Total tax payable	 <u><u>3,783,703</u></u>	 <u><u>2,763,367</u></u>

7. DIVIDENDS

Subsequent to the end of the reporting period, a final dividend for the year 2020 of HK0.32 dollars (equivalent to RMB0.27) per ordinary share (to be distributed out of the Company's share premium account), amounting to a total of approximately RMB1,092,211,290 has been proposed by the Directors and is subject to approval by the shareholders of the Company at the forthcoming annual general meeting. The final dividend has been proposed after the end of the reporting period and therefore has not been recognised as a liability at the end of the reporting period.

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,509,790,134 (2019: 3,399,999,998) in issue during the year.

The weighted average number of ordinary shares used to calculate the basic earnings per share amounts for the years ended 31 December 2020 and 2019 was based on 1 share of the Company as at 17 October 2019, and 1 share of the Company issued on 6 March 2020, and 3,399,999,998 ordinary shares of the Company issued under the capitalisation issue occurred on 29 October 2020, as if these additional shares issued under the capitalisation issue had been in issue throughout the years ended 31 December 2020 and 2019. On 29 October 2020, the Company issued 600,000,000 new ordinary shares. On 25 November 2020, the over-allotment option has been partially exercised and the Company allotted and issued 45,227,000 additional shares.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2020 and 2019 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2020 and 2019.

The calculations of the basic and diluted earnings per share amounts are based on:

	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Earnings		
Profit attributable to ordinary equity holders of the parent	<u>3,127,526</u>	<u>2,508,068</u>
Number of shares		
	2020	2019
Shares		
Weighted average number of ordinary shares in issue during the year	<u>3,509,790,134</u>	<u>3,399,999,998</u>
Earnings per share		
Basic and diluted	<u>RMB0.89</u>	<u>RMB0.74</u>

9. TRADE RECEIVABLES

	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	24,890	26,725
Impairment	<u>(699)</u>	<u>(1,365)</u>
	<u>24,191</u>	<u>25,360</u>

The Group's trade receivables primarily consist of receivables from its property sales and property lease. Proceeds from property sales and property lease are generally received in accordance with the terms stipulated in the sale and purchase agreements. Trade receivables are settled based on the progress payment schedule stipulated in the contract. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	13,826	19,092
1 to 3 years	9,655	3,551
Over 3 years	710	2,717
	<u>24,191</u>	<u>25,360</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year	1,365	3,217
Impairment losses	(666)	(1,120)
Amount written off as uncollectible	<u>–</u>	<u>(732)</u>
At the end of the year	<u>699</u>	<u>1,365</u>

An impairment analysis is performed at the end of each of the reporting period using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2020:

	Ageing			Total
	Less than 1 year	1 to 3 years	Over 3 years	
Expected credit loss rate	1.6%	1.8%	29.6%	2.8%
Gross carrying amount	14,051	9,830	1,009	24,890
Expected credit losses	225	175	299	699

As at 31 December 2019:

	Ageing			Total
	Less than 1 year	1 to 3 years	Over 3 years	
Expected credit loss rate	0.4%	5.0%	28.8%	5.1%
Gross carrying amount	19,172	3,739	3,814	26,725
Expected credit losses	80	187	1,098	1,365

10. TRADE AND BILLS PAYABLES

An ageing analysis of the Group's trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Within 1 year	12,266,813	7,936,020
Over 1 year	655,756	465,553
	<u>12,922,569</u>	<u>8,401,573</u>

Trade and bills payables are unsecured and are normally settled based on the progress of construction.

The fair values of trade and bills payables as at the end of the reporting period approximated to their corresponding carrying amounts due to their relatively short maturity terms.

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

I am pleased to present to all Shareholders the annual results and business review for the year ended 31 December 2020 as well as the prospects for 2021 of Radiance Holdings (Group) Company Limited (“**Radiance Holdings**” or the “**Company**”, together with its subsidiaries, the “**Group**”).

Annual Results

For the year ended 31 December 2020, the revenue of the Group amounted to RMB34,875.2 million, representing a year-on-year increase of 34.3% as compared to the corresponding period of last year. Gross profit amounted to RMB7,712.9 million, representing a year-on-year increase of 36.2% as compared to the corresponding period of last year. Net profit amounted to RMB3,819.1 million, representing a year-on-year increase of 42.0% as compared to the corresponding period of last year.

Business Review

Contracted Sales

For the year ended 31 December 2020, the contracted sales of the Group reached RMB97,200 million with contracted gross floor area sold of approximately 6,920,000 square meters. The contracted average selling price amounted to approximately RMB14,046 per square meter.

Officially Entered the International Capital Market

On 29 October 2020, the Group achieved another important milestone in its development history. The issued shares of Radiance Holdings were successfully listed (the “**Listing**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Since then, we entered the international capital market and opened a new chapter of development. Radiance Holdings raised a gross proceed of HK\$2.69 billion from its initial public offering (“**IPO**”) and became the first real estate development enterprise completed its IPO in the second half of 2020. The final issue price was fixed at HK\$4.3 per share which was close to the maximum price of HK\$4.5 per share. Radiance Holdings was also amongst the limited number of China real estate developers which fixed their issue prices at the higher range in Hong Kong IPO in recent years.

Invest Prudently with Quality Land Bank Supporting Stable Growth

In 2020, the Group secured 35 land parcels and the planned floor area was approximately 4.3 million sq.m., covering 15 strong second-tier key cities which mainly located at the Yangtze River Delta and the Guangdong-Hong Kong-Macau Greater Bay Area. The penetration into core regions also reflected the Group's strategic orientation of regions with high growth rates. As of 31 December 2020, the gross floor area of land bank of Radiance Holdings reached approximately 30.7 million sq.m., of which 94.7% was located at second-tier and core third-tier cities. Such land bank will provide the Group with a firm basis for sustainable growth in the future, so that the Group will possess promising growth potential.

National Presence with Regional Penetration

Against the backdrop of continuous deepening of the regulation on the property market, Radiance Holdings upheld the development strategy of “national presence, regional focus and leading positions in selected cities” and built up its operation around metropolitan circles and clusters. The deployment of six major regions, namely the Bohai Economic Rim, the Yangtze River Delta, Central China, Southern China, Southwest China and Northwest China, was completed. In 2020, the Group continued to penetrate into those first-and second-tier key cities and regional hub cities where the Group possessed established presence. Currently, the Group has established presence in 32 core cities across the country, including first-tier cities, strong second-tier cities and cities surrounding first-tier cities, such as Beijing, Shanghai, Tianjin, Chongqing, Fuzhou, Hangzhou, Nanjing, Wuhan, Xi'an, Suzhou and Shijiazhuang, etc. With the balanced national presence, Radiance Holdings was able to hedge the short-term fluctuation in regional markets to keep our performance stable. Also, the strategy of focusing on selected regions allowed Radiance Holdings to improve the quality of regional management and operation for the sake of enhancing its competitiveness in the regional market.

Optimization of Financial Structure and Upgrade of Credit Rating

Since the third quarter of 2020, due to the tightening regulatory environment of real estate industry, various financial management authorities strengthened the supervision of financing exercises of property projects, so as to reduce the reliance of enterprises on financial leverage and prevent financial risks. Onshore and offshore financing channels for properties were tightening to different extents, and the sector was facing a generally challenging financing environment. By optimizing the financial structure continuously, the Group managed to realize the full compliance of “Three Red Lines” at the end of 2020.

Under the regulatory requirements, the Group insisted on strengthening financial security and maintaining sufficient liquidity. Boasting the stable financial management and optimized financial structure, the Group was highly recognised by credit rating institutions. S&P Global Ratings upgraded the long-term issuer credit rating of Radiance Holdings to “B+”. Moody’s Investors Service Limited granted a “B1” rating to Radiance Holdings for the first time with a stable outlook. Given the outstanding corporate reputation and stable corporate development of the Group, it has also made further efforts to develop overseas financing channels, and issued senior unsecured notes of US\$300 million and US\$250 million, respectively, in January 2020 and June 2020.

Upgrade Organization and Management System to Provide a Firm Basis of Development

In face of the increasingly complicated market environment and intensifying industry competition, Radiance Holdings regarded efficiency enhancement as the key goal of organizational advancement and upgrade. Under the three-tier management and control system of “group – region – city”, the Group continued to promote the optimization of organizational structure, the operation in lower-tier cities in an orderly way and the development of autonomy, so as to unleash organizational potential, achieve organizational strategic focus and enhance efficiency. As a result, the Group continued to be awarded the “Chinese Real Estate Best Employer” issued by the China Real Estate Association in 2020.

Driven by both Products and Services and Highly Recognized by the Industry

Radiance Holdings ranked the 36th in the 2020 Overall Strength List of Property Developers (2020房企綜合實力榜單) published by the China Real Estate Association. We also received numerous honours in the first half of the year, including the Top 10 China Real Estate Developers in Comprehensive Development (中國房地產開發企業綜合發展TOP10), Top 50 of China's Commercial Real Estate Enterprise (中國商業地產TOP50), Comprehensive Strength Enterprise with Steady Development (穩健發展綜合實力企業), Blue Chip Real Estate Developer (藍籌地產企業) and Enterprise with Best Investment Value (最具投資價值企業).

While our performance maintained stable and quality growth, the product capability of Radiance Holdings also improved continuously. We were widely acclaimed by the industry in respect of planning and design, garden landscape, interior design as well as research and development for standards, etc, and received more than 50 domestic and international design awards, such as “Grand Prix du Design Paris” (法國雙面神國際設計大獎) and the “15th Golden Project Award – Annual Innovative Enterprise” (第十五屆金盤獎年度創新企業). Upholding the core value of “customers come first”, Radiance continuously launched a wide range of activities, such as Neighbour Festival (睦鄰節) and Online Video Clippings Challenge (線上短視頻挑戰賽), in 2020. Through the “Community Renewal” campaign and the building of “smart communities”, the serviceability of Radiance Holdings was enhanced continuously, thus building a community with emotional recognition for property owners and enhancing the brand recognition and reputation of Radiance Holdings.

Adhere to Original Commitments and Willing to Take Responsibilities

In 2020, Radiance Holdings spared no effort to participate in a number of charity events, including the battle against the pandemic, the promotion of teaching and learning activities, poverty alleviation campaigns and activities for culture inheritance, so as to relentlessly facilitate the sustainable development of charity activities. In the early stage of the pandemic outbreak, Radiance Holdings donated RMB10 million through the “Radiance Charity Fund” (金輝愛心基金) under the Overseas Chinese Charity Foundation of China (中國華僑公益基金會). Thereafter, Radiance Holdings also donated RMB0.5 million and RMB0.2 million through the China Industrial Trust (興業信託) and Shanghai Trust (上海信託) for the battle against the pandemic.

2020 was a determining year for the battle against poverty and the construction of a well-off society, and it was also a year for Radiance Holdings to achieve substantial results in our efforts on poverty alleviation. The Group kept identifying new ways of poverty alleviation. We donated RMB18.75 million to Fuqing City, Fujian Province for improving hospital environment and RMB1 million to Liaoning Federation of Returned Overseas Chinese (遼寧省僑聯) for poverty alleviation, provision of grants and helping overseas Chinese and improving the living standard of the poverty.

In addition, Radiance Holdings donated HK\$3 million to the charity foundation of the Hong Kong Stock Exchange during the year for the contribution to the long-term sustainability of Hong Kong.

Walking with our initial commitments and compassion and committing to both responsibility and bravery, Radiance Holdings will continue to integrate our charitable mind with our corporate culture, so as to take the lead to give back to the community and create higher social value.

Prospects for 2021

Looking ahead to 2021, given the unchanged keynote of control measures on the property sector and coupled with the “Three Red Lines” on financing of real estate enterprises and the tightening margin of market liquidity, the probability of investment growth in the real estate sector will face new challenges. However, along with the further recovery of economy and the strengthening support from the restoration of completed project, the annual sales of real estate enterprises will most likely maintain a steady growth.

In 2021, the Group will continue to adhere to our corporate mission of “build properties with craftsmanship and make better homes (用心建好房，讓家更美好)” and always devote to quality development and capitalize on the macro trend. We will put emphasis on the establishment of core competitiveness and continue to innovate and enhance our product capability. Also, we will continue to optimize and iterate the entire life cycle of our product mix, so as to improve the quality of our products and services, thus enlarging our market share.

In respect of financial management, the Group will continue to comply with the regulatory requirements and focus on the efficiency and effectiveness of capital utilization. Our management is “cash flows and profits” oriented, and we insist on strengthening our financial security and maintaining sufficient liquidity, so as to further innovate the financing models and broaden our financing channels. All these aim at improving our credit rating and further lowering our finance costs on an on-going basis.

In respect of investment, the Company was selected by Hang Seng Indexes Company Limited on 26 February 2021 for inclusion in the Hang Seng Composite Index constituents. Since its Listing, Radiance Holdings has maintained a stable stock price with active trading activities.

Radiance Holdings grows along with the development of cities and closely observes the prevailing development trend and city development dynamics, aiming at making our city and life better. Amid continuous innovation and implementation, we will use construction as a medium to listen to the stories of our city in order to provide quality products and grow together with our city.

Appreciation

On behalf of the Board, I would like to express the most sincere appreciation to all shareholders, investors, business partners and customers for their supports to, and trust in, the Company, and all members of the management team and all employees for their dedication and hard work in the preceding year. In 2021, we will continue to uphold the corporate mission of “build properties with craftsmanship and make better homes (用心建好房，讓家更美好)” to achieve quality and sustainable development. We will stick to our original commitment and move forward with perseverance for the purpose of creating higher value for the Shareholders and investors.

Radiance Holdings (Group) Company Limited
Lam Ting Keung
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

PERFORMANCE HIGHLIGHTS

	As at 31 December		Change in percentage
	2020	2019	
Highlights of financial information			
Recognised revenue (<i>RMB'000</i>)	34,875,174	25,963,108	+34.3%
Gross profit (<i>RMB'000</i>)	7,712,908	5,662,220	+36.2%
Net profit (<i>RMB'000</i>)	3,819,073	2,689,988	+42.0%
Gross profit margin (%)	22.1%	21.8%	
Net profit margin (%)	10.9%	10.4%	
Earnings per Share (basic and diluted) (<i>RMB cents</i>)	89	74	
Total assets (<i>RMB'000</i>)	185,661,488	149,344,563	+24.3%
Cash and bank balances (<i>RMB'000</i>)	26,590,952	13,399,755	+98.4%
Total indebtedness (<i>RMB'000</i>) ⁽¹⁾	53,773,992	49,071,065	+9.6%
Net indebtedness (<i>RMB'000</i>) ⁽²⁾	27,183,040	35,671,310	-23.8%
Equity attributable to owners of the parent company (<i>RMB'000</i>)	21,562,411	16,830,242	+28.1%
Current ratio (times) ⁽³⁾	1.4	1.4	
Weighted average cost of indebtedness (%) ⁽⁴⁾	7.47%	7.76%	
Net gearing ratio (%) ⁽⁵⁾	75.3%	166.9%	
Cash to current borrowings ratio ⁽⁶⁾	1.4	0.7	
Liability asset ratio after excluding receipts in advance (%) ⁽⁷⁾	69.0%	76.9%	

Notes:

1. Total indebtedness represents total interest-bearing bank and other borrowings, proceeds from asset-backed securities, corporate bonds and senior notes.
2. Net indebtedness is calculated by total borrowings (including current and long-term interest-bearing bank and other borrowings, current and long-term proceeds from asset-backed securities, current and long-term senior notes as well as current and long-term corporate bonds) minus cash and bank balances (including restricted cash, pledged deposits as well as cash and cash equivalents).
3. Current ratio is calculated based on our total current assets divided by our total current liabilities as of the respective dates.
4. Weighted average cost of indebtedness represents the weighted average of interest costs of all outstanding indebtedness.
5. Net gearing ratio is calculated by dividing total borrowings (including current and long-term interest-bearing bank and other borrowings, current and long-term proceeds from asset-backed securities, current and long-term senior notes as well as current and long-term corporate bonds) minus cash and bank balances (including restricted cash, pledged deposits as well as cash and cash equivalents) by total equity.
6. Cash to current borrowings ratio is calculated by dividing cash and bank balances (including restricted cash, pledged deposits as well as cash and cash equivalents) by current borrowings (including current interest-bearing bank and other borrowings, current proceeds from asset-backed securities, current senior notes and current corporate bonds).
7. Liability asset ratio after excluding receipts in advance is calculated by dividing total liabilities minus contract liabilities by total assets minus contract liabilities.

CONTRACTED SALES

For the year ended 31 December 2020, the Group realised contracted sales of approximately RMB97.20 billion with contracted gross floor area sold of approximately 6,920,000 square meters. The contracted average selling price amounted to approximately RMB14,046 per square meter. It was mainly attributable to the Group's strategy of focusing on regional development, expansion of land bank and more diversified source of contracted sales.

2020 Contracted Sales Summary:

Region/City	Contracted Sales Amount (RMB'000)	Contracted GFA (sq.m)	Contracted ASP (RMB/sq.m)
Xi'an	13,995,047	1,011,206	13,840
Fuzhou	11,761,739	464,292	25,333
Chongqing	6,964,220	556,205	12,521
Hangzhou	6,931,950	337,634	20,531
Ningbo	6,434,815	304,026	21,165
Suzhou	6,387,057	313,524	20,372
Lianyungang	6,128,240	640,533	9,567
Hefei	4,160,397	338,874	12,277
Tianjin	4,109,162	295,898	13,887
Fuqing	3,908,150	234,132	16,692
Shijiazhuang	3,248,228	261,937	12,401
Huai'an	2,840,980	376,207	7,552
Changsha	2,701,762	337,069	8,015
Foshan	2,639,292	157,448	16,763
Wuhan	1,962,573	174,304	11,259
Huizhou	1,876,777	182,981	10,257
Yangzhou	1,835,544	158,742	11,563
Shanghai	1,634,001	29,624	55,158
Zhengzhou	1,493,948	119,505	12,501
Nanjing	1,180,270	72,460	16,289
Chengdu	1,093,382	131,257	8,330
Shenyang	1,022,340	64,423	15,869
Langfang	755,671	66,693	11,331
Yancheng	659,182	85,934	7,671
Zhenjiang	600,659	76,988	7,802
Xuzhou	467,400	70,072	6,670
Jingzhou	408,049	58,401	6,987
Total	97,200,835	6,920,369	14,046

Note:

Contract sales includes the contract sales of the subsidiaries, joint ventures and associates of the Group. Contracted sales data is unaudited and is prepared based on internal information of our Group. In view of various uncertainties during the collection of such sales information, such contracted sales data is provided for investors' reference only.

PROPERTY DEVELOPMENT AND SALES

We focus on suitable locations in selected cities in Yangtze River Delta, the Bohai Economic Rim, Central China, Southern China, Southwestern China and Northwestern China. The table below sets forth our revenue generated from each region, total GFA delivered in each region and the respective recognised ASP per sq.m. for each region for the periods indicated:

	Year ended 31 December							
	2020				2019			
	Revenue		GFA	Recognised	Revenue		GFA	Recognised
	<i>RMB'000</i>	<i>%</i>	<i>Delivered sq.m</i>	<i>ASP RMB/sq.m</i>	<i>RMB'000</i>	<i>%</i>	<i>Delivered sq.m</i>	<i>ASP RMB/sq.m</i>
Southern China	7,920,169	23.1	616,727	12,842	4,174,356	16.7	201,822	20,683
Central China	4,685,646	13.6	431,463	10,860	266,581	1.1	16,417	16,238
Bohai Economic Rim	6,764,200	19.7	663,873	10,189	6,498,793	26.0	739,740	8,785
Northwestern China	4,443,941	12.9	309,124	14,376	2,663,590	10.6	237,012	11,238
Southwestern China	5,714,949	16.6	359,410	15,901	4,068,529	16.2	298,197	13,644
Yangtze River Delta	4,851,619	14.1	175,948	27,574	7,365,630	29.4	287,429	25,626
Total	34,380,524	100.0	2,556,545	13,448	25,037,479	100.0	1,780,617	14,061

INVESTMENT PROPERTIES

As at 31 December 2020, the Group had 24 investment properties with a total GFA of approximately 727,200 sq.m, and one investment property held for future development with a total GFA of 69,530 sq.m. The average occupancy rate of our investment properties was 90%.

PROJECTS UNDER CONSTRUCTION

As at 31 December 2020, the total planned GFA of the Group's projects under construction was 17,988,604 sq.m, represented an increase of approximately 2.4% compared to the total planned GFA of 17,561,548 sq.m in 2019.

LAND BANK

In 2020, the Group acquired a total of 35 new land projects. The planned GFA was approximately 4,301,175 sq.m and the planned GFA which the Group had effective equity interests was approximately 3,575,972 sq.m. The total contracted land premium which the Group had effective equity interests was approximately RMB18,329.0 million. Average land acquisition cost was approximately RMB5,126 per sq.m.

As of 31 December 2020, the gross floor area and total GFA attributable to the Group's land bank were approximately 30,727,368 sq.m. and 24,047,993 sq.m. respectively.

The table below sets forth the breakdown of the total land bank of the subsidiaries, joint ventures and associate companies of the Group as at 31 December 2020:

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Properties developed by the Group and its subsidiaries						
Southwest						
Chongqing	Tianchen Elite's Mansion	Residential/commercial	2022	52,683	108,999	49.0%
Chongqing	Jiangshan Elite's Mansion	Residential/commercial	2021	69,489	305,529	57.6%
Chongqing	Zhongyang King's Garden	Residential/commercial	2019-2022	157,925	358,316	96.0%
Chongqing	Yujia House	Residential/commercial	2020	77,342	104,089	96.0%
Chongqing	Boshe	Residential/commercial	2020	52,086	32,879	96.0%
Chongqing	Changjiang King's Garden	Residential/commercial	2020	59,031	96,563	96.0%
Chongqing	Jinhui City Phase IV	Residential/commercial	2018	135,452	77,284	96.0%
Chongqing	Jinhui City Phase V	Office building/commercial	2023	9,932	71,235	96.0%
Chongqing	Binjiang Complex	Commercial	2022	12,738	18,522	96.0%
Chongqing	Jinhui Plaza	Commercial	2015	28,229	123,801	96.0%
Chongqing	Jinhui Elite's Mansion	Residential	2022	25,896	77,546	96.0%
Chongqing	Caihu Yunjing	Residential	2023	44,496	130,768	96.0%
Chongqing	Hushan Elite's Mansion Phase I	Residential/commercial	2022	105,693	354,780	48.0%
Chongqing	Hushan Elite's Mansion Phase II	Residential/commercial	2024	67,358	150,713	48.0%
Chengdu	Jinhui New Block Garden	Residential/commercial	2021	41,112	121,758	96.0%
Chengdu	Fengqi Yunjing	Residential	2022	46,094	117,872	96.0%
Subtotal of southwest region					2,250,654	
Subtotal of interests in southwest region					1,749,395	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Central China						
Wuhan	Jinhui City	Residential/commercial	2026	188,736	694,117	96.0%
Wuhan	Jiangyue Elite's Mansion	Residential/commercial	2023	128,280	650,796	38.4%
Wuhan	Jiangshan Elite's Mansion	Residential/commercial	2025	151,926	965,566	62.4%
Wuhan	New Block Lakeside	Residential/commercial	2020	69,985	147,617	96.0%
Changsha	Hongtao Jade Bay Phase I	Residential	2018	22,771	4,625	96.0%
Changsha	Hongtao Jade Bay Phase II	Residential/commercial	2022	37,374	123,932	96.0%
Changsha	Xingyu Academy	Residential/commercial	2023	105,625	405,892	96.0%
Changsha	Xingyue Yundi	Residential/commercial	2023	115,142	359,708	96.0%
Changsha	Jinhui Weichu Garden	Residential/commercial	2021	60,331	122,225	96.0%
Jingzhou	Chuyue Elite's Mansion	Residential/commercial	2022	51,187	230,207	96.0%
Hefei	Land parcel 06, Hefei New Station	Residential/commercial	2023	61,928	165,937	96.0%
Hefei	New Block Academy	Residential/commercial	2021	100,289	271,047	67.2%
Hefei	Cloudworld Garden	Residential	2020	16,262	50,254	96.0%
Hefei	Xin'an Garden	Residential/commercial	2021	34,505	91,410	96.0%
Hefei	Xin'an Yayuan	Residential/commercial	2023	64,532	177,111	96.0%
Hefei	Xizi Garden	Residential	2020	104,760	53,829	22.1%
Subtotal of Central China region					4,514,273	
Subtotal of interests in Central China region					3,516,561	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Bohai Economic Rim						
Beijing	Chaoyang Port No.1 Block	Office building	2020	73,891	174,907	96.0%
Beijing	Radiance Plaza	Office building/commercial	2016	11,423	106,212	96.0%
Tianjin	Xueshi Garden	Residential/commercial	2022	80,124	198,622	96.0%
Tianjin	Yunqi Garden	Residential/commercial	2023	40,442	98,572	96.0%
Tianjin	Yunhui Garden	Residential/commercial	2022	36,586	91,460	96.0%
Tianjin	Yunque Garden	Residential/commercial	2022	42,078	95,408	96.0%
Tianjin	Hu'an Garden	Residential/commercial	2021	98,930	201,669	96.0%
Tianjin	Yuncui Garden	Residential/commercial	2021	25,236	66,671	96.0%
Langfang	New Block Riverside Garden	Residential/commercial	2024	167,549	455,718	96.0%
Shijiazhuang	New Block Star	Residential/commercial	2022	39,389	103,534	96.0%
Shijiazhuang	Jinhui Elite's Mansion	Residential/commercial	2020	65,052	50,748	52.8%
Shijiazhuang	New Block (Pinyuan)	Residential	2020	48,378	10,256	32.6%
Shijiazhuang	West District of New Block Shangfu	Residential/commercial	2022	52,543	135,081	96.0%
Shijiazhuang	East District of New Block Shangfu	Residential	2023	35,286	88,456	96.0%
Shijiazhuang	Kaiyuan House	Residential/commercial	2021	54,619	101,302	96.0%
Shijiazhuang	New Block Yayuan	Residential/commercial	2022	45,729	156,869	76.8%
Shenyang	Jiangshan Elite's Mansion	Residential/commercial	2020	127,325	66,961	96.0%
Huai'an	Jinhui City Phase III	Residential/commercial	2022	108,819	352,858	97.4%
Huai'an	Jinhui City Square	Residential/commercial/office building	2024	93,398	361,372	57.6%
Huai'an	Jinhui City Phase II	Residential/commercial	2020	86,833	22,742	96.0%
Huai'an	Jinhui Swan Bay Phase I	Residential/commercial	2016	66,440	6,642	96.0%
Huai'an	Jinhui Swan Bay Phase II	Residential/commercial	2020	63,426	16,943	96.0%
Huai'an	Jinhui Four Seasons Community Phase II	Residential/commercial	2021	72,902	119,882	96.0%
Huai'an	Jinhui Four Seasons Community Phase I	Residential/commercial	2021	70,750	69,938	96.0%
Huai'an	New Block Garden	Residential/commercial	2023	28,600	112,173	96.0%
Huai'an	New Block Dongjun	Residential/commercial	2024	56,712	147,005	96.0%
Huai'an	New Block Academy	Residential/commercial	2023	29,312	114,644	96.0%
Lianyungang	Jinhui Four Seasons	Residential/commercial	2019	223,045	106,444	96.0%
Lianyungang	Jinhui Four Seasons Guanlan	Residential	2021	49,756	140,306	96.0%
Lianyungang	Yunting Riverside	Residential	2023	97,508	167,153	96.0%
Yancheng	Jinhui City Block D	Residential/commercial	2020-2023	76,441	119,350	96.0%
Yancheng	Jinhui New Block Garden	Residential/commercial	2022	31,180	91,843	96.0%
Yancheng	Jinhui Tongyin Yunshang	Residential/commercial	2023	46,650	131,172	52.8%
Xuzhou	Xinbu Lanting	Residential/commercial	2023	55,982	174,621	96.0%
Xuzhou	New Block Riverside	Residential/commercial	2021	50,212	102,493	96.0%
Subtotal of Bohai Economic Rim region					4,560,027	
Subtotal of interests in Bohai Economic Rim region					4,128,700	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Northwest						
Xi'an	Jinghe Town	Residential/commercial	2028	697,823	2,538,640	96.0%
Xi'an	Academy Mansion	Residential/commercial	2021	46,649	116,239	96.0%
Xi'an	New Block Avenue	Residential/commercial	2023	189,256	812,326	96.0%
Xi'an	Jinhui World City Upper East Side Phase I	Residential/commercial	2018	43,653	23,483	96.0%
Xi'an	Jinhui World City Upper East Side Phase II	Residential/commercial	2020	22,884	216	96.0%
Xi'an	Gaoxin Elite's Mansion	Residential/commercial	2022	37,326	195,120	96.0%
Xi'an	Jinhui Chang'an Elite's Mansion	Residential/commercial	2023	53,859	219,831	96.0%
Xi'an	Jinhui New Block Garden	Residential/commercial	2020	39,412	2,502	96.0%
Xi'an	Jinhui East King's Garden	Residential/commercial/hotel	2022	127,015	471,918	96.0%
Xi'an	Jinhui World City Phase A1-2	Residential/commercial	2016	60,300	28,273	96.0%
Xi'an	Jinhui World City Phase A3	Residential/commercial	2019	40,774	37,293	96.0%
Xi'an	Jinhui World City Phase B1-2	Residential/commercial	2016	82,410	23,654	96.0%
Xi'an	Jinhui World City Phase B3	Residential/commercial	2020	26,000	117,070	96.0%
Xi'an	Jinhui World City Phase C1	Residential/commercial	2019	48,700	9,109	96.0%
Xi'an	Jinhui World City Phase C2	Residential/commercial	2020	38,780	193,366	96.0%
Xi'an	Jinhui World City Block D	Residential/commercial	2021	126,133	290,457	96.0%
Xi'an	Jinhui World City Block G	Residential/commercial	2020	28,399	53,758	96.0%
Xi'an	Jinhui Global Plaza Phase I	Office building/commercial	2017	14,402	64,855	96.0%
Xi'an	Jinhui Global Plaza Phase II	Office building/commercial	2020	32,247	125,722	96.0%
Xi'an	Jinhui World City Block I/J	Residential/commercial	2028	115,320	797,930	96.0%
Xi'an	Jinhui Building (International Plaza)	Office building/commercial	2015	15,908	48,685	96.0%
Xi'an	Chuangzhi Building	Office building/commercial	2019	6,035	20,497	96.0%
Xi'an	Xi'an Jinhui Tianyu Baili Square	Commercial	2023	35,237	292,960	96.0%
Xi'an	Xi'an Jinhui Tianyu Fengxi Elite's Mansion	Residential/commercial	2023	38,775	179,442	96.0%
Zhengzhou	Jinhui New Block Garden	Residential	2023	48,549	167,249	49.0%
Subtotal of northwest region					6,830,595	
Subtotal of interests in northwest region					6,478,697	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Southern China						
Quanzhou	Shishi Jinhui City Phase I	Residential/commercial	2022	38,866	176,617	81.6%
Quanzhou	Shishi Jinhui City Phase II	Residential/commercial	2025	183,643	802,013	81.6%
Quanzhou	Jinhui New Block Academy	Residential/commercial	2023	30,865	96,467	49.0%
Fuzhou	Jinhui New Block Garden	Residential/commercial	2021	19,891	71,505	96.0%
Fuzhou	Jinhui Lanlinxuan	Residential/commercial	2021	63,518	234,216	96.0%
Fuzhou	Huai'an Phase I	Residential/commercial	2014	266,962	4,763	57.6%
Fuzhou	Huai'an Phase II	Residential/commercial	2020	357,309	200,913	57.6%
Fuzhou	Huai'an Phase III	Residential	2021	360,992	93,533	57.6%
Fuzhou	Huai'an Phase V	Residential	2016	56,873	15,609	57.6%
Fuzhou	Radiance Plaza	Commercial	1999	1,141	16,760	96.0%
Fuqing	New Block Avenue	Residential/commercial	2022	43,071	187,159	96.0%
Fuqing	Jiangshan Elite's Mansion	Residential/commercial	2021	49,504	12,890	37.4%
Fuqing	Guanlan Elite's Mansion	Residential/commercial	2020	49,440	13,761	96.0%
Fuqing	New Block Academy	Residential/commercial	2020	53,168	18,433	34.6%
Fuqing	New Block Garden	Residential/commercial	2022	45,138	173,965	49.0%
Fuqing	East Elite's Mansion	Residential	2022	16,330	54,305	49.0%
Fuqing	Zhongyang King's Garden	Residential/commercial	2022	65,225	240,315	67.2%
Foshan	New Block Avenue	Residential/commercial	2021	43,523	83,777	96.0%
Foshan	Lingnan Elite's Mansion	Residential/commercial	2021	17,165	98,943	96.0%
Foshan	New Block Academy	Residential	2020	23,275	19,457	48.0%
Foshan	Yunjing Garden	Residential/commercial	2024	44,207	168,247	96.0%
Foshan	Yunzhu Garden	Residential/commercial	2023	66,439	239,415	96.0%
Huizhou	Dongdi Huayuan	Residential/commercial	2020	19,231	18,986	96.0%
Huizhou	Jinhui Elegant Pavilion	Residential/commercial	2021-2022	49,915	161,060	96.0%
Huizhou	New Block Mansion	Residential/commercial	2022	12,415	41,812	96.0%
Huizhou	Gaoling Phase II	Residential/commercial	2023	67,841	325,596	57.6%
Huizhou	Land parcel at Kaoling Township, Qiuchang Street, Huiyang District	Residential/commercial	2023	39,344	173,414	96.0%
Huizhou	Land parcel at Jiangjun Road, Qiuchang Street, Huiyang District	Residential/commercial	2023	43,506	148,924	96.0%
Subtotal of Southern China region					3,892,855	
Subtotal of interests in Southern China region					<u>3,100,119</u>	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Yangtze River Delta						
Zhenjiang	Jinhui Four Seasons Guanlan	Residential/commercial/hotel	2024	37,422	149,638	96.0%
Zhenjiang	New Block Xinyuan	Residential	2024	76,715	226,857	96.0%
Zhenjiang	Yundu Shangyuan	Residential	2022	50,041	162,947	96.0%
Yangzhou	New Block Avenue	Residential/commercial	2023	128,052	326,811	96.0%
Yangzhou	Eden Garden	Residential/commercial	2021	52,581	127,309	32.0%
Yangzhou	Qihu Cloud Atrium	Residential/commercial	2023	93,813	207,657	64.3%
Yangzhou	Parcel 2020G11, Binjiang, Jiangdu District	Residential/commercial	2022	43,528	95,606	96.0%
Hangzhou	Jiushang Elite's Mansion	Residential	2020	64,505	43,934	96.0%
Hangzhou	Ziya Elite's Mansion	Residential	2020	11,349	32,948	96.0%
Shaoxing	New Block Guanlan Garden	Residential/commercial	2022	70,150	206,910	96.0%
Shaoxing	Shaoxing Mirror Lake	Residential/commercial	2022	48,883	154,388	96.0%
Shaoxing	Peninsula Elite's Mansion	Residential	2022	57,812	123,164	67.2%
Shaoxing	Jingyue Elite's Mansion	Residential	2023	63,210	173,918	96.0%
Suzhou	Sea Breeze Garden	Residential/commercial	2020	18,866	44,994	96.0%
Suzhou	New Block Four Seasons Garden Phase I	Residential	2021	25,934	53,188	96.0%
Suzhou	New Block Four Seasons Garden Phase II	Residential	2022	28,102	58,755	96.0%
Suzhou	Qianwan Commercial Center	Commercial	2019	39,428	50,819	96.0%
Suzhou	Runyuan Mansion Yayuan	Residential	2021	43,611	103,605	96.0%
Suzhou	New Block Jiang Lai	Residential/commercial	2023	85,305	214,216	96.0%
Suzhou	Taican Block No.17	Commercial	2022	35,504	72,999	96.0%
Suzhou	Riverside Yunjing Garden	Residential/commercial	2022	41,941	98,488	67.2%
Nantong	Parcel R2020-26, West Side of Jinfu Road	Residential	2023	38,049	96,792	96.0%
Wuxi	Xidong King's Garden	Residential	2023	128,379	329,018	49.0%
Shanghai	Jinhui Tiancui Garden	Residential	2019	32,142	12,211	96.0%
Shanghai	Jingang Commercial Plaza	Commercial	2017	31,438	46,484	96.0%
Ningbo	Huiyi Yunting	Residential/commercial	2022	26,477	71,472	57.6%
Ningbo	Jiangyue Waterflow	Residential/commercial	2022	122,292	212,950	57.6%
Subtotal of Yangtze River Delta region					3,498,078	
Subtotal of interests in Yangtze River Delta region					2,883,063	
Subtotal of land bank developed by the Group and its subsidiaries					25,546,482	
Subtotal of interests in the land bank developed by the Group and its subsidiaries					21,856,536	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Properties developed by the Group's joint ventures and associates						
Southwest						
Chongqing	Luming House	Residential/commercial	2021	157,427	295,314	32.6%
Chongqing	Jinke Jinhui Meiyuan	Residential/commercial	2018-2021	177,239	86,954	47.0%
Chongqing	Jinke Jinhui Bocui Mountain	Residential/commercial	2018-2021	188,419	159,573	47.0%
Chongqing	Liyue Jiangshan	Residential/commercial	2019-2021	61,919	96,317	19.2%
Chongqing	Midea Jinhui Town	Residential	2022	41,940	87,419	48.0%
Chongqing	Peninsula Elite's Mansion Community Phase I	Residential/commercial	2019	39,038	30,437	48.0%
Chongqing	Peninsula Elite's Mansion Community Phase II	Residential/commercial	2019	71,472	113,059	48.0%
Subtotal of southwest region					869,073	
Subtotal of interests in southwest region					341,689	
Central China						
Hefei	Duhui City	Residential/commercial	2022	109,852	218,033	24.0%
Subtotal of Central China region					218,033	
Subtotal of interests in Central China region					52,328	
Bohai Economic Rim						
Tianjin	Yonghe Yayuan	Residential	2022	45,437	90,126	38.4%
Tianjin	Yunzhu Garden	Residential/commercial	2021	62,024	107,526	57.6%
Shijiazhuang	Jinke Tianyu Community	Residential	2026	56,946	161,604	33.6%
Shijiazhuang	Jinke Bocui Garden	Residential	2019	37,004	22,945	24.0%
Shenyang	Jimei Wanxiang	Residential/commercial	2020	78,517	46,745	31.7%
Lianyungang	New Block Academy	Residential	2020	51,452	143,174	49.0%
Lianyungang	High Tech Cloud	Residential	2023	79,720	220,118	48.0%
Subtotal of Bohai Economic Rim region					792,238	
Subtotal of interests in Bohai Economic Rim region					346,913	
Northwest						
Xi'an	Jinhui Mansion	Residential/commercial	2017	64,269	30,254	96.0%
Zhengzhou	Binhe Elite's Mansion	Residential/commercial	2024	88,578	292,028	49.0%
Subtotal of Northwest region					322,282	
Subtotal of interests in Northwest region					172,020	

Region	Project	Main Planned Usage of Projects	Actual/ Estimated Completion Year	Site Area (sq.m)	Land Bank Area (sq.m)	Attributable Interests Held by the Group (%)
Southern China						
Fuzhou	Lexin Garden	Residential/commercial	2022	125,737	317,109	31.7%
Fuzhou	Yuzhou Jinhui Zhongyang Garden	Residential/commercial/office building	2020	45,134	86,029	32.6%
Fuzhou	Jinhui Longyue Garden District 1	Residential	2022	86,558	317,908	57.6%
Fuzhou	Jinhui Longyue Garden District 2	Residential/commercial	2019	19,163	17,855	57.6%
Fuqing	Bright Binjiang	Residential/commercial	2021	99,992	370,949	47.0%
Fuqing	Bright Tianjing	Residential/commercial	2020	26,133	111,366	47.0%
Fuqing	Bright Tianyue	Residential/commercial	2021	36,757	158,131	15.0%
Fuqing	City Plaza	Residential/commercial	2021	75,854	39,452	48.0%
Fuqing	Boyue Mansion	Residential/commercial	2020	41,675	27,394	32.0%
Foshan	Elite's Mansion Mingyuan	Residential/commercial	2021	39,844	146,393	49.0%
Foshan	Nut Mansion	Residential/commercial	2019	7,804	1,531	32.6%
Huizhou	Baoliyue Mansion	Residential/commercial	2020	27,990	105,432	32.0%
Subtotal of Southern China region					1,699,549	
Subtotal of interests in Southern China region					706,222	
Yangtze River Delta						
Nanjing	Time Mansion	Residential/commercial	2022	131,964	333,764	47.0%
Nanjing	Mansion Yayuan	Residential/commercial	2019	28,257	3,296	57.6%
Yangzhou	Tang Yuan	Residential/commercial	2020	72,660	20,684	48.0%
Hangzhou	Zizhangtai Apartment	Residential	2020	68,263	213,914	49.0%
Hangzhou	Huiyi Elite's Mansion	Residential	2020	59,668	48,533	47.0%
Suzhou	Lanxi Bay Yuyuan	Residential	2019	66,738	28,551	30.7%
Suzhou	Shanghu King's Garden	Residential	2019	46,004	27,649	31.7%
Suzhou	Sea Time Garden	Residential	2020	69,206	73,799	15.4%
Suzhou	Huaman Seasons Garden	Residential	2020	32,044	8,324	49.0%
Suzhou	Jiangnan Elite's Mansion Garden Phase I	Residential	2020	24,583	36,382	47.0%
Suzhou	Jiangnan Elite's Mansion Garden Phase II	Residential	2021	30,760	94,636	47.0%
Suzhou	Jiangnan Elite's Mansion Garden Phase III	Commercial/office building	2022	7,239	53,459	47.0%
Suzhou	Runyuan King's Garden	Residential	2019	80,669	43,022	49.0%
Suzhou	Lake Yue Lanting	Residential	2019	59,235	9,707	15.7%
Ningbo	Jinhui & Powerlong Plaza	Residential/commercial	2022	86,528	283,991	47.0%
Subtotal of Yangtze River Delta region					1,279,711	
Subtotal of interests in Yangtze River Delta region					572,286	
Subtotal of land bank developed by the Group's joint ventures and associates					5,180,886	
Subtotal of interests in the land bank developed by the Group's joint ventures and associates					2,191,457	
Total					30,727,368	
Total interests					24,047,993	

Note:

The GFA of the Group's land bank include (i) GFA available for sale and total rentable GFA of completed projects, (ii) total GFA for properties under development; and (iii) total GFA for properties held for future development. In respect of the non-wholly owned projects, the GFA will be adjusted according to the equity interests of the Group in relevant projects.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2020, the revenue of the Group was approximately RMB34,875.2 million, represented an increase of 34.3% as compared to RMB25,963.1 million of the corresponding period last year. Our revenue mainly derived from the development and sales of the Group's residential properties and commercial properties, we also derived revenue from leasing of commercial properties, and provision of management consulting services for the overall operation of property projects to our joint ventures and associates.

The table below sets forth the certain information related to our revenue:

	For the year ended 31 December			
	2020		2019	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Property development and sales	34,380,524	98.5	25,037,479	96.4
Residential	31,652,719	90.8	24,191,695	93.2
Commercial	2,727,805	7.7	845,784	3.2
Property management services	–	–	517,219	2.0
Property leasing	336,613	1.0	352,782	1.4
Management consulting services	158,037	0.5	55,628	0.2
Total	<u>34,875,174</u>	<u>100.0</u>	<u>25,963,108</u>	<u>100.0</u>

Revenue from Property Development and Sales

For the year ended 31 December 2020, the revenue from property development and sales was approximately RMB34,380.5 million, represented an increase of 37.3% as compared to RMB25,037.5 million of the corresponding period last year. The increase in the Group's revenue from property development and sales was primarily attributable to an increase in the number of completed and delivered property projects of the Group, which resulted in an increase in the Group's total GFA delivered, especially in Southern China and Central China region which shown greater increase during the year.

Property Management Services

We provided property management services mainly to residential and commercial properties developed by the Group for the year ended 31 December 2019. In order to focus our resources primarily on property development and sales, the Group disposed of the property management service business which had been completed as of 31 December 2019. As a result, the Group did not record any revenue from property management services as at 31 December 2020.

Rental Income

Revenue from property leasing consists of recurring rental revenue from leasing our commercial properties, such as office buildings, shopping malls and shopping streets. Our rental income decreased by approximately 4.6% to RMB336.6 million for the year ended 31 December 2020 from RMB352.8 million for the year ended 31 December 2019, which was mainly due our rental reduction or waiver measures implemented in respect of our investment properties during the Covid-19 epidemic.

Management Consulting Services

The Group provides management consulting services to its joint ventures and associates, such services mainly include management consultation services provided to these entities in connection with the construction, sales and marketing of properties, and overall project management during the development and sales of properties. Our revenue from management consulting services increased by approximately 184.2% to RMB158.0 million for the year ended 31 December 2020 from RMB55.6 million for the year ended 31 December 2019, which was mainly due to we have provide management consulting services to more projects developed by our joint ventures and associates.

Cost of Sales

Cost of property development and sales mainly consists of construction costs, land acquisition costs and capitalized interest. During the year ended 31 December 2020, our cost of sales amounted to approximately RMB27,162.3 million, represented an increase of 33.8% as compared to that of RMB20,300.9 million for the year ended 31 December 2019, which was primarily attributable to increases in the scale of our operations and accordingly an increase in our corresponding total GFA delivered.

Gross Profit and Gross Profit Margin

The Group's gross profit increased to RMB7,712.9 million for the year ended 31 December 2020 from RMB5,662.2 million for the year ended 31 December 2019.

The Group's gross profit margin increased to 22.1% for the year ended 31 December 2020 from 21.8% for the year ended 31 December 2019.

Finance Income

The Group's finance income primarily consists of interest income from bank deposits, interest income from funds the Group advanced to our joint ventures and associates and interest received from third parties. The Group's finance income decreased by approximately 5.1% to RMB95.3 million for the year ended 31 December 2020 from RMB100.4 million for the year ended 31 December 2019, which was mainly due to the Group ceased to receive interest on advance from the Group's joint ventures and associates and third parties.

Other Income and Gains

The Group's other income and gains increased to RMB436.4 million for the year ended 31 December 2020 from RMB187.6 million for the year ended 31 December 2019, which was mainly due to the increase in net exchange gain.

Selling and Distribution Expenses

The Group's selling and distribution expenses mainly consist of (i) promotion and advertising expenses, which primarily represent costs incurred in connection with advertisement in media and promotional events; (ii) employee benefit expenses, which primarily represent salaries paid to our Group's selling and marketing personnel; (iii) office and property management expenses, which primarily represent the expenses incurred in daily operation and management of the Group's sales offices; (iv) sales expenses, which primarily represent commissions paid to third-party sales agencies; (v) depreciation and amortization, which primarily represent the depreciation and amortization of equipment and devices used by the Group's selling and marketing personnel; (vi) travelling and entertainment expenses; and (vii) after-sales service expenses, which primarily represent expenses incurred during the provision of our Group's after-sales services to our customers.

The Group's selling and distribution expenses increased by approximately 49.4% to RMB1,152.8 million for the year ended 31 December 2020 from RMB771.5 million for the year ended 31 December 2019, which was primarily attributable to increase in promotion and advertising expenses.

Administrative Expenses

Our administrative expenses mainly consist of (i) employee benefit expenses, which primarily represent salaries paid to our Group's administrative personnel; (ii) tax and surcharges, which primarily represent stamp duties in relation to sales contracts the Group entered into and property tax in relation to properties our Groups leased; (iii) depreciation and amortization, which primarily represent the depreciation and amortization of the Group's offices and office equipment; (iv) office expenses, which primarily represent the expenses incurred by our Group's administrative personnel in the daily operations of our Group's offices; (v) professional consulting expenses, which primarily represent the expenses for the consulting services the Group engaged in order to increase our operational efficiency; (vi) bank service charges, which primarily represent the expenses for miscellaneous bank services; (vii) travelling and entertainment expenses; and (viii) service expenditures.

The Group's administrative expenses increased by approximately 21.1% to RMB1,196.1 million for the year ended 31 December 2020 from RMB988.1 million for the year ended 31 December 2019, which was primarily attributable to the increase in tax and office expenses as we expand our operation scale.

Finance Cost

Our finance costs mainly consist of (i) interest on bank and other borrowings, corporate bonds, asset-backed securities, senior notes and lease liabilities; and (ii) interest expense arising from revenue contracts, which represents interest expenses recognised for the significant financing components included in contract liabilities during the period from the receipt of sales proceeds to the delivery of the underlying properties, less capitalized interest directly relating to properties under development.

The Group's finance cost increased by approximately 6.1% to RMB525.2 million for the year ended 31 December 2020 from RMB494.9 million for the year ended 31 December 2019, which was primarily attributable to the increase in scale of interest-bearing debts.

The Group's weighted average cost of debt as at 31 December 2020 was approximately 7.47% (31 December 2019: 7.76%).

Other Expenses

The Group's other expenses increased by approximately 64.2% to RMB80.6 million for the year ended 31 December 2020 from RMB49.1 million for the year ended 31 December 2019, which was primarily attributable to increase in donation made for fighting against Covid-19 pandemic and other community charity.

Fair Value Gains on Investment Properties

Fair value gains on investment properties represent the changes in the fair value of our investment properties. For the year ended 31 December 2020, the Group recorded fair value gains on investment properties of RMB437.0 million, represented a decrease of 9.1% compared to that of RMB480.9 million for the year ended 31 December 2019. Such decrease was primarily because Suzhou Qianwan Commercial Center (蘇州淺灣商業中心) was added to our investment properties portfolio in 2019, and accordingly we recorded a relatively high level of appreciation in value in 2019 as compared to.

Share of Profits of Joint Ventures

For the year ended 31 December 2020, the Group recorded share of profits of joint ventures of RMB992.5 million, while we recorded share of profits of joint ventures of RMB510.2 million for the year ended 31 December 2019. Such change was mainly attributable to the increase in profit due to the delivery of the property projects held by the Group's joint venture during the year.

Share of Losses of Associates

The Group's share of losses of associates increased to RMB182.5 million for the year ended 31 December 2020 from RMB68.8 million for the year ended 31 December 2019, which was primarily attributable to the decrease in area delivered of the property projects held by the Group's associates during the year ended 31 December 2020.

Profit before Tax

The Group's profit before tax increased by approximately 43.1% to RMB6,536.8 million for the year ended 31 December 2020 from RMB4,568.8 million for the year ended 31 December 2019.

Income Tax Expenses

The Group's income tax expenses for the year included the provision made for PRC enterprise Income tax and land appreciation tax. The Group's income tax expenses increased by approximately 44.6% to RMB2,717.7 million for the year ended 31 December 2020 from RMB1,878.8 million for the year ended 31 December 2019, which was primarily attributable to the increase in enterprise income tax and land appreciation tax as a result of the increase in our taxable profit and property sales.

The effective enterprise income tax rate (i.e. income tax divided by profit before tax) of the Group for the year ended 31 December 2020 was 41.6%, as compared to that of 41.1% for the year ended 31 December 2019.

Profit for the Year

As a result of the change in the Group's financial data mentioned above, the profit before tax of the Group increased by approximately 42.0% to RMB 3,819.1 million during the year ended 31 December 2020 from RMB2,690.0 million during the year ended 31 December 2019.

LIQUIDITY AND FINANCIAL RESOURCES

Net Current Assets

As at 31 December 2020, the Group's net current assets was RMB49,834.5 million (2019: RMB34,357.5 million). In particular, the Group's total current assets increased by 25.3% to RMB162,445.3 million as at 31 December 2020 from RMB129,645.9 million as at 31 December 2019. The Group's total current liabilities increased by 18.2% to RMB112,610.8 million as at 31 December 2020 from RMB95,288.4 million as at 31 December 2019. The increase of the Group's total current assets was mainly attributable to (i) increase in properties under development as we expanded our business; (ii) increase in the number of completed properties resulted in the increase in completed properties held for sale; and (iii) increase in cash and cash equivalents as a result of increase in pre-sales of properties, such increase was partly offset by (i) increase in contracted liabilities as a result of increase in sales of properties; (ii) increase in trade payables to satisfy our operation and development need.

Cash Position

As at 31 December 2019, the Group's cash on hand and at banks was RMB26,591.0 million (2019: RMB13,399.8 million). Excluding the restricted cash and pledged deposits, our cash and cash equivalents amounted to RMB20,732.1 million, of which RMB17,918.8 million, RMB2,548.6 million and RMB264.7 million (2019: RMB9,218.5 million, of which RMB8,845.2 million, RMB5.4 million and RMB367.9 million) were denominated in Renminbi, Hong Kong Dollars and US dollars.

Indebtedness

As at 31 December 2020, the Group's outstanding borrowings amounted to RMB53,774.0 million (2019: RMB49,071.1 million), of which RMB53,750.9 million (2019: RMB49,053.5 million) carried interests at fixed rate. Save for the RMB5,295.6 million senior notes were denominated in US dollars and the RMB12.6 million bank loans were denominated in Hong Kong dollars, all other borrowings of the Group was denominated in renminbi.

The table below sets forth the components of our borrowings as of the dates indicated:

	As of 31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Current		
Bank loans – secured	12,561	8,000
Other loans – secured	–	4,219,500
Other loans – unsecured	–	818,192
Current portion of long term bank loans – secured	5,727,540	3,885,829
Current portion of other loans – secured	3,994,330	5,047,790
Corporate bonds	7,056,468	4,035,868
Senior notes	1,745,743	34,154
Proceeds from asset-backed securities	770,798	1,156,041
Total current	19,307,440	19,205,374
Non-current		
Bank loans – secured	22,612,905	13,307,054
Other loans – secured	3,255,100	6,159,200
Corporate bonds	2,358,100	5,266,794
Senior notes	3,549,874	1,706,044
Proceeds from asset-backed securities	2,690,573	3,426,599
Total non-current	34,466,552	29,865,691
Total borrowings	53,773,992	49,071,065
Secured	39,063,807	37,210,013
Unsecured	14,710,185	11,861,052
Total borrowings	53,773,992	49,071,065

The following table sets out the maturity of the Group's total borrowings as at the dates indicated:

	As of 31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Bank loans repayable:		
Within one year	5,740,101	3,893,829
Between one and two years	11,909,435	4,569,985
Between two and five years	10,574,470	8,737,069
More than five years	129,000	—
	<u>28,353,006</u>	<u>17,200,883</u>
Other borrowings repayable:		
Within one year	3,994,330	10,085,482
Between one and two years	3,155,100	5,192,000
Between two and five years	100,000	967,200
	<u>7,249,430</u>	<u>16,244,682</u>
Other senior notes, corporate bonds and proceeds from asset-backed securities repayable		
Within one year	9,573,009	5,226,063
Between one and four years	6,156,321	7,882,536
Over four years	2,442,226	2,516,901
	<u>18,171,556</u>	<u>15,625,500</u>
Total	<u><u>53,773,992</u></u>	<u><u>49,071,065</u></u>

Pledged of Assets

As at 31 December 2020, the Group's borrowings was secured by our assets amounted to RMB64,652.0 million (2019: RMB56,463.0 million), such assets included (i) property, plant and equipment; (ii) land use rights; (iii) investment properties; (iv) properties under development; (v) completed properties held for sale; (vi) prepayments and other receivables; (vii) pledged deposits; and (viii) right-of-use assets.

Financial Risk

The Group's businesses exposed us to various financial risks, including interest rate risk, foreign exchange risk, credit risk and liquidity risk. In order to minimize such risk exposures of the Group, we do not use any derivatives and other instruments for hedging. The Group does not hold or issue financial derivatives for trading purpose.

Interest Rate Risk

The Group's exposure to changes in market interest rate relates primarily to the Group's interest-bearing bank and other borrowings. The Group does not use financial derivatives to hedge interest rate risk, and use variable rate bank borrowings and other borrowings to manage its interest cost.

Foreign Exchange Risk

The Group mainly operates its business in China, and substantial all of its revenue and expenses are denominated in renminbi, while the net proceeds from listing is payable in Hong Kong dollars. As at 31 December 2020, among the Group's cash at bank and on hand, RMB2,548.6 million and RMB264.7 million was denominated in Hong Kong dollars and US dollars, respectively, such amount was subject to the exchange rate fluctuation. The Group does not have any policy to hedge against foreign exchange risk. However, the Group will closely monitor its foreign exchange exposure, and strive to maintain the value of the Group's cash.

Credit Risk

The Group divides financial instruments on basis of shared credit risk characteristics, such as instrument type and credit risk ratings for the purpose of determining significant increases in credit risk and calculation of impairment. To manage risk arising from trade receivables, the Group has policies in place to ensure that credit terms are made only to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the Group's counterparties. The credit quality of these customers is assessed after taking into account their financial position, past experience and other factors. The Group also has other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group regularly reviews the recoverable amount of trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts. The Group has no significant concentrations of credit risk, with credit risk spread over a large number of counterparties and customers.

Liquidity Risk

The Group's objective is to maintain a balance between sustainability and flexibility of funding through the use of interest-bearing bank and other borrowings. The Group reviews our liquidity position on an ongoing basis.

Contingent Liabilities

The Group has arrangements with various banks for the provision of mortgage financing and, where required, provides our customers with guarantees as security for mortgage loans. The terms of such guarantees typically last until the issuance of the real estate ownership certificate upon the completion of guarantee registration or satisfaction of mortgage loan by the purchaser. As a guarantor, if the purchaser defaults in payment, the Group is obligated to repay all outstanding amounts owed by the purchaser to the mortgagee bank under the loan and have the right to claim such amount from the defaulting purchaser. The Group did not incur any material losses during the year in respect of the guarantees provided for mortgage facilities granted to purchasers of our completed properties held for sale. Our Directors considered that the likelihood of default in payments by purchasers is minimal and therefore the financial guarantees measured at fair value is immaterial. As such, no provision has been made in connection with the guarantees.

As at 31 December 2020, the Group has provided guarantee to the bank amounted to RMB34,134.7 million (2019: RMB29,957.6 million) in total for the financing granted to the purchasers of our properties. As at 31 December 2020, the Group has provided guarantee to the bank amounted to RMB5,515.5 million (2019: RMB8,659.9 million) in total for the financing granted to our associates and third parties. The balances of guarantees given to banks and other institutions in connection with facilities granted to third parties of 2019 were released in the year 2020. During the year, the Group did not have any outstanding loan capital, bank overdrafts and acceptance liabilities or other similar indebtedness, debentures, mortgages, charges or loans, or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities or any covenant. Our Directors have confirmed that there had not been any material change in the indebtedness, capital commitments and contingent liabilities of our Group up to the latest practicable date for the purpose of the indebtedness statement.

Legal Contingents

The Group may involve in lawsuits and other proceedings from time to time during the ordinary course of business. The Group believes that the liabilities resulting from these proceedings will not have a material adverse effect on our business, financial condition or operating results.

Commitment

As at 31 December 2020, the Group has capital commitment of RMB28,896.8 million (2019: RMB29,426.4 million) in respect of properties under development, merger and acquisition of equity interest and capital injection for investment in joint ventures and associates.

Off-Balance Sheet Commitment and Arrangements

Save for the contingent liabilities disclosed above, as at 31 December 2020, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, loan securities, borrowings or other similar indebtedness, acceptance liabilities (save for normal commercial notes), acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the year ended 31 December 2020, the Group had undergone acquisitions and disposals of subsidiaries for the purpose of the reorganisation in preparation for the Listing. Please refer to the prospectus of the Company dated 16 October 2020 (the “**Prospectus**”) for further details.

Save as disclosed in the Prospectus, the Company has no other significant investments or significant acquisitions of subsidiaries, associates and joint ventures in 2020.

Future Plan for Significant Investment

The Group intends to utilise the net proceeds raised from the Listing according to the plans set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus. As at 31 December 2020, RMB1,135.6 million of the net proceeds have been used in a manner consistent with the proposed allocations in the prospectus of the Company dated 16 October 2020. The unutilized net proceeds would be allocated and used according to the purposes set out in the Prospectus.

Save as disclosed in this announcement, the Group did not have any other immediate plans for material investments and capital assets as at 31 December 2020.

Use of Proceeds from the Listing

Net proceeds from the Listing (including the partial exercise of the over-allotment options), after deducting the underwriting commission and other estimated expenses in connection with the Listing, amounted to approximately HK\$2,691.9 million (equivalent to approximately RMB2,332.3 million). As of the date of this report, the net proceeds received from the Listing have been used, and will continue to be used, in a manner consistent with the proposed allocations in the Prospectus. As at 31 December 2020, the Group has utilized the proceeds from the Listing in the amount of approximately RMB1,135.6 million, of which: (i) approximately RMB233.2 million was allocated for general business operations and working capital; and (ii) approximately RMB620.2 million was used to repay part of our existing entrusted loans for our development projects; and (iii) approximately RMB282.2 million was used to finance the Group's existing property projects. The remaining proceeds amounted to approximately RMB1,196.7 million, of which approximately RMB79.5 million will be used to repay part of our existing entrusted loans for our development projects and RMB1,117.2 million will be used to finance the Group's existing property projects, the payment of which will be made year by year according to the construction progress in the following years.

EMPLOYEE, REMUNERATION POLICY AND TRAINING

As at 31 December 2020, the Group has a total of 3,794 employees, with most of them were based in China. For the year ended 31 December 2020, staff costs (including Directors) was approximately RMB450.2 million (2019: approximately RMB681.6 million). The Group determined the salary based on the qualifications, position and experience of each employee. The Group has established a regular assessment mechanism to assess the performance of our employees, the assessment results are used as the basis for determining salary increment, bonuses and promotions.

SUBSEQUENT EVENTS

No material events were undertaken by the Group subsequent to 31 December 2020 and up to the date of this announcement.

CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. During the period from Listing date to 31 December 2020, the Company applied the principles of and fully complied with the code provisions as set out in the Corporate Governance Code (“CG Code”) except for the following deviation from provision A.2.1 of the CG Code. The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

CG Code provision A.2.1 stipulates that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lam Ting Keung is the chairman of the Board and the chief executive officer of the Company. In view of the fact that Mr. Lam Ting Keung has been assuming day-to-day responsibilities in operating and managing the Group since its establishment, the Board believes that it is in the best interest of the Group to have Mr. Lam Ting Keung taking up both roles for effective management and business development. Therefore, the Directors consider that the deviation from CG Code provision A.2.1 is appropriate in such circumstance.

Notwithstanding from the above, the Board views that this management structure is effective for the Group's operations and sufficient checks and balances are in place.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules (the “**Model Code**”) as the guidelines for the Directors' dealings in the securities of the Company since the Listing. Having made specific enquiries to each of the Directors, they have confirmed their compliance with the required standards set out in the Model Code since the Listing and up to 31 December 2020.

REVIEW OF UNAUDITED ANNUAL RESULTS

The Board established an audit committee with written terms of reference in compliance with the CG Code. The terms of reference of the audit committee has been uploaded to the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.radiance.com.cn).

The primary duties of the audit committee are to review, supervise and approve the financial reporting process and internal control system and to provide advice and comments to the Board. The audit committee consists of three members, namely Mr. Chung Chong Sun, Mr. Zhang Huaqiao and Mr. Tse Yat Hong, each of them is an independent non-executive Director. The chairman of the audit committee is Mr. Chung Chong Sun, who possesses appropriate professional qualifications.

The audit committee has discussed, reviewed and agreed with the management of the Company regarding the accounting principles and practices adopted by the Group, together with the internal control and financial reporting matters as well as the annual results of the Group for the year ended 31 December 2020.

PUBLICATION OF ANNUAL RESULTS

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk as well as the website of the Company at www.radiance.com.cn. The Company's 2020 annual report will be despatched to shareholders and published on the aforementioned websites in due course.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Save for the initial public offering as described in the Prospectus and the additional 45,227,000 Shares allotted and issued on 25 November 2020 through the partial exercise of the over-allotment option, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2020.

FINAL DIVIDEND

The Board proposed a final dividend for 2020 ("**2020 Proposed Final Dividend**") of HK0.32 dollars (equivalent to RMB0.27) per ordinary Share (to be distributed out of the Company's share premium account). Subject to approval by the Shareholders at the forthcoming annual general meeting ("**2021 AGM**"), the 2020 Proposed Final Dividend is expected to be paid on or around 10 June 2021 to the shareholders whose names appear on the register of members of the Company (the "**Register of Members**") on Thursday, 27 May 2021.

AGM AND CLOSURE OF REGISTER OF MEMBERS

The 2021 AGM will be held on Wednesday, 12 May 2021. A notice convening the AGM will be published on the Company's website and the Stock Exchange's website and dispatched to the Shareholders in accordance with the requirements of the Listing Rules in due course. For the purposes of determining the Shareholders' eligibility to attend, speak and vote at the 2021 AGM and the Shareholders' entitlement to the 2020 Proposed Final Dividend, the Register of Members will be closed as appropriate as set out below:

For determining the entitlement to attend and vote at the 2021 AGM

The Register of Members will be closed from Friday, 7 May 2021 to Wednesday, 12 May 2021, both days inclusive, during which period no transfer of Shares will be effected. In order to determine the identity of members who are entitled to attend and vote at the 2021 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 6 May 2021.

For determining the entitlement to the 2020 Proposed Final Dividend

The Register of Members will be closed from Wednesday, 26 May 2021 to Thursday, 27 May 2021, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for the 2020 Proposed Final Dividend, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 25 May 2021.

By order of the Board
Radiance Holdings (Group) Company Limited
Lam Ting Keung
Chairman

Hong Kong, 19 March 2021

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Lam Ting Keung, Mr. Lam Yu, Mr. Chen Chaorong and Mr. Huang Junquan and three independent non-executive Directors, namely, Mr. Zhang Huaqiao, Mr. Tse Yat Hong and Mr. Chung Chong Sun.