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seazen

新城发展

**SEAZEN GROUP LIMITED**

**新城發展控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1030)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**RESULTS HIGHLIGHTS**

- Commercial operating income\* was approximately RMB6,212 million, representing a period-on-period increase of 19.44%;
- Revenue was approximately RMB34,003 million;
- Net profit attributable to equity holders of the Company was approximately RMB959 million;
- Core earnings\*\* attributable to equity holders of the Company was approximately RMB1,050 million;
- The net debt-to-equity ratio was 50.5%; and
- The weighted average interest rate of bank borrowings, senior notes and corporate bonds, etc. was 6.02%.

\* Tax-included rental income includes rentals, management fee, carpark, various operation and other sporadic management income from shops, office buildings and shopping centres

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

The board (the “**Board**”) of directors (the “**Directors**”) of Seazen Group Limited (the “**Company**” or “**Seazen**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively referred to as the “**Group**” or “**Seazen Group**”) for the six months ended 30 June 2024 (the “**Reporting Period**”), together with comparative figures for the corresponding period in 2023, as follows:

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		3,836,193	3,861,304
Right-of-use assets		1,046,889	1,060,960
Investment properties		121,903,236	121,088,100
Intangible assets		48,057	284,016
Investment in associates		12,209,656	12,854,475
Investment in joint ventures		11,785,417	11,714,732
Deferred income tax assets		6,602,946	6,607,576
Financial assets at fair value through profit or loss		342,934	366,989
Financial assets at amortised costs		–	267,411
Goodwill		777	777
Trade and other receivables and prepayments	5	643	639
<b>Total non-current assets</b>		<b>157,776,748</b>	<b>158,106,979</b>
<b>Current assets</b>			
Prepayments for leasehold land		1,875,460	2,095,610
Properties held or under development for sale		133,430,670	142,531,410
Trade and other receivables and prepayments	5	44,843,131	50,928,943
Contract costs		3,219,272	3,336,978
Financial assets at fair value through other comprehensive income		123,380	148,608
Financial assets at fair value through profit or loss		429,142	270,704
Financial assets at amortised costs		596,605	169,410
Restricted cash		4,161,204	6,274,884
Cash and cash equivalents		12,037,937	13,225,030
<b>Total current assets</b>		<b>200,716,801</b>	<b>218,981,577</b>
<b>Total assets</b>		<b>358,493,549</b>	<b>377,088,556</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2024

	Note	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital: nominal value	6	5,822	5,822
Reserves		46,822,798	45,866,173
		46,828,620	45,871,995
Non-controlling interests		42,524,024	44,637,346
<b>Total equity</b>		<b>89,352,644</b>	<b>90,509,341</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	7	42,237,710	38,413,872
Lease liabilities		1,284,692	1,303,788
Deferred income tax liabilities		8,107,189	8,188,259
<b>Total non-current liabilities</b>		<b>51,629,591</b>	<b>47,905,919</b>
<b>Current liabilities</b>			
Trade and other payables	8	93,536,267	97,215,279
Advances from lessees		1,018,676	1,012,257
Contract liabilities		94,002,252	106,091,241
Current income tax liabilities		9,255,041	9,523,320
Borrowings	7	19,610,010	24,755,728
Lease liabilities		89,068	75,471
<b>Total current liabilities</b>		<b>217,511,314</b>	<b>238,673,296</b>
<b>Total liabilities</b>		<b>269,140,905</b>	<b>286,579,215</b>
<b>Total equity and liabilities</b>		<b>358,493,549</b>	<b>377,088,556</b>

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

		<b>Six months ended 30 June</b>	
	<i>Note</i>	<b>2024</b>	<b>2023</b>
		<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	9	<b>34,003,339</b>	42,532,349
Cost of sales and services	10	<b>(27,176,462)</b>	(35,116,886)
<b>Gross profit</b>		<b>6,826,877</b>	7,415,463
Fair value (losses)/gains on investment properties		<b>(66,144)</b>	127,593
Selling and marketing costs	10	<b>(1,646,141)</b>	(1,680,048)
Administrative expenses	10	<b>(1,688,365)</b>	(2,060,162)
Net impairment gains on financial assets		<b>72,204</b>	21,568
Other income		<b>87,976</b>	183,671
Other expenses		<b>(2,063)</b>	(6,541)
Other (losses)/gains – net		<b>(53,337)</b>	336,012
<b>Operating profit</b>		<b>3,531,007</b>	4,337,556
Finance income	11	<b>48,845</b>	169,303
Finance costs	11	<b>(1,613,441)</b>	(1,355,159)
<b>Finance costs – net</b>	11	<b>(1,564,596)</b>	(1,185,856)
Share of results of associates		<b>167,043</b>	291,323
Share of results of joint ventures		<b>201,092</b>	310,451
<b>Profit before income tax</b>		<b>2,334,546</b>	3,753,474
Income tax expense	12	<b>(944,044)</b>	(1,449,101)
<b>Profit for the period</b>		<b>1,390,502</b>	2,304,373
<b>Profit for the period attributable to:</b>			
– Equity holders of the Company		<b>959,244</b>	1,431,155
– Non-controlling interests		<b>431,258</b>	873,218
		<b>1,390,502</b>	2,304,373
<b>Earnings per share for profit attributable to equity holders of the Company</b>			
– Basic earnings per share	13	<b>RMB0.14</b>	RMB0.20
– Diluted earnings per share	13	<b>RMB0.14</b>	RMB0.20

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***For the six months ended 30 June 2024*

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit for the period</b>	<b><u>1,390,502</u></b>	<b><u>2,304,373</u></b>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
– Currency translation differences	<b>(2,738)</b>	<b>(359,272)</b>
– Changes in fair value of debt instruments at fair value through other comprehensive income	<b>405</b>	<b>10,160</b>
<i>Items that will not be reclassified subsequently to profit or loss</i>		
– Currency translation differences attributable to non-controlling interests	<b>(1,116)</b>	<b>(177,054)</b>
– Share of other comprehensive income of an associate accounted for using the equity method	<b>455</b>	<b>–</b>
– Changes in fair value of equity investments at fair value through other comprehensive income	<b>(709)</b>	<b>(9,111)</b>
– Others	<b><u>174</u></b>	<b><u>4,354</u></b>
<b>Other comprehensive loss for the period, net of tax</b>	<b><u>(3,529)</u></b>	<b><u>(530,923)</u></b>
<b>Total comprehensive income for the period</b>	<b><u>1,386,973</u></b>	<b><u>1,773,450</u></b>
<b>Total comprehensive income for the period attributable to:</b>		
– Equity holders of the Company	<b>956,870</b>	<b>1,075,665</b>
– Non-controlling interests	<b><u>430,103</u></b>	<b><u>697,785</u></b>
	<b><u>1,386,973</u></b>	<b><u>1,773,450</u></b>

## 1 GENERAL INFORMATION

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

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

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

The condensed consolidated interim financial statements are presented in thousands of Renminbi (“**RMB’000**”), unless otherwise stated, and were approved and authorized for issue by the board of directors of the Company on 30 August 2024.

The condensed consolidated interim financial statements have not been audited.

## 2 BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting”, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The interim results announcement does not include all the notes of the type normally included in an annual financial report. Accordingly, the condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA.

## 3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with the annual consolidated financial statements of the Group for the year ended 31 December 2023, except for the estimation of income tax and the adoption of new and amended standards as set out below.

Income tax expense is recognised based on management’s estimation of the weighted average effective annual income tax rate expected for the full financial year.

### 3.1 New standards, amendments and interpretation adopted by the Group for the six months ended 30 June 2024

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to HKAS 1
- Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause – Hong Kong Interpretation 5 (Revised)
- Lease Liability in Sale and Leaseback – Amendments to HKFRS 16
- Supplier Finance Arrangements – Amendments to HKAS 7 and HKFRS 7

The adoption of the above new amendments starting from 1 January 2024 did not give rise to significant impact on the Group's results of operations and financial position for the six months ended 30 June 2024.

### 3.2 New standards and interpretations not yet adopted

Certain new accounting standard, amendments and interpretation have been published but are not mandatory for the financial year beginning 1 January 2024 and have not been early adopted by the Group. These new accounting standard, amendments and interpretation are not expected to have a material impact on the Group's financial statements when they become effective.

## 4 SEGMENT INFORMATION

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

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

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

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

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

Six months ended 30 June 2024 (Unaudited)					
	A share company RMB'000	Non-A share companies RMB'000	Total segment RMB'000	Elimination RMB'000	Total Group RMB'000
Segment revenue	33,904,407	113,518	34,017,925	(14,586)	34,003,339
– At a point in time	27,818,764	88,371	27,907,135	(6,447)	27,900,688
– Over time	2,906,454	21,875	2,928,329	(6,750)	2,921,579
– Rental income	3,179,189	3,272	3,182,461	(1,389)	3,181,072
Segment profit before income tax expense	2,270,707	85,397	2,356,104	(21,558)	2,334,546
Fair value losses on investment properties	(66,144)	–	(66,144)	–	(66,144)
Finance income	48,051	280,785	328,836	(279,991)	48,845
Finance costs	(1,725,128)	(168,304)	(1,893,432)	279,991	(1,613,441)
Depreciation and amortisation	(142,417)	(6,747)	(149,614)	–	(149,614)
Share of results of associates	160,467	(14,980)	145,487	21,556	167,043
Share of results of joint ventures	197,030	4,062	201,092	–	201,092
					Six months ended 30 June 2024 RMB'000 (Unaudited)
Total segment profits before income tax expense after elimination					2,334,546
Income tax expense					(944,044)
Profit for the period					1,390,502

As at 30 June 2024 (Unaudited)					
	A share company RMB'000	Non-A share companies RMB'000	Total segment RMB'000	Elimination RMB'000	Total Group RMB'000
Segment assets	355,649,345	13,087,924	368,737,269	(10,243,720)	358,493,549
Segment assets include:					
Investments in associates	12,082,624	1,283,049	13,365,673	(1,156,017)*	12,209,656
Investments in joint ventures	11,760,548	24,869	11,785,417	–	11,785,417
Additions to non-current assets (other than financial instruments and deferred tax assets)	1,016,111	2,636	1,018,747	–	1,018,747
Segment liabilities	270,494,743	6,513,900	277,008,643	(7,867,738)	269,140,905

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



	Six months ended 30 June 2023 (Unaudited)				
	A share company RMB'000	Non-A share companies RMB'000	Total segment RMB'000	Elimination RMB'000	Total Group RMB'000
Segment revenue	41,768,384	898,446	42,666,830	(134,481)	42,532,349
– At a point in time	36,555,008	806,072	37,361,080	(10,372)	37,350,708
– Over time	2,539,276	89,914	2,629,190	(56,328)	2,572,862
– Rental income	2,674,100	2,460	2,676,560	(67,781)	2,608,779
Segment profit before income tax expense	3,833,511	16,517	3,850,028	(96,554)	3,753,474
Fair value gains on investment properties	143,673	–	143,673	(16,080)	127,593
Finance income	153,491	226,145	379,636	(210,333)	169,303
Finance costs	(1,235,100)	(330,392)	(1,565,492)	210,333	(1,355,159)
Depreciation and amortisation	(154,516)	(147,888)	(302,404)	–	(302,404)
Share of results of associates	289,389	17,491	306,880	(15,557)	291,323
Share of results of joint ventures	310,422	29	310,451	–	310,451

A reconciliation to profit for the period is as follows:

	Six months ended 30 June 2023 RMB'000 (Unaudited)
Total segment profits before income tax expense after elimination	3,753,474
Income tax expense	(1,449,101)
Profit for the period	2,304,373

	As at 30 June 2023 (Unaudited)				
	A share company RMB'000	Non-A share companies RMB'000	Total segment RMB'000	Elimination RMB'000	Total Group RMB'000
Segment assets	437,844,581	14,023,034	451,867,615	(8,926,050)	442,941,565
Segment assets include:					
Investments in associates	12,441,223	1,875,480	14,316,703	(1,255,323)*	13,061,380
Investments in joint ventures	12,648,114	23,616	12,671,730	–	12,671,730
Additions to non-current assets (other than financial instruments and deferred tax assets)	1,438,717	29,823	1,468,540	–	1,468,540
Segment liabilities	348,343,382	7,509,433	355,852,815	(5,973,022)	349,879,793

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

## 5 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Trade accounts receivables	675,679	710,778
Notes receivables	5,173	53,108
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Total trade receivables	680,852	763,886
Less: Impairment losses	(17,014)	(16,021)
	<hr/>	<hr/>
Trade receivables – net	663,838	747,865
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Prepayments		
– Prepaid income tax and land appreciation tax	4,119,786	4,547,409
– Prepaid value-added tax and input VAT to be deducted	6,557,038	7,153,663
– Prepaid surcharges and other taxes	186,799	344,547
– Prepayments for construction costs	159,651	308,034
– Others	638,946	784,162
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	11,662,220	13,137,815
	<hr/>	<hr/>
Other receivables		
– Receivables from government related bodies	3,337,674	3,656,110
– Due from related parties	9,494,814	10,565,812
– Receivables from non-controlling shareholders of subsidiaries	17,642,697	20,082,123
– Receivables from other deposits	919,947	1,021,935
– Others	3,115,435	3,804,253
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	34,510,567	39,130,233
Less: Impairment losses	(1,992,851)	(2,086,331)
	<hr/>	<hr/>
	32,517,716	37,043,902
	<hr/>	<hr/>
Trade and other receivables and prepayments – net	44,843,774	50,929,582
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Less: Non-current portion	(643)	(639)
	<hr/>	<hr/>
Current portion	44,843,131	50,928,943
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Trade receivables are mainly arisen from sales of properties, leases of investment properties and various services. Proceeds in respect of properties sold are normally received within three months after signing of related sales and purchase agreements, and rentals in respect of leased properties are generally received in advance. Customers of other services businesses are generally granted a credit term of 30 days to 90 days.

The aging of trade accounts receivables and notes receivables based on invoice date as at 30 June 2024 and 31 December 2023 are as follows:

	As at <b>30 June 2024</b> <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Within 1 year	638,277	714,098
Between 1 and 2 years	32,546	43,623
Between 2 and 3 years	10,029	6,165
	<u>680,852</u>	<u>763,886</u>

The maximum exposure to credit risk at 30 June 2024 and 31 December 2023 is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral security.

As at 30 June 2024 and 31 December 2023, the fair values of trade and other receivables are approximately as their carrying amounts.

As at 30 June 2024 and 31 December 2023, the carrying amounts of trade and other receivables and prepayments are primarily denominated in RMB.

## 6 SHARE CAPITAL

### (a) Authorised shares

	Number of authorised shares <i>HKD share</i>
As at 1 January 2023, 30 June 2023, 1 January 2024 and 30 June 2024 (par value of HKD0.001)	<u>10,000,000,000</u>

### (b) Issued shares

	Number of issued shares <i>HKD0.001 each</i>	Ordinary shares <i>RMB'000</i>
As at 1 January 2024 and 30 June 2024	<u>7,065,741,521</u>	<u>5,822</u>

## 7 BORROWINGS

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Non-current, secured:		
– Loans from banks and non-bank financial institutions	35,758,134	35,947,092
– Middle term notes	6,060,000	3,000,000
– Senior notes	3,914,995	3,887,205
– Financing under securitisation arrangements	2,035,822	2,045,822
	<u>47,768,951</u>	<u>44,880,119</u>
Non-current, unsecured:		
– Loans from banks and non-bank financial institutions	2,007,716	2,208,817
– Middle term notes	–	2,940,000
– Corporate bonds	1,100,000	1,100,000
– Senior notes	8,199,933	8,139,829
	<u>11,307,649</u>	<u>14,388,646</u>
Less: Current portion of long-term borrowings	<u>(16,838,890)</u>	<u>(20,854,893)</u>
	<u>42,237,710</u>	<u>38,413,872</u>
Current, secured:		
– Loans from banks and non-bank financial institutions	1,783,920	2,299,755
	<u>1,783,920</u>	<u>2,299,755</u>
Current, unsecured:		
– Loans from banks and non-bank financial institutions	425,000	352,875
– Senior notes	–	708,270
	<u>425,000</u>	<u>1,061,145</u>
Interest payable of short-term borrowings	<u>26,561</u>	<u>45,711</u>
Current portion of long-term borrowings	<u>16,838,890</u>	<u>20,854,893</u>
Interest payable of long-term borrowings	<u>535,639</u>	<u>494,224</u>
	<u>19,610,010</u>	<u>24,755,728</u>

## 8 TRADE AND OTHER PAYABLES

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Trade payables	46,177,911	46,702,494
Notes payable	1,008,565	1,758,865
Payables to related parties	23,023,576	23,804,082
Payables for acquisition of subsidiaries, joint ventures and associates	102,889	125,969
Output VAT on contract liabilities to be transferred	8,262,929	9,280,293
Advances from non-controlling shareholders of subsidiaries	2,788,825	2,831,358
Amounts received for potential investments in property projects	954,286	935,453
Accrued expenses	2,631,997	2,493,627
Value-added tax and other taxes payable	978,934	870,343
Deposits for construction biddings and rental deposits	3,764,580	4,231,985
Accrued payroll	628,252	876,694
Others	3,213,523	3,304,116
	<b>93,536,267</b>	<b>97,215,279</b>
Less: Non-current portion	—	—
Current portion	<b>93,536,267</b>	<b>97,215,279</b>

The aging analysis of trade payables and notes payable based on the invoice date or demand note as at 30 June 2024 and 31 December 2023 is as follows:

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Within 1 year	41,510,221	42,901,330
Between 1 and 2 years	5,676,255	5,560,029
	<b>47,186,476</b>	<b>48,461,359</b>

As at 30 June 2024 and 31 December 2023, the fair values of trade and other payables are approximately their carrying amounts.

As at 30 June 2024 and 31 December 2023, the carrying amounts of trade and other payables are primarily denominated in RMB.

## 9 REVENUE

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue from contract with customers recognised at a point in time		
A share Company		
– Sales of properties	27,549,953	36,342,486
– Other services	268,811	212,522
Non-A share Companies		
– Other services	81,924	795,700
	<u>27,900,688</u>	<u>37,350,708</u>
Revenue from contract with customers recognised over time		
A share Company		
– Commercial property management services	2,624,622	2,134,691
– Other services	281,832	348,257
Non-A share Companies		
– Other services	15,125	89,914
	<u>2,921,579</u>	<u>2,572,862</u>
Rental income		
A share Company	3,177,800	2,606,319
Non-A share Companies	3,272	2,460
	<u>3,181,072</u>	<u>2,608,779</u>
	<u>34,003,339</u>	<u>42,532,349</u>

## 10 EXPENSES BY NATURE

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

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Construction costs	12,636,184	16,655,266
Land use rights costs	9,073,555	12,228,459
Capitalised interest	2,827,969	3,014,070
Staff costs	1,354,897	1,795,599
Advertising and publicity costs and sales commission	840,400	1,048,649
Tax and surcharges	564,062	578,350
Provision for impairment of intangible assets	210,525	–
Depreciation of property, plant and equipment	108,248	238,887
Professional fees	92,429	122,115
Provision for impairment of properties held or under development for sale	–	112,879
Bank charges	75,336	96,095
Amortisation of right-of-use assets and intangible assets	40,915	63,517
Travelling expenses	35,652	54,095
Entertainment expenses	27,471	40,666
Rental expenses of low-value and short-term leases	45	1,864
Auditor's remuneration	500	1,050
Other expenses	2,622,780	2,805,535
Total cost of sales and services, selling and marketing costs and administrative expenses	30,510,968	38,857,096

## 11 FINANCE COSTS – NET

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance costs		
– Interest on borrowings	(2,017,633)	(2,285,399)
– Significant financing component of pre-sale contracts	–	(1,486,618)
– Interest and finance charges paid/payable for lease liabilities	(30,971)	(23,382)
– Less: Interest capitalised	531,140	2,571,692
	(1,517,464)	(1,223,707)
– Net foreign exchange losses	(95,977)	(131,452)
Total finance costs	(1,613,441)	(1,355,159)
Finance income		
– Interest income on bank deposits	48,845	169,303
Net finance costs	(1,564,596)	(1,185,856)

## 12 INCOME TAX EXPENSE

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current income tax		
– PRC land appreciation tax	417,573	436,806
– PRC corporate income tax	594,610	1,589,258
	<u>1,012,183</u>	<u>2,026,064</u>
Deferred income tax	(68,139)	(576,963)
Total income tax charged for the period	<u>944,044</u>	<u>1,449,101</u>

### Cayman Island income tax

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

### BVI income tax

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

### Hong Kong profits tax

Hong Kong profits tax has been provided at a tax rate of 16.5%, for the Group's assessable profits in Hong Kong during the six months ended 30 June 2024 (for the six months ended 30 June 2023: 16.5%).

### The mainland China corporate income tax

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

The CIT Law and its implementation rules impose a withholding tax at 10% for dividends distributed by the mainland China resident enterprise to its immediate holding company outside the mainland China for earnings generated beginning 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the mainland China and Hong Kong. For the six months ended 30 June 2024, the Group accrued withholding tax based on the tax rate of 5% on a portion of the earnings generated by its mainland China entities. The Group controls the dividend policies of these subsidiaries and it has been determined that it is probable that a majority of these earnings will not be distributed in the foreseeable future.

### Land appreciation tax

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including lease charges for land use rights and all property development expenditures, and is included in the condensed consolidated statement of profit or loss as income tax expense.



### 13 EARNINGS PER SHARE

Basic earnings per share for the six months ended 30 June 2024 and 2023 is calculated by dividing the profit of the Group attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Consolidated profit attributable to equity holders of the Company (RMB'000)	<b>959,244</b>	1,431,155
Weighted average number of ordinary shares in issue ('000)	<b>7,043,583</b>	7,065,742
Basic and diluted earnings per share (RMB)	<b>0.14</b>	0.20

### 14 DIVIDENDS

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2024 (for the six months ended 30 June 2023: nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Review and Prospects

In the first half of 2024, the main tone of policies on real estate continued to be relaxed, with the policy focus shifting to “destocking”. In terms of demand side, credit policies for residents have ushered in positive results. Most cities have lifted purchase restrictions and lowered the minimum requirement of the interest rates on mortgage loans, and reduced the down payment ratio for the loans on the first and second housing units. In terms of supply side, a real estate financing coordination mechanism was established and its implementation has been accelerated. The central bank has launched refinancing tools to support local state-owned assets committees in purchasing and storing existing commercial housing, and local governments have promoted “old for new” housing schemes. It is believed that the policy will provide continuous support to the market and point out the direction.

In 2024, Seazen continued to adhere to pursuing the goal of guaranteeing delivery and credit, while actively seizing the opportunities for the growth of its construction management business to strengthen its expansion and operation capabilities. In the first half of 2024, the Group achieved successful delivery of more than 57,000 residential units. Meanwhile, the construction management segment of Seazen has secured a number of contracted construction projects, and the contracted scale of contracted construction from January to June 2024 has leapt to top 6<sup>1</sup>. During the Reporting Period, the Group recorded contracted area sold of approximately 3,262,200 square meters (“sq.m.”) and contracted sales of approximately RMB23,554 million.

In terms of commercial operations, Seazen returned to its business nature, adhered to long-termism, and has always been committed to its original business aspiration. In the first half of 2024, a total of 6 Wuyue Plazas were opened as scheduled. Seazen upgraded the comprehensive image of cities with these Wuyue Plazas, boosting consumption and urban vitality, and making contribution to the high-quality development of the economy of the city where it is located. As at 30 June 2024, 201 Wuyue Plazas urban complexes were either opened or under construction. In the first half of the year, commercial operating income was approximately RMB6,212 million, with the occupancy rate of 97.24%. The first-mover advantage of Wuyue Plazas in terms of scale has become a moat for the stable development of the Company. The property development business of the Group has complementary advantages with the commercial operating business, which creates synergy effects for our business growth and builds the core competitiveness for the sustainable development of Seazen.

The Group regards financial safety as the cornerstone of its development. Seazen always adheres to the strict financial discipline, and has completed timely and safety payment of debts due on the open market. The Group has received strong supports from financial institutions with respect to financing to ensure a smooth provision of financial facilities. In May 2024, Seazen Holdings, a subsidiary of the Group, has successfully issued medium term notes of RMB1.36 billion. Seazen will always prioritise financial safety over the development, and continue to optimise its debt structure, in a bid to ensure a healthy net profit.

<sup>1</sup> Source: China Index Academy

The Group achieved brilliant results in terms of environmental, social and governance (“ESG”), with MSCI ESG rating upgraded from BB to BBB in January 2024. For the purpose of sustainability, Seazen promoted the idea of “New Blue Action” and made green development a defining feature in Seazen by drawing up a management blueprint for green construction, a blueprint for green and low-carbon operation and maintenance, and a blueprint for green and sustainable development. During the Reporting Period, Wuyue Plazas in Dafeng district, Yancheng City was awarded as a unit to meet the standards of National Green Shopping Mall.

Time will tell. Looking forward, Seazen will always adhere to the camel spirit to make continuous breakthroughs and innovation, optimise operating strategies and perform its corporate society responsibilities, so as to earn honorary in the course of practice and innovation. We will continue to create value for the shareholders, customers, suppliers, employees and stakeholders who give continuous attention and supports to the Group, and spare no effort for achieving the final goal of the Group!

## Business Review

### *Property Development*

For the six months ended 30 June 2024, the contracted sales of the Group amounted to approximately RMB23,554 million, the total gross floor area (“GFA”) sold was approximately 3.2622 million sq.m. and the average contracted selling price (excluding parking spaces sales) amounted to approximately RMB9,214 per sq.m..

#### *Table 1: Breakdown of the Group’s contracted sales for the first half of 2024*

The following table sets out the geographic breakdown of the Group’s contracted sales for the first half of 2024:

<b>Province/Region</b>	<b>Contracted GFA sold (sq.m.)</b>	<b>Contracted sales (RMB million)</b>
<b>Yangtze River Delta Area</b>		
Jiangsu Province	849,396	7,372
Zhejiang Province	164,576	1,571
Anhui Province	72,587	314
Shanghai City	29,818	55
<b>Central and Western China Area</b>		
Xinjiang Uygur Autonomous Region	165,872	1,457
Hubei Province	227,550	1,212
Henan Province	169,202	864
Chongqing City	125,962	645
Sichuan Province	120,219	535
Hunan Province	80,755	463
Shanxi Province	103,172	417
Jiangxi Province	57,822	410
Yunnan Province	87,624	380
Guizhou Province	41,496	353
Shaanxi Province	51,919	227
Guangxi Zhuang Autonomous Region	23,763	127
Qinghai Province	12,641	121
Gansu Province	12,510	89
Inner Mongolia Autonomous Region	1,828	3
Ningxia Hui Autonomous Region	462	1

<b>Province/Region</b>	<b>Contracted GFA sold (sq.m.)</b>	<b>Contracted sales (RMB million)</b>
<b>Bohai Rim Area</b>		
Tianjin City	225,212	2,273
Shandong Province	328,292	1,947
Hebei Province	55,072	441
Beijing City	12,393	77
Liaoning Province	5,578	6
<b>Greater Bay Area and Other Areas</b>		
Guangdong Province	179,171	1,540
Fujian Province	57,278	657
<b>Total</b>	<b>3,262,170</b>	<b>23,554</b>

As at 30 June 2024, the pre-sold but not delivered properties of the Group (including joint ventures and associates) amounted to approximately RMB140,297 million, with a total GFA of approximately 19.16 million sq.m..

## ***Rentable and Saleable Land Resources***

The geographic spread of the rentable and saleable land resources of the Group as at 30 June 2024 was as follows, among which the area for future residential sales is about 33.49 million sq.m.:

***Table 2: Breakdown of Rentable and Saleable Land Resources of the Group***

<b>Province/Region</b>	<b>Rentable and saleable area (sq.m.)</b>	<b>Accumulative contracted area as of 30 June 2024 (sq.m.)</b>
<b>Yangtze River Delta Area</b>		
Jiangsu Province	24,385,271	16,858,100
Zhejiang Province	4,525,702	2,963,273
Anhui Province	4,154,033	2,830,358
Shanghai City	626,853	469,863
<b>Central and Western China Area</b>		
Hubei Province	7,260,885	4,159,665
Hunan Province	6,713,246	3,775,741
Yunnan Province	5,651,679	2,403,550
Chongqing City	4,514,428	2,679,284
Guizhou Province	4,173,547	1,468,598
Henan Province	4,209,001	2,372,257
Sichuan Province	2,589,417	1,806,340
Guangxi Zhuang Autonomous Region	1,464,650	1,003,636
Shaanxi Province	2,414,396	1,568,181
Shanxi Province	2,691,909	1,595,226
Xinjiang Uygur Autonomous Region	2,159,925	916,308
Jiangxi Province	1,818,112	914,836
Inner Mongolia Autonomous Region	1,277,609	857,007
Qinghai Province	573,892	344,442
Ningxia Hui Autonomous Region	599,832	436,065
Gansu Province	421,328	208,790
<b>Bohai Rim Area</b>		
Shandong Province	13,361,175	6,421,766
Tianjin City	4,888,068	3,260,420
Hebei Province	2,890,852	1,854,544
Beijing City	659,241	462,015
Liaoning Province	971,298	700,737
<b>Greater Bay Area and Other Areas</b>		
Guangdong Province	4,900,721	2,855,437
Fujian Province	1,064,263	319,982
<b>Total</b>	<b>110,961,330</b>	<b>65,506,423</b>

### ***Property Investment***

The Group recorded rental and management fee income from investment properties of approximately RMB5,795.96 million for the six months ended 30 June 2024.

***Table 3: Breakdown of rental and management fee income from investment properties of the Group for the first half of 2024***

<b>Province/Region</b>	<b>Number of plazas</b>	<b>Occupancy rate</b>	<b>Rental and management fee income for the first half of 2024 <i>RMB'000</i></b>	<b>Rental and management fee income for the first half of 2023 <i>RMB'000</i></b>
Jiangsu	40	98.56%	1,632,908	1,540,614
Zhejiang	17	97.61%	745,202	701,335
Anhui	15	97.75%	430,012	364,212
Shaanxi	7	99.65%	308,743	273,756
Shandong	13	97.08%	359,650	245,554
Hunan	6	95.97%	203,411	142,642
Guangxi	5	95.99%	128,804	117,496
Yunnan	6	98.01%	162,883	147,483
Hubei	8	99.90%	266,976	182,425
Jiangxi	4	95.85%	131,975	125,894
Sichuan	5	90.71%	135,281	126,733
Jilin	2	100.00%	89,054	84,698
Hainan	1	100.00%	84,105	80,486
Tianjin	4	96.23%	124,682	98,232
Hebei	2	99.68%	86,588	78,938
Shanghai	2	93.13%	68,982	68,431
Guizhou	2	99.31%	56,604	51,950
Qinghai	1	99.76%	45,388	36,263
Inner Mongolia	2	90.02%	38,237	36,019
Fujian	3	99.48%	73,184	26,898
Liaoning	4	94.29%	119,102	69,619
Henan	3	99.31%	79,619	57,035
Ningxia	1	91.41%	39,184	37,412
Chongqing	4	87.36%	77,891	57,662
Guangdong	3	98.02%	70,125	32,906
Shanxi	3	99.08%	89,351	24,418
Gansu	1	100.00%	55,363	47,119
Xinjiang	2	97.73%	92,660	–

*Notes:*

1. The data of Shanghai includes the occupancy of the offices of Shanghai Seazen Holdings Tower B.
2. Rental income includes rentals, management fee, carpark, various operation and other sporadic management income.
3. The Company's total commercial operating income from January to June 2024 was RMB6.212 billion (i.e. tax-included rental income), including: rentals, management fee, carpark, various operation and other sporadic management income from shops and shopping centres.
4. The occupancy rate represents the occupancy of the commercial properties on 30 June 2024.



### ***Property Delivery and Revenue from Sale of Properties***

In the first half of 2024, the revenue of the Group's property development business was approximately RMB27,550 million. Properties with a total GFA of 3,186,784 sq.m. were delivered. The average selling price of properties delivered and recognized as sales was approximately RMB8,645 per sq.m..

***Table 4: Breakdown of property development revenue for the first half of 2024***

The following table sets forth the revenue information relating to the properties the Group delivered for sale during the first half of 2024:

<b>Province/Region</b>	<b>Revenue (RMB million)</b>	<b>GFA (sq.m.)</b>	<b>Average selling price (RMB/sq.m.)</b>
Jiangsu Province	7,009	718,844	9,751
Shandong Province	4,245	642,643	6,606
Guangdong Province	3,469	115,412	30,053
Henan Province	2,251	269,799	8,343
Hubei Province	1,834	264,062	6,944
Zhejiang Province	1,701	176,769	9,622
Chongqing City	1,413	189,212	7,465
Hunan Province	1,060	131,691	8,051
Yunnan Province	1,047	152,171	6,877
Tianjin City	631	75,308	8,373
Hebei Province	597	77,500	7,703
Gansu Province	463	59,637	7,764
Sichuan Province	401	66,093	6,074
Anhui Province	239	40,471	5,895
Qinghai Province	229	20,007	11,454
Xinjiang Uygur Autonomous Region	215	41,943	5,122
Guizhou Province	150	48,167	3,116
Jiangxi Province	140	20,780	6,742
Inner Mongolia Autonomous Region	137	21,193	6,462
Shanxi Province	132	24,303	5,412
Others	187	30,779	6,147
<b>Total</b>	<b>27,550</b>	<b>3,186,784</b>	<b>8,645</b>

## Financial Review

### Revenue

For the six months ended 30 June 2024, the Group's revenue amounted to approximately RMB34,003.3 million. The amount of revenue of each significant category is as follows:

	Six months ended 30 June	
	2024	2023
	RMB million	RMB million
Revenue from sale of properties	27,550.0	36,342.5
Revenue from commercial property management services	2,624.6	2,134.7
Rental income	3,181.1	2,608.8
Other income	647.6	1,446.3
	<u>34,003.3</u>	<u>42,532.3</u>

### Fair Value Losses on Investment Properties

The Group develops and holds several commercial properties such as shopping malls and car parks for rental income or capital appreciation. The Group's investment properties are appraised semi-annually by an independent property valuer. Any appreciation or depreciation in the Group's investment property value is recognized as fair value gains or losses in the Group's condensed consolidated statement of profit or loss. Valuation losses on investment properties for the six months ended 30 June 2024 were approximately RMB66.1 million.

### Gross Profit

For the six months ended 30 June 2024, the gross profit of the Group was approximately RMB6,826.9 million with a gross profit margin of 20.1%.

### Selling and Marketing Costs

For the six months ended 30 June 2024, the selling and marketing costs of the Group decreased by 2.0% to approximately RMB1,646.1 million from approximately RMB1,680.0 million for the same period in 2023, which was primarily attributable to a decrease in employees' salaries as well as advertising and publicity costs.

### Administrative Expenses

For the six months ended 30 June 2024, the administrative expenses of the Group decreased by 18.0% to approximately RMB1,688.4 million from approximately RMB2,060.2 million for the same period in 2023, which was mainly due to a decrease in employees' salaries.

### ***Other Losses – Net***

For the six months ended 30 June 2024, the net other losses of the Group were approximately RMB53.3 million, mainly derived from the miscellaneous non-operating expenses.

### ***Finance Costs – Net***

For the six months ended 30 June 2024, net finance costs of the Group increased by 31.9% to approximately RMB1,564.6 million from approximately RMB1,185.9 million for the same period in 2023 primarily because of a decrease in interest capitalization.

### ***Income Tax Expense***

Income tax expense comprises the corporate income tax and land appreciation tax. The corporate income tax and land appreciation tax of the Group for the six months ended 30 June 2024 were approximately RMB526.4 million and approximately RMB417.6 million, respectively.

### ***Financial Resources and Liquidity Ratios***

As at 30 June 2024, the Group had cash at bank and on hand (including restricted cash) of approximately RMB16,199.1 million (as at 31 December 2023: approximately RMB19,499.9 million), current and non-current borrowings, denominated in RMB, USD and HKD, of approximately RMB61,847.7 million (as at 31 December 2023: approximately RMB63,169.6 million), of which interest payable was approximately RMB562.2 million (as at 31 December 2023: approximately RMB539.9 million). The maturity grouping of borrowings based on the remaining period as at 30 June 2024 and 31 December 2023, respectively, to the maturity date is as follows:

<b><i>Borrowing Terms</i></b>	<b>30 June 2024 RMB million</b>	<b>31 December 2023 RMB million</b>
Within 1 year	<b>19,610.0</b>	24,755.7
Over 1 year but within 2 years	<b>17,370.8</b>	14,199.4
Over 2 years but within 5 years	<b>7,012.8</b>	13,985.2
Over 5 years	<b>17,854.1</b>	10,229.3
	<b>61,847.7</b>	63,169.6

The weighted average interest rate for the Group's bank borrowings, senior notes and corporate bonds, etc. as at 30 June 2024 was 6.02%.

As at 30 June 2024, the Group's net debt-to-equity ratio was 50.5% (as at 31 December 2023: 47.7%). Net debt-to-equity ratio is calculated as net debt at the end of the period divided by total equity and multiplied by 100%. Net debt is calculated as total borrowings less interest payable, cash and cash equivalents and restricted cash.

The Directors believed that the risks associated with the debt level of the Group are under control and that the Group is fully capable of coping with and withstanding any market volatility. The Company did not adopt other financial instruments for hedging purposes for the six months ended 30 June 2024.

### ***Contingent Liabilities***

Pursuant to the mortgage contracts, banks require the Group to guarantee its purchasers' mortgage loans. The Group's guarantee period typically starts from the date of the grant of the mortgage. Guarantees for mortgages on pre-sold residential properties are generally discharged at the earlier of: (i) the issue of the real estate ownership certificate by government authorities to the purchasers; or (ii) the satisfaction of mortgage loans by the purchasers of the properties. The Group has provided guarantees to financial institutions for mortgage loan facilities granted to purchasers of the Group's properties.

As at 30 June 2024, the Group's contingent liabilities in respect of the guarantees given to the financial institutions for mortgage loan facilities granted to purchasers of the Group's properties amounted to approximately RMB29,568.4 million (as at 31 December 2023: approximately RMB33,026.3 million).

As at 30 June 2024, there were certain corporate guarantees provided by the Company's subsidiaries for each other in respect of borrowings. The Directors considered that the subsidiaries have sufficient financial resources to settle their obligations.

As at 30 June 2024, the Group provided a pledge with certain equity interests in its joint ventures and associates held by it to guarantee the borrowings of such joint ventures and associates.

As at 30 June 2024, the Group provided guarantees with the amount of approximately RMB2,415.1 million (as at 31 December 2023: approximately RMB3,142.0 million) to its joint ventures and associates.

Save as disclosed in this announcement, the Group had no other material contingent liabilities as at 30 June 2024.

### ***Foreign Exchange Risks***

As at 30 June 2024 and 31 December 2023, the cash balances held by the Group are as follows:

	<b>30 June 2024</b>	31 December 2023
	<b><i>RMB million</i></b>	<b><i>RMB million</i></b>
Denominated in RMB	<b>16,114.5</b>	19,385.3
Denominated in USD	<b>69.5</b>	97.7
Denominated in HKD	<b>15.1</b>	16.9
	<b>16,199.1</b>	19,499.9

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

The Company currently does not have any foreign exchange hedging policy and each of the Directors will continue to closely monitor the scale of assets and liabilities in foreign currencies to minimize the foreign exchange risks.

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

### ***Significant Investments Held***

As at 30 June 2024, the Group did not hold any significant investments.

### ***Material Acquisition and Disposal***

During the Reporting Period, the Group did not have any material acquisitions or disposals of subsidiaries, associates or assets.

### ***Future Plans for Material Investments or Capital Assets***

The Directors confirmed that as at the date of this announcement, the Group currently has no intention to acquire any material investments or capital assets other than those acquired in the Group's ordinary business of property development.

### **Dividend**

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2024 (for the six months ended 30 June 2023: nil).

### **Employees and Compensation Policy**

As at 30 June 2024, the Group had 20,602 full-time employees in the PRC and Hong Kong.

The Group determines the remuneration packages of all the employees (including Directors) based on their performance, work experience and the prevailing market wage level, and provides promotional opportunities with reference to their individual strengths and potentials.

The remuneration package of the employees consists of basic salary, cash bonus and share-based payments. The Group has established a performance appraisal system to evaluate the performance of its employees on an annual basis and use the evaluation results to determine their salary increment or promotion accordingly.

## **Purchase, Sale or Redemption of any Listed Securities of the Company**

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale of treasury shares (as defined under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”)), if any) of the Company. The Company does not have any treasury shares as at 30 June 2024.

## **EVENTS DURING THE REPORTING PERIOD**

### **Retirement of Independent Non-executive Director and Appointment of Independent Non-executive Director**

As disclosed in the Company’s announcements dated 4 June 2024 and 28 June 2024, respectively, and the circular dated 6 June 2024, Mr. Chen Huakang retired from office as an independent non-executive Director upon the conclusion of the Company’s annual general meeting held on 28 June 2024 (the “**AGM**”) and did not offer himself for re-election at the AGM, and Ms. Wu Ke was appointed as an independent non-executive Director at the AGM. Following the appointment of Ms. Wu Ke as an independent non-executive Director at the AGM, Ms. Wu Ke was appointed as the chairman of the audit committee and a member of the remuneration committee of the Company.

## **SIGNIFICANT EVENT SUBSEQUENT TO THE REPORTING PERIOD**

The Group had no significant event subsequent to the end of the Reporting Period and up to the date of this announcement.

## **MATERIAL CHANGES**

Save as disclosed in this announcement, there have been no material changes in respect of the future development of the business of the Group (including the Company’s prospects for the current financial year) since the publication of the Company’s 2023 annual report.

## **CORPORATE GOVERNANCE PRACTICES**

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company (the “**Shareholders**”) and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules as its own code of corporate governance. The Company has complied with the code provisions as set out in part 2 of the CG Code for the six months ended 30 June 2024. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. The Company has made specific enquiries with all the Directors, and each of the Directors has confirmed that he has complied with the Model Code during the Reporting Period.

## **REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE**

The audit committee of the Company, comprising all the independent non-executive Directors, namely Ms. Wu Ke (Chairman), Mr. Zhu Zengjin and Mr. Zhong Wei, has reviewed with the management the accounting principles and policies adopted by the Group and the unaudited interim results of the Group for the six months ended 30 June 2024.

## **PUBLICATION OF THE INTERIM RESULTS AND 2024 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This interim results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.seazengroup.com.cn](http://www.seazengroup.com.cn)), and the 2024 interim report containing all the information required under the Listing Rules will be dispatched to the Shareholders (if requested) and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board  
**Seazen Group Limited**  
**Wang Xiaosong**  
Chairman

The PRC, 30 August 2024

*As at the date of this announcement, the Directors are Mr. Lv Xiaoping and Mr. Lu Zhongming as executive Directors, Mr. Wang Xiaosong and Mr. Zhang Shengman as non-executive Directors, and Mr. Zhu Zengjin, Mr. Zhong Wei and Ms. Wu Ke as independent non-executive Directors.*

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