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新城发展

SEAZEN GROUP LIMITED

新城發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1030)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

ANNUAL RESULTS HIGHLIGHTS

- Revenue was approximately RMB89,227 million, of which revenue from commercial property management services and rental income was approximately RMB12,033 million, representing a year-on-year increase of 13.9%;
- Gross profit was approximately RMB14,984 million, the gross profit margin was 16.8%;
- Net profit attributable to equity holders of the Company was approximately RMB491 million;
- Total borrowings* amounted to approximately RMB57,733 million, representing a year-on-year decrease of 8.6%; the weighted average borrowing cost was 5.88%, representing a year-on-year decline of 0.27 percentage points; and
- The net debt-to-equity ratio was 53.8%.

* Including bank borrowings, senior notes, corporate bonds, medium-term notes and other financial instruments.

The board (the “**Board**”) of directors (the “**Directors**”) of Seazen Group Limited (the “**Company**” or “**Seazen**”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024 (the “**Reporting Period**”) together with the comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	31 December 2024 RMB'000	31 December 2023 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		3,739,661	3,861,304
Right-of-use assets		1,032,060	1,060,960
Investment properties		122,852,249	121,088,100
Intangible assets		40,702	284,016
Investments in associates		10,460,200	12,854,475
Investments in joint ventures		10,648,135	11,714,732
Deferred income tax assets		6,125,095	6,607,576
Financial assets at fair value through profit or loss		304,684	366,989
Financial assets at amortised costs		–	267,411
Goodwill		–	777
Trade and other receivables and prepayments	4	653	639
Total non-current assets		155,203,439	158,106,979
Current assets			
Prepayments for leasehold land		1,875,460	2,095,610
Properties held or under development for sale		97,029,850	142,531,410
Trade and other receivables and prepayments	4	42,366,724	50,928,943
Contract costs		1,475,183	3,336,978
Financial assets at fair value through other comprehensive income		93,805	148,608
Financial assets at fair value through profit or loss		366,874	270,704
Financial assets at amortised costs		95,310	169,410
Restricted cash		3,703,679	6,274,884
Cash and cash equivalents		6,914,613	13,225,030
Total current assets		153,921,498	218,981,577
Total assets		309,124,937	377,088,556

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

As at 31 December 2024

	<i>Note</i>	31 December 2024 RMB'000	31 December 2023 RMB'000
EQUITY			
Equity attributable to owners of the Company			
Share capital: nominal value	5	5,822	5,822
Reserves		<u>46,348,002</u>	<u>45,866,173</u>
		<u>46,353,824</u>	<u>45,871,995</u>
Non-controlling interests		<u>40,435,935</u>	<u>44,637,346</u>
Total equity		<u>86,789,759</u>	<u>90,509,341</u>
LIABILITIES			
Non-current liabilities			
Trade and other payables	7	193,970	–
Borrowings	6	41,661,723	38,413,872
Lease liabilities		1,230,236	1,303,788
Deferred income tax liabilities		<u>7,584,648</u>	<u>8,188,259</u>
Total non-current liabilities		<u>50,670,577</u>	<u>47,905,919</u>
Current liabilities			
Trade and other payables	7	88,801,722	97,215,279
Advances from lessees		1,002,453	1,012,257
Contract liabilities		55,308,646	106,091,241
Current income tax liabilities		10,385,529	9,523,320
Borrowings	6	16,071,392	24,755,728
Lease liabilities		<u>94,859</u>	<u>75,471</u>
Total current liabilities		<u>171,664,601</u>	<u>238,673,296</u>
Total liabilities		<u>222,335,178</u>	<u>286,579,215</u>
Total equity and liabilities		<u>309,124,937</u>	<u>377,088,556</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

		Year ended 31 December	
	<i>Note</i>	2024	2023
		RMB'000	RMB'000
Continuing operations			
Revenue	8	89,226,520	119,463,530
Cost of sales and services	9	(74,242,114)	(103,295,543)
Gross profit		14,984,406	16,167,987
Fair value (losses)/gains on investment properties		(39,030)	23,353
Selling and marketing costs	9	(4,032,137)	(5,209,342)
Administrative expenses	9	(3,193,640)	(4,149,847)
Net impairment losses on financial assets		(908,136)	(1,197,403)
Other income		81,305	160,918
Other expenses		(3,688)	(10,037)
Other (losses)/gains – net		(125,823)	439,325
Operating profit		6,763,257	6,224,954
Finance income	10	78,269	297,430
Finance costs	10	(2,982,154)	(3,035,696)
Finance costs – net	10	(2,903,885)	(2,738,266)
Share of results of associates		636,575	692,825
Share of results of joint ventures		(302,001)	840,158
Profit before income tax		4,193,946	5,019,671
Income tax expense	11	(3,511,848)	(5,486,705)
Profit/(Loss) from continuing operations		682,098	(467,034)
Profit from discontinued operation	15	–	1,251,606
Profit for the year		682,098	784,572
Profit/(Loss) for the year attributable to:			
– Equity holders of the Company		491,312	879,296
– Non-controlling interests		190,786	(94,724)
		682,098	784,572
Earnings/(Loss) per share for profit/(loss) from continuing operations attributable to equity holders of the Company			
– Basic earnings/(loss) per share		RMB0.07	RMB(0.05)
– Diluted earnings/(loss) per share		RMB0.07	RMB(0.05)
Earnings per share for profit attributable to equity holders of the Company			
– Basic earnings per share	12	RMB0.07	RMB0.12
– Diluted earnings per share	12	RMB0.07	RMB0.12

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Profit for the year	682,098	784,572
Other comprehensive (loss)/income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
– Currency translation differences	(11,434)	(62,646)
– Changes in fair value of debt instruments at fair value through other comprehensive income	6,377	(134,501)
<i>Items that will not be reclassified subsequently to profit or loss</i>		
– Currency translation differences attributable to non-controlling interests	(4,948)	(30,119)
– Share of other comprehensive income of an associate accounted for using the equity method	455	(5,668)
– Changes in fair value of equity investments at fair value through other comprehensive income	(764)	(10,533)
– Revaluation gain on transfer from property, plant and equipment to investment properties	–	482,592
– Others	2,403	(57,643)
Other comprehensive (loss)/income for the year, net of tax	(7,911)	181,482
Total comprehensive income for the year	674,187	966,054
Total comprehensive income/(loss) for the year attributable to:		
– Equity holders of the Company	485,945	1,151,700
– Non-controlling interests	188,242	(185,646)
	674,187	966,054
Total comprehensive income/(loss) for the year attributable to equity holders of the Company arises from:		
– Continuing operations	485,945	(94,381)
– Discontinued operation	–	1,246,081
	485,945	1,151,700

NOTES:

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 Law (2010 Revision) of the Cayman Islands. The address of its registered office is Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, Grand Cayman KY1-1205, Cayman Islands.

The principal activities of the Company and its subsidiaries (together, the “**Group**”) are property development and property investment in the People’s Republic of China (the “**PRC**”). The Company’s parent company is Wealth Zone Hong Kong Investments Limited (“**Wealth Zone Hong Kong**”) and the Company’s ultimate holding company is First Priority Group Limited, both of which are incorporated in the British Virgin Islands (the “**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 on 29 November 2012 (the “**Listing**”).

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

The annual results set out in this announcement have been extracted from the Group’s consolidated financial statements for the year ended 31 December 2024 but do not constitute those financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

- (i) *Compliance with Hong Kong Financial Reporting Standards (“HKFRS”) and Hong Kong Companies Ordinance (“HKCO”)*

The consolidated financial statements of the Company have been prepared in accordance with HKFRS and the disclosure requirements of the HKCO Cap. 622.

- (ii) *Historical cost convention*

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

- (iii) *Going concern basis*

As at 31 December 2024, the Group’s current liabilities exceeded its current assets by RMB17,743,103,000. As at the same date, the Group had current borrowings amounted to RMB16,071,392,000 in aggregate, while its cash and cash equivalents amounted to RMB6,914,613,000 and restricted cash amounted to RMB3,703,679,000.

The above events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern.

In view of such circumstances, the Directors have given careful consideration to the future liquidity and operating conditions of the Group, its available sources of financing, past performance of management and policy trend in assessing whether the Group will be able to continue as a going concern. With the efforts made in the past year, the Group fully capitalised on the policy support to optimise facility line and structure and keep lowering the financing costs, ensuring the full payment in the open market when maturity. The following measures are formulated to mitigate the liquidity pressure and to improve the financial position of the Group:

- (1) further enhancing the Group's advantages in commercial operation management and increasing the commercial operation revenue as a major source of funds for repayments of principals and interests of interests-bearing liabilities;
- (2) continuing to leverage financial policy support to increase operating property loan financing, increase open market bond financing, actively promote the registration and issuance of consumer infrastructure REITS, actively participate in real estate related innovative financing, and at the same time actively promote equity financing to increase capital and funding, adjust the gearing structure and reduce the gearing ratio. Seizing the opportunity of market stabilisation to restore and enhance principal credit financing to complement asset credit financing;
- (3) seizing the opportunities of implementing resumption policy and adopting various methods to revitalise existing assets to increase cash sources; and
- (4) continuing to enhance communications with major constructors and suppliers, amicably negotiating the proper arrangements of payment schedules and methods to smooth out the payments for project costs and materials and keep the constructions of projects proceeding as scheduled.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from the reporting date of the consolidated financial statements. In view of the recovery of industry and market confidence, comprehensive policy support, extensive experience in liquidity management, continuous availability of financing resources, the Board are of the opinion that, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2024. Accordingly, the Board are satisfied that it is appropriate to prepare the consolidated financial statements of the Group on a going concern basis.

Nevertheless, the Group's ability to continue as a going concern is subject to its ability to consolidate its dominant position in business operations and management, secure new financing or reach necessary arrangements with financial institutions by leveraging financial policy support, capitalize on land acquisition and land bank policies to revitalize existing assets, meet the terms/financial covenants of various loans, and communicate with constructors and suppliers to properly arrange payment schedules and methods. Should the Group be unable to achieve the above mentioned measures and operate as a going concern, adjustments would have to be made to the financial statements and write down the carrying values of the Group's assets to their recoverable amounts, to recognise any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the financial statements.

(iv) *New standard, amendments and interpretation adopted by the Group in 2024*

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2024:

- Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) – Amendments to HKAS 1
- Non-current Liabilities with Covenants – Amendments to HKAS 1
- Lease Liability in a Sale and Leaseback – Amendments to HKFRS 16
- Supplier Finance Arrangements – Amendments to HKAS 7 and HKFRS 7

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(v) *New standards and interpretations not yet adopted*

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting period and have not been early adopted by the Group.

3 SEGMENT INFORMATION

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

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

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

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

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

	Year ended 31 December 2024				
	A share company RMB'000	Non-A share companies RMB'000	Total Segment RMB'000	Elimination RMB'000	Total Group RMB'000
Segment revenue	88,998,583	259,504	89,258,087	(31,567)	89,226,520
– At a point in time	76,522,035	171,170	76,693,205	(15,070)	76,678,135
– Over time	5,924,385	81,606	6,005,991	(13,756)	5,992,235
– Rental income	6,552,163	6,728	6,558,891	(2,741)	6,556,150
Segment profit before income tax expense	4,134,389	71,511	4,205,900	(11,954)	4,193,946
Fair value losses on investment properties	(11,547)	(27,483)	(39,030)	–	(39,030)
Finance income	70,831	531,400	602,231	(523,962)	78,269
Finance costs	(3,207,709)	(298,407)	(3,506,116)	523,962	(2,982,154)
Depreciation and amortisation	(238,366)	(20,673)	(259,039)	–	(259,039)
Share of results of associates	663,875	(15,346)	648,529	(11,954)	636,575
Share of results of joint ventures	(307,930)	5,929	(302,001)	–	(302,001)

A reconciliation to profit for the year is as follows:

Total segment profits before income tax expense after elimination	4,193,946
Income tax expense	(3,511,848)
Profit for the year	682,098

	As at 31 December 2024				
	A share company RMB'000	Non-A share companies RMB'000	Total segment RMB'000	Elimination RMB'000	Total Group RMB'000
Segment assets	307,192,788	10,826,877	318,019,665	(8,894,728)	309,124,937
Segment assets include:					
Investments in associates	10,369,733	1,233,842	11,603,575	(1,143,375)*	10,460,200
Investments in joint ventures	10,621,400	26,735	10,648,135	–	10,648,135
Additions to non-current assets (other than financial instruments and deferred tax assets)	2,024,790	15,836	2,040,626	–	2,040,626
Segment liabilities	224,520,068	4,346,498	228,866,566	(6,531,388)	222,335,178

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

Year ended 31 December 2023							
	Continuing Operations			Sub-total	Discontinued operation	Elimination	Total Group
	A share company	Non-A share companies	Elimination				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue	119,174,278	375,975	(86,723)	119,463,530	1,347,353	(147,163)	120,663,720
– At a point in time	107,798,845	181,111	(4,831)	107,975,125	1,347,353	(147,163)	109,175,315
– Over time	5,641,989	189,368	(40,411)	5,790,946	–	–	5,790,946
– Rental income	5,733,444	5,496	(41,481)	5,697,459	–	–	5,697,459
Segment profit/(loss) before income tax expense	6,015,843	(910,401)	(85,771)	5,019,671	1,415,095	–	6,434,766
Fair value (losses)/gains on investment properties	(13,087)	(35,990)	72,430	23,353	–	–	23,353
Finance income	280,974	467,370	(450,914)	297,430	648	–	298,078
Finance costs	(3,060,661)	(425,949)	450,914	(3,035,696)	(1,338)	–	(3,037,034)
Depreciation and amortisation	(296,194)	(189,938)	–	(486,132)	(151,966)	–	(638,098)
Share of results of associates	757,539	(87,969)	23,255	692,825	–	–	692,825
Share of results of joint ventures	842,939	(2,781)	–	840,158	–	–	840,158

A reconciliation to loss for the year from continuing operations is as follows:

Total segment profits from continuing operations before income tax expense after elimination	5,019,671
Income tax expense	(5,486,705)
Loss for the year from continuing operations	(467,034)

A reconciliation to profit for the year from discontinued operation is as follows:

Total segment profits from discontinued operation before income tax expense after elimination	1,415,095
Income tax expense	(163,489)
Profit for the year from discontinued operation	1,251,606
Profit for the year	784,572

As at 31 December 2023					
	A share company	Non-A share companies	Total segment	Elimination	Total Group
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment assets	374,108,790	12,665,187	386,773,977	(9,685,421)	377,088,556
Segment assets include:					
Investments in associates	12,443,958	1,623,228	14,067,186	(1,212,711)*	12,854,475
Investments in joint ventures	11,693,926	20,806	11,714,732	–	11,714,732
Additions to non-current assets (other than financial instruments and deferred tax assets)	4,578,057	80,942	4,658,999	–	4,658,999
Segment liabilities	287,705,381	6,126,579	293,831,960	(7,252,745)	286,579,215

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

4 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade receivables	608,433	710,778
Notes receivables	250	53,108
	<u>608,683</u>	<u>763,886</u>
Less: Impairment losses	(15,635)	(16,021)
	<u>593,048</u>	<u>747,865</u>
Trade receivables – net		
Prepayments		
– Prepaid income tax and land appreciate tax	2,403,215	4,547,409
– Prepaid value-added tax (“VAT”) and input VAT to be deducted	5,208,941	7,153,663
– Prepaid surcharges and other taxes	195,162	344,547
– Prepayments for construction costs	196,998	308,034
– Others	721,679	784,162
	<u>8,725,995</u>	<u>13,137,815</u>
Other receivables		
– Receivables from government related bodies	2,246,962	3,656,110
– Due from related parties	10,490,223	10,565,812
– Receivables from joint ventures partners	808,781	1,172,837
– Receivables from non-controlling shareholders of subsidiaries	17,649,073	20,082,123
– Receivables from other deposits	1,589,277	1,021,935
– Others	2,937,112	2,631,416
	<u>35,721,428</u>	<u>39,130,233</u>
Less: Impairment losses	(2,673,094)	(2,086,331)
	<u>33,048,334</u>	<u>37,043,902</u>
Trade and other receivables and prepayments – net	42,367,377	50,929,582
Less: Non-current portion	(653)	(639)
	<u>42,366,724</u>	<u>50,928,943</u>
Current portion		

The ageing of trade receivables and notes receivables based on the date of invoice or demand note as at 31 December 2024 and 2023 are as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Less than 1 year	419,962	714,098
Between 1 and 2 years	179,674	43,623
Between 2 and 3 years	3,223	6,165
Over 3 years	5,824	–
	608,683	763,886

The maximum exposure to credit risk at 31 December 2024 and 2023 is the carrying value of each class of receivables mentioned above.

As at 31 December 2024 and 2023, the fair value of trade and other receivables approximate their carrying amounts.

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

5 SHARE CAPITAL

(a) Authorised capital

	Number of authorised shares <i>HKD share</i>
As at 1 January 2023, 31 December 2023, and 31 December 2024 (par at HKD0.001)	10,000,000,000

(b) Issued and fully paid shares

	Number of issued shares <i>HKD0.001 each</i>	Ordinary shares <i>RMB'000</i>
As at 1 January 2023, 31 December 2023 and 31 December 2024	7,065,741,521	5,822

6 BORROWINGS

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Non-current, secured:		
– Loans from banks and non-bank financial institutions	36,443,227	35,947,092
– Middle term notes	7,620,000	3,000,000
– Senior notes	2,154,205	3,887,205
– Financing under securitisation arrangements	2,021,751	2,045,822
	<u>48,239,183</u>	<u>44,880,119</u>
Non-current, unsecured:		
– Loans from banks and non-bank financial institutions	1,056,546	2,208,817
– Middle term notes	–	2,940,000
– Corporate bonds	1,100,000	1,100,000
– Senior notes	5,046,126	8,139,829
	<u>7,202,672</u>	<u>14,388,646</u>
Less: Current portion of long-term borrowings	<u>(13,780,132)</u>	<u>(20,854,893)</u>
	<u>41,661,723</u>	<u>38,413,872</u>
Current, secured:		
– Loans from banks and non-bank financial institutions	<u>1,852,050</u>	<u>2,299,755</u>
Current, unsecured:		
– Loans from banks and non-bank financial institutions	30,000	352,875
– Senior notes	–	708,270
	<u>30,000</u>	<u>1,061,145</u>
Interest payable of short-term borrowings	<u>48,683</u>	<u>45,711</u>
Current portion of long-term borrowings	<u>13,780,132</u>	<u>20,854,893</u>
Interest payable of long-term borrowings	<u>360,527</u>	<u>494,224</u>
	<u>16,071,392</u>	<u>24,755,728</u>

7 TRADE AND OTHER PAYABLES

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Notes payable	422,023	1,758,865
Trade payables	45,291,326	46,702,494
Payables to related parties	22,607,088	23,804,082
Output VAT on contract liabilities to be transferred	4,712,076	9,280,293
Deposits for construction biddings and rental deposits	2,784,656	4,231,985
Advances from non-controlling shareholders of subsidiaries	3,625,608	2,831,358
Accrued expenses	2,806,240	2,493,627
Amounts received for potential investments in property projects	980,699	935,453
Value-added tax and other taxes payable	1,439,060	870,343
Accrued payroll	542,020	876,694
Payables for acquisition of subsidiaries, joint ventures and associates	104,670	125,969
Others	3,680,226	3,304,116
	88,995,692	97,215,279
Less: Non-current portion	(193,970)	—
Current portion	88,801,722	97,215,279

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

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Less than 1 year	40,011,136	42,901,330
Between 1 and 2 years	5,702,213	5,560,029
	45,713,349	48,461,359

As at 31 December 2024 and 2023, the fair value of trade and other payables approximate their carrying amounts.

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

8 REVENUE

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

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Continuing operations		
Revenue from contract with customers recognised at a point in time		
A share company		
– Sales of properties	76,041,007	107,336,376
– Others services	481,028	462,469
Non-A share companies		
– Others services	156,100	176,280
	76,678,135	107,975,125
Revenue from contract with customers recognised over time		
A share company		
– Commercial property management services	5,476,774	4,865,086
– Others services	447,430	744,170
Non-A share companies		
– Others services	68,031	181,690
	5,992,235	5,790,946
Rental income		
A share company	6,549,422	5,691,963
Non-A share companies	6,728	5,496
	6,556,150	5,697,459
	89,226,520	119,463,530

9 EXPENSES BY NATURE

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

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Construction costs	41,175,629	51,716,408
Land use rights costs	23,395,605	35,054,596
Capitalised interest	5,489,351	7,679,296
Provision for impairment of properties held or under development for sale	1,635,020	5,348,186
Staff costs	4,390,644	4,670,165
Sales commission	2,224,613	2,448,001
Advertising and publicity costs	995,052	1,472,591
Tax and surcharges	1,088,135	1,267,759
Professional fees	331,304	407,485
Depreciation of property, plant and equipment	193,639	368,906
Bank charges	161,035	188,229
Travelling expenses	130,999	166,298
Amortisation of right-of-use assets and intangible assets	65,400	117,226
Entertainment expenses	72,535	97,876
Auditors' remuneration		
– annual audit of the Group	1,200	2,100
– annual audit of the A share company charged by its auditor	3,180	6,000
– non-audit services	870	2,270
Rental expenses of low-value and short-term leases	1,823	3,608
Other expenses	111,857	1,637,732
	<hr/>	<hr/>
Total cost of sales and services, selling and marketing expenses and administrative expenses	81,467,891	112,654,732
	<hr/>	<hr/>

10 FINANCE INCOME AND COSTS

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Finance costs		
– Interest on borrowings and significant financing component of pre-sale contracts	(3,581,526)	(4,797,325)
– Interest and finance charges paid/payable for lease liabilities	(60,172)	(50,177)
– Less: Interest capitalised	880,013	2,244,005
	<u>(2,761,685)</u>	<u>(2,603,497)</u>
– Net foreign exchange losses	<u>(220,469)</u>	<u>(432,199)</u>
Total finance costs	<u>(2,982,154)</u>	<u>(3,035,696)</u>
Finance income		
– Interest income on bank deposits	<u>78,269</u>	<u>297,430</u>
Finance costs - net	<u>(2,903,885)</u>	<u>(2,738,266)</u>

11 INCOME TAX EXPENSE

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Current income tax		
– PRC land appreciation tax	1,227,922	1,443,826
– PRC corporate income tax	2,411,720	2,744,056
	<u>3,639,642</u>	<u>4,187,882</u>
Deferred income tax	<u>(127,794)</u>	<u>1,298,823</u>
Total income tax charged for the year	<u>3,511,848</u>	<u>5,486,705</u>

Cayman Islands income tax

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

British Virgin Islands income tax

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

Hong Kong profits tax

Hong Kong profit tax has been provided at 16.5% as the Group has assessable profits in Hong Kong during the year (2023: 16.5%).

PRC corporate income tax

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

The CIT Law and its implementation rules impose a withholding tax at 10% for dividends distributed by a PRC-resident enterprise to its immediate holding company outside the PRC for earnings generated beginning 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. For the year ended 31 December 2024, the Group accrued for PRC withholding tax based on the tax rate of 5% on a portion of the earnings generated by its PRC entities. The Group controls the dividend policies of these subsidiaries and it has been determined that it is probable that a majority of these earnings will not be distributed in the foreseeable future.

Land appreciation tax

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

12 EARNINGS/(LOSS) PER SHARE

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

	Year ended 31 December	
	2024	2023
Profit/(Loss) from continuing operations attributable to equity holders of the Company (RMB'000)	491,312	(366,785)
Profit from discontinued operation attributable to equity holders of the Company (RMB'000)	<u>–</u>	<u>1,246,081</u>
	491,312	879,296
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share ('000)	7,043,583	7,043,583
Basic and diluted earnings/(loss) per share (RMB)		
From continuing operation	<u>0.07</u>	<u>(0.05)</u>
From discontinued operation	<u>–</u>	<u>0.17</u>
	0.07	0.12

13 DIVIDENDS

No interim dividend was declared during the year (2023: no interim dividend was declared during the year).

At a Board meeting held on 28 March 2025, the Board did not propose to declare the final dividend for the year ended 31 December 2024 (2023: nil).

14 FINANCIAL GUARANTEES

(a) Guarantees on mortgage facilities

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties	21,775,253	33,026,298

The Group has arranged bank financing for certain purchasers of the Group's properties and provided guarantees to secure obligations of such purchaser for repayments. Such guarantees will terminate upon the earlier of (i) the issue of the real estate ownership certificate by government authorities to the purchaser which will generally occur within an average period of two to three years from the completion of the guarantee registration and submitted to the mortgage bank; or (ii) the satisfaction of mortgage loans by the purchasers of the properties.

Pursuant to the terms of the guarantees, upon default of mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the date of grant of mortgage. The Directors consider that the likelihood of default of payments by the purchasers is minimal.

(b) Corporate guarantees

There are certain corporate guarantees provided by the Group's subsidiaries for each other in respect of borrowings as at 31 December 2024 and 2023. The Directors consider that the subsidiaries are able to sufficiently financially resourced to settle their obligations.

As at 31 December 2024, the Group provided guarantee with the amount of RMB2,752 million (as at 31 December 2023: RMB3,142 million) for its joint ventures and associates to obtain borrowings after assessing the credit history and pledge information of these related parties. The Group closely monitors the repayment progress of the relevant borrowings by these related parties. After considering the credit history of these related parties and the assets being pledged for the borrowings, the Directors consider that the likelihood of default in payments is not material.

As of 31 December 2024, the Group provided pledge guarantee for the borrowings of such joint ventures and associates with equity held by the Group.

15 DISCONTINUED OPERATION

(i) Description

On 26 September 2023, the Group entered into the disposal agreement to dispose of the entire equity interest in a wholly-owned subsidiary named Changzhou Hengxuan Consulting Management Co., Ltd. (one of the Non-A share companies, “**Changzhou Hengxuan**”) for the consideration of RMB1,367,037,100.85 to a third party. The transaction was completed on 21 November 2023. The sale of the business operated by Changzhou Hengxuan is accounted for as discontinued operation.

Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

(ii) Financial performance

The financial performance presented are for the period ended 21 November 2023 (2023 column).

	2023 <i>RMB'000</i>
Revenue	1,347,353
Cost of sales	(1,125,118)
Other expenses	(33,853)
	<hr/>
Profit before income tax	188,382
Income tax expense	(26,885)
	<hr/>
Profit after income tax of discontinued operation	161,497
Gain on sale after income tax	1,090,109
	<hr/>
Profit from discontinued operation	<u>1,251,606</u>
Other comprehensive income from discontinued operation	<u>–</u>

(iii) Details of the sale of the subsidiary

	2023 <i>RMB'000</i>
Consideration received or receivable:	
Cash	<u>1,367,037</u>
Total disposal consideration	1,367,037
Carrying amount of net assets sold attributable to owners of the Company	(118,842)
Transaction cost	(21,482)
	<hr/>
Gain on sale before income tax	1,226,713
Income tax expense on gain	(136,604)
	<hr/>
Gain on sale after income tax	<u>1,090,109</u>

The carrying amounts of assets and liabilities as at the date of sale (21 November 2023) were:

	21 November 2023 <i>RMB'000</i>
Assets	
Non-current assets	
Property, plant and equipment	986,924
Other non-current assets	29,092
Current assets	
Cash and cash equivalents	50,463
Other current assets	391,607
Total assets	<u>1,458,086</u>
Liabilities	
Other current liabilities	<u>(1,309,504)</u>
Total liabilities	<u>(1,309,504)</u>
Net assets	<u><u>148,582</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

Review and Prospects

In 2024, the national commercial housing sales amount reached RMB9.7 trillion, representing a year-on-year decrease of 17.1%; the sales area amounted to 970 million square meters (“sq.m.”), representing a year-on-year decrease of 12.9%. China’s real estate industry is still in the bottoming-out phase, with market supply and demand under ongoing adjustment. In 2024, stimulus policies have been frequently introduced, setting a firm tone for stabilising the future property market. Looking forward to 2025, real estate policies are expected to be optimised and improved on the existing relaxed basis, and market supply and demand are expected to reach a new stage of equilibrium. The Company’s real estate business is expected to achieve growth in sales revenue and enhance the efficiency of asset operation.

Looking back at 2024, Seazen actively responded to the national call, adhering to its corporate mission of “making happiness simple”, and made every effort to guarantee house delivery, stabilise credit and preserve value. Throughout the year, the aggregate residential units delivered exceeded 100,000 units, 15 new Wuyue Plazas were opened, and the new property management area exceeded 25 million sq.m.. Amid the ongoing industry adjustments, all members of Seazen stood as determined trailwalkers. Each successful delivery of a residential unit and each grand opening of Wuyue Plaza represented our solemn fulfillment of commitments.

Strategically, Seazen adhered to its dual-drive strategy, offering premium housing products for society in residential operations, and continuing to deepen its efforts in commercial operations. The newly launched Wuyue Business Management brand marked another milestone in terms of the professionalisation of commercial operations and reflected our long-term aspirations for commercial development. By the end of 2024, 200 Wuyue Plazas urban complexes were either opened or under construction, with 173 already opened with an occupancy rate of 97.97%. Annual commercial operating income* was approximately RMB12,808 million. Each high-quality launch of a Wuyue Plaza represented a fusion of local culture, lifestyle sentiments, social gathering scenarios and brand ecosystems, revitalising urban commercial landscapes while driving local economic development.

In 2024, Seazen continued to put ESG principles in place, integrating sustainable development into its daily operations. By the end of 2024, 100% of Seazen’s newly constructed projects and projects under construction met green building standards, with a total of 64 domestic and international green certifications obtained, and 100 Wuyue Plazas were awarded the title of green malls at the provincial level or above. In 2024, Seazen maintained its MSCI ESG rating of BBB.

* Represents tax-included rental income, including rentals, management fee, carpark, various operation and other sporadic management income from shops, office buildings and shopping centres.

Seazen adheres to a bottom-line mindset, ensuring that every debt is repaid either in advance or at maturity. 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, successfully issued middle term notes of RMB1.36 billion, followed by another successful issuance of middle term notes of RMB1.56 billion in November. In November 2022, the People's Bank of China (“PBOC”) and the CBIRC jointly issued the Notice on Providing Quality Financial Services to Promote the Stable and Healthy Development of the Real Estate Market (關於做好當前金融支持房地產市場平穩健康發展工作的通知) (the “**16 Financial Measures**”). In January 2024, the General Office of the PBOC and the General Office of the National Financial Regulatory Administration jointly issued the Notice on the Management of Commercial Property Loans (關於做好經營性物業貸款管理的通知) (together with the “**16 Financial Measures**”, the “**Two Policy Documents**”). In September 2024, the Two Policy Documents originally due to expire by the end of 2024 were extended until the end of 2026. Benefitting from the support of this policy, the Group will further enhance its efforts in commercial property loans financing while actively pursuing domestic and international public market financing in response to market conditions. Moving forward, Seazen will continue to improve and optimise its capital structure, steadily strengthening its robust financial fundamentals.

We gather momentum for innovation to achieve long-term success with our steadfast efforts. We would like to express our gratitude to our partners for their trust and support in 2024. As the Company embarks on its 32rd year in 2025, facing numerous market challenges, Seazen will set sail once again with even greater determination, firmer conviction and a more pragmatic approach. Seazen will grow with resilience and move forward with unwavering determination!

Development Business

For the year ended 31 December 2024, revenue from sale of properties by the Group was approximately RMB76,041 million. Properties with a total gross floor area (“GFA”) of approximately 9,854,354 sq.m. were delivered. Average selling price of properties delivered and recognized as sales was RMB7,716 per sq.m. in 2024.

Table 1: Details of revenue from sale of properties of the Group in 2024

Province	Revenue (RMB million)	GFA (sq.m.)	Average selling price (RMB/sq.m.)
Jiangsu Province	15,550	1,775,320	8,759
Henan Province	6,347	810,228	7,833
Shandong Province	6,011	917,886	6,548
Hunan Province	5,751	805,298	7,141
Guangdong Province	5,629	489,504	11,498
Tianjin City	5,499	416,813	13,194
Zhejiang Province	4,538	458,717	9,892
Hubei Province	3,931	766,668	5,127
Shanxi Province	3,412	496,860	6,866
Guizhou Province	2,662	384,637	6,921
Yunnan Province	2,461	545,092	4,515
Hebei Province	2,458	250,389	9,818
Shaanxi Province	2,396	309,917	7,730
Chongqing City	2,000	318,847	6,271
Anhui Province	1,212	229,530	5,282
Fujian Province	1,159	74,294	15,606
Qinghai Province	1,115	95,989	11,619
Xinjiang Uygur Autonomous Region	914	156,579	5,836
Sichuan Province	814	125,298	6,495
Inner Mongolia Autonomous Region	681	109,428	6,226
Jiangxi Province	611	121,131	5,041
Others	892	195,927	4,550
	76,041	9,854,354	7,716

As at 31 December 2024, the Group’s pre-sold but yet to be delivered (including joint ventures and associates) properties had a total GFA of approximately 12.51 million with value of approximately RMB79,427 million.

In 2024, the Group recorded contracted sales of approximately RMB40,171 million. Contracted sales was approximately 5,388,239 sq.m. in GFA. The aggregate contracted selling price (excluding carparks sales) for the year was RMB9,832 per sq.m..

Table 2: Details of contracted sales of the Group in 2024

The following table sets out the geographic breakdown of the Group's contracted sales in 2024:

Province/Region	Contracted GFA sold (sq.m.)	Contracted sales (RMB million)
Yangtze River Delta Area		
Jiangsu Province	1,413,142	13,126
Zhejiang Province	239,413	2,149
Anhui Province	125,831	481
Shanghai City	40,079	243
Central and Western China Area		
Hubei Province	408,557	2,049
Henan Province	239,723	1,174
Chongqing City	171,916	838
Hunan Province	133,704	748
Sichuan Province	191,266	873
Xinjiang Uygur Autonomous Region	292,480	2,225
Yunnan Province	134,995	571
Jiangxi Province	79,714	550
Shanxi Province	182,003	766
Guizhou Province	76,119	680
Shaanxi Province	82,037	378
Guangxi Zhuang Autonomous Region	38,498	215
Gansu Province	23,247	166
Qinghai Province	27,197	269
Ningxia Hui Autonomous Region	539	1
Inner Mongolia Autonomous Region	4,056	8
Bohai Rim Area		
Shandong Province	507,976	3,009
Tianjin City	406,196	3,924
Hebei Province	88,038	716
Beijing City	65,753	1,557
Liaoning Province	8,826	12
Greater Bay Area and Other Areas		
Guangdong Province	311,625	2,341
Fujian Province	95,309	1,101
Total	5,388,239	40,171

Rentable and Saleable Land Resources

The geographic spread of the rentable and saleable land resources of the Group as at 31 December 2024 was as follows, among which the area for future residential sales is about 31.44 million sq.m.:

Table 3: Details of rentable and saleable land resources of the Group

Province/Region	Rentable and saleable area (sq.m.)	Accumulative contracted area as at 31 December 2024 (sq.m.)
Yangtze River Delta Area		
Jiangsu Province	24,133,623	17,226,401
Zhejiang Province	4,524,840	3,051,932
Anhui Province	4,153,626	2,849,443
Shanghai City	626,573	445,863
Central and Western China Area		
Hubei Province	7,260,725	4,309,188
Hunan Province	6,713,451	3,821,331
Yunnan Province	5,651,642	2,450,846
Chongqing City	4,518,965	2,652,642
Guizhou Province	4,166,199	1,527,426
Henan Province	4,207,922	2,435,636
Sichuan Province	2,635,590	1,848,334
Guangxi Zhuang Autonomous Region	1,465,582	1,018,417
Shaanxi Province	2,413,038	1,599,417
Shanxi Province	2,697,501	1,679,751
Xinjiang Uygur Autonomous Region	2,159,979	1,061,380
Jiangxi Province	1,817,096	927,553
Inner Mongolia Autonomous Region	1,277,609	859,194
Ningxia Hui Autonomous Region	599,832	436,141
Qinghai Province	573,930	358,999
Gansu Province	421,328	219,527
Bohai Rim Area		
Shandong Province	13,058,202	6,530,598
Tianjin City	4,863,355	3,358,872
Hebei Province	2,896,535	1,887,014
Beijing City	659,241	499,500
Liaoning Province	971,304	703,599
Greater Bay Area and Other Areas		
Guangdong Province	4,913,352	2,974,879
Fujian Province	1,069,858	357,946
Total	110,450,898	67,091,828

Investment Properties

The Group's investment properties were mainly deduced from the 173 Wuyue Plazas in operation as of 31 December 2024, with area in operation amounted to 16.0107 million sq.m..

Table 4: Details of rental and management fee income from investment properties of the Group in 2024

Province	Number of plazas	Occupancy rate	Rental and management fee income for 2024 (RMB'000)	Rental and management fee income for 2023 (RMB'000)
Jiangsu	43	98.24%	3,335,528	3,218,292
Zhejiang	18	98.63%	1,507,338	1,465,220
Anhui	14	98.36%	883,395	779,560
Shaanxi	7	99.26%	627,085	578,968
Shandong	14	98.97%	745,515	599,032
Hunan	6	95.47%	408,094	301,964
Guangxi	5	99.06%	263,652	248,002
Yunnan	6	99.28%	332,477	316,038
Hubei	8	99.50%	544,970	410,802
Jiangxi	4	98.17%	266,820	258,958
Sichuan	6	96.54%	294,224	259,322
Jilin	2	100.00%	182,747	177,995
Hainan	1	100.00%	169,172	169,294
Tianjin	4	97.19%	254,433	226,900
Hebei	2	99.91%	177,851	172,787
Shanghai	3	88.00%	163,470	139,106
Guizhou	2	100.00%	116,819	109,258
Qinghai	2	100.00%	115,637	80,946
Inner Mongolia	2	94.68%	79,060	74,016
Fujian	3	100.00%	161,355	85,136
Liaoning	3	98.81%	212,472	168,441
Henan	4	82.05%	167,102	124,408
Ningxia	1	98.17%	78,426	80,989
Chongqing	5	92.98%	161,026	140,586
Guangdong	3	98.35%	159,357	109,259
Shanxi	3	99.22%	216,089	80,058
Gansu	1	100.00%	113,090	97,380
Xinjiang	2	99.09%	212,671	99,389

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 for 2024 was RMB12.808 billion (i.e. tax-included rental income), including: rentals, management fee, carpark, various operation and other sporadic management income from shops and shopping centres, representing an increase of 13% year-on-year.
4. The occupancy rate represents the occupancy of the commercial property on 31 December 2024.
5. In 2024, the retail sales of Wuyue Plazas was RMB90.5 billion (excluding vehicle sales), increased by 19% year-on-year.

Financial Review

Revenue

The Group's revenue comprises income from sale of properties, property management, rental and other related services earned during the year. The Group's revenue amounted to RMB89,226.5 million for the year ended 31 December 2024. Such year-on-year decrease compared to the year ended 31 December 2023 was attributable to shrinking of property business due to downturn of the real estate industry.

	For the year ended	
	31 December	
	2024	2023
	<i>RMB million</i>	<i>RMB million</i>
Revenue from sale of properties	76,041.0	107,336.4
Revenue from commercial property management services	5,476.8	4,865.1
Rental income	6,556.2	5,697.5
Other income	1,152.5	1,564.5
	<u>89,226.5</u>	<u>119,463.5</u>

Gross Profit

The Group recorded a gross profit of approximately RMB14,984.4 million with a gross profit margin of 16.8% for the year ended 31 December 2024. The gross profit margin increased by 3.3 percentage points compared to 13.5% of the last year, mainly attributable to a higher proportion of the revenue from commercial property management service and rental income with higher gross profit margin to the total revenue.

Fair Value Losses on Investment Properties

The Group develops and holds certain of its commercial properties such as shopping malls and carparks for rental income or capital appreciation. The Group's investment properties are appraised annually by an independent property valuer. Any appreciation or depreciation in the Group's investment property value is recognized as fair value gains or losses in the Group's consolidated statements of profit or loss. For the year ended 31 December 2024, valuation loss on investment properties was approximately RMB39.0 million before tax, mainly attributable to the slight decrease in valuation of certain investment properties under certain segment due to intensified market competition.

Net Impairment Losses on Financial Assets

For the year ended 31 December 2024, the net impairment losses on financial assets amounted to approximately RMB908.1 million, representing a year-on-year decrease of 24.2% compared to the year ended 31 December 2023, mainly attributable to the combined effect of the scale and recoverability of trade and other receivables and debt investment.

Selling and Marketing Costs

Selling and marketing costs decreased by 22.6%, to approximately RMB4,032.1 million for the year ended 31 December 2024 from approximately RMB5,209.3 million for the year ended 31 December 2023, which was primarily attributable to the decrease in advertising and publicity costs etc.

Administrative Expenses

Administrative expenses decreased by 23.0% from approximately RMB4,149.8 million for the year ended 31 December 2023 to approximately RMB3,193.6 million for the year ended 31 December 2024, mainly because of the decrease in the number of employees and reduction of expenses.

Income Tax Expense

The Group's income tax expense includes provisions made for land appreciation tax, PRC corporate income tax and deferred income tax during the year. For the year ended 31 December 2024, the Group recorded an income tax expense of approximately RMB3,511.8 million, the reason for the decline compared to approximately RMB5,486.7 million for the year ended 31 December 2023 is the decrease in profit before income tax.

Profit for the Year

Net profit attributable to equity holders of the Company amounted to approximately RMB491.3 million for the year ended 31 December 2024, representing a year-on-year decrease of 44.1% compared to the year ended 31 December 2023, the change was mainly due to the combined effect of revenue, cost of sales and services, selling and marketing costs, administrative expenses, net impairment losses on financial assets, income tax expenses and profit from discontinued operation, etc.

Core earnings* attributable to equity holders of the Company amounted to approximately RMB632.2 million for the year ended 31 December 2024. Core earnings is a non-HKFRS measure for facilitating the evaluation of financial performance of the Group's core operations. Such non-HKFRS measure may be defined differently from similar terms used by other companies.

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

Financial Position

As at 31 December 2024, the total borrowings of the Group amounted to RMB57.73 billion and cash on hand amounted to RMB10.62 billion*. Net debt-to-equity ratio** was 53.8%, and the debt-to-asset ratio*** excluding advances received was 65.7%.

As of 31 December 2024, the proportion of long-term borrowings to total borrowings of the Group was 72.2%, ensuring the healthy and stable future cash flow of the Group. The Board believes that the continuous optimisation of the Group's debt level and financial structure has laid a solid foundation for the resilience to the market fluctuations and mitigation of financial risks.

The weighted average borrowing cost of the Group's bank borrowings, senior notes, corporate bonds, medium-term notes and other financial instruments was 5.88% per annum, with an average loan term of 5.4 years; the proportion of unsecured debt to total debt was 12.6%.

Debts due within one year amounted to RMB16.07 billion, accounting for 27.8% of the total debt.

In 2024, the Group successfully issued domestic medium-term notes totaling RMB2.92 billion, with coupon rates ranging from 3.2% to 3.5% and maturity periods ranging from 3 to 5 years.

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

Cash balances	As at 31 December	
	2024	2023
	<i>RMB million</i>	<i>RMB million</i>
Denominated in RMB	10,317.0	19,385.3
Denominated in USD	207.2	97.7
Denominated in HKD	94.1	16.9
	<u>10,618.3</u>	<u>19,499.9</u>

* Among which, the restricted funds amounted to RMB3.70 billion, which mainly comprises pre-sale regulatory funds and security for mortgage loans.

** Net debt-to-equity ratio = net debts/total equity at the end of the period. Net Debts = total borrowings – (the sum of interests payable, cash and cash equivalents and restricted cash).

*** The debt-to-asset ratio excluding advances received = (total debt–advances–contract liabilities)/(total assets–advances–contract liabilities).

Other fund raising activities and use of proceeds

Use of net proceeds from the Rights Issue

On 2 December 2021, the Company proposed the rights issue on the basis of one (1) rights share for every twenty-one (21) existing shares held on 4 January 2022, being the record date, at the subscription price of HKD5.30 per rights share on a non-underwritten basis (the “**Rights Issue**”). For details of the Rights Issue and the resulting adjustments relating to the share options of the Company, please refer to the announcements of the Company dated 2 December 2021, 10 January 2022 and 26 January 2022, respectively, and the Rights Issue prospectus of the Company dated 5 January 2022 (the “**Rights Issue Prospectus**”).

The Rights Issue was completed on 27 January 2022, and 295,715,521 rights shares in total were allotted and issued by the Company to the Qualifying Shareholders (as defined in the Rights Issue Prospectus). The net proceeds raised from the Rights Issue were approximately HKD1,559.79 million. As at 31 December 2023, the Group has utilised approximately HKD623.92 million of such net proceeds according to the purpose disclosed in the Rights Issue Prospectus, whereas the remaining HKD935.87 million of such net proceeds, which were allocated for acquisition of lands in Sichuan Province and Hubei Province (the “**Acquisition of Lands**”), remained unutilised. Considering the condition of the land market in the PRC, the Group had adopted a more prudent approach with regards to the Acquisition of Lands, with a view to ensure that any such acquisition is only made after more careful consideration and in the interests of the Company and the shareholders of the Company (the “**Shareholders**”) as a whole. As a result, the progress of acquisition of lands has fallen short of expectations, and the Board considered that it is not likely for the Company to be able to apply the funds originally allocated for the above purpose by the original timeline or in a timely manner. As a result, during the year ended 31 December 2024, the Board has resolved that the net proceeds originally allocated for the Acquisition of Lands to be re-allocated and fully used for repayment of offshore loans of the Group (the “**Re-allocation of Net Proceeds**”), which would enable the Group to deploy its financial resources more efficiently, strengthen the financial health of the Group, and improve the quality of the Group’s services, thereby creating long term value to the Shareholders. The aforesaid Re-allocation of Net Proceeds had taken effect and fully implemented during the year ended 31 December 2024. As at 31 December 2024, the entire amount of the net proceeds from the Rights Issue had been fully utilised.

The Re-allocation of Net Proceeds had no material adverse effect on the existing business and operation of the Group, but rather improved the utilization efficiency of the net proceeds and further enhanced the Company’s operating capabilities, which was in line with the Company’s development plan and long-term interests. For the reasons stated above, the Board is of the view that the Re-allocation of Net Proceeds was in the best interests of the Group and the Shareholders as a whole.

Details of the Re-allocation of Net Proceeds together and the actual use of the net proceeds from the Rights Issue are set out as follows:

Use of net proceeds from the Rights Issue	Planned use of net proceeds raised from the Rights Issue (as set out in the Rights Issue Prospectus)	Utilised amount of the net proceeds raised from the Rights Issue as at 31 December 2023	Unutilised amount of the net proceeds raised from the Rights Issue as at 31 December 2023	Revised allocation of Unutilised amount of the net proceeds	Utilised net proceeds during the Reporting Period following the Re-allocation of net proceeds	Balance of unutilised net proceeds	Expected timeline for the intended use
Acquisition of lands in Sichuan Province and Hubei Province	Approximately HKD935.87 million	–	Approximately HKD935.87 million	–	–	–	Not applicable
Repayment of a syndicated loan	Approximately HKD623.92 million	Approximately HKD623.92 million	–	–	–	–	Fully utilised
Repayment of offshore loans of the Group	–	–	–	Approximately HKD935.87 million	Approximately HKD935.87 million	–	Fully utilised
Total	Approximately HKD1,559.79 million	Approximately HKD623.92 million	Approximately HKD935.87 million	Approximately HKD935.87 million	Approximately HKD935.87 million	–	–

Employees and Compensation Policy

As at 31 December 2024, the Group had 20,243 full-time employees in the PRC and Hong Kong, 19,935 of which worked in the property development operations and management of commercial complexes and 308 were engaged in other operations.

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

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the “**AGM**”) is to be held on Thursday, 8 May 2025 and the notice of AGM will be published and dispatched to the Shareholders in accordance with the prescribed time and manner specified under the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

FINAL DIVIDEND

The Board does not recommend the declaration or payment of a final dividend for the year ended 31 December 2024 (for the year ended 31 December 2023: nil).

CLOSURE OF THE REGISTER OF MEMBERS

To determine the identity of Shareholders who are entitled to attend and vote at the AGM

Latest date for lodging transfer:	4:30 p.m. on Wednesday, 30 April 2025
Period of closure of register:	Friday, 2 May 2025 to Thursday, 8 May 2025, both days inclusive

In order to be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, MUFG Corporate Markets Pty Limited, at Suite 1601, 16/F, Central Tower, 28 Queen’s Road Central, Hong Kong, no later than the corresponding latest date for registration.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the Listing Rules as its own code of corporate governance.

The Company has complied with all applicable code provisions set out in Part 2 of Appendix C1 of the Listing Rules throughout the year ended 31 December 2024. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he has complied with the Model Code during the year ended 31 December 2024.

During the year ended 31 December 2024, the Company has also adopted its own code of conduct regarding employees' securities transactions on terms no less exacting than the standards set out in the Model Code for compliance by its relevant employees who are likely to be in possession of inside information of the Company in respect of their dealings in the Company's securities.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, the Company purchased the senior notes issued by the Company with a total principal amount of USD908,000 on the open market which were outstanding as of 31 December 2024.

Save as disclosed above, during the year ended 31 December 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities (including sale of treasury shares (as defined under the Listing Rules)) of the Company. The Company did not hold any treasury shares as at 31 December 2024.

MATERIAL EVENTS DURING THE REPORTING PERIOD

Amendments to the Memorandum and Articles of Association

On 28 March 2024, the Company announced the proposed amendments to the memorandum and articles of association of the Company for the purposes of, among others, (i) updating and bringing the then existing third amended and restated memorandum and articles of association of the Company in line with the latest regulatory requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers and the relevant amendments made to the Listing Rules which took effect from 31 December 2023 and (ii) incorporating certain housekeeping changes (the “**Proposed Amendments**”). The Proposed Amendments were subsequently approved by the Shareholders at the annual general meeting of the Company held on 28 June 2024.

EVENTS AFTER THE REPORTING PERIOD

The Group did not have any significant events as at the end of the Reporting Period and up to the date of this announcement.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report from the independent auditor of the Group on the consolidated financial statements of the Group for the year ended 31 December 2024.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

Material uncertainty related to going concern

We draw attention to note 2.1 to the consolidated financial statements, which indicates that as at 31 December 2024, the Group's current liabilities exceeded its current assets by RMB17,743,103,000. As at the same date, the Group had current borrowings amounted to RMB16,071,392,000 in aggregate, while its cash and cash equivalents amounted to RMB6,914,613,000 and restricted cash amounted to RMB3,703,679,000. These events and conditions, along with other matters as set forth in note 2.1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The audit committee of the Company, comprising all the independent non-executive Directors, together with the management and the external auditor, has reviewed the accounting principles and policies adopted by the Group and the consolidated financial statements for the year ended 31 December 2024.

The financial information contained in this announcement is based on the audited consolidated financial statements of the Group for the year ended 31 December 2024. Such information was extracted from the financial statements agreed with the auditors of the Company.

PUBLICATION OF THE CONSOLIDATED ANNUAL RESULTS AND 2024 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

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

By order of the Board
Seazen Group Limited
Wang Xiaosong
Chairman

The PRC, 28 March 2025

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 is provided for identification purpose only.*