旭辉集团
CIFI GROUP

CIFI Holdings (Group) Co. Ltd.
旭 輝 控 股（集 團）有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00884)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

The board of directors (the "Board") of CIFI Holdings (Group) Co. Ltd. (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2022 with comparative figures for the preceding financial year, are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	NOTES	***RMB'000***	*RMB'000*
Revenue	*4*	**47,440,141**	107,834,741
Cost of sales and services		**(40,820,412)**	(87,037,295)
Gross profit		**6,619,729**	20,797,446
Other income and gains (expenses), net	*5*	**(1,335,262)**	2,075,998
Selling and marketing expenses		**(2,200,117)**	(2,366,929)
Administrative expenses		**(3,611,724)**	(3,707,153)
Fair value (loss) gain of investment properties		**(1,258,124)**	1,308,122
Write-down of properties held for sale and properties under development for sale		**(4,292,930)**	–
Allowance for expected credit losses		**(2,548,259)**	(59,940)
Finance costs	*6*	**(2,565,380)**	(578,745)
Share of results of joint ventures and associates		**(1,740,293)**	758,804
(Loss) profit before tax		**(12,932,360)**	18,227,603
Income tax expense	*7*	**(627,618)**	(5,900,426)
(Loss) profit for the year	*8*	**(13,559,978)**	12,327,177

	NOTE	2022 RMB'000	2021 RMB'000
Other comprehensive (expense) income:			
Items that may be reclassified subsequently to profit or loss:			
Fair value change on hedging instruments designated as cash flow hedge		**30,536**	11,967
Reclassification of fair value change on hedging instruments designated as cash flow hedge to profit or loss		**(4,083)**	30,547
Items that will not be reclassified to profit or loss:			
Fair value change on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")		**(32,825)**	(407,156)
Income tax relating to equity instruments at FVTOCI		**–**	(610)
		(6,372)	(365,252)
Total comprehensive (expense) income for the year		**(13,566,350)**	11,961,925
(Loss) profit for the year attributable to:			
Equity owners of the Company		**(13,049,088)**	7,612,919
Owners of perpetual capital instruments		**108,192**	118,773
Non-controlling interests		**(619,082)**	4,595,485
		(13,559,978)	12,327,177
Total comprehensive (expense) income for the year attributable to:			
Equity owners of the Company		**(13,055,460)**	7,247,667
Owners of perpetual capital instruments		**108,192**	118,773
Non-controlling interests		**(619,082)**	4,595,485
		(13,566,350)	11,961,925

	NOTE	2022	2021 (restated)
(Loss) earnings per share, in RMB:			
Basic	*10*	**(1.42)**	0.88
Diluted	*10*	**(1.42)**	0.88

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	NOTE	**2022** *RMB'000*	2021 *RMB'000*
NON-CURRENT ASSETS			
Investment properties		**45,797,766**	40,432,643
Property, plant and equipment		**571,039**	525,093
Right-of-use assets		**204,764**	213,318
Intangible assets		**311,092**	328,474
Goodwill		**1,454,656**	1,343,707
Interests in associates		**14,030,344**	18,447,511
Interests in joint ventures		**12,778,183**	15,966,150
Investments in property projects		**94,310**	321,571
Financial assets at fair value through profit or loss ("FVTPL")		**818,340**	1,221,747
Equity instruments at FVTOCI		**39,810**	207,447
Deferred tax assets		**2,343,246**	2,201,865
Other receivables, deposits and prepayments	*11*	**58,523**	367
Deferred contract costs		**10,894**	12,663
		78,512,967	81,222,556
CURRENT ASSETS			
Properties held for sale		**23,436,320**	20,690,184
Properties under development for sale		**160,801,700**	167,611,374
Accounts and other receivables, deposits and prepayments	*11*	**30,836,601**	34,816,698
Amounts due from non-controlling interests		**36,728,369**	32,910,760
Amounts due from joint ventures and associates		**26,240,695**	36,381,098
Deposits for land use rights for properties held for sale		**3,759,653**	7,154,419
Tax recoverable		**5,230,807**	4,817,209
Financial assets at FVTPL		**20,759**	431,061
Pledged bank deposits		**445,300**	247,239
Bank balances and cash		**20,108,115**	46,462,460
Deferred contract costs		**11,561**	4,474
		307,619,880	351,526,976

	NOTE	2022 RMB'000	2021 RMB'000
CURRENT LIABILITIES			
Accounts and other payables and accrued charges	12	**56,330,766**	68,298,821
Contract liabilities		**91,551,676**	77,822,084
Amounts due to non-controlling interests		**6,739,936**	9,281,787
Amounts due to joint ventures and associates		**24,812,909**	40,823,109
Tax payable		**6,704,660**	9,708,922
Lease liabilities – due within one year		**62,913**	69,783
Financial guarantee liabilities		**57,582**	–
Bank and other borrowings – due within one year		**37,487,563**	11,930,926
Senior notes – due within one year		**28,432,434**	4,971,339
Corporate bonds and medium-term notes – due within one year		**4,809,105**	832,898
Debt component of convertible bonds		**1,401,331**	–
Derivative component of convertible bonds		**267,247**	–
		258,658,122	223,739,669
NET CURRENT ASSETS		**48,961,758**	127,787,307
TOTAL ASSETS LESS CURRENT LIABILITIES		**127,474,725**	209,009,863
CAPITAL AND RESERVES			
Share capital		**855,575**	715,191
Reserves		**28,558,791**	41,274,963
Equity attributable to owners of the Company		**29,414,366**	41,990,154
Perpetual capital instruments		**1,924,545**	1,924,545
Non-controlling interests		**54,841,491**	63,485,094
TOTAL EQUITY		**86,180,402**	107,399,793
NON-CURRENT LIABILITIES			
Other payable – due after one year	12	**13,174**	20,787
Lease liabilities – due after one year		**153,943**	155,023
Bank and other borrowings – due after one year		**27,997,778**	60,957,693
Senior notes – due after one year		**–**	25,050,987
Corporate bonds and medium-term notes – due after one year		**8,321,451**	10,368,164
Deferred tax liabilities		**4,807,977**	5,042,876
Derivative financial instruments – due after one year		**–**	14,540
		41,294,323	101,610,070
		127,474,725	209,009,863

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

CIFI Holdings (Group) Co. Ltd. (the "Company") is a public limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the Company's registered office is located at P. O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands and the address of its principal place of business is located at Level 22, Five Pacific Place, 28 Hennessy Road, Wanchai, Hong Kong.

The Company acts as an investment holding company.

The consolidated financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The applicability of these principles is dependent upon continued availability of adequate finance or attaining profitable operations in future and the success of the below plans and measures.

During the year ended 31 December 2022, the Group incurred a net loss attributable to equity owners of the Company of approximately RMB13,049,088,000. As at 31 December 2022, the Group was unable to repay the principal and the interest of certain offshore senior notes and the interest of convertible bonds and, as a result, certain bank borrowings, senior notes, convertible bonds (including debt and derivative components) and interest payables amounted to approximately RMB17,664,625,000, RMB28,432,434,000, RMB1,668,578,000 and RMB431,367,000 respectively became default or cross-default.

In view of such circumstances, the Group has given careful consideration to the future liquidity and financial position of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken to mitigate the liquidity position and to improve the Group's financial position which include, but are not limited to, the following:

(i) The Group has appointed a financial adviser to assist it with a restructuring of its financing arrangements, in order to reach a consensual solution with all the stakeholders as soon as practical. Up to the date of approval for issuance of the condensed consolidated financial statements, a Co-ordination Committee (consists of a number of lenders under bank financings) and AHG (an ad hoc group of bondholders) have been formed and constructive discussions are continuing between the Company and the creditor groups or their advisers;

(ii) Based on the PBoC's 16 Supportive Financial Measures, the Group has been actively negotiating with a number of financial institutions for renewal and extension of existing onshore bank borrowings to improve the liquidity position of the Group;

(iii) The Group has been actively negotiating with a number of financial institutions to timely secure relevant project development loans for qualified project development for the continuation of its PRC business operations;

(iv) The Group will continue to seek for other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures;

(v) The Group has prepared a business strategy plan mainly focusing on the acceleration of the sales of properties and cash collection;

(vi) The Group has implemented stringent cost saving measures including reducing non-core and unessential operations and expenses; and

(vii) The Group will continue to seek suitable opportunities to dispose of its non-core assets to strengthen its cash position.

The Board has reviewed the Group's cash flow projections prepared by the management of the Group. The cash flow projections cover a period of not less than twelve months from 31 December 2022. The Board is of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its obligations and to meet its financial obligations as they fall due not less than twelve months from the date of approval for issuance of the consolidated financial statements. Accordingly, the Board is satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether management of the Group will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through the following:

(i) successfully completing the restructuring of its offshore financing arrangements;

(ii) successfully negotiating with the Group's existing lenders for the renewal or extension for repayment of the Group's onshore bank borrowings;

(iii) successfully securing project development loans for qualified project development timely;

(iv) successfully obtaining of additional new sources of financing as and when needed;

(v) successfully carrying out the Group's business strategy plan including the acceleration of the sales of properties and cash collection;

(vi) successfully implementing measures to effectively control costs and expenses; and

(vii) successfully disposing of the Group's non-core assets when suitable.

Should the Group fail to achieve the above mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to reclassify the Group's non-current assets and non-current liabilities as current assets and current liabilities respectively, to write down the carrying values of the Group's assets to their recoverable amounts and to provide for any provision for any contractual commitments that have become onerous as at the end of the reporting period. The effects of these adjustments have not been reflected in the consolidated financial statements.

3. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the annual periods beginning on 1 January 2022 for the preparation of the consolidated financial statements:

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRSs	Annual Improvements to IFRSs 2018-2020

The application of the amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17 (including the June 2020 and December 2022 Amendments to IFRS 17)	Insurance Contracts[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendment to IFRS 16	Lease Liability in a Sale and Leaseback[3]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[3]
Amendments to IAS 1	Non-current Liabilities with Covenants[3]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to IAS 8	Definition of Accounting Estimates[1]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]

1 Effective for annual periods beginning on or after 1 January 2023.
2 Effective for annual periods beginning on or after a date to be determined.
3 Effective for annual periods beginning on or after 1 January 2024.

Except for the amendments to IFRSs mentioned below, the management of the Company anticipates that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (the "2020 Amendments") and Amendments to IAS 1 "Non-current Liabilities with Covenants" (the "2022 Amendments")

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying IAS 32 "Financial Instruments: Presentation" ("IAS 32").

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if the entity classify liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 Amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

As at 31 December 2022, the Group's outstanding convertible instruments include counterparty conversion options that do not meet equity instruments classification by applying IAS 32. The Group classified as current or non-current based on the earliest date in which the Group has the obligation to redeem these instruments through cash settlement. The host debt component is measured at amortised cost with carrying amount of RMB1,401,331,000 and the derivative component (including the conversion options) is measured at fair value with carrying amount of RMB267,247,000 as at 31 December 2022, both of which are classified as current. Upon the application of the 2020 Amendments, in addition to the obligation to redeem through cash settlement, the transfer of equity instruments upon the exercise of the conversion options that do not meet equity instruments classification also constitute settlement of the convertible instruments. The host liability and the derivative component amounting to RMB1,401,331,000 and RMB267,247,000 would continue to be classified as current.

As at 31 December 2022, the Group's right to defer settlement for bank borrowing, senior notes and convertible bonds of RMB17,664,625,000, RMB28,432,434,000 and RMB1,668,578,000 (including debt and derivative components) are subject to default and cross-default terms from the reporting date. Such bank borrowing, senior notes and convertible bonds would have classified as non-current if the Group met such requirement. Upon the application of the 2022 Amendments, such bank borrowing, senior notes and convertible bonds would still be classified as non-current as the covenants which the Group was required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting date and such bank borrowing, senior notes and convertible bonds would still be classified as non-current. However, since the Group was unable to repay the interest due for certain bank borrowing and convertible bonds and the interest due for certain senior notes for a period of 30 consecutive days, which constituted a default of payment during the year.

As a result, the bank borrowing, senior notes and convertible bonds not yet due for payment of principal or interest became default or cross-default. The default or cross-default bank borrowing, senior notes and convertible bonds of RMB17,664,625,000, RMB28,432,434,000 and RMB1,668,578,000 are presented under current liabilities in the Group's consolidated statement of financial position as at 31 December 2022. Hence, the application of the 2020 and 2022 Amendments will not affect the classification of the Group's bank borrowing, senior notes and convertible bonds that are subject to default and cross-default terms.

Except as described above, the application of the 2020 and 2022 Amendments will not affect the classification of the Group's other liabilities as at 31 December 2022.

4. SEGMENT INFORMATION

The Group determines its operating segments based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (being the executive directors of the Company) in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is focused on three main operations:

- Sales of properties and other property related services: this segment represents the development and sales of office and commercial premises, carparks and residential properties and income generated from project management. Substantially most of the Group's activities in this regard are primarily carried out in the PRC.

- Property investment: this segment represents the lease of investment properties and other service related to investment properties, which are developed or purchased by the Group to generate rental income and gain from the appreciation of the properties' values in the long term. Currently, the Group's investment property portfolio is located entirely in the PRC.

- Property management and other services: this segment mainly represents the income generated from property management. Currently, the Group's activities in this regard are carried out in the PRC.

(a) Segment revenue and (loss) profit

Information regarding the Group's reportable segments as provided to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance for the year is set out below.

	Sales of properties and other property related services *RMB'000*	**Property investment** *RMB'000*	**Property management and other services** *RMB'000*	**Total** *RMB'000*
Year ended 31 December 2022				
Reportable segment revenue from external customers	**40,620,476**	**1,239,564**	**5,580,101**	**47,440,141**
Reportable segment (loss) profit	**(1,328,531)**	**619,718**	**835,495**	**126,682**
Year ended 31 December 2021				
Reportable segment revenue from external customers	102,675,338	1,025,808	4,133,595	107,834,741
Reportable segment profit	16,908,827	501,246	1,020,444	18,430,517

(b) Segment assets and liabilities

No assets and liabilities are included in the measures of the Group's segment reporting that are used by the chief operating decision maker. Accordingly, no segment assets and liabilities are presented.

(c) Reconciliations of reportable segment revenue and (loss) profit

The reportable segment (loss) profit represents the results by each segment without including any effect of allocation of other income, gains and losses earned from operations other than the Group's main operations, unallocated head office and corporate expenses, depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of intangible assets, allowance for expected credit losses, fair value (loss) gain of investment properties, finance costs and share of results of joint ventures and associates. This is the measurement basis reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

	2022	2021
	RMB'000	*RMB'000*
Revenue		
Reportable segment and consolidated revenue	**47,440,141**	107,834,741
(Loss) profit		
Reportable segment profit	**126,682**	18,430,517
Other income and gains (expenses), net	**(1,335,262)**	2,075,998
Fair value (loss) gain of investment properties	**(1,258,124)**	1,308,122
Finance costs	**(2,565,380)**	(578,745)
Share of results of joint ventures and associates	**(1,740,293)**	758,804
Depreciation of property, plant and equipment	**(130,199)**	(119,081)
Depreciation of right-of-use assets	**(96,478)**	(90,221)
Amortisation of intangible assets	**(38,802)**	(32,178)
Allowance for expected credit losses	**(2,548,259)**	(59,940)
Unallocated head office and corporate expenses	**(3,346,245)**	(3,465,673)
(Loss) profit before tax	**(12,932,360)**	18,227,603

(d) Geographic information

No geographic information has been presented as the Group's operating activities are primarily carried out in the PRC. The majority of the Group's revenue and non-current assets are located in the PRC.

(e) Major customers

No revenue from transactions with a single external customer amounted to 10% or more of the Group's revenue.

5. OTHER INCOME AND GAINS (EXPENSES), NET

	2022	2021
	RMB'000	*RMB'000*
Interest income	**332,502**	584,328
Gain on disposal of property, plant and equipment, net	**707**	377
Gain on disposal of subsidiaries, net	**72,160**	77,898
Gain on disposal of joint ventures	**28,123**	371,578
Gain on disposal of associates	**25,068**	40,296
Gain on bargain purchase of an associate	**–**	77,440
Government grants (note)	**111,483**	145,614
Forfeited deposits paid by purchasers	**49,718**	55,865
Loss on early redemption of senior notes	**(1,608)**	(80,908)
Dividend income from financial assets at FVTPL	**27,630**	404,962
Dividend income from financial assets at FVTOCI	**–**	29,080
Fair value changes on:		
– derivative financial instruments	**(2,217)**	(26,160)
– investments in property projects	**(9,716)**	59,561
– financial assets at FVTPL	**(272,400)**	(580,539)
– derivative component of convertible bonds	**111,506**	–
Dividend income from investments in property projects	**41,091**	13,614
Net exchange (loss) gain	**(1,970,238)**	790,680
Sundry income	**120,929**	112,312
	(1,335,262)	2,075,998

Note: Government grants represented unconditional cash payments granted by government authorities.

6. FINANCE COSTS

	2022	2021
	RMB'000	*RMB'000*
Interest expense on bank and other borrowings	**(4,198,144)**	(3,851,750)
Interest expense on senior notes	**(1,657,636)**	(1,901,841)
Interest expense on corporate bonds and medium-term notes	**(501,716)**	(614,776)
Interest expense on convertible bonds	**(204,903)**	–
Interest expense on lease liabilities	**(9,755)**	(11,699)
	(6,572,154)	(6,380,066)
Less: Amount capitalised to properties under development for sale and investment properties under construction	**4,006,774**	5,801,321
	(2,565,380)	(578,745)

Finance costs capitalised to properties under development for sale and investment properties under construction were determined by the effective interest rates of respective bank and other borrowings, senior notes, corporate bonds and medium-term notes and convertible bonds.

7. INCOME TAX EXPENSE

	2022	2021
	RMB'000	*RMB'000*
PRC Enterprise Income Tax		
Current year	**(291,894)**	(4,374,077)
Over provision in respect of prior years	**59,633**	171,761
Land Appreciation Tax	**(773,482)**	(1,090,998)
	(1,005,743)	(5,293,314)
Deferred tax		
PRC Enterprise Income Tax	**378,125**	(607,112)
	(627,618)	(5,900,426)

8. (LOSS) PROFIT FOR THE YEAR

	2022	2021
	RMB'000	*RMB'000*
(Loss) profit for the year has been arrived at after charging (crediting):		
Auditors' remuneration	**10,970**	15,313
Cost of properties sold included in cost of sales and services	**35,403,884**	82,910,997
Depreciation of property, plant and equipment	**130,199**	119,081
Depreciation of right-of-use assets	**96,478**	90,221
Amortisation of intangible assets	**38,802**	32,178
Directors' emoluments	**24,106**	24,288
Other staff costs		
Staff costs excluding retirement benefit costs	**5,075,099**	5,083,407
Retirement benefit contributions	**415,909**	321,325
Equity-settled share-based payments	**21,836**	29,074
Total other staff costs	**5,512,844**	5,433,806
Less: Amount capitalised to properties under development for sale and investment properties under construction	**(729,472)**	(1,827,603)
	4,783,372	3,606,203
Rental income from investment properties	**(1,145,203)**	(982,491)
Less: Related outgoings	**619,020**	524,562
	(526,183)	(457,929)

9. DIVIDEND

The board of directors had not proposed to declare a final dividend for the year ended 31 December 2022. (2021: RMB5.7 cents (equivalent to HK7 cents) per ordinary share which were paid to shareholders in cash).

During the year ended 31 December 2022, a final dividend of RMB5.7 cents (equivalent to HK7 cents) per ordinary share in respect of the financial year ended 31 December 2021, was paid to the shareholders, as detailed below. During the year ended 31 December 2021, a final dividend of RMB24.3 cents (equivalent to HK29 cents) per ordinary share in respect of the financial year ended 31 December 2020, which included scrip dividend alternative offered to shareholders to elect receiving the final dividend by allotment of new shares in lieu of cash, and an interim dividend of RMB10 cents (equivalent to HK12 cents) per ordinary share in respect of the six months ended 30 June 2021, were paid to shareholders, details as follow:

	2022		2021	
	HK$'000	***RMB'000***	*HK$'000*	*RMB'000*
Dividends				
Cash	**615,453**	**540,294**	2,810,294	2,332,544
Scrip dividend alternative	**–**	**–**	590,677	490,262
	615,453	**540,294**	3,400,971	2,822,806

10. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to the equity owners of the Company is based on the following data:

	2022	2021
	RMB'000	*RMB'000*
(Loss) earnings		
(Loss) earnings for the purpose of basic and diluted earnings per share		
(Loss) profit for the year attributable to equity owners of the Company	**(13,049,088)**	7,612,919

	2022	2021
		(Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	**9,187,789,696**	8,619,809,345
Effect of dilutive potential ordinary shares on:		
– share options	**–**	48,847,991
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	**9,187,789,696**	8,668,657,336

The computation of diluted loss per share for the year ended 31 December 2022 does not assume the conversion of the outstanding convertible bonds as the assumed exercise of the outstanding convertible bonds would result in a decrease in loss per share.

The computation of diluted loss per share for the year ended 31 December 2022 does not assume the exercise of the share options as the assumed exercise of the certain share options would result in a decrease in loss per share and exercise price of certain share options was higher than the average market price of 2022.

The weighted average number of ordinary shares shown above has been arrived at after deducting the shares held by the trustee of the share award scheme.

The weighted average number of ordinary shares for the year ended 31 December 2021 has been restated for the effect of the bonus issue.

11. ACCOUNTS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Accounts receivables mainly arise from the sales of properties. Considerations in respect of properties sold are paid in accordance with the terms of the related sales and purchase agreements.

	2022	2021
	RMB'000	*RMB'000*
Accounts receivables – contracts with customers	**4,560,721**	5,398,586
Less: Allowance for expected credit losses	**(244,359)**	(111,031)
	4,316,362	5,287,555
Other receivables (note)	**21,479,776**	25,801,686
Less: Allowance for expected credit losses	**(167,829)**	(23,147)
	21,311,947	25,778,539
Prepaid tax	**1,365,559**	1,365,120
Deposits and prepayments	**3,901,256**	2,385,851
	30,895,124	34,817,065
Less: Amount shown under non-current assets	**(58,523)**	(367)
Amounts shown under current assets	**30,836,601**	34,816,698

Note: The amount mainly includes temporary deposits paid for potential property development projects and project-related deposits which would be refundable upon completion of the development projects. There is no fixed repayment term for deposits and the directors of the Company consider they are repayable on demand.

The following is an aging analysis of accounts receivables, based on the invoice date and net of allowance, at the end of the reporting period:

	2022	2021
	RMB'000	*RMB'000*
Within 60 days	**2,259,997**	2,892,066
61–180 days	**371,886**	628,778
181–365 days	**432,336**	1,506,028
Over 1 year	**1,252,143**	260,683
	4,316,362	5,287,555

Before accepting any corporate customer, the Group uses an internal credit assessment system to assess the potential customers' credit quality.

As at 31 December 2022, included in the Group's accounts receivables balance are debtors with aggregate carrying amount of RMB119,042,000 (2021: RMB508,233,000) which are past due at the end of the reporting period. Out of the past due balances, RMB70,198,000 (2021: RMB248,403,000) has been past due for 90 days or more for which are not considered as in default as those balances are mainly those banks with good quality and pending for completing their mortgage procedures.

12. ACCOUNTS AND OTHER PAYABLES AND ACCRUED CHARGES

	2022	2021
	RMB'000	*RMB'000*
Accounts payables	**30,760,787**	40,366,091
Bills payables	**301,012**	1,179,197
Other payables and accrued charges (note)	**17,702,610**	21,443,590
Other tax payable	**7,148,164**	5,330,730
Interest payables	**431,367**	–
	56,343,940	68,319,608
Less: Amounts shown under non-current liabilities	**(13,174)**	(20,787)
Amounts shown under current liabilities	**56,330,766**	68,298,821

Accounts payables and accrued expenditure on construction comprise construction costs and other project-related expenses which are payable based on project progress measured by the Group.

The following is an ageing analysis of accounts payables and bills payables, based on the invoice date, at the end of the reporting period:

	2022	2021
	RMB'000	*RMB'000*
Within 60 days	**11,210,029**	11,358,004
61–180 days	**6,138,201**	10,379,841
181–365 days	**9,171,520**	15,271,270
Over 1 year	**4,542,049**	4,536,173
	31,061,799	41,545,288

Note: Other payables and accrued charges mainly represent temporary payments received for potential property development projects and various deposits received from contractors in relation to tendering and execution of construction contracts.

13. EVENTS AFTER THE END OF THE REPORTING PERIOD

a) On 9 March 2023, the Group entered into two sale and purchase agreements with Henderson Land Development Company Limited ("Henderson Land") for the disposal of 50% equity interest in Hebei Hehu Enterprise Management Co. Ltd. ("Hebei Hehu") and the shareholder's loan at a consideration of RMB948,288,000 and the acquisition of 25% equity interest in Guangzhou Changzhe Business Consulting Co., Ltd and the shareholder's loan at a consideration of RMB1,000,000,000. The consideration payable by Henderson Land to the Group for the disposal shall be set off against the consideration payable by the Group to Henderson Land for the acquisition. After setting off, the consideration payable by the Group is RMB51,712,000 for the acquisition. Details of the transaction are disclosed in an announcement issued by the Company dated 9 March 2023. The transaction was essentially completed in April 2023.

b) On 29 May 2023, the Group entered into an agreement with investors for the May 2025 due RMB Bond, which would adjust the carry rate to 4% at the end of the third year. The repayment pattern of the principal changes from fully repayable on 28 May 2025 at par value into 2% on 29 May 2023, 2% on 29 September 2023, 3% on 29 December 2023, 3% on 29 May 2024, 5% on 29 September 2024 and 85% on 29 December 2023 respectively.

14. MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED FINANCIAL INFORMATION

The material differences between the financial information disclosed in this announcement and the figures disclosed in the announcement of unaudited consolidated management accounts for the year ended 31 December 2022 dated 28 April 2023 are as follows:

	2022	2022	**Variance**
	RMB'000	*RMB'000*	*RMB'000*
	(Unaudited)	(Audited)	
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Cost of sales and services	**(45,113,342)**	(40,820,412)	4,292,930
Gross profit	**2,326,799**	6,619,729	4,292,930
Write-down of properties held for sale and properties under development for sale (note a)	**–**	(4,292,930)	(4,292,930)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
Pledged bank deposits (note b)	**128,105**	445,300	317,195
Bank balances and cash	**20,425,310**	20,108,115	(317,195)

Notes:

(a) To present the impact of write-down of properties held for sale and properties under development for sale in a separate line of the consolidated statement of profit or loss and other comprehensive income, which was combined in the line of cost of sales and services in the unaudited consolidated management accounts.

(b) Classification adjustment of pledged bank deposits and bank balances and cash.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 December 2022.

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 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to the consolidated financial statements and note 2 which states that, the Group incurred a loss of RMB13,560 million for the year ended 31 December 2022 and, offshore senior notes, the interest of senior notes and convertible bonds were not repayed in full amount. As a result, the holders of the senior notes have right to demand for immediate repayment on the outstanding principal together with accrued interests. As at 31 December 2022, the Group's right to defer settlement for bank borrowing, senior notes and convertible bonds of RMB17,665 million, RMB28,432 million and RMB1,669 million (including debt and derivative components) are subject to default and cross-default terms from the reporting date, while available cash and cash equivalent on hand was RMB20,108 million.

This condition indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors of the Company have considered the measures being taken by the Group are of the opinion that the Group would be able to continue as going concern basis. The consolidated financial statements do not include any adjustments that would result from a failure of achieving the measures. We consider appropriate disclosures have been made in this respect. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

GLOSSARY AND DEFINITIONS

"Contracted sales" includes contracted sales by the Group's subsidiaries, joint ventures and associated companies. Contracted sales data is unaudited and is based on internal information of the Group. Contracted sales data may be subject to various uncertainties during the process of collating such sales information and is provided for investors' reference only.

"Core net profit/loss" excludes write-down of properties held for sale and properties under development for sale, allowance for expected credit losses, fair value gains/losses, net exchange loss/gain, expenses relating to share option grants, loss on early redemption of senior notes, and share of write-down of properties held for sale and properties under development for sale, fair value gains/losses and net exchange loss/gain at joint ventures and associated companies, net of deferred taxes.

"Bank balances and cash" include pledged bank deposits.

"Total indebtedness" includes bank and other borrowings, onshore corporate bonds, offshore senior notes and convertible bonds.

"Net debt-to-equity ratio" is calculated by the Group's total indebtedness under IFRS less bank balances and cash (including pledged bank deposits) as a percentage of total equity at the end of each financial year.

"Weighted average cost of indebtedness" is the weighted average of interest costs of all indebtedness outstanding as at the end of each financial year.

PROPERTY DEVELOPMENT

Contracted sales

The Group achieved contracted sales of approximately RMB124.0 billion in 2022.

The Group contracted sales in GFA was approximately 8,393,200 sq.m. in 2022. The Group's contracted ASP in 2022 was approximately RMB14,778/sq.m..

Contracted sales from the Yangtze River Delta, the Central Western Region, the Pan Bohai Rim and the South China Region contributed to approximately 34.3%, 28.0%, 24.6% and 13.1% of the Group's total contracted sales in 2022 respectively. Contracted sales from first- and second-tier cities accounted for approximately 88.0% of the Group's total contracted sales in 2022 whereas those from third-tier cities accounted for the remaining 12.0%. Contracted sales derived from residential projects contributed to approximately 90.8% of the Group's total contracted sales in 2022 whereas those from office and commercial projects contributed to the remaining 9.2%.

Cash collection from property sales during the year by the Group's subsidiaries, joint ventures and associated companies represented over 100% of contracted sales in 2022.

Table 1: Details of contracted sales in 2022

By city

	Contracted sales	% of total contracted sales	Contracted GFA	Contracted ASP
	(RMB'000)		*(sq.m.)*	*(RMB/sq.m.)*
Changsha	11,240,709	9.1%	785,092	14,318
Suzhou	10,324,681	8.3%	475,105	21,731
Beijing	8,204,898	6.6%	267,477	30,675
Nanjing	8,056,320	6.5%	310,376	25,957
Shanghai	6,149,061	5.0%	236,185	26,035
Wuhan	5,353,978	4.3%	316,847	16,898
Tianjin	5,231,643	4.2%	260,661	20,071
Chengdu	5,085,797	4.1%	415,251	12,248
Jinan	3,717,850	3.0%	374,046	9,940
Chongqing	3,640,622	2.9%	301,465	12,076
Wuxi	3,088,796	2.5%	146,441	21,092
Wenzhou	2,930,254	2.4%	182,854	16,025
Urumqi	2,909,629	2.3%	281,939	10,320
Shenyang	2,745,477	2.2%	242,008	11,345
Guangzhou	2,231,482	1.8%	99,691	22,384
Hong Kong	2,182,626	1.8%	13,402	162,858
Foshan	2,084,072	1.7%	198,204	10,515
Hefei	2,057,052	1.7%	223,855	9,189
Taiyuan	2,006,552	1.6%	257,285	7,799
Qingdao	1,715,266	1.4%	140,509	12,208
Xiamen	1,636,562	1.3%	53,953	30,333
Xi'an	1,617,437	1.3%	94,864	17,050
Huizhou	1,530,290	1.2%	130,110	11,762
Fuzhou	1,489,228	1.2%	81,888	18,186
Hangzhou	1,445,052	1.2%	71,752	20,140
Shijiazhuang	1,287,697	1.0%	100,074	12,867
Zhoushan	1,283,001	1.0%	93,290	13,753
Guiyang	1,276,341	1.0%	213,909	5,967
Zibo	1,271,430	1.0%	122,408	10,387
Nanchang	1,195,800	1.0%	113,838	10,504
Dongguan	1,156,645	0.9%	39,515	29,271
Ningbo	1,106,226	0.9%	71,290	15,517
Kunming	1,020,350	0.8%	87,133	11,710
Liaocheng	1,003,034	0.8%	72,933	13,753
Nanning	958,198	0.8%	101,211	9,467
Zhuhai	924,635	0.7%	34,126	27,095
Linyi	848,008	0.7%	109,376	7,753
Meishan	737,476	0.6%	118,771	6,209

	Contracted sales	% of total contracted sales	Contracted GFA	Contracted ASP
	(RMB'000)		*(sq.m.)*	*(RMB/sq.m.)*
Luoyang	684,190	0.6%	68,194	10,033
Wuhu	648,515	0.5%	36,064	17,982
Fuyang	638,484	0.5%	69,356	9,206
Nantong	602,912	0.5%	39,353	15,321
Yantai	582,394	0.5%	61,203	9,516
Others	8,130,478	6.6%	879,875	9,240
TOTAL	124,031,148	100%	8,393,179	14,778

By type of project

	Contracted sales	% of total contracted sales	Contracted GFA	Contracted ASP
	(RMB'000)		*(sq.m.)*	*(RMB/sq.m.)*
Residential	112,662,436	90.8%	6,971,037	16,162
Office/Commercial	11,368,712	9.2%	1,422,142	7,994
Total	124,031,148	100.0%	8,393,179	14,778

By region

	Contracted sales	% of total contracted sales	Contracted GFA	Contracted ASP
	(RMB'000)		*(sq.m.)*	*(RMB/sq.m.)*
Yangtze River Delta	42,540,331	34.3%	2,336,475	18,207
Central Western Region	34,779,501	28.0%	2,862,672	12,149
Pan Bohai Rim	30,530,113	24.6%	2,191,809	13,929
South China Region	16,181,203	13.1%	1,002,223	16,145
Total	124,031,148	100.0%	8,393,179	14,778

By first-, second- and third-tier cities

	Contracted sales	% of total contracted sales	Contracted GFA	Contracted ASP
	(RMB'000)		*(sq.m.)*	*(RMB/sq.m.)*
First-tier cities	19,097,836	15.4%	618,720	30,867
Second-tier cities	90,033,417	72.6%	6,245,084	14,417
Third-tier cities	14,899,895	12.0%	1,529,375	9,742
Total	124,031,148	100.0%	8,393,179	14,778

Notes:

1. First-tier cities refer to Beijing, Guangzhou, Hong Kong, Shanghai, Shenzhen and Tokyo.

2. Second-tier cities refer to Changchun, Changsha, Changzhou, Chengdu, Chongqing, Dalian, Dongguan, Foshan, Fuzhou, Guiyang, Hangzhou, Harbin, Hefei, Jinan, Kunming, Nanchang, Nanjing, Nanning, Nantong, Ningbo, Qingdao, Sanya, Shaoxing, Shenyang, Shijiazhuang, Suzhou, Taiyuan, Tianjin, Urumqi, Wenzhou, Wuhan, Wuxi, Xiamen, Xi'an, Xuzhou, Yinchuan and Zhengzhou.

3. Third-tier cities refer to Changde, Fuyang, Huai'an, Huizhou, Huzhou, Jiangmen, Jiaxing, Jinhua, Jining, Lianyungang, Linyi, Liuzhou, Lu'an, Luoyang, Meishan, Putian, Quanzhou, Quzhou, Suqian, Taizhou, Weifang, Wuhu, Xiangtan, Xuancheng, Xuchang, Yantai, Zhangzhou, Zhenjiang, Zhongshan, Zhoushan, Zhuhai, Zhuzhou and Zibo.

Revenue recognised from sales of properties

Revenue recognised from sales of properties in 2022 was approximately RMB39,131.4 million down by 60.6% year-on-year, accounted for 82.5% of total recognised revenue. The Group delivered approximately 2,970,794 sq.m. of properties in GFA in 2022, down by 56.4% year-on-year. The Group's recognised ASP from sales of properties was approximately RMB13,172/sq.m. in 2022, representing a decrease of 9.1% from RMB14,494/sq.m. in 2021. The decrease in the Group's revenue recognised from sales of properties in 2022 was mainly attributable to the decrease in GFA delivered.

Table 2: Breakdown of recognised revenue from property sales in 2022

By city

City	Recognised revenue from sale of properties		% of recognised revenue from sale of properties		Total GFA delivered		Recognised ASP	
	RMB'000		*%*		*sq.m.*		*RMB/sq.m.*	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
Wuhan	**7,074,894**	8,221,196	**18.1**	8.2	**583,048**	531,082	**12,134**	15,480
Changsha	**5,054,639**	3,948,495	**12.9**	4.0	**432,181**	430,376	**11,696**	9,175
Wenzhou	**3,265,198**	1,357,634	**8.3**	1.4	**113,260**	86,242	**28,829**	15,742
Xi'an	**2,704,740**	736,299	**6.9**	0.7	**153,413**	62,956	**17,630**	11,695
Hefei	**1,932,348**	8,917,881	**4.9**	8.9	**109,967**	622,836	**17,572**	14,318
Nantong	**1,497,654**	–	**3.8**	–	**106,518**	–	**14,060**	–
Taicang	**1,301,756**	–	**3.3**	–	**75,622**	–	**17,214**	–
Qingdao	**1,255,499**	6,135,499	**3.2**	6.1	**133,626**	594,235	**9,396**	10,325
Shenyang	**1,238,248**	2,915,712	**3.2**	2.9	**100,879**	233,692	**12,275**	12,477
Jiangyin	**1,011,960**	–	**2.6**	–	**62,917**	–	**16,084**	–
Chengdu	**978,878**	3,441,514	**2.5**	3.5	**56,465**	236,604	**17,336**	14,545
Changde	**939,850**	–	**2.4**	–	**129,925**	–	**7,234**	–
Hangzhou	**902,222**	8,902,075	**2.3**	8.9	**58,258**	398,899	**15,487**	22,317
Jinan	**793,750**	2,225,078	**2.0**	2.2	**31,091**	142,070	**25,530**	15,662
Zhengzhou	**770,929**	–	**2.0**	–	**101,750**	–	**7,577**	–
Luoyang	**735,710**	–	**1.9**	–	**80,450**	–	**9,145**	–
Jianyang	**729,528**	–	**1.9**	–	**82,136**	–	**8,882**	–
Yinchuan	**719,453**	975,663	**1.8**	1.0	**88,726**	116,189	**8,109**	8,397
Fuzhou	**684,940**	4,846,334	**1.8**	4.9	**27,972**	278,541	**24,487**	17,399
Jinhua	**596,947**	3,160,862	**1.5**	3.2	**26,238**	177,567	**22,751**	17,801
Shijiazhuang	**575,920**	273,875	**1.5**	0.3	**40,455**	11,935	**14,236**	22,947
Chongqing	**528,396**	1,156,770	**1.4**	1.2	**52,486**	87,053	**10,067**	13,288
Shanghai	**528,279**	4,226,627	**1.4**	4.3	**21,249**	111,229	**24,861**	37,999
Jining	**516,483**	530,622	**1.3**	0.5	**45,799**	48,811	**11,277**	10,871
Guiyang	**474,653**	847,769	**1.2**	0.9	**78,380**	110,869	**6,056**	7,647
Yantai	**347,736**	–	**0.9**	–	**55,376**	–	**6,280**	–
Nanchang	**321,404**	1,459,605	**0.8**	1.5	**25,197**	129,747	**12,756**	11,250
Wuxi	**259,555**	3,863,320	**0.7**	3.9	**10,719**	218,410	**24,214**	17,688
Suzhou	**216,930**	5,457,635	**0.6**	5.4	**12,334**	268,844	**17,588**	20,300
Xiamen	**212,512**	–	**0.5**	–	**10,180**	–	**20,875**	–
Zhoushan	**155,824**	1,052,179	**0.4**	1.1	**8,548**	59,512	**18,229**	17,680
Taizhou	**144,970**	1,918,772	**0.4**	1.9	**9,700**	162,491	**14,945**	11,808
Beijing	**94,159**	3,762,203	**0.2**	3.8	**3,938**	91,591	**23,910**	41,076
Sanya	**76,265**	–	**0.2**	–	**667**	–	**114,340**	–
Linyi	**64,589**	3,672,337	**0.2**	3.7	**9,894**	491,582	**6,528**	7,470
Zhangzhou	**56,642**	912,330	**0.1**	0.9	**3,586**	58,655	**15,795**	15,554
Meishan	**53,820**	568,857	**0.1**	0.6	**9,076**	90,410	**5,930**	6,292
Changzhou	**50,162**	4,639,553	**0.1**	4.7	**2,960**	261,779	**16,947**	17,723

City	Recognised revenue from sale of properties		% of recognised revenue from sale of properties		Total GFA delivered		Recognised ASP	
	RMB'000		*%*		*sq.m.*		*RMB/sq.m.*	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
Dalian	**40,134**	854,212	**0.1**	0.9	**3,300**	80,254	**12,162**	10,644
Ningbo	**36,613**	1,059,233	**0.1**	1.1	**3,006**	93,444	**12,180**	11,335
Urumqi	**31,698**	–	**0.1**	–	**3,044**	–	**10,413**	–
Quzhou	**25,777**	66,762	**0.1**	0.1	**1,005**	4,989	**25,649**	13,383
Tianjin	**–**	1,699,789	**–**	1.7	**–**	143,061	**–**	11,882
Zibo	**–**	964,420	**–**	1.0	**–**	97,158	**–**	9,926
Kunming	**–**	763,558	**–**	0.8	**–**	90,909	**–**	8,399
Xuzhou	**–**	490,879	**–**	0.5	**–**	46,529	**–**	10,550
Jiaxing	**–**	64,221	**–**	0.1	**–**	4,658	**–**	13,788
Foshan	**–**	63,732	**–**	0.1	**–**	6,333	**–**	10,063
Weifang	**–**	22,598	**–**	–	**–**	2,326	**–**	9,715
Others	**129,751**	3,112,298	**0.3**	3.1	**5,453**	166,247	**23,794**	18,721
Total	**39,131,415**	99,288,398	**100.0**	100.0	**2,970,794**	6,850,115	**13,172**	14,494

By type of project

Primary intended use of the project	Recognised revenue from sale of properties		% of recognised revenue from sale of properties		Total GFA delivered		Recognised ASP	
	RMB'000		*%*		*sq.m.*		*RMB/sq.m.*	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
Residential	**37,261,883**	96,586,924	**95.0**	97.0	**2,837,803**	6,675,553	**13,131**	14,469
Office/Commercial	**1,869,532**	2,701,474	**5.0**	3.0	**132,991**	174,562	**14,058**	15,476
Total	**39,131,415**	99,288,398	**100.0**	100.0	**2,970,794**	6,850,115	**13,172**	14,494

By region

City	Recognised revenue from sale of properties		% of recognised revenue from sale of properties		Total GFA delivered		Recognised ASP	
	RMB'000		*%*		*sq.m.*		*RMB/sq.m.*	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
Yangtze River Delta	**12,291,479**	47,606,587	**31.4**	47.9	**651,983**	2,656,753	**18,852**	17,919
Pan Bohai Rim	**4,932,416**	23,727,022	**12.6**	23.9	**425,321**	1,954,563	**11,597**	12,139
Central Western Region	**20,814,707**	22,002,288	**53.2**	22.2	**1,852,728**	1,885,229	**11,235**	11,671
South China Region	**1,092,813**	5,952,501	**2.8**	6.0	**40,762**	353,570	**26,809**	16,835
Total	**39,131,415**	99,288,398	**100.0**	100.0	**2,970,794**	6,850,115	**13,172**	14,494

By first-, second- and third-tier cities

City	Recognised revenue from sale of properties		% of recognised revenue from sale of properties		Total GFA delivered		Recognised ASP	
	RMB'000		*%*		*sq.m.*		*RMB/sq.m.*	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
First-tier cities	**622,438**	8,165,711	**1.6**	8.2	**25,187**	206,926	**24,713**	39,462
Second-tier cities	**32,520,933**	77,837,009	**83.1**	78.4	**2,421,737**	5,439,106	**13,429**	14,311
Third-tier cities	**5,988,044**	13,285,678	**15.3**	13.4	**523,870**	1,204,083	**11,430**	11,034
Total	**39,131,415**	99,288,398	**100.0**	100.00	**2,970,794**	6,850,115	**13,172**	14,494

Completed properties held for sale

As at 31 December 2022, the Group had over 190 completed properties projects with a total and attributable unsold or undelivered GFA of approximately 8.8 million sq.m. and 4.9 million sq.m. respectively.

Properties under development/held for future development

As at 31 December 2022, the Group had over 200 property projects under development or held for future development with a total and attributable GFA of approximately 37.7 million sq.m. and 20.4 million sq.m. respectively.

PROPERTY INVESTMENT

Income from investment properties

The Group's leases and other service income related to investment properties in 2022 was approximately RMB1,239.6 million, up by 20.8% year-on-year. The leases and other service income related to investment properties in 2022 were mainly contributed by Shanghai Huanchuang Centre, Shanghai CIFI Haishang International, Shanghai Yangjing S2/S3 Office Project, Shanghai LCM, Shanghai The Roof, Shanghai CIFI Tower, Wukesong Arena and Xi'an CIFI Center, with its growth mainly derived from new rental contribution from Shanghai Huanchuang Centre, Shanghai The Roof and Wukesong Arena.

Investment properties

As at 31 December 2022, the Group had 33 investment properties with a total and attributable GFA of approximately 2,321,700 sq.m and 1,701,000 sq.m. respectively, of which 26 investment properties with a total and attributable GFA of approximately 1,562,200 sq.m and 1,204,000 sq.m. respectively had commenced leasing.

PROPERTY MANAGEMENT

The Group's property management and other services income in 2022 was approximately RMB5,580.1 million, up by 35.0% year-on-year. The increase was primarily due to the increase in the number of properties under management.

OUTLOOK FOR 2023

2022 was a year full of difficulties for most real estate enterprises. In spite of the three favorable financial policies for the finance of real estate enterprises, centralized credit, large-scale bond issue and share placing only benefited limited enterprises, while the fundamental financing environment for most real estate enterprises remained unchanged. Only in hard times can courage and perseverance be manifested. All difficulties CIFI experienced in 2022 only makes it stronger in its path to become a centennial enterprise. CIFI overcame all challenges in the most difficult year of 2022, evidenced by delivering approximately 90,000 new residential units.

Looking forward, in 2023, the recovery of macro economy is still one of the key factors for the revival of real estate market. The central government's policies will continue to be the foundation with the keynote of "housing is for living in, not for speculation". There are room for improvement for the policies at both supply and demand sides, which are expected to be further strengthened. It is also expected that policies in core second-tier cities will be fully loosened, while policies in first-tier cities will have great potential for optimization with continuous adjustment, such as lowering interest rate of loan, lowering the down payment ratio and optimization of restricted purchase. It is expected that reasonable financing demands of enterprises will be supported, the financing chain will be further unclogged, and the capital position of enterprises will be improved. "Ensuring timely deliveries of pre-sold housing" remains the priority. With accelerated grant of special loans and supporting capital, more substantial progress can be expected, raising aspirations of the home buyers. The real estate market has reached the bottom. With the continuing launch of stimulus policies, the industry will see the silver lining.

We intend to keep running a professional, efficient and fair process in the quest for a holistic solution of the offshore liquidity issue faced by us. We value the input from our creditors and would like to express our deepest gratitude to them for the constructive engagement and support. We expect to continue the proactive and constructive dialogue and maintain a positive momentum with the Co-ordination Committee and the AHG with a view to negotiating a holistic solution as soon as practical.

In 2023, CIFI will continue to put "ensuring delivery and quality" as the top priority. Products and services lay the foundation for the success of CIFI. No matter how difficult the industry is, CIFI never compromises the product and service quality, and is dedicated to allocate all available resources to provide more exquisite products and warmer services to win the recognition of our customers.

FINANCIAL REVIEW

Revenue

The Group's recognised revenue was approximately RMB47,440.1 million in 2022, down 56.0% year-on-year. Out of the Group's total recognised revenue in 2022, (i) sales of property and other property related service income decreased by 60.4% from 2021 to approximately RMB40,620.5 million; (ii) leases increased by 16.6% from 2021; (iii) property management and other services income increased by 35.0% from the corresponding period of last year; (iv) other service income related to investment properties increased by 117.8% from 2021.

Table 3: Breakdown of recognised revenue in 2022

	2022		2021		
	Recognised revenue *RMB'000*	**% of Total recognized revenue** %	Recognized revenue *RMB'000*	% of Total recognized revenue %	Year-on-year change %
Sales of properties and other property related service income	**40,620,476**	**85.6**	102,675,338	95.2	-60.4
Leases	**1,145,203**	**2.4**	982,491	0.9	16.6
Property management and other services income	**5,580,101**	**11.8**	4,133,595	3.8	35.0
Other service income related to investment properties	**94,361**	**0.2**	43,317	0.1	117.8
Total	**47,440,141**	**100.0**	107,834,741	100.0	-56.0

Cost of sales and service

The Group's reported cost of sales in 2022 was approximately RMB40,820.4 million, down 53.1% from 2021.

Gross profit and gross profit margin

The Group's reported gross profit in 2022 was approximately RMB6,619.7 million, down by 68.2% compared to RMB20,797.4 million in 2021.

Write-down of properties held for sale and properties under development for sale

In 2022, the Group recognized a loss of RMB4,292.9 million on write-down of properties held for sale and properties under development for sale as compared to none recognized in 2021.

Net exchange gain or loss from hedging arrangements

In 2022, the Group incurred net exchange loss of RMB1,970.2 million due to the effects of RMB exchange rate depreciation during the year, compared to net exchange gain of RMB790.7 million in 2021.

The Group had entered into currency forward contracts to hedge certain of its foreign currency exposure in non-RMB denominated indebtedness. In 2022, the Group recorded in a fair value loss on derivative financial instruments of RMB2.2 million due to hedging arrangements (2021: fair value loss of RMB26.2 million).

Loss on early redemption of senior notes

In 2022, the Group realized a loss on early redemption of senior notes of RMB1.6 million, loss of RMB80.9 million was incurred in 2021.

Fair value (loss) gain of investment properties

In 2022, the Group recognised a fair value loss on investment properties of approximately RMB1,258.1 million as compared to a fair value gain on investment properties in 2021 of approximately RMB1,308.1 million.

Selling and marketing expenses

The Group's selling and marketing expenses decreased by 7.0% to approximately RMB2,200.1 million in 2022 from approximately RMB2,366.9 million in 2021. During the year, the Group kept its selling expenses at an appropriate level.

Administrative and other expenses

The Group's administrative expenses decreased by 2.6% to approximately RMB3,611.7 million in 2022 from approximately RMB3,707.2 million in 2021. During the year, the Group's administrative expenses were kept at a reasonable level due to implementation of stringent cost control and improvement in per capita efficiency.

Share of results of joint ventures and associates

The Group's share of results of joint ventures and associates amounted to loss of RMB1,740.3 million in 2022, versus profits of RMB758.8 million in 2021. Included in the share of results of joint ventures and associated companies in 2022 were RMB206.4 million share of loss in the fair value of investment properties (2021: RMB45.0 million) and RMB668.6 million share of loss in the impairment of joint ventures and associates (2021: nil).

Eliminating the effects of fair value losses and impairment losses, the Group's share of results of joint ventures and associated companies were losses of RMB865.3 million in 2022, compared to gains of RMB713.8 million in 2021.

Finance costs

The Group's finance costs expensed in 2022 was approximately RMB2,565.4 million, versus RMB578.7 million in 2021. The change in finance costs expensed was primarily attributable to the change in the total finance costs incurred, net of the portion being capitalised in properties under development during the year.

The Group's total finance costs expensed and capitalised increased by 3% to approximately RMB6,572.2 million in 2022 from RMB6,380.1 million in 2021. The Group's total indebtedness was RMB108.4 billion as at 31 December 2022, compared to RMB114.1 billion as at 31 December 2021.

Income tax expenses

The Group's income tax expenses decreased by 89.4% to approximately RMB627.6 million in 2022 from approximately RMB5,900.4 million in 2021. The Group's income tax expense included payments and provisions made for enterprise income tax and land appreciation tax ("LAT") less deferred tax during the year.

The Group made LAT provisions of approximately RMB773.5 million in 2022 versus approximately RMB1,091.0 million in 2021. The Group made actual LAT payments of approximately RMB1,807.6 million in 2022 versus approximately RMB3,466.7 million in 2021. As at 31 December 2022, the Group had accumulated unpaid LAT provisions of approximately RMB1,395.0 million.

Loss for the year

As a result of the factors described above, the Group's loss before tax was approximately RMB12,932.4 million in 2022 versus profit before tax of approximately RMB18,227.6 million in 2021. The Group's loss for the year was approximately RMB13,560.0 million in 2022 versus profit for the year of approximately RMB12,327.2 million in 2021. The Group's net loss attributable to equity owners was approximately RMB13,049.0 million in 2022 versus net profit attributable to equity owners of approximately RMB7,612.9 million in 2021.

The Group's core net loss attributable to equity owners was approximately RMB5,202.0 million in 2022 versus core net profit attributable to equity owners of approximately RMB7,283.9 million in 2021.

Interests in and amount due from joint ventures and associates

The Group recorded interests in joint ventures and associates of RMB26,808.5 million as at 31 December 2022, versus RMB34,413.7 million as at 31 December 2021, which includes share of impairment loss of equity RMB668.6 million (2021: nil). The Group recorded amount due from joint ventures and associates of RMB26,241.9 million as at 31 December 2022, versus RMB36,381.1 million as at 31 December 2021, which includes allowance for expected credit losses RMB2,204.5 million (2021: nil).

The interests in joint ventures and associates, and the amount due from joint ventures and associates are related to the holding of interest of the Group in relevant joint venture entities formed with joint venture partners and engaged in single purpose property projects developed for sale which is of revenue nature in the ordinary and usual course of business of the Group. The amount due from joint ventures and associates represented the shareholder's loans contributed by the Group in the capacity of the partners of the relevant joint venture incidental to the development of the aforesaid single purpose property project, including payment of the land premium and construction cost of the project. The decrease in the interests in joint ventures and associates, and the amount due from joint ventures and associates was attributable to adopting prudent land acquisition strategies, and continuing to co-operate and co-develop implemented by way of diversifying the land bank in different geographical regions in the PRC through forming joint venture entities with local partners for single purpose property project developments in such regions so as to achieve a nationwide operating coverage and a strong presence in major first- second-tier cities as well as core cities in the PRC.

Properties under development for sale

The Group recorded properties under development for sale of RMB160,801.7 million as at 31 December 2022, versus RMB167,611.4 million as at 31 December 2021. Such decrease was due to the decrease in land acquisition in 2022.

Deferred tax assets

The Group recorded deferred tax assets of RMB2,343.2 million as at 31 December 2022, versus RMB2,201.9 million as at 31 December 2021.

LAND BANK

As at 31 December 2022, the total GFA of the Group's land bank was approximately 46.5 million sq.m., and the attributable GFA of the Group's land bank was approximately 25.3 million sq.m.

Land acquisition

In 2022, the Group acquired interests in a total of 5 new projects.

Total planned GFA of the Group's land acquisition in 2022 amounted to approximately 413,400 sq.m., out of which 216,400 sq.m. were attributable to the Group's equity interests. Total contracted consideration of the Group's land acquisition amounted to approximately RMB6,503 million, out of which RMB2,792 million were payable by the Group according to its equity interests in relevant projects. Based on the Group's attributable GFA acquired and the attributable acquisition considerations, the Group's average land acquisition cost in 2022 was approximately RMB12,902 per sq.m.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

As at 31 December 2022, the Group had cash and bank balances of approximately RMB20,553.4 million (31 December 2021: approximately RMB46,709.7 million), which included pledged bank deposits of approximately RMB445.3 million (2021: RMB247.2 million).

Indebtedness

As at 31 December 2022, the Group had outstanding total borrowings amounted to approximately RMB108,449.7 million (31 December 2021: RMB114,112.0 million), comprising bank and other borrowings of approximately RMB65,485.4 million (31 December 2021: RMB72,888.6 million), onshore corporate bonds and medium-term notes with carrying amounts of RMB13,130.6 million (31 December 2021: RMB11,201.1 million), offshore convertible bond with a carrying amount of approximately RMB1,401.3 million (31 December 2021: Nil) and offshore senior notes with carrying amounts of RMB28,432.4 million (31 December 2021: RMB30,022.3 million).

Approximately 57.1% of the Group's total borrowings were denominated in RMB, while 42.9% were denominated in foreign currencies.

Approximately RMB52,250.4 million of the Group's consolidated borrowings were with fixed interest rates ranging from 2.36% per annum to 10.0% per annum, depending on the terms of the loans, and the other loans were quoted at floating rates. As of 31 December 2022, the proportion of fixed interest debt was 48.9% of the total debt.

In 2022, the Group successfully issued corporate bonds of RMB500 million and medium-term notes of RMB2.2 billion in the domestic capital market, at a coupon rate ranging from 3.22% to 5.50% per annum with terms ranging from three to four years.

Cost of borrowings

The Group's total finance costs expensed and capitalised in 2022 was approximately RMB6,572.2 million, representing an increase of 3.0% from RMB6,380.1 million in 2021.

The Group's weighted average cost of all indebtedness (including bank and other loans, onshore corporate bonds and medium-term note, offshore senior notes and offshore convertible bonds) as at 31 December 2022 was 4.9%, compared to 5.0% as at 31 December 2021.

Foreign currency risk

The Group conducts its business primarily in Renminbi. The Group's certain bank deposits are denominated in Hong Kong dollars, United States dollars and other currencies, and the majority of the Group's offshore bank loans and senior notes are denominated in United States dollars and Hong Kong dollars. Certain of the Group's property projects are located in Hong Kong and are denominated in Hong Kong dollars.

The Group has adopted a hedging policy to actively manage its currency risk exposure concerning non-RMB denominated indebtedness. The Group may, depending on the circumstances and trend of currency rates, consider and enter into hedging arrangements to mitigate the impact of RMB depreciation.

It is the Group's policy to utilize the most appropriate and cost effective hedging instruments to hedge its currency risk exposure of non-RMB denominated indebtedness. The Group's hedging arrangements shall, to the extent possible, match the value and the maturity of the relevant non-RMB denominated indebtedness being hedged.

Based on the above policy, the Group has entered into US dollar versus offshore RMB capped forward during the year to hedge certain of its foreign currency exposure in non-RMB denominated indebtedness.

Certain currency capped forward contracts entered into have "capped gain" feature; on the expiry date:

– if the then prevailing US dollar versus offshore RMB exchange rate ("Expiry Rate") is less than or equal to the pre-specific capped gain rate ("Capped Gain Rate"), the Group shall buy the contract amount of US dollar against offshore RMB at the pre-specified contract rate ("Strike Rate"); or

– if the Expiry Rate is greater than the Cap Rate, the Group shall receive the amount of relevant depreciation amount of offshore RMB against US dollar up to the Capped Gain Rate ("Capped Gain Amount").

The Forwards utilized by the Group had contract values and expiry dates matching the outstanding amounts and maturity dates of the specific US dollar or Hong Kong dollar denominated indebtedness being hedged. These Forwards enable the Group to lock-in to the relevant pre-specified Strike Rate of US dollar versus RMB exchange rate for the repayment of its outstanding non-RMB denominated indebtedness.

Other than those disclosed above, the Group did not have any other material exposures to foreign exchange fluctuations or any other hedging arrangements as at 31 December 2022. The Group will monitor its foreign currency exposure closely and may, depending on the circumstances and trend of foreign currencies, consider adjusting its foreign currency hedging policy in the future.

Financial guarantees

The Group has provided mortgage guarantees to PRC banks in respect of the mortgage loans provided by the PRC banks to the Group's customers. The Group's mortgage guarantees are issued from the dates of grant of the relevant mortgage loans and released upon the earlier of (i) the relevant property ownership certificates being obtained and the certificates of other interests with respect to the relevant properties being delivered to the mortgagee banks, or (ii) the settlement of mortgage loans between the mortgagee banks and the Group's customers. As at 31 December 2022, the Group provided mortgage guarantees in respect of mortgage loans provided by the PRC banks to the Group's customers amounting to approximately RMB26,886.8 million (31 December 2021: approximately RMB31,163.8 million).

During the year, certain of the Group's joint ventures and associates have utilized offshore and/or onshore bank loans. The Company provided guarantees on several basis covering its respective equity shares of outstanding obligations under certain offshore and/or onshore bank loans incurred by its joint ventures and associated companies. As at 31 December 2022, the Group's aggregate share of such guarantees provided in respective of loans incurred by these joint ventures and associate companies amounted to approximately RMB10,848.7 million (31 December 2021: approximately RMB15,787.7 million).

Gearing ratio

The Group's net debt-to-equity ratio (total indebtedness net of bank balances and cash divided by total equity) was approximately 102.0% as at 31 December 2022, versus approximately 62.8% as at 31 December 2021. The Group's debt-to-asset ratio (total indebtedness divided by total assets) was approximately 28.1% as at 31 December 2022 versus approximately 26.4% as at 31 December 2021. The Group's current ratio (current assets divided by current liabilities) was approximately 1.2 times as at 31 December 2022, versus approximately 1.6 times as at 31 December 2021.

FINAL DIVIDEND

The Board has resolved not to recommend to distribute a final dividend for the year ended 31 December 2022 (year ended 31 December 2021: RMB5.7 cents per share).

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 23 November 2023 to Tuesday, 28 November 2023, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to determine the identity of members who are entitled to attend and vote at the adjourned annual general meeting to be held on Tuesday, 28 November 2023 (the "Adjourned 2023 AGM"), all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 22 November 2023.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

On 3 January 2022, the Company commenced offer to purchase for cash with respect to the 5.5% senior notes due 2022 with then outstanding principal amount of US$505,100,000 (the "January 2017 Notes") in accordance with the terms and conditions set out in an offer to purchase dated 3 January 2022.

Such offer was completed on 7 January 2022. The final aggregate amount paid by the Company to holders, who accepted such offer of a total of US$265,117,000 in principal amount of the January 2017 Notes, was approximately US$272,094,732.12. Immediately after completion of such offer and cancellation of the accepted notes, an aggregate principal amount of US$239,983,000 of the January 2017 Notes remained outstanding.

The January 2017 Notes matured on 23 January 2022. The Company has repaid the January 2017 Notes in full at their outstanding principal amount of US$239,983,000 together with interest accrued to the maturity date.

Between 13 January 2022 and 8 March 2022, the Company repurchased the 6.70% senior notes due April 2022 (the "July 2019 Notes") in the open market in an aggregate principal amount of RMB119,400,000, representing 7.46% of the aggregate principal amount of the July 2019 Notes originally issued. Such repurchased notes have been cancelled in accordance with the terms and conditions of the July 2019 Notes.

On 6 April 2022, the Company commenced offer to purchase for cash with respect to the then outstanding principal amount of RMB1,477,600,000 of the July 2019 Notes in accordance with the terms and conditions set out in an offer to purchase dated 6 April 2022.

Such offer was completed on 12 April 2022. The final aggregate amount paid by the Company to holders, who accepted such offer of a total of RMB782,120,000 in principal amount of the July 2019 Notes, was approximately RMB806,957,131.14. Immediately after completion of such offer and cancellation of the accepted notes, an aggregate principal amount of RMB695,480,000 of the July 2019 Notes remained outstanding.

The July 2019 Notes matured on 23 April 2022. The Company repaid the July 2019 Notes in full at their outstanding principal amount of RMB695,480,000 together with interest accrued to the maturity date.

On 8 July 2022, the Company repurchased the 5.50% senior notes due January 2023 (the "January 2018 Notes") in open market in an aggregate principal amount of USD5,000,000, representing approximately 1.67% of the aggregate principal amount of the January 2018 Notes originally issued.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (whether on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or not) during the year ended 31 December 2022.

CORPORATE GOVERNANCE

The Board is of opinion that the Company had adopted, applied and complied with the code provisions as set out in part 2 of the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") during the year ended 31 December 2022.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as its own code of conduct of dealings in securities of the Company by the Directors. Upon specific enquiries of all the Directors, each of them has confirmed that they complied with the required standards set out in the Model Code during the year ended 31 December 2022.

As required by the Company, relevant officers and employees of the Group are also bound by the Model Code, which prohibits them to deal in securities of the Company at any time when he possesses inside information in relation to those securities. Save for the above, no incident of non-compliance of the Model Code by the relevant officers and employees was noted by the Company during the year ended 31 December 2022.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2022, none of the Directors, the management shareholders of the Company nor their respective associates (as defined in the Listing Rules) had any interest in a business that competed or might compete with the business of the Group. In particular, Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng, being the executive Directors and the controlling shareholders of the Company, declared that they did not engage in business competed or might compete with the business of the Group during the year and they have complied with the undertakings given under the Deed of Non-competition as disclosed in the prospectus of the Company dated 13 November 2012. The independent non-executive Directors did not notice any incident of non-compliance of such undertakings.

REVIEW OF ANNUAL RESULTS

The audit committee of the Company (the "Audit Committee") consists of three independent non-executive Directors, Mr. TAN Wee Seng (being the chairman of the Audit Committee), Mr. ZHANG Yongyue and Ms. LIN Caiyi. The Audit Committee is satisfied with its review of the remuneration and the independence of the auditor, Prism Hong Kong and Shanghai Limited ("Prism"), and has recommended the Board to re-appoint Prism as the Company's auditor for 2023, which is subject to the approval of the shareholders of the Company at the Adjourned 2023 AGM. The Company's annual results for the year ended 31 December 2022 have been reviewed by the Audit Committee, which opines that applicable accounting standards and requirements have been complied with and that adequate disclosures have been made.

BOARD COMPOSITION

As at the date of this announcement, the Board consisted of eight Directors comprising Mr. LIN Zhong (Chairman), Mr. LIN Wei (Vice-chairman), Mr. LIN Feng (Chief Executive Officer), Mr. RU Hailin and Mr. YANG Xin (Chief Financial Officer) as the executive Directors; and Mr. ZHANG Yongyue, Mr. TAN Wee Seng and Ms. LIN Caiyi as the independent non-executive Directors. The overall management and supervision of the Group's operation and the function of formulating overall business strategies were vested in the Board.

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

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.cifi.com.cn. The 2022 annual report will be despatched to shareholders of the Company and available on the above websites in due course.

MISCELLANEOUS

Reference is made to the announcement of the Company dated 9 March 2023 (the "Transaction Announcement") in relation to, among others, the acquisition of equity interest in Guangzhou Changzhe (as defined in the Transaction Announcement). As disclosed in the Transaction Announcement, Guangzhou Changzhe was owned as to 25% by Guangzhou Xuhui, 25% by Nanjing Hengxue and 50% by two natural persons who are independent third parties as at the date of the Transaction Announcement. The Company wishes to provide further information to its shareholders that the said two natural persons are Liu Jun (劉君) and Chen Lin (陳琳).

SUSPENSION OF TRADING

At the request of the Company, trading in the ordinary shares, warrants and derivatives of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Friday, 31 March 2023. As disclosed in the announcement of the Company dated 26 September 2023 in relation to, among other things, fulfilment of resumption guidance, the Company has made an application to the Stock Exchange for the resumption of trading in the ordinary shares, warrants and derivatives of the Company with effect from 9:00 a.m. on Wednesday, 27 September 2023.

By order of the Board
CIFI Holdings (Group) Co. Ltd.
LIN Zhong
Chairman

Hong Kong, 26 September 2023

Notes:

The expression "we", "us", "CIFI" and "Company" may be used to refer to our Company or our Group as the context may require.

References to our "land bank", "development projects", "property projects" or "projects" refer to our property projects with land for which we have obtained land-use rights and property projects for which we have not obtained land-use rights but have entered into the land grant contracts or received successful tender auction confirmations as at the relevant dates.

The site area information for an entire project is based on the relevant land use rights certificates, land grant contracts or tender documents, depending on which documents are available. If more than one document is available, such information is based on the most recent document available.

The figures for GFA are based on figures provided in or estimates based on the relevant governmental documents, such as the property ownership certificate, the construction work planning permit, the pre-sale permit, the construction land planning permit or the land use rights certificate.