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)**

**(Debt Stock Codes: 05261, 05925, 40046, 40120, 40316, 40464, 40519, 40681, 40682)**

## ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

**2023 RESULTS HIGHLIGHTS**

- The Group (including its joint ventures and associates) completed delivery of approximately 118,000 property units in total.
- The Group's recognised revenue was approximately RMB71,833 million, a year-on-year growth of 51.4%.
- Net loss attributable to equity owners and core net loss attributable to equity owners were reduced by approximately RMB4,066 million and RMB1,269 million, respectively, compared to that for the previous year.
- Leases and other service income related to investment properties in 2023 was approximately RMB1,592 million, up by 28.4% year-on-year.
- Outstanding total borrowings amounted to approximately RMB92,281 million, a year-on-year decrease of approximately RMB16,169 million.
- Positive net cash from operating activities was recorded.

## ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023 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 2023*

| | | **2023** | 2022 |
|---|---|---|---|
| | *NOTES* | ***RMB'000*** | *RMB'000* |
| **REVENUE** | *4* | **71,832,556** | 47,440,141 |
| Cost of sales and services | | **(60,599,882)** | (40,820,412) |
| **Gross profit** | | **11,232,674** | 6,619,729 |
| Other income and gains (expenses), net | *5* | **(852,156)** | (1,335,262) |
| Selling and marketing expenses | | **(1,873,749)** | (2,200,117) |
| Administrative expenses | | **(2,102,048)** | (3,611,724) |
| Fair value loss of investment properties | | **(133,673)** | (1,258,124) |
| Write-down of properties held for sale and properties under development for sale | | **(8,707,381)** | (4,292,930) |
| Allowance for expected credit losses | | **(400,788)** | (2,548,259) |
| Finance costs | *6* | **(3,027,125)** | (2,565,380) |
| Share of results of joint ventures and associates | | **411,943** | (1,740,293) |
| **Loss before taxation** | | **(5,452,303)** | (12,932,360) |
| **Income tax expense** | *7* | **(3,226,640)** | (627,618) |
| **Loss for the year** | *8* | **(8,678,943)** | (13,559,978) |

| | NOTE | 2023 RMB'000 | 2022 RMB'000 |
|---|---|---|---|
| **Other comprehensive income (expense):** | | | |
| *Items that may be reclassified subsequently to profit or loss:* | | | |
| Fair value change on hedging instruments designated as cash flow hedge | | – | 30,536 |
| Reclassification of fair value change on hedging instruments designated as cash flow hedge to profit or loss | | – | (4,083) |
| *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") | | **(9,977)** | (32,825) |
| | | **(9,977)** | (6,372) |
| **Total comprehensive expense for the year** | | **(8,688,920)** | (13,566,350) |
| Loss for the year attributable to: | | | |
| Equity owners of the Company | | **(8,983,274)** | (13,049,088) |
| Owners of perpetual capital instruments | | **249,492** | 108,192 |
| Non-controlling interests | | **54,839** | (619,082) |
| | | **(8,678,943)** | (13,559,978) |
| Total comprehensive expense for the year attributable to: | | | |
| Equity owners of the Company | | **(8,993,251)** | (13,055,460) |
| Owners of perpetual capital instruments | | **249,492** | 108,192 |
| Non-controlling interests | | **54,839** | (619,082) |
| | | **(8,688,920)** | (13,566,350) |

| | | 2023 | 2022 |
|---|---|---|---|
| **Loss per share, in RMB:** | | | |
| **Basic** | *10* | **(0.86)** | (1.42) |
| **Diluted** | *10* | **(0.86)** | (1.42) |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
*AS AT 31 DECEMBER 2023*

| | NOTE | **2023** *RMB'000* | 2022 *RMB'000* |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Investment properties | | **45,909,727** | 45,797,766 |
| Property, plant and equipment | | **498,619** | 571,039 |
| Right-of-use assets | | **151,162** | 204,764 |
| Intangible assets | | **278,439** | 311,092 |
| Goodwill | | **1,488,171** | 1,454,656 |
| Interests in associates | | **15,050,426** | 14,030,344 |
| Interests in joint ventures | | **16,739,077** | 12,778,183 |
| Investments in property projects | | **53,671** | 94,310 |
| Financial assets at fair value through profit or loss ("FVTPL") | | **739,354** | 818,340 |
| Equity instruments at FVTOCI | | **29,833** | 39,810 |
| Deferred taxation assets | | **2,231,162** | 2,343,246 |
| Other receivables, deposits and prepayments | *11* | **55,020** | 58,523 |
| Deferred contract cost | | **38,011** | 10,894 |
| | | **83,262,672** | 78,512,967 |
| **CURRENT ASSETS** | | | |
| Properties held for sale | | **21,666,150** | 23,436,320 |
| Properties under development for sale | | **96,603,349** | 160,801,700 |
| Accounts and other receivables, deposits and prepayments | *11* | **35,653,422** | 30,836,601 |
| Amounts due from non-controlling interests | | **21,130,766** | 36,728,369 |
| Amounts due from joint ventures and associates | | **22,765,845** | 26,240,695 |
| Deposits for land use rights for properties held for sale | | **2,083,442** | 3,759,653 |
| Taxation recoverable | | **4,153,432** | 5,230,807 |
| Financial assets at FVTPL | | **4,264** | 20,759 |
| Pledged bank deposits | | **1,004,098** | 445,300 |
| Bank balances and cash | | **12,749,791** | 20,108,115 |
| Deferred contract costs | | **3,661** | 11,561 |
| | | **217,818,220** | 307,619,880 |

| | NOTE | 2023<br>RMB'000 | 2022<br>RMB'000 |
|---|---|---|---|
| **CURRENT LIABILITIES** | | | |
| Accounts and other payables and accrued charges | 12 | **52,373,963** | 56,330,766 |
| Contract liabilities | | **48,545,013** | 91,551,676 |
| Amounts due to non-controlling interests | | **7,134,718** | 6,739,936 |
| Amounts due to joint ventures and associates | | **24,541,833** | 24,812,909 |
| Taxation payable | | **6,611,028** | 6,704,660 |
| Lease liabilities – due within one year | | **49,462** | 62,913 |
| Financial guarantee liabilities | | **–** | 57,582 |
| Bank and other borrowings – due within one year | | **30,765,061** | 37,487,563 |
| Senior notes – due within one year | | **28,818,191** | 28,432,434 |
| Corporate bonds and medium-term notes – due within one year | | **8,110,209** | 4,809,105 |
| Debt component of convertible bonds | | **1,571,304** | 1,401,331 |
| Derivative component of convertible bonds | | **–** | 267,247 |
| | | **208,520,782** | 258,658,122 |
| **NET CURRENT ASSETS** | | **9,297,438** | 48,961,758 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **92,560,110** | 127,474,725 |
| **CAPITAL AND RESERVES** | | | |
| Share capital | | **855,610** | 855,575 |
| Reserves | | **19,373,671** | 28,558,791 |
| Equity attributable to owners of the Company | | **20,229,281** | 29,414,366 |
| Perpetual capital instruments | | **1,924,545** | 1,924,545 |
| Non-controlling interests | | **42,414,994** | 54,841,491 |
| **TOTAL EQUITY** | | **64,568,820** | 86,180,402 |
| **NON-CURRENT LIABILITIES** | | | |
| Other payable – due after one year | 12 | **9,322** | 13,174 |
| Lease liabilities – due after one year | | **114,352** | 153,943 |
| Bank and other borrowings – due after one year | | **18,188,107** | 27,997,778 |
| Corporate bonds and medium-term notes – due after one year | | **4,828,267** | 8,321,451 |
| Deferred taxation liabilities | | **4,851,242** | 4,807,977 |
| | | **27,991,290** | 41,294,323 |
| | | **92,560,110** | 127,474,725 |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
*FOR THE YEAR ENDED 31 DECEMBER 2023*

## 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 addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

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 OF CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standard (“IFRS Accounting Standard”) issued by the International Accounting Standard Board (“IASB”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

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 2023, the Group incurred a net loss attributable to equity owners of the Company of approximately RMB8,983,274,000. As at 31 December 2023, 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 amounting to approximately RMB17,288,224,000, RMB28,818,191,000, RMB1,571,304,000 and RMB2,950,341,000 respectively became default or cross-default.

In view of such circumstances, the directors of the Company have 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 consolidated financial statements, a Co-ordination Committee (consisting 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) 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 of directors of the Company (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 2023. 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.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

## 3. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS Accounting Standards")

**New and amendment of IFRS Accounting Standards that are materially effective for the annual year**

In the current year, the Group has applied the following new and amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the Group's annual periods beginning on 1 January 2023 for the preparation of the consolidated financial statements:

| | |
|---|---|
| IFRS 17 (Including the June 2020 and December 2021 Amendment to IFRS 17) | Insurance Contracts |
| Amendments to IAS 1 and IFRS Practice Statement 2 | Disclosure of Accounting Policies |
| Amendments to IAS 8 | Definition of Accounting Estimates |
| Amendments to IAS 12 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |
| Amendments to IAS 12 | International Tax Reform – Pillar Two Model Rules |

Except as described below, the application of the new and the amendments to IFRS Accounting Standards 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.

**Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies**

The Group has applied the amendments for the first time in the current year. IAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 *Making Materiality Judgements* (the "Practice Statement") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies set out in the consolidated financial statements.

## 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 2023** | | | | |
| Reportable segment revenue from external customers | **64,171,369** | **1,591,731** | **6,069,456** | **71,832,556** |
| Reportable segment (loss) profit | **(1,223,108)** | **783,951** | **1,090,701** | **651,544** |
| **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 |

### (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) 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 and gains (expenses), net earnings 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 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.

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **Revenue** | | |
| Reportable segment and consolidated revenue | **71,832,556** | 47,440,141 |
| **(Loss) profit** | | |
| Reportable segment profit | **651,544** | 126,682 |
| Other income and gains (expenses), net | **(852,156)** | (1,335,262) |
| Fair value loss of investment properties | **(133,673)** | (1,258,124) |
| Finance costs | **(3,027,125)** | (2,565,380) |
| Share of results of joint ventures and associates | **411,943** | (1,740,293) |
| Depreciation of property, plant and equipment | **(149,693)** | (130,199) |
| Depreciation of right-of-use assets | **(77,194)** | (96,478) |
| Amortisation of intangible assets | **(39,833)** | (38,802) |
| Allowance for expected credit losses | **(400,788)** | (2,548,259) |
| Unallocated head office and corporate expenses | **(1,835,328)** | (3,346,245) |
| Loss before taxation | **(5,452,303)** | (12,932,360) |

**(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

| | 2023 | 2022 |
|---|---|---|
| | *RMB'000* | *RMB'000* |
| Interest income | **174,826** | 332,502 |
| Gain on disposal of property, plant and equipment, net | **1,456** | 707 |
| (Loss) gain on disposal of subsidiaries, net | **(622,769)** | 72,160 |
| (Loss) gain on disposal of joint ventures | **(431,150)** | 28,123 |
| Gain on disposal of associates | **15,248** | 25,068 |
| Government grants (note) | **123,053** | 111,483 |
| Forfeited deposits paid by purchasers | **35,852** | 49,718 |
| Loss on early redemption of senior notes | **–** | (1,608) |
| Dividend income from financial assets at FVTPL | **18,335** | 27,630 |
| Fair value changes on: | | |
| – derivative financial instruments | **–** | (2,217) |
| – investments in property projects | **(44,349)** | (9,716) |
| – financial assets at FVTPL | **(50,592)** | (272,400) |
| – derivative component of convertible bonds | **267,247** | 111,506 |
| Dividend income from investments in property projects | **9,299** | 41,091 |
| Net exchange loss | **(372,461)** | (1,970,238) |
| Sundry income | **23,849** | 120,929 |
| | **(852,156)** | (1,335,262) |

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

## 6. FINANCE COSTS

| | 2023 | 2022 |
|---|---|---|
| | *RMB'000* | *RMB'000* |
| Interest expense on bank and other borrowings | **(3,175,763)** | (4,198,144) |
| Interest expense on senior notes | **(1,709,714)** | (1,657,636) |
| Interest expense on corporate bonds and medium-term notes | **(544,916)** | (501,716) |
| Interest expense on convertible bonds | **(250,565)** | (204,903) |
| Interest expense on lease liabilities | **(7,427)** | (9,755) |
| | **(5,688,385)** | (6,572,154) |
| Less: Amount capitalised to properties under development for sale and investment properties under construction | **2,661,260** | 4,006,774 |
| | **(3,027,125)** | (2,565,380) |

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

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| PRC Enterprise Income Tax | | |
| Current year | **(2,033,304)** | (291,894) |
| Over provision in respect of prior years | **52,201** | 59,633 |
| Land Appreciation Tax | **(1,280,068)** | (773,482) |
| | **(3,261,171)** | (1,005,743) |
| Deferred taxation | | |
| PRC Enterprises Income Tax | **34,531** | 378,125 |
| | **(3,226,640)** | (627,618) |

## 8. LOSS FOR THE YEAR

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Loss for the year has been arrived at after charging (crediting): | | |
| Auditors' remuneration | **9,510** | 10,970 |
| Cost of properties sold included in cost of sales and services | **54,612,562** | 35,403,884 |
| Depreciation of property, plant and equipment | **149,693** | 130,199 |
| Depreciation of right-of-use assets | **77,194** | 96,478 |
| Amortisation of intangible assets | **39,833** | 38,802 |
| Directors' emoluments | **29,114** | 24,106 |
| Other staff costs | | |
| Staff costs excluding retirement benefit costs | **3,968,437** | 5,075,099 |
| Retirement benefit contributions | **366,728** | 415,909 |
| Equity-settled share-based payments | **77,718** | 21,836 |
| Total other staff costs | **4,412,883** | 5,512,844 |
| Less: Amount capitalised to properties under development for sale and investment properties under construction | **(211,918)** | (729,472) |
| | **4,200,965** | 4,783,372 |
| Rental income from investment properties | **(1,566,483)** | (1,145,203) |
| Less: Related outgoings | **807,337** | 619,020 |
| | **(759,146)** | (526,183) |

## 9. DIVIDEND

The board of directors had not proposed to declare a final dividend for the year ended 31 December 2023 and 2022.

During the year ended 31 December 2023, no final dividend was paid to the shareholders. During the year ended 31 December 2022, a final dividend of RMB5.7 cents (equivalent to HK$7 cents) per ordinary share in respect of the financial year ended 31 December 2021 were paid to the shareholders.

| | **2023** | | 2022 | |
|---|---|---|---|---|
| | ***HK$'000*** | ***RMB'000*** | *HK$'000* | *RMB'000* |
| Dividends | | | | |
| Cash | **–** | **–** | 615,453 | 540,294 |
| | **–** | **–** | 615,453 | 540,294 |

## 10. LOSS PER SHARE

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

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **Loss** | | |
| Loss for the purpose of basic and diluted loss per share | | |
| Loss for the year attributable to equity owners of the Company | **(8,983,274)** | (13,049,088) |

| | **2023** | 2022 |
|---|---|---|
| **Number of shares** | | |
| Weighted average number of ordinary shares for the purpose of basic loss per share | **10,410,131,144** | 9,187,789,696 |

The computation of diluted loss per share for the year ended 31 December 2023 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 2023 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 2023.

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 2022 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, normally with a range of 60 days to 180 days from the date of agreement.

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Accounts receivables – contracts with customers | **3,962,730** | 4,560,721 |
| Less: Allowance for expected credit losses | **(335,715)** | (244,359) |
| | **3,627,015** | 4,316,362 |
| Other receivables (note) | **27,649,402** | 21,479,776 |
| Less: Allowance for expected credit losses | **(515,838)** | (167,829) |
| | **27,133,564** | 21,311,947 |
| Prepaid tax | **1,199,196** | 1,365,559 |
| Deposits and prepayments | **3,748,667** | 3,901,256 |
| | **35,708,442** | 30,895,124 |
| Less: Amount shown under non-current assets | **(55,020)** | (58,523) |
| Amounts shown under current assets | **35,653,422** | 30,836,601 |

*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.

As at 1 January 2022, accounts receivables from contracts with customers amounted to RMB5,287,555,000.

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:

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Within 60 days | **2,018,185** | 2,259,997 |
| 61–180 days | **315,398** | 371,886 |
| 181–365 days | **573,456** | 432,336 |
| Over 1 year | **719,976** | 1,252,143 |
| | **3,627,015** | 4,316,362 |

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

As at 31 December 2023, included in the Group's accounts receivables balance are debtors with aggregate carrying amount of RMB167,631,000 (2022: RMB119,042,000) which are past due at the end of the reporting period. Out of the past due balances, RMB155,463,000 (2022: RMB70,198,000) has been past due for 90 days or more 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

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Accounts payables | **29,116,347** | 30,760,787 |
| Bills payables | **16,906** | 301,012 |
| Other payables and accrued charges (note) | **16,132,091** | 17,702,610 |
| Other tax payable | **4,167,600** | 7,148,164 |
| Interest payables | **2,950,341** | 431,367 |
| | **52,383,285** | 56,343,940 |
| Less: Amounts shown under non-current liabilities | **(9,322)** | (13,174) |
| Amounts shown under current liabilities | **52,373,963** | 56,330,766 |

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:

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Within 60 days | **14,089,110** | 11,210,029 |
| 61–180 days | **2,791,726** | 6,138,201 |
| 181–365 days | **3,587,402** | 9,171,520 |
| Over 1 year | **8,665,015** | 4,542,049 |
| | **29,133,253** | 31,061,799 |

*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

On 14 February 2024, CIFI St Leonards Pty Ltd (an indirect non-wholly owned subsidiary of the Company) and SH South St Leonards Pty Ltd (an independent third party), entered into a sale and purchase agreement to sell its 60% interest in the 16 adjacent land parcels located in Sydney at a consideration of AUD66,300,000 (equivalent to approximately HK$338,793,000). Further details are set out in the Company's announcement dated on 14 February 2024.

## 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 2023.

### 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 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the IFRS Accounting Standards ("IFRSs") 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 note 3.1 to the consolidated financial statements which states that, the Group incurred a net loss attributable to equity owners of the Company of approximately RMB8,983,274,000. As at 31 December 2023, 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 amounting to approximately RMB17,288,224,000, RMB28,818,191,000, RMB1,571,304,000 and RMB2,950,341,000 respectively became default or cross-default.

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 which are disclosed at note 3.1, 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. 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 offshore 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 RMB70.0 billion in 2023.

The Group's contracted sales in gross floor area (the "**GFA**") was approximately 5,143,800 sq.m. in 2023 and the contracted average selling price ("**ASP**") (excluding carpark and storage room) was approximately RMB13,609/sq.m. in 2023.

Contracted sales from the Yangtze River Delta, the Pan Bohai Rim, the Central Western Region and the South China Region contributed to approximately 31.6%, 29.2%, 28.5% and 10.7% of the Group's total contracted sales in 2023 respectively. Contracted sales from first- and second-tier cities accounted for approximately 89.2% of the Group's total contracted sales in 2023 whereas those from third-tier cities accounted for the remaining 10.8%. Contracted sales derived from residential projects contributed to approximately 85.1% of the Group's total contracted sales in 2023 whereas those from office and commercial projects contributed to the remaining 14.9%.

***Table 1: Details of contracted sales in 2023***

*By type of project*

| | **Contracted sales** | **% of total contracted sales** | **Contracted GFA** | **Contracted ASP** |
|---|---|---|---|---|
| | *(RMB'000)* | | *(sq.m.)* | *(RMB/sq.m.)* |
| Residential | 59,566,607 | 85.1% | 3,854,356 | 15,454 |
| Office/Commercial | 10,436,454 | 14.9% | 1,289,421 | 8,094 |
| Total | 70,003,061 | 100.0% | 5,143,777 | 13,609 |

*By region*

| | **Contracted sales** | **% of total contracted sales** | **Contracted GFA** | **Contracted ASP** |
|---|---|---|---|---|
| | *(RMB'000)* | | *(sq.m.)* | *(RMB/sq.m.)* |
| Yangtze River Delta | 22,134,568 | 31.6% | 1,418,931 | 15,599 |
| Pan Bohai Rim | 20,454,687 | 29.2% | 1,300,885 | 15,724 |
| Central Western Region | 19,965,884 | 28.5% | 1,863,608 | 10,714 |
| South China Region | 7,447,922 | 10.7% | 560,353 | 13,291 |
| Total | 70,003,061 | 100.0% | 5,143,777 | 13,609 |

*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 | 8,026,969 | 11.5% | 316,132 | 25,391 |
| Second-tier cities | 54,420,191 | 77.7% | 3,997,847 | 13,612 |
| Third-tier cities | 7,555,901 | 10.8% | 829,798 | 9,106 |
| Total | 70,003,061 | 100.0% | 5,143,777 | 13,609 |

*Notes:*

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

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 2023 was approximately RMB63,233.5 million up by 61.6% year-on-year, accounting for 88.0% of total recognised revenue. The Group delivered approximately 4,427,220 sq.m. of properties in GFA in 2023, up by 49.0% year-on-year. The Group's recognised ASP from sales of properties was approximately RMB14,283/sq.m. in 2023, representing an increase of 8.4% from RMB13,172/sq.m. in 2022. The increase in the Group's revenue recognised from sales of properties in 2023 was mainly attributable to the increase in GFA delivered.

### *Table 2: Breakdown of recognised revenue from property sales in 2023*

*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.* | |
| | **2023** | 2022 | **2023** | 2022 | **2023** | 2022 | **2023** | 2022 |
| Residential | **59,663,701** | 37,261,883 | **94.4** | 95.0 | **4,082,133** | 2,837,803 | **14,616** | 13,131 |
| Office/Commercial | **3,569,785** | 1,869,532 | **5.6** | 5.0 | **345,087** | 132,991 | **10,345** | 14,058 |
| Total | **63,233,486** | 39,131,415 | **100.0** | 100.0 | **4,427,220** | 2,970,794 | **14,283** | 13,172 |

*By region*

| Region | 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.* | |
| | **2023** | 2022 | **2023** | 2022 | **2023** | 2022 | **2023** | 2022 |
| Yangtze River Delta | **27,004,320** | 12,291,479 | **42.7** | 31.4 | **1,667,429** | 651,983 | **16,195** | 18,852 |
| Pan Bohai Rim | **5,670,960** | 4,932,416 | **9.0** | 12.6 | **404,510** | 425,321 | **14,019** | 11,597 |
| Central Western Region | **21,336,285** | 20,814,707 | **33.7** | 53.2 | **1,809,838** | 1,852,728 | **11,789** | 11,235 |
| South China Region | **9,221,921** | 1,092,813 | **14.6** | 2.8 | **545,443** | 40,762 | **16,907** | 26,809 |
| Total | **63,233,486** | 39,131,415 | **100.0** | 100.0 | **4,427,220** | 2,970,794 | **14,283** | 13,172 |

*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.* | |
| | **2023** | 2022 | **2023** | 2022 | **2023** | 2022 | **2023** | 2022 |
| First-tier cities | **217,446** | 622,438 | **0.3** | 1.6 | **15,350** | 25,187 | **14,166** | 24,713 |
| Second-tier cities | **55,255,771** | 32,520,933 | **87.4** | 83.1 | **3,485,926** | 2,421,737 | **15,851** | 13,429 |
| Third-tier cities | **7,760,269** | 5,988,044 | **12.3** | 15.3 | **925,944** | 523,870 | **8,381** | 11,430 |
| Total | **63,233,486** | 39,131,415 | **100.0** | 100.0 | **4,427,220** | 2,970,794 | **14,283** | 13,172 |

## Completed properties held for sale

As at 31 December 2023, the Group had over 180 completed properties projects with a total and attributable unsold or undelivered GFA of approximately 7.28 million sq.m. and 3.70 million sq.m. respectively.

## Properties under development/held for future development

As at 31 December 2023, the Group had over 150 property projects under development or held for future development with a total and attributable GFA of approximately 26.76 million sq.m. and 15.34 million sq.m. respectively.

## PROPERTY INVESTMENT

## Income from investment properties

The Group's leases and other service income related to investment properties in 2023 was approximately RMB1,591.7 million, up by 28.4% year-on-year. The leases and other service income related to investment properties in 2023 was mainly contributed by Shanghai LCM, Shanghai The Roof, Shanghai CIFI Tower, Beijing Wukesong Arena and Shanghai Yangpu Powerlong CIFI Plaza.

### Investment properties

As at 31 December 2023, the Group had 30 investment properties with a total and attributable GFA of approximately 2,261,000 sq.m and 1,649,100 sq.m. respectively, of which 25 investment properties with a total and attributable GFA of approximately 1,719,700 sq.m and 1,275,800 sq.m. respectively had commenced leasing.

## PROPERTY MANAGEMENT

The Group's property management and other services income in 2023 was approximately RMB6,069.5 million, up by 8.8% year-on-year. The increase was primarily due to the increase in the number of properties under management.

## OUTLOOK FOR 2024

Looking forward, in 2024, the recovery of the real estate market will still depend on whether the expectations of home buyers can be restored. There is still room for improvement on policy for both the supply and demand sides. The "three major projects", namely the construction of the affordable housing, urban village redevelopment, and the construction of public infrastructure with normal and emergency use, will be the main focus of policies, which is expected to play an important role in stabilizing investment in 2024 with a positive impact on sales recovery and stabilizing expectations. Overall, the sales market of the newly developed houses in 2024 will still be under adjustment pressures. If the economy continues to recover and the willingness to purchase homes improves, coupled with the progress of urban village redevelopment as scheduled, sales volume may see a slight growth. However, given the slow recovery of the sales market, it may be challenging to reverse the downward trend in newly commenced projects and investments across the country.

2024 is the most difficult year for CIFI to overcome the troughs and obstacles with the greatest pressure of delivery, but it is also the key year of transformation and breakthrough and the year with direction and hope. Everything CIFI experienced in these two years carves an essential path to its growth.

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 RMB71,832.6 million in 2023, up 51.4% year-on-year. Out of the Group's total recognised revenue in 2023, (i) sales of property and other property related service income increased by 58.0% from 2022 to approximately RMB64,171.4 million; (ii) leases increased by 36.8% from 2022; (iii) property management and other services income increased by 8.8% from the corresponding period of last year; and (iv) other service income related to investment properties decreased by 73.2% from 2022.

***Table 3: Breakdown of recognised revenue in 2023***

| | **2023** | | 2022 | | |
|---|---|---|---|---|---|
| | **Recognised revenue** *RMB'000* | **% of total recognised revenue** % | Recognised revenue *RMB'000* | % of total recognised revenue % | Year-on-year change % |
| Sales of properties and other property related service income | **64,171,369** | **89.3** | 40,620,476 | 85.6 | 58.0 |
| Leases | **1,566,483** | **2.2** | 1,145,203 | 2.4 | 36.8 |
| Property management and other services income | **6,069,456** | **8.4** | 5,580,101 | 11.8 | 8.8 |
| Other service income related to investment properties | **25,248** | **0.1** | 94,361 | 0.2 | -73.2 |
| Total | **71,832,556** | **100.0** | 47,440,141 | 100.0 | 51.4 |

### Cost of sales and service

The Group's reported cost of sales in 2023 was approximately RMB60,599.9 million, up by 48.5% from 2022.

### Gross profit and gross profit margin

The Group's reported gross profit in 2023 was approximately RMB11,232.7 million, up by 69.7% compared to RMB6,619.7 million in 2022.

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

In 2023, the Group recognised a loss of RMB8,707.4 million on write-down of properties held for sale and properties under development for sale as compared to RMB4,292.9 million recognised in 2022.

**Net exchange loss**

In 2023, the Group incurred net exchange loss of RMB372.5 million due to the effects of RMB exchange rate depreciation during the year, compared to RMB1,970.2 million in 2022.

**Loss on early redemption of senior notes**

In 2022, the Group realized a loss on early redemption of senior notes of RMB1.6 million, compared to none recognised in 2023.

**Fair value loss of investment properties**

In 2023, the Group recognised a fair value loss on investment properties of approximately RMB133.7 million as compared to approximately RMB1,258.1 million in 2022.

**Selling and marketing expenses**

The Group's selling and marketing expenses decreased by 14.8% to approximately RMB1,873.7 million in 2023 from approximately RMB2,200.1 million in 2022. During the year, the Group kept its selling expenses at an appropriate level.

**Administrative and other expenses**

The Group's administrative expenses decreased by 41.8% to approximately RMB2,102.0 million in 2023 from approximately RMB3,611.7 million in 2022. 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 profit of RMB411.9 million in 2023, versus loss of RMB1,740.3 million in 2022. Included in the share of results of joint ventures and associated companies in 2023 were RMB43.5 million share of gain in the fair value of investment properties (2022: loss of RMB206.4 million) and RMB286.0 million share of gain from the reversal of prior year impairment of joint ventures and associates (2022: share of loss RMB668.6 million).

Eliminating the effects of fair value changes and impairment changes, the Group's share of results of joint ventures and associated companies were profit of RMB82.4 million in 2023, compared to losses of RMB865.3 million in 2022.

**Finance costs**

The Group's finance costs expensed in 2023 was approximately RMB3,027.1 million, versus RMB2,565.4 million in 2022. 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 decreased by 13.4% to approximately RMB5,688.4 million in 2023 from RMB6,572.2 million in 2022. The Group's total indebtedness was RMB92.3 billion as at 31 December 2023, compared to RMB108.4 billion as at 31 December 2022.

**Income tax expenses**

The Group's income tax expenses increased by 414.1% to approximately RMB3,226.6 million in 2023 from approximately RMB627.6 million in 2022. 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.

**Loss for the year**

As a result of the factors described above, the Group's loss before tax was approximately RMB5,452.3 million in 2023 versus loss before tax of approximately RMB12,932.4 million in 2022. The Group's loss for the year was approximately RMB8,678.9 million in 2023 versus loss for the year of approximately RMB13,560.0 million in 2022. The Group's net loss attributable to equity owners was approximately RMB8,983.3 million in 2023 versus net loss attributable to equity owners of approximately RMB13,049.0 million in 2022.

The Group's core net loss attributable to equity owners was approximately RMB3,932.8 million in 2023 versus core net loss attributable to equity owners of approximately RMB5,202.0 million in 2022.

**Interests in and amount due from joint ventures and associates**

The Group recorded interests in joint ventures and associates of RMB31,789.5 million as at 31 December 2023, versus RMB26,808.5 million as at 31 December 2022, which includes share of impairment loss of equity of RMB382.6 million (2022: RMB668.6 million). The Group recorded amount due from joint ventures and associates of RMB22,765.8 million as at 31 December 2023, versus RMB26,240.7 million as at 31 December 2022, which includes allowance for expected credit losses of RMB1,507.5 million (2022: RMB2,204.5 million).

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.

### Properties under development for sale

The Group recorded properties under development for sale of RMB96,603.3 million as at 31 December 2023, versus RMB160,801.7 million as at 31 December 2022. Such decrease was due to no new land acquisition in 2023.

### Deferred tax assets

The Group recorded deferred tax assets of RMB2,231.2 million as at 31 December 2023, versus RMB2,343.2 million as at 31 December 2022.

## LAND BANK

The Group had no new land acquisitions in 2023. As at 31 December 2023, the total GFA of the Group's land bank was approximately 36.3 million sq.m., and the attributable GFA of the Group's land bank was approximately 20.7 million sq.m.

## LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

### Cash position

As at 31 December 2023, the Group had cash and bank balances of approximately RMB13,753.9 million (31 December 2022: approximately RMB20,553.4 million), which included pledged bank deposits of approximately RMB1,004.1 million (2022: RMB445.3 million) and funds under supervision by banks for special use with an amount of approximately RMB9,984.4 million (2022: RMB14,407.5 million).

**Indebtedness**

As at 31 December 2023, the Group had outstanding total borrowings of approximately RMB92,281.1 million (31 December 2022: RMB108,449.7 million), comprising bank and other borrowings of approximately RMB48,953.2 million (31 December 2022: RMB65,485.4 million), onshore corporate bonds and medium-term notes with carrying amounts of RMB12,938.5 million (31 December 2022: RMB13,130.6 million), offshore convertible bond with a carrying amount of approximately RMB1,571.3 million (31 December 2022: RMB1,401.3 million) and offshore senior notes with carrying amounts of RMB28,818.2 million (31 December 2022: RMB28,432.4 million).

Approximately 49% of the Group's total borrowings were denominated in RMB, while 51% were denominated in foreign currencies.

Approximately RMB51,157.2 million of the Group's consolidated borrowings were with fixed interest rates ranging from 2.4% per annum to 9.7% per annum, depending on the terms of the loans, and the other loans were quoted at floating rates. As of 31 December 2023, the proportion of fixed interest debt was 55.4% of the total debt.

**Cost of borrowings**

The Group's total finance costs expensed and capitalised in 2023 was approximately RMB5,688.4 million, representing a decrease of 13.4% from RMB6,572.2 million in 2022.

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 2023 was 4.8%, compared to 4.9% as at 31 December 2022.

**Foreign currency risk**

The Group has transactional currency exposures arising from transactions by the group entities in currencies other than their respective functional currencies. In addition, the Group has foreign currency exposures from its bank balances and cash, senior notes and convertible bonds.

As at 31 December 2023, the Group had (i) bank balances and cash denominated in foreign currency of approximately RMB148.2 million, (ii) bank and other borrowings denominated in foreign currency of approximately RMB17,552.2 million, (iii) senior notes denominated in United States dollars of approximately RMB27,618.2 million and (iv) convertible bonds denominated in Hong Kong dollars of approximately RMB1,571.3 million which were subject to fluctuations in exchange rates. The Group has not entered into any foreign currency hedging arrangement. However, the Group will closely monitor its exposure to exchange rates in order to best preserve the Group's cash value.

### Interest rate risk

The Group's exposure to risk for changes in market interest rates relates primarily to the Group's interest-bearing bank and other borrowings. The Group has not used derivative financial instruments to hedge any interest rate risk. The Group manages its interest cost using variable rate bank borrowings and other borrowings.

### 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 2023, the Group provided mortgage guarantees in respect of mortgage loans provided by the PRC banks to the Group's customers amounting to approximately RMB19,824.1 million (31 December 2022: approximately RMB26,886.8 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 2023, the Group's aggregate share of such guarantees provided in respective of loans incurred by these joint ventures and associate companies amounted to approximately RMB9,843.2 million (31 December 2022: approximately RMB10,848.7 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 121.6% as at 31 December 2023, versus approximately 102.0% as at 31 December 2022. The Group's debt-to-asset ratio (total indebtedness divided by total assets) was approximately 30.6% as at 31 December 2023 versus approximately 28.1% as at 31 December 2022. The Group's current ratio (current assets divided by current liabilities) was approximately 1.0 times as at 31 December 2023, versus approximately 1.2 times as at 31 December 2022.

## FINAL DIVIDEND

The Board has resolved not to recommend to distribute a final dividend for the year ended 31 December 2023 (2022: Nil).

## CLOSURE OF THE REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting to be held on Friday, 7 June 2024 (the "2024 AGM"), the register of members of the Company will be closed from Tuesday, 4 June 2024 to Friday, 7 June 2024, 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 2024 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 Monday, 3 June 2024.

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

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 2023.

## CORPORATE GOVERNANCE

The Board is of opinion that the Company had adopted, applied and complied with the code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") during the year ended 31 December 2023.

## 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 C3 to the Listing Rules as its own code of conduct of dealings in securities of the Company by the directors of the Company (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 2023.

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. 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 2023.

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2023, 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 (resigned as an executive Director on 30 November 2023), as 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 2024, which is subject to the approval of the shareholders of the Company at the 2024 AGM. The Company's annual results for the year ended 31 December 2023 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. RU Hailin (Chief Executive Officer), Mr. YANG Xin (Chief Financial Officer) and Mr. GE Ming 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 2023 annual report will be despatched to shareholders of the Company and available on the above websites in due course.

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

Hong Kong, 28 March 2024

*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.*