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CIFI Holdings (Group) Co. Ltd.

旭輝控股（集團）有限公司

(Incorporated in the Cayman Islands with limited liability)

**UNAUDITED CONSOLIDATED MANAGEMENT ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PUBLISHED ON THE STOCK EXCHANGE OF HONG KONG LIMITED**

CIFI Holdings (Group) Co. Ltd. (the “**Company**”) published an announcement on The Stock Exchange of Hong Kong Limited on 28 April 2023 (the “**Announcement**”). Please refer to the attached Announcement of the Company. The posting of this announcement on the website of the Singapore Exchange Securities Trading Limited is for the purpose of facilitating dissemination of information to investors in compliance with applicable laws, regulations and rules.

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

Hong Kong, 29 April 2023

As at the date of this announcement, the Board comprises Mr. LIN Zhong, Mr. LIN Wei, Mr. LIN Feng, Mr. RU Hailin and Mr. YANG Xin as executive Directors; and Mr. ZHANG Yongyue, Mr. TAN Wee Seng and Ms. LIN Caiyi as independent non-executive Directors.

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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, 85926)

(Warrant Stock Codes: 17211, 21305, 24361)

**(I) UNAUDITED CONSOLIDATED MANAGEMENT ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022;
AND
(II) CONTINUED SUSPENSION OF TRADING**

Reference is made to the announcement of CIFI Holdings (Group) Co. Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 31 March 2023 (the “**Announcement**”) in relation to, amongst other things, the delay in the publication of the audited annual results of the Group for the year ended 31 December 2022 (the “**Audited 2022 Annual Results**”) and the Auditor having received an anonymous letter (the “**Letter**”) raising a number of unsubstantiated challenges to certain transactions with an alleged aggregate value of RMB1.8 billion which involve, among other parties, the Group and CIFI Ever Sunshine Services Group Limited (stock code: 01995), a non-wholly owned subsidiary of the Company, and its subsidiaries (together the “**ES Group**”). The challenges relate to (i) sales of certain car parks involving the Group (on the one hand) and the ES Group and other property management companies (on the other hand), and (ii) certain financial assets disposed of by the Group. Capitalised terms used but not otherwise defined herein shall have the same respective meanings as those defined in the Announcement.

Since the Announcement, the management of the Company has conducted a further review of what the Company believes to be the relevant transactions as referred to in the Letter (including a more detailed documentary review thereof). Following such review, the management of the Company continues to be of the view that the relevant transactions have been properly reflected in the management accounts of the Group. In order to keep the shareholders and the potential investors of the Company informed of the results of the Group for the year ended 31 December 2022 (which have yet to be agreed with the Auditor (and insofar as they are available to the Company)) and at the recommendation of the management of the Company, on 28 April 2023, the board (the “**Board**”) of directors (the “**Directors**”) of the Company resolved to publish the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (the “**Unaudited 2022 Management Accounts**”) together with a management discussion and analysis of the Group’s performance for such financial year as set out in this announcement.

As at the date of this announcement, the audit work in respect of the consolidated financial statements of the Group for the year ended 31 December 2022 has not been completed and as such, the Company is unable to publish the Audited 2022 Annual Results and despatch the 2022 Annual Report on or before 30 April 2023. The management of the Company is working to complete the audit of the consolidated financial statements of the Group for the year ended 31 December 2022 as soon as possible so that the Audited 2022 Annual Results could be published accordingly in order to resume the trading of the ordinary shares of the Company on the Stock Exchange as soon as possible. The Company will make an announcement on the date of the board meeting for approval of the Audited 2022 Annual Results in accordance with Rule 13.43 of the Listing Rules in due course.

(I) UNAUDITED 2022 MANAGEMENT ACCOUNTS

The Board announces the Unaudited 2022 Management Accounts with comparative audited figures for the preceding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	<i>NOTES</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
Revenue	3	47,440,141	107,834,741
Cost of sales and services*		(45,113,342)	(87,037,295)
Gross profit		2,326,799	20,797,446
Other income, gains and losses	4	(1,335,262)	2,075,998
Change in fair value of investment properties		(1,258,124)	1,308,122
Selling and marketing expenses		(2,200,117)	(2,366,929)
Administrative expenses		(3,611,724)	(3,707,153)
Share of results of joint ventures and associates		(1,740,293)	758,804
Finance costs	5	(2,565,380)	(578,745)
Allowance for expected credit losses		(2,548,259)	(59,940)
(Loss) profit before taxation		(12,932,360)	18,227,603
Income tax expense	6	(627,618)	(5,900,426)
(Loss) profit for the year	7	(13,559,978)	12,327,177

		2022	2021
	<i>NOTE</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Audited)
Other comprehensive (expense) income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
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
<i>Items that will not be reclassified to profit or loss:</i>			
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
		2022	2021
			(restated)
(Loss) earnings per share, in RMB:			
Basic	8	(1.42)	0.88
Diluted	8	(1.42)	0.88

* Including impairment provision of properties held for sale and properties under development for sale ("Properties") of RMB4,292,930,000 (2021: nil)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		2022	2021
	<i>NOTE</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
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 taxation assets		2,343,246	2,201,865
Other receivables, deposits and prepayments		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	9	30,835,375	34,816,698
Amounts due from non-controlling interests		36,728,369	32,910,760
Amounts due from joint ventures and associates		26,241,921	36,381,098
Deposits for land use rights for properties held for sale		3,759,653	7,154,419
Taxation recoverable		5,230,807	4,817,209
Financial assets at FVTPL		20,759	431,061
Pledged bank deposits		128,105	247,239
Bank balances and cash		20,425,310	46,462,460
Deferred contract costs		11,561	4,474
		307,619,880	351,526,976

		2022	2021
	<i>NOTE</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
CURRENT LIABILITIES			
Accounts and other payables and accrued charges	10	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
Taxation 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	–
		<u>258,658,122</u>	<u>223,739,669</u>
NET CURRENT ASSETS		<u>48,961,758</u>	<u>127,787,307</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>127,474,725</u>	<u>209,009,863</u>
CAPITAL AND RESERVES			
Share capital		855,575	715,191
Reserves		28,558,791	41,274,963
		<u>29,414,366</u>	<u>41,990,154</u>
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
		<u>86,180,402</u>	<u>107,399,793</u>
TOTAL EQUITY		<u>86,180,402</u>	<u>107,399,793</u>
NON-CURRENT LIABILITIES			
Other payable – due after one year		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 taxation liabilities		4,807,977	5,042,876
Derivative financial instruments – due after one year		–	14,540
		<u>41,294,323</u>	<u>101,610,070</u>
		<u>127,474,725</u>	<u>209,009,863</u>

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, 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. 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.

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.

3. 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, car parks 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
	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 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, change in fair value 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
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue		
Reportable segment and consolidated revenue	<u>47,440,141</u>	<u>107,834,741</u>
(Loss) profit		
Reportable segment profit	126,682	18,430,517
Other income, gains and losses	(1,335,262)	2,075,998
Change in fair value 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	<u>(3,346,245)</u>	<u>(3,465,673)</u>
Consolidated (loss) profit before taxation	<u>(12,932,360)</u>	<u>18,227,603</u>

(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.

4. OTHER INCOME, GAINS AND LOSSES

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
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	6,000	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	142,559	112,312
	(1,335,262)	2,075,998

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

5. FINANCE COSTS

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
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.

6. INCOME TAX EXPENSE

	<u>2022</u>	<u>2021</u>
	<i>RMB'000</i>	<i>RMB'000</i>
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)
	<u>(1,005,743)</u>	<u>(5,293,314)</u>
Deferred taxation		
PRC Enterprise Income Tax	378,125	(607,112)
	<u>(627,618)</u>	<u>(5,900,426)</u>

7. (LOSS) PROFIT FOR THE YEAR

	<u>2022</u>	<u>2021</u>
	<i>RMB'000</i>	<i>RMB'000</i>
(Loss) profit for the year has been arrived at after charging (crediting):		
Auditors' remuneration	18,047	15,313
Cost of properties sold included in cost of sales and services (included impairment provision of Properties amounting to RMB4,292,930,000 (2021: Nil))	39,696,814	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
Allowance for expected credit losses	2,548,259	59,940
Directors' emoluments	24,105	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)
	<u>4,783,372</u>	<u>3,606,203</u>
Rental income from investment properties	(1,145,203)	(982,491)
Less: Related outgoing	619,020	524,562
	<u>(526,183)</u>	<u>(457,929)</u>

8. (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:

	<u>2022</u>	<u>2021</u>
	<i>RMB'000</i>	<i>RMB'000</i>
(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	<u>(13,049,088)</u>	<u>7,612,919</u>
	<u>2022</u>	<u>2021</u>
		(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	<u>–</u>	<u>48,847,991</u>
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	<u>9,187,789,696</u>	<u>8,668,657,336</u>

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.

9. 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
	<i>RMB'000</i>	<i>RMB'000</i>
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)	21,478,550	25,801,686
Less: Allowance for expected credit losses	(167,829)	(23,147)
	21,310,721	25,778,539
Prepaid tax	1,365,559	1,365,120
Deposits and prepayments	3,901,256	2,385,851
	30,893,898	34,817,065
Less: Amount shown under non-current assets	(58,523)	(367)
Amounts shown under current assets	30,835,375	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.

As at 1 January 2021, accounts receivables from contracts with customers amounted to RMB3,458,582,000.

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

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
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.

10. ACCOUNTS AND OTHER PAYABLES AND ACCRUED CHARGES

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Accounts payables	30,557,026	40,366,091
Bills payables	504,773	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)
	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
	<i>RMB'000</i>	<i>RMB'000</i>
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.

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 impairment provision of Properties, 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 impairment losses, 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
	<i>(RMB'000)</i>		<i>(sq.m.)</i>	<i>(RMB/sq.m.)</i>
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

	Contracted sales	% of total contracted sales	Contracted GFA	Contracted ASP
	<i>(RMB'000)</i>		<i>(sq.m.)</i>	<i>(RMB/sq.m.)</i>
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
Xian	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
Shijiazong	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
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
	<i>(RMB'000)</i>		<i>(sq.m.)</i>	<i>(RMB/sq.m.)</i>
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
	<i>(RMB'000)</i>		<i>(sq.m.)</i>	<i>(RMB/sq.m.)</i>
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
	<i>(RMB'000)</i>		<i>(sq.m.)</i>	<i>(RMB/sq.m.)</i>
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
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

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
Ürümqi	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

* Less than 0.1%

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.

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	<u>47,440,141</u>	<u>100.0</u>	<u>107,834,741</u>	<u>100.0</u>	<u>-56.0</u>

* Less than 0.1%

Cost of sales

The Group's reported cost of sales in 2022 was approximately RMB45,113.3 million, down 48.2% from 2021.

Gross profit and gross profit margin

The Group's reported gross profit in 2022 was approximately RMB2,326.8 million, down by 88.8% compared to RMB20,797.4 million 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.

Change in fair value 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 taxation 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 taxation was approximately RMB12,932.4 million in 2022 versus profit before taxation 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 respectively 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 taxation assets

The Group recorded deferred taxation 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 RMB128.1 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 borrowings, onshore corporate bonds and offshore senior notes) 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 respect 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.

The members of the audit committee of the Company ("**Audit Committee**") abstained from voting on the Board's resolution to publish the Unaudited 2022 Management Accounts together with a management discussion and analysis of the Group's performance for such financial year.

(II) CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the ordinary shares, warrants and derivative of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Friday, 31 March 2023, pending the publication of the Audited 2022 Annual Results. As the Company is unable to publish the Audited 2022 Annual Results and the 2022 Annual Report on or before 30 April 2023 in compliance with Rule 13.46(2)(a) of the Listing Rules, trading in the ordinary shares, warrants and derivatives of the Company on the Stock Exchange will continue to suspend pending the publication of the Audited 2022 Annual Results.

The Company will publish further announcement(s) in due course to inform the shareholders and potential investors of the Company of any update on (i) the date of the meeting of the Board to approve the Audited 2022 Annual Results, (ii) the audit process of the Audited 2022 Annual Results, (iii) the timing of despatch of the 2022 Annual Report, and (iv) the trading in the securities of the Company in accordance with the Listing Rules and applicable laws as and when appropriate. The management of the Company will endeavour to publish the Audited 2022 Annual Results and despatch the 2022 Annual Report on or before 30 June 2023.

WARNING

The financial information contained herein is subject to further work by the Auditor on, amongst other things, matters relating to the relevant transactions referred to in the Letter and has not been audited nor been agreed with the Auditor and the Audit Committee. Holders of the securities of the Company and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. When in doubt, shareholders, holders of the securities of the Company and other investors of the Company are advised to seek professional advice from their own professional or financial advisers.

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

Hong Kong, 28 April 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.

As at the date of this announcement, the Board comprises Mr. LIN Zhong, Mr. LIN Wei, Mr. LIN Feng, Mr. RU Hailin and Mr. YANG Xin as executive Directors; and Mr. ZHANG Yongyue, Mr. TAN Wee Seng and Ms. LIN Caiyi as independent non-executive Directors.