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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)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2017 RESULTS HIGHLIGHTS

- Contracted sales increased by 96.2% to RMB104.0 billion
- Recognized revenue increased by 43.2% to RMB31,824 million
- Net profit increased by 71.9% to RMB4,828 million
- Core net profit increased by 44.6% to RMB4,082 million
- Gross profit margin (adjusted*) and core net profit margin at 29.7% and 12.8% respectively; core return on average equity at 22.8%
- Proposed final dividend of RMB14.54 cents (equivalent to HK18 cents) per share (payable in cash with scrip option) in aggregate with the interim dividend paid of RMB4.35 cents (equivalent to HK5 cents), total dividends of RMB18.9 cents (equivalent to HK23 cents) per share, representing a dividend payment ratio of 35%
- Healthy net debt-to-equity ratio of 50.9%, abundant cash on hand of RMB29.8 billion as at 31 December 2017
- Weighted average cost of indebtedness decreased to 5.2% as at 31 December 2017

* *excluding the accounting effects due to acquisition of equity interests in certain projects*

ANNUAL RESULTS

The Board of Directors (the “Board”) of CIFI Holdings (Group) Co. Ltd. (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2017 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 2017

		2017	2016
	NOTES	RMB'000	RMB'000
Revenue	2	31,824,288	22,224,447
Cost of sales and services		(23,202,799)	(16,578,838)
Gross profit		8,621,489	5,645,609
Other income, gains and losses	3	795,935	161,834
Change in fair value of investment properties		657,791	(100,433)
Selling and marketing expenses		(609,505)	(524,456)
Administrative expenses		(1,267,838)	(878,878)
Share of results of joint ventures		1,405,864	1,007,416
Share of results of associates		699,766	55,324
Finance costs	4	(262,340)	(529,651)
Profit before taxation		10,041,162	4,836,765
Income tax expense	5	(3,892,645)	(1,672,390)
Profit and total comprehensive income for the year	6	6,148,517	3,164,375
Attributable to:			
Equity owners of the Company		4,828,105	2,807,549
Non-controlling interests		1,320,412	356,826
Profit and total comprehensive income for the year		6,148,517	3,164,375
Earnings per share, in RMB:			
Basic	8	0.68	0.42
Diluted	8	0.66	0.42

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2017

		2017	2016
	NOTES	RMB'000	RMB'000
NON-CURRENT ASSETS			
Investment properties		14,402,350	5,773,100
Property, plant and equipment		84,981	75,783
Prepaid lease payments		32,742	32,742
Interests in associates		2,823,602	1,334,453
Interests in joint ventures		5,802,549	7,504,466
Investments in property projects		622,143	529,225
Available-for-sale investments		623,630	740,976
Derivative financial instruments		–	314,768
Deferred taxation assets		502,637	319,795
Deposits paid for acquisitions of equity interests		641,496	622,213
Long-term deposit		150,000	300,000
		<u>25,686,130</u>	<u>17,547,521</u>
CURRENT ASSETS			
Properties held for sale		9,128,504	6,829,221
Properties under development for sale		34,603,171	21,254,355
Accounts and other receivables, deposits and prepayments	9	10,807,957	9,625,149
Amounts due from non-controlling interests		10,337,802	2,387,678
Amounts due from joint ventures and associates		17,451,791	4,620,932
Deposits for land use rights for properties held for sale		12,409,188	4,373,075
Taxation recoverable		1,024,871	812,197
Financial assets at fair value through profit or loss (“FVTPL”)		521,250	352,829
Pledged bank deposits		–	348,855
Bank balances and cash		29,786,870	20,328,397
		<u>126,071,404</u>	<u>70,932,688</u>
CURRENT LIABILITIES			
Accounts and other payables and accrued charges	10	13,602,467	7,854,327
Deposits received from property sales		25,548,720	15,391,289
Amounts due to non-controlling interests		12,842,576	965,649
Amounts due to joint ventures and associates		10,741,602	14,419,441
Taxation payable		4,295,642	1,838,829
Bank and other borrowings – due within one year		6,727,108	2,367,536
Corporate bonds – due within one year		5,093,233	2,088,970
Derivative financial instruments		333,193	–
		<u>79,184,541</u>	<u>44,926,041</u>
NET CURRENT ASSETS		<u>46,886,863</u>	<u>26,006,647</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>72,572,993</u>	<u>43,554,168</u>

	<u>2017</u>	<u>2016</u>
	<i>RMB'000</i>	<i>RMB'000</i>
CAPITAL AND RESERVES		
Share capital	611,951	542,797
Reserves	20,291,647	14,437,365
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Equity attributable to equity owners of the Company	20,903,598	14,980,162
Perpetual capital instruments	3,847,932	–
Non-controlling interests	9,518,610	2,302,851
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TOTAL EQUITY	34,270,140	17,283,013
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NON-CURRENT LIABILITIES		
Bank and other borrowings – due after one year	26,385,907	11,199,111
Senior notes	4,498,124	5,683,011
Corporate bonds – due after one year	4,534,737	8,052,498
Deferred taxation liabilities	2,884,085	1,336,535
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	38,302,853	26,271,155
	<hr/>	<hr/>
	72,572,993	43,554,168
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Amendments to International Financial Reporting Standards (“IFRSs”) that are mandatorily effective for the current year

The Group had applied the following amendments to IFRSs issued by the International Accounting Standard Board (“IASB”) for the first time in the current year:

Amendments to IAS 7	Disclosure Initiative
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to IFRS 12	As part of the Annual Improvements to IFRSs 2014–2016 Cycle

New and revised IFRSs in issue but not yet effective

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

IFRS 9	Financial Instruments ¹
IFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
IFRS 16	Leases ²
IFRS 17	Insurance Contracts ⁴
IFRIC 22	Foreign Currency Transactions and Advance Consideration ¹
IFRIC 23	Uncertainty over Income Tax Treatments ²
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts ¹
Amendments to IFRS 9	Prepayment Features with Negative Compensation ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement ²
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures ²
Amendments to IAS 28	As part of the Annual Improvements to IFRSs 2014–2016 Cycle ¹
Amendments to IAS 40	Transfers of Investment Property ¹
Amendments to IFRSs	Annual Improvements to IFRSs 2015–2017 Cycle ²

¹ Effective for annual periods beginning on or after 1 January 2018.

² Effective for annual periods beginning on or after 1 January 2019.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 January 2021.

2. 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 board of 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 performance is focused on three main operations:

- Property development: this segment represents the development and sales of office and commercial premises and residential properties. All the Group's activities in this regard are carried out in the People's Republic of China ("PRC") and Hong Kong.
- Property investment: this segment represents the lease of investment properties, which are developed or purchased by the Group to generate rental income and to 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, project management and other property related services: this segment mainly represents the income generated from property management and project management. Currently the Group's activities in this regard are carried out in the PRC.

The chief operating decision maker regularly reviews the operating results under property development, property investment, and property management, project management and other property related services. As property development projects are all located in the PRC and Hong Kong, their revenue is primarily derived from the sales of properties, and is related and subject to common risk and returns. All property development projects are aggregated into a single reportable segment, property development, in accordance with IFRS 8 "Operating Segments".

(a) Segment revenue and 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.

	<u>Property development</u>	<u>Property investment</u>	<u>Project management and other property related services</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Year ended 31 December 2017				
Reportable segment revenue from external customers	<u>30,295,062</u>	<u>94,428</u>	<u>1,434,798</u>	<u>31,824,288</u>
Reportable segment profit	<u>7,221,874</u>	<u>57,488</u>	<u>732,622</u>	<u>8,011,984</u>

	Property development	Property investment	Property management, project management and other property related services	Total
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Year ended 31 December 2016				
Reportable segment revenue from external customers	<u>20,713,067</u>	<u>62,226</u>	<u>1,449,154</u>	<u>22,224,447</u>
Reportable segment profit	<u>4,508,807</u>	<u>47,550</u>	<u>564,796</u>	<u>5,121,153</u>

(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 profit

The reportable segment 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, write-back of allowance for doubtful debts, 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.

	<u>2017</u>	<u>2016</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Revenue		
Reportable segment and consolidated revenue	<u>31,824,288</u>	<u>22,224,447</u>
Profit		
Reportable segment profit	8,011,984	5,121,153
Other income, gains and losses	795,935	161,834
Change in fair value of investment properties	657,791	(100,433)
Finance costs	(262,340)	(529,651)
Share of results of joint ventures	1,405,864	1,007,416
Share of results of associates	699,766	55,324
Depreciation of property, plant and equipment	(17,394)	(15,950)
Write-back of allowance for doubtful debts	746	2,598
Unallocated head office and corporate expenses	(1,251,190)	(865,526)
Consolidated profit before taxation	<u>10,041,162</u>	<u>4,836,765</u>

(d) Geographic information

No geographic information has been presented as the Group's operating activities are carried out in the PRC and Hong Kong. All of the Group's revenue from current and non-current assets are located in the PRC and Hong Kong.

(e) Major customers

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

3. OTHER INCOME, GAINS AND LOSSES

	<u>2017</u>	<u>2016</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Dividend income from FVTPL	11,284	–
Interest income	372,244	232,184
Gain on remeasurement	574,305	38,283
Gain from business combinations	200,030	33,867
Gain on disposal of property, plant and equipment, net	8,285	219
Change in fair value of investments in property projects	144,699	–
Gain (loss) on disposal of subsidiaries, net	34,675	(4,242)
Gain (loss) on deemed disposal of subsidiaries	1,206	(211)
Government grants	31,483	26,575
Forfeited deposits paid by purchasers	14,839	10,090
Loss on early redemption of senior notes	(118,464)	(182,263)
Change in fair value of financial assets at FVTPL	(94,726)	33,356
Change in fair value of derivative financial instruments	(538,733)	314,768
Net exchange gain (loss)	108,413	(378,284)
Sundry income	46,395	37,492
	<u>795,935</u>	<u>161,834</u>

4. FINANCE COSTS

	<u>2017</u>	<u>2016</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank and other borrowings	(1,487,465)	(1,092,802)
Interest expense on senior notes	(356,203)	(705,919)
Interest expense on corporate bonds	(467,105)	(351,498)
Less: Amount capitalised to properties under development for sale and investment properties under construction	<u>2,048,433</u>	<u>1,620,568</u>
	<u>(262,340)</u>	<u>(529,651)</u>

Borrowing costs capitalised to properties under development for sale and investment properties under construction were determined by the contracted interest rates of respective bank and other borrowings, senior notes and corporate bonds.

5. INCOME TAX EXPENSE

	<u>2017</u>	<u>2016</u>
	<i>RMB'000</i>	<i>RMB'000</i>
PRC Enterprise Income Tax		
Current year Enterprise Income Tax	(2,198,838)	(1,038,337)
Under provision in respect of prior years	(54,413)	(27,666)
LAT	(2,123,944)	(602,245)
	<u>(4,377,195)</u>	<u>(1,668,248)</u>
Deferred taxation	484,550	(4,142)
	<u>(3,892,645)</u>	<u>(1,672,390)</u>

6. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

	<u>2017</u>	<u>2016</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Profit and total comprehensive income for the year has been arrived at after charging (crediting):		
Auditors' remuneration	7,000	5,775
Cost of properties sold included in cost of sales and services	22,395,651	15,059,167
Depreciation of property, plant and equipment	17,394	15,950
Write-back of allowance for doubtful debts	(746)	(2,598)
Operating lease rentals in respect of land and buildings	85,026	44,840
Directors' emoluments	40,088	11,526
Other staff costs		
Staff costs excluding retirement benefit costs	969,313	527,289
Retirement benefit costs	60,011	57,848
Equity-settled share-based payments	33,916	46,882
Total other staff costs	<u>1,063,240</u>	<u>632,019</u>
Less: Amount capitalised to properties under development for sale	(189,927)	(199,986)
	<u>873,313</u>	<u>432,033</u>
Rental income from investment properties	(94,428)	(62,226)
Less: Related outgoings	36,941	13,078
	<u>(57,487)</u>	<u>(49,148)</u>

7. DIVIDEND

	<u>2017</u>	<u>2016</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Proposed final dividend – RMB14.54 cents (2016: RMB11.5 cents) per ordinary share	<u>1,105,840</u>	<u>775,681</u>

The Board recommends the payment of a final dividend for 2017 of RMB14.54 cents (equivalent to HK18 cents) (2016: RMB11.5 cents (equivalent to HK13 cents)) per share (the “Proposed Final Dividend”). The Proposed Final Dividend for the year in aggregate with the interim dividend of RMB4.35 cents (equivalent to HK5 cents) per share paid in respect of the first six months of the year amounted to total dividends of RMB18.9 cents (equivalent to HK23 cents) per share. The Proposed Final Dividend will be either payable in cash or in form of new fully paid shares of the Company in respect of part or all of such final dividend at shareholders’ option.

The Proposed Final Dividend for the year ended 31 December 2017 is subject to the approval of the Company’s shareholders at the forthcoming annual general meeting.

8. EARNINGS PER SHARE

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

	<u>2017</u>	<u>2016</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Earnings		
Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	<u>4,828,105</u>	<u>2,807,549</u>
	<u>2017</u>	<u>2016</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>7,081,999,684</u>	6,700,561,859
Effect of dilutive potential ordinary shares on share options	<u>196,994,925</u>	<u>22,352,975</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>7,278,994,609</u>	<u>6,722,914,834</u>

9. ACCOUNTS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade receivables mainly arise from sales of properties and rental income. 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. Rental income is paid by tenants within two months in accordance to tenancy agreement.

	<u>2017</u>	<u>2016</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables, net of allowance	636,613	1,315,103
Other receivables, net of allowance	8,080,901	7,077,230
Prepaid tax	327,477	360,420
Deposits and prepayments	1,762,966	872,396
	<u>10,807,957</u>	<u>9,625,149</u>

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

	<u>2017</u>	<u>2016</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Within 60 days	309,973	815,941
61–180 days	102,557	66,126
181–365 days	98,432	202,118
Over 1 year	125,651	230,918
	<u>636,613</u>	<u>1,315,103</u>

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

10. ACCOUNTS AND OTHER PAYABLES, AND ACCRUED CHARGES

	<u>2017</u>	<u>2016</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Accounts payables	4,739,387	3,737,989
Other payables and accrued charges	8,863,080	4,116,338
	<u>13,602,467</u>	<u>7,854,327</u>

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 average credit period of trade payables is 60 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

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

	<u>2017</u>	<u>2016</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Within 60 days	2,154,099	1,326,681
61–180 days	470,202	631,624
181–365 days	764,575	1,077,546
Over 1 year	1,350,511	702,138
	<u>4,739,387</u>	<u>3,737,989</u>

CHAIRMAN'S STATEMENT

Dear shareholders:

I am pleased to present to you the business review of the Group for the year ended 31 December 2017, and outlook for 2018.

Final dividend

The Board recommends the payment of a final dividend for 2017 (payable in cash with a scrip option) of RMB14.54 cents per share (the "Proposed Final Dividend"). The Proposed Final Dividend would be declared in RMB and paid in Hong Kong dollars equivalent to HK18 cents per share, which is based on the average middle rate of RMB to Hong Kong dollars as announced by the People's Bank of China for the five business days preceding the date of this announcement. The Company paid an interim dividend ("Interim Dividend") of RMB4.35 cents per share (or HK5 cents per share) in respect of the first six months of 2017.

Together with the Interim Dividend and based on the total outstanding number of issued shares of the Company as at the date of this announcement, the total dividends for the year under review amounted to approximately RMB1,430.3 million, representing a year-on-year increase of 42.3% over RMB1,005.1 million in 2016.

Results

The year 2017 is another milestone year for the Group. The Group achieved contracted sales of RMB104.0 billion in 2017, representing a year-on-year increase of 96.2% over RMB53.0 billion in 2016. The Group's attributable contracted sales amounted to RMB55.0 billion in 2017, representing a year-on-year increase of 88.4% over RMB29.2 billion in 2016. The achieved contracted sales in 2017 exceeded the Group's revised-up full year contracted sales target of RMB80.0 billion by 30%.

Recognized revenue was RMB31,824.3 million in 2017, representing a year-on-year increase of 43.2% over RMB22,224.4 million in 2016. The Group's net profit attributable to equity owners increased by 72.0% to RMB4,828.1 million in 2017 from RMB2,807.5 million in 2016. The Group's core net profit attributable to equity owners increased by 44.5% to approximately RMB4,082.4 million in 2017 from RMB2,824.0 million in 2016.

The Group improved its gross profit margin to 29.7% in 2017 (adjusted to exclude the effects of accounting treatment due to acquisition of equity interests in certain projects), versus 25.4% in 2016. The Group sustained its core net profit margin at 12.8% in 2017, versus 12.7% in 2016. The Group delivered a core return on average equity of 22.8% in 2017, versus 20.3% in 2016.

Review of 2017

Market review

In 2017, China's real estate market continued its record surges in both overall transaction volume and price, but market sentiment was extremely uneven in different cities and regions. According to data published by the China National Bureau of Statistics,

- transaction GFA of commodity properties in 2017 was 1.69 billion sq.m., up by 7.7% on a year-on-year basis; out of which transaction GFA of residential commodity properties was 1.45 billion sq.m., up by 5.3% on a year-on-year basis;
- sales of commodity properties were RMB13.4 trillion, up by 13.7% on a year-on-year basis; out of which sales of residential commodity properties were RMB11.0 trillion, up by 11.3% on a year-on-year basis.

In 2017, the Chinese government generally tightened its control measures on the real estate sector. More than 40 Chinese cities viciously launched and intensified austerity measures, including: stricter property pre-sale and control on selling prices, tightening home purchase eligibility, tightening home mortgage policies and raising mortgage interest rates, tightening of bank credit quotas, etc. Intensity of government policies and control measures vary in different cities and regions. Government controls were most intensive and harsh in first-tier cities. Control measures in second-tier cities and third-tier cities varied widely; they were tight in hotspot second-tier cities and third-tier cities within major metropolitan circles, but relatively moderate in those laggard second-tier cities newly announced real estate control policies. Control measures in other third- and fourth-tier cities are relatively loose.

During the year, transaction volume at first-tier, second-tier cities and strong third-tier cities in major metropolitan circles (Beijing-Tianjin-Hebei, the Yangtze River Delta and the Pearl River Delta) shrank dramatically. On the other hand, transaction volume in previously laggard cities in areas such as the Central Western Region and Northeastern Regions and in non-metropolitan circles were still in full swing.

Under such market sentiment in 2017, large-scale national real estate developers with abundant saleable resources diversified and widely spread in different city-tiers and geographical regions of China have clear competitive advantages over smaller and regional peers. Market consolidation and concentration in favour of large-scale development further accelerated.

Sales performance

Due to its abundant and well diversified saleable resources across different regions and cities and mainly driven by the strong performance of certain second- and third-tier cities which were less affected by government controls, the Group surpassed a major milestone of achieving contracted sales of over RMB100 billion in 2017.

During the year, the Group's contracted sales and contracted gross floor area ("GFA") reached RMB104.0 billion and 6,291,713 sq.m. respectively, representing strong year-on-year growth of 96.2% and 115.7% respectively. The Group's contracted average selling price ("ASP") in 2017 was approximately RMB16,530/sq.m. versus RMB18,175/sq.m. in 2016. The Group achieved a cash collection ratio of around 85% from contracted sales in 2017.

The Group's contracted sales in 2017 were dispersed among over 130 projects in 28 cities. During the year, the Group launched pre-sale of over 40 new projects, including these major new launches:

- Suzhou CIFI Wujiang Mansion
- Suzhou Henderson CIFI Riverside Park Phase 2
- Suzhou Henderson CIFI Riverside Park Phase 3
- Suzhou Henderson CIFI Discovery Island
- Suzhou Henderson CIFI City Phase 3
- Wuxi CIFI Times City
- Jiashan CIFI M City
- Hangzhou CIFI Hechang Metropolis Mansion
- Hangzhou CIFI Powerlong East Lake City
- Hangzhou CIFI Canal Mansion
- Hangzhou CIFI Jun Yue Palace
- Hangzhou CIFI Binjiang East Mansion
- Ningbo CIFI Central Mansion
- Ningbo Prosperous Reflection
- Wenzhou Country Garden CIFI Lake Mansion
- Wenzhou CIFI Future City
- Hefei CIFI Jiuzhu Mansion
- Hefei CIFI Jade Seal
- Hefei CIFI Lake Mansion
- Hefei CIFI Glory Land
- Hefei CIFI Wonderful Mansion
- Hefei CIFI Xizi Grace City
- Hefei CIFI Metropolitan
- Shenyang CIFI Dong Yue City
- Shenyang CIFI Luxury Mansion
- Foshan CIFI New Century
- Foshan CIFI City
- Foshan CIFI Homeland
- Wuhan CIFI Tower
- Chongqing CIFI Prime Orient
- Chongqing CIFI Essence of River
- Chongqing CIFI Jiangzhou Impression
- Chengdu Huayu CIFI Glorious Flower City
- Xian CIFI Center
- Zhengzhou CIFI Grand Mansion

The Group also continued to record contracted sales in other projects, the pre-sale of which started in previous year(s).

CIFI was ranked 15th nationally in terms of contracted sales amount in 2017 according to the “China Real Estate Enterprises Sales Ranking in 2017” published by CRIC Information Group.

Profit margins

The Group improved its gross profit margin to 29.7% in 2017 (adjusted to exclude the effects of accounting treatment due to acquisition of equity interests in certain projects), versus 25.4% in 2016. The Group sustained its core net profit margin at 12.8% in 2017, versus 12.7% in 2016.

Higher profit margins achieved in 2017 were mainly due to higher profitability for products delivered, defensive land costs, low finance cost as well as product premium achieved through improving quality and brand.

Land acquisitions

Due to the government’s land market control measures, regulatory control on developers’ funding as well as increased efforts of local governments in new land supply, land markets started to soften in the second half of 2017. Owing to our strong sell-through performance of contracted sales and with a need to replenish our saleable sources for our future sales growth, the Group inevitably became more active in acquiring suitable and cost-effective land resources.

In 2017, the Group acquired interests in 78 new projects with an aggregate land consideration attributable to the Group of RMB45.2 billion. For land acquisitions made in 2017, the Group strictly adhered to its value investment principles and utilized multi-acquisition channels including government public land sale, private acquisitions as well as urban village transformations.

During the year, we have strategically entered 18 new cities, expanded our geographical coverage and diversified into cities with different tiers, enhanced our regional and provincial penetrations. In particular, we entered:

- (i) Zhengzhou, Chengdu and Xi’an, further penetrating the Central Western Region;
- (ii) Qingdao, Jinan, Linyi, Dalian, Shijiazhuang, expanding coverage in the Pan Bohai Rim;
- (iii) Wuxi, Taicang, Jiashan, Pinghu and Wenzhou, strengthening our presence in the metropolitan circles and our provincial penetration in the Yangtze River Delta;
- (iv) Hong Kong, Dongguan, Zhongshan, Nanning, gaining foothold in the Guangdong-Hong Kong Greater Bay Area; and
- (v) Xiamen, re-establishing our presence in Fujian province.

Liability management and financial positions

In 2017, despite our increased efforts in land acquisitions, we adhered to our prudent financing strategy, enlarged our equity base and further reduced our interest costs by utilizing lower-interest funding to replace higher-cost debts. We have executed the following major financing transactions since the beginning of 2017:

- In February 2017, the Company completed the early redemption of entire US\$400 million 8.875% coupon due 2019 US Dollar Bonds (“2019 Due USD Bonds”).
- In July 2017, the Company issued 545 million new shares at HK\$3.50 per share to Ping An Life Insurance Company of China, Ltd. (“Ping An Life Insurance”), and further executed a placing and top-up subscription involving further issue of 135 million new shares at HK\$3.82 per share. Such equity issue established our strategic partnership with Ping An Life Insurance, one of the largest financial institutions in China, and enlarged the Company’s equity capital by an aggregate gross proceeds of approximately HK\$2.42 billion (approximately US\$311 million).
- In August 2017, the Company issued senior perpetual capital securities (“2017 August Perpetual Securities) with aggregate principal amount of US\$300 million at a distribution rate of 5.375% per annum.
- In September 2017, the Company signed a HK\$/US\$ dual-currency club loan facility with a final maturity of 3 years and interest rate of LIBOR or HIBOR plus 3.3% per annum. Together with the subsequent upsizing, such club loan has an aggregate size of US\$289 million.
- In December 2017, the Company issued another senior perpetual capital securities (“2017 December Perpetual Securities) with aggregate principal amount of US\$300 million at a distribution rate of 5.375% per annum.
- In January 2018, the Company issued the 5.50% coupon, 5-year maturity US Dollar Bonds due January 2023 (2023 Due USD Bonds) with a principal amount of US\$300 million.
- In February 2018, the Company issued the zero-coupon convertible bonds due February 2019 (“Convertible Bonds”) with a principal amount of HK\$2,790 million. The Convertible Bonds are convertible into new shares of the Company at an initial conversion price of HK\$9.30 per share.

Our international and onshore credit rating agencies endorsed CIFI’s track record in sales execution, disciplined land-bank expansion and prudent financial management. In September 2017, Fitch upgraded the Company’s credit rating to “BB” (with “Stable” outlook). During the year, Moody’s and Standard & Poor’s maintained the Company’s credit rating at “Ba3” (with “Positive” outlook) and “BB–” (with “Stable” outlook) respectively; while China Chengxin Credit Ratings (a credit rating agency based in China) assigned an “AAA” onshore credit rating to the Company.

As at 31 December 2017, the Group's:

- net debt-to-equity ratio was 50.9%; or 70.0% with perpetual capital instrument as debt instead of equity for the purpose of calculating this ratio (as at 31 December 2016: 50.4%);
- net debts (total indebtedness less cash-on-hand) amounted to RMB17,452.2 million (as at 31 December 2016: RMB8,713.9 million);
- cash-on-hand level amounted to RMB29,786.9 million (as at 31 December 2016: RMB20,677.3 million);
- total indebtedness amounted to RMB47,239.1 million (as at 31 December 2016: RMB29,391.1 million);
- guaranteed joint ventures/associated companies debts amounted to RMB2,631.9 million (as at 31 December 2016: RMB3,574.0 million); and
- weighted average cost of indebtedness decreased to 5.2% (as at 31 December 2016: 5.5%).

As at 31 December 2017, unpaid committed land considerations attributable to the Group were approximately RMB11,245.2 million (versus cash-on-hand of approximately RMB29,786.9 million). The Group maintained a comfortable debt positions and off-balance sheet commitments.

Awards and recognitions

In line with CIFI's growth in scale and our rising industry positions, we have achieved significant improvements in different business aspects. In 2017, we have received various prestigious national and international industry honours in recognition of our notable achievements; notably:

- **“Aon Best Employers – China 2017”**. CIFI received this highly comprehensive and prestigious honour in human resources awarded by Aon Hewitt, the world's leading human resources consultancy firm during the year. CIFI was the only awarded real estate developer during the year, in recognition of its continued human resources development.
- **“Real Estate Design China Award 2016-2017” and “Kinpan Award 2017”**. CIFI received 25 awards this year in these highly influential construction design contests in China's real estate industry, in recognition of CIFI's improvements and dedications to product capabilities.

- **“Institutional Investors Magazine – All-Asia Executive Teams 2017”**. CIFI received the “Best CFO – Overall Number 1” and “Best Investor Relations Program – Sell-side Number 3” in the “Property” category of executive rankings in Asia (ex-Japan) published by this global finance magazine in 2017. The magazine asked portfolio managers and buy- and sell-side analysts at nearly 600 financial institutions to score the performance of executives at companies they covered. CIFI’s ranking showed the international recognition of its dedication to financial management, corporate governance and effective communications with global capital markets.
- **“Inclusion into the MSCI China Index”**. CIFI has been admitted in the China Index of MSCI Global Standard Indices (“MSCI China Index”) in February 2018. The MSCI China Index, which currently includes large and mid-sized internationally listed Chinese stocks available to international investors, is used as a common benchmark for global stock funds to track Chinese equity market performance and to measure portfolio performances. The inclusion recognizes CIFI’s significant re-rating of its equity valuation and improvement of stock liquidity.

“Real estate plus” businesses

We started to implement our “real estate plus” business plans two years ago. “Real estate plus” businesses refer to the Group’s associated companies which are complimentary to its core property business. These ventures include (i) Shanghai Yongsheng Property Service Co., Ltd. (“Yongsheng Property Service”) which provides property management services; (ii) Shanghai Lingyu Apartment Management Co., Ltd. (“Lingyu Apartment Rental”) which provides long term apartment rental services; and (iii) Shanghai Yipixi Construction Technology Co., Ltd. (“EPC Construction Services”), which provides industrialized prefabricated construction services.

These “real estate plus” businesses as part of the real estate-related service sector in the PRC enjoys enormous growth potential characterized by clear industry consolidation trends, massive market opportunities and benefits of utilizing innovations in industry reforms. They have great synergies with the Group’s core property development/investment business by providing services to the Group, and on the other hand could grow rapidly by expanding its business coverage to third-party, non-CIFI customers.

In 2017, the Group's "real estate plus" ventures made the significant progress in their businesses. During the year,

- Yongsheng Property Service substantially increased its operating scale and reached contracted management area of around 40 million sq.m., with a good mix contributions from projects developed by CIFI as well as third-party developers.
- Lingyu Apartment Rental dramatically grew its scale and had signed over 20,000 apartments for its management. It has successfully positioned as one of the fastest growing apartment rental operators in China. Lingyu Apartment Rental is poised to capture explosive growth from abundant and favourable government supports of the housing rental sector.
- EPC Construction Services commenced mass production of its industrial prefabricated construction modules and started to supply to the Group and other third-party customers.

Outlook for 2018

Policy and industry environment

Since last year, the government has stressed that China will maintain the position that "homes are for living, not for speculation" and will support people's housing needs and will step up efforts to develop real estate-specific "long-term mechanisms".

We believe that real estate policy theme in 2018 will remain stable with no major policy shock. The government will continue to adopt a differentiated approach in real estate policies to prevent property overheating risks in core cities while to continue inventory clearance in laggard cities. Austerity measures in over-heated cities and destocking in laggard cities will co-exist. Policies will be more tilted to maintaining tight controls in first-tier and hotspot second-tier cities. Intensity of the measures adopted in these cities are unlikely to loosen.

According to the policy guidance by the central bank, overall monetary policy in China is expected to remain neutral but deleveraging in the real estate sector will continue in 2018. This means tight liquidity in the real estate sector will persist for a while.

Notably, one of the major long-mechanism anticipated by the government is housing rental. China is strongly committed to push for the co-development of both housing rental and purchase markets. China's housing rental market is currently under-developed, representing a potential huge market with massive government supports, favourable land supply and tax treatments, preferential bank credits, asset securitization and funding policies.

The Group's development strategies

We are firmly bullish on the prospects of our main real estate business in China's prominent first-, second- and third-tier cities. The Group adopts the strategy of pursuing "sustainable, prudent and quality growth" to create shareholders' value. We primarily emphasize fast growth in scale, but we also strive to sustain strong profitability and maintain financial prudence.

Industry consolidation and urbanization are the most important factors driving China's real estate industry in future.

- Industry consolidation is now an irreversible trend and large developers have significantly accelerated their gain of market shares over the past two years. While small and medium-sized developers suffered from tightened funding sources and restrictions in developers' funding policies, large-scale developers have impeccable edges in funding channels and counter-risk abilities. Large-scale developers possessing nationwide land-bank widely spread across the different cities and regions have clear competitive advantages under the tighter government measures.
- China's urbanization process still has a long way to develop. China has a tremendous market size. While sales in first-tier and core cities located in booming metropolitan circles have been affected by this round of intensive control measures, real estate demands from urbanization of laggard cities located in other regions remained intact.

Despite the current tighter policy environment, CIFI as a developer with large sales scale of over RMB100 billion is now well positioned to capture the massive market opportunities arising from industry consolidation and ongoing urbanization in affluent provinces in China.

The Group has set an initial contracted sales target for the full year of 2018 at RMB140.00 billion, representing an increase of around 35% from the contracted sales in 2017. As a result of our successful land-banking efforts achieved in 2017, we possess abundant saleable resources. In response to the tight policy environments in first-tier and hotspot second-tier cities, we have effectively diversified our land bank to cover over 40 cities in different geographical regions. Other than our traditional emphasis on first- and second-tier cities, our land bank now also covers growing number of third-tier or other cities which have relatively moderate real estate control measures. Based on our abundant saleable resources and conservative sell-through assumption, we are confident of achieving our 2018 yearly sales target.

In 2018, we will focus on land-banking opportunities arising from government land sales and private acquisitions in the following city segments:

- core cities severely affected by current round of austerity measures. Due to effects of tighter liquidity environment, austerity measures affecting developers' sales, and more proactive local land supply, we expect values and land-banking opportunities in prominent regions such as the Yangtze River Delta and Guangdong Bay Area will re-emerge. These are the city segments that offer us the most attractive profitability in medium and long term.
- laggard cities in non-coastal regions with relatively loose government controls but with good economic growth prospects. Projects in these regions are less sensitive to tightening measures and can contribute to our sales volume substantially.

Other than the growth in scale of our main development business, our strategic investments in “real estate plus” businesses have achieved initial success. In particular, our associated companies, Yong Sheng Property Service and Lingyu Apartment Rental, have already established their market positions. Leveraging on the massive market scale and policy tailwind of the real estate service and housing rental sector, 2018 will be a year of strong growth for both businesses.

We anticipate that market shares of Top 20 developers will be further doubled within the next five years. In the next decade, China real estate will still be a sector intensely interfered by government policies. These offer tremendous development opportunities to CIFI. Our track records have demonstrated that it is indeed CIFI's strength to leverage upon opportunities from industry's fluctuation and deliver growth and shareholders' return. We are now well prepared to propel CIFI's business from the current RMB100 billion scale to the next level in the industry.

Appreciation

Finally, on behalf of the Board, I would like to express our sincere appreciation to all employees for their dedication and hard work, and to our shareholders, bondholders, funding and business partners for their support in the past year.

CIFI Holdings (Group) Co. Ltd.
LIN Zhong
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

PERFORMANCE HIGHLIGHTS

	<i>Notes</i>	2017	2016	Year-on-Year Growth
Contracted sales				
Contracted sales (RMB'million)	<i>1</i>	104,000	53,002	96.2%
Contracted GFA (sq.m.)		6,291,713	2,916,306	115.7%
Contracted ASP (RMB/sq.m.)		16,530	18,175	-9.1%
Selected financial information (RMB'million)				
Recognized revenue		31,824	22,224	43.2%
Gross profit		8,621	5,646	52.7%
Profit for the year (including fair value gains)				
– Including non-controlling interests		6,149	3,164	94.3%
– Attributable to equity owners		4,828	2,808	71.9%
Core net profit	<i>2</i>			
– Including non-controlling interests		5,423	3,161	71.6%
– Attributable to equity owners		4,082	2,824	44.5%
Selected balance sheet data (RMB'million)				
Total assets		151,758	88,480	71.5%
Bank balances and cash	<i>3</i>	29,787	20,677	44.1%
Total indebtedness	<i>4</i>	47,239	29,391	60.7%
Total equity		34,270	17,283	98.3%
Equity attributable to equity owners		20,904	14,980	39.5%
Selected financial ratios				
Gross profit margin (adjusted)		29.7%	25.4%	
Core net profit margin	<i>5</i>	12.8%	12.7%	
Earnings per share (basic), RMB cents		68	42	
Core earnings per share (basic), RMB cents		57	42	
Return on average equity	<i>6</i>	22.8%	20.3%	
Net debt-to-equity ratio, at the end of year	<i>7</i>	50.9%	50.4%	
Weighted average cost of indebtedness, at the end of year	<i>8</i>	5.2%	5.5%	
Land bank (GFA, million sq.m.)				
Land bank (GFA, sq.m.), at the end of year				
– Total		31.0	17.5	
– Attributable		16.0	10.5	
New land acquisition (GFA, sq.m.), during the year				
– Total		13.2	6.5	
– Attributable		5.9	3.5	

Notes:

1. “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.
2. “Core net profit” excludes fair value gains/losses, net exchange loss/gain, expenses relating to share option grants, loss on early redemption of senior notes, and share of fair value gains/losses and net exchange loss/gain at joint ventures and associated companies, net of deferred taxes.
3. “Bank balances and cash” include pledged bank deposits.
4. “Total indebtedness” includes bank and other borrowings, onshore corporate bonds and offshore senior notes.
5. “Core net profit margin” is calculated based on core net profit attributable to equity owners over total recognized revenue.
6. The calculation of “return on average equity” is based on our core net profit divided by average equity attributable to equity owners for each financial year.
7. “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.
8. “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 RMB104.0 billion in 2017, representing a year-on-year growth of 96.2% as compared to RMB53.00 billion in 2016. The Group's attributable contracted sales amounted to approximately RMB55.0 billion in 2017, representing a year-on-year increase of 88.4% over RMB29.19 billion in 2016. The overwhelming growth in the Group's contracted sales was due to the Group's abundant and well diversified saleable resources across different regions and cities and mainly driven by the strong performance of certain second- and third-tier cities which were less affected by government controls.

The Group contracted sales in GFA was approximately 6,291,713 sq.m. in 2017, representing an increase of 115.7% over GFA of approximately 2,916,306 sq.m. in 2016. The Group's contracted ASP in 2017 was approximately RMB16,530/sq.m., representing a decrease of 9.1% from RMB18,175/sq.m. in 2016.

Contracted sales from the Yangtze River Delta, the Pan Bohai Rim, the Central Western Region and the South China Region contributed to approximately 62.3%, 22.2%, 14.0% and 1.5% of the Group's total contracted sales in 2017 respectively. Contracted sales from first- and second-tier cities accounted for approximately 97.0% of the Group's total contracted sales in 2017 whereas those from third-tier cities accounted for the remaining 3.0%. Contracted sales derived from residential projects contributed to approximately 90.9% of the Group's total contracted sales in 2017 whereas those from office projects contributed to the remaining 9.1%.

Cash collection from property sales during the period by the Group's subsidiaries, joint ventures and associated companies represented over 85% of contracted sales in 2017.

As of 31 December 2017, the Group's subsidiaries, joint ventures and associated companies had approximately RMB80 billion contracted but unrecognized sales which formed a solid basis for Group's future growth in recognized revenue.

Table 1: Details of contracted sales in 2017

By city

	Contracted sales	% of total contracted sales	Contracted GFA	Contracted ASP
	<i>(RMB'000)</i>	<i>(%)</i>	<i>(sq.m.)</i>	<i>(RMB/sq.m.)</i>
Hangzhou	17,119,130	16.5	766,847	22,324
Hefei	13,680,890	13.2	962,391	14,216
Suzhou	12,829,940	12.3	598,057	21,453
Shanghai	10,320,630	9.9	365,784	28,215
Chongqing	8,494,710	8.2	855,582	9,929
Tianjin	5,675,300	5.5	332,486	17,069
Qingdao	5,623,940	5.4	442,104	12,721
Beijing	5,048,080	4.9	201,687	25,029
Ningbo	4,283,380	4.1	156,916	27,297
Wuhan	3,581,390	3.4	203,069	17,636
Shenyang	3,453,810	3.3	320,116	10,789
Nanjing	3,376,150	3.2	109,605	30,803
Jinan	2,894,090	2.8	255,118	11,344
Changsha	1,708,500	1.6	193,293	8,839
Foshan	1,407,170	1.4	107,519	13,088
Yixing	939,630	0.9	88,805	10,581
Jiaxing	903,710	0.9	107,426	8,412
Wenzhou	726,180	0.7	51,755	14,031
Wuxi	415,760	0.4	35,934	11,570
Chengdu	405,430	0.4	36,547	11,093
Langfang	360,990	0.3	52,792	6,838
Xi'an	238,270	0.2	16,515	14,427
Zhenjiang	184,490	0.2	15,907	11,598
Zhengzhou	181,170	0.2	13,549	13,371
Sanya	147,270	0.1	1,909	77,145
Total	104,000,010	100.0	6,291,713	16,530

By type of project

	Contracted sales	% of total Contracted sales	Contracted GFA	Recognised ASP
	<i>(RMB'000)</i>	<i>(%)</i>	<i>(sq.m.)</i>	<i>(RMB/sq.m.)</i>
Residential	94,493,090	90.9	5,904,420	16,004
Office/Commercial	9,506,920	9.1	387,293	24,547
Total	104,000,010	100.0	6,291,713	16,530

By region

	Contracted sales	% of total contracted sales	Contracted GFA	Contracted ASP
	<i>(RMB'000)</i>	<i>(%)</i>	<i>(sq.m.)</i>	<i>(RMB/sq.m.)</i>
Yangtze River Delta	64,779,890	62.3	3,259,427	19,875
Pan Bohai Rim	23,056,210	22.2	1,604,303	14,371
Central Western Region	14,609,470	14.0	1,318,555	11,080
South China Region	1,554,440	1.5	109,428	14,205
Total	104,000,010	100.0	6,291,713	16,530

By first-, second- and third-tier cities

	Contracted sales	% of total contracted sales	Contracted GFA	Contracted ASP
	<i>(RMB'000)</i>	<i>(%)</i>	<i>(sq.m.)</i>	<i>(RMB/sq.m.)</i>
First-tier cities	15,368,710	14.8	567,471	27,083
Second-tier cities	85,516,300	82.2	5,407,557	15,814
Third-tier cities	3,115,000	3.0	316,685	9,836
Total	104,000,010	100.0	6,291,713	16,530

Revenue recognized from sales of properties

Revenue recognized from sales of properties in 2017 was approximately RMB30,295.1 million up by 46.2% year-on-year, accounted for 95.2% of total recognized revenue. The Group delivered approximately 2,059,400 sq.m. of properties in GFA in 2017, up by 6.2% year-on-year. The Group's recognized ASP from sales of properties was approximately RMB14,710/sq.m. in 2017, representing an increase of 37.7% from RMB10,686/sq.m. in 2016. The increase in recognized ASP was mainly due to higher recognized revenue contribution from first- and second-tier cities. The increase in the Group's revenue recognized from sales of properties in 2017 was mainly attributable to the increase in recognized ASP.

Table 2: Breakdown of recognized revenue from property sales in 2017

By city

	Recognised revenue from sale of properties		% of recognised revenue		Total GFA delivered		Recognised ASP	
	RMB'000		%		sq.m.		RMB/sq.m.	
	2017	2016	2017	2016	2017	2016	2017	2016
Suzhou	7,936,922	2,616,629	26.2	12.6	462,108	280,836	17,175	9,317
Shanghai	7,752,773	4,905,994	25.6	23.7	208,293	209,818	37,221	23,382
Tianjin	2,388,303	2,873,061	7.9	13.9	190,634	287,278	12,528	10,001
Nanjing	2,005,465	787,013	6.6	3.8	121,550	47,229	16,499	16,664
Shenyang	1,798,137	585,659	5.9	2.8	213,181	76,387	8,435	7,667
Chongqing	1,685,944	844,973	5.6	4.1	276,929	108,058	6,088	7,820
Wuhan	1,657,950	1,279,849	5.5	6.2	90,676	136,673	18,284	9,364
Hefei	1,624,861	1,858,309	5.4	9.0	100,351	149,357	16,192	12,442
Zhenjiang	930,637	49,849	3.1	0.2	162,566	7,982	5,725	6,245
Changsha	911,509	1,954,038	3.0	9.4	85,754	262,971	10,629	7,431
Jiaxing	638,476	302,914	2.1	1.5	84,240	72,853	7,579	4,158
Beijing	586,755	703,786	1.9	3.4	21,997	42,306	26,674	16,636
Hangzhou	334,458	831,440	1.1	4.0	33,804	94,093	9,894	8,836
Langfang	42,872	1,119,553	0.1	5.4	7,360	162,457	5,825	6,891
Total	30,295,062	20,713,067	100	100	2,059,443	1,938,298	14,710	10,686

By type of project

	Recognised revenue from sale of properties		% of recognised revenue		Total GFA delivered		Recognised ASP	
	RMB'000		%		sq.m.		RMB/sq.m.	
	2017	2016	2017	2016	2017	2016	2017	2016
Residential	23,601,817	16,220,942	77.9	78.3	1,687,154	1,687,154	14,687	9,614
Office/Commercial	6,693,245	4,492,125	22.1	21.7	452,496	251,144	14,792	17,887
Total	30,295,062	20,713,067	100	100	2,059,443	1,938,298	14,710	10,686

By region

	Recognised revenue from sale of properties		% of recognised revenue		Total GFA delivered		Recognised ASP	
	RMB'000		%		sq.m.		RMB/sq.m.	
	2017	2016	2017	2016	2017	2016	2017	2016
Yangtze River Delta	21,223,592	11,352,148	70.1	54.8	1,172,912	862,168	18,095	13,167
Pan Bohai Rim	4,816,067	5,282,059	15.9	25.5	433,172	568,428	11,118	9,292
Central Western Region	4,255,403	4,078,860	14.0	19.7	453,359	507,702	9,386	8,034
Total	30,295,062	20,713,067	100	100	2,059,443	1,938,298	14,710	10,686

By first-, second- and third-tier cities

	Recognised revenue from sale of properties		% of recognised revenue		Total GFA delivered		Recognised ASP	
	RMB'000		%		sq.m.		RMB/sq.m.	
	2017	2016	2017	2016	2017	2016	2017	2016
First-tier cities	8,339,528	5,609,780	27.5	27.1	230,290	252,124	36,213	22,250
Second-tier cities	20,343,549	13,630,971	67.2	65.8	1,574,987	1,442,882	12,917	9,447
Third-tier cities	1,611,985	1,472,316	5.3	7.1	254,166	243,292	6,342	6,052
Total	30,295,062	20,713,067	100	100	2,059,443	1,938,298	14,710	10,686

Completed properties held for sale

In 2017, the total GFA of newly completed projects of the Group amounted to approximately 2.9 million sq.m. (2016: 3.3 million sq.m.) comprising 1.6 million sq.m. by its subsidiaries (2016: 2.0 million sq.m.) and 1.3 million sq.m. by its joint ventures or associated companies (2016: 1.3 million sq.m.). As at 31 December 2017, the Group had over 70 completed properties projects with a total and attributable unsold or undelivered GFA of approximately 4.9 million sq.m. and 3.3 million sq.m. respectively.

Properties under development/held for future development

As at 31 December 2017, the Group had over 120 property projects under development or held for future development with a total and attributable GFA of approximately 26.1 million sq.m. and 12.7 million sq.m. respectively.

PROPERTY INVESTMENT

Rental income

The Group's rental income in 2017 was approximately RMB94.4 million, up by 51.8% year-on-year. The rental income in 2017 were mainly contributed by Jiaxing CIFI Square, Shanghai CIFI Haishang International and Chongqing CIFI City, with its growth mainly derived from new rental contribution from Shanghai CIFI Haishang International and Chongqing CIFI City.

Investment properties

As at 31 December 2017, the Group had 11 investment properties with a total and attributable GFA of approximately 422,300 sq.m and 291,700 sq.m. respectively, of which 8 investment properties with a total and attributable GFA of approximately 203,900 sq.m and 182,500 sq.m. had commenced leasing.

FINANCIAL REVIEW

Revenue

The Group's recognized revenue was approximately RMB31,824.3 million in 2017, up 43.2% year-on-year. Out of the Group's total recognized revenue in 2017, (i) sales of property increased by 46.3% from 2016 to approximately RMB30,295.1 million; (ii) rental income increased by 51.8% from 2016; (iii) project management and other property related service income increased by 22.4% from 2016.

Table 3: Breakdown of recognized revenue in 2017

	2017		2016		Year-on-year change
	Recognized revenue	% of Total recognized revenue	Recognized revenue	% of Total recognized revenue	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	%
Sales of properties	30,295,062	95.2	20,713,067	93.2	46.3
Rental income	94,428	0.3	60,226	0.3	51.8
Property management income	–	–	276,496	1.2	n/a
Project management and Other property related service income	1,434,798	4.5	1,172,658	5.3	22.4
Total	31,824,288	100.0	22,224,447	100.0	43.2

Cost of sales

The Group's reported cost of sales in 2017 was approximately RMB23,202.8 million, up 40.0% from 2016.

During the year, the Group increased equity interests in certain projects resulting in financial consolidation of these projects as subsidiaries.

Due to the accounting treatment of increase of equity interests in certain projects, cost of sales of those delivered properties for such projects in 2017 were remeasured at fair value. The reported cost of sales in 2017 included RMB821.2 million of fair value gains related to such properties delivered. There was no such accounting impact on the reported cost of sales for 2016. Eliminating such fair value gains, the adjusted cost of sales in 2017 was up by 35.0% from the adjusted cost of sales in 2016.

Gross profit and gross profit margin

The Group's reported gross profit in 2017 was approximately RMB8,621.5 million, up by 52.7% compared to RMB5,645.6 million in 2016. In 2017, the reported gross profit were understated by the accounting treatment due to increase of equity interests in certain projects. There was no such accounting impact on the reported gross profit in 2016.

Eliminating the accounting effect of remeasurement of fair value of the costs of relevant properties delivered, the adjusted gross profit in 2017 was up by 67.3% compared to the gross profit in 2016 of RMB5,645.6 million.

Our adjusted gross profit margin (excluding the accounting effects due to increase of equity interests in certain projects) was 29.7% in 2017, compared to the reported gross margin of 25.4% in 2016. The improvement of our gross profit margin in 2017 compared to 2016 was primarily due to higher profitability of our products delivered during the period, with ASPs contracted and locked-in amid strong real estate market in China in earlier year(s).

Net exchange gain/(loss) from hedging arrangements

During 2017, as Renminbi appreciated against US dollar by 6.7%, the Group incurred an exchange gain of RMB1,075.0 million due to the Group's non-RMB denominated indebtedness, which was partially offset by an exchange loss of RMB966.6 million due to the Group's non-RMB denominated assets. The Group incurred net exchange gain of RMB108.4 million in 2017 due to the effects of the appreciation of RMB during the year, compared to net exchange loss of RMB378.3 million in 2016.

Since 2016, the Group has entered into currency capped forward contracts to hedge certain of its foreign currency exposure in non-RMB denominated indebtedness. In 2017, the Group incurred a gain on settlement of derivative financial instruments of RMB120.5 million and recorded in a fair value loss on derivative financial instruments of RMB659.3 million due to hedging arrangements. For comparison, in 2016 a fair value gain of RMB314.8 million was incurred due to hedging arrangement.

Loss on early redemption of senior notes

In 2017, the Group realized a loss on early redemption of senior notes of RMB118.5 million (2016: 182.3 million).

Gain on remeasurement and gain from business combinations

In 2017, the Group increased equity interests in certain project resulting in financial consolidation of such project as subsidiary. As a result, the Group recognized a gain of RMB574.3 million in 2017 (2016: RMB38.3 million) from remeasurement of the fair value of the equity interests in certain project companies (which were previously recognized as joint venture or associated companies, before acquisition of the equity interests during the period and thereafter they were recognized as subsidiary) and a gain of RMB200.0 million from business combination in 2017 (2016: RMB33.9 million) for the acquisition of interest of the aforesaid companies, for the excess of fair value of net assets acquired over the consideration.

Change in fair value of investment properties

In 2017, the Group recognized a fair value gain on investment properties of approximately RMB657.8 million as compared to a fair value loss on investment properties in 2016 of approximately RMB100.4 million.

Selling and marketing expenses

The Group's selling and marketing expenses increased by 16.2% to approximately RMB609.5 million in 2017 from approximately RMB524.5 million in 2016. This increase was in line with the Group's massive new launches of property projects available for pre-sale in 2017. During the period, the Group kept its selling expenses at an appropriate level.

Administrative and other expenses

The Group's administrative expenses increased by 44.2% to approximately RMB1,267.8 million in 2017 from approximately RMB878.9 million in 2016. This increase was primarily due to the Group's business expansion. 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 profits of RMB2,105.6 million in 2017, versus profits of RMB1,062.7 million in 2016. Included in the share of results of joint ventures and associated companies in 2017 were RMB112.9 million share of exchange gain (2016: exchange gain of RMB127.9 million) and RMB844.6 million share of gain in the fair value of investment properties under construction (2016: RMB394.7 million).

Eliminating the effects of exchange gain and fair value gains, the Group's share of results of joint ventures and associated companies were profits of RMB1,148.1 million in 2017, compared to RMB795.9 million in 2016.

Finance costs

The Group's finance costs expensed in 2017 was approximately RMB262.3 million, versus RMB529.7 million in 2016. The change in finance costs expensed was primarily attributable to the change in the total finance costs incurred, net of the portion being capitalized in properties under development during the period.

The Group's total finance costs expensed and capitalized increased by 7.5% to approximately RMB2,310.8 million in 2017 from RMB2,150.2 million in 2016. The increase in total finance costs expensed and capitalized was due to the increase of the Group's total indebtedness level, but partly set off by the decrease in weighted average cost of indebtedness. The Group's total indebtedness was RMB47.2 billion as at 31 December 2017, compared to RMB29.4 billion as at 31 December 2016. The Group's weighted average cost of indebtedness as at 31 December 2017 was 5.2%, compared to 5.5% as at 31 December 2016.

Income tax expenses

The Group's income tax expenses increased by 132.8% to approximately RMB3,892.6 million in 2017 from approximately RMB1,672.4 million in 2016. The Group's income tax expense included payments and provisions made for enterprise income tax ("EIT") and land appreciation tax ("LAT") less deferred taxation during the year. The Group's effective income tax rate increased to 38.8% in 2017 from 34.6% in 2016.

The Group made LAT provisions of approximately RMB2,123.9 million in 2017 versus approximately RMB602.2 million in 2016. The Group made actual LAT payments of approximately RMB714.9 million in 2017 versus approximately RMB632.6 million in 2016. As at 31 December 2017, the Group had accumulated unpaid LAT provisions of approximately RMB1,608.5 million.

Profit for the period

As a result of the factors described above, the Group's profit before taxation increased by 107.6% to approximately RMB10,041.2 million in 2017 from approximately RMB4,836.8 million in 2016. The Group's profit and total comprehensive income for the period increased by 94.3% to approximately RMB6,148.5 million in 2017 from approximately RMB3,164.4 million in 2016. The Group's net profit attributable to equity owners increased by 72.0% to approximately RMB4,828.1 million in 2017 from approximately RMB2,807.5 million in 2016.

The Group's core net profit attributable to equity owners increased by 44.6% to approximately RMB4,082.4 million in 2017 from approximately RMB2,824.0 million in 2016. The Group's core net profit margin was 12.8% in 2017, compared to 12.7% in 2016.

LAND BANK

As at 31 December 2017, the total GFA of the Group's land bank was approximately 31.0 million sq.m., and the attributable GFA of the Group's land bank was approximately 16.0 million sq.m.

Table 4: Breakdown of the Group's land bank as at 31 December 2017

By project

Project	Primary intended use of the Project	Remaining unrecognised/ Saleable/ Rentable GFA remaining unsold (carpark excluded) <i>(sq.m.)</i>	Interest attributable to the Group <i>(%)</i>
Completed properties			
<i>Yangtze River Delta</i>			
Shanghai CIFI Pujiang International	Office	6,458	100.0
Shanghai CIFI Luxury Courtyard	Residential	4,778	100.0
Shanghai CIFI Comfortable Joyous Bay	Residential	399	100.0
Shanghai CIFI Pebble Beach	Residential	17,995	100.0
Shanghai CIFI Pleasant Garden	Residential	3,184	100.0
Shanghai CIFI City	Residential	14,108	100.0
Shanghai CIFI Samite Life	Residential	5,751	100.0
Shanghai CIFI Jiangwan Mansion	Residential	7,722	100.0
Shanghai CIFI U Block	Office/Commercial	6,639	100.0
Shanghai CIFI Arthur Shire	Residential	5,718	100.0
Shanghai Greenland CIFI E World Center	Office/Commercial	11,745	50.0
Shanghai Elite Mansion	Residential	10,270	50.0
Shanghai Henderson CIFI Center	Residential, Office/ Commercial	24,777	50.0
Shanghai CIFI Haishang International	Office/Commercial	614	53.0
Shanghai CIFI Haishang International	Investment properties	45,400	53.0
Shanghai CIFI Park Mansion West	Residential	14,732	67.5
Shanghai CIFI Shilu	Residential	1,803	100.0
Shanghai CIFI Pure Center	Office/Commercial	48,509	45.0
Shanghai Shangkun CIFI Villa	Residential	3,198	50.0
Shanghai BCL CIFI the Great City	Residential	108,876	40.0
Shanghai Lujiazui Yangjing Project	Office/Commercial	14,477	50.0
Shanghai Lujiazui Yangjing Project	Investment properties	135,377	50.0
Shanghai Changning District, Huashanliyuan Project	Residential	10,500	100.0
Suzhou CIFI Canal County	Residential	10,923	100.0
Suzhou CIFI Luxury Courtyard	Residential	30,826	100.0
Suzhou CIFI Private Mansion	Residential	9,440	100.0
Suzhou CIFI Private Mansion Usonian City Villa	Residential	11,247	100.0

Project	Primary intended use of the Project	Remaining unrecognised/ Saleable/ Rentable GFA remaining unsold (carpark excluded)	Interest attributable to the Group
		(sq.m.)	(%)
Suzhou CIFI Elegant City	Residential	22,122	100.0
Suzhou CIFI Sunny Life	Residential	6,837	100.0
Suzhou CIFI Apple Paradise	Residential	50,679	50.0
Suzhou CIFI Park Mansion	Residential	2,919	100.0
Suzhou Henderson CIFI City	Residential	187,104	50.0
Suzhou North Star CIFI No.1 Courtyard	Residential	77,836	50.0
Hefei CIFI Central Park	Residential	1,323	100.0
Hefei CIFI Private Mansion	Residential	32,865	100.0
Zhenjiang CIFI Times	Residential and office	5,965	100.0
Nanjing CIFI Yincheng Baimalanshan	Residential	17,689	51.0
Nanjing CIFI Nine Modern Life	Residential	332	100.0
Jiaxing CIFI Square (Commercial)	Investment properties	82,600	100.0
Jiaxing CIFI Ronchamp Town	Residential	6,147	100.0
Hangzhou Henderson CIFI Palace	Residential	13,021	100.0
Hangzhou Greenland CIFI Glorious City	Residential	11,844	50.0
Hangzhou Shunfa CIFI Honor Mansion	Residential	25,035	30.0
<i>Pan Bohai Rim</i>			
Beijing CIFI Wangxin Commercial Centre	Investment properties	4,900	100.0
Beijing CIFI Olympic City	Office/Commercial	5,629	100.0
Beijing CIFI International Negotiate Garden	Office/Commercial	326	100.0
Beijing CIFI The Upper House	Residential	14,802	80.0
Beijing CIFI The Education Park	Office/Commercial	82	100.0
Beijing MOMA CIFI Residence	Residential	9,644	50.0
Beijing CIFI Yihexiang	Office/Commercial	550	59.5
Beijing Longxi CIFI No. 6 Courtyard	Residential/Commercial	4,826	20.0
Beijing CIFI N0. 26 Block	Office/Commercial	150,869	10.0
Langfang CIFI Path Walf	Residential	37,251	100.0
Tianjin CIFI Rosedale	Residential	4,610	100.0
Tianjin CIFI Private Mansion	Residential	12,967	100.0
Tianjin CIFI Paradise Bay	Residential	111,310	25.0
Tianjin CIFI Yannan Garden	Residential	93,551	100.0
Shenyang CIFI Jin Court	Residential	533	100.0
Shenyang Gemdale CIFI Jiuyunfenghua	Residential	21,045	50.0

Project	Primary intended use of the Project	Remaining unrecognised/ Saleable/ Rentable GFA remaining unsold (carpark excluded) (sq.m.)	Interest attributable to the Group (%)
<i>Central Western Region</i>			
Chongqing CIFI Ronchamp Town	Residential	59,045	100.0
Chongqing CIFI Langyuejun	Residential	774	100.0
Chongqing CIFI Purple City	Office/Commercial	68,430	100.0
Chongqing CIFI City	Residential	163,875	100.0
Chongqing CIFI City	Office/Commercial	101,100	100.0
Chongqing CIFI City	Investment properties	42,460	100.0
Chongqing Dongyuan CIFI Jiangshan Yue	Residential/Commercial	527,439	30.0
Changsha CIFI Private Mansion	Residential	106,083	100.0
Changsha CIFI International Plaza	Residential	1,541	100.0
Changsha CIFI International Plaza	Office/Commercial	49,654	100.0
Changsha CIFI International Plaza	Investment properties	24,967	100.0
Changsha CIFI Dream Mansion	Residential	6,531	80.0
Wuhan CIFI Private Mansion	Residential	103,718	100.0
Wuhan Yulong CIFI Peninsula	Residential/Commercial	225,924	55.0
Wuhan CIFI Tower (Wuchang District, Phoenix Building Project)	Office/Commercial	49,059	51.0
<i>Other</i>			
Fuzhou CIFI Riverside	Residential	3,700	100.0
Hong Kong Nos. 44, 46, 48 & 50, Chung Hom Kok Road, No.1 Horizon Drive	Residential	Net saleable area: 2,450 sq.m. (26,369 sq.ft.)	100.0
Carparks		<u>1,722,670</u>	
GRAND TOTAL		<u>4,842,099</u>	

Project	Primary Intended use of the Project	Estimated Year of Completion	Site Area (sq.m.)	Total GFA under development and held for future development (excluding carparks) (sq.m.)	Pre-sold (sq.m.)	Interest attributable to the Group (%)
Properties under development and held for future development						
<i>Yangtze River Delta</i>						
Shanghai CIFI La Baie D'Evian	Residential	2017	189,800	24,500	–	100.0%
Shanghai Jiuting Center	Residential and Commercial	2018-2019	83,400	227,100	–	34.0%
Shanghai Baoshan District Luodian Town Meiluo Jiayuan Community No. 01 Project	Office/Commercial	2018	30,185	45,278	–	25.0%
Shanghai Minhang District Xinzhuang Town Min Hang New Town Project	Office/Commercial	2018	15,726	51,895	–	50.0%
Shanghai Putuo District Changshou Community D5-6 Project	Office/Commercial	2018	11,648	45,427	–	50.0%
Shanghai Huangpu District, Madang Road Project	Office	2020	8,600	25,800	–	50.0%
Suzhou CIFI Lake Mansion	Residential	2018	131,000	209,700	137,887	40.0%
Suzhou CIFI Wujiang Mansion (Wujiang District Taihu Lake New City)	Residential	2019	96,278	173,300	40,877	50.0%
Suzhou Riverside Park	Residential and Commercial	2018	N/A	115,118	75,620	30.0%
Suzhou Henderson CIFI Discovery Island (Xiangcheng District G3 Project)	Office/Commercial	2018	N/A	100,416	33,316	30.0%
Suzhou Wuzhong District, West Mountain Project	Residential	2019	161,766	32,353	–	100.0%
Suzhou Wuzhong District, Luzhi Project	Residential	2019	28,600	42,900	–	50.0%
Suzhou Wuzhong District, Xukou Project	Residential	2019	48,500	121,300	–	50.0%
Jiaxing Jiashan County, 2011-028 Project	Residential	2019	18,000	36,200	–	100.0%
Jiaxing Jiashan CIFI M-City (Jiashan County, Yaozhuang 2016-5-1 Project)	Residential	2019	64,900	142,700	8,259	100.0%
Jiaxing Pinghu county, Danghujiedao No. 1 Project	Residential	2019	26,000	39,000	–	100.0%
Jiaxing Jiashan County, Weitang Project	Residential	2019	107,300	214,600	–	100.0%
Yixing Grand Lakeview	Residential and Commercial	2018-2021	N/A	485,665	–	50.0%
Hangzhou CIFI Yunheyuezhang (Yuhang District Chongxian Xincheng No. 18 Site Project)	Residential	2017	35,300	90,800	87,281	100.0%
Hangzhou CIFI Times City	Residential and Commercial	2018	54,100	129,800	112,807	100.0%
Hangzhou Vanke CIFI Luna Sea	Residential and Commercial	2018	57,600	143,900	80,766	33.0%
Hangzhou CIFI & H-Change Group Metropolis Mansion (Xiao Shan District, Olympic Park FG16-04 Project)	Commercial	2018	29,800	86,400	80,558	100.0%
Hangzhou CIFI Junyuefu (Xiaoshan District, Xiaozhengchuchu 2015-No. 32 Project)	Residential	2018	57,394	114,788	80,148	23.0%
Hangzhou Binjiang CIFI Wanjiazhixing (Yuhang District, Liangzhu New Town, No. 64 Project)	Residential	2018	24,596	54,111	53,421	35.0%

Project	Primary Intended use of the Project	Estimated Year of Completion	Site Area (sq.m.)	Total GFA under development and held for future development (excluding carparks)	Pre-sold (sq.m.)	Interest attributable to the Group (%)
				(sq.m.)		
Hangzhou CIFI Dongfangyuefu (Xiaoshan District, Xianghu 2016-No. 5 Project)	Residential	2018	37,699	75,398	73,640	29.0%
Hangzhou Longfor CIFI Crystal Central (Xihu District, Sandun North Project)	Residential	2018	34,172	95,682	16,677	20.0%
Hangzhou CIFI Powerlong East Lake City (Xiaoshan District, Dajiang East Project)	Residential	2018	88,494	203,536	63,424	100.0%
Hangzhou Lin'an District, Shizishan No. 23 Project	Residential	2019	42,900	90,100	–	100.0%
Hangzhou Lin'an District, Shizishan No. 24 Project	Residential	2019	50,400	110,900	–	100.0%
Hangzhou Xiaoshan District, Beigandanyuan Project	Residential and Commercial	2019	11,400	37,700	–	100.0%
Hangzhou Jianggan District, Yuanzhuyihao Project	Commercial	2020	3,900	26,100	–	100.0%
Hangzhou Xihu District, Jiang Village Project	Commercial	2020	76,400	183,500	–	49.0%
Hangzhou Haishang Mingyue West (Xiaoshan District, Haishang Mingyue West Project)	Residential	2019	21,200	46,700	17,814	33.0%
Hefei North Star CIFI Park Mansion Luzhou	Residential	2018-2019	141,700	239,000	180,103	50.0%
Hefei CIFI Ronchamp Courtyard	Residential	2019	99,972	235,934	246,165	22.5%
Hefei CIFI Lake Betsuin	Residential	2019	151,780	399,550	281,582	50.0%
Hefei CIFI Xizi Grace City (Gaoxin District, TF 4 Project)	Residential	2020	104,800	225,200	172,123	15.2%
Hefei CIFI Wonderful Mansion (Gaoxin District, TF 5 Project)	Residential	2020	139,700	297,600	189,497	20.0%
Hefei CIFI Jiuzhou Mansion (Luyang District, No. N1614 Project)	Residential	2019	22,600	56,400	4,512	100.0%
Hefei CIFI Metro Politan (Binhu District, No. 14 Project)	Residential	2020	111,400	245,000	73,885	17.0%
Hefei New Station District, No. 215 Project	Residential	2020	85,500	154,000	–	51.0%
Hefei CIFI Lake Mansion (Binhu District, No. 25 Project)	Residential and Commercial	2020	130,900	295,900	90,109	21.5%
Hefei CIFI Glory Land (Shushan District, W1611 Project)	Residential	2020	151,400	229,700	33,498	30.0%
Hefei CIFI Jade Seal (Binhu District, No. 20 Project)	Residential and Commercial	2020	178,000	387,100	61,971	25.4%
Wuxi CIFI Times (Huixin District, Qianqiao Street, Yangxirenjia Shangwei Road North Project)	Residential	2019	137,900	413,800	35,934	60.0%
Ningbo CIFI Bochenfu (Yinzhou District Zhonggong Temple Project)	Residential and Commercial	2018	38,256	72,686	55,149	100.0%
Ningbo CIFI Shanghucheng (Dongbuxincheng Project)	Residential	2021	157,100	350,100	101,767	33.0%
Ningbo Jiangbei District, Tianshui Jiayuan, No. 2 Project	Residential	2019	51,600	103,200	–	50.0%
Nanjing CIFI Park Mansion Qinhuai	Residential	2018	28,700	80,400	72,790	100.0%
Nanjing North Star CIFI Park Mansion Jin Ling	Residential	2017-2018	25,300	70,700	70,436	49.0%
Nanjing Jiangning District, G54 Project	Residential	2019	73,200	80,500	–	49.0%
Nanjing Jiangning District, G56 Project	Residential	2020	84,000	231,500	–	49.0%
Nanjing Jiangning District, G36 Project	Residential and Commercial	2020	54,200	178,200	–	20.0%

Project	Primary Intended use of the Project	Estimated Year of Completion	Site Area	Total GFA under development and held for future development (excluding carparks)	Pre-sold	Interest attributable to the Group
				(sq.m.)		
Nanjing Jiangning District, G66 Project	Residential	2019	14,700	29,400	–	100.0%
Wenzhou CIFI Future City (Ouhai District, Chashan Project)	Residential	2019	51,400	139,100	20,583	33.0%
Wenzhou Country Garden CIFI Lake Mansion (Jingkai District, Jinhai Yuanqu Project)	Residential	2019	74,800	149,700	31,172	50.0%
Taicang Shaxi Town Project	Residential	2019	56,700	102,000	–	27.9%
Taicang Liuhe Town, Yinhewan Project	Residential	2019	21,200	74,900	–	16.7%
<i>Pan Bohai Rim</i>						
Beijing Vanke World	Office and Commercial	2017	46,924	94,800	73,864	26.5%
Beijing Tianheng CIFI No. 7 Courtyard	Residential and Commercial	2017-2018	158,300	266,200	133,941	49.0%
Beijing Fangshan District, Gongchen Street, No. 0007 Project	Office and Commercial	2019	10,384	25,960	–	100.0%
Beijing Fengtai District, Zhuangwei B10 Project	Office and Commercial	2019	5,200	15,500	–	100.0%
Beijing Fangshan District, Fangshan Street No. 2 Project	Residential	2019	53,600	101,500	–	50.0%
Beijing Chaoyang District, Sunhe Town, Xidian Village, 2902-86 Project	Residential	2019	59,500	89,300	–	25.0%
Beijing Shunyi District, Shayu Town Matouzhuang Project	Residential and Commercial	2020	65,600	120,200	–	24.5%
Beijing Chaoyang District, Dongba Project	Residential	2019	78,000	194,900	–	26.0%
Shijiazhuang Yuhua District, Nanli Village Project	Residential and Commercial	2020	28,700	92,200	–	77.0%
Tianjin CIFI No. 6 Courtyard	Residential	2018	96,089	99,900	97,525	70.0%
Tianjin CIFI Tianyuefenghua	Residential	2019	150,241	202,825	33,000	25.0%
Tianjin Binhai New District, Sino-Singapore Tianjin Eco-city, Tourism Area Project	Residential	2019	20,305	49,735	–	35.7%
Tianjin Jinghai District, Tuanboyishan County Project	Residential	2017	55,800	139,400	–	40.0%
Tianjin Chengshizhiguang (Dongli District, Xiaowangzhuang Project)	Residential	2018	72,400	144,700	47,538	25.0%
Tianjin Dongli District, Haishang International City Project	Residential	2020	362,500	561,000	44,541	20.0%
Qingdao Huangdao District, Xingyuecheng Project	Residential	2019	104,900	187,000	30,365	50.0%
Qingdao Chengyang District, Qingwei Road Project	Residential	2020	98,600	243,700	–	50.0%
Qingdao Jiaozhou City, Taihu Road Project	Residential and Commercial	2021	156,400	299,200	–	37.5%
Jinan Huaiyin District, West Station Area Changhe Estate B6 Project	Residential	2018	72,954	218,820	167,479	20.0%
Jinan Licheng District, Fengshenlu Project	Residential	2019	40,000	112,000	–	100.0%
Jinan Lixia District, Jinyulanshan Project	Residential	2019	34,100	102,800	87,641	50.0%

Project	Primary Intended use of the Project	Estimated Year of Completion	Site Area	Total GFA under development and held for future development (excluding carparks)	Pre-sold	Interest attributable to the Group
				(sq.m.)		
Jinan Licheng District, Hancanghe Project	Residential and Commercial	2021	126,600	278,600	–	43.5%
Shenyang CIFI Fantastic Apartmenet	Residential	2018	5,340	15,487	15,237	100.0%
Shenyang CIFI Luxury Mansion (Tiexi District First Grain Warehouse Project)	Residential	2020	84,832	186,630	75,722	100.0%
Shenyang CIFI Dongyuecheng (Dadong District Vocational and Technical College South-1, 2 Project)	Residential and Commercial	2019	117,011	268,536	155,574	70.0%
Shenyang Dadong District, Vocational and Technical College South Project	Residential	2019-2022	89,354	196,580	–	50.0%
Shenyang Yuhong District, Xihe Road, No 2 Project	Residential and Commercial	2022	85,600	188,300	–	100.0%
Shenyang Guhuang District, Baihua Group Project	Residential and Commercial	2021	16,200	113,700	–	20.0%
Dalian Shahekou District, Police Affiars Training Base Project	Residential and Commercial	2019	16,100	16,300	–	100.0%
Linyi Luozhuang, Guangfazhiye Project	Residential and Commercial	2021	203,100	408,700	83,416	25.5%
<i>Central Western Region</i>						
Chongqing CIFI Prime Orienting (Nanan District, Danzishi Project)	Residential and Commercial	2018-2019	150,519	443,781	77,310	33.3%
Chongqing CIFI The essence of river (Dadukou District Project)	Residential	2020	26,400	105,600	33,474	100.0%
Chongqing CIFI Jiangxhou Impression (Jiulongpo District, Yinchaohe Project)	Residential	2022	128,000	473,600	2,553	50.0%
Chongqing Banan District, Masangxi No. 67 Project	Residential	2020	179,600	419,800	–	50.0%
Chongqing Yubei District, Huayu Lijia Project	Residential and Commercial	2022	221,100	601,600	–	30.0%
Chongqing Dadukou District, Masangxi No. 66 Project	Residential and Commercial	2021	113,400	340,100	–	33.0%
Chongqing Yuzhong District, Shidaitianje Project	Residential	2020	14,400	60,000	–	33.0%
Chengdu Chenghua District, Jinxiuhuacheng Project	Residential	2019	84,900	169,800	36,547	30.0%
Chengdu Chenghua District, Beichengzhongyang Project	Residential and Commercial	2020	42,400	202,300	–	30.0%
Chengdu Wuhou District, Hongpailou Project	Residential	2019	10,700	20,200	–	22.5%
Chengdu Shuangliu District, 75 Mu Project	Residential and Commercial	2019	49,800	99,600	–	51.0%
Changsha Henderson Arch of Triumph	Residential and Commercial	2018-2019	N/A	230,222	190,302	30.0%

Project	Primary Intended use of the Project	Estimated Year of Completion	Site Area	Total GFA under development and held for future development (excluding carparks)	Pre-sold	Interest attributable to the Group
				(sq.m.)		
Changsha Kaifu District, Dadi Project	Residential	2018-2019	518,697	830,356	–	50.0%
Changsha Tianxin District, Aoyuan South Project	Residential and Commercial	2019	30,100	90,200	–	70.0%
Xi'an CIFI Centre (Economic and Technological Development Zone, Ronghua International Project)	Commercial	2018	17,500	87,500	16,515	95.0%
Xi'an Chanba Ecological District Project	Commercial	2019	27,500	151,100	–	70.0%
Xi'an New Area District, Daming Palace Residential Project	Residential	2020	30,700	107,500	–	70.0%
Wuhan Hanyang District, Hanqiao Village Project Section B	Residential and Commercial	2019-2021	103,822	481,010	–	55.0%
Wuhan Hongshan District, Qingling Village K1-2-4 Project	Residential and Commercial	2021	247,500	784,800	–	55.0%
Wuhan Hongshan District, Qingling Village, K3 Project	Residential	2021	204,600	658,800	–	51.0%
Zhengzhou CIFI Grand Mansion (Erqi District No. 225 Project)	Residential	2020	69,400	173,600	13,549	21.0%
<i>South China</i>						
Guangzhou Liwan District No. 111, Baihua Road, Bai Hua Xiang Liao Chang Project	Residential	2018	31,900	143,600	–	19.0%
Foshan CIFI Homeland (San Shui New Town Huijin Project)	Residential and Commercial	2019-2020	114,319	285,796	31,671	100.0%
Foshan CIFI City (San Shui New Town Huaxiang Project)	Residential and Commercial	2019-2020	134,001	268,002	34,385	100.0%
Foshan CIFI New Century (Chancheng District, Haiwu Road North, Fenjianghe Road West Project)	Residential and Commercial	2018	72,964	267,143	41,464	33.3%
Sanya Yalong Bay Project	Office/Commercial	2018	46,930	18,772	1,909	50.0%
Sanya Xin'aoliyang Project	Commercial	2019	200,000	50,000	–	51.0%
Xiamen Xiang'an District, 12 Mu Project	Residential	2020	8,100	19,400	–	100.0%
Nanning Liangqing District, GC2017-095 Project	Residential	2020	25,900	67,500	–	100.0%
Dongguan Shipai Village, No. 25 Project	Residential	2020	33,900	84,700	–	100.0%
Zhongshan Nantou Town, Suixi Village Project	Residential	2020	26,300	65,900	–	100.0%
Hong Kong Yau Tong Sze Shan Street Project	Residential	2020	3,816 sq.m. (41,080 sq.ft.)	Net saleable area: 21,368 sq.m. (230,000 sq.ft.)	–	50.0%
Carpark				4,797,879	201,842	
TOTAL PUD				26,120,239	4,411,135	
GRAND TOTAL				30,962,338	4,411,135	

Land acquisition in 2017

In 2017, the Group acquired interests in a total of 78 new projects. During the year, the Group continued utilizing joint ventures strategies to jointly develop the newly acquired projects.

Total planned GFA of the Group's land acquisition in 2017 amounted to approximately 13.2 million sq.m., out of which 5.9 million sq.m. were attributable to the Group's equity interests. Total contracted consideration of the Group's land acquisition amounted to approximately RMB108,320.0 million, out of which RMB45,215.6 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 (excluding Hong Kong) in 2017 was approximately RMB8,000 per sq.m.

Table 5: The Group's land acquisition in 2017

City	Project	Intended Primary Use	The Group's equity interest (%)	Site area (sq.m.)	Planned GFA (excluding carparks) (sq.m.)	Attributable planned GFA (excluding carparks) (sq.m.)	Total consideration (RMB)	Attributable consideration (RMB)	Average land cost (excluding carparks) (RMB/sq.m.)
Land acquisitions in 2017									
Shanghai	Changning District, Huashanliyuan Project	Residential	100.00	N/A	10,500	10,500	788,240,000	788,240,000	75,070
Shanghai	Huangpu District, Madang Road Project	Office	50.00	8,600	25,800	12,900	1,330,000,000	665,000,000	51,550
Jiaxing	Jiashan County, Yaozhuang 2016-5-1 Project	Residential	51.00	64,900	142,700	72,800	1,037,780,000	529,270,000	7,273
Jiaxing	Jiashan County, 2011-028 Project	Residential	50.00	18,000	36,200	18,100	245,960,000	122,980,000	6,794
Suzhou	Wuzhong District, Luzhi Project	Residential	50.00	28,600	42,900	21,500	545,700,000	272,850,000	12,731
Suzhou	Wuzhong District, Xukou Project	Residential	50.00	48,500	121,300	60,700	1,442,320,000	721,160,000	11,893
Wuxi	Huishan District, Qianqiao Street, Yangxirenjia North Project	Residential	30.00	90,500	271,600	81,500	1,068,000,000	320,400,000	3,934
Wuxi	Huishan District, Qianqiao Street, Shangwei Road North Project	Residential	30.00	47,400	142,200	42,700	591,000,000	177,300,000	4,156
Hangzhou	Lin'an District, Shizishan No.23 Project	Residential	50.00	42,900	90,100	45,100	777,080,000	388,540,000	8,623
Hangzhou	Lin'an District, Shizishan No.24 Project	Residential	50.00	50,400	110,900	55,500	890,010,000	445,010,000	8,023
Hangzhou	Xiaoshan District, Beigandanyuan Project	Residential/Commercial	29.50	11,400	37,700	11,100	723,380,000	213,400,000	19,200
Ningbo	Dongbuxincheng Project	Residential	33.00	157,100	350,100	115,500	4,087,850,000	1,348,990,000	11,676
Hefei	Hi-tech Industry Development Zone, TF 4 Project	Residential	15.20	104,800	225,200	34,200	1,380,000,000	209,760,000	6,127

City	Project	Intended Primary Use	The Group's	Site area	Planned GFA	Attributable	Total	Attributable	Average
			equity		(excluding	planned GFA			consideration
			interest		(excluding	(excluding			(excluding
			(%)	(sq.m.)	carparks)	carparks)	(RMB)	(RMB)	(RMB/sq.m.)
Hefei	Luyang District, No. N1614 Project	Residential	100.00	22,600	56,400	56,400	550,000,000	550,000,000	9,752
Hefei	Hi-tech Industry Development Zone, TF5 Project	Residential	20.00	139,700	297,600	59,500	1,803,000,000	360,600,000	6,058
Hefei	Binhu District, No. 14 Project	Residential	17.00	111,400	245,000	41,700	1,805,000,000	306,850,000	7,366
Beijing	Fangshan District, Fangshan Street No.2 Project	Residential	17.00	53,600	101,500	17,300	1,810,000,000	307,700,000	17,831
Beijing	Fengtai District, Zhuangwei B10 Project	Commercial	100.00	5,200	15,500	15,500	620,130,000	620,130,000	40,128
Beijing	Chaoyang District, Sunhe Town, Xidian Village, 2902-86 Project	Residential	9.00	59,500	89,300	8,000	4,575,000,000	411,750,000	51,232
Tianjin	Jinghai District, Tuanboyishan County Project	Residential	40.00	55,800	139,400	55,800	628,000,000	251,200,000	4,505
Tianjin	Dongli District, Xiaowangzhuang Project	Residential	25.00	72,400	144,700	36,200	760,000,000	190,000,000	5,252
Chongqing	Dadukou District Project	Residential	45.00	26,400	105,600	47,500	374,000,000	168,300,000	3,542
Chongqing	Jiulongpo District, Yinchaoshe Project	Residential	35.00	128,000	473,600	165,800	3,920,000,000	1,372,000,000	8,277
Chongqing	Banan District, Masangxi No.67 Project	Residential	33.00	179,600	419,800	138,500	2,110,000,000	696,300,000	5,027
Chengdu	Chenghua District, Jinxiuhuacheng Project	Residential	30.00	84,900	169,800	50,900	787,900,000	236,370,000	4,640
Chengdu	Chenghua District, Beichengzhongyang Project	Residential/Commercial	30.00	42,400	202,300	60,700	254,800,000	76,440,000	1,260
Chengdu	Wuhou District, Hongpailou Project	Residential	22.50	10,700	20,200	4,500	348,080,000	78,320,000	17,200
Changsha	Tianxin District, Aoyuan South Project	Residential/Commercial	70.00	30,100	90,200	63,100	502,880,000	352,020,000	5,573
Zhengzhou	Erqi District No.225 Project	Residential	20.00	69,400	173,600	34,700	988,880,000	197,780,000	5,696
Sanya	Xin'aoliyang Project	Residential	51.00	200,000	50,000	25,500	990,000,000	504,900,000	19,800
Hong Kong	Nos. 44, 46, 48 & 50, Chung Hom Kok Road, No.1 Horizon Drive	Residential	100.00	N/A	Net saleable area: 2,450 sq.m. (26,369 sq.ft.)	Net saleable area: 2,450 sq.m. (26,369 sq.ft.)	HKS 1,588,000,000	HKS 1,588,000,000	HKS 60,222/sq.ft.
Hong Kong	Yau Tong Sze Shan Street Project	Residential	50.00	3,816 sq.m. (41,080 sq.ft.)	Net saleable area: 21,368 sq.m. (230,000 sq.ft.)	Net saleable area: 10,684 sq.m. (115,000 sq.ft.)	HKS 2,312,000,000	HKS 1,156,000,000	HKS 8,500/sq.ft.
Hangzhou	Jianggan District, Yuanzhuyihao Project	Office/Commercial	100.00	3,900	26,100	26,100	230,000,000	230,000,000	8,807

City	Project	Intended Primary Use	The Group's	Site area	Planned GFA	Attributable	Total consideration	Attributable	Average
			equity interest		(excluding carparks)	planned GFA		consideration	land cost
			(%)	(sq.m.)	(sq.m.)	(excluding carparks)	(RMB)	(RMB)	(RMB/sq.m.)
Hefei	New Station District, No. 215 Project	Residential	51.00	85,500	154,000	78,500	1,179,900,000	601,750,000	7,664
Hefei	Binhu District, No.25 Project	Residential/Commercial	21.50	130,900	295,900	63,600	2,089,000,000	449,140,000	7,060
Jinan	Licheng District, Fengshenlu Project	Residential	100.00	40,000	112,000	112,000	1,712,600,000	1,712,600,000	15,291
Dalian	Shahekou District, Police Affairs Training Base Project	Residential/Commercial	100.00	16,100	16,300	16,300	225,980,000	225,980,000	13,847
Wenzhou	Ouhai District, Chashan Project	Residential	33.00	51,400	139,100	45,900	1,172,000,000	386,760,000	8,426
Jiaixing	Pinghu county, Danghujiedao No.1 Project	Residential	100.00	26,000	39,000	39,000	378,930,000	378,930,000	9,728
Jiaxing	Jiashan County, Weitang Project	Residential	100.00	107,300	214,600	214,600	1,609,740,000	1,609,740,000	7,500
Xi'an	Economic and Technological Development Zone, Ronghua International Project	Office/Commercial	95.00	17,500	87,500	83,100	875,000,000	831,250,000	10,006
Xi'an	Chanba Ecological District Project	Office/Commercial	70.00	27,500	151,100	105,800	435,710,000	305,000,000	2,883
Qingdao	Huangdao District, Xingyuecheng Project	Residential	50.00	104,900	187,000	93,500	430,090,000	215,050,000	2,300
Nanjing	Jiangning District, G54 Project	Residential	49.00	73,200	80,500	39,400	1,610,000,000	788,900,000	19,991
Taicang	Shaxi Town Project	Residential	28.00	56,700	102,000	28,600	386,130,000	108,120,000	3,786
Nanjing	Jiangning District, G56 Project	Residential	49.00	84,000	231,500	113,400	3,720,000,000	1,822,800,000	16,069
Chongqing	Yubei District, Huayu Lijia Project	Residential/Commercial	30.00	221,100	601,600	180,500	4,440,000,000	1,332,000,000	7,380
Hefei	Shushan District, W1611 Project	Residential	30.00	151,400	229,700	68,900	2,013,500,000	604,050,000	8,766
Hefei	Binhu District, No.20 Project	Residential/Commercial	25.40	178,000	387,100	98,300	2,780,000,000	706,120,000	7,181
Wuhan	Hongshan District, Qingling Village K1-2-4 Project	Residential/Commercial	55.00	247,500	784,800	431,600	5,101,200,000	2,805,660,000	6,500
Wuhan	Hongshan District, Qingling Village, K3 Project	Residential	51.00	204,600	658,800	336,000	4,611,680,000	2,351,960,000	7,000
Qingdao	Chengyang District, Qingwei Road Project	Residential	50.00	98,600	243,700	121,900	1,462,300,000	731,150,000	6,000
Hangzhou	Xihu District, Jiang Village Project	Office/Commercial	49.00	76,400	183,500	89,900	1,400,000,000	686,000,000	7,631
Chongqing	Dadukou District, Masangxi No.66 Project	Residential/Commercial	33.00	113,400	340,100	112,200	1,540,000,000	508,200,000	4,528

City	Project	Intended Primary Use	The Group's	Planned GFA (excluding carparks)	Planned GFA (excluding carparks)	Attributable planned GFA (excluding carparks)	Total consideration	Attributable consideration	Average
			equity interest						Site area
			(%)	(sq.m.)	(sq.m.)	(sq.m.)	(RMB)	(RMB)	(RMB/sq.m.)
Nanjing	Jiangning District, G36 project	Residential/Commercial	20.00	54,200	178,200	35,600	1,700,000,000	340,000,000	9,538
Ningbo	Jiangbei District, Tianshui Jiayuan, No. 2 Project	Residential	50.00	51,600	103,200	51,600	1,044,910,000	522,460,000	10,122
Jinan	Lixia District, Jinyulanshan Project	Residential	50.00	34,100	102,800	51,400	617,800,000	308,900,000	6,008
Hangzhou	Xiaoshan District, Haishang Mingyue West Project	Residential	33.00	21,200	46,700	15,400	434,000,000	143,220,000	9,301
Chongqing	Yuzhong District, Shidaitianje Project	Residential	33.00	14,400	60,000	19,800	484,000,000	159,720,000	8,067
Beijing	Shunyi District, Shayu Town Matouzhuan Project	Residential/Commercial	24.50	65,600	120,200	29,400	4,950,000,000	1,212,750,000	41,181
Xi'an	New Area District, Daming Palace Residential Project	Residential	70.00	30,700	107,500	75,300	237,000,000	165,900,000	2,206
Wuhan	Wuchang District, Phoenix Building Project	Office	51.00	12,400	49,200	25,100	981,150,000	500,390,000	19,926
Beijing	Chaoyang District, Dongba Project	Residential	26.00	78,000	194,900	506,700	4,980,000,000	1,294,800,000	25,547
Nanjing	Jiangning, District, Tangshan Road, G66 Project	Residential	100.00	14,700	29,400	29,400	310,000,000	310,000,000	10,537
Xiamen	Xiangan District, 12 Mu Project	Residential	100.00	8,100	19,400	19,400	246,000,000	246,000,000	12,680
Nanning	Liangqing District, GC2017-095 Project	Residential	100.00	25,900	67,500	67,500	316,180,000	316,180,000	4,900
Dongguan	Shipai Village, No. 25 Project	Residential	100.00	33,900	84,700	84,700	864,040,000	864,040,000	10,207
Shenyang	Yuhong District, Xihe Road, No 2 Project	Residential/Commercial	100.00	85,600	188,300	188,300	1,110,800,000	1,110,800,000	5,900
Shenyang	Guhuang District, Baihua Group Project	Residential/Commercial	20.00	16,200	113,700	22,700	822,340,000	164,470,000	7,235
Shijiazhuang	Yuhua District, Nanli Village Project	Residential/Commercial	77.00	28,700	92,200	71,000	302,000,000	232,540,000	3,277
Wenzhou	Jingkai District, Jinhai Yuanqu Project	Residential	50.00	74,800	149,700	74,900	677,000,000	338,500,000	4,524
Jinan	Licheng District, Hancanghe Project	Residential/Commercial	43.50	126,600	278,600	121,200	2,170,000,000	943,950,000	7,789
Qingdao	Jiaozhou City, Taihu Road Project	Residential/Commercial	37.50	156,400	299,200	112,200	738,310,000	276,870,000	2,468
Chengdu	Shuangliu District, 75 Mu Project	Residential/Commercial	34.00	49,800	99,600	33,900	756,600,000	257,240,000	7,600

City	Project	Intended Primary Use	The Group's equity interest	Site area	Planned GFA (excluding carparks)	Attributable planned GFA (excluding carparks)	Total consideration	Attributable consideration	Average land cost (excluding carparks)
			(%)	(sq.m.)	(sq.m.)	(sq.m.)	(RMB)	(RMB)	(RMB/sq.m.)
Zhongshan	Nantou Town, Suixi Village Project	Residential	34.00	26,300	65,900	22,400	265,210,000	90,170,000	4,030
Linyi	Luozhuang, Guangfazhiye Project	Residential/Commercial	25.50	203,100	408,700	104,200	594,660,000	151,640,000	1,455
Tianjin	Dongli District, Haishang International City Project	Residential	20.00	362,500	561,000	112,200	3,045,720,000	609,140,000	5,428
Taicang	Liuhe Town, Yinhewan Project	Residential	16.70	21,200	74,900	12,500	195,510,000	32,650,000	2,609
	2017 TOTAL (Excluding Hong Kong)				13,163,100	5,849,600	104,981,980,000	42,867,050,000	7,975
	2017 TOTAL (Including Hong Kong)				13,186,918	5,862,734	108,319,990,000	45,215,640,000	8,214

City	Project	Intended Primary Use	The Group's equity interest	Site area	Planned GFA (excluding carparks)	Attributable planned GFA (excluding carparks)	Total consideration	Attributable consideration	Average land cost (excluding carparks)
			(%)	(sq.m.)	(sq.m.)	(sq.m.)	(RMB)	(RMB)	(RMB/sq.m.)
Land acquisition subsequent to 31 December 2017 (and up to the 28 February 2018)									
Hangzhou	Linan District, Tianmushan Project	Commercial	100.00	1,195,200	49,900	49,900	159,830,000	159,830,000	3,201
Hangzhou	Linan District, Yuqian Project	Commercial	100.00	755,400	35,900	35,900	68,620,000	68,620,000	1,913
Hangzhou	Linan District, Qingshanhu, Keji Cheng Project	Residential	50.00	63,500	158,700	79,400	1,763,500,000	881,750,000	11,113
Taizhou	Jiaojiang District, Hongjia Street Project	Residential/Commercial	100.00	28,200	57,400	57,400	346,200,000	346,200,000	6,027
Taizhou	Luyang District, No.1704 Project	Residential	100.00	92,200	174,200	174,200	1,784,700,000	1,784,700,000	10,247
Zhangjiagang	Nanhu Road, No. 2013-B28-A Project	Residential	100.00	69,800	73,300	73,300	609,770,000	609,770,000	8,317
Zhangjiagang	Jingang Avenue, No. 2013-B27 Project	Residential	100.00	27,100	40,600	40,600	287,460,000	287,460,000	7,074
Shanghai	Yangpu District, Dinghai Community Project	Office/Commercial	50.00	36,500	109,500	54,800	2,980,000,000	1,490,000,000	27,222
Beijing	Chaoyang District, Sunhe Project	Residential	50.00	53,500	58,900	29,500	3,365,000,000	1,682,500,000	57,152
Qingdao	Jiaozhou District, Boguanjinan East Project	Residential	50.00	13,800	21,600	10,800	95,620,000	47,810,000	4,427
Qingdao	Jiaozhou District, Boguanjinan West Project	Residential	50.00	63,700	136,200	68,100	402,520,000	201,260,000	2,955
Qingdao	Huangdao District, Boguanxinghai First Phrase Project	Residential	50.00	18,600	58,700	29,400	148,300,000	74,150,000	2,528
Qingdao	Huangdao District, Boguanxinghai Second Phrase Project	Residential	50.00	24,100	34,900	17,500	161,620,000	80,810,000	4,629
Qingdao	Chengyang District, Boguanyipin Project	Residential/Commercial	50.00	32,000	34,700	17,400	154,740,000	77,370,000	4,455
Qingdao	Chengyang District, Dejun Fifth Phrase Project	Residential	50.00	106,700	70,500	35,300	173,820,000	86,910,000	2,466
Qingdao	Chengyang District, Shuxiangjiayuan Project	Residential	50.00	87,400	44,200	22,100	304,320,000	152,160,000	6,892
Jinan	Shizhong District, Boguanshanyue Project	Residential	25.50	24,900	60,300	15,400	185,730,000	47,360,000	3,078
Linyi	Beicheng District, Boguanxincheng East Project	Residential	35.00	86,700	153,000	53,600	291,890,000	102,160,000	1,940
Linyi	Beicheng District, Boguanxincheng West Project	Residential	35.00	59,900	221,100	77,400	302,370,000	105,830,000	1,391
Jiaxing	Jiashan County, No. 2012-42 Project	Residential	50.00	25,100	45,200	22,600	401,860,000	200,930,000	8,889
Jiaxing	Jiashan County, No. 2016-7 Project	Residential	50.00	14,500	29,000	14,500	232,080,000	116,040,000	8,000

City	Project	Intended Primary Use	The Group's	Site area	Planned GFA	Attributable	Total	Attributable	Average
			equity interest		(excluding carparks)	planned GFA (excluding carparks)			consideration
			(%)	(sq.m.)	(sq.m.)	(sq.m.)	(RMB)	(RMB)	(RMB/sq.m.)
Jiaxing	Jiashan County, Huimin Project	Residential	50.00	58,900	106,000	53,000	789,260,000	394,630,000	7,444
Chongqing	Jiangbei District, Dashiba Project	Residential	100.00	4,500	15,700	15,700	131,000,000	131,000,000	8,366
Chongqing	Shapingba District, F6-1/F7 Project	Residential/Commercial	100.00	8,500	27,700	27,700	212,000,000	212,000,000	7,650
Wuhan	Jiangxia District, Qixin Village Project	Residential	59.50	70,200	238,400	141,800	1,501,710,000	893,520,000	6,300
Hangzhou	Xiaoshan District, Shushan Project	Residential	50.00	26,600	71,800	35,900	1,271,300,000	635,650,000	17,700
Shenyang	Tiexi District, Dongyang Zhigang Project	Residential/Commercial	40.00	99,500	199,100	79,600	1,313,950,000	525,580,000	6,600
Jiaxing	Jiashan County, No. 34 Project	Residential	51.00	35,600	89,100	45,400	630,750,000	321,680,000	7,080
Jiaxing	Jiashan County, No. 54 Project	Residential	49.00	48,400	120,100	58,800	850,320,000	416,660,000	7,080

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

As at 31 December 2017, the Group had cash and bank balances of approximately RMB29,786.9 million (31 December 2016: approximately RMB20,328.4 million) and pledged bank deposits of approximately RMB nil (2016: RMB348.9 million).

Indebtedness

As at 31 December 2017, the Group had outstanding total borrowings amounted to approximately RMB47,239.1 million (31 December 2016: RMB29,391.1 million), comprising bank and other loans of approximately RMB33,113.0 million (31 December 2016: RMB13,566.6 million), onshore corporate bonds with carrying amounts of RMB9,628.0 million (31 December 2016: RMB10,141.5 million) and offshore senior notes with carrying amounts of RMB4,498.1 million (31 December 2016: RMB5,683.0 million).

Table 7: Breakdown of indebtedness

By type of borrowings and maturity

	<u>31.12.2017</u>	<u>31.12.2016</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Onshore bank and other loans		
Within one year	3,253,907	875,490
Over one years and within two years	1,895,410	1,351,000
Over two years and within three years	6,775,429	2,764,747
Over three years and within four years	2,080,000	–
Over four years and within five years	3,300,241	–
Over five years	402,910	885,330
Subtotal	<u>17,707,897</u>	<u>5,876,567</u>
Onshore corporate bonds		
Within one year	5,093,233	2,088,970
Over three years and within four years	4,534,737	4,023,949
Over four years and within five years	–	4,028,549
Subtotal	<u>9,627,970</u>	<u>10,141,468</u>
Offshore bank loans		
Within one year	3,473,201	1,492,046
Over one year and within two years	3,661,247	2,928,591
Over two years and within three years	7,092,762	2,737,216
Over three years and within four years	1,177,908	532,227
Subtotal	<u>15,405,118</u>	<u>7,690,080</u>

	<u>31.12.2017</u>	<u>31.12.2016</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Offshore senior notes		
Over two years and within three years	2,651,344	2,890,449
Over three years and within four years	–	2,792,562
Over four years and within five years	<u>1,846,780</u>	<u>–</u>
Subtotal	<u>4,498,124</u>	<u>5,683,011</u>
TOTAL	<u>47,239,109</u>	<u>29,391,126</u>
 <i>By currency denomination</i>		
	<u>31.12.2017</u>	<u>31.12.2016</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Analysis of borrowings by currency		
– Denominated in RMB	28,270,867	16,458,537
– Denominated in USD	12,740,798	10,130,382
– Denominated in HKD	<u>6,227,444</u>	<u>2,802,207</u>
	<u>47,239,109</u>	<u>29,391,126</u>
 <i>By fixed or variable interest rates</i>		
	<u>31.12.2017</u>	<u>31.12.2016</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Fixed interest rates	17,505,439	17,704,969
Variable interest rates	<u>29,733,670</u>	<u>11,686,157</u>
	<u>47,239,109</u>	<u>29,391,126</u>
 <i>Secured versus unsecured</i>		
	<u>31.12.2017</u>	<u>31.12.2016</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Secured	22,493,276	7,078,339
Unsecured	<u>24,745,833</u>	<u>22,312,787</u>
	<u>47,239,109</u>	<u>29,391,126</u>

Cost of borrowings

The Group's total finance costs expensed and capitalized in 2017 was approximately RMB2,310.8 million, representing an increase of 7.5% from RMB2,150.2 million in 2016. The increase was due to the increase of the Group's total indebtedness level, but partly set off by the decrease in weighted average cost of indebtedness.

The Group's weighted average cost of all indebtedness (including bank and other loans, onshore corporate bonds and offshore senior notes) as at 31 December 2017 was 5.2%, compared to 5.5% as at 31 December 2016. The decrease in weighted average cost of indebtedness during the period was primarily attributable to the effective liability management exercised by the Group.

Foreign currency risk

The Group conducts its business primarily in Renminbi. The Group's certain bank deposits are denominated in Hong Kong dollars and United States dollars, 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.

Starting in early 2016, 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 contracts to hedge certain of its foreign currency exposure in non-RMB denominated indebtedness. Certain currency capped forward contracts entered into before 31 December 2017 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 Cap Gain Rate ("Capped Gain Amount").

Certain capped forward contracts that we entered into after 31 December 2017 have additional “capped loss” feature; on the expiry date:

- if the Expiry Rate is between the Capped Gain Rate and the pre-specific capped loss rate (“Capped Loss Rate”) or equal to either rates, the Group shall buy the contract amount of US dollar against offshore RMB at the Strike Rate; or
- if the Expiry Rate is greater than the Cap Gain Rate, the Group shall receive Capped Gain Amount; or
- if the Expiry Rate is lower than the Cap Loss Rate, the Group shall pay the amount of relevant appreciation amount of offshore RMB against US dollar up to the Cap Rate (“Capped Loss Amount”).

The capped forward contracts 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 capped forward contracts 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. However, the Group’s protection against RMB depreciation will be limited up to the extent of the relevant Capped Gain Rates. As at 31 December 2017, the Group had entered into capped forward contracts with an aggregate contract value of US\$1,065 million at Capped Gain Rates of between 7.0 and 7.5. Subsequent to 31 December 2017, the Group had further entered into additional capped forward contracts with an aggregate contract value of US\$167 million at Capped Gain Rate of 6.9 and Capped Loss Rate of 6.25.

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 2017. 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 2017, the Group provided mortgage guarantees in respect of mortgage loans provided by the PRC banks to the Group’s customers amounting to approximately RMB12,714.6 million (versus 31 December 2016: approximately RMB7,644.6 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 2017, the Group's aggregate share of such guarantees provided in respective of loans incurred by these joint ventures amounted to approximately RMB2,631.9 million (31 December 2016: approximately RMB3,574.0 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 50.9% as at 31 December 2017 versus approximately 50.4% as at 31 December 2016. The Group's debt-to-asset ratio (total indebtedness divided by total assets) was approximately 31.3% as at 31 December 2017 versus approximately 33.2% as at 31 December 2016. The Group's current ratio (current assets divided by current liabilities) was approximately 1.6 times as at 31 December 2017 versus approximately 1.6 times as at 31 December 2016.

HUMAN RESOURCES AND COMPENSATION POLICY

As at 31 December 2017, the Group's property development and property investment business had approximately 4,500 full-time employees in China including Hong Kong, out of them, approximately 4,300 employees worked for the property development business, approximately 200 for the commercial property leasing business.

The Group remunerates its employees based on their performance, working experience and the prevailing market wage level. The total remuneration of the employees consisted of basic salary, cash bonus and share-based incentives.

PAYMENT OF FINAL DIVIDEND

The Board recommends the payment of the Proposed Final Dividend for 2017 (payable in cash with a scrip option) of RMB14.54 cents per share. The Proposed Final Dividend would be declared in RMB and paid in Hong Kong dollars equivalent to HK18 cents per share, which is based on the average middle rate of RMB to Hong Kong dollars as announced by the People's Bank of China for the five business days preceding the date of this announcement.

Subject to the approval of the Proposed Final Dividend by the shareholders at the annual general meeting to be held on Thursday, 3 May 2018 (the "2018 AGM"), the Proposed Final Dividend will be payable in cash but shareholders will have an option to receiving the Proposed Final Dividend in cash or in form of new fully paid shares of the Company ("scrip shares") in respect of part or all of the Proposed Final Dividend (the "Scrip Dividend Scheme").

The Scrip Dividend Scheme is conditional upon the passing of the resolution relating to the payment of the Proposed Final Dividend at the 2018 AGM and the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of and permission to deal in the new shares to be issued under the Scrip Dividend Scheme.

A circular containing details of the Scrip Dividend Scheme together with relevant election form will be dispatched to the shareholders on or about Tuesday, 5 June 2018. It is expected that the cheques for cash dividends or if scrip shares are elected, the certificates for the scrip shares will be sent on Tuesday, 3 July 2018 to the shareholders whose names appear on the register of members of the Company on Wednesday, 30 May 2018.

CLOSURE OF THE REGISTER OF MEMBERS

(a) For determining the entitlement to attend and vote at the 2018 AGM

The register of members of the Company will be closed from Friday, 27 April 2018 to Thursday, 3 May 2018, 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 2018 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 Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 26 April 2018.

(b) For determining the entitlement to the Proposed Final Dividend

The register of members of the Company will be closed from Tuesday, 29 May 2018 to Wednesday, 30 May 2018, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for the Proposed Final Dividend, 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 Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 28 May 2018.

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

During the year, all the outstanding 2019 Due USD Bonds were fully redeemed by the Company ahead of maturity with total amount of payment of US\$419,625,620 and delisted from the Stock Exchange in February 2017. Details of such redemption are set out in the announcement of the Company dated 20 February 2017.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the year under review.

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 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) during the year under review.

MODEL CODE FOR SECURITIES TRANSACTIONS

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

DIRECTORS’ INTERESTS IN COMPETING BUSINESS

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

REVIEW OF ANNUAL RESULTS

The audit committee of the Company (the “Audit Committee”) consists of three independent non-executive Directors, Mr. TAN Wee Seng (being the chairman of the Audit Committee), Mr. GU Yunchang and Mr. ZHANG Yongyue. The Audit Committee is satisfied with its review of the remuneration and the independence of the auditor, Deloitte Touche Tohmatsu, and recommended the Board to re-appoint Deloitte Touche Tohmatsu as the Company’s auditor for 2018, which is subject to the approval of the shareholders of the Company at the 2018 AGM. The Company’s annual results for the year ended 31 December 2017 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.

THE BOARD OF DIRECTORS

As at the date of this announcement, the Board consisted of nine Directors comprising Mr. LIN Zhong (Chairman), Mr. LIN Wei (Vice-chairman), Mr. LIN Feng (Chief Executive Officer), Mr. CHEN Dongbiao and Mr. YANG Xin as the executive Directors; Mr. ZHOU Yimin as the non-executive Director; and Mr. GU Yunchang, Mr. ZHANG Yongyue and Mr. TAN Wee Seng as the independent non-executive Directors. The overall management and supervision of the Company’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 2017 annual report will be dispatched 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, 14 March 2018

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.