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CIFI GROUP
旭輝集團

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 UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

2015 INTERIM RESULTS HIGHLIGHTS

For the six months ended 30 June 2015,

- Contracted sales increased to RMB10,520 million, representing a year-on-year growth of 3.1%;
- Recognised revenue was RMB4,860 million, representing a year-on-year decrease of 3.2%;
- Profit for the year attributable to equity owners of the Company was RMB802 million, representing a year-on-year increase of 7.1%;
- Core net profit was RMB623 million, representing a year-on-year decrease of 3.6%;
- Earnings per share were RMB13.0 cents, while core earnings per share were RMB10.1 cents. The Board declared payment of an interim dividend of HK 3 cents per share.

As at 30 June 2015,

- Cash on hand of RMB10.1 billion;
- Net debt-to-equity ratio was 72.5%;
- Weighted average cost of indebtedness decreased to 7.9%.

INTERIM RESULTS

The Board of Directors (the “Board”) of CIFI Holdings (Group) Co., Ltd. (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2015 (the “Relevant Period”) with comparative figures for the preceding financial year as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

		Six months ended 30 June	
	<i>NOTES</i>	2015	2014
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue	3	4,860,250	5,021,460
Cost of sales and services		(3,813,336)	(3,698,290)
Gross profit		1,046,914	1,323,170
Other income, gains and losses	4	306,143	168,795
Change in fair value of investment properties		327,672	210,884
Change in fair value of trust and other loans related derivatives		–	(4,000)
Selling and marketing expenses		(113,610)	(132,406)
Administrative expenses		(214,953)	(228,009)
Share of results of joint ventures		55,537	(19,136)
Share of results of associates		(2,564)	–
Finance costs	5	(96,515)	(110,756)
Profit before taxation		1,308,624	1,208,542
Income tax expense	6	(397,004)	(444,152)
Profit and total comprehensive income for the period	7	911,620	764,390
Attributable to:			
Equity owners of the Company		802,334	748,641
Owners of perpetual capital instruments		38,030	–
Other non-controlling interests		71,256	15,749
		109,286	15,749
Profit and total comprehensive income for the period		911,620	764,390
Earnings per share, in RMB cents:			
Basic	9	13.0	12.4
Diluted	9	13.0	12.4

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	<i>NOTES</i>	At 30 June 2015 <i>RMB'000</i> (unaudited)	At 31 December 2014 <i>RMB'000</i> (audited)
NON-CURRENT ASSETS			
Investment properties		5,605,738	5,206,200
Property, plant and equipment		44,002	48,078
Prepaid lease payments		57,645	57,645
Interests in associates		417,806	15,300
Interests in joint ventures		7,814,182	7,891,784
Available-for-sale investment		54,023	54,023
Deferred taxation assets		245,458	213,551
		14,238,854	13,486,581
CURRENT ASSETS			
Properties held for sale		5,291,366	5,419,473
Properties under development for sale		13,776,993	9,803,747
Accounts and other receivables, deposits and prepayments	<i>10</i>	5,128,086	3,975,308
Amounts due from non-controlling interests		130,994	104,704
Amounts due from joint ventures and associates		2,115,566	1,041,654
Deposits for land use rights for properties held for sale		546,636	2,256,720
Taxation recoverable		399,216	326,798
Pledged bank deposits		30,000	30,000
Bank balances and cash		10,114,238	7,093,654
		37,533,095	30,052,058
CURRENT LIABILITIES			
Accounts payables and accrued charges	<i>11</i>	4,822,290	5,183,049
Deposits received from property sales		6,895,191	5,015,996
Amounts due to non-controlling interests		235,781	477,307
Amounts due to joint ventures and associates		5,881,266	4,926,725
Taxation payable		876,179	1,472,710
Bank and other borrowings – due within one year		2,966,627	3,035,362
		21,677,334	20,111,149
NET CURRENT ASSETS		15,855,761	9,940,909
TOTAL ASSETS LESS CURRENT LIABILITIES		30,094,615	23,427,490

	At 30 June 2015 <i>RMB'000</i> (unaudited)	At 31 December 2014 <i>RMB'000</i> (audited)
CAPITAL AND RESERVES		
Share capital	546,179	487,896
Reserves	11,227,137	9,717,153
	<hr/>	<hr/>
Equity attributable to equity owners of the Company	11,773,316	10,205,049
	<hr/>	<hr/>
Perpetual capital instruments	–	585,710
Other non-controlling interests	851,498	792,159
	<hr/>	<hr/>
	851,498	1,377,869
	<hr/>	<hr/>
TOTAL EQUITY	12,624,814	11,582,918
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NON-CURRENT LIABILITIES		
Bank and other borrowings – due after one year	8,300,915	6,468,435
Senior notes	8,035,812	4,356,950
Deferred taxation liabilities	1,133,074	1,019,187
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	17,469,801	11,844,572
	<hr/>	<hr/>
	30,094,615	23,427,490
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. BASIS OF PRESENTATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (IAS 34) *Interim Financial Reporting* issued by the International Accounting Standards Board (the “IASB”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments which are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, the following new or revised International Financial Reporting Standards (“IFRSs”) issued by the IASB that are relevant for the preparation of the Group’s condensed consolidated financial statements.

Amendments to IAS 19	Defined Benefit Plans: Employee Contributions
Amendments to IFRSs	Annual Improvements to IFRSs 2010–2012 Cycle
Amendments to IFRSs	Annual Improvements to IFRSs 2011–2013 Cycle

The application of the new or revised IFRSs in current period has had no material effect on the results and the financial position of the Group.

3. SEGMENT INFORMATION

The following is an analysis of the Group’s revenue and results by reportable and operating segments.

(a) Segment revenue and profit

	Property development <i>RMB’000</i>	Property investment <i>RMB’000</i>	Property management and property related services <i>RMB’000</i>	Total <i>RMB’000</i>
Six months ended 30 June 2015				
Reportable segment revenue from external customers	<u>4,536,289</u>	<u>20,228</u>	<u>303,733</u>	<u>4,860,250</u>
Reportable segment profit	<u>788,538</u>	<u>14,703</u>	<u>130,063</u>	<u>933,304</u>

	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Property management and property related services <i>RMB'000</i>	Total <i>RMB'000</i>
Six months ended 30 June 2014				
Reportable segment revenue from external customers	<u>4,788,728</u>	<u>18,544</u>	<u>214,188</u>	<u>5,021,460</u>
Reportable segment profit	<u>1,084,236</u>	<u>16,177</u>	<u>90,351</u>	<u>1,190,764</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

	Six months ended 30 June	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Revenue		
Reportable segment and consolidated revenue	<u>4,860,250</u>	<u>5,021,460</u>
Profit		
Reportable segment profit	933,304	1,190,764
Other income, gains and losses	306,143	168,795
Change in fair value of investment properties	327,672	210,884
Change in fair value of trust and other loans related derivatives	–	(4,000)
Finance costs	(96,515)	(110,756)
Share of results of joint ventures	55,537	(19,136)
Share of results of associates	(2,564)	–
Depreciation of property, plant and equipment	(6,919)	(6,948)
(Allowance for) write-back of doubtful debts	(509)	1,793
Unallocated head office and corporate expenses	(207,525)	(222,854)
Consolidated profit before taxation	<u>1,308,624</u>	<u>1,208,542</u>

4. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Dividend income from available-for-sale investment	3,528	1,958
Interest income	44,065	57,616
Gain on remeasurement	88,135	–
Gain from business combinations	76,770	–
Gain on disposal of property, plant and equipment	144	43
Government grants	29,016	34,161
Forfeited deposits paid by purchasers	4,944	595
Gain on disposal of subsidiaries	69,288	–
Gain on disposal of a joint venture	–	80,243
Net exchange loss	(12,834)	(18,013)
Sundry income	3,087	12,192
	<u>306,143</u>	<u>168,795</u>

5. FINANCE COSTS

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest on bank and other borrowings and amounts due to non-controlling interests wholly repayable within five years	(360,784)	(401,529)
Interest on bank and other borrowings not wholly repayable within five years	(20,215)	(24,488)
Interest expense on senior notes	(322,748)	(246,484)
Less: Amount capitalised to properties under development for sale and investment properties under construction	<u>607,232</u>	<u>561,745</u>
	<u>(96,515)</u>	<u>(110,756)</u>

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

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
	RMB'000	<i>RMB'000</i>
	(unaudited)	(unaudited)
PRC enterprise income tax:		
Current income tax	(181,751)	(189,055)
Over provision in respect of prior period	<u> –</u>	<u> 211</u>
	(181,751)	(188,844)
Land appreciation tax (“LAT”)	(196,014)	<u>(238,397)</u>
	(377,765)	(427,241)
Deferred taxation		
Current period	(19,239)	<u>(16,911)</u>
	(397,004)	<u>(444,152)</u>

No provision for Hong Kong Profits Tax has been made as the Group does not have income which arises in, or is derived from, Hong Kong.

Under the Law of Enterprise Income Tax and Implementation Rules of the PRC, the statutory tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

As approved by various competent tax bureaux, certain PRC subsidiaries are subject to statutory tax rate of 25% on their respective deemed taxable income, ranging from 8% to 10% of revenue in accordance with the prescribed tax calculation method pursuant to the applicable PRC tax regulations.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable exemptions and deductions.

7. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

	Six months ended 30 June	
	2015	2014
	RMB'000	<i>RMB'000</i>
	(unaudited)	(unaudited)
Profit and total comprehensive income for the period has been arrived at after charging (crediting):		
Cost of properties sold included in cost of sales and services	3,715,369	3,573,999
Depreciation of property, plant and equipment	6,919	6,948
Allowance for (write-back of) doubtful debts	509	(1,793)
Operating lease rentals in respect of land and buildings	13,719	<u>10,416</u>

8. DIVIDEND

	Six months ended 30 June	
	2015	2014
	<i>HKD'000</i>	<i>HKD'000</i>
	(unaudited)	(unaudited)
Dividend recognised as distribution during the period:		
Final dividend paid in respect of financial year ended 31 December		
2014 of Hong Kong Dollars (“HKD”) 0.11 per share		
(2014: in respect of financial year ended 31 December		
2013 of HKD0.07 per share)	662,924	421,861
	<hr/>	<hr/>
Dividends declared as distribution during the Period:		
Cash	203,000	–
	<hr/>	<hr/>

The Board declared the payment of an interim dividend of HKD0.03 per share (six months ended 30 June 2014: Nil) for the six months ended 30 June 2015.

On 28 May 2015, a final dividend of HKD0.11 per share, which included scrip dividend alternative offered to shareholders to elect receiving the final dividend by allotment of new shares in lieu of cash, were paid to shareholders as the final dividend in respect of the financial year ended 31 December 2014. The scrip dividend alternative was accepted by shareholders as follows:

	Six months ended 30 June	
	2015	2014
	<i>HKD'000</i>	<i>HKD'000</i>
	(unaudited)	(unaudited)
Dividends		
Cash	362,203	421,861
Scrip dividend alternative	300,721	–
	<hr/>	<hr/>
	662,924	421,861
	<hr/>	<hr/>

9. 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:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit for the period attributable to the owners of the Company for the purposes of calculation of basic and diluted earnings per share	802,334	748,641
	Six months ended 30 June	
	2015	2014
	'000	'000
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	6,169,083	6,026,579
Effect of dilutive potential ordinary shares in respect of share option		
Weighted average number of ordinary shares for the purposes of calculation of diluted earnings per share	185	–
	6,169,268	6,026,579

10. 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.

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

	At	At
	30 June	31 December
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(audited)
Within 60 days	748,133	1,675,839
61–180 days	737,430	407,496
181–365 days	422,502	100,776
Over 365 days	181,388	196,894
	2,089,453	2,381,005

11. ACCOUNTS PAYABLES AND ACCRUED CHARGES

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

	At 30 June 2015 <i>RMB'000</i> (unaudited)	At 31 December 2014 <i>RMB'000</i> (audited)
Within 60 days	959,151	940,624
61–180 days	265,837	320,690
181–365 days	464,429	698,297
1–2 years	227,480	437,291
2–3 years	42,051	39,859
Over 3 years	1,985	11,474
	<hr/> 1,960,933 <hr/>	<hr/> 2,448,235 <hr/>

CHAIRMAN'S STATEMENT

Dear shareholders:

I am pleased to present to you the business review of the Group for the six months ended 30 June 2015, and outlook for the second half of 2015.

Interim Dividend

The Board declared payment of an interim dividend of HK3 cents per share for the six months ended 30 June 2015 which amounted to approximately HK\$203.0 million (approximately RMB160.2 million).

Interim Results

For the six months ended 30 June 2015, the Group achieved contracted sales of RMB10,520 million, representing a year-on-year increase of 3.1% over RMB10,200 million in the corresponding period in 2014.

Recognised revenue was RMB4,860.3 million, for the six months ended 30 June 2015, representing a year-on-year decrease of 3.2% over RMB5,021 million in the corresponding period in 2014. The Group's net profit attributable to equity owners increased by 7.1% to RMB802.3 million for the six months ended 30 June 2015 from RMB748.6 million in the corresponding period in 2014. The Group's core net profit attributable to equity owners decreased slightly by 3.6% to approximately RMB622.6 million for the six months ended 30 June 2015 from RMB646.3 million in the corresponding period in 2014.

The Group's reported gross profit margin and core net profit margin were 21.5% and 12.8% respectively for the six months ended 30 June 2015. Excluding the accounting effects due to acquisition of equity interests in certain projects, the Group's adjusted gross margin (as adjusted for the accounting impact of re-measurement of fair value of the costs of relevant properties delivered during the period) and net core profit margin during the period were 24.9% and 12.8% respectively, compared to 26.4% and 12.9% in the corresponding period in 2014.

Review of the first half of 2015

Market review

During the fourth quarter of 2014 and the first half of 2015, the Chinese government sent clear signals to the market and took prompt measures to stabilize housing consumption as well as to stimulate demand for end-user driven real estate products. These measures include lifting of home purchase restrictions in most cities (except first-tier cities), relaxed mortgage policies for first-time purchasers and upgraders without previous mortgage loans, and more importantly, multiple cuts in interest rate and bank reserve requirements ratio. As a result, in the first half of 2015, the real estate market had moved out of the downward correction since last year and overall transaction volume and price recorded signs of stabilization and recovery.

According to the China National Bureau of Statistics, during the first half of 2015, transaction volume of commodity housing was 503 million sq.m., a year-on-year increase of 3.9% year-on-year, while sales of commodity properties housing were RMB3.43 trillion, rising by 10.0% on a year-on-year basis.

Different cities in China have already shown different level of recovery in the first half of 2015. Overall, transaction volume in first- and selected second-tier cities have recovered with improving property prices. Inventory levels in first-tier cities were amongst the lowest in the nation with stronger recovery. Inventory levels in different second-tier cities vary but are generally higher than first-tier cities. Some second-tier cities with higher inventory levels require longer duration to absorb housing inventory and showed slower recovery. Third-tier cities generally have the highest inventory levels and their recovery remains uncertain.

Sales performance

In line with the improvement in sentiment of the real estate market in China in the first half of 2015, the Group sustained its growth in contracted sales. During the first half of 2015, the Group's contracted sales and contracted gross floor area ("GFA") reached RMB10,520 million and 840,300 sq.m. respectively, representing year-on-year growth of 3.1% and 3.0% respectively. The Group's contracted average selling price ("ASP") in the first half of 2015 was approximately RMB12,519/sq.m., compared to RMB12,504/sq.m. in the corresponding period in 2014. Over 95% of the Group's contracted sales in the first half of 2015 were derived from first- and second-tier cities. The Group achieved a cash collection ratio of around 90% from contracted sales during the first half of 2014.

The Group's contracted sales in the first half of 2015 were dispersed among 50 projects in 13 cities. During the period, the Group launched pre-sale of five new projects, including:

- Shanghai CIFI Pure Center;
- Suzhou CIFI Shangli;
- Suzhou CIFI Xiyue;
- Hefei CIFI Original Villa; and
- Beijing MOMA CIFI Residence.

The Group also continued to record contracted sales in other projects the pre-sale of which started in previous year(s). The Group expects to launch presales of at least 14 more new projects in the second half of 2015 contributing additional saleable resources.

CIFI was ranked 27th nationally in terms of contracted sales amount in the first half of 2015 according to the "China Real Estate Enterprises Sales Ranking Top 100 in the First Half of 2015" jointly published by China Real Estate Information Corporation, China Real Estate Appraisal Center and CRIC Research Center.

Profit margins

During the first half of 2015, excluding the accounting effects due to increase of equity interests in certain projects, the Group's gross margin (as adjusted for the accounting impact of re-measurement of fair value of the costs of relevant properties delivered during the period) and net core profit margin remained stable.

Land acquisitions

When the real estate market in China showed signs of recovery in the fourth quarter of 2014, the Group has decisively become proactive in land-banking to capture the ideal land acquisition window in 2015, with priority in first-tier cities, followed by selected second-tier cities.

In the first half of 2015, the Group acquired interests in 12 new projects with an aggregate land consideration attributable to the Group of RMB5.7 billion. For land acquisitions made during the period, the Group placed strong emphasis in the two first-tier cities: Shanghai and Beijing, followed by selected preferred second-tier cities.

The Group continued utilising joint venture strategies in land acquisitions with a key objective of diversifying its financial exposure. As always, we have followed our systematic, disciplined and prudent approach for landbanking. We will place priority on quality sites in better locations suitable for products targeted at self-use upgraders, the product segment which offers the better profit margin potential in the current round of market cycle.

Liability management and financial positions

In the first half of 2015, the Group continued to lower its funding costs and made further progress in its liability management exercise.

Share placement

- In May 2015, the Company completed a top-up placement of 600 million shares at HK\$2.20 per share. The net proceeds of approximately HK\$1.3 billion (USD 170 million) are planned for the Group's general working capital. Through this share placement, the Company further strengthened its equity base, improved liquidity of its shares and broadened its shareholder base.

Offshore bond issues

- In January 2015, the Company further issued the 8.875% coupon US Dollar Bonds Due 2019 with an additional principal amount of US\$200 million. The issue price of this additional issue was 102% with an effective interest cost of approximately 8.3% per annum.

- In June 2015, the Company successfully issued the 7.75% coupon US Dollar Bonds Due 2020 with a principal amount of US\$400 million. The issue price of this new issue was 99.491% with an effective interest cost of approximately 7.875% per annum. The effective issue interest rate of this issue has been amongst the lowest for the 5-year bonds issued by privately-owned Chinese real estate companies with the “BB–” credit rating. It also marks CIFI’s breakthrough in a capital market where many China-based property firms have been finding it difficult to raise fund since early 2015.

Onshore liability management

- The Group’s onshore wholly-owned subsidiary is in the process of obtaining regulatory approval for the issue of domestic corporate bonds. If successfully issued, it will reduce onshore interest costs and broaden the Group’s onshore financial channels. We expect there will be progress in domestic bond issue in the second half of 2015 and will announce details once the approval is obtained.
- In the first half of 2015, the Group took advantage of improving onshore liquidity and utilised its onshore financial resources, and fully redeemed its onshore perpetual capital instruments of RMB585.7 million.

Financial Positions

As a result of the Group’s good cash collection rate derived from its property sales mostly targeted to end-users in first- and second-tier cities, together with continued progress in liability management as well as reasonable land acquisition spending in the first half of 2015, the Group sustained a healthy financial position. As at 30 June 2015, the Group’s:

- net debt-to-equity ratio was 72.5% (31 December 2014: 58.2%);
- cash-on-hand level remained high at RMB10,144 million (31 December 2014: RMB7,124 million);
- weighted average cost of indebtedness decreased to 7.9% (31 December 2014: 8.3%);
- proportion of short-term borrowings out of overall indebtedness remained low at 15% (31 December 2014: 22%);
- proportion of offshore indebtedness (unsecured) out of overall indebtedness was 52% (31 December 2014: 38%); and
- proportion of onshore non-bank borrowings out of overall indebtedness was 3% (31 December 2014: 6%), with no exposure to onshore perpetual capital instruments (31 December 2014: RMB585.7 million).

As at 30 June 2015, unpaid committed land considerations attributable to the Group were approximately RMB3,033 million (versus cash-on-hand of approximately RMB10,144 million). The Group maintained a comfortable debt positions and off-balance sheet commitments.

Outlook for the second half of 2015

Facing a slowing GDP growth, the central government is expected to adopt further monetary easing policies and measures to stimulate domestic economy in the second half of 2015. The market widely anticipates further cuts in interest rate and/or bank requirement ratio in the second half of 2015.

The cumulative effects from loosening of home purchase restrictions, relaxation of the one-child policy and mortgage loans for upgraders as well as monetary easing measures will further release end-users' demand for property. Given new rounds of support from the government and relaxation of relevant real estate and credit policies, we believe that products for upgraders will become a major growth driver for the industry in the upcoming phase of development and offer better profit margin opportunity. Looking forward to the second half of 2015, the momentum of recovery in real estate primary transaction volume and prices is not likely to be reversed by the recent correction in the domestic A-share stock market. For the seven months ended 31 July 2015, the Group completed approximately 47% of its full year 2015 contracted sales target of RMB25.0 billion. Barring any unforeseen circumstances, the Group is confident that it will achieve its full-year contracted sales target this year.

Since the end of last year, we have correctly anticipated the recovery in property and land market in first- and second-tier cities in China. We have already decisively captured the best land-banking opportunity at the early phase of this round's real estate sector recovery and acquired decent amount of land sites for supply of new saleable resources in the forthcoming two years at attractive land costs. All of our land acquisitions from the fourth quarter of last year to in the first half of 2015 emphasized on first-tier and quality second-tier cities, good location, end-users driven products (with a high proportion in upgraders' products) with high asset turnover capability and good profit margin potentials. As of now, the land market in some first- and second-tier cities have already recovered to an extent exceeding the recovery of property prices. Thus, we will become more selective especially in terms of transacted land costs in land acquisition in the second-half of 2015.

As always, we are committed to mitigation of our business risks through lowering our exposures using joint ventures, maintaining balanced operating cash flows, lowering our finance costs and developing popular differentiating products in the mainstream end-users' segment.

MANAGEMENT DISCUSSION AND ANALYSIS

PERFORMANCE HIGHLIGHTS

	<i>Notes</i>	Six months ended 30 June 2015	2014	Year-on-year Growth
Contracted sales				
Contracted sales (<i>RMB'million</i>)	<i>1</i>	10,500	10,200	3.1%
Contracted GFA (<i>sq.m.</i>)		840,300	815,700	3.0%
Contracted ASP (<i>RMB/sq.m.</i>)		12,519	12,504	0.1%
Selected financial information				
Recognised revenue (<i>RMB'million</i>)		4,860	5,021	-3.2%
Profit for the period (including fair value gains) (<i>RMB'million</i>)				
– Including non-controlling interests		912	764	19.4%
– Attributable to equity owners		802	749	7.1%
Core net profit (<i>RMB'million</i>)	<i>2</i>			
– Including non-controlling interests		695	641	8.4%
– Attributable to equity owners		623	646	-3.6%
Selected financial ratios				
Gross profit margin (adjusted)	<i>3</i>	24.9%	26.4%	
Gross profit margin (reported)	<i>3</i>	21.5%	26.4%	
Core net profit margin	<i>4</i>	12.8%	12.9%	
Earnings per share (basic), RMB cents		13.0	12.4	
Core earnings per share (basic), RMB cents		10.1	10.7	
		As at	As at	
		30 June	31 December	
		2015	2014	
Selected balance sheet data				
Total assets (<i>RMB'million</i>)		51,772	43,539	
Bank balances and cash (<i>RMB'million</i>)	<i>5</i>	10,144	7,124	
Total indebtedness (<i>RMB'million</i>)	<i>6</i>	19,303	13,861	
Total equity (<i>RMB'million</i>)		12,625	11,583	
Equity attributable to equity owners (<i>RMB'million</i>)		11,773	10,205	
Net debt-to-equity ratio	<i>7</i>	72.5%	58.2%	
Weighted average cost of indebtedness	<i>8</i>	7.9%	8.3%	
Land bank (GFA, million sq.m.)				
– Total		11.9	9.6	
– Attributable		8.1	7.4	

Notes:

1. Contracted sales includes joint venture sales.
2. Core net profit excludes fair value changes, non-cash expenses relating to share option grants and net exchange losses, net of deferred taxes.
3. The Group's reported gross profit margin was 21.5% for the six months ended 30 June 2015. Excluding the accounting effects due to acquisition of equity interests in certain projects, the Group's adjusted gross margin (as adjusted for the accounting impact of re-measurement of fair value of the costs of relevant properties delivered during the period) during the period was 24.9%.
4. Core net profit margin is calculated based on core net profit attributable to equity owners over total recognised revenue.
5. Bank balances and cash include restricted cash and pledged bank deposits.
6. Total indebtedness includes bank and other borrowings, senior notes and trust and other loans related derivatives.
7. Net debt-to-equity ratio is calculated by the Group's total indebtedness (including bank and other borrowings, senior notes, and trust and other loans related derivatives) under IFRS less bank balances and cash (including restricted cash and pledged bank deposit) as a percentage of total equity at the end of each period.
8. Weighted average cost of indebtedness is the weighted average of interest costs of all bank and other borrowings and senior notes outstanding as at the end of each period.

PROPERTY DEVELOPMENT

Contracted sales

For the six months ended 30 June 2015, the Group achieved contracted sales of approximately RMB10,520 million, representing a growth of 3.1% as compared to the corresponding period of last year. The growth in the Group's contracted sales was mainly attributable to the corresponding increase in the Group's saleable resources. For the six months ended 30 June 2015, the Group contracted sales of approximately 840,300 sq.m. in GFA, representing an increase of 3.0% over the corresponding period of last year. The Group's contracted ASP for the period was approximately RMB12,519/sq.m., compared to RMB12,504/sq.m. over the corresponding period of last year. Contracted sales from Yangtze River Delta, Pan Bohai Rim and Central Western Region contributed to approximately 59.2%, 30.1% and 10.7% of the Group's total contracted sales respectively. Contracted sales from first- and second-tier cities accounted for approximately 95.3% of the Group's total contracted sales whereas those from third-tier cities accounted for the remaining 4.7%. Contracted sales derived from residential projects contributed to approximately 87.9% whereas those from office projects contributed to the remaining 12.1%.

Table 1: Details of contracted sales for the six months ended 30 June 2015

By project

Project	Primary intended use of the project	Interest attributable to the Group (%)	Contracted sales (RMB'000)	% of total contracted sales (%)	Contracted GFA (sq.m.)	Contracted ASP (RMB/sq.m.)
<i>Yangtze River Delta</i>						
Shanghai Henderson CIFI Center	Office/Commercial	50.0	718,043	6.8	20,446	35,120
Shanghai Henderson CIFI Center	Residential	50.0	62,650	0.6	1,517	41,290
Shanghai CIFI Jiangwan Mansion	Residential	75.5	377,203	3.6	6,798	55,487
Shanghai CIFI Elite Mansion	Residential	50.0	286,506	2.7	27,136	10,558
Shanghai CIFI Pure Center (Shanghai Songjian District Jiuting Town Project)	Office/Commercial	45.0	246,426	2.3	15,271	16,136
Shanghai CIFI Private Mansion	Residential	100.0	155,090	1.5	6,043	25,664
Shanghai CIFI Haishang International	Office/Commercial	53.0	154,256	1.5	3,901	39,541
Shanghai CIFI Shilu	Residential	100.0	143,461	1.4	3,243	44,242
Shanghai CIFI Arthurshire	Residential	100.0	123,175	1.2	3,819	32,253
Shanghai CIFI City	Residential	100.0	10,349	0.1	417	24,848
Shanghai CIFI U Block	Office/Commercial	100.0	6,295	0.1	318	19,778
Shanghai CIFI Samite Life	Residential	100.0	1,228	*	50	24,386
Shanghai CIFI Pleasant Garden	Residential	100.0	72,447	0.7	7,024	10,314
Shanghai Greenland CIFI E World Center	Office/Commercial	50.0	51,010	0.5	2,438	20,923
Shanghai CIFI Luxury Courtyard	Residential	100.0	10,840	0.1	585	18,543
Suzhou CIFI Elegant City	Residential	100.0	355,553	3.4	38,332	9,276
Suzhou CIFI Shangli (Suzhou Wuzhong District Tayuan Road Project)	Residential	100.0	250,721	2.4	20,671	12,129
Suzhou CIFI Private Mansion Usonian City Villa	Residential	100.0	213,576	2.0	15,976	13,369
Suzhou CIFI Apple Paradise	Residential	50.0	142,442	1.4	19,613	7,263
Suzhou CIFI Sunny Life	Residential	100.0	114,766	1.1	12,895	8,900
Suzhou CIFI Xiyue (Suzhou Gaoxin District Hushuguan Sunny Life South Project)	Residential	100.0	111,114	1.1	12,827	8,662
Suzhou CIFI Private Mansion	Residential	100.0	21,621	0.2	1,307	16,542
Suzhou CIFICanal County	Residential	100.0	15,171	0.1	1,716	8,841
Suzhou CIFI Luxury Courtyard	Residential	100.0	2,645	*	345	7,667
Suzhou CIFI Ronchamp Town	Residential	100.0	2,490	*	327	7,615
Hangzhou Greenland CIFI Glorious City	Residential	50.0	893,764	8.5	35,698	25,037
Hangzhou Henderson CIFI Palace	Residential	49.0	274,509	2.6	36,730	7,474
Hefei CIFI Original Villa	Residential	50.0	774,376	7.4	59,004	13,124
Hefei CIFI Private Mansion	Residential	100.0	140,075	1.3	11,509	12,171
Zhenjiang CIFI East One Place	Residential	100.0	149,132	1.4	26,174	5,698
Zhenjiang CIFI Times	Residential	100.0	43,508	0.4	6,653	6,540
Zhenjiang CIFI Times	Office/Commercial	100.0	22,206	0.2	2,688	8,260
Jiaxing CIFI Ronchamp Town	Residential	100.0	126,835	1.2	18,198	6,970
Jiaxing CIFI Private Mansion	Residential	100.0	96,519	0.9	13,285	7,266

Project	Primary intended use of the project	Interest attributable to the Group	Contracted sales	% of total contracted sales	Contracted GFA	Contracted ASP
		(%)	(RMB'000)	(%)	(sq.m.)	(RMB/sq.m.)
<i>Pan Bohai Rim</i>						
Beijing MOMA CIFI Residence	Residential	50.0	1,212,897	11.5	80,629	15,043
Beijing CIFI The Upper House (Beijing CIFI Private Villa Riverside Garden)	Residential	80.0	671,546	6.4	27,128	24,755
Beijing CIFI Private Mansion	Residential	100.0	80,000	0.8	3,570	22,409
Beijing CIFI The Education Park	Office/Commercial	100.0	68,474	0.7	2,773	24,696
Tianjin CIFI Private Mansion	Residential	49.5	587,118	5.6	45,519	12,898
Tianjin CIFI Rosedale	Residential	100.0	271,373	2.6	40,512	6,699
Tianjin CIFI Paradise Bay	Residential	25.0	93,756	0.9	19,780	4,740
Shenyang CIFI Private Mansion	Residential	100.0	125,044	1.2	17,040	7,338
Langfang CIFI Path Walf	Residential	100.0	51,517	0.5	7,523	6,848
<i>Central Western Region</i>						
Chongqing CIFI City	Residential	100.0	90,866	0.9	13,521	6,720
Chongqing CIFI Langyuejun	Residential	100.0	27,495	0.3	4,311	6,378
Chongqing CIFI Fashion Tribe	Office/Commercial	100.0	4,231	0.1	660	6,409
Chongqing CIFI Private Mansion	Residential	100.0	3,518	*	638	5,515
Changsha CIFI International Plaza	Residential	50.0	460,027	4.4	53,338	8,625
Changsha CIFI Private Mansion	Residential	100.0	109,518	1.0	17,606	6,220
Changsha CIFI Dream Mansion	Residential	80.0	101,801	1.0	14,900	6,832
Wuhan CIFI Private Mansion	Residential	50.0	311,732	3.0	37,823	8,242
Carpark and Others			78,717	0.7	20,057	3,925
Total			10,519,633	100.0	840,282	12,519

By type of project

	Contracted sales	% of total contracted sales	Contracted GFA	Contracted ASP
	(RMB'000)	(%)	(sq.m.)	(RMB/sq.m.)
Residential	9,244,716	87.9	790,568	11,694
Office/Commercial	1,274,917	12.1	49,714	25,645
Total	10,519,633	100.0	840,282	12,519

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>
Shanghai	2,447,476	23.3	103,931	23,549
Beijing	2,036,368	19.4	115,083	17,695
Suzhou	1,240,396	11.8	126,834	9,780
Hangzhou	1,180,413	11.2	75,728	15,587
Tianjin	954,061	9.1	106,710	8,941
Hefei	917,154	8.7	71,382	12,849
Changsha	675,124	6.4	87,139	7,748
Wuhan	311,732	2.9	37,823	8,242
Zhenjiang	217,628	2.1	36,215	6,009
Jiaxing	225,810	2.1	32,383	6,973
Chongqing	134,745	1.3	21,091	6,389
Shenyang	125,044	1.2	17,040	7,338
Langfang	53,683	0.5	8,923	6,016
	<u>10,519,633</u>	<u>100.0</u>	<u>840,282</u>	<u>12,519</u>

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	6,228,877	59.2	446,474	13,951
Pan Bohai Rim	3,169,156	30.1	247,755	12,791
Central Western Region	<u>1,121,600</u>	<u>10.7</u>	<u>146,053</u>	<u>7,679</u>
Total	<u>10,519,633</u>	<u>100.0</u>	<u>840,282</u>	<u>12,519</u>

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 city	4,483,844	42.6	219,014	20,473
Second-tier city	5,538,668	52.7	543,747	10,186
Third-tier city	497,121	4.7	77,521	6,413
Total	<u>10,519,633</u>	<u>100.0</u>	<u>840,282</u>	<u>12,519</u>

Notes:

1. First-tier cities refer to Shanghai and Beijing.
2. Second-tier cities refer to Suzhou, Hangzhou, Hefei, Tianjin, Shenyang, Chongqing, Changsha and Wuhan.
3. Third-tier cities refer to Jiaxing, Zhenjiang and Langfang.

Revenue recognised from sales of properties

Revenue recognised from sales of properties for the six months ended 30 June 2015 was approximately RMB4,536.3 million down by 5.3% year-on-year, accounted for 93.3% of total recognised revenue. For the six months ended 30 June 2015, the Group delivered approximately 326,800 sq.m. of properties in GFA, down by 34.7% year-on-year.

Table 2: Breakdown of recognised revenue from property sales for the six months ended 30 June 2015

By project

Project	Primary intended use of the project	Recognised revenue from sales of properties (RMB'000)		% of recognised revenue from sales of properties (%)		Total GFA delivered (sq.m.)		Recognised ASP (RMB/sq.m.)	
		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
		2015	2014	2015	2014	2015	2014	2015	2014
Shanghai CIFI Arthur Shire	Residential	997,925	–	22.0	–	32,708	–	30,510	–
Shanghai CIFI Jiangwan Mansion	Residential	408,472	–	9.0	–	7,483	–	54,587	–
Shanghai CIFI Private Mansion	Residential	141,730	385,850	3.1	8.1	6,275	25,490	22,586	15,137
Shanghai CIFI Pleasant Garden	Residential	64,350	268,750	1.4	5.6	6,385	28,190	10,078	9,534
Shanghai CIFI City	Residential	41,613	–	0.9	–	1,678	–	24,799	–
Shanghai CIFI Luxury Courtyard	Residential	10,322	77,075	0.2	1.6	414	2,640	24,932	29,195
Shanghai CIFI U Block	Office/Commercial	4,295	–	0.1	–	218	–	19,702	–
Shanghai CIFI Pujiang International	Office/Commercial	–	153,690	–	3.2	–	8,460	–	18,167
Shanghai CIFI Comfortable Joyous Bay	Residential	–	12,610	–	0.3	–	990	–	12,737
Shanghai CIFI Pebble Beach	Residential	–	53,137	–	1.1	–	3,780	–	14,057
Suzhou CIFI Private Mansion Usonian City Villa	Residential	1,092,859	–	24.1	–	87,118	–	12,545	–
Suzhou CIFI Private Mansion	Residential	22,161	–	0.5	–	1,405	–	15,773	–
Suzhou CIFI Luxury Courtyard	Residential	3,635	–	0.1	–	478	–	7,605	–
Suzhou CIFI Canal County	Residential	–	65,199	–	1.4	–	4,542	–	14,355
Suzhou CIFI Ronchamp Town	Residential	–	6,670	–	0.1	–	583	–	11,441
Hefei CIFI Central Park	Residential	–	19,746	–	0.4	–	2,467	–	8,004
Hefei CIFI Private Mansion	Residential	640,642	121,233	14.1	2.5	78,023	7,269	8,211	16,678
Zhenjiang CIFI Times	Residential	46,630	66,053	1.0	1.4	6,681	8,856	6,979	7,459
Jiaxing CIFI Square	Residential	–	9,655	–	0.2	–	740	–	13,047
Beijing CIFI The Upper House	Residential	520,492	–	11.5	–	21,265	–	24,476	–
Beijing CIFI Private Mansion	Residential	80,000	–	1.8	–	3,570	–	22,409	–
Beijing CIFI International Negotiate Garden	Office/Commercial	–	1,506,720	–	31.5	–	105,870	–	14,232
Langfang CIFI Path Walf	Residential	41,582	597,397	0.9	12.5	7,047	86,120	5,901	6,937
Tianjin CIFI Rosedale	Residential	234,358	735,577	5.2	15.4	29,321	96,870	7,993	7,593
Chongqing CIFI Ronchamp Town	Residential	1,943	69,002	0.1	1.4	286	8,842	6,794	7,804
Chongqing CIFI Fashion Tribe	Office/Commercial	1,475	–	*	–	236	–	6,250	–
Chongqing CIFI Langyuejun	Residential	1,038	79,254	*	1.7	229	13,591	4,533	5,831
Changsha CIFI Private Mansion	Residential	131,437	515,499	2.9	10.8	19,154	75,258	6,862	6,850
Changsha CIFI Luxury Courtyard	Residential	–	2,079	–	*	–	508	–	4,093
Carpark and others		49,329	43,532	1.1	0.8	16,857	19,379	2,926	2,246
Total		4,536,288	4,788,728	100.0	100.0	326,831	500,445	13,880	9,569

* less than 0.1%

By type of project

	Recognised revenue from sales of properties (RMB'000)		% of recognised revenue from sales of properties (%)		Total GFA delivered (sq.m.)		Recognised ASP (RMB/sq.m.)	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014	2015	2014	2015	2014
Residential	4,530,518	3,128,128	99.9	65.3	326,377	386,020	13,881	8,104
Office/Commercial	5,770	1,660,600	0.1	34.7	454	114,425	12,709	14,513
Total	4,536,288	4,788,728	100	100	326,831	500,445	13,880	9,569

By city

	Recognised revenue from sales of properties (RMB'000)		% of recognised revenue from sales of properties (%)		Total GFA delivered (sq.m.)		Recognised ASP (RMB/sq.m.)	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014	2015	2014	2015	2014
Shanghai	1,679,637	952,448	37.0	19.9	56,910	70,215	29,514	13,565
Beijing	603,942	1,506,720	13.3	31.5	25,919	105,870	23,301	14,232
Suzhou	1,131,903	72,259	25.0	1.5	96,042	5,360	11,786	13,481
Tianjin	234,358	735,577	5.2	15.4	29,321	96,870	7,993	7,593
Hefei	652,138	143,216	14.4	3.0	80,864	11,510	8,065	12,443
Chongqing	9,650	165,097	0.2	3.4	2,377	28,560	4,060	5,781
Changsha	133,898	538,669	2.9	11.2	20,970	85,420	6,385	6,306
Langfang	41,582	597,397	0.9	12.5	7,047	86,120	5,901	6,937
Jiaxing	-	9,655	-	0.2	-	740	-	13,047
Zhenjiang	49,180	67,690	1.1	1.4	7,381	9,780	6,663	6,921
Total	4,536,288	4,788,728	100	100	326,831	500,445	13,880	9,569

By region

	Recognised revenue from sales of properties (RMB'000)		% of recognised revenue from sales of properties (%)		Total GFA delivered (sq.m.)		Recognised ASP (RMB/sq.m.)	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014	2015	2014	2015	2014
Yangtze River Delta	3,512,858	1,245,268	77.4	26.0	241,197	97,605	14,564	12,758
Pan Bohai Rim	879,882	2,839,694	19.4	59.3	62,287	288,860	14,126	9,831
Central Western Region	143,548	703,766	3.2	14.7	23,347	113,980	6,148	6,174
Total	4,536,288	4,788,728	100	100	326,831	500,445	13,880	9,569

By first-, second- and third-tier cities

	Recognised revenue from sales of properties (RMB'000)		% of recognised revenue from sales of properties (%)		Total GFA delivered (sq.m.)		Recognised ASP (RMB/sq.m.)	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014	2015	2014	2015	2014
First-tier cities	2,283,579	2,459,168	50.3	51.4	82,829	176,085	27,570	13,966
Second-tier cities	2,161,947	1,654,818	47.7	34.6	229,574	227,720	9,417	7,267
Third-tier cities	90,762	674,742	2.0	14.1	14,428	96,640	6,291	6,982
Total	4,536,288	4,788,728	100	100	326,831	500,445	13,880	9,569

Notes:

1. First-tier cities refer to Shanghai and Beijing.
2. Second-tier cities refer to Suzhou, Hefei, Tianjin, Chongqing and Changsha.
3. Third-tier cities refer to Jiaxing, Zhenjiang and Langfang.

Completed properties held for sale

During the six months ended 30 June 2015, the GFA of newly completed projects of the Group amounted to approximately 0.7 million sq.m.. As at 30 June 2015, the Group had 32 completed properties projects with a total unsold or undelivered GFA of approximately 2.0 million sq.m..

Properties under development/held for future development

As at 30 June 2015, the Group had 44 property projects under development or held for future development with a total and attributable GFA of approximately 10.2 million sq.m. and 6.2 million sq.m. respectively.

PROPERTY INVESTMENT

Rental income

The Group's rental income during the six months ended 30 June 2015 was approximately RMB20.2 million, up by 9.1% year-on-year. The increase was primarily from our other non-investment properties which were for short term temporary leases.

Table 3: Breakdown of rental income for the six months ended 30 June 2015

	Six months ended 30 June 2015		Six months ended 30 June 2014		Rental income growth rate
	Rental income	% of rental income	Rental income	% of rental income	
	(RMB'000)	(%)	(RMB'000)	(%)	(%)
Investment properties					
Jiaxing CIFI Square	16,173	78.3	17,564	94.7	-7.9
Other investment properties	1,870	10.0	805	4.3	132.3
Other non-investment properties	2,185	11.7	175	1.0	N/A
Total	<u>20,228</u>	<u>100.0</u>	<u>18,544</u>	<u>100.0</u>	9.1

Investment properties

As at 30 June 2015, the Group had 7 investment properties with a total GFA of approximately 147,400 sq.m. Out of such investment properties portfolio of the Group, 5 investment properties with a total GFA of approximately 91,100 sq.m. were completed for rental, while the remaining were under development.

FINANCIAL REVIEW

Revenue

During the six months ended 30 June 2015, the Group's recognised revenue was approximately RMB4,860.3 million, down 3.2% year-on-year. Out of the Group's total recognised revenue during the six months ended 30 June 2015, (i) sales of property decreased by 5.3% from the corresponding period of last year to approximately RMB4,536.3 million, which was in line with the decrease in delivered GFA; (ii) rental income increased by 9.1% from the corresponding period of last year; and (iii) property management and other property related service income increased by 41.8% from the corresponding period of last year, as additional new property projects were completed by us and included in our property management portfolio during the period.

Table 4: Breakdown of recognised revenue for the six months ended 30 June 2015

	Six months ended 30 June 2015		Six months ended 30 June 2014		Year-on- year change
	Recognised revenue	% of total recognised revenue	Recognised revenue	% of total recognised revenue	
	(RMB'000)	(%)	(RMB'000)	(%)	(%)
Sales of properties	4,536,288	93.3	4,788,728	95.4	-5.3
Rental income	20,228	0.4	18,544	0.4	9.1
Property management income and other property related service income	303,734	6.3	214,188	4.2	41.8
Total	<u>4,860,250</u>	<u>100.0</u>	<u>5,021,460</u>	<u>100.0</u>	-3.2

Cost of sales

The Group's cost of sales during the six months ended 30 June 2015 was approximately RMB3,813.3 million, up 3.1% from the corresponding period of last year. This increase was primarily due to the increase of the proportion of the delivered properties for the period ended 30 June 2015 which were remeasured at fair value due to the impacts of the acquisition of property projects through business combination.

Gross profit and gross profit margin

The Group's gross profit during the six months ended 30 June 2015 was approximately RMB1,046.9 million, down 20.9% year-on-year. Our gross profit margin was to 21.5% during the six months ended 30 June 2015, compared to 26.4% from the corresponding period of last year. The decrease of the Group's gross profit margin compared to 2014 was primarily due to

- (i) the negative effect on property prices for the sales contracted during the market downward correction in 2014;
- (ii) high proportion of recognised revenue from sales of mass market residential projects, which generally have lower gross profit margin compared to office projects;
- (iii) the increase of the proportion of the delivered properties which were remeasured at fair value due to the acquisition of property projects through business combinations. Excluding the impact of remeasurement of fair value, the Group's gross margin was 24.9%.

Gain from business combinations and gain on remeasurement

For the period ended 30 June 2015, the Group recognized a gain of RMB88.1 million from remeasurement of the fair value of the equity interests in the companies, which were previously recognized as joint ventures, before acquisition of the remaining equity interests in current period and thereafter they were recognized as subsidiaries and a gain of RMB76.8 million from business combination for the acquisition of the aforesaid companies, for the excess of fair value of net assets acquired over the consideration.

Change in fair value of investment properties

During the six months ended 30 June 2015, the Group recognised a fair value gain on investment properties of approximately RMB327.7 million as compared to a fair value gain on investment properties in the corresponding period of last year of approximately RMB210.9 million.

The fair value gain on investment properties was mainly due to the appreciation of the overall capital value and/or rental values.

Change in fair value of trust loans related derivatives

During the six months ended 30 June 2015, the Group did not record any fair value changes on trust loans related derivatives as it has been settled in 2014. A fair value loss on trust loans related derivatives in the corresponding period of last year of approximately RMB4 million was recognised. Such fair value loss reflected the change in fair value of the embedded financial derivatives relating to certain trust financing arrangements of the Group during the period.

Selling and marketing expenses

The Group's selling and marketing expenses decreased by 14.2% to approximately RMB113.6 million during the six months ended 30 June 2015 from approximately RMB132.4 million in the corresponding period of last year. This decrease was primarily due to the Group's new launches of property projects for pre-sale which mostly came from our non-subsiary joint venture projects with their selling and marketing expenses not consolidated into the Group's profit and loss statement in 2015.

Administrative and other expenses

The Group's administrative expenses decreased by 5.7% to approximately RMB215.0 million during the six months ended 30 June 2015 from approximately RMB228.0 million in the corresponding period of last year. This decrease was primarily attributable to decrease in staff costs and other administrative expenses resulting from the Group's business expansion into joint venture projects with their administrative and other expenses not consolidated into the Group's profit and loss statement in 2015.

Finance costs

The Group's finance costs expensed decreased by 12.9% to approximately RMB96.5 million during the six months ended 30 June 2015 from approximately RMB110.8 million in the corresponding period of last year. This decrease in finance costs expensed was primarily attributable to an increase in the total finance costs incurred, net of the portion being capitalised in properties under development during the period. Total finance costs expensed and capitalised increased by 4.6% to approximately RMB703.7 million during the six months ended 30 June 2015 from approximately RMB672.5 million in the corresponding period of last year. The Group's weighted average cost of all indebtedness (including bank loans, trust and other loans and senior notes) as at 30 June 2015 was 7.9%, compared to 8.3% as at 31 December 2014. Such decrease in average interest cost was primarily attributable to (i) decrease in the average proportion of non-bank borrowings (mainly trust financings) to total borrowings during the period. Those non-bank borrowings generally had higher interest costs during the period (ii) lowered interest rate by the PRC government monetary policies.

Income tax expenses

The Group's income tax expenses decreased by 10.6% to approximately RMB397.0 million during the six months ended 30 June 2015 from approximately RMB444.2 million in the corresponding period of last year. The Group's income tax expense included payments and provisions made for enterprise income tax ("EIT") and land appreciation tax ("LAT") during the year. The Group's effective income tax rate decreased to 30.3% during the six months ended 30 June 2015 from 36.8% in the corresponding period of last year.

The Group made LAT provisions of approximately RMB196.0 million during the six months ended 30 June 2015 versus approximately RMB238.4 million in the corresponding period of last year. The Group made actual LAT payments of approximately RMB261.9 million during the six months ended 30 June 2015 versus approximately RMB183.6 million in the corresponding period of last year. As at 30 June 2015, the Group had accumulated unpaid LAT provisions of approximately RMB395.8 million.

Profit for the period

As a result of the factors described above, the Group's profit before taxation increased by 8.3% to approximately RMB1,308.6 million during the six months ended 30 June 2015 from approximately RMB1,208.5 million in the corresponding period of last year. The Group's profit and total comprehensive income for the period increased by 19.3% to approximately RMB911.6 million during the six months ended 30 June 2015 from approximately RMB764.4 million in the corresponding period of last year. The Group's net profit attributable to equity owners increased by 7.2% to approximately RMB802.3 million during the six months ended 30 June 2015 from approximately RMB748.6 million in the corresponding period of last year.

The Group's core net profit attributable to equity owners decreased by 3.7% to approximately RMB622.6 million during the six months ended 30 June 2015 from approximately RMB646.3 million in the corresponding period of last year. The corresponding core net profit margin was 12.8% during the six months ended 30 June 2015, compared to 12.9% in the corresponding period in 2014 and 12.0% in the full year of 2014.

LAND BANK

As at 30 June 2015, the total GFA of the Group's land bank was approximately 11.9 million sq.m., and the attributable GFA of the Group's land bank was approximately 8.1 million sq.m.

Table 5: Breakdown of the Group's land bank as at 30 June 2015

By project

Project	Primary intended use of the project	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-for-sale	46,900	100.0
Shanghai CIFI Luxury Courtyard	Residential	8,800	100.0
Shanghai CIFI Comfortable Joyous Bay	Residential	600	100.0
Shanghai CIFI Private Mansion	Residential	9,900	100.0
Shanghai CIFI Pebble Beach	Residential	74,600	100.0
Shanghai CIFI Pleasant Garden	Residential	40,800	100.0
Suzhou CIFI Canal County	Residential	12,200	100.0
Hefei CIFI Central Park	Residential	1,900	100.0
Hefei CIFI Private Mansion	Residential	2,800	100.0
Zhenjiang CIFI Times	Residential	47,400	100.0
Jiaxing CIFI Square (Residential)	Residential	60	100.0
Jiaxing CIFI Square (Commercial)	Investment properties	82,600	100.0

Project	Primary Intended use of the project	Remaining unrecognised/ Saleable/ Rentable GFA remaining unsold (carpark excluded) (sq.m.)	Interest attributable to the Group (%)
Completed properties			
<i>Yangtze River Delta</i>			
Shanghai CIFI Pujiang International	Office	41,684	100.0
Shanghai CIFI Luxury Courtyard	Residential	8,182	100.0
Shanghai CIFI Comfortable Joyous Bay	Residential	399	100.0
Shanghai CIFI Pebble Beach	Residential	73,025	100.0
Shanghai CIFI Pleasant Garden	Residential	30,387	100.0
Shanghai CIFI City	Residential	15,697	100.0
Shanghai CIFI Samite Life	Residential	7,866	100.0
Shanghai CIFI Jiangwan Mansion	Residential	9,098	75.5
Shanghai CIFI U Block	Office	10,657	100.0
Shanghai CIFI Arthur Shire	Residential	5,792	100.0
Shanghai Greenland CIFI E Park	Office/Commercial	12,353	50.0
Suzhou CIFI Canal County	Residential	11,422	100.0
Suzhou CIFI Luxury Courtyard	Residential	31,142	100.0
Suzhou CIFI Private Mansion	Residential	11,010	100.0
Suzhou CIFI Private Mansion Usonian City Villa		21,682	100.0
Hefei CIFI Central Park	Residential	1,323	100.0
Hefei CIFI Private Mansion	Residential	142,104	100.0
Zhenjiang CIFI Times	Residential and office	31,159	100.0
Jiaxing CIFI Square (Commercial)	Investment properties	82,600	100.0
<i>Pan Bohai Rim</i>			
Beijing CIFI Wangxin Commercial Centre	Investment properties	4,900	100.0
Beijing CIFI Olympic City	Office	5,629	100.0
Beijing CIFI International Negotiate Garden	Office	326	100.0
Beijing CIFI Private Villa Riverside Garden	Residential	47,631	80.0

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>
Langfang CIFI Path Walf	Residential	214,128	100.0
Tianjin CIFI Rosedale Phase I	Residential	2,398	100.0
Tianjin CIFI Rosedale Phase II	Residential	137,379	100.0
Tianjin CIFI Private Mansion	Residential	307,613	49.5
<i>Central Western Region</i>			
Chongqing CIFI Ronchamp Town	Residential	60,908	100.0
Chongqing CIFI Langyuejun	Residential	902	100.0
Chongqing CIFI Purple City	Office	100,963	100.0
Changsha CIFI Luxury Courtyard	Residential	–	100.0
Changsha CIFI Private Mansion	Residential	143,746	100.0
<i>Other</i>			
Fuzhou CIFI Riverside	Residential	3,700	100.0
		1,577,805	
<i>Other</i> Carpark		460,467	
		2,038,272	

Project	Primary Intended use of the project	Estimate 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.)		
Properties under development and held for future development						
<i>Yangtze River Delta</i>						
Shanghai CIFI La Baie D'Evian	Residential	2016	189,800	24,500	–	100.0%
Shanghai CIFI Haishang International	Office	2015	18,300	19,600	7,558	53.0%
Shanghai CIFI Haishang International	Investment properties	2015		45,400	–	53.0%
Shanghai CIFI Shilu	Residential	2015	3,200	5,400	3,955	100.0%
Shanghai Henderson CIFI Centre (Shanghai Hongqiao Business District Project)	Residential and office	2016-2017	84,800	170,600	51,351	50.0%
Shanghai CIF Pure Center (Shanghai Songjian District Jiuting Town Project)	Office	2016	41,500	106,300	15,271	45.0%
Shanghai Elite Mansion	Residential	2016	108,400	199,000	99,885	50.0%
Shanghai Pudong District YangJing Project	Residential	2017-2018	87,200	30,000	–	49.0%
Shanghai Pudong District YangJing Project	Office and commercial	2017-2018		196,700	–	49.0%
Shanghai Songjiang District Chedun Town Project	Residential	2017	103,900	98,900	–	35.0%
Shanghai Songjiang District Dongjing Town Project	Residential	2017	61,200	61,800	–	50.0%
Shanghai Jiading District Industrial Zone Project	Residential	2017-2018	128,100	246,200	–	40.0%
Suzhou CIFI Meilan Town	Residential	2015-2016	93,900	256,900	160,732	100.0%
Suzhou CIFI Sunny Life	Residential	2015	32,700	79,900	54,344	100.0%
Suzhou CIFI Apple Paradise	Residential	2015	42,400	88,000	30,244	50.0%
Suzhou CIFI Xiyue (Suzhou Gaoxin District Hushuguan Sunny Life South Project)	Residential	2016	21,600	47,600	12,827	100.0%
Suzhou CIFI Shangli (Suzhou Wuzhong District Tayuan Road Project)	Residential	2016	68,000	147,100	20,671	100.0%
Suzhou Industrial Park District Project	Residential	2016	68,000	108,000	–	12.5%
Suzhou Gaoxin District Luxury Courtyard South Project	Residential	2016-2017	171,300	394,100	–	50.0%
Suzhou Hi-Tech District Huashan Road Project	Residential	2017-2018	178,700	180,500	–	50.0%
Hangzhou Greenland CIFI Glorious City	Residential	2016	58,800	235,100	129,012	50.0%
Hangzhou Greenland CIFI Glorious City	Office	2016		31,000	–	50.0%
Hangzhou Henderson CIFI Palace	Residential	2015	86,700	220,800	72,853	49.0%
Hangzhou Yuhang District Chongxian Xincheng No. 18 Site Project	Residential	2017	35,300	90,800	–	50.0%
Hangzhou Xiaoshan District North Xingyi Cun Project	Residential	2017-2018	39,200	109,800	–	35.0%
Hangzhou Xiaoshan District Zhonghui Project	Residential	2017-2018	55,400	98,300	–	30.0%
Hefei CIFI Original Villa	Residential	2016-2017	199,200	206,500	59,004	100.0%
Jiaxing CIFI Private Mansion	Residential	2015	24,400	77,000	30,526	100.0%
Jiaxing CIFI Ronchamp Town	Residential	2016	92,400	166,500	51,953	100.0%
Zhenjiang CIFI East One Place	Residential	2016	49,400	146,400	61,508	100.0%

Project	Primary Intended use of the project	Estimate 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.)		
Properties under development and held for future development						
<i>Yangtze River Delta</i>						
Nanjing Jiangning District Project	Residential	2017	17,300	51,300	–	100.0%
Nanjing Pokou New District Project	Residential	2016	81,700	109,500	–	49.0%
<i>Pan Bohai Rim</i>						
Beijing CIFI The Education Park	Office	2015	30,800	86,600	81,246	100.0%
Beijing MOMA CIFI Residence	Residential	2016-2017	73,400	134,900	80,629	50.0%
Beijing Daxing District Huangcun Town Project	Office and commercial	2017	46,924	94,800	–	26.5%
Beijing Shunyi District Nan Fa Xin Project	Office and commercial	2017	88,700	206,700	–	10.0%
Beijing Daxing District Yinghai Town Jiangchang Cun Project	Office	2017-2018	13,500	19,000	–	59.5%*
Beijing Daxing District Pangge Zhuang Town Project	Residential and commercial	2016-2018	158,300	266,200	–	49.0%*
Tianjin CIFI Paradise Bay	Residential	2015-2016	65,500	163,000	39,657	25.0%
Tianjin Binhai Industrial Office Project Phase I	Industrial office park	2017	262,300	307,700	–	100.0%
Tianjin Binhai Industrial Office Project Phase II	Industrial office park	2017-2018	168,500	168,500	–	100.0%
Tianjin Xiqing District Jingwu Town Dananhe North	Residential	2017-2018	122,600	208,500	–	100.0%
Shenyang CIFI Private Mansion	Residential	2015-2017	81,500	162,800	33,007	100.0%
<i>Central Western Region</i>						
Chongqing CIFI City	Residential	2015-2017	192,400	448,200	92,223	100.0%
Chongqing CIFI City	Commercial	2015-2017		82,300	–	100.0%
Chongqing CIFI City	Investment properties	2015-2017		11,000	–	100.0%
Chongqing New Northern District Dazhulin Project	Residential and commercial	2017-2019	325,600	635,700	–	30.0%*
Changsha CIFI Dream Mansion	Residential	2016	41,500	148,800	40,374	80.0%
Changsha CIFI International Plaza	Residential	2016	95,400	131,200	87,686	50.0%
Changsha CIFI International Plaza	Office	2016		136,800	–	50.0%
Wuhan CIFI Private Mansion	Residential	2015-2017	139,500	348,700	75,255	50.0%
<i>Other</i>						
Carpark				2,253,500		
TOTAL Properties under development and held for future development				10,164,400	1,391,771	
GRAND TOTAL (Completed, under development and for future development)				11,885,692		

* *Joint Venture in process*

By region

	% of total land bank by sq.m.
	(%)
Yangtze River Delta	52
Pan Bohai Rim	22
Central Western Region	26
	<hr/>
	100

By type of project

	% of total land bank by sq.m.
	(%)
Residential projects	80
Office-for-sale projects	19
Investment properties and others	1
	<hr/>
	100

During the six months ended 30 June 2015, the Group purchased a total of 12 new projects, all of which were acquired through government-land auctions. During the period, the Group continued utilizing equity joint ventures with property developers and financial investors to jointly develop the newly acquired projects.

Total planned GFA of the Group's land acquisition in 2015 amounted to approximately 2.5 million sq.m., out of which 0.8 million sq.m. were attributable to the Group's equity interests. Total contracted consideration of the Group's land acquisition amounted to approximately RMB14,159.1 million, out of which RMB5,742.2 million were payable by the Group according to its equity interests in relevant projects. Based on the Group's attributable GFA acquired and the attributable acquisition considerations, the Group's average land acquisition cost in the first half of 2015 was approximately RMB5,620 per sq.m.

Table 6: The Group's land acquisition in the first half of 2015

City	Project	Intended Primary Use	The Group's equity interest	Site area	Attributable		Total consideration	Attributable consideration	(Average land cost (excluding carparks))
					Planned GFA (excluding carparks)	planned GFA (excluding carparks)			
			(%)	(sq.m.)	(sq.m.)	(sq.m.)	(RMB)	(RMB)	(RMB/sq.m.)
Land acquisition from January to June 2015									
Tianjin	Xiqing District Jingwu Town Dananhe North Project	Residential	100.0	122,600	208,500	208,500	672,100,000	672,100,000	3,224
Shanghai	Jiading Industrial Zone Project	Residential	40.0	128,100	246,200	98,480	1,332,000,000	532,800,000	5,410
Beijing	Daxing District Huangcun Town Project	Office / Commercial	26.5	46,924	94,800	25,122	763,000,000	202,195,000	8,049
Suzhou	Hi-Tech District Luxury Courtyard South Project	Residential	50.0	171,300	394,100	197,050	1,400,000,000	700,000,000	3,552
Shanghai	Songjiang District Dongjing Town Project	Residential	50.0	61,200	61,800	30,900	780,000,000	390,000,000	12,621
Hangzhou	Xiaoshan District North Xingyi Cun Project	Residential	35.0	39,200	109,800	38,430	823,886,000	288,360,100	7,504
Hangzhou	Xiaoshan District Zhonghui Project	Residential	30.0	55,400	98,300	29,490	1,084,100,000	325,230,000	11,028
Beijing	Shunyi District Nan Fa Xin Project	Office / Commercial	10.0	88,700	206,700	20,670	1,380,000,000	138,000,000	6,676
Suzhou	Hi-Tech District Huashan Road Project	Residential	50.0	178,700	180,500	90,250	960,000,000	480,000,000	5,319
Beijing	Daxing District Yinghai Town Jiangchang Cun Project	Residential	59.5*	13,500	19,000	11,300	225,000,000	133,875,000	11,842
Beijing	Daxing District Pangge Zhuang Town Project	Commercial and residential	49.0*	158,300	266,200	130,440	2,410,000,000	1,180,900,000	9,053
Chongqing	New Northern District Dazhulin Project	Commercial and residential	30.0*	325,600	635,700	190,710	2,329,000,000	698,700,000	3,664
Land acquisition subsequent to 30 June 2015 (and up to the date of the interim results announcement)									
Shanghai	Jiading District Ying Yi An Ting Golf Villa Project	Residential	38.3	264,000	60,700	23,200	897,660,000	343,355,000	14,784
Suzhou	Industrial Park District Moon Bay Project	Residential	40.0	131,000	209,700	83,880	3,100,000,000	1,240,000,000	14,783

* Joint Venture in process

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

The Group had cash and bank balances (including pledged bank deposits) of approximately RMB10,114.2 million (31 December 2014: approximately RMB7,093.7 million) and pledged bank deposits of approximately RMB30.0 million (2014: RMB30.0 million).

Indebtedness

The Group had outstanding total borrowings amounting to approximately RMB19,303.4 million as at 30 June 2015 (31 December 2014: approximately RMB13,860.7 million) comprising bank loans, trust and other loans of approximately RMB11,267.6 million (31 December 2014: approximately RMB9,503.8 million). The Group's outstanding senior notes had an carrying amount of RMB8,035.8 million as at 30 June 2015 (31 December 2014: RMB4,356.9 million).

Table 7: Breakdown of indebtedness

By type of borrowings and maturity

	At 30 June 2015 <i>RMB'000</i>	At 31 December 2014 <i>RMB'000</i>
Onshore bank loans		
Within one year	2,334,703	2,301,650
Over one years and within two years	3,188,660	3,434,803
Over two years and within three years	2,276,250	1,450,860
Over four years and within five years	434,500	–
Over five years	574,276	571,635
Subtotal	8,808,389	7,758,948
Onshore trust and other loans		
Within one year	399,186	500,000
Over one years and within two years	140,000	–
Over two years and within three years	–	310,000
Subtotal	539,186	810,000
Offshore bank loans		
Within one year	232,738	233,712
Over one year and within two years	974,363	701,137
Over two years and within three years	712,866	–
Subtotal	1,919,967	734,849
Offshore senior notes		
Over two years and within three years	3,139,458	–
Over three years and within four years	2,473,043	3,151,441
Over four years and within five years	2,423,311	1,205,509
Subtotal	8,035,812	4,356,950
TOTAL	19,303,354	13,860,747

By currency denomination

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Analysis of borrowings by currency		
– Denominated in RMB	9,347,575	8,568,948
– Denominated in USD	9,112,797	4,804,851
– Denominated in HKD	842,982	486,948
	<u>19,303,354</u>	<u>13,860,747</u>

By fixed or variable interest rates

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Fixed interest rates	10,138,898	7,243,650
Variable interest rates	9,164,456	6,617,097
	<u>19,303,354</u>	<u>13,860,747</u>

Cost of borrowings

The Group's total finance costs expensed and capitalized in first half of 2015 was approximately RMB703.7 million, representing an increase of 4.6% from RMB672.5 million in first half of 2014. The increase was mainly attributable to higher average balance of indebtedness in 2015.

The Group's weighted average cost of all indebtedness (including bank loans, trust and other loans and senior notes) as at 30 June 2015 was 7.9%, compared to 8.3% as at 31 December 2014. The decrease in weighted average cost of indebtedness during the year was primarily attributable to the decrease in the average proportion of non-bank borrowings (trust and other loans) to total indebtedness during the year. These non-bank borrowings generally had higher interest costs.

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 Group's offshore bank loans and senior notes are denominated in United States dollars and Hong Kong dollars.

Other than those disclosed, the Group does not have any material exposures to foreign exchange fluctuations. The Group does not have a foreign currency hedging policy. However, the Group monitors its foreign currency exposure closely and may, depending on the circumstances and trend of foreign currencies, consider adopting a significant 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 30 June 2015, the Group provided mortgage guarantees in respect of mortgage loans provided by the PRC banks to the Group's customers amounting to approximately RMB2,840.5 million (versus 31 December 2014: approximately RMB2,761.5 million).

During the period, the Group's joint venture companies in respect of the development Hangzhou Greenland CIFI Glorious City and Shanghai Henderson CIFI Center have utilised offshore and onshore bank loans. The Company provided a guarantees on several basis covering its respective equity shares of outstanding obligations under the offshore and onshore bank loans incurred by the joint venture companies developing these projects. As at 30 June 2015, the Group's share of such guarantee amounted to approximately RMB2,266.0 million (versus 31 December 2014: approximately RMB1,997.3 million).

Gearing ratio

The Group's net debt-to-equity ratio (total indebtedness net of bank balances and cash including pledged bank deposits and restricted cash divided by total equity) was approximately 72.5% as at 30 June 2015 versus approximately 58.2% as at 31 December 2014. The Group's debt-to-asset ratio (total indebtedness divided by total assets) was approximately 37.2% as at 30 June 2015 versus approximately 31.8% as at 31 December 2014. The Group's current ratio (current assets divided by current liabilities) was approximately 1.8 times as at 30 June 2015 versus approximately 1.5 times as at 31 December 2014.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2015, the Group had approximately 4,200 full-time employees in the PRC and Hong Kong, out of them 1,750 employees worked for the property development business while 2,450 for the property investment, property management and other businesses.

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 INTERIM DIVIDEND

The Board declared payment of an interim dividend of HK3 cents per share for the six months ended 30 June 2015 (30 June 2014: nil) which amounted to approximately HK\$203.0 million (approximately RMB160.2 million). The interim dividend will be paid on or about Monday, 14 September 2015 to the shareholders whose names appear on the register of members of the Company on Monday, 7 September 2015.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 4 September 2015 to Monday, 7 September 2015, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for the interim dividend, all share transfer documents accompanied by the relevant share certificates must be lodged 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 Wednesday, 2 September 2015.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Relevant Period.

CORPORATE GOVERNANCE PRACTICES

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 Listing Rules during the Relevant Period.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 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 Relevant Period.

REVIEW OF INTERIM 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 Company's unaudited condensed consolidated interim results and financial report for the six months ended 30 June 2015 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 comprises Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng as executive Directors; and Mr. GU Yunchang, Mr. ZHANG Yongyue and Mr. TAN Wee Seng as independent non-executive Directors.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON WEBSITE OF THE STOCK EXCHANGE AND THE COMPANY

This interim 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 2015 interim 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, 19 August 2015

Notes:

The expression “we”, “us” and “our 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.