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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 UNAUDITED INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2018**

**2018 INTERIM RESULTS HIGHLIGHTS**

- Contracted sales increased by 40.0% year-on-year to RMB66,032 million
- Recognized revenue increased by 64.0% year-on-year to RMB18,421 million
- Core net profit increased by 59.0% year-on-year to RMB2,446 million
- Gross profit margin (adjusted\*) and core net profit margin at 33.7% and 13.3% respectively
- Declared interim dividend of RMB6.09 cents (or equivalent to HK7 cents) per share, increased by 40% year-on-year
- Net debt-to-equity ratio of 72.0%, abundant cash on hand of RMB39.1 billion as at 30 June 2018
- Weighted average cost of indebtedness of 5.3% as at 30 June 2018

\* *excluding the accounting effects due to financial consolidation of certain projects as subsidiaries of the Group*

## 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 2018 (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 2018

	NOTES	Six months ended 30 June	
		2018 RMB'000 (unaudited)	2017 RMB'000 (unaudited)
<b>Revenue</b>	3	<b>18,420,520</b>	11,235,359
Cost of sales and services		<b>(14,068,632)</b>	(7,680,373)
Gross profit		<b>4,351,888</b>	3,554,986
Other income, gains and losses	4	<b>1,699,964</b>	40,717
Change in fair value of investment properties		<b>269,221</b>	19,286
Selling and marketing expenses		<b>(413,213)</b>	(271,021)
Administrative expenses		<b>(1,044,861)</b>	(598,808)
Share of results of joint ventures		<b>422,781</b>	1,204,327
Share of results of associates		<b>685,073</b>	319,124
Finance costs	5	<b>(135,290)</b>	(99,587)
Profit before taxation		<b>5,835,563</b>	4,169,024
Income tax expense	6	<b>(1,658,808)</b>	(1,561,131)
Profit for the periods	7	<b>4,176,755</b>	2,607,893
<b>Other comprehensive income:</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value gain on investments in equity instruments at fair value through other comprehensive income		<b>26,004</b>	–
Total comprehensive income for the period		<b>4,202,759</b>	2,607,893
Profit for the period attributable to:			
Equity owners of the Company		<b>3,419,185</b>	2,156,233
Owners of perpetual capital instruments		<b>102,570</b>	–
Non-controlling interests		<b>655,000</b>	451,660
		<b>4,176,755</b>	2,607,893

	<b>Six months ended 30 June</b>	
	<b>2018</b>	2017
<i>NOTES</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(unaudited)</b>	(unaudited)
Total comprehensive income for the period attributable to:		
Equity owners of the Company	<b>3,445,189</b>	2,156,233
Owners of perpetual capital instruments	<b>102,570</b>	–
Non-controlling interests	<b>655,000</b>	451,660
	<hr/>	<hr/>
Total comprehensive income for the period	<b><u>4,202,759</u></b>	<u>2,607,893</u>
Earnings per share, in RMB:		
Basic	9 <b><u>0.45</u></b>	<u>0.32</u>
Diluted	9 <b><u>0.42</u></b>	<u>0.31</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2018

		At 30 June 2018	At 31 December 2017
	<i>NOTE</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited)
<b>NON-CURRENT ASSETS</b>			
Investment properties		<b>15,904,700</b>	14,402,350
Property, plant and equipment		<b>113,555</b>	84,981
Prepaid lease payments		<b>32,742</b>	32,742
Interests in associates		<b>3,983,372</b>	2,823,602
Interests in joint ventures		<b>7,447,545</b>	5,802,549
Investments in property projects		<b>794,187</b>	622,143
Available-for-sale investments		–	623,630
Financial assets at fair value through profit or loss		<b>379,225</b>	–
Equity instruments at fair value through other comprehensive income		<b>605,750</b>	–
Deferred taxation assets		<b>556,251</b>	502,637
Deposits paid for acquisitions of equity interests		<b>141,496</b>	641,496
Long-term deposit		<b>150,000</b>	150,000
		<b>30,108,823</b>	25,686,130
<b>CURRENT ASSETS</b>			
Properties held for sale		<b>8,448,869</b>	9,128,504
Properties under development for sale		<b>74,556,111</b>	34,603,171
Accounts and other receivables, deposits and prepayments	<i>10</i>	<b>19,981,827</b>	10,807,957
Amounts due from non-controlling interests		<b>16,756,662</b>	10,337,802
Amounts due from joint ventures and associates		<b>27,044,066</b>	17,451,791
Deposits for land use rights for properties held for sale		<b>7,676,934</b>	12,409,188
Taxation recoverable		<b>1,815,809</b>	1,024,871
Financial assets at fair value through profit or loss		<b>610,907</b>	521,250
Restricted bank deposits		<b>3,274,000</b>	–
Bank balances and cash		<b>35,823,265</b>	29,786,870
		<b>195,988,450</b>	126,071,404

		At 30 June 2018	At 31 December 2017
	<i>NOTE</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited)
<b>CURRENT LIABILITIES</b>			
Accounts and other payables and accrued charges	<i>11</i>	25,622,207	13,602,467
Deposits received from property sales		40,523,455	25,548,720
Amounts due to non-controlling interests		21,553,540	12,842,576
Amounts due to joint ventures and associates		14,015,963	10,741,602
Taxation payable		4,425,629	4,295,642
Bank and other borrowings – due within one year		9,079,629	6,727,108
Derivative financial instruments		226,930	333,193
Corporate bonds – due within one year		3,611,346	5,093,233
Debt component of convertible bonds		2,275,497	–
Derivative component of convertible bonds		19,680	–
		<u>121,353,876</u>	<u>79,184,541</u>
<b>NET CURRENT ASSETS</b>		<u>74,634,574</u>	<u>46,886,863</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>104,743,397</u>	<u>72,572,993</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		626,425	611,951
Reserves		22,880,864	20,291,647
Equity attributable to equity owners of the Company		23,507,289	20,903,598
Perpetual capital instruments		3,899,491	3,847,932
Non-controlling interests		16,315,920	9,518,610
<b>TOTAL EQUITY</b>		<u>43,722,700</u>	<u>34,270,140</u>
<b>NON-CURRENT LIABILITIES</b>			
Bank and other borrowings – due after one year		35,573,730	26,385,907
Senior notes		11,827,436	4,498,124
Corporate bonds – due after one year		8,191,747	4,534,737
Deferred taxation liabilities		5,427,784	2,884,085
		<u>61,020,697</u>	<u>38,302,853</u>
		<u>104,743,397</u>	<u>72,572,993</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2018

### 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 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.

### 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.

Except as described below and changes in accounting policies which became first applicable during the interim period and resulting from application of new and amendments to International Financial Reporting Standards (“IFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2018 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2017.

In addition, the Group has applied the following accounting policies which became first applicable during the interim period.

#### **Convertible bonds**

Convertible bonds issued by the Company includes debt, early redemption option and conversion option components.

At the date of issue, the debt, early redemption option and conversion option components are recognised at fair value.

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group’s own equity instruments is a conversion option derivative. In subsequent periods, the debt component of the convertible bonds is carried at amortised cost using the effective interest method. The early redemption option and conversion option components are measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible bonds are allocated to the debt, early redemption option and conversion option components in proportion to their relative fair values. Transaction costs relating to the early redemption option and conversion option components are charged to profit or loss immediately. Transaction costs relating to the debt component are included in the carrying amount of the debt portion and amortised over the period of the convertible bonds using the effective interest method.

#### **Awarded shares granted to employees**

When trustee of the share award scheme purchases the Company’s shares from the open market, the consideration paid, including any directly attributable incremental costs, is presented as shares held under share award scheme and deducted from total equity. No gain or loss is recognised on the transactions of the Company’s own shares

In the current interim period, the Group has applied, for the first time, the following new and amendments to International Accounting Standard (“IAS”) and IFRSs (hereinafter collectively referred to as the “new and amendments to IFRSs”) issued by the IASB which are mandatory effective for the annual period beginning on or after 1 January 2018 for the preparation of the Group’s condensed consolidated financial statements.

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers and the related Amendments
IFRIC 22	Foreign Currency Transactions and Advance Consideration
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
Amendments to IAS 28	As part of the Annual Improvements to IFRSs 2014–2016 Cycle
Amendments to IAS 40	Transfers of Investment Property

The new and amendments to IFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies and amounts reported and disclosures as described below.

### **Impacts and changes in accounting policies of application on IFRS 15 “Revenue from Contracts with Customers”**

The Group has applied IFRS 15 for the first time in the current interim period. IFRS 15 superseded IAS 18 “Revenue”, IAS 11 “Construction Contracts” and the related interpretations.

The Group has applied IFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in IFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 18 “Revenue” and IAS 11 “Construction Contracts” and the related interpretations.

Taking into account the changes in accounting policy arising from initial application of IFRS 15, the directors of the Company considered that the initial application of IFRS 15 has no material impact to the condensed consolidated financial statements of the Group.

### **Impacts and changes in accounting policies of application on IFRS 9 “Financial Instruments” and the related amendments**

In the current period, the Group has applied IFRS 9 “Financial Instruments” and the related consequential amendments to other IFRSs. IFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit loss (“ECL”) for financial assets and 3) general hedge accounting.

The Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9, i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and carrying amounts as at 1 January 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 39 “Financial Instruments: Recognition and Measurement”.

*Summary of effects arising from initial application of IFRS 9*

The table below illustrates the classification and measurement of financial assets under IFRS 9 and IAS 39 at the date of initial application, 1 January 2018.

	<b>Available- for-sale</b> <i>RMB'000</i>	<b>Equity instruments at FVTOCI</b> <i>RMB'000</i>	<b>FVTOCI Reserve</b> <i>RMB'000</i>
<b>Closing balance at 31 December 2017 – IAS 39</b>	623,630	–	–
Effect arising from initial application of IFRS 9			
<b>Reclassification</b>			
From available-for-sale	(623,630)	623,630	–
<b>Remeasurement</b>			
From cost less impairment to fair value	–	95,445	95,445
Opening balance at 1 January 2018 – IFRS 9	–	719,075	95,445

As at 1 January 2018, the directors of the Company reviewed and assessed the Group's existing financial asset for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of IFRS 9. The amount of the loss allowance as 1 January 2018 and 30 June 2018 were considered as insignificant to the condensed consolidated financial statements of the Group.

**Impacts and changes in accounting policies of application on Amendments to IAS 40 “Transfers of Investment Property”**

At the date of initial application, the Group assessed the classification of certain properties based on conditions existed at that date. There is no impact to the classification at 1 January 2018.

Except as describe above, the application of other amendments to the IFRSs in the current interim period had no material effect on the amounts reported as set out in these condensed consolidated financial statements.

**3. REVENUE**

	<b>Six months ended 30 June</b>	
	<b>2018</b>	2017
	<i>RMB'000</i>	<i>RMB'000</i>
	<b>(unaudited)</b>	(unaudited)
<b>Revenue</b>		
Sales from property development	<b>17,394,508</b>	10,590,200
Rental income	<b>56,906</b>	50,986
Project management and other related services income	<b>969,106</b>	594,173
	<b><u>18,420,520</u></b>	<u>11,235,359</u>



### 3A. REVENUE FROM GOODS AND SERVICES

#### Disaggregation of revenue

	<b>For the six months ended 30 June 2018</b>	
	<b>Property development RMB'000</b>	<b>Project management and other related services RMB'000</b>
Types of goods or services		
Property development		
Residential	<b>15,069,281</b>	–
Office & Commercial	<b>1,889,376</b>	–
Carpark	<b>435,851</b>	–
	<b>17,394,508</b>	–
Project management and other related services	–	<b>969,106</b>
Total	<b>17,394,508</b>	<b>969,106</b>

	<b>For the six months ended 30 June 2018</b>	
	<b>Property development RMB'000</b>	<b>Project management and other related services RMB'000</b>
<b>Timing of revenue recognition</b>		
A point in time	<b>17,394,508</b>	–
Over time	–	<b>969,106</b>
Total	<b>17,394,508</b>	<b>969,106</b>

### 3B. 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>	Project management and other related services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Six months ended 30 June 2018</b>				
Reportable segment revenue from external customers	17,394,508	56,906	969,106	18,420,520
Reportable segment profit	3,647,070	40,342	251,263	3,938,675
	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Project management and other related services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Six months ended 30 June 2017</b>				
Reportable segment revenue from external customers	10,590,200	50,986	594,173	11,235,359
Reportable segment profit	3,095,718	35,363	223,097	3,354,178

#### (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 2018 <i>RMB'000</i> (unaudited)	2017 <i>RMB'000</i> (unaudited)
<b>Revenue</b>		
Reportable segment and consolidated revenue	<b>18,420,520</b>	11,235,359
<b>Profit</b>		
Reportable segment profit	<b>3,938,675</b>	3,354,178
Other income, gains and losses	<b>1,699,964</b>	40,717
Change in fair value of investment properties	<b>269,221</b>	19,286
Finance costs	<b>(135,290)</b>	(99,587)
Share of results of joint ventures	<b>422,781</b>	1,204,327
Share of results of associates	<b>685,073</b>	319,124
Depreciation of property, plant and equipment	<b>(17,136)</b>	(10,725)
Allowance for doubtful debts	<b>(148)</b>	(1,665)
Unallocated head office and corporate expenses	<b>(1,027,577)</b>	(656,631)
Consolidated profit before taxation	<b>5,835,563</b>	4,169,024

#### 4. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest income	364,606	162,065
Gain on re-measurement	903,376	–
Gain on disposal of subsidiaries	–	1,591
Government grants	4,488	1,734
Forfeited deposits paid by purchasers	3,955	12,339
Gain on disposal of property, plant and equipment	380	280
Loss on early redemption of senior notes	–	(128,288)
Dividend income from FVTPL	1,416	–
Change in fair value of investment in property project	314,656	–
Dividend income from investment in property project	77,496	–
Change in fair value of financial assets at FVTPL	26,964	(63,282)
Change in fair value of derivative financial instrument for convertible bonds	80,551	–
Change in fair value of derivative financial instrument for forward contracts	(109,650)	(165,661)
Net exchange gain	16,494	213,284
Sundry income	15,232	6,655
	<b>1,699,964</b>	<b>40,717</b>

#### 5. FINANCE COSTS

	Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest expense on bank and other borrowings	(1,141,657)	(630,299)
Interest expense on senior notes, corporate bonds and convertible bonds	(586,725)	(419,139)
	<b>(1,728,382)</b>	<b>(1,049,438)</b>
Less: Amount capitalised to properties under development for sale and investment properties under construction	1,593,092	949,851
	<b>(135,290)</b>	<b>(99,587)</b>

## 6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax in the People's Republic of China (the "PRC")		
PRC enterprise income tax	(1,161,890)	(704,015)
Land appreciation tax	(1,266,910)	(853,804)
	<u>(2,428,800)</u>	<u>(1,557,819)</u>
Deferred taxation	769,992	(3,312)
	<u>(1,658,808)</u>	<u>(1,561,131)</u>

Under the Law of the PRC on Enterprise Income Tax and Implementation Regulation of the Enterprise Income Tax Law, the tax rate of the PRC subsidiaries is 25% for both periods.

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.

Pursuant to the rules and regulations of the British Virgin Islands ("BVI") and the Cayman Islands, the Group is not subject to any income tax in the BVI and the Cayman Islands.

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

## 7. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

	Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit and total comprehensive income for the period has been arrived at after charging:		
Cost of properties sold included in cost of sales and services	13,563,099	7,324,885
Depreciation of property, plant and equipment	17,136	10,725
Allowance for doubtful debts	148	1,665
Operating lease rentals in respect of land and buildings	<u>48,429</u>	<u>36,659</u>

## 8. DIVIDEND

	<b>Six months ended 30 June</b>	
	<b>2018</b>	2017
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(unaudited)
Dividend recognised as distribution during the period:		
Final dividend recognised in respect of financial year ended 31 December 2017 of RMB14.54 cents (equivalent to HK18 cents) (2016: RMB11.5 cents (equivalent to HK13 cents) per ordinary share	<b>1,124,940</b>	779,492
Dividends declared as distribution		
Cash	<b>471,760</b>	326,320

The Board declared the payment of an interim dividend of RMB6.09 cents (equivalent to HK7 cents) (six months ended 30 June 2017: RMB4.35 cents (equivalent to HK5 cents)) per ordinary share for the six months ended 30 June 2018.

## 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:

	<b>Six months ended 30 June</b>	
	<b>2018</b>	2017
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(unaudited)
<b>Earnings</b>		
Earnings for the purposes of basic earnings per share (profit for the period attributable to owners of the Company)	<b>3,419,185</b>	2,156,233
Effect of dilutive potential ordinary shares on Interest on convertible bonds and change in fair value of derivative component of convertible bonds	<b>(59,864)</b>	–
	<b>3,359,321</b>	2,156,233

Earnings for the purpose of diluted earning per share

	<b>Six months ended 30 June</b>	
	<b>2018</b>	2017
	<b>(unaudited)</b>	(unaudited)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>7,628,794,868</b>	6,773,954,844
Effect of dilutive potential ordinary shares on:		
– share options	<b>217,100,885</b>	107,515,666
– convertible bonds	<b>227,071,823</b>	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>8,072,967,576</b>	6,881,470,510

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

## 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 aged analysis of trade receivables, based on the date of agreement and net of allowance, at the end of the reporting period:

	At 30 June 2018 <i>RMB'000</i> (unaudited)	At 31 December 2017 <i>RMB'000</i> (audited)
Within 60 days	331,151	309,973
61–180 days	295,724	102,557
181–365 days	200,664	98,432
Over 1 year	111,039	125,651
	<u>938,578</u>	<u>636,613</u>

## 11. ACCOUNTS AND OTHER PAYABLES, AND ACCRUED CHARGES

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

	At 30 June 2018 <i>RMB'000</i> (unaudited)	At 31 December 2017 <i>RMB'000</i> (audited)
Within 60 days	1,868,961	2,154,099
61–180 days	714,875	470,202
181–365 days	1,630,157	764,575
Over 1 year	1,107,646	1,350,511
	<u>5,321,639</u>	<u>4,739,387</u>

## **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 2018, and outlook for the second half of 2018.

### **Interim Dividend**

The Board declared payment of an interim dividend for the six months ended 30 June 2018 of RMB6.09 cents per share (or equivalent to HK7 cents per share 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 declaration of such dividend). Based on the total number of issued shares of the Company as at the date of this announcement, the interim dividend for the six months ended 30 June 2018 amounts to approximately HK\$542 million (approximately RMB472 million).

### **Interim Results**

For the six months ended 30 June 2018, the Group achieved contracted sales of RMB66.03 billion, representing a year-on-year increase of 40.0% from RMB47.15 billion in the corresponding period in 2017.

Recognized revenue was RMB18,420.5 million, for the six months ended 30 June 2018, representing a year-on-year increase of 64.0% over RMB11,235.4 million in the corresponding period in 2017.

The Group's net profit attributable to equity owners increased by 58.6% to RMB3,419.2 million for the six months ended 30 June 2018 from RMB2,156.2 million in the corresponding period in 2017. The Group's core net profit attributable to equity owners increased by 59.0% to approximately RMB2,445.7 million for the six months ended 30 June 2018 from RMB1,537.5 million in the corresponding period in 2017.

The Group's gross profit margin was 33.7% for the six months ended 30 June 2018 (adjusted to exclude the effects of accounting treatment due to financial consolidation of certain projects as subsidiaries of the Group), as compared to 31.6% for the corresponding period in 2017. The Group's core net profit margin was 13.3% for the six months ended 30 June 2018, as compared to 13.7% for the corresponding period in 2017.

## **Review of the First Half of 2018**

### *Market review*

In the first half of 2018, China's real estate market continued its surges in both overall transaction volume and price, but market sentiment was fatigued due to real estate austerity measures and liquidity headwinds. According to the China National Bureau of Statistics, during the first half of 2018, transaction volume of commodity housing was 771 million sq.m., representing a year-on-year increase of 3.3%; while sales of commodity properties housing were RMB6.69 trillion, which rose by 13.2% on a year-on-year basis.

Since early 2018, the central government has repeatedly reiterated the real estate policy tone that "homes are for living, not for speculation". More local governments have further intensified restrictions on home purchases, mortgage loans, property pre-sale prices and resale after primary purchase, with significantly more stringent measures in stronger-tier cities. Bank liquidity related to real estate sales further tightened which affected mortgage lending and increased interest costs.

Real estate sales in different regions and different city-tiers became increasingly divided. Transaction volume in first-tier cities continued to shrink but has tended to stabilize, while the transaction volumes in second-tier and strong third-tier cities cooled down but were very uneven depending on the city, and volume in other third- and lower-tier cities outperformed but demand was fatigued by rising home prices.

Under such market sentiment in the first half of 2018, large-scale national real estate developers with massive saleable resources diversified and widely spread in different city-tiers and geographical regions of China have demonstrated their resilience against a challenging policy environment and outperformed their smaller and regional peers. Market consolidation and concentration in favour of large-scale developers further accelerated.

### *Sales performance*

Due to its abundant and diversified saleable resources across different regions and cities, the Group achieved contracted sales and contracted gross floor area ("GFA") of RMB66.03 billion and 4,311,800 sq.m. respectively during the first half of 2018, representing strong year-on-year growth of 40.0% and 68.4% respectively. As a result of diversification to lower-tier cities, the Group's contracted average selling price ("ASP") in the first half of 2018 was approximately RMB15,314/sq.m., compared to approximately RMB18,419/sq.m. in the corresponding period in 2017. The Group achieved a cash collection ratio of over 80% from contracted sales during the first half of 2018.



The Group's contracted sales in the first half of 2018 were dispersed among over 130 projects in 25 cities. During the period, the Group launched pre-sale of 36 new projects, including these major new launches:

- Hangzhou CIFI Dongyuan Majestic Mansion
- Ningbo CIFI Powerlong Sanjiang Palace
- Ningbo CIFI Landscape Poetry
- Hefei CIFI Park Palace
- Nanchang CIFI Lingyun Mansion
- Xuzhou CIFI Noble Mansion
- Jiaxing CIFI Exquisite Mansion
- Jiaxing CIFI The Landscape of Pinghu
- Jiaxing CIFI Star City
- Jiaxing CIFI One City
- Jiaxing CIFI Jimei Jiayue
- Chongqing CIFI Panorama
- Chongqing CIFI Waves River
- Changsha CIFI City Mansion
- Changsha CIFI The Landscape
- Xi'an CIFI Park Avenue
- Xi'an CIFI Honor Mansion
- Beijing City of CIFI
- Shenyang Zhongnan CIFI Harmonious Mansion
- Shenyang CIFI Metropolis A.D.
- Tianjin CIFI The Garden Habitat
- Jinan Zhonglu Mansion
- Jinan CIFI Yinshengtai Jinyu Lanshan
- Qingdao CIFI Yinshengtai Starry City
- Qingdao CIFI Yinshengtai Zhengyang Mansion
- Qingdao CIFI Yinshengtai Taidejun
- Qingdao CIFI Yinshengtai Shuxiangjiayuan
- Qingdao CIFI Yinshengtai Boguanyipin
- Qingdao CIFI Yinshengtai Xinkongjian
- Qingdao CIFI Yinshengtai Taixinyuan
- Qingdao CIFI Yinshengtai Boguanxinghai
- Qingdao CIFI Yinshengtai Xiangjiang Mansion
- Qingdao CIFI Yinshengtai Boguanjinan
- Qingdao Xinghe City
- Linyi CIFI Yinshengtai Boguanxincheng
- Linyi Xinghe City

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

CIFI was ranked 17th nationally in terms of contracted sales amount in the first half of 2018 according to the "China Real Estate Enterprises Sales Ranking in the First Half of 2018" published by CRIC Information Group.

### *Profit margins*

The Group's gross profit margin improved to 33.7% for the six months ended 30 June 2018 (adjusted to exclude the effects of accounting treatment due to financial consolidation of certain projects as subsidiaries of the Group), as compared to 31.6% for the corresponding period last year. The Group's core net profit margin was 13.3% for the six months ended 30 June 2018, compared to 13.7% for the corresponding period last year.

The Group sustained its profit margins in the first half of 2018 mainly because of higher profitability for property projects delivered, reasonable land costs, low finance cost as well as product premium achieved through improving quality and brand. The profit margins also reflected the profit margins of sales contracted before the government imposed price limits on property sales.

### *Land acquisitions*

Since early 2018, our strong performance of contracted sales imposed an urging need to replenish our saleable sources for our future sales growth. The Group inevitably became proactive in acquiring suitable and cost-effective land resources. Due to stricter government real estate control measures and tighter financing environment, most land markets softened in the first half of 2018, leading to significant corrections in transacted land prices.

In the first half of 2018, the Group acquired interests in 67 new projects with an aggregate land consideration attributable to the Group of RMB29.19 billion. In July 2018, the Group further acquired interests in 5 new projects with an aggregate land consideration attributable to the Group of RMB5.46 billion. For land acquisitions made during the period, the Group strictly adhered to its value investment principles and utilized multi acquisition channels including government public auctions and tenders, private acquisitions as well as urban village transformations.

Year-to-date in 2018, we have strategically entered 14 new cities, expanded our geographical coverage and diversified into cities with different tiers, enhanced our regional and provincial penetrations. In particular, we entered the following new cities during the period:

- Yangtze River Delta: Changzhou, Quzhou, Xuzhou, Wuhu, Taizhou, Nantong and Nanchang, expanding our presence in second- and third-tier cities in the region;
- Pan Bohai Area: Weifang, Zibo and Jining, expanding our coverage in Shandong Province;
- South China Region: Jiangmen and Quanzhou, further gaining strategic foothold in Guangdong and Fujian Province;
- Central-Western Region: Guiyang and Xuchang, gaining foothold in Guizhou Province, further penetrating Henan Province.

### *Liability management and financial positions*

In the first half of 2018, fundraising markets for China real estate developers have been phenomenally tightened. As onshore funding channels have become more restricted, real estate developers in China have encountered challenges in securing debt funding. Sentiments for both onshore and offshore bonds and loan markets have significantly weakened with higher interest costs.

Since the beginning of 2018, we have decisively executed the following major financing transactions, which are more than adequate for our landbank expansion and re-financing needs:

- 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 adjusted conversion price of HK\$9.04 per share (adjusted for the final dividend for the year ended 31 December 2017).
- In March 2018, 旭輝集團股份有限公司 (CIFI Group Co., Ltd.\*\*\*) (“CIFI China”), the Company’s wholly-owned subsidiary in China, issued an aggregate of RMB3.5 billion domestic non-public corporate bonds in the following tranches:
  - (i) RMB800 million at coupon rate of 6.50% per annum, and tenure of 4 years (with the Issuer’s right to adjust the coupon rate and investors’ option to require the Issuer to repurchase the bonds, at the end of second year after the issue); and
  - (ii) RMB2.7 billion at coupon rate of 6.80% per annum, and tenure of 5 years (with the Issuer’s right to adjust the coupon rate and investors’ option to require the Issuer to repurchase the bonds, at the end of third year after the issue).
- In March 2018, the Company entered into a facility agreement in respect of an unsecured 3.5-year US dollar/Hong Kong dollar club loan (“2018 Club Loan”) of an aggregate principal amount of up to approximately US\$504 million with an interest rate of LIBOR/HIBOR + 3.32% per annum. In July 2018, the Company further entered into a facility agreement in respect of an unsecured 2-year Hong Kong dollar loan facility of HK\$500 million with an interest rate of HIBOR + 3% per annum.
- In April 2018, the Company issued the 6.875% coupon, 3-year maturity US Dollar Bonds due April 2021 (“2021 Due USD Bonds”) with a principal amount of US\$500 million, and further issued the 6.375% coupon, 2-year maturity US Dollar Bonds due April 2020 (“2020 April Due USD Bonds”) with a principal amount of US\$300 million.

In August 2018, CIFI China issued RMB2.5 billion domestic public corporate bonds at coupon rate of 5.46% per annum, and tenure of 3 years (with the Issuer's right to adjust the coupon rate and investors' option to require the Issuer to repurchase the bonds, at the end of second year after the issue).

During the first half of 2018, the proceeds of the above fundraisings were partially used for the repayments of an aggregate of approximately USD328 million offshore loans and approximately RMB1.5 billion onshore corporate bonds.

Our international and onshore credit rating agencies continued to endorse CIFI's efforts in sales execution, disciplined land-bank expansion and prudent financial management. During the period, Fitch and Moody's maintained the Company's credit rating at "BB" (with "Stable" outlook) and "Ba3" (with "Positive" outlook) respectively, while Standard & Poor's upgraded the Company's credit rating outlook to "BB-" (with "Positive" outlook). On the other hand, onshore credit rating agencies, China Chengxin Credit Ratings, United Ratings and China Lianhe Credit Rating each assigned "AAA" onshore credit ratings to the Company and CIFI China.

As at 30 June 2018, the Group's:

- net debt-to-equity ratio was 72.0% (as at 31 December 2017: 50.9%);
- net debts (total indebtedness less cash-on-hand) amounted to RMB31,462.1 million (as at 31 December 2017: RMB17,452.2 million);
- cash-on-hand level amounted to RMB39,097.3 million (as at 31 December 2017: RMB29,786.9 million);
- total indebtedness amounted to RMB70,559.4 million (as at 31 December 2017: RMB47,239.1 million);
- guaranteed joint ventures/associated companies debts amounted to RMB4,440.9 million (as at 31 December 2017: RMB2,631.9 million); and
- weighted average cost of indebtedness was 5.3% (as at 31 December 2017: 5.2%).

As at 30 June 2018, unpaid committed land considerations attributable to the Group were approximately RMB9,847.3 million (versus cash-on-hand of approximately RMB39,097.3 million). Despite the increase in total debts mainly for land acquisitions during the six months ended 30 June 2018, the Group maintained a comfortable debt positions and off-balance sheet commitments.

## **Outlook for the Second Half of 2018**

We believe that China's real estate policies will remain tight in the second half of 2018 and intensity of the real estate control measures is unlikely to loosen dramatically. Deleveraging in the real estate sector will continue in the second half of 2018 and the current tight liquidity environment is expected to persist in the near future. As a result, China's overall real estate sales demand volume could soften in the second half of 2018. We will continue to closely monitor the changes in real estate policies. In particular, the recent escalating Sino-US trade tensions may have impact on China's domestic economy which may prompt the government to adjust its real estate measures.

Large-scale property developers further accelerated their gain of market shares in the first half of 2018. While small and medium-sized developers suffered from intensified real estate control measures and tightened liquidity, large-scale developers are less affected due to their competitive edges in funding channels and counter-risk abilities. Due to the stringent real estate controls, tight liquidity and anticipated increase in the level of land supply by local governments in the future, land prices in second- and strong third-tier cities have shown corrections. We believe that these city segments will offer attractive investment opportunities in medium and long term, especially under more challenging industry environments.

For the seven months ended 31 July 2018, the Group already completed approximately 56% of its full year 2018 contracted sales target of RMB140 billion. Due to our proactive land-banking strategy last year and year-to-date in 2018, we have effectively diversified our land bank to cover 53 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 different real estate demand and policy cycles. Supply of saleable resources of the Group are estimated to amount to over RMB260 billion for the full year of 2018. We are confident that our massive and well diversified portfolio of saleable resources acquired at reasonable land costs will be defensive in the current tight real estate environment and will provide substantial upside potential when real estate policies turn favourable in future. Regardless of the market sentiments, the Group is confident that it will exceed its full-year contracted sales target for 2018 and will achieve further contracted sales growth in 2019.

CIFI is large-scale developer with national coverage and we have proven our ability to achieve efficient and high asset-turnover operating strategies. Our efficient operations stress short development cycles, high cash turnover, defensive debt positions as well as balanced profitability. We are well positioned to capture further market share and outperform in the industry especially at the current challenging real estate environment.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Performance Highlights

	<i>Notes</i>	<b>Six months ended 30 June</b>		Year- on-year Growth
		<b>2018</b>	2017	
<b>Contracted sales</b>				
Contracted sales (RMB'million)	<i>1</i>	<b>66,032</b>	47,151	40.0%
Contracted GFA (sq.m.)		<b>4,331,800</b>	2,559,900	69.2%
Contracted ASP (RMB/sq.m.)		<b>15,314</b>	18,419	-16.9%
<b>Selected financial information (RMB'million)</b>				
Recognized revenue		<b>18,421</b>	11,235	64.0%
Profit for the period attributable to equity owners		<b>3,419</b>	2,156	58.6%
Core net profit attributable to equity owners	<i>2</i>	<b>2,446</b>	1,538	59.0%
<b>Selected financial ratios</b>				
Gross profit margin (adjusted)		<b>33.7%</b>	31.6%	
Core net profit margin	<i>3</i>	<b>13.3%</b>	13.7%	
Earnings per share (basic), RMB cents		<b>45</b>	32	
Core earnings per share (basic), RMB cents		<b>30</b>	22	
			<b>As at 30 June 2018</b>	<b>As at 31 December 2017</b>
	<i>Notes</i>			
<b>Selected balance sheet data (RMB'million)</b>				
Total assets			<b>226,097</b>	151,758
Bank balances and cash	<i>4</i>		<b>39,097</b>	29,787
Total indebtedness	<i>5</i>		<b>70,559</b>	47,239
Total equity			<b>43,723</b>	34,270
Equity attributable to equity owners			<b>23,507</b>	20,904
Net debt-to-equity ratio	<i>6</i>		<b>72.0%</b>	50.9%
Weighted average cost of indebtedness	<i>7</i>		<b>5.3%</b>	5.2%
<b>Land bank (GFA, million sq.m.)</b>				
Land bank (GFA, sq.m.) at the end of period				
– Total			<b>40.4</b>	31.0
– Attributable			<b>21.1</b>	16.0

*Notes:*

1. “Contracted sales” includes sales by the Group’s subsidiaries, joint ventures and associated companies.
2. “Core net profit” excludes fair value gain in investment properties, net exchange loss, expenses relating to share option grants, interest expenses on settlement of trust and other loans with derivative nature, loss on repurchase of senior notes, and share of fair value gain and net exchange loss at joint ventures and associates companies, net of deferred taxes.
3. “Core net profit margin” is calculated based on core net profit attributable to equity owners over total recognized revenue.
4. “Bank balances and cash” include pledged bank deposits.
5. “Total indebtedness” includes bank and other borrowings, onshore corporate bonds and offshore senior notes.
6. “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.
7. “Weighted average cost of indebtedness” is the weighted average of interest costs of all indebtedness outstanding as at the end of each financial period.

## **PROPERTY DEVELOPMENT**

### **Contracted sales**

For the six months ended 30 June 2018, the Group achieved contracted sales of approximately RMB66.03 billion, representing a year-on-year growth of 40.0% as compared to RMB47.15 billion in the corresponding period of last year. The substantial 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.

For the six months ended 30 June 2018, the Group’s contracted sales of approximately 4,311,800 sq.m. in GFA, representing an increase of 68.4% over the corresponding period of last year. Mainly due to lower proportion of sales from first-tier cities, the Group’s contracted ASP for the period was approximately RMB15,314/sq.m., representing a decrease of 16.9% from RMB18,419/sq.m. in the corresponding period of last year.

Contracted sales from the Yangtze River Delta, the Central Western Region, the Pan Bohai Rim and the South China Region contributed to approximately 53.6%, 24.3%, 18.2% and 3.9% of the Group’s total contracted sales in first half 2018 respectively. Contracted sales from first- and second-tier cities accounted for approximately 85.6% of the Group’s total contracted sales whereas those from third-tier cities accounted for the remaining 14.4%. Contracted sales derived from residential projects contributed to approximately 93.4% of the Group’s total contracted sales whereas those from office projects contributed to the remaining 6.6%.

Cash collection from property sales during the period by the Group’s subsidiaries, joint ventures and associated companies represented over 80% of contracted sales in the first half of 2018.

As of 30 June 2018, the Group’s subsidiaries, joint ventures and associated companies had approximately RMB120 billion contracted but unrecognized sales which formed a solid basis for Group’s future growth in recognized revenue.



By type of project

	<b>Contracted Sales</b> (RMB'000)	<b>% of total Contracted Sales</b> (%)	<b>Contracted GFA</b> (sq.m.)	<b>Contracted ASP</b> (RMB/sq.m.)
Residential	61,705,820	93.4%	4,100,094	15,050
Office/Commercial	4,326,230	6.6%	211,740	20,432
<b>Total</b>	<b>66,032,050</b>	<b>100.0%</b>	<b>4,311,834</b>	<b>15,314</b>

By city

	<b>Contracted Sales</b> (RMB'000)	<b>% of total Contracted Sales</b> (%)	<b>Contracted GFA</b> (sq.m.)	<b>Contracted ASP</b> (RMB/sq.m.)
Hefei	10,012,260	15.2%	643,714	15,554
Chongqing	9,205,230	13.9%	692,066	13,301
Suzhou	5,124,090	7.8%	271,287	18,888
Wenzhou	5,052,710	7.7%	410,486	12,309
Ningbo	4,215,880	6.4%	172,431	24,450
Qingdao	4,048,560	6.1%	285,586	14,176
Hangzhou	3,818,330	5.8%	172,991	22,072
Tianjin	3,662,910	5.5%	201,138	18,211
Shanghai	3,436,120	5.2%	134,141	25,616
Wuhan	2,578,340	3.9%	130,770	19,717
Shenyang	2,518,610	3.8%	219,408	11,479
Foshan	2,317,810	3.5%	194,750	11,901
Jiaxing	1,898,710	2.9%	128,434	14,784
Chengdu	1,400,000	2.1%	118,580	11,806
Wuxi	1,186,030	1.8%	100,506	11,801
Linyi	1,043,770	1.6%	112,767	9,256
Xi'an	1,026,630	1.6%	81,191	12,645
Changsha	900,240	1.4%	82,926	10,856
Zhengzhou	894,420	1.4%	67,895	13,174
Jinan	424,570	0.6%	21,205	20,022
Nanjing	360,400	0.5%	17,240	20,905
Beijing	349,860	0.5%	14,318	24,435
Nanchang	255,240	0.4%	31,926	7,995
Sanya	252,080	0.4%	3,224	78,189
Zhenjiang	49,250	*	2,854	17,256
<b>Total</b>	<b>66,032,050</b>	<b>100.0%</b>	<b>4,311,834</b>	<b>15,314</b>

\* Less than 0.1%



*By region*

	<b>Contracted Sales</b> (RMB'000)	<b>% of total Contracted Sales</b> (%)	<b>Contracted GFA</b> (sq.m.)	<b>Contracted ASP</b> (RMB/sq.m.)
Yangtze River Delta	35,409,020	53.6%	2,086,010	16,975
Central Western	16,004,860	24.3%	1,173,428	13,639
Pan Bohai Rim	12,048,280	18.2%	854,422	14,101
South China	2,569,890	3.9%	197,974	12,981
<b>Total</b>	<b>66,032,050</b>	<b>100.0%</b>	<b>4,311,834</b>	<b>15,314</b>

*By first-, second- and third-tier cities*

	<b>Contracted Sales</b> (RMB'000)	<b>% of total Contracted Sales</b> (%)	<b>Contracted GFA</b> (sq.m.)	<b>Contracted ASP</b> (RMB/sq.m.)
First-tier cities	3,785,980	5.7%	148,459	25,502
Second-tier cities	52,763,520	79.9%	3,405,104	15,495
Third-tier cities	9,482,550	14.4%	758,271	12,505
<b>Total</b>	<b>66,032,050</b>	<b>100.0%</b>	<b>4,311,834</b>	<b>15,314</b>

*Notes:*

1. First-tier cities refer to Shanghai and Beijing.
2. Second-tier cities refer to Suzhou, Hangzhou, Nanjing, Hefei, Ningbo, Nanchang, Xi'an, Wuhan, Chongqing, Changsha, Chengdu, Zhengzhou, Tianjin, Shenyang, Qingdao, Jinan and Foshan.
3. Third-tier cities refer to Wenzhou, Wuxi, Sanya, Jiaxing, Zhenjiang and Linyi.

**Revenue recognized from sales of properties**

Revenue recognized from sales of properties for the six months ended 30 June 2018 was approximately RMB17,394.5 million, up by 64.3% year-on-year, accounted for 94.0% of total recognized revenue. For the six months ended 30 June 2018, the Group's subsidiaries delivered approximately 1,037,000 sq.m. of properties in GFA, up by 42.0% year-on-year, while ASP recognised was RMB16,773/sq.m, up by 15.7% year-on-year.

**Table 2: Breakdown of recognised revenue from property sales for the six months ended 30 June 2018**

*By type of project*

	Recognised revenue from sale of properties (RMB'000)		% of recognised revenue from sale of properties (%)		Total GFA delivered (sq.m.)		Recognised ASP (RMB/sq.m.)	
	2018	2017	2018	2017	2018	2017	2018	2017
Residential	15,505,132	8,013,108	89.1	75.7	910,790	611,108	17,024	13,112
Office/Commercial	1,889,376	2,577,092	10.9	24.3	126,249	119,288	14,965	21,604
<b>Total</b>	<b>17,394,508</b>	<b>10,590,200</b>	<b>100</b>	<b>100</b>	<b>1,037,039</b>	<b>730,396</b>	<b>16,773</b>	<b>14,499</b>

*By city*

	Recognised revenue from sale of properties (RMB'000)		% of recognised revenue from sale of properties (%)		Total GFA delivered (sq.m.)		Recognised ASP (RMB/sq.m.)	
	2018	2017	2018	2017	2018	2017	2018	2017
Suzhou	6,251,956	1,560,583	35.9	14.7	244,214	131,309	25,600	11,885
Nanjing	2,714,578	783,081	15.6	7.4	92,272	40,950	29,419	19,123
Hangzhou	1,813,750	189,937	10.4	1.8	161,690	20,350	11,217	9,334
Ningbo	1,442,415	–	8.3	–	67,255	–	21,447	–
Wuhan	1,423,009	412,318	8.2	3.9	108,919	16,948	13,065	24,328
Qingdao	1,064,514	–	6.1	–	124,180	–	8,572	–
Shanghai	637,363	4,470,573	3.7	42.2	27,564	110,366	23,123	40,507
Chongqing	501,484	221,901	2.9	2.1	65,108	34,919	7,702	6,355
Xi'an	476,480	–	2.7	–	33,964	–	14,029	–
Shenyang	440,161	431,953	2.5	4.1	48,143	42,466	9,143	10,172
Changsha	436,712	757,441	2.5	7.2	36,335	69,359	12,019	10,921
Jiaxing	64,764	584,058	0.4	5.5	8,963	80,497	7,225	7,256
Hefei	44,243	245,444	0.3	2.3	9,614	19,318	4,602	12,705
Zhenjiang	28,728	820,011	0.2	7.7	4,865	151,272	5,905	5,421
Beijing	28,571	–	0.2	–	1,200	–	23,809	–
Tianjin	18,933	78,613	0.1	0.8	1,976	8,653	9,581	9,085
Langfang	6,847	34,287	*	0.3	777	3,989	8,810	8,595
<b>Total</b>	<b>17,394,508</b>	<b>10,590,200</b>	<b>100</b>	<b>100</b>	<b>1,037,039</b>	<b>730,396</b>	<b>16,773</b>	<b>14,499</b>

## By region

	Recognised revenue from sale of properties (RMB'000)		% of recognised revenue from sale of properties (%)		Total GFA delivered (sq.m.)		Recognised ASP (RMB/sq.m.)	
	2018	2017	2018	2017	2018	2017	2018	2017
Yangtze River Delta	12,997,797	8,653,687	74.7	81.7	616,436	554,062	21,085	15,619
Central Western Region	2,837,685	1,391,660	16.3	13.1	244,325	121,226	11,614	11,480
Pan Bohai Rim	1,559,026	544,853	9.0	5.2	176,278	55,108	8,844	9,887
<b>Total</b>	<b>17,394,508</b>	<b>10,590,200</b>	<b>100</b>	<b>100</b>	<b>1,037,039</b>	<b>730,396</b>	<b>16,773</b>	<b>14,499</b>

## By first-, second- and third-tier cities

	Recognised revenue from sale of properties (RMB'000)		% of recognised revenue from sale of properties (%)		Total GFA delivered (sq.m.)		Recognised ASP (RMB/sq.m.)	
	2018	2017	2018	2017	2018	2017	2018	2017
First-tier cities	665,934	4,470,573	3.8	42.2	28,763	110,366	23,152	40,507
Second-tier cities	16,628,235	4,681,271	95.6	44.2	993,670	384,272	16,734	12,182
Third-tier cities	100,339	1,438,356	0.6	13.6	14,606	235,758	6,870	6,101
<b>Total</b>	<b>17,394,508</b>	<b>10,590,200</b>	<b>100</b>	<b>100</b>	<b>1,037,039</b>	<b>730,396</b>	<b>16,773</b>	<b>14,499</b>

### Notes:

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

## Completed properties held for sale

During the six months ended 30 June 2018, the total GFA of newly completed projects of the Group amounted to approximately 2.6 million sq.m. comprising 1.1 million sq.m. by its subsidiaries and 1.5 million sq.m. by its joint ventures or associated companies. As at 30 June 2018, the Group had over 80 completed properties projects with a total and attributable unsold or undelivered GFA of approximately 6.2 million sq.m. and 4.0 million sq.m. respectively.

## Properties under development/held for future development

As at 30 June 2018, the Group had over 160 property projects under development or held for future development with a total and attributable GFA of approximately 34.2 million sq.m. and 17.1 million sq.m. respectively.

## PROPERTY INVESTMENT

### Rental income

The Group's rental income during the six months ended 30 June 2018 was approximately RMB56.9 million, increased by 11.6% year-on-year. The rental income in first half 2018 were mainly contributed by Jiaxing CIFI Square, Shanghai CIFI Haishang International, Chongqing CIFI City and Shanghai CIFI Pure Center, with its growth mainly derived from new rental contribution from Chongqing CIFI City and Shanghai CIFI Pure Center.

### Investment properties

As at 30 June 2018, the Group had 16 investment properties with a total and attributable GFA of approximately 775,000 sq.m. and 444,000 sq.m, respectively, of which, 9 investment properties with a total and attributable 230,000 sq.m GFA of approximately 191,000 sq.m. had commenced leasing.

## FINANCIAL REVIEW

### Revenue

During the six months ended 30 June 2018, the Group's recognized revenue was approximately RMB18,420.5 million, up by 64.0% year-on-year. Out of the Group's total recognized revenue during the six months ended 30 June 2018, (i) sales of property increased by 64.3% from the corresponding period of last year to approximately RMB17,394.5 million; (ii) rental income increased by 11.6% from the corresponding period of last year; and (iii) project management and other related service income increased by 63.1% from the corresponding period of last year.

*Table 3: Breakdown of recognized revenue for the six months ended 30 June 2018*

	Six months ended 30 June 2018		Six months ended 30 June 2017		Year-on- year change (%)
	Recognized revenue (RMB'000)	% of total recognized revenue (%)	Recognized revenue (RMB'000)	% of total recognized revenue (%)	
Sales of properties	17,394,508	94.4	10,590,200	94.3	64.3
Rental income	56,906	0.3	50,986	0.5	11.6
Project management and other related service income	969,106	5.3	594,173	5.2	63.1
Total	<u>18,420,520</u>	<u>100.0</u>	<u>11,235,359</u>	<u>100.0</u>	64.0

## **Cost of sales**

The Group's cost of sales during the six months ended 30 June 2018 was approximately RMB14,068.6 million, up by 83.2% from the corresponding period of last year.

## **Gross profit and gross profit margin**

The Group's reported gross profit during the six months ended 30 June 2018 was approximately RMB4,351.9 million, up by 22.4% compared to RMB3,555.0 million for the corresponding period in 2017.

During the six months ended 30 June 2018, the reported gross profits were understated by the accounting treatment due to re-classification of certain project companies from non-consolidating joint ventures or associated companies to subsidiaries of the Group. There was no such accounting impact on the reported gross profit in the corresponding period in 2017.

Eliminating the accounting effect of remeasurement of fair value of the costs of relevant properties delivered, the adjusted gross profit during the six months ended 30 June 2018 was up by 74.5% compared to the gross profit during the corresponding period in 2017 of RMB6,201.8 million.

Our adjusted gross profit margin (excluding the accounting effects due to increase of equity interests in certain projects) was 33.7% during the six months ended 30 June 2018, which remained high compared to the reported gross margin of 31.6% in the corresponding period in 2017.

## **Gain on remeasurement**

During the six months ended 30 June 2018, the Group reclassified the accounting treatment of certain project companies resulting in financial consolidation of such project as subsidiaries. As a result, during the period, the Group recognized a gain of RMB903.4 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 treating them as subsidiaries).

## **Net exchange gain (loss) from hedging arrangements**

During the six months ended 30 June 2018, the Group incurred net exchange gain of RMB16.5 million due to the effects of RMB exchange rate fluctuations during the period, compared to RMB213.3 million in the corresponding period of last year.

Starting in early 2016, the Group had entered into currency capped forward contracts to hedge certain of its foreign currency exposure in non-RMB denominated indebtedness. Accordingly, during the six months ended 30 June 2018, the Group recorded in a fair value loss on derivative financial instruments of RMB109.7 million (30 June 2017: loss of RMB165.7 million) due to the corresponding accounting loss from these hedging arrangements.

### **Change in fair value of investment properties**

During the six months ended 30 June 2018, the Group recognized a fair value gain on investment properties of approximately RMB269.2 million as compared to approximately RMB19.3 million in the corresponding period of last year.

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

### **Selling and marketing expenses**

The Group's selling and marketing expenses increased by 52.5% to approximately RMB413.2 million during the six months ended 30 June 2018 from approximately RMB271.0 million in the corresponding period of last year. This increase was in line with the Group's new launches of property projects available for pre-sale in 2018.

### **Administrative and other expenses**

The Group's administrative expenses increased by 74.5% to approximately RMB1,044.9 million during the six months ended 30 June 2018 from approximately RMB598.8 million in the corresponding period of last year. This increase was primarily due to the Group's business expansion.

### **Share of results of joint ventures and associates**

The Group's share of results of joint ventures and associates amounted to profits of RMB1,107.9 million during the six months ended 30 June 2018, versus profits of RMB1,523.5 million in the corresponding period of last year. Included in the share of results of joint ventures and associates in the six months ended 30 June 2018 were RMB22.2 million share of exchange loss and RMB174.9million share of gain in the fair value of investment properties under construction.

Eliminating the effects of exchange loss and fair value gains, the Group's share of results of joint ventures and associates were profits of RMB955.2 million during the six months ended 30 June 2018, compared to profits of RMB743.6 million in the corresponding period of last year.

### **Finance costs**

The Group's finance costs expensed during the six months ended 30 June 2018 was approximately RMB135.3 million, versus RMB99.6 million in the corresponding period of last year. 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 64.7% to approximately RMB1,728.4 million during the six months ended 30 June 2018 from RMB1,049.4 million in the corresponding period of last year. The increase in total finance costs expensed and capitalized was mainly due to the increase of the Group's total indebtedness level. The Group's total indebtedness was RMB70.58 billion as at 30 June 2018, compared to RMB47.24 billion as at 31 December 2017 and RMB39.56 billion as at 30 June 2017. The Group's weighted average cost of indebtedness as at 30 June 2018 was 5.3%, compared to 5.2% as at 31 December 2017 and 5.0% as at 30 June 2017.

### **Income tax expenses**

The Group's income tax expenses increased by 6.3% to approximately RMB1,658.8 million during the six months ended 30 June 2018 from approximately RMB1,561.1 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") less deferred taxation during the year. The Group's effective income tax rate was 28.4% during the six months ended 30 June 2018, versus 37.4% in the corresponding period of last year.

The Group made LAT provisions of approximately RMB1,266.9 million during the six months ended 30 June 2018 versus approximately RMB853.8 million in the corresponding period of last year. The Group made actual LAT payments of approximately RMB732.5 million during the six months ended 30 June 2018 versus approximately RMB404.0 million in the corresponding period of last year. As at 30 June 2018, the Group had accumulated unpaid LAT provisions of approximately RMB2,142.9 million.

### **Profit for the period**

As a result of the factors described above, the Group's profit before taxation increased by 40.0% to approximately RMB5,835.6 million during the six months ended 30 June 2018 from approximately RMB4,169.0 million in the corresponding period of last year. The Group's profit and total comprehensive income for the period increased by 60.2% to approximately RMB4,176.8 million during the six months ended 30 June 2018 from approximately RMB2,607.9 million in the corresponding period of last year. The Group's net profit attributable to equity owners increased by 58.6% to approximately RMB3,419.2 million during the six months ended 30 June 2018 from approximately RMB2,156.2 million in the corresponding period of last year.

The Group's core net profit attributable to equity owners increased by 59.0% to approximately RMB2,445.7 million during the six months ended 30 June 2018 from approximately RMB1,537.5 million in the corresponding period of last year. The corresponding core net profit margin was 13.3% during the six months ended 30 June 2018, compared to 13.7% in the corresponding period in 2017 and 12.8% in the full year of 2017.



## LAND BANK

As at 30 June 2018, the total GFA of the Group's land bank was approximately 40.4 million sq.m., and the attributable GFA of the Group's land bank was approximately 21.1 million sq.m.

**Table 4: Breakdown of the Group's land bank as at 30 June 2018**

*By project*

Project	Primary Intended use of the project	Remaining unrecognized saleable/Rentable GFA remaining unsold (carpark excluded) (sq.m.)	Interest attributable to the Group (%)
<b>Completed properties</b>			
<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	16,327	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	5,421	100.0
Shanghai Greenland CIFI E World Center	Office/Commercial	11,581	50.0
Shanghai Elite Mansion	Residential	10,155	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	12,178	67.5
Shanghai CIFI Shilu	Residential	1,803	100.0
Shanghai CIFI Pure Center	Office/Commercial	4,317	45.0
Shanghai CIFI Pure Center	Investment properties	29,663	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	13,201	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



<b>Project</b>	<b>Primary Intended use of the project</b>	<b>Remaining unrecognized saleable/Rentable GFA remaining unsold (carpark excluded) (sq.m.)</b>	<b>Interest attributable to the Group (%)</b>
Suzhou CIFI Private Mansion	Residential	9,440	100.0
Suzhou CIFI Private Mansion Usonian City Villa	Residential	11,247	100.0
Suzhou CIFI Elegant City	Residential	20,868	100.0
Suzhou CIFI Sunny Life	Residential	6,837	100.0
Suzhou CIFI Apple Paradise	Residential	46,527	50.0
Suzhou CIFI Park Mansion	Residential	2,739	100.0
Suzhou Henderson CIFI City	Residential	94,916	50.0
Suzhou North Star CIFI No.1 Courtyard	Residential	50,942	50.0
Suzhou CIFI Lake Mansion	Residential	66,430	40.0
Hefei CIFI Central Park	Residential	1,323	100.0
Hefei CIFI Private Mansion	Residential	32,865	100.0
Hefei North Star CIFI Park Mansion Luzhou	Residential	191,076	50.0
Hefei CIFI Lake Betsuin	Residential	339,142	50.0
Zhenjiang CIFI Times	Residential & Office	4,405	100.0
Nanjing CIFI Yincheng Baimalanshan	Residential	2,561	51.0
Nanjing CIFI Nine Modern Life	Residential	243	100.0
Nanjing CIFI Park Mansion Qinhuai	Residential	8,385	100.0
Nanjing North Star CIFI Park Mansion Jin Ling	Residential	762	49.0
Jiaxing CIFI Square (Commercial)	Investment properties	82,600	100.0
Jiaxing CIFI Ronchamp Town	Residential	3,501	100.0
Hangzhou Henderson CIFI Palace	Residential	13,021	100.0
Hangzhou Greenland CIFI Glorious City	Residential	10,170	50.0
Hangzhou Shunfa CIFI Honor Mansion	Residential	2,556	30.0
Hangzhou Binjiang CIFI Wanjiazhixing	Residential	695	35.0
Hangzhou CIFI Times City	Residential/Commercial	73,956	100.0
Hangzhou CIFI Dongfangyuefu	Residential	1,759	29.0
Ningbo CIFI Bochenfu	Residential/Commercial	9,301	100.0
<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	13,602	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

<b>Project</b>	<b>Primary Intended use of the project</b>	<b>Remaining unrecognized saleable/Rentable GFA remaining unsold (carpark excluded) (sq.m.)</b>	<b>Interest attributable to the Group (%)</b>
Beijing CIFI N0.26 Block	Office/Commercial	127,925	10.0
Beijing Tianheng CIFI No.7 Courtyard	Residential/Commercial	165,252	49.0
Beijing Vanke World	Office/Commercial	78,177	26.5
Langfang CIFI Path Walf	Residential	36,474	100.0
Tianjin CIFI Rosedale	Residential	3,993	100.0
Tianjin CIFI Private Mansion	Residential	12,587	100.0
Tianjin CIFI Paradise Bay	Residential	111,310	25.0
Tianjin CIFI Yannan Garden	Residential	93,551	100.0
Tianjin Chengshizhiguang	Residential	109,965	25.0
Shenyang CIFI Jin Court	Residential	533	100.0
Shenyang Gemdale CIFI Jiuyunfenghua	Residential	20,500	50.0
Shenyang CIFI Dongyuecheng	Residential/Commercial	248,931	70.0
Shenyang CIFI Fantastic Apartmenet	Residential	250	100.0
Qingdao CIFI Yinshengtai Dejun Fifth Phase Project	Residential	39,110	50.0
Qingdao Shuxiang bancheng	Residential	2,670	27.5
Jinan Changhe Estate	Residential	85,858	20.0
<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	39,241	100.0
Chongqing CIFI City	Residential	138,026	100.0
Chongqing CIFI City	Office/Commercial	95,332	100.0
Chongqing CIFI City	Investment properties	46,607	100.0
Chongqing Dongyuan CIFI Jiangshan Yue	Residential/Commercial	527,439	30.0
Changsha CIFI Private Mansion	Residential	106,026	100.0
Changsha CIFI International Plaza	Residential	1,541	100.0
Changsha CIFI International Plaza	Office/Commercial	20,921	100.0
Changsha CIFI International Plaza	Investment properties	24,243	100.0
Changsha CIFI Dream Mansion	Residential	6,531	80.0
Xi'an CIFI Centre (Economic and Technological Development Zone, Ronghua International Project)	Office/Commercial	54,495	95.0
Wuhan CIFI Private Mansion	Residential	13,585	100.0
Wuhan Yulong CIFI Peninsula	Residential/Commercial	221,990	55.0
Wuhan CIFI Tower (Wuchang District, Phoenix Building Project)	Office/Commercial	46,624	51.0

<b>Project</b>	<b>Primary Intended use of the project</b>	<b>Remaining unrecognized saleable/Rentable GFA remaining unsold (carpark excluded) (sq.m.)</b>	<b>Interest attributable to the Group (%)</b>
<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>2,045,256</u>	
GRAND TOTAL		<u>6,238,088</u>	

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) (sq.m.)	Pre-sold (sq.m.)	Interest attributable to the Group (%)
<b>Properties under development and held for future development</b>						
<i>Yangtze River Delta</i>						
Shanghai CIFI La Baie D'Evian	Residential	2019	189,800	24,500	–	100.0
Shanghai Jiuting Center	Residential/Commercial	2018-2019	83,400	154,560	–	34.0
Shanghai Jiuting Center	Investment properties	2018-2019		72,540	–	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	Investment properties	2018	11,648	45,427	–	50.0
Shanghai Huangpu District, Madang Road Project	Office/Commercial	2020	8,600	25,800	–	50.0
Shanghai Yangpu District, Dinghai Community Project	Office/Commercial	2020	36,500	109,500	–	50.0
Suzhou CIFI Wujiang Mansion	Residential	2019	96,278	173,300	93,426	50.0
Suzhou Henderson CIFI Riverside Park	Residential/Commercial	2018	N/A	115,118	81,507	30.0
Suzhou Henderson CIFI Discovery Island	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 CIFI Exquisite Mansion	Residential	2019	18,000	36,200	–	100.0
Jiaxing Jiashan CIFI M City	Residential	2019	64,900	142,700	21,705	100.0
Jiaxing The Landscape of Pinghu	Residential	2019	26,000	39,000	–	100.0
Jiaxing CIFI Star City	Residential	2019	107,300	214,600	–	100.0
Jiaxing Jiashan County, No. 2012-42 Project	Residential	2019	25,100	45,200	–	50.0
Jiaxing Jiashan County, No. 2016-7 Project	Residential	2019	14,500	29,000	–	50.0
Jiaxing CIFI One City	Residential	2020	58,900	106,000	–	50.0
Jiaxing Jiashan County, No. 34 Project	Residential	2020	35,600	89,100	–	51.0
Jiaxing Jiashan County, No. 54 Project	Residential	2020	48,400	120,100	–	49.0
Yixing Grand Lakeview	Residential/Commercial	2018-2021	N/A	485,665	–	50.0
Hangzhou CIFI Yunheyuezhong	Residential	2018	35,300	90,800	87,281	100.0
Hangzhou Vanke CIFI Luna Sea	Residential/Commercial	2018	57,600	143,900	80,766	33.0
Hangzhou CIFI & H-CHANGE GROUP Metropolis Mansion	Commercial	2018	29,800	86,400	84,602	100.0
Hangzhou CIFI Junyuefu	Residential	2018	57,394	114,788	112,051	23.0
Hangzhou Longfor CIFI Crystal Central	Residential	2018	34,172	95,682	19,525	20.0
Hangzhou CIFI POWERLONG East Lake City	Residential	2018	88,494	203,536	115,829	100.0
Hangzhou Dongyuan Majestic Mansion	Residential	2019	93,300	201,000	–	100.0
Hangzhou Xiaoshan District, Beigandanyuan Project	Residential/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	Residential	2019	21,200	46,700	45,595	33.0
Hangzhou Linan District, Tianmushan Project	Office/Commercial	2021	1,195,200	49,900	–	100.0
Hangzhou Linan District, Yuqian Project	Office/Commercial	2021	755,400	35,900	–	100.0
Hangzhou Linan District, Qingshanhu, Keji Cheng Project	Residential	2020	63,500	158,700	–	50.0
Hangzhou Xiaoshan District, Shushan Project	Residential	2019	26,600	71,800	–	50.0

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) (sq.m.)	Pre-sold (sq.m.)	Interest attributable to the Group (%)
Hangzhou Lin'an District, Qingshan Lake Sci-tech City Light Rail Project	Residential/Commercial	2020	120,800	333,400	–	50.0
Hefei CIFI Ronchamp Courtyard	Residential	2019	99,972	235,934	246,165	22.5
Hefei CIFI Xizi Grace City	Residential	2020	104,800	225,200	221,031	15.2
Hefei CIFI Wonderful Mansion	Residential	2020	139,700	297,600	300,550	20.0
Hefei CIFI Jiuzhu Mansion	Residential	2019	22,600	56,400	16,261	100.0
Hefei CIFI Metro Politan	Residential	2020	111,400	245,000	89,972	17.0
Hefei New Station District, No. 215 Project	Residential	2020	85,500	154,000	–	51.0
Hefei CIFI Lake Mansion	Residential/Commercial	2020	130,900	295,900	166,979	21.5
Hefei CIFI Glory Land	Residential	2020	151,400	229,700	108,724	30.0
Hefei CIFI Jade Seal	Residential/Commercial	2020	178,000	387,100	158,657	25.4
Hefei Luyang District, No.1704 Project	Residential	2020-2021	92,200	174,200	–	100.0
Wuxi CIFI Times	Residential	2019	137,900	413,800	136,440	60.0
Wuxi Jiangyin City Project	Residential	2019	126,300	220,000	–	100.0
Ningbo CIFI Shanghucheng	Residential	2021	157,100	350,100	207,370	33.0
Ningbo Powerlong Sanjiang Palace	Residential	2019	51,600	103,200	–	50.0
Ningbo CIFI Landscape Poetry	Residential	2019-2020	184,200	300,300	–	50.0
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/Commercial	2020	54,200	178,200	–	20.0
Nanjing Jiangning District, G66 Project	Residential	2019	14,700	29,400	–	100.0
Nanjing Jiangning District, Jiulong Lake G58 Project	Office/Commercial	2020	26,700	133,300	–	33.0
Wenzhou CIFI future city	Residential	2019	51,400	139,100	102,612	33.0
Wenzhou COUNTRY GARDEN CIFI Lake mansion	Residential	2019	74,800	149,700	131,706	50.0
Wenzhou Oujiang River Estuary Area, C-03AE Project	Residential	2020	131,100	219,900	–	34.0
Wenzhou Oujiang River Estuary Area, C-11FH Project	Residential	2021	148,400	178,100	–	34.0
Wenzhou Oujiang River Estuary Area, C-05A Project	Residential	2021	141,800	212,700	–	31.0
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
Nanchang CIFI Lingyun Mansion	Residential	2020	28,000	50,400	26,207	34.0
Nantong Gangzha District, No. R18013 Project	Residential	2020	56,500	78,400	–	100.0
Changzhou Tianning District, Changgaoji South Project	Residential	2020	68,000	149,600	–	100.0
Quzhou Kecheng District, Railway Station Wanda East Project	Residential/Commercial	2020	97,600	182,100	–	100.0
Taizhou Jiaojiang District, Hongjia Street Project	Residential/Commercial	2020	28,200	57,400	–	100.0
Wuhu Yijiang District, Yuanmutang Project	Residential	2020	124,100	272,900	–	40.0
Xuzhou Gulou District, Huanghe North Road Project	Residential/Commercial	2020	62,600	163,500	–	100.0
Xuzhou Kingshanzi Industrial Park, Dasanjiao Project	Residential	2019	57,400	160,800	–	50.0
Xuzhou Tongshan District, No.36 Project	Residential	2019	48,000	96,000	7,335	50.0
Zhangjiagang Nanhu Road, No. 2013-B28-A Project	Residential	2019	69,800	73,300	–	100.0
Zhangjiagang Jingang Avenue, No. 2013-B27 Project	Residential	2019	27,100	40,600	–	100.0
Zhenjiang Jurong city, Baohua Mudan Road West Side Project	Residential	2019	52,400	131,000	–	33.0

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) (sq.m.)	Pre-sold (sq.m.)	Interest attributable to the Group (%)
<i>Pan Bohai Rim</i>						
Beijing Fangshan District, Gongchen Street, No. 0007 Project	Office/Commercial	2019	10,384	25,960	–	100.0
Beijing Fengtai District, Zhuangwei B10 Project	Office/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/Commercial	2020	65,600	120,200	–	24.5
Beijing Chaoyang District, Dongba Project	Residential	2019	78,000	194,900	–	26.0
Beijing Chaoyang District, Sunhe Project	Residential	2020	53,500	58,900	–	50.0
Shijiazhuang Yuhua District, Nanli Village Project	Residential/Commercial	2020	28,700	92,200	–	77.0
Tianjin CIFI No.6 Courtyard	Residential	2018	96,089	99,900	97,655	70.0
Tianjin CIFI Tianyuefenghua	Residential	2019	150,241	202,825	89,369	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	2018	55,800	139,400	–	40.0
Tianjin CIFI The Garden Habitat	Residential	2020	362,500	561,000	96,730	20.0
Qingdao CIFI Yinshengtai Starry City	Residential	2019	104,900	187,000	163,677	50.0
Qingdao CIFI Yinshengtai Zhengyang Mansion	Residential	2020	98,600	243,700	–	50.0
Qingdao Jiaozhou City, Taihu Road Project	Residential/Commercial	2021	156,400	299,200	–	37.5
Qingdao CIFI Yinshengtai Boguanjinan East	Residential	2019	13,800	21,600	11,711	50.0
Qingdao CIFI Yinshengtai Boguanjinan West	Residential	2020	63,700	136,200	–	50.0
Qingdao CIFI Yinshengtai Boguanxinghai First Phase	Residential	2020	18,600	58,700	29,805	50.0
Qingdao CIFI Yinshengtai Boguanxinghai Second Phase	Residential	2020	24,100	34,900	–	50.0
Qingdao CIFI Yinshengtai Boguanyipin	Residential/Commercial	2019	32,000	34,700	13,227	50.0
Jinan Licheng District, Fengshenlu Project	Residential	2019	40,000	112,000	–	100.0
Jinan CIFI Yinshengtai Jinyu Lanshan	Residential	2019	34,100	102,800	105,036	50.0
Jinan Licheng District, Hancanghe Project	Residential/Commercial	2021	126,600	278,600	–	43.5
Jinan Shizhong District, Boguanshanyue Project	Residential	2020	24,900	60,300	–	25.5
Shenyang CIFI Luxury Mansion	Residential	2020	84,832	186,630	121,133	100.0
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/Commercial	2022	85,600	188,300	–	100.0
Shenyang CIFI Metropolis A.D.	Residential/Commercial	2021	16,200	113,700	–	20.0
Shenyang Zhongnan CIFI Harmonious Mansion	Residential/Commercial	2020-2021	99,500	199,100	–	40.0
Shenyang Shenhe District, Tuanjie Road No. 59 Project	Residential	2020	29,400	223,600	–	100.0
Dalian Shahekou District, Police Affairs Training Base Project	Residential/Commercial	2019	16,100	16,300	–	100.0
Linyi Xinghe City	Residential/Commercial	2021	203,100	408,700	151,013	25.5
Linyi CIFI Yinshengtai, Boguanxincheng East	Residential	2019-2020	86,700	153,000	–	35.0
Linyi CIFI Yinshengtai, Boguanxincheng West	Residential	2020	59,900	221,100	–	35.0
Jining High-tech Zone, Fangyuanxinju South Project	Residential	2020	58,400	64,200	–	100.0
Weifang Kuiwen District, Jinma Road Project	Residential	2020	68,800	151,500	–	40.0
Zibo High-tech Zone, Huabei Road Project	Residential	2019	33,600	67,300	–	45.0

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) (sq.m.)	Pre-sold (sq.m.)	Interest attributable to the Group (%)
<i>Central Western Region</i>						
Chongqing CIFI Prime Orienting	Residential/Commercial	2018-2019	150,519	443,781	147,557	33.3
Chongqing CIFI The essence of river	Residential	2020	26,400	105,600	67,557	100.0
Chongqing CIFI Jiangzhou Impression	Residential	2022	128,000	473,600	91,172	50.0
Chongqing CIFI Waves River	Residential	2021	293,000	759,900	–	33.0
Chongqing Yubei District, Huayu Lijia Project	Residential/Commercial	2022	221,100	601,600	–	30.0
Chongqing Yuzhong District, Shidaitianje Project	Residential	2020	14,400	60,000	–	33.0
Chongqing Jiangbei District, Dashiba Project	Residential	2019	4,500	15,700	–	100.0
Chongqing Shapingba District, F6-1/F7 Project	Residential/Commercial	2019	8,500	27,700	–	100.0
Chongqing Banan District, Yu Dong No. 18032 Project	Residential	2020-2021	200,200	389,500	–	50.0
Chongqing Banan District, Yudong Xiaonanhai 18051 Project	Residential	2020	92,000	230,000	–	100.0
Chongqing CIFI Panorama	Residential/Commercial	2019-2021	323,700	831,900	–	33.3
Chengdu Chenghua District, Jinxiuhuacheng Project	Residential	2019	84,900	169,800	36,547	30.0
Chengdu Chenghua District, Beichengzhongyang Project	Residential/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/Commercial	2019	49,800	99,600	–	51.0
Changsha Henderson Arch of Triumph	Residential/Commercial	2018-2019	N/A	230,222	226,157	30.0
Changsha Kaifu District, Dadi Project	Residential	2018-2019	518,697	830,356	–	50.0
Changsha Tianxin District, Aoyuan South Project	Residential/Commercial	2019	30,100	90,200	–	70.0
Xi'an Chanba Ecological District Project	Office/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
Xi'an Changning New District 31 mu Project	Residential	2019	20,600	41,200	–	50.8
Wuhan Hanyang District, Hanqiao Village Project Section B	Residential/Commercial	2019-2021	103,822	481,010	–	55.0
Wuhan Hongshan District, Qingling Village K1-2-4 Project	Residential/Commercial	2021	247,500	784,800	–	55.0
Wuhan Hongshan District, Qingling Village, K3 Project	Residential	2021	204,600	658,800	–	51.0
Wuhan Jiangxia District, Qixin Village Project	Residential	2020	70,200	238,400	–	59.5
Zhengzhou CIFI Grand Mansion	Residential	2020	69,400	173,600	81,444	21.0
Zhengzhou Zhengdong New Area, Baisha 5A Project	Residential	2020	46,800	154,000	–	70.0
Xuchang Dongcheng District Project	Residential	2020	55,300	159,800	–	100.0
<i>South China</i>						
Foshan Shunde District, Beijiao No. 005 Project	Residential	2020	81,500	203,600	–	100.0
Guangzhou Liwan District No.111, Baihua Road, Bai Hua Xiang Liao Chang Project	Residential	2018	31,900	143,600	–	19.0
Foshan CIFI Homeland	Residential/Commercial	2019-2020	114,319	285,796	53,207	100.0
Foshan CIFI City	Residential/Commercial	2019-2020	134,001	268,002	153,083	100.0
Foshan CIFI New Century	Residential/Commercial	2018	72,964	267,143	95,981	33.3
Sanya Yalong Bay Project	Office/Commercial	2018	46,930	18,772	5,133	50.0
Sanya Xin'aoliyang Project	Commercial	2019	200,000	50,000	–	51.0
Xiamen Xiangan 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
Zhongshan Nantou Town, Suixi Village No.162-163 Project	Residential	2020	39,800	99,400	–	33.0



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) (sq.m.)	Pre-sold (sq.m.)	Interest attributable to the Group (%)
Zhongshan Nantou Town, Suixi Village No. W02-17-0135 Project	Residential	2021	11,000	33,100	–	33.0
Zhongshan Nantou Town, Suixi Village No. W02-17-0137 Project	Residential	2020	34,300	85,700	–	22.0
Jiangmen Heshan City, Fangyuan yuedao Shoufu Project	Residential	2020	51,200	153,700	–	49.0
Jiangmen Pengjiang District No. 4 Project	Residential	2020	60,500	166,400	–	40.0
Quanzhou Shishi City, Baogai Town No. 2017S-40 Project	Residential	2020	68,000	169,900	–	100.0
Hong Kong Yau Tong Sze Shan Street Project	Residential	2020	sq.m. (41,080 sq.ft.)	Net saleable area: 21,368 sq.m. (230,000 sq.ft.)	–	50.0
Carpark				6,727,895	330,275	
TOTAL GFA of Properties under development and held for future development				34,151,067	4,863,081	
GRAND TOTAL (Completed, under development and for future development)				40,389,155		

*By region*

	% of total land bank by sq.m. (%)
Yangtze River Delta	42
Central Western Region	32
Pan Bohai Rim	20
South China	6
Total	100



By type of project

	<b>% of total land bank by sq.m. (%)</b>
Residential projects	83
Office-for-sale projects	16
Investment properties and others	1
	100

During the six months ended 30 June 2018, the Group purchased interest in a total of 67 new projects. During the period, the Group continued utilizing joint ventures strategies to jointly develop the newly acquired projects.

Total planned GFA of the Group's land acquisition in the first half of 2018 amounted to approximately 8.7 million sq.m., out of which 5.0 million sq.m. were attributable to the Group's equity interests. Total contracted consideration of the Group's land acquisition in the first half of 2018 amounted to approximately RMB53,008.0 million, out of which RMB29,192.0 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 2018 was approximately RMB6,100 per sq.m.

**Table 5: The Group's land acquisition in the first half of 2018**

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.)
<b>Land acquisition from January to June 2018</b>									
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
Hefei	Luyang District, No.1704 Project	Residential	51.00	92,200	174,200	88,800	1,784,700,000	910,200,000	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	50.00	27,100	40,600	20,300	287,460,000	143,730,000	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	25.00	53,500	58,900	14,700	3,365,000,000	841,250,000	57,152
Qingdao	Jiaozhou District, Boguanjinan East Project	Residential	100.00	13,800	21,600	21,600	95,620,000	95,620,000	4,427
Qingdao	Jiaozhou District, Boguanjinan West Project	Residential	100.00	63,700	136,200	136,200	402,520,000	402,520,000	2,955
Qingdao	Huangdao District, Boguanxinghai First Phrase Project	Residential	100.00	18,600	58,700	58,700	148,300,000	148,300,000	2,528
Qingdao	Huangdao District, Boguanxinghai Second Phrase Project	Residential	100.00	24,100	34,900	34,900	161,620,000	161,620,000	4,629

City	Project	Intended Primary Use	The Group's equity interest (%)	Site area (sq.m.)	Attributable		Total consideration (RMB)	Attributable consideration (RMB)	Average land cost (excluding carparks) (RMB/sq.m.)
					Planned GFA (excluding carparks) (sq.m.)	planned GFA (excluding carparks) (sq.m.)			
Qingdao	Chengyang District, Boguanyipin Project	Residential/Commercial	100.00	32,000	34,700	34,700	154,740,000	154,740,000	4,455
Qingdao	Chengyang District, Dejun Fifth Phrase Project	Residential	100.00	106,700	70,500	70,500	173,820,000	173,820,000	2,466
Qingdao	Chengyang District, Shuxiangjiayuan Project	Residential	100.00	87,400	44,200	44,200	304,320,000	304,320,000	6,892
Jinan	Shizhong District, Boguanshanyue Project	Residential	51.00	24,900	60,300	30,800	185,730,000	94,720,000	3,078
Linyi	Beicheng District, Boguanxincheng East Project	Residential	70.00	86,700	153,000	107,100	291,890,000	204,320,000	1,940
Linyi	Beicheng District, Boguanxincheng West Project	Residential	70.00	59,900	221,100	154,800	302,370,000	211,660,000	1,391
Jiaxing	Jiashan County, No. 2012-42 Project	Residential	49.00	25,100	45,200	22,100	401,860,000	196,910,000	8,889
Jiaxing	Jiashan County, No. 2016-7 Project	Residential	49.00	14,500	29,000	14,200	232,080,000	113,720,000	8,000
Jiaxing	Jiashan County, Huimin Project	Residential	49.00	58,900	106,000	51,900	789,260,000	386,740,000	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	50.00	8,500	27,700	13,900	212,000,000	106,000,000	7,650
Wuhan	Jiangxia District, Qixin Village Project	Residential	50.00	70,200	238,400	119,200	1,501,710,000	750,860,000	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	30.00	35,600	89,100	26,700	630,750,000	189,230,000	7,080
Jiaxing	Jiashan County, No. 35 Project	Residential	29.00	48,400	120,100	34,800	850,320,000	246,590,000	7,080
Wuxi	Jiangyin City Project	Residential	71.78	126,300	220,000	157,900	1,565,580,000	1,123,770,000	7,117
Zhengzhou	Zhengdong New Area, Baisha 5A Project	Residential	70.00	49,800	154,000	107,800	554,260,000	387,980,000	3,600
Ningbo	Yuyao City, No.24 Project	Residential	50.00	73,800	96,000	48,000	675,380,000	337,690,000	7,038
Ningbo	Yuyao City, No.25 Project	Residential	50.00	65,800	105,300	52,700	762,880,000	381,440,000	7,247
Ningbo	Yuyao City, No.26 Project	Residential	50.00	30,800	76,900	38,300	532,280,000	266,140,000	6,924
Ningbo	Yuyao City, No.27 Project	Residential	50.00	13,800	22,100	11,100	134,360,000	67,180,000	6,084
Zhongshan	Nantou Town, Suixi Village No.162-163 Project	Residential	33.00	39,800	99,400	32,800	529,000,000	174,570,000	5,322
Qingdao	Huangdao District, Shuxiang bancheng F2 Project	Residential	55.00	31,600	47,400	26,100	130,800,000	71,940,000	2,762
Quanzhou	Shishi City, Baogai Town, No. 2017S-40 Project	Residential	100.00	68,000	169,900	169,900	1,075,000,000	1,075,000,000	6,327
Nantong	Gangzha District, No. R18013 Project	Residential	51.00	56,500	78,400	40,000	849,750,000	433,370,000	10,839
Xuchang	Dongcheng District Project	Residential	100.00	55,400	159,800	159,800	601,100,000	601,100,000	3,762
Chongqing	Banan District, Yudong No. 18032 Project	Residential	100.00	200,200	389,500	389,500	1,620,000,000	1,620,000,000	4,159
Zibo	High-tech Zone, Huabei Road Project	Residential	100.00	33,600	67,300	67,300	120,790,000	120,790,000	1,795
Nanchang	High-tech Zone, No. 49 Project	Residential	34.00	28,000	50,400	17,100	147,310,000	50,090,000	2,925
Zhenjiang	Jurong city, Baohua Mudan Road West Side Project	Residential	33.00	52,400	131,000	43,200	790,800,000	260,960,000	6,038
Zhongshan	Nantou Town, Suixi Village, No. W02-17-0135 Project	Residential	33.00	11,000	33,100	10,900	148,890,000	49,130,000	4,500
Zhongshan	Nantou Town, Suixi Village, No. W02-17-0137 Project	Residential	22.00	34,300	85,700	18,900	326,440,000	71,820,000	3,810
Changzhou	Tianning District, Changgaoji South Project	Residential	100.00	68,000	149,600	149,600	1,530,000,000	1,530,000,000	10,228
Foshan	Shunde District, Beijiao No. 005 Project	Residential	60.00	81,500	203,600	122,200	1,980,000,000	1,188,000,000	9,723
Jining	High-tech Zone, Fangyuanxinju South Project	Residential	55.00	58,400	64,200	35,300	139,540,000	76,750,000	2,173
Quzhou	Kecheng District, Railway Station Wanda East Project	Residential/Commercial	50.00	97,600	182,100	91,100	911,000,000	455,500,000	5,002
Xuzhou	Gulou District, Huanghe North Road Project	Residential/Commercial	100.00	62,600	163,500	163,500	1,560,000,000	1,560,000,000	9,540
Xuzhou	Xingshanzi Industrial Park, Dasanjiao Project	Residential	50.00	57,400	160,800	80,400	762,600,000	381,300,000	4,742
Jiangmen	Heshan City, Fangyuanuedao Shoufu Project	Residential	40.00	51,200	153,700	61,500	889,250,000	355,700,000	5,786
Weifang	Kuiwen District, Jinma Road Project	Residential	40.00	68,800	151,500	60,600	621,670,000	248,670,000	4,105

City	Project	Intended Primary Use	The Group's equity interest (%)	Site area (sq.m.)	Attributable		Total consideration (RMB)	Attributable consideration (RMB)	Average land cost (excluding carparks) (RMB/sq.m.)
					Planned GFA (excluding carparks) (sq.m.)	planned GFA (excluding carparks) (sq.m.)			
Nanjing	Jiangning District, Jiulong Lake G58 Project	Office/Commercial	33.00	26,700	133,300	44,000	615,000,000	202,950,000	4,612
Chongqing	Banan District, Yudong Xiaonanhai 18051 Project	Residential	35.00	92,000	230,000	80,500	581,670,000	203,580,000	2,528
Shenyang	Shenhe District, Tuanjie Road No. 59 Project	Residential	100.00	29,400	223,600	223,600	1,073,370,000	1,073,370,000	4,800
Xi'an	Changning New District 31 mu Project	Residential	50.75	20,600	41,200	20,900	125,000,000	63,440,000	3,031
Hangzhou	Lin'an District, Qingshan Lake Sci-tech City Light Rail Project	Residential/Commercial	50.00	120,800	333,400	166,700	1,775,000,000	887,500,000	5,325
Xuzhou	Tongshan District, No.36 Project	Residential	50.00	48,000	96,000	48,000	192,160,000	96,080,000	2,002
Jiangmen	Pengjiang District No. 4 Project	Residential	40.00	60,500	166,400	66,600	1,146,850,000	458,740,000	6,894
Wuhu	Yijiang District, Yuanmutang Project	Residential	40.00	124,100	272,900	109,200	1,486,850,000	594,740,000	5,448
Chongqing	Liangjiang New Area, Yuelai 18061 Project	Residential/Commercial	33.30	162,000	444,600	148,100	2,450,000,000	815,850,000	5,510
Chongqing	Liangjiang New Area, Yuelai 18065 Project	Residential/Commercial	33.30	161,700	387,300	129,000	2,320,000,000	772,560,000	5,990
Wenzhou	Oujiang River Estuary Area, C-03AE Project	Residential	34.00	131,100	219,900	74,800	431,000,000	146,540,000	1,960
Wenzhou	Oujiang River Estuary Area, C-11FH Project	Residential	34.00	148,400	178,100	60,600	466,000,000	158,440,000	2,617
Wenzhou	Oujiang River Estuary Area, C-05A Project	Residential	31.00	141,800	212,700	65,900	466,000,000	144,460,000	2,191
				First 6M 2018	<u>8,690,300</u>	<u>4,975,600</u>	<u>53,007,820,000</u>	<u>29,192,410,000</u>	<u>6,100</u>
<b>Land Acquisition Subsequent to 30 June 2018</b>									
Hangzhou	Xiaoshan District, Shushan Community Zengjiaqiao Project	Residential	100.00	98,300	275,100	275,100	3,706,750,000	3,706,750,000	13,400
Foshan	Sanshui District, Yundonghai Street 009 Project	Residential	100.00	27,900	69,800	69,800	494,600,000	494,600,000	7,087
Guiyang	Baiyun District, Yangshanhong Nanhu G(18)048 Project	Residential/Commercial	100.00	64,300	199,200	199,200	579,960,000	579,960,000	2,911
Wenzhou	Leqing City, Zhongxin Central	Residential	33.00	25,300	65,800	21,700	691,000,000	228,030,000	10,499
Kunshan	Bacheng Town, No. 12-8 Project	Residential	31.10	128,200	248,800	77,400	1,451,100,000	451,290,000	5,832
				First 7M 2018	<u>9,549,000</u>	<u>5,618,800</u>	<u>59,931,230,000</u>	<u>34,653,040,000</u>	<u>6,276</u>

## LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

### Cash position

The Group had cash and bank balances of approximately RMB35,823.3 million (31 December 2017: approximately RMB29,786.9 million) and restricted bank deposits of approximately RMB3,274.0 million (2017: Nil).

### Indebtedness

As at 30 June 2018, the Group had outstanding total borrowings amounted to approximately RMB70,559.4 million (31 December 2017: RMB47,239.1 million), comprising bank and other loans of approximately RMB44,653.4 million (31 December 2017: RMB33,113.0 million), onshore corporate bonds with a carrying amount of RMB11,803.1 million (31 December 2017: RMB9,628.0 million), convertible bonds with a carrying amount of RMB2,275.5 million (31 December 2017: nil) and offshore senior notes with a carrying amount of RMB11,827.4 million (31 December 2017: RMB4,498.1 million).

**Table 6: Breakdown of indebtedness***By type of borrowings and maturity*

	<b>At 30 June 2018 RMB'000</b>	At 31 December 2017 RMB'000
<b>Onshore bank loans</b>		
Within one year	5,141,751	3,253,907
Over one years and within two years	5,004,298	1,895,410
Over two years and within three years	11,572,011	6,775,429
Over three years and within four years	4,733,300	2,080,000
Over four years and within five years	782,429	3,300,241
Over five years	433,920	402,910
<b>Subtotal</b>	<b>27,667,709</b>	<b>17,707,897</b>
<b>Onshore corporate bonds</b>		
Within one year	3,611,346	5,093,233
Over one years and within two years	4,414,398	–
Over two years and within three years	3,258,182	–
Over three years and within four years	519,167	4,534,737
<b>Subtotal</b>	<b>11,803,093</b>	<b>9,627,970</b>
<b>Offshore bank loans</b>		
Within one year	3,937,878	3,473,201
Over one year and within two years	2,704,198	3,661,247
Over two years and within three years	9,930,284	7,092,762
Over three years and within four years	413,290	1,177,908
<b>Subtotal</b>	<b>16,985,650</b>	<b>15,405,118</b>
<b>Debt component of convertible bonds</b>		
Within one year	2,275,497	–
<b>Subtotal</b>	<b>2,275,497</b>	<b>–</b>
<b>Offshore senior notes</b>		
Over one year and within two years	4,660,651	–
Over two years and within three years	3,302,371	2,651,344
Over three years and within four years	1,877,609	–
Over four years and within five years	1,986,805	1,846,780
<b>Subtotal</b>	<b>11,827,436</b>	<b>4,498,124</b>
<b>TOTAL</b>	<b>70,559,385</b>	<b>47,239,109</b>

*By currency denomination*

	<b>At 30 June 2018 RMB'000</b>	At 31 December 2017 RMB'000
Analysis of borrowings by currency		
– Denominated in RMB	<b>40,398,303</b>	28,270,867
– Denominated in USD	<b>21,125,132</b>	12,740,798
– Denominated in HKD	<b>9,035,950</b>	6,227,444
	<b><u>70,559,385</u></b>	<u>47,239,109</u>

*By fixed or variable interest rates*

	<b>At 30 June 2018 RMB'000</b>	At 31 December 2017 RMB'000
Fixed interest rates	<b>27,971,837</b>	17,505,439
Variable interest rates	<b>42,587,548</b>	29,733,670
	<b><u>70,559,385</u></b>	<u>47,239,109</u>

*Secured versus unsecured*

	<b>At 30 June 2018 RMB'000</b>	At 31 December 2017 RMB'000
Secured borrowings	<b>32,601,873</b>	22,493,276
Unsecured borrowings	<b>37,957,512</b>	24,745,833
	<b><u>70,559,385</u></b>	<u>47,239,109</u>

**Cost of borrowings**

The Group's total finance costs expensed and capitalized in first half of 2018 was approximately RMB1,728.4 million, representing an increase of 64.7% from RMB1,049.4 million in first half of 2017. The increase was due to the increase of the Group's total indebtedness level.

The Group's weighted average cost of all indebtedness (including bank and other loans, onshore corporate bonds and offshore senior notes) as at 30 June 2018 was 5.3%, compared to 5.2% as at 31 December 2017.

## 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 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 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 30 June 2018, the Group had entered into capped forward contracts with an aggregate contract value of US\$617 million, out of which US\$450 million were capped forward contracts at Capped Gain Rates of 7.5 while US\$167 million were capped forward contracts 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 30 June 2018. 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 30 June 2018, the Group provided mortgage guarantees in respect of mortgage loans provided by the PRC banks to the Group's customers amounting to approximately RMB18,997.8 million (versus 31 December 2017: approximately RMB12,714.6 million).

During the period, 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 the joint ventures and associates developing their projects. As at 30 June 2018, the Group's aggregate share of such guarantees provided in respective of loans incurred by these joint venture companies amounted to approximately RMB2,784.5 million (31 December 2017: approximately RMB1,666.4 million) and associate companies amounted to approximately RMB1,656.4 million (31 December 2017: approximately RMB965.5 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 72.0% as at 30 June 2018 versus approximately 50.9% as at 31 December 2017. The Group's debt-to-asset ratio (total indebtedness divided by total assets) was approximately 30.7% as at 30 June 2018 versus approximately 31.3% as at 31 December 2017. The Group's current ratio (current assets divided by current liabilities) was approximately 1.6 times as at 30 June 2018 versus approximately 1.6 times as at 31 December 2017.



## **PAYMENT OF INTERIM DIVIDEND**

The Board declared payment of an interim dividend for the six months ended 30 June 2018 of RMB6.09 cents per share (or equivalent to HK7 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 declaration of such dividend) (the "Interim Dividend"). Based on the total number of issued shares of the Company as at the date of this announcement, the Interim Dividend amounts to approximately HK\$542 million (approximately RMB472 million). The Interim Dividend will be paid on Monday, 22 October 2018 to the shareholders whose names appear on the register of members of the Company on Friday, 28 September 2018.

## **CLOSURE OF THE REGISTER OF MEMBERS**

The register of members of the Company will be closed from Wednesday, 26 September 2018 to Friday, 28 September 2018, 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 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, 24 September 2018.

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

On 22 January 2016, CIFI China, a wholly-owned subsidiary of the Company incorporated in the PRC, issued non-public domestic corporate bonds of RMB2 billion ("2018 Due Non-Public Domestic Corporate Bonds"), which were listed on the Shanghai Stock Exchange with tenure of 2 years (with the issuer's right to adjust the coupon rate and investors' option to require the issuer to repurchase the bonds, at the end of first year after the issue).

On 19 January 2017, RMB500 million of the 2018 Due Non-Public Domestic Corporate Bonds were redeemed by CIFI China and on 19 January 2018, the remaining RMB1.5 billion of the 2018 Due Non-Public Domestic Corporate Bonds were redeemed by CIFI China.

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 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 Rules Governing the Listing of Securities on the Stock Exchange 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 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, namely, 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 2018 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 executive Directors; Mr. ZHOU Yimin as non-executive Director; and Mr. GU Yunchang, Mr. ZHANG Yongyue and Mr. TAN Wee Seng as independent non-executive Directors.

## PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT ON WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company’s website at [www.cifi.com.cn](http://www.cifi.com.cn). The 2018 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, 15 August 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.*

\*\* For identification purpose only