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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 2019**

**2019 INTERIM RESULTS HIGHLIGHTS**

- Contracted sales increased by 33.9% year-on-year to RMB88.4 billion
- Core net profit increased by 17.3% year-on-year to RMB2,870 million
- Gross profit margin (adjusted\*) and core net profit margin at 34.5% and 14.3% respectively
- Declared interim dividend of RMB8.93 cents (or equivalent to HK10 cents) per share, increased by 42.9% year-on-year
- Net debt-to-equity ratio of 69.5%, abundant cash on hand of RMB54.3 billion as at 30 June 2019
- Weighted average cost of indebtedness of 5.9% as at 30 June 2019

\* *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 2019 (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 2019

	NOTES	Six months ended 30 June	
		2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)
<b>Revenue</b>	3	<b>20,063,419</b>	18,420,520
Cost of sales and services		<b>(14,120,345)</b>	(14,068,632)
Gross profit		<b>5,943,074</b>	4,351,888
Other income, gains and losses	4	<b>291,308</b>	1,699,964
Change in fair value of investment properties		<b>630,129</b>	269,221
Selling and marketing expenses		<b>(639,938)</b>	(413,213)
Administrative expenses		<b>(1,266,373)</b>	(1,044,861)
Share of results of joint ventures		<b>1,230,972</b>	422,781
Share of results of associates		<b>581,450</b>	685,073
Finance costs	5	<b>(360,145)</b>	(135,290)
Profit before taxation		<b>6,410,477</b>	5,835,563
Income tax expense	6	<b>(1,997,320)</b>	(1,658,808)
Profit for the period	7	<b>4,413,157</b>	4,176,755
<b>Other comprehensive (expense) income:</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value (loss) gain on investments in equity instruments at fair value through other comprehensive income (“FVTOCI”)		<b>(1,706)</b>	26,004
Income tax relating to item that will not be reclassified		<b>(2,625)</b>	–
		<b>(4,331)</b>	26,004
Total comprehensive income for the period		<b>4,408,826</b>	4,202,759

	<b>Six months ended 30 June</b>	
	<b>2019</b>	2018
<i>NOTES</i>	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(unaudited)</b>	(unaudited)
Profit for the period attributable to:		
Equity owners of the Company	<b>3,194,304</b>	3,419,185
Owners of perpetual capital instruments	<b>108,783</b>	102,570
Non-controlling interests	<b>1,110,070</b>	655,000
	<b><u>4,413,157</u></b>	<u>4,176,755</u>
 Total comprehensive income for the period attributable to:		
Equity owners of the Company	<b>3,189,973</b>	3,445,189
Owners of perpetual capital instruments	<b>108,783</b>	102,570
Non-controlling interests	<b>1,110,070</b>	655,000
	<b><u>4,408,826</u></b>	<u>4,202,759</u>
 Total comprehensive income for the period		
 <b>Earnings per share, in RMB:</b>		
<b>Basic</b>	9	<b><u>0.41</u></b>
		<u>0.45</u>
<b>Diluted</b>	9	<b><u>0.40</u></b>
		<u>0.42</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2019

	<b>At 30 June 2019</b>	<b>At 31 December 2018</b>
<i>NOTES</i>	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>NON-CURRENT ASSETS</b>		
Investment properties	<b>17,618,240</b>	16,147,400
Right-of-use assets	<b>86,469</b>	–
Property, plant and equipment	<b>152,092</b>	134,143
Interests in associates	<b>7,388,399</b>	5,779,492
Interests in joint ventures	<b>11,128,857</b>	8,511,247
Investments in property projects	<b>389,084</b>	582,722
Financial assets at fair value through profit or loss (“FVTPL”)	<b>544,560</b>	564,553
Equity instruments at FVTOCI	<b>918,036</b>	919,274
Deferred taxation assets	<b>1,065,991</b>	1,021,876
Deposits paid for acquisitions of equity interests	<b>–</b>	50,000
	<b>39,291,728</b>	33,710,707
<b>CURRENT ASSETS</b>		
Properties held for sale	<b>9,587,625</b>	10,238,165
Properties under development for sale	<b>108,069,240</b>	84,137,912
Accounts and other receivables, deposits and prepayments	<i>10</i> <b>26,953,644</b>	16,740,132
Amounts due from non-controlling interests	<b>23,079,516</b>	13,416,613
Amounts due from joint ventures and associates	<b>23,684,203</b>	27,798,425
Deposits for land use rights for properties held for sale	<b>13,642,997</b>	7,950,061
Taxation recoverable	<b>2,748,047</b>	1,746,262
Financial assets at FVTPL	<b>683,495</b>	705,386
Derivative financial instruments	<b>47</b>	–
Restricted bank deposits	<b>340,000</b>	1,290,000
Bank balances and cash	<b>53,960,396</b>	43,327,561
	<b>262,749,210</b>	207,350,517

		At 30 June 2019	At 31 December 2018
	NOTES	RMB'000 (unaudited)	RMB'000 (audited)
<b>CURRENT LIABILITIES</b>			
Accounts and other payables and accrued charges	11	40,428,827	25,888,004
Deposits received from property sales		53,459,668	44,238,431
Amounts due to non-controlling interests		25,134,795	16,571,325
Amounts due to joint ventures and associates		18,648,893	15,519,116
Taxation payable		7,872,407	7,655,950
Lease liabilities – due within one year		35,937	–
Bank and other borrowings – due within one year		8,299,333	8,842,371
Senior notes – due within one year		3,864,430	–
Derivative financial instruments		–	74,949
Corporate bonds – due within one year		4,418,398	3,646,140
Debt component of convertible bonds		–	907,724
		<u>162,162,688</u>	<u>123,344,010</u>
<b>NET CURRENT ASSETS</b>		<u>100,586,522</u>	<u>84,006,507</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>139,878,250</u>	<u>117,717,214</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		630,944	626,271
Reserves		26,738,002	24,977,825
Equity attributable to equity owners of the Company		27,368,946	25,604,096
Perpetual capital instruments		3,883,572	3,883,572
Non-controlling interests		26,942,318	19,958,503
<b>TOTAL EQUITY</b>		<u>58,194,836</u>	<u>49,446,171</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities – due after one year		40,099	–
Bank and other borrowings – due after one year		53,608,899	41,061,189
Senior notes – due after one year		17,147,208	15,293,614
Corporate bonds – due after one year		7,429,611	8,113,997
Deferred taxation liabilities		3,457,597	3,802,243
		<u>81,683,414</u>	<u>68,271,043</u>
		<u>139,878,250</u>	<u>117,717,214</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

### 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 (the “Stock Exchange”).

### 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.

Other than changes in accounting policies 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 2019 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2018.

#### Application of new and amendments to IFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to IFRSs issued by IASB which are mandatory effective for the annual period beginning on or after 1 January 2019 for the preparation of the Group’s condensed consolidated financial statements:

IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRSs	Annual Improvements to IFRS Standards 2015-2017 Cycle

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures set out in the condensed consolidated financial statements.

### 3. REVENUE

Revenue represents income from sales of properties, rental income and income from provision of project management and other property related services earned during the year, net of discounts allowed, and is analysed as follows:

	Six months ended 30 June	
	2019	2018
	RMB’000	RMB’000
	(unaudited)	(unaudited)
<b>Revenue</b>		
Sales of properties	18,025,745	17,394,508
Rental income	174,747	56,906
Project management and other property related services income	1,862,927	969,106
	<b>20,063,419</b>	<b>18,420,520</b>

### 3A. REVENUE FROM CONTRACTS WITH CUSTOMERS

#### Disaggregation of revenue from contracts with customers

	For the six months ended 30 June 2019		
	Sales of properties <i>RMB'000</i>	Project management and other property related services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Types of goods or services</b>			
Sales of properties			
Residential	14,641,258	–	14,641,258
Office & Commercial	2,701,784	–	2,701,784
Carpark	682,703	–	682,703
	<u>18,025,745</u>	<u>–</u>	<u>18,025,745</u>
Project management and other property related services	<u>–</u>	<u>1,862,927</u>	<u>1,862,927</u>
Total	<u>18,025,745</u>	<u>1,862,927</u>	<u>19,888,672</u>
	For the six months ended 30 June 2019		
	Sales of properties <i>RMB'000</i>	Project management and other property related services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Timing of revenue recognition</b>			
A point in time	18,025,745	–	18,025,745
Over time	<u>–</u>	<u>1,862,927</u>	<u>1,862,927</u>
Total	<u>18,025,745</u>	<u>1,862,927</u>	<u>19,888,672</u>

	For the six months ended 30 June 2018		
	Sales of properties <i>RMB'000</i>	Project management and other property related services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Types of goods or services</b>			
Sales of properties			
Residential	15,069,281	–	15,069,281
Office & Commercial	1,889,376	–	1,889,376
Carpark	435,851	–	435,851
	<u>17,394,508</u>	<u>–</u>	<u>17,394,508</u>
Project management and other related services	–	969,106	969,106
Total	<u>17,394,508</u>	<u>969,106</u>	<u>18,363,614</u>

	For the six months ended 30 June 2018		
	Sales of properties <i>RMB'000</i>	Project management and other property related services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Timing of revenue recognition</b>			
A point in time	17,394,508	–	17,394,508
Over time	–	969,106	969,106
Total	<u>17,394,508</u>	<u>969,106</u>	<u>18,363,614</u>

### 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

	Sales of properties <i>RMB'000</i>	Property investment <i>RMB'000</i>	Project management and other property related services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Six months ended 30 June 2019</b>				
Reportable segment revenue from external customers	<u>18,025,745</u>	<u>174,747</u>	<u>1,862,927</u>	<u>20,063,419</u>
Reportable segment profit	<u>3,913,674</u>	<u>148,863</u>	<u>1,240,599</u>	<u>5,303,136</u>



	Sales of properties <i>RMB'000</i>	Property investment <i>RMB'000</i>	Project management and other property 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	<u>17,394,508</u>	<u>56,906</u>	<u>969,106</u>	<u>18,420,520</u>
Reportable segment profit	<u>3,647,070</u>	<u>40,342</u>	<u>251,263</u>	<u>3,938,675</u>

**(b) Segment assets and liabilities**

No assets and liabilities are included in the measures of the Group's segment reporting that are used by the chief operating decision maker. Accordingly, no segment assets and liabilities are presented.

**(c) Reconciliations of reportable segment revenue and profit**

	<b>Six months ended 30 June</b>	
	<b>2019</b>	<b>2018</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Revenue</b>		
Reportable segment and consolidated revenue	<u><b>20,063,419</b></u>	<u>18,420,520</u>
<b>Profit</b>		
Reportable segment profit	<b>5,303,136</b>	3,938,675
Other income, gains and losses	<b>291,308</b>	1,699,964
Change in fair value of investment properties	<b>630,129</b>	269,221
Finance costs	<b>(360,145)</b>	(135,290)
Share of results of joint ventures	<b>1,230,972</b>	422,781
Share of results of associates	<b>581,450</b>	685,073
Depreciation of property, plant and equipment	<b>(18,541)</b>	(17,136)
Depreciation of right-of-use assets	<b>(14,378)</b>	–
Unallocated head office and corporate expenses	<u><b>(1,233,454)</b></u>	<u>(1,027,725)</u>
Consolidated profit before taxation	<u><b>6,410,477</b></u>	<u>5,835,563</u>

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

	Six months ended 30 June	
	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Interest income	275,013	364,606
Gain on remeasurement	–	903,376
Loss on disposal of subsidiaries, net	(5,091)	–
Government grants	27,040	4,488
Forfeited deposits paid by purchasers	8,320	3,955
Gain on disposal of property, plant and equipment, net	857	380
Loss on early redemption of senior notes	(19,917)	–
Dividend income from financial assets at FVTPL	645	1,416
Change in fair value of investments in property projects	(83,090)	314,656
Dividend income from investments in property projects	143,842	77,496
Change in fair value of financial assets at FVTPL	(41,952)	26,964
Change in fair value of derivative component of convertible bonds	–	80,551
Change in fair value of derivative financial instruments	16,908	(109,650)
Net exchange (loss) gain	(56,168)	16,494
Sundry income	24,901	15,232
	<b>291,308</b>	<b>1,699,964</b>

#### 5. FINANCE COSTS

	Six months ended 30 June	
	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Interest expense on bank and other borrowings	(1,955,193)	(1,141,657)
Interest expense on senior notes	(774,495)	(302,065)
Interest expense on corporate bonds	(323,472)	(263,973)
Interest expense on convertible bonds	(8,221)	(20,687)
Interest expense on lease liabilities	(2,770)	–
	<b>(3,064,151)</b>	<b>(1,728,382)</b>
Less: Amount capitalised to properties under development for sale and investment properties under construction	<b>2,704,006</b>	<b>1,593,092</b>
	<b>(360,145)</b>	<b>(135,290)</b>

## 6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax in the People's Republic of China (the "PRC")		
PRC enterprise income tax	(1,388,223)	(1,161,890)
Land appreciation tax ("LAT")	(1,000,483)	(1,266,910)
	<u>(2,388,706)</u>	<u>(2,428,800)</u>
Deferred taxation	391,386	769,992
	<u>(1,997,320)</u>	<u>(1,658,808)</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.

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 FOR THE PERIOD

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging:		
Cost of properties sold included in cost of sales and services	13,491,041	13,563,099
Depreciation of property, plant and equipment	18,541	17,136
Depreciation of right-of-use assets	14,378	–
Rental expense in respect of land and buildings	<u>29,428</u>	<u>48,429</u>



## 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 agreements.

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:

	<b>At 30 June 2019 RMB'000 (unaudited)</b>	At 31 December 2018 RMB'000 (audited)
Within 60 days	<b>730,301</b>	333,073
61–180 days	<b>42,392</b>	27,296
181–365 days	<b>61,380</b>	175,857
Over 1 year	<b>123,272</b>	109,239
	<b>957,345</b>	645,465

## 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:

	<b>At 30 June 2019 RMB'000 (unaudited)</b>	At 31 December 2018 RMB'000 (audited)
Within 60 days	<b>4,328,430</b>	4,541,519
61–180 days	<b>2,282,740</b>	1,573,464
181–365 days	<b>3,137,483</b>	2,128,060
Over 1 year	<b>1,626,918</b>	2,063,072
	<b>11,375,571</b>	10,306,115

## **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 2019, and outlook for the second half of 2019.

### **Interim Dividend**

The board of directors of the Company (the "Board") declared payment of an interim dividend for the six months ended 30 June 2019 of RMB8.93 cents per share (or equivalent to HK10 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 the interim results announcement for 2019, the interim dividend for the six months ended 30 June 2019 amounts to approximately HK\$788 million (approximately RMB704 million).

### **Interim Results**

For the six months ended 30 June 2019, the Group achieved contracted sales of RMB88.44 billion, representing a year-on-year increase of 33.9% from RMB66.03 billion in the corresponding period in 2018.

Recognized revenue was RMB20,063.4 million, for the six months ended 30 June 2019, representing a year-on-year increase of 8.9% over RMB18,420.5 million in the corresponding period in 2018.

The Group's net profit increased by 5.7% to RMB4,413.2 million for the six months ended 30 June 2019 from RMB4,176.8 million in the corresponding period in 2018. The Group's core net profit attributable to equity owners increased by 17.3% to approximately RMB2,870.2 million for the six months ended 30 June 2019 from RMB2,445.7 million in the corresponding period in 2018.

## **Review of the First Half of 2019**

### *Market review*

In the first half of 2019, China's real estate market remained stable in both overall transaction volume and price compared with the corresponding period in 2018. The long-term mechanism for the stable and healthy development of the property market has gradually shown effective. According to the China National Bureau of Statistics, during the first half of 2019, transaction volume of commodity housing was 757.86 million sq.m., representing a year-on-year decrease of 1.8%; while sales of commodity properties housing were RMB707 trillion, which rose by 5.6% on a year-on-year basis.

Since early 2019, the central government has repeatedly reiterated the real estate policy tone that "houses are for living, not for speculation" and further intensified tightening measures under the principle of "one city, one policy", to ensure the establishment of the long-term mechanism for the stable and healthy development of the property market. The local government has implemented differentiated measures according to the "one city, one policy" principle and divergence has increased between different tier cities. In the first half, funding channels have been limited in onshore financing market and the regulations were tightened in offshore financing market. In addition, the uncertain international political environment has placed more pressure on real estate developers in a challenging market.

Following the measures of "one city, one policy" have become regular in the real estate market, the divergence of real estate markets in different tiers cities have intensified. The demand in first-tier cities were still strong and resilient, and the transaction volume has risen when compared with corresponding period in 2018. In the second-tier cities, the transaction volume remained stable. Selective second-tier cities with strong fundamentals have seen demand increased from first home buyers and upgraders. However, other third- and fourth-tier cities have witnessed decline in transaction volume and the cooling of the real estate market.

Under such market sentiment in the first half of 2019, large-scale national real estate developers with balanced and quality saleable resources and prudent financing management have demonstrated their resilience against a challenging policy environment. During the process of market consolidation and concentration, while national real estate developers are gaining size in terms of sales, they are also mindful on their brand recognition and product quality enhancement. Through continuously fulfilling the rising demand of the quality improvement from the customers, the large-scale national real estate developers are pursuing qualitative prosperity.

### *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 RMB88.44 billion and 5,088,200 sq.m. respectively during the first half of 2019, representing strong year-on-year growth of 33.9% and 17.5% respectively. As a result of increasing contribution from high average selling price ("ASP") projects, the Group's contracted ASP in the first half of 2019 was approximately RMB17,382/sq.m., compared to approximately RMB15,314/sq.m. in the corresponding period in 2018. The Group achieved a cash collection ratio of over 95% from contracted sales during the first half of 2019.

The Group's contracted sales in the first half of 2019 were dispersed among over 190 projects in 18 cities. During the period, the Group launched pre-sale of 36 new projects, including these major new launches:

- Shanghai Dongchen Yuanzhu
- Shanghai Young City
- Hangzhou Powerlong CIFI The Glorious City
- Hangzhou CIFI Polaris Mansion
- Hangzhou CIFI Times Glory
- Hangzhou Ronshine CIFI Xianghu Glory
- Taizhou CIFI The Origin
- Wenzhou Oujiang World's Metropolis
- Ningbo Cixi Mansion
- Suzhou CIFI He Mansion
- Wuxi Canglong Mansion
- Hefei Gongyuan Tianzhu
- Hefei Yue Xitai
- Hefei Xuelin Chunxiao
- Jiaxing New City
- Jiaxing Star City
- Beijing The 17th District
- Beijing Brocade To Home
- Tianjin Prosperous Ocean
- Jinan CIFI Gongyuan Xuefu
- Jinan CIFI Jinyue Mansion
- Jinan CIFI Yuetang Mansion
- Jinan CIFI Ruijintai Garden
- Linyi CIFI Gongyuan Jinli
- Hong Kong CIFI Wang On Maya
- Foshan CIFI Feicui Xijiang
- Foshan CIFI Qingyue Garden
- Chengdu CIFI Riveria Impression
- Chongqing CIFI OCT Huayu The Landscape
- Chongqing CIFI Huayu Jinsha Jiuyue
- Chongqing Huayu OCT Natural Grace
- Changsha Xiangtan Zhongnan CIFI Mansion
- Yinchuan Huayuan CIFI Jiangnan Mansion
- Kunming CIFI Jinke Living In Spring

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

CIFI was ranked 14th nationally in terms of contracted sales amount in the first half of 2019 according to the "China Real Estate Enterprises Sales Ranking in the First Half of 2019" published by CRIC Information Group.



### *Profit margins*

The Group's gross profit margin improved to 29.6% (or 34.5% after adjusted to exclude the effects of accounting treatment due to financial consolidation of certain projects as subsidiaries of the Group) for the six months ended 30 June 2019, as compared to 23.6% (or 33.7% after adjust to exclude the effects of accounting treatment due to financial consolidation of certain projects as subsidiaries of the Group) for the corresponding period last year. The Group's core net profit margin was 14.3% for the six months ended 30 June 2019, compared to 13.3% for the corresponding period last year.

The Group improved its profit margins in the first half of 2019 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*

Starting from early 2019, the land markets in different cities were influenced by the measures of "differentiated policies for different cities" and also diverged in supply and transaction volume. Overall, in the first half of 2019 the lands supply in first- and second-tier cities has increased and the land premium has generally decreased, while the transaction volume declined significantly in the land markets in third- and fourth-tier cities. The Group has been following the land markets situation closely in the first half and introduced various channels to acquire lands. Focusing on first- and second-tier cities, together with quasi-second-tier cities, we seized the opportunities in the industry cycle and acquired quality land resources with reasonable prices.

In the first half of 2019, the Group acquired interests in 34 new projects with an aggregate land consideration attributable to the Group of RMB26.6 billion. In July 2019, the Group further acquired interests in 6 new projects with an aggregate land consideration attributable to the Group of RMB5.76 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 2019, we have strategically entered 3 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:

- Pan Bohai Area: Changchun and Taiyuan, expanding our coverage in Jilin and Shanxi Province;
- South China Region: Zhangzhou, further gaining strategic foothold in Fujian Province;

### *Liability management and financial positions*

In the first half of 2019, 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 2019, we have decisively executed the following major financing transactions, which are more than adequate for our landbank expansion and re-financing needs:

- In January 2019, the Company issued the 7.625% coupon, 2-year maturity US Dollar Bonds due March 2021 with a principal amount of US\$400 million.
- In February 2019, the Company issued the 7.625% coupon, 4-year maturity US Dollar Bonds due February 2023 with a principal amount of US\$300 million.
- In March 2019, the Company issued the 6.55% coupon, 5-year maturity US Dollar Bonds due March 2024 with a principal amount of US\$255 million.

In February 2019, the Company redeemed the remaining zero-coupon convertible bonds due in 2019 with an aggregate principal amount of HK\$1,024 million.

In January 2019, CIFI Group Co., Ltd. (“CIFI PRC”) issued ABS (“January 2022 due ABS”) which is listed on the Shanghai Stock Exchange (“SSE”) under securitisation arrangements collateralised by the future earnings relating to property sale with maturity on 15 January 2022 at a total nominal amount of RMB1,300,000,000.

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 “Stable” 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 2019, the Group’s:

- net debt-to-equity ratio was 69.5% (as at 31 December 2018: 67.2%);
- net debts (total indebtedness less cash-on-hand) amounted to RMB40,467.5 million (as at 31 December 2018: RMB33,247.5 million);
- cash-on-hand level amounted to RMB54,300.4 million (as at 31 December 2018: RMB44,617.6 million);

- total indebtedness amounted to RMB94,767.9 million (as at 31 December 2018: RMB77,865.0 million);
- guaranteed joint ventures/associated companies debts amounted to RMB12,130.3 million (as at 31 December 2018: RMB8,431.9 million); and
- weighted average cost of indebtedness was 5.9% (as at 31 December 2018: 5.8%).

As at 30 June 2019, unpaid committed land considerations attributable to the Group were approximately RMB6,919.0 million (versus cash-on-hand of approximately RMB54,300.4 million). Despite the increase in total debts mainly for land acquisitions during the six months ended 30 June 2019, the Group maintained a comfortable debt positions and off-balance sheet commitments.

### **Outlook for the Second Half of 2019**

We believe that China's real estate policies will remain tight in the second half of 2019 and intensity of the real estate control measures is unlikely to loosen dramatically. The central government will continue to establish the long-term mechanism for the stable and healthy development of the property market and "One city, one policy" will continue to be the key principle of the controlling measures of the local government. The current tight liquidity environment is expected to persist in the near future. As a result, China's overall real estate sales volume could continue to soften in the second half of 2019 and further divergence between different tier cities could be expected. Meanwhile, the continuous escalating Sino-US trade tensions may place more pressure on China's domestic economy.

Market consolidation continued to accelerate in the first half of 2019. While small and medium-sized developers suffered from weakening market conditions and tightened liquidity, large-scale developers are less affected due to their competitive edges in operational efficiency and diversified funding channels. Since the current real estate tightening measures have become regular, the overall real estate market has cooled down towards the end of the first half and 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 2019, the Group already completed approximately 54% of its full year 2019 contracted sales target of RMB190 billion. Due to our proactive land-banking strategy last year and year-to-date in 2019, we have effectively diversified our land bank to cover 63 cities in different geographical regions. We continue to emphasize on first- and second-tier cities, and our land bank now also covers growing number of selective third-tier cities which have strong real estate demand and different policy cycles. Supply of saleable resources of the Group are estimated to amount to over RMB350 billion for the full year of 2019. 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 in the challenging policy environment and market conditions. Regardless of the market sentiments, the Group is confident that it will exceed its full-year contracted sales target for 2019.

CIFI is a 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 believe we will continue to generate decent returns to our shareholders.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Performance Highlights

	Six months ended 30 June		Year-
	2019	2018	on-year Growth
<b>Contracted sales</b>			
Contracted sales (RMB'million)	<b>88,440</b>	66,032	33.9%
Contracted GFA (sq.m.)	<b>5,088,200</b>	4,331,800	17.5%
Contracted ASP (RMB/sq.m.)	<b>17,382</b>	15,314	13.5%
<b>Selected financial information (RMB'million)</b>			
Recognized revenue	<b>20,063</b>	18,421	8.9%
Profit for the period attributable to equity owners	<b>3,194</b>	3,419	-6.6%
Core net profit attributable to equity owners	<b>2,870</b>	2,446	17.3%
<b>Selected financial ratios</b>			
Gross profit margin (adjusted)	<b>34.5%</b>	33.7%	
Core net profit margin	<b>14.3%</b>	13.3%	
Earnings per share (basic), RMB cents	<b>41</b>	45	
Core earnings per share (basic), RMB cents	<b>37</b>	32	
<b>Selected balance sheet data (RMB'million)</b>			
Total assets		<b>302,041</b>	241,061
Bank balances and cash		<b>54,300</b>	44,618
Total indebtedness		<b>94,768</b>	77,865
Total equity		<b>58,195</b>	49,446
Equity attributable to equity owners		<b>27,369</b>	25,604
Net debt-to-equity ratio		<b>69.5%</b>	67.2%
Weighted average cost of indebtedness		<b>5.9%</b>	5.8%
<b>Land bank (GFA, million sq.m.)</b>			
Land bank (GFA, sq.m.) at the end of period			
– Total		<b>46.8</b>	41.2
– Attributable		<b>23.4</b>	20.7

*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 2019, the Group achieved contracted sales of approximately RMB88.44 billion, representing a year-on-year growth of 33.9% as compared to RMB66.03 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 2019, the Group’s contracted sales of approximately 5,088,200 sq.m. in GFA, representing an increase of 17.5% over the corresponding period of last year. Mainly due to higher proportion of sales from first-tier cities, the Group’s contracted ASP for the period was approximately RMB17,382/sq.m., representing an increase of 13.5% from RMB15,314/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 51.5%, 17.6%, 23.9% and 7.0% of the Group’s total contracted sales in first half 2019 respectively. Contracted sales from first- and second-tier cities accounted for approximately 72.9% of the Group’s total contracted sales whereas those from third-tier cities accounted for the remaining 27.1%. Contracted sales derived from residential projects contributed to approximately 94.7% of the Group’s total contracted sales whereas those from office projects contributed to the remaining 5.3%.

Cash collection from property sales during the period by the Group’s subsidiaries, joint ventures and associated companies represented over 95% of contracted sales in the first half of 2019.

**Table 1: Details of contracted sales for the six months ended 30 June 2019**

*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	83,792,769	94.7%	4,839,842	17,313
Office/Commercial	4,650,617	5.3%	248,374	18,724
<b>Total</b>	<b>88,443,386</b>	<b>100.0%</b>	<b>5,088,216</b>	<b>17,382</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.)
Beijing	10,566,563	11.9%	271,842	38,870
Hangzhou	7,973,963	9.0%	362,772	21,981
Chongqing	6,258,539	7.1%	505,632	12,378
Shanghai	5,724,122	6.5%	227,029	25,213
Wenzhou	4,642,026	5.2%	276,887	16,765
Wuxi	4,599,752	5.2%	308,509	14,910
Suzhou	4,232,925	4.8%	212,095	19,958
Hefei	3,487,153	3.9%	225,335	15,475
Jiaxing	3,407,814	3.9%	234,197	14,551
Wuhan	2,768,742	3.1%	187,355	14,778
Xi'an	2,683,568	3.0%	201,816	13,297
Ningbo	2,627,799	3.0%	90,797	28,941
Jinan	2,576,400	2.9%	176,973	14,558
Shenyang	2,566,279	2.9%	186,644	13,750
Nanjing	2,469,730	2.8%	106,864	23,111
Foshan	1,904,382	2.2%	136,280	13,974
Linyi	1,689,784	1.9%	181,949	9,287
Xuzhou	1,689,558	1.9%	104,618	16,150
Guangzhou	1,621,294	1.8%	42,779	37,899
Tianjin	1,618,516	1.8%	104,430	15,499
Chengdu	1,548,630	1.8%	136,261	11,365
Hong Kong	1,423,959	1.6%	8,305	171,458
Changsha	1,207,544	1.4%	149,605	8,072
Changzhou	1,176,975	1.3%	56,592	20,798
Qingdao	1,145,160	1.3%	72,042	15,896
Quzhou	884,026	1.0%	59,699	14,808

	<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.)
Taicang	858,756	1.0%	62,084	13,832
Nantong	838,130	0.9%	44,387	18,882
Weifang	514,533	0.6%	39,985	12,868
Jinhua	439,345	0.5%	23,824	18,441
Wuhu	405,700	0.5%	32,631	12,433
Dongguan	362,271	0.4%	19,647	18,439
Guiyang	312,010	0.4%	30,643	10,182
Jining	262,135	0.3%	26,220	9,998
Yinchuan	229,268	0.3%	27,325	8,390
Xuchang	220,244	0.3%	24,773	8,890
Jiangmen	219,312	0.2%	20,286	10,811
Zhongshan	213,004	0.2%	24,066	8,851
Nanning	209,001	0.2%	17,117	12,210
Kunming	194,841	0.2%	21,931	8,884
Zibo	161,329	0.2%	18,691	8,631
Sanya	155,763	0.2%	1,975	78,867
Zhengzhou	120,014	0.1%	8,648	13,878
Quanzhou	86,347	0.1%	7,840	11,014
Dalian	64,571	0.1%	2,352	27,454
Taizhou	61,624	0.1%	3,915	15,740
Xiangtan	18,649	*	2,472	7,544
Zhenjiang	1,336	*	97	13,773
<b>Total</b>	<b>88,443,386</b>	<b>100.0%</b>	<b>5,088,216</b>	<b>17,382</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	45,520,737	51.5%	2,432,333	18,715
Pan Bohai Rim	21,165,269	23.9%	1,081,127	19,577
Central Western Region	15,562,048	17.6%	1,296,460	12,003
South China Region	6,195,332	7.0%	278,296	22,262
<b>Total</b>	<b>88,443,386</b>	<b>100.0%</b>	<b>5,088,216</b>	<b>17,382</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	17,714,643	20.0%	507,176	34,928
Second-tier cities	46,774,706	52.9%	2,931,499	15,956
Third-tier cities	23,954,037	27.1%	1,649,541	14,522
<b>Total</b>	<b>88,443,386</b>	<b>100.0%</b>	<b>5,088,216</b>	<b>17,382</b>

*Notes:*

1. First-tier cities refer to Shanghai, Beijing and Hong Kong.
2. Second-tier cities refer to Guangzhou, Suzhou, Hangzhou, Nanjing, Hefei, Ningbo, Xi'an, Wuhan, Chongqing, Changsha, Chengdu, Zhengzhou, Tianjin, Shenyang, Qingdao, Jinan, Nanning, Guiyang, Kunming, Taicang, Yinchuan and Dalian.
3. Third-tier cities refer to Wenzhou, Wuxi, Sanya, Jiaxing, Zhenjiang, Xuzhou, Weifang, Zibo, Changzhou, Quzhou, Zhongshan, Nantong, Wuhu, Quanzhou, Xuchang, Jinhua, Dongguan, Foshan, Taizhou, Xiangtan, Jining, Jiangmen and Linyi.

**Revenue recognized from sales of properties**

Revenue recognized from sales of properties for the six months ended 30 June 2019 was approximately RMB18,025.7 million, up by 3.6% year-on-year, accounted for 89.7% of total recognized revenue. For the six months ended 30 June 2019, the Group's subsidiaries delivered approximately 1,285,960 sq.m. of properties in GFA, up by 24.0% year-on-year, while ASP recognised was RMB14,017/sq.m, down by 16.4% year-on-year.

**Table 2: Breakdown of recognised revenue from property sales for the six months ended 30 June 2019**

*By type of project*

Primary intended use of the 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.)	
	2019	2018	2019	2018	2019	2018	2019	2018
Residential	15,323,961	15,505,132	85.0	89.1	1,169,196	910,790	13,106	17,024
Office/Commercial	2,701,784	1,889,376	15.0	10.9	116,764	126,249	23,139	14,965
<b>Total</b>	<b>18,025,745</b>	<b>17,394,508</b>	<b>100.0</b>	<b>100.0</b>	<b>1,285,960</b>	<b>1,037,039</b>	<b>14,017</b>	<b>16,773</b>



*By city*

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.)	
	2019	2018	2019	2018	2019	2018	2019	2018
Suzhou	3,351,269	6,251,956	18.6	35.9	208,219	244,214	16,095	25,600
Shanghai	3,239,326	637,363	18.0	3.7	91,805	27,564	35,285	23,123
Wenzhou	2,282,141	–	12.7	–	153,699	–	14,848	–
Foshan	2,184,496	–	12.1	–	211,702	–	10,319	–
Wuhan	1,431,642	1,423,009	7.9	8.2	78,991	108,919	18,124	13,065
Qingdao	1,409,502	1,064,514	7.8	6.1	99,152	124,180	14,216	8,572
Shenyang	1,252,511	440,161	7.0	2.5	121,197	48,143	10,335	9,143
Chongqing	1,082,192	501,484	6.0	2.9	124,820	65,108	8,670	7,702
Linyi	805,216	–	4.5	–	93,546	–	8,608	–
Jiaxing	618,246	64,764	3.4	0.4	38,299	8,963	16,143	7,225
Nanjing	112,411	2,714,578	0.6	15.6	14,809	92,272	7,591	29,419
Changsha	99,281	436,712	0.6	2.5	17,665	36,335	5,620	12,019
Hangzhou	70,292	1,813,750	0.4	10.4	5,907	161,690	11,900	11,217
Xi'an	53,641	476,480	0.3	2.7	24,442	33,964	2,195	14,029
Ningbo	16,081	1,442,415	0.1	8.3	528	67,255	30,456	21,447
Tianjin	7,340	18,933	*	0.1	567	1,976	12,945	9,581
Zhenjiang	4,192	28,728	*	0.2	366	4,865	11,454	5,905
Jinan	4,054	–	*	–	108	–	37,537	–
Langfang	1,912	6,847	*	*	138	777	13,855	8,810
Hefei	–	44,243	–	0.3	–	9,614	–	4,602
Beijing	–	28,571	–	0.2	–	1,200	–	23,809
	<b>18,025,745</b>	<b>17,394,508</b>	<b>100.00</b>	<b>100.00</b>	<b>1,285,960</b>	<b>1,037,039</b>	<b>14,017</b>	<b>16,773</b>

*By region*

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.)	
	2019	2018	2019	2018	2019	2018	2019	2018
Yangtze River Delta	9,693,958	12,997,797	53.8	74.7	513,632	616,436	18,873	21,085
Pan Bohai Rim	3,480,535	1,559,026	19.3	9.0	314,708	176,278	11,060	8,844
Central Western Region	2,666,756	2,837,685	14.8	16.3	245,918	244,325	10,844	11,614
South China Region	2,184,496	–	12.1	–	211,702	–	10,319	–
Total	<b>18,025,745</b>	<b>17,394,508</b>	<b>100.0</b>	<b>100.0</b>	<b>1,285,960</b>	<b>1,037,039</b>	<b>14,017</b>	<b>16,773</b>

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

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.)	
	2019	2018	2019	2018	2019	2018	2019	2018
First-tier cities	<b>3,239,326</b>	665,934	<b>18.0</b>	3.8	<b>91,805</b>	28,763	<b>35,285</b>	23,152
Second-tier cities	<b>8,890,216</b>	16,628,235	<b>49.3</b>	95.6	<b>696,406</b>	993,670	<b>12,766</b>	16,734
Third-tier cities	<b>5,896,203</b>	100,339	<b>32.7</b>	0.6	<b>497,749</b>	14,606	<b>11,846</b>	6,870
Total	<b>18,025,745</b>	17,394,508	<b>100.00</b>	100.00	<b>1,285,960</b>	1,037,039	<b>14,017</b>	16,773

*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, Changsha and Jinan.
3. Third-tier cities refer to Wenzhou, Foshan, Linyi, Jiaxing, Zhenjiang and Langfang.

### **Completed properties held for sale**

During the six months ended 30 June 2019, the total GFA of newly completed projects of the Group amounted to approximately 2.2 million sq.m. comprising 0.8 million sq.m. by its subsidiaries and 1.4 million sq.m. by its joint ventures or associated companies. As at 30 June 2019, the Group had over 100 completed properties projects with a total and attributable unsold or undelivered GFA of approximately 5.8 million sq.m. and 3.3 million sq.m. respectively.

### **Properties under development/held for future development**

As at 30 June 2019, the Group had over 200 property projects under development or held for future development with a total and attributable GFA of approximately 41.0 million sq.m. and 20.1 million sq.m. respectively.

## **PROPERTY INVESTMENT**

### **Rental income**

The Group's rental income during the six months ended 30 June 2019 was approximately RMB174.7 million, increased by 207.1% year-on-year. The rental income in first half 2019 were mainly contributed by Jiaxing CIFI Square, Shanghai CIFI Haishang International, Chongqing CIFI City, Shanghai LCM and Shanghai CIFI Pure Center, with its growth mainly derived from new rental contribution from Shanghai LCM.

## Investment properties

As at 30 June 2019, the Group had 20 investment properties with a total and attributable GFA of approximately 1,020,800 sq.m. and 600,200 sq.m, respectively, of which, 14 investment properties with a total and attributable 587,600 sq.m GFA of approximately 383,105 sq.m. had commenced leasing.

## FINANCIAL REVIEW

### Revenue

During the six months ended 30 June 2019, the Group's recognized revenue was approximately RMB20,063.4 million, up by 8.9% year-on-year. Out of the Group's total recognized revenue during the six months ended 30 June 2019, (i) sales of property increased by 3.6% from the corresponding period of last year to approximately RMB18,025.7 million; (ii) rental income increased by 207.1% from the corresponding period of last year; and (iii) project management and other related service income increased by 92.2% from the corresponding period of last year.

**Table 3: Breakdown of recognized revenue for the six months ended 30 June 2019**

	Six months ended 30 June 2019		Six months ended 30 June 2018		Year-on- year change (%)
	Recognized revenue (RMB'000)	% of total recognized revenue (%)	Recognized revenue (RMB'000)	% of total recognized revenue (%)	
Sales of properties	18,025,745	89.8	17,394,508	94.4	3.6
Rental income	174,747	0.9	56,906	0.3	207.1
Project management and other related service income	1,862,927	9.3	969,106	5.3	92.2
Total	<u>20,063,419</u>	<u>100.0</u>	<u>18,420,520</u>	<u>100.0</u>	8.9

### Cost of sales

The Group's cost of sales during the six months ended 30 June 2019 was approximately RMB14,120.3 million, up by 0.4% 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 2019 was approximately RMB5,943.1 million, up by 36.6% compared to RMB4,351.9 million for the corresponding period in 2018.

During the six months ended 30 June 2019 and corresponding period in 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.

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 2019 was approximately RMB6,928.9 million, up by 11.7% compared to RMB6,201.8 million for the corresponding period in 2018.

Our adjusted gross profit margin (excluding the accounting effects due to increase of equity interests in certain projects) was 34.5% during the six months ended 30 June 2019, which remained high compared to the adjusted gross profit margin of 33.7% in the corresponding period in 2018.

## **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). There were no such gain recorded during the six months ended 30 June 2019.

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

During the six months ended 30 June 2019, the Group incurred net exchange loss of RMB56.2 million due to the effects of RMB exchange rate fluctuations during the period, compared to a gain of RMB16.5 million in the corresponding period of last year.

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 2019, the Group recorded in a fair value gain on derivative financial instruments of RMB16.9 million (30 June 2018: loss of RMB109.7 million) due to the corresponding accounting gain from these hedging arrangements.

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

During the six months ended 30 June 2019, the Group recognized a fair value gain on investment properties of approximately RMB630.1 million as compared to approximately RMB269.2 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 54.9% to approximately RMB639.9 million during the six months ended 30 June 2019 from approximately RMB413.2 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 2019.

### **Administrative and other expenses**

The Group's administrative expenses increased by 21.2% to approximately RMB1,266.4 million during the six months ended 30 June 2019 from approximately RMB1,044.9 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 RMB1,812.4 million during the six months ended 30 June 2019, versus profits of RMB1,107.9 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 2019 were RMB3.6 million share of exchange loss and RMB337.7million 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 RMB1,478.3 million during the six months ended 30 June 2019, compared to profits of RMB955.2 million in the corresponding period of last year.

### **Finance costs**

The Group's finance costs expensed during the six months ended 30 June 2019 was approximately RMB360.1 million, versus RMB135.3 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 77.3% to approximately RMB3,064.2 million during the six months ended 30 June 2019 from RMB1,728.4 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 RMB94.8 billion as at 30 June 2019, compared to RMB77.9 billion as at 31 December 2018 and RMB70.6 billion as at 30 June 2018. The Group's weighted average cost of indebtedness as at 30 June 2019 was 5.9%, compared to 5.8% as at 31 December 2018 and 5.3% as at 30 June 2018.

### **Income tax expenses**

The Group's income tax expenses increased by 20.4% to approximately RMB1,997.3 million during the six months ended 30 June 2019 from approximately RMB1,658.8 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 31.2% during the six months ended 30 June 2019, versus 28.4% in the corresponding period of last year.

The Group made LAT provisions of approximately RMB1,000.5 million during the six months ended 30 June 2019 versus approximately RMB1,266.9 million in the corresponding period of last year. The Group made actual LAT payments of approximately RMB1,203.7 million during the six months ended 30 June 2019 versus approximately RMB732.5 million in the corresponding period of last year. As at 30 June 2019, the Group had accumulated unpaid LAT provisions of approximately RMB4,184.1 million.

### **Profit for the period**

As a result of the factors described above, the Group's profit before taxation increased by 9.9% to approximately RMB6,410.5 million during the six months ended 30 June 2019 from approximately RMB5,835.6 million in the corresponding period of last year. The Group's profit for the period increased by 5.7% to approximately RMB4,413.2 million during the six months ended 30 June 2019 from approximately RMB4,176.8 million in the corresponding period of last year. The Group's net profit attributable to equity owners decreased by 6.6% to approximately RMB3,194.3 million during the six months ended 30 June 2019 from approximately RMB3,419.2 million in the corresponding period of last year.

The Group's core net profit attributable to equity owners increased by 17.4% to approximately RMB2,870.2 million during the six months ended 30 June 2019 from approximately RMB2,445.7 million in the corresponding period of last year. The corresponding core net profit margin was 14.3% during the six months ended 30 June 2019, compared to 13.3% in the corresponding period in 2018 and 13.1% in the full year of 2018.

## LAND BANK

As at 30 June 2019, the total GFA of the Group's land bank was approximately 46.8 million sq.m., and the attributable GFA of the Group's land bank was approximately 23.4 million sq.m.

**Table 4: Breakdown of the Group's land bank as at 30 June 2019**

*By project*

<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>
<b>Completed properties</b>			
<i>Yangtze River Delta</i>			
Shanghai Baoshan District Luodian Town Meiluo Jiayuan Community No. 01 Project	Investment properties	30,983	25.0
Shanghai Changning District, Huashanliyuan Project	Residential	13,037	100.0
Shanghai CIFI Pure Center	Office/Commercial	1,928	45.0
Shanghai CIFI Pure Center	Investment properties	29,663	45.0
Shanghai CIFI Haishang International	Investment properties	40,325	100.0
Shanghai CIFI Evianbay	Residential	2,612	100.0
Shanghai CIFI Luxury Courtyard	Residential	3,430	100.0
Shanghai CIFI Park Mansion West	Residential	8,634	67.5
Shanghai CIFI Pebble Beach	Residential	10,047	100.0
Shanghai CIFI Pujiang International	Office/Commercial	1,941	100.0
Shanghai CIFI U Block	Office/Commercial	5,426	100.0
Shanghai Greenland CIFI E World Center	Investment properties	10,386	50.0
Shanghai Henderson CIFI Center	Residential/Office/Commercial	15,278	50.0
Shanghai Jiuting Center	Residential/Commercial	79,559	34.0
Shanghai Jiuting Center	Investment properties	72,540	34.0
Shanghai Lujiazui Yangjing Project	Investment properties	131,937	50.0
Shanghai Office Park	Investment properties	51,378	50.0
Shanghai Gaohe Building	Investment properties	1,022	100.0
Hangzhou CIFI Powerlong East Lake City (First Phase)	Residential	1,413	50.0
Hangzhou Haishang Mingyue West	Residential	46,005	33.0
Hangzhou Henderson CIFI Palace	Residential	1,457	100.0
Hangzhou Vanke CIFI Luna Sea	Residential/Commercial	20,244	33.0



<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 Lake Mansion	Residential	62,163	40.0
Suzhou CIFI Private Mansion	Residential	3,618	100.0
Suzhou CIFI Wujiang Mansion	Residential	5,262	50.0
Suzhou North Star CIFI No.1 Courtyard	Residential	3,557	50.0
Suzhou Taicang Coastal Mansion (Shaxi Town Project) (First Phase)	Residential	46,026	27.9
Hefei CIFI Lake Betsuin	Residential	197,522	50.0
Hefei CIFI Ronchamp Courtyard	Residential	25,004	22.5
Hefei North Star CIFI Park Mansion Luzhou	Residential	97,077	50.0
Nanjing CIFI Honor Mansion (Jiangning District, G56 Project) (First Phase)	Residential	41,978	49.0
Nanjing CIFI Park Mansion Qinhuai	Residential	1,785	100.0
Nanjing CIFI Yincheng Baimalanshan	Residential	2,140	51.0
Ningbo CIFI Bochenfu	Residential/Commercial	7,279	70.0
Ningbo CIFI Shanghuchengzhang	Residential	214,995	33.0
Jiaxing CIFI Exquisite Mansion	Residential	26,571	50.0
Jiaxing CIFI Ronchamp Town	Residential	2,615	100.0
Jiaxing CIFI Square (Commercial)	Investment properties	82,540	100.0
Jiaxing CIFI Jimei Jiayue (Jiashan County, No. 2012-42 Project)	Residential	4,794	49.0
Wenzhou CIFI Future City	Residential	2,184	34.0
Zhenjiang CIFI Times	Residential	2,408	100.0
<i>Pan Bohai Rim</i>			
Beijing CIFI No.26 Block	Office/Commercial	80,828	10.0
Beijing CIFI Wangxin Commercial Centre	Investment properties	4,860	100.0
Beijing MOMA CIFI Residence	Residential	3,753	65.0
Beijing Tianheng CIFI No.7 Courtyard	Residential/Commercial	154,658	49.0
Beijing Vanke World	Office/Commercial	24,155	32.4
Tianjin Chengshizhiguang	Residential	51,715	25.0
Tianjin CIFI Private Mansion	Residential	9,953	100.0
Tianjin CIFI Rosedale	Residential	1,448	100.0
Tianjin Haishang International	Residential	293,999	20.0
Qingdao CIFI Yinshengtai BoguanJinan	Residential	136,228	100.0
Qingdao CIFI Yinshengtai Dejun Fifth Phase	Residential	53,142	100.0
Qingdao Shuxiang Bancheng	Residential	46,863	55.0
Shenyang CIFI Dongyuecheng	Residential	142,881	70.0
Shenyang CIFI Luxury Mansion	Residential	94,258	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>
Linyi CIFI Yinshengtai Boguanxincheng East (First Phase)	Residential	12,767	70.0
Jinan CIFI Yinshengtai Jinyulanshan	Residential	118,748	50.0
<i>Central Western Region</i>			
Chongqing CIFI City	Residential	1,393	100.0
Chongqing CIFI City	Office/Commercial	36,536	100.0
Chongqing CIFI City	Investment properties	43,916	100.0
Chongqing CIFI Jiangzhou Impression (First Phase)	Residential	20,578	35.0
Chongqing CIFI Panorama (Yubei District, Huayu Lijia Project) (First Phase)	Residential/Commercial	5,207	30.0
Chongqing CIFI Prime Orienting	Residential	241,544	33.3
Chongqing CIFI Prime Orienting	Office/Commercial	107,852	33.3
Chongqing CIFI Purple City	Office/Commercial	38,405	100.0
Chongqing CIFI The essence of River	Residential	3,054	50.0
Chongqing CIFI Waves River Lingyunfeng (First Phase)	Residential	4,353	33.0
Chongqing Dongyuan CIFI Jiangshan Yue	Residential/Commercial	310,841	30.0
Wuhan CIFI Private Mansion	Residential	2,413	100.0
Wuhan CIFI Tower	Office/Commercial	42,876	51.0
Wuhan Yulong CIFI Peninsula	Residential	72,294	55.0
Xi'an CIFI Centre	Investment properties	51,013	100.0
Xi'an CIFI Centre	Office/Commercial	42,380	100.0
Changsha CIFI International Plaza	Office/Commercial	12,796	100.0
Changsha CIFI International Plaza	Investment properties	24,012	100.0
<i>South China</i>			
Foshan CIFI City	Residential/Commercial	62,863	100.0
Foshan CIFI Homeland (First Phase)	Residential/Commercial	50,409	100.0
Xiamen Hailian Centre	Investment properties	1,470	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		1,963,460	
<b>GRAND TOTAL</b>		<b>5,781,133</b>	

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 Huangpu District, Madang Road Project	Investment properties	2020	8,594	44,481	–	50.0
Shanghai Pudong New Area, Pujiang Overseas Chinese Town Project	Office/Commercial	2019	38,100	95,900	–	30.0
Shanghai Pudong New Area, Yangjing Subdistrict, C000204 Project	Office/Commercial	2019	3,700	3,000	–	50.0
Shanghai Putuo District Changshou Community D5-6 Project	Investment properties	2020	11,648	54,403	–	50.0
Shanghai Yangpu District, Dinghai Community Project	Investment properties	2020	11,647	143,829	8,487	50.0
Hefei Binhu Area, No. 2019-12 Project	Residential	2022	50,600	119,000	–	50.0
Hefei CIFI Glory Land	Residential	2019-2020	151,399	229,700	211,459	30.0
Hefei CIFI Jade Seal	Residential/Commercial	2019-2020	177,953	387,100	323,630	25.4
Hefei CIFI Jiuzhu Mansion	Residential	2019	22,157	57,857	48,930	100.0
Hefei CIFI Lake Mansion	Residential/Commercial	2019-2020	130,918	301,920	227,567	21.5
Hefei CIFI Metro Politan	Residential	2019-2020	111,380	254,899	254,899	17.0
Hefei CIFI Wonderful Mansion	Residential	2019	139,536	297,600	297,600	20.1
Hefei CIFI Xizi Grace City	Residential	2019	104,760	221,031	221,031	15.2
Hefei Feixi County, No. 2018-26 Project	Residential/Commercial	2021	142,100	307,100	–	100.0
Hefei Luyang District, No.1704 Project	Residential	2020-2022	92,216	174,200	28,910	51.0
Hefei New Station District, No. 215 Project	Residential	2020	80,056	150,208	59,266	51.0
Hefei Xinzhan District, No. XZQTD238 Project	Residential	2020-2021	86,012	156,428	14,795	34.0
Hefei Xinzhan District, XZQTD237 Project	Residential	2020	54,800	82,200	8,239	50.0
Hefei Yaohai District, No. E1805 Project	Residential	2020	49,500	109,000	21,781	33.0
Suzhou Henderson CIFI Discovery Island	Office/Commercial	2021	14,710	101,159	–	30.0
Suzhou Great Nasion (Huqju District, No. 60 Project)	Residential	2020	80,651	165,798	110,795	35.0
Suzhou Jingkai District West Minguifang West Project	Residential	2021	26,700	58,800	–	100.0
Suzhou Jingkai District, Weilan Tiandi West Project	Residential	2021	58,400	133,300	–	100.0
Suzhou Kunshan Lakeside Mansion (Bacheng County No.12-8 Project)	Residential	2020	128,204	218,248	126,084	31.1
Suzhou Taicang Coastal Mansion (Shaxi Town Project) (Second Phase)	Residential	2019	13,291	23,691	–	27.9
Suzhou Taicang County, Chengxiang No. 3 Project	Residential	2020	49,046	81,681	–	33.3
Suzhou Taicang Liuhe Town, Yinhewan Project	Residential	2020	21,183	76,546	62,082	16.6
Suzhou Wuzhong District, Luzhi Project	Residential	2019	28,576	41,781	26,249	50.0
Suzhou Wuzhong District, West Mountain Project	Residential	2019-2020	161,766	31,455	–	100.0
Suzhou Wuzhong District, Xukou Project	Residential	2019	48,512	118,664	–	40.0
Suzhou Wuzhong District, Luzhi Town, No.2018-WG-43 North Yanli Project	Residential	2021	45,112	99,200	–	100.0

Project	Primary Intended use of the project	Estimate Year of completion	Site Area (sq.m.)	Total GFA under development and held for future development (excluding carparks)	Pre-sold (sq.m.)	Interest attributable to the Group (%)
				(sq.m.)		
Suzhou Wuzhong District, Mudu Town, No.2018-WG-41 Jinmao Road Project	Residential	2021	46,614	102,600	–	70.0
Suzhou Wuzhong District, Xukou Town, No.2018-WG-32 Sunwu Road Project	Residential	2020	45,157	76,800	–	100.0
Suzhou Zhangjiagang Jingang Avenue, No. 2013-B27 Project	Residential	2020	27,090	39,805	21,652	50.0
Suzhou Zhangjiagang Nanhu Road, No. 2013-B28-A Project	Residential	2020	69,826	73,300	20,200	100.0
Hangzhou CIFI Dongyuan Majestic Mansion	Residential	2021	93,336	221,330	82,902	50.0
Hangzhou CIFI Powerlong East Lake City (Second Phase)	Residential	2019	20,073	71,742	71,742	50.0
Hangzhou Lin'an District, Qingshan Lake Sci-tech City Light Rail Project	Residential/Commercial	2020	120,783	333,400	162,545	50.0
Hangzhou Linan District, Qingshanhu, Keji Cheng Project	Residential	2020	63,473	154,079	90,846	50.0
Hangzhou Linan District, Tianmushan Project	Office/Commercial	2021	16,660	37,020	–	100.0
Hangzhou Linan District, Tianmushan Project	Residential	2021	16,625	12,908	–	100.0
Hangzhou Linan District, Yuqian Project	Office/Commercial	2021	23,915	32,873	–	100.0
Hangzhou Xiaoshan District, Beigandanyuan Project	Residential/Commercial	2019	11,417	37,431	32,158	33.0
Hangzhou Dongyuan CIFI Prime Land (Xiaoshan District, Shushan Project)	Residential	2020	26,602	72,307	54,662	50.0
Hangzhou Xiaoshan District, Shushan Unit, Zengjiaqiao Project	Residential	2021	98,261	270,107	27,723	53.3
Hangzhou Yuhang District, Chaoshan No.13 Project	Residential	2020	62,243	78,994	–	49.0
Nanjing CIFI Times Mansion	Residential/Commercial	2020	54,173	175,898	44,634	20.0
Nanjing CIFI Mansion	Residential	2019-2020	73,216	80,500	–	49.0
Nanjing CIFI Honor Mansion (Second Phase)	Residential	2021	84,000	133,014	–	49.0
Nanjing Noble Mansion	Residential	2019	14,711	28,844	17,189	50.0
Nanjing Jiangning District, Jiulong Lake G58 Project	Office/Commercial	2022	26,669	77,674	–	24.1
Nanjing Jurong Grand Mansion (Jurong City Baohua Mudan Road West Side Project)	Residential	2021	52,384	131,028	34,727	33.0
Nanjing Jurong City, 2019-J1-1-01 to 06 Project	Residential	2021	257,700	496,600	–	100.0
Ningbo CIFI Landscape Poetry	Residential	2019-2021	184,155	293,521	48,114	50.0
Ningbo CIFI Powerlong Sanjiang Palace	Residential	2019	51,616	100,293	98,580	47.0
Ningbo Yinzhou District, Zhanyu Town ZQ01-02-h2a, ZQ01-02-h4 Project	Residential	2021	61,200	97,900	–	100.0
Nanchang CIFI Lingyun Mansion	Residential	2019	27,980	46,695	45,940	34.0
Nanchang Honggutan New District, 2019003 Project	Residential	2021	96,125	211,500	–	50.0
Wenzhou Dongchen Mansion	Residential	2020	47,248	102,114	20,364	35.0
Wenzhou Country Garden CIFI Lake Mansion	Residential	2019	74,830	146,239	145,682	50.0
Wenzhou Metropolis	Residential	2020	65,086	128,463	50,806	14.0
Wenzhou CIFI Oujiang World's Metropolis (Oujiang River Estuary Area, C-03AE Project)	Residential	2020	131,148	223,376	220,191	34.0
Wenzhou CIFI Oujiang World's Metropolis (Oujiang River Estuary Area, C-05A Project)	Residential	2020	141,768	213,737	182,879	31.0
Wenzhou CIFI Oujiang World's Metropolis (Oujiang River Estuary Area, C-11FH Project)	Residential	2021	148,404	170,295	104,192	34.0
Wenzhou Yongzhong D-15 Project	Residential	2021	42,557	80,228	–	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)	Pre-sold (sq.m.)	Interest attributable to the Group (%)
				(sq.m.)		
Wenzhou Yueqing City, Central District, E-b11-1 Project	Residential	2020	25,314	64,944	26,572	33.0
Jiaxing CIFI One City	Residential	2020	58,900	100,797	67,863	49.0
Jiaxing CIFI Star City	Residential	2019	58,321	113,765	62,370	50.0
Jiaxing Jiashan CIFI M City	Residential	2019	64,861	142,700	44,350	51.0
Jiaxing Star City (Jiashan County, No. 2016-52-1 Project)	Residential	2020	43,077	96,134	18,781	30.0
Jiaxing Jimei Jiayue (Jiashan County, No. 2016-7 Project)	Residential	2022	14,500	40,350	–	49.0
Jiaxing Jiashan County, No. 34 Project	Residential	2020	35,635	86,853	85,112	30.0
Jiaxing Jiashan County, No. 54 Project	Residential	2020	48,041	117,265	116,046	29.0
Jiaxing Jiashan County, Yaozhuang No. 2018-6 Project	Residential	2020	39,065	76,122	20,399	50.0
Jiaxing Jiashan Weitang No.8-2 Block Project	Residential	2019	48,995	95,218	73,882	6.0
Wuxi Implicit Talent	Residential	2020	21,590	42,481	12,250	50.0
Wuxi CIFI Times	Residential	2019-2021	137,899	416,915	288,605	30.0
Wuxi CIFI Mansion	Residential	2020-2021	126,342	216,658	89,308	71.8
Yixing Grand Lakeview	Residential/Commercial	2019-2021	202,418	413,204	332,791	50.0
Xuzhou Aristocrat Palace (Gulou District, Huanghe North Road Project)	Residential/Commercial	2021	62,619	168,458	40,285	49.0
Xuzhou CIFI Noble Mansion (Tongshan District, No.36 Project)	Residential	2020	48,000	75,342	72,055	50.0
Xuzhou CIFI Dragon Regency (Kingshanzi Industrial Park, Dasanjiao Project)	Residential	2020	57,430	157,952	128,975	50.0
Wuhu New Joy Mansion (Yijiang District, Yuanmutang Project)	Residential	2020	124,059	266,779	40,830	40.0
Taizhou Jiaojiang District, Hongjia Street Project	Residential/Commercial	2020	26,111	57,809	6,162	95.0
Taizhou Jiaojiang District, Xiachen Project	Residential	2021	103,400	186,100	–	100.0
Changzhou Tianning District, Changgaoji South Project	Residential	2020-2021	67,986	131,891	28,022	100.0
Changzhou Zhonglou District, Huanhua Project	Residential	2020	51,572	98,758	40,463	40.0
Quzhou Kecheng District, Railway Station Wanda East Project	Residential	2020	80,203	150,860	72,490	50.0
Quzhou Kecheng District, Railway Station Wanda East Project	Office/Commercial	2020	17,346	30,000	–	50.0
Yiwu Jiangdong Street Qingkou Project	Residential/Commercial	2022	72,268	194,887	–	28.0
Nantong Gangzha District, No. R18013 Project	Residential	2020	56,500	82,931	50,930	51.0
Jiangyin City, Shanghaihui Project	Residential	2021	16,400	32,800	–	100.0
<i>Pan Bohai Rim</i>						
Beijing Chaoyang District, Dongba Project	Residential	2021	77,973	194,900	185,769	26.0
Beijing Chaoyang District, Sunhe Project	Residential	2020	53,526	58,900	45,962	20.0
Beijing Chaoyang District, Sunhe Town, Xidian Village, 2902-86 Project	Residential	2020	59,511	89,300	89,300	9.0
Beijing Daxing Huangcun Sanhezhuang F1 Project	Residential	2021	34,940	97,399	–	50.0
Beijing City of CIFI (Fangshan District, Fangshan Street No.2 Project)	Residential	2019-2020	53,579	94,282	9,555	16.7

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 (%)
Beijing Fangshan District, Gongchen Street, No. 0007 Project	Office/Commercial	2021	10,384	26,920	–	50.0
Beijing Fengtai District, Zhuangwei B10 Project	Office/Commercial	2021	5,151	28,828	–	50.0
Beijing CIFI Lakeside Mansion (Shunyi District, Shayu Town Matouzhuang Project)	Residential/Commercial	2020	65,603	120,200	94,114	24.5
Qingdao Boguanxinghai	Residential	2019	24,093	29,511	17,113	100.0
Qingdao CIFI Yinshengtai Starry City	Residential	2019	103,886	186,323	186,189	50.0
Qingdao CIFI Yinshengtai Zhengyang Mansion	Residential	2020-2021	98,610	240,349	86,954	50.0
Qingdao Huangdao District, Guzhenkou, Lingxi Bay Project	Residential/Commercial	2021-2022	232,500	302,200	–	51.0
Qingdao Fairview Park Mansion (Jiaozhou City, Taihu Road Project)	Residential/Commercial	2020-2022	156,426	291,308	116,740	50.0
Shenyang CIFI Metropolis A.D.	Residential/Commercial	2020	16,247	113,504	100,528	20.0
Shenyang Dadong District, Dongwang Street Project	Residential	2021	41,582	103,955	–	33.5
Shenyang Eastern Tree Shade City North (Third, Fourth Phase)	Residential	2019-2020	38,842	113,176	91,829	50.0
Shenyang Huanggu District, West Rail Yard Project	Residential	2020	6,500	19,600	–	100.0
Shenyang CIFI Central Palace	Residential	2020-2022	29,424	169,679	52,903	100.0
Shenyang CIFI Central Palace	Investment properties	2021	1,500	50,992	–	100.0
Shenyang Jingchen Mansion	Residential/Commercial	2019-2021	85,577	188,079	61,692	100.0
Shenyang Zhongnan CIFI Harmonious	Residential/Commercial	2020	99,541	200,406	24,644	40.0
Tianjin Binhai New Area, Tanggu Bay No. 7 Project	Residential	2020	34,500	51,800	–	50.0
Tianjin Binhai New Area, Tanggu Bay Project	Residential	2020	41,600	62,400	–	50.0
Tianjin Binhai New District, Huijiayuan Project	Residential	2020-2021	36,042	76,737	–	50.0
Tianjin Binhai New District, Sino-Singapore Tianjin Eco-city, Tourism Area Project	Residential	2021	20,305	48,664	–	35.7
Tianjin CIFI Tianyuefenghua (Second Phase)	Residential	2019-2020	76,390	95,899	53,664	25.0
Tianjin Hexi District, Diecai Road Project	Residential	2021	24,013	45,182	–	35.0
Tianjin Olympic New Era	Residential	2019-2020	55,894	133,594	73,881	40.0
Tianjin Ninghe District, Liangku Project	Residential	2021	28,700	57,300	–	50.0
Tianjin Xiqing District, Jinwu Town, West Binshui Road Project	Residential	2020-2022	130,782	246,100	–	51.0
Tianjin Xiqing District, Jinwu Town, West Binshui Road Project	Office/Commercial	2020-2022	11,619	41,700	–	51.0
Jinan Boguanshanyue	Residential	2021	24,890	49,753	9,945	51.0
Jinan CIFI Stage (Licheng District, Fengshenlu Project)	Residential	2021	40,000	112,000	–	100.0
Jinan City of Starry (Licheng District, Hancanghe Project)	Residential/Commercial	2021-2022	126,632	278,600	22,419	22.5
Jinan Ruigongguan	Residential	2021	37,827	128,600	38,038	100.0
Jining City of Starry Life	Residential	2020	58,381	64,564	41,020	55.0
Shijiazhuang Wise Mansion	Residential/Commercial	2020	28,717	75,273	36,784	65.0
Dalain Bonded Zone, IE-52 block project	Residential	2021	24,863	53,728	–	100.0
Dalian Family Villa	Residential/Commercial	2019	16,000	15,994	3,968	100.0
Linyi CIFI Yinshengtai Boguanxincheng East (Second Phase)	Residential	2019	38,164	87,981	80,496	70.0
Linyi CIFI Yinshengtai Boguanxincheng West	Residential	2020	59,946	175,374	142,580	70.0
Linyi Luozhuang District, Huawu Road Project	Residential/Commercial	2021	74,574	160,916	25,623	100.0

Project	Primary Intended use of the project	Estimate Year of completion	Site Area (sq.m.)	Total GFA under development and held for future development (excluding carparks)	Pre-sold (sq.m.)	Interest attributable to the Group (%)
				(sq.m.)		
Linyi Xinghe City	Residential/Commercial	2021	202,383	369,607	223,787	25.5
Yantai Development Zone, A2 Project	Residential/Commercial	2021-2022	110,362	219,534	–	100.0
Yantai Development Zone, A10 Project	Residential/Commercial	2022	78,727	156,341	–	100.0
Taiyuan Jiancaoping District, Sanji Area, SP1919-SP1924 Project	Residential	2021-2027	317,889	1,221,029	–	35.0
Taiyuan Jiancaoping District, Sanji Area, SP1925-SP1928 Project	Residential	2021-2025	354,886	1,298,971	–	35.0
Weifang Waterfront Mansion	Residential	2020	68,845	140,000	63,918	40.0
Zibo Starry City	Residential	2019	33,645	64,772	47,214	100.0
<i>Central Western Region</i>						
Chongqing Airport Development Area, 19049 Project	Residential	2021	94,700	134,500	–	50.0
Chongqing Airport Development Area, 19058 Project	Residential	2021	50,400	70,500	–	50.0
Chongqing Verdant Landscape	Residential	2019-2021	200,200	385,280	34,336	70.0
Chongqing Cloud Poem	Residential	2020	92,020	226,526	32,418	35.0
Chongqing CIFI Jiangzhou Impression (Second-Fourth Phase)	Residential	2019-2022	128,000	353,889	83,790	35.0
Chongqing The Landscape	Residential	2020-2022	161,749	387,300	17,943	33.4
Chongqing Nature Grace	Residential/Commercial	2020-2022	161,962	444,600	58,948	33.3
Chongqing CIFI Panorama (Second Phase)	Office/Commercial	2019-2021	16,822	50,000	–	30.0
Chongqing CIFI Panorama (Third-Seventh Phase)	Residential	2019-2021	132,770	374,435	61,795	30.0
Chongqing CIFI Waves River Qianjiangfu	Residential	2019-2021	179,607	411,617	148,708	33.0
Chongqing CIFI Waves River Lingyunfeng (Second, Third Phase)	Residential	2021	85,063	246,794	101,775	33.0
Chongqing Superstar (Jiangbei District, Dashiba Project)	Residential	2019	4,474	15,448	13,652	100.0
Chongqing Shapingba District, F6-1/F7 Project	Residential/Commercial	2020	8,476	27,443	18,707	50.0
Chongqing Yuzhong District, Shidaitianje Project	Residential	2019	14,447	60,208	–	33.0
Wuhan Blue Cloud Sky Project	Residential	2020	35,700	124,800	–	45.0
Wuhan Hanyang District, Hanqiao Village Project Section B	Residential/Commercial	2021-2022	103,820	469,724	–	55.0
Wuhan Hanyang Village, Shuguang Village Project	Residential	2021-2023	100,100	521,600	–	84.0
Wuhan Noble Wonderland (Hongshan District, Qingling Village K1-2-4 Project)	Residential/Commercial	2021-2023	246,944	766,678	–	34.7
Wuhan Hongshan District, Qingling Village, K3 Project	Residential	2020-2021	211,444	620,632	158,522	51.0
Wuhan Jiangxia District, Qixin Village Project	Residential	2020	70,200	238,400	222,538	29.0
Changsha County, No. 081 Project	Residential	2021	63,900	191,600	–	50.0
Changsha Henderson Arch of Triumph	Residential/Commercial	2019	5,931	37,661	–	30.0
Changsha Kaifu District, Dadi Project	Residential	2019-2022	510,126	844,154	186,665	50.0
Changsha CIFI City Mansion (Tianxin District, Aoyuan South Project)	Residential/Commercial	2019	30,076	87,876	54,590	70.0
Changsha Yuelu District, No. 037 Project	Residential/Commercial	2022	27,900	147,900	–	70.0
Chengdu Chenghua District, Beichengzhongyang Project	Residential/Commercial	2019-2021	36,914	121,568	90,144	30.0
Chengdu Chenghua District, Beichengzhongyang Project	Investment properties	2019-2021	13,322	67,044	–	30.0
Chengdu Glorious Flower City (Chenghua District, Jinxiuhucheng Project)	Residential	2019	47,647	47,406	45,722	30.0



Project	Primary Intended use of the project	Estimate Year of completion	Site Area (sq.m.)	Total GFA under development and held for future development (excluding carparks)	Pre-sold (sq.m.)	Interest attributable to the Group (%)
				(sq.m.)		
Chengdu Jianyang City, Hedong New Area, 77 acres Project	Residential	2021-2022	51,700	206,600	–	60.0
Chengdu Jianyang City, Hedong New Area, 96 acres Project	Residential	2021-2022	64,253	160,263	–	33.0
Chengdu Jinniu District, Weijianian 102 mu Project	Residential	2020-2021	68,510	135,791	–	51.0
Chengdu Tang Mansion (Shuangliu District, 75 Mu Project)	Residential/Commercial	2019	49,777	87,272	20,057	34.0
Chengdu Rivera Impression	Residential	2019	10,651	21,281	13,584	22.5
Chengdu Xindu District, 123 acres Project	Residential	2021-2022	62,500	187,800	–	100.0
Chengdu Xindu District, 123 acres Project	Office/Commercial	2021-2022	20,000	86,000	–	100.0
Xi'an CIFI Park Avenue	Office/Commercial	2019	27,485	151,180	132,925	49.0
Xi'an Essence Mansion	Residential	2019	20,618	38,132	38,132	34.0
Xi'an CIFI Honor Mansion	Residential	2020	30,689	105,671	103,867	49.0
Xi'an Weiyang District, Chanba Road 1 Project	Residential	2021	92,000	299,800	–	49.0
Xi'an Landscape	Residential	2020	200,309	387,900	77,877	80.0
Yinchuan Jinfeng District, No. G2018-19 Project	Residential	2020	101,415	149,129	–	40.0
Yinchuan Jinfeng District, Yindi No.G-2018-20 Project	Residential	2020	88,693	133,317	27,325	40.0
Guiyang CIFI Skyline	Residential	2020	35,762	64,481	28,430	100.0
Guiyang CIFI Skyline	Office/Commercial	2020	28,505	130,167	15,460	100.0
Kunming Economic and Technological Development Zone, KCJ2018-5 Project	Residential	2022	71,800	179,500	21,931	51.0
Zhengzhou CIFI Grand Mansion	Residential	2019	69,439	168,572	118,007	21.0
Xiangtan Yuetang District, No. 2018-20 Project	Residential	2020-2023	66,603	186,500	2,587	50.0
Xuchang Anno Domini (Dongcheng District Project)	Residential	2020-2021	55,350	156,129	34,433	87.1
<i>South China</i>						
Guangzhou CIFI Poly Flowers Bay (Liwan District No.111, Baihua Road, Bai Hua Xiang Liao Chang Project)	Residential/Commercial	2020-2021	40,508	140,619	68,556	23.5
Nanning CIFI Landscape (Liangqing District, GC2017-095 Project)	Residential	2020	20,846	62,879	62,394	90.0
Nanning City of Midea & CIFI (Xixiangtang District, Xiu'an Road 39 acres Project)	Residential	2020	26,339	66,264	14,946	50.0
Fuzhou Jinan District, Qianyu Village Project	Residential	2021	30,600	79,600	–	100.0
Foshan CIFI Homeland (Second, Third Phase)	Residential	2019-2022	51,953	167,752	57,863	100.0
Foshan Gaoming District, Xijiang New Town Project	Residential	2021	81,136	233,202	–	34.0
Foshan Sanshui District, Yundonghai Street No. 009 Project	Residential	2020	27,916	69,187	–	100.0
Foshan Joy & Peace	Residential	2020-2021	81,455	195,746	3,041	33.0
Jiangmen Natural Gift	Residential	2021-2022	51,233	152,813	–	49.0
Jiangmen The One Mansion	Residential	2019-2020	59,612	166,400	24,457	40.0
Jiangmen Pengjiang District, No. 11 Project	Residential	2020-2020	3,921	10,538	–	100.0
Zhongshan Nantou Town, Suixi Village No. W02-17-0135 Project	Residential	2021	11,029	32,499	–	33.0
Zhongshan Nantou Town, Suixi Village No. W02-17-0137 Project	Residential	2020	34,272	80,639	26,883	22.0

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)		Interest attributable to the Group (%)
				Pre-sold (sq.m.)		
Zhongshan Nantou Town, Suixi Village No.162-163 Project	Residential	2021	39,758	93,868	–	33.0
Zhongshan Nantou Town, Suixi Village Project	Residential	2020	26,323	61,859	13,339	34.0
Quanzhou Shishi CIFI City	Residential	2020-2021	67,964	168,496	15,952	100.0
Huizhou Midea Jiangshan Mansion	Residential	2021	42,702	118,345	–	50.0
Zhangzhou Longhai City, Jiaomei Town, 2019P01 Project	Residential	2021	23,900	71,600	–	100.0
Zhangzhou Longhai City, Jiaomei Town, 2019P02 Project	Residential	2021	15,748	31,086	–	70.0
Dongguan Landscape	Residential	2019-2020	33,861	84,345	12,513	100.0
Sanya Yalong Bay Project	Office/Commercial	2019	46,930	18,852	13,179	50.0
Xiamen Xiangan District, 12 Mu Project	Residential	2021	8,074	11,065	–	100.0
Hong Kong Maya	Residential	2020	3,816 sq.m. (41,080 sq.ft.)	Net saleable area: 21,368 sq.m. (230,000 sq.ft.)	8,305 sq.m. (89,394 sq.ft.)	50.0
Carpark				<u>7,545,593</u>	<u>736,871</u>	
TOTAL GFA of Properties under development and held for future development				<u>40,998,674</u>	<u>10,397,869</u>	
GRAND TOTAL (Completed, under development and for future development)				<u>46,779,807</u>		



During the six months ended 30 June 2019, the Group purchased interest in a total of 34 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 2019 amounted to approximately 7.7 million sq.m., out of which 4.9 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 2019 amounted to approximately RMB37,278 million, out of which RMB26,647 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 2019 was approximately RMB4,848 per sq.m.

**Table 5: The Group's land acquisition in the first half of 2019**

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 2019</b>									
Suzhou	Wuzhong District, Xukou Town, No. 2018-WG-32 Sunwu Road Project	Residential	100.00	45,200	76,800	76,800	719,130,000	719,130,000	9,368
Suzhou	Wuzhong District, Mudu Town, No. 2018-WG-41 Jinmao Road Project	Residential	70.00	46,600	102,600	71,800	1,455,600,000	1,018,920,000	14,194
Suzhou	Wuzhong District, Luzhi Town, No. 2018-WG-43 North Yanli Project	Residential	100.00	45,100	99,200	99,200	1,113,220,000	1,113,220,000	11,217
Wuhan	Hanyang Village, Shuguang Village Project	Residential	84.00	100,100	521,600	438,100	4,056,920,000	3,407,810,000	7,784
Changsha	Changsha County, No. 081 Project	Residential	50.00	63,900	191,600	95,800	764,620,000	382,310,000	3,990
Shenyang	Huanggu District, West Rail Yard Project	Residential	100.00	6,500	19,600	19,600	85,110,000	85,110,000	4,350
Shanghai	Pudong New Area, Yangjing Subdistrict, C000204 Project	Commercial	50.00	3,700	3,000	1,500	61,900,000	30,950,000	20,870
Kunming	Economic and Technological Development Zone, KCJ2018-5 Project	Residential	51.00	71,800	179,500	91,500	425,490,000	217,000,000	2,371
Tianjin	Binhai New Area, Tangu Bay Project	Residential	50.00	41,600	62,400	31,200	333,000,000	166,500,000	5,337
Nanchang	Honggutan New District, 2019003 Project	Residential	50.00	96,100	211,500	105,800	605,590,000	302,800,000	2,864
Shanghai	Pudong New Area, Pujiang Overseas Chinese Town Project	Office/Commercial	30.00	38,100	95,900	28,800	1,237,100,000	371,130,000	12,900
Hefei	Feixi County, No. 2018-26 Project	Residential/Commercial	100.00	142,100	307,100	307,100	1,766,120,000	1,766,120,000	5,751
Hefei	Xinzhan District, XZQTD237 Project	Residential	50.00	54,800	82,200	41,100	534,140,000	267,070,000	6,500
Tianjin	Xiqing District, Jinwu Town, West Binshui Road Project	Residential/Commercial	51.00	142,400	287,800	146,800	3,638,000,000	1,855,380,000	12,640
Qingdao	Huangdao District, Guzhenkou, Lingxi Bay Project	Residential/Commercial	51.00	232,500	302,200	154,100	1,094,860,000	558,380,000	3,623
Tianjin	Ninghe District, Liangku Project	Residential	50.00	28,700	57,300	28,700	269,000,000	134,500,000	4,692
Tianjin	Binhai New Area, Tangu Bay No.7 Project	Residential	50.00	34,500	51,800	25,900	262,400,000	131,200,000	5,067
Xi'an	Weiyang District, Chanba Road 1 Project	Residential	100.00	92,000	299,800	299,800	1,234,000,000	1,234,000,000	4,117
Chengdu	Xindu District, 123 acres Project	Residential/Commercial	100.00	82,500	273,800	273,800	619,030,000	619,030,000	2,261
Chengdu	Jiayang City, Hedong New Area, 77 acres Project	Residential	60.00	51,700	206,600	124,000	1,161,250,000	696,750,000	5,620
Hefei	Binhu Area, No. 2019-12 Project	Residential	100.00	50,600	119,000	119,000	1,730,750,000	1,730,750,000	14,550
Hefei	Yaohai District, No. E1805 Project	Residential	33.00	49,500	109,000	36,000	650,300,000	214,600,000	5,966
Taiyuan	Jiancapping District, Sanji Area, SP1919-SP1428 Project	Residential	35.00	672,700	2,520,000	882,000	4,845,000,000	1,695,750,000	1,923
Fuzhou	Jinan District, Qianyu Village Project	Residential	100.00	30,600	79,600	79,600	988,000,000	988,000,000	12,405
Ningbo	Yinzhou District, Zhanyu Town ZQ01-02-h2a, ZQ01-02-h4 Project	Residential	100.00	61,200	97,900	97,900	422,800,000	422,800,000	4,320

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.)			
Changzhou	Jingkai District, Weilan Tiandi West Project	Residential	100.00	58,400	133,300	133,300	1,170,000,000	1,170,000,000	8,779
Changzhou	Jingkai District, West Minguifang West Project	Residential	100.00	26,700	58,800	58,800	480,000,000	480,000,000	8,169
Wuxi	Jiangyin City, Shanghaihui Project	Residential	100.00	16,400	32,800	32,800	315,370,000	315,370,000	9,624
Zhangzhou	Longhai City, Jiaomei Town, 2019P01 Project	Residential	100.00	23,900	71,600	71,600	718,000,000	718,000,000	10,030
Chongqing	Airport Development Area, 19049 Project	Residential	50.00	94,700	134,500	67,300	739,200,000	369,600,000	5,500
Chongqing	Airport Development Area, 19058 Project	Residential	50.00	50,400	70,500	35,300	387,780,000	193,890,000	5,500
Nanjing	Jurong City, 2019-J1-1-01 to 06 Project	Residential	100.00	257,700	496,600	496,600	2,276,160,000	2,276,160,000	4,583
Changsha	Yuelu District, No. 037 Project	Residential/ Commercial	70.00	27,900	147,900	103,500	409,790,000	286,850,000	2,771
Taizhou	Jiaojiang District, Xiachen Project	Residential	100.00	103,400	186,100	186,100	708,200,000	708,200,000	3,805
	First 6M 2019				7,689,900	4,861,200	37,277,830,000	26,647,280,000	4,848
<b>Land Acquisition Subsequent to 30 June 2019</b>									
Shijiazhuang	Changan District, 2019-018 Project	Residential	100.00	213,400	452,800	452,800	3,501,000,000	3,501,000,000	7,732
Shijiazhuang	Changan District, 17 acres Project	Residential	100.00	11,400	32,600	32,600	245,400,000	245,400,000	7,527
Changchun	Qikai District, Dongfeng Street South-1 Project	Residential/ Commercial	100.00	120,100	240,200	240,200	788,760,000	788,760,000	3,284
Changchun	Qikai District, Dongfeng Street South-2 Project	Residential/ Commercial	100.00	92,000	184,000	184,000	612,190,000	612,190,000	3,327
Qingdao	Jiaozhou City, North-3 50 acres Project	Residential	100.00	33,200	53,100	53,100	163,690,000	163,690,000	3,082
Wuhan	Dongxihu Lake District, Biyuntian Project	Residential	45.00	35,700	124,800	56,200	1,008,070,000	453,630,000	8,075
	First 7M 2019				8,777,400	5,880,200	43,596,940,000	32,411,950,000	4,967

## LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

### Cash position

The Group had cash and bank balances of approximately RMB53,960.4 million (31 December 2018: approximately RMB43,327.6 million) and restricted bank deposits of approximately RMB340.0 million (2018: approximately RMB1,290.0 million).

### Indebtedness

As at 30 June 2019, the Group had outstanding total borrowings amounted to approximately RMB94,767.9 million (31 December 2018: RMB77,865.0 million), comprising bank and other loans of approximately RMB60,593.4 million (31 December 2018: RMB49,903.6 million), asset-backed securities with carrying amount of RMB1,314.9 million (31 December 2018: nil), onshore corporate bonds with a carrying amount of RMB11,848.0 million (31 December 2018: RMB11,760.1 million), convertible bonds with a carrying amount of RMBnil (31 December 2018: RMB907.7 million) and offshore senior notes with a carrying amount of RMB21,011.6 million (31 December 2018: RMB15,293.6 million).

**Table 6: Breakdown of indebtedness**

*By type of borrowings and maturity*

	At 30 June 2019 RMB'000	At 31 December 2018 RMB'000
<b>Onshore bank loans</b>		
Within one year	4,900,790	4,264,171
Over one years and within two years	9,079,845	9,323,378
Over two years and within three years	21,471,760	13,179,872
Over three years and within four years	5,228,416	3,706,300
Over four years and within five years	1,273,500	660,000
Over five years	357,840	416,170
<b>Subtotal</b>	<b>42,312,151</b>	<b>31,549,891</b>
<b>Onshore corporate bonds</b>		
Within one year	4,418,398	3,646,140
Over one years and within two years	5,994,173	3,886,550
Over two years and within three years	1,435,438	4,227,447
<b>Subtotal</b>	<b>11,848,009</b>	<b>11,760,137</b>
<b>Asset-backed-securities</b>		
Over two years and within three years	1,314,857	–
<b>Subtotal</b>	<b>1,314,857</b>	<b>–</b>
<b>Offshore bank loans</b>		
Within one year	3,398,543	4,578,200
Over one year and within two years	11,266,324	8,859,536
Over two years and within three years	3,616,357	4,915,933
<b>Subtotal</b>	<b>18,281,224</b>	<b>18,353,669</b>
<b>Debt component of convertible bonds</b>		
Within one year	–	907,724
<b>Subtotal</b>	<b>–</b>	<b>907,724</b>
<b>Offshore senior notes</b>		
Within one year	3,864,430	–
Over one year and within two years	7,320,341	5,897,068
Over two years and within three years	3,914,363	3,450,757
Over three years and within four years	4,158,118	3,877,490
Over four years and within five years	1,754,386	2,068,299
<b>Subtotal</b>	<b>21,011,638</b>	<b>15,293,614</b>
<b>TOTAL</b>	<b>94,767,879</b>	<b>77,865,035</b>

*By currency denomination*

	<b>At 30 June 2019 RMB'000</b>	At 31 December 2018 RMB'000
Analysis of borrowings by currency		
– Denominated in RMB	<b>58,246,130</b>	45,124,929
– Denominated in USD	<b>28,132,401</b>	22,876,919
– Denominated in HKD	<b>8,367,423</b>	9,841,840
– Denominated in other currencies	<b>21,925</b>	21,347
	<b>94,767,879</b>	77,865,035

*By fixed or variable interest rates*

	<b>At 30 June 2019 RMB'000</b>	At 31 December 2018 RMB'000
Fixed interest rates	<b>41,662,796</b>	34,807,640
Variable interest rates	<b>53,105,083</b>	43,057,395
	<b>94,767,879</b>	77,865,035

*Secured versus unsecured*

	<b>At 30 June 2019 RMB'000</b>	At 31 December 2018 RMB'000
Secured borrowings	<b>49,925,324</b>	36,754,386
Unsecured borrowings	<b>44,842,555</b>	41,110,649
	<b>94,767,879</b>	77,865,035

**Cost of borrowings**

The Group's total finance costs expensed and capitalized in first half of 2019 was approximately RMB3,064.2 million, representing an increase of 77.3% from RMB1,728.4 million in first half of 2018. 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, asset-backed-securities, onshore corporate bonds and offshore senior notes) as at 30 June 2019 was 5.9%, compared to 5.8% as at 31 December 2018.

### **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 Capped Gain 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 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 Capped 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.

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 2019. 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 2019, the Group provided mortgage guarantees in respect of mortgage loans provided by the PRC banks to the Group’s customers amounting to approximately RMB20,085.7 million (versus 31 December 2018: approximately RMB19,067.9 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 2019, the Group’s aggregate share of such guarantees provided in respective of loans incurred by these joint venture companies amounted to approximately RMB8,717.9 million (31 December 2018: approximately RMB5,822.9 million) and associate companies amounted to approximately RMB3,412.4 million (31 December 2018: approximately RMB2,609.0 million).

### **Gearing ratio**

The Group’s net debt-to-equity ratio (total indebtedness net of bank balances and cash divided by total equity) was approximately 69.5% as at 30 June 2019 versus approximately 67.2% as at 31 December 2018. The Group’s debt-to-asset ratio (total indebtedness divided by total assets) was approximately 31.4% as at 30 June 2019 versus approximately 32.3% as at 31 December 2018. The Group’s current ratio (current assets divided by current liabilities) was approximately 1.6 times as at 30 June 2019 versus approximately 1.7 times as at 31 December 2018.



## **PAYMENT OF INTERIM DIVIDEND**

The Board declared payment of an interim dividend for the six months ended 30 June 2019 of RMB8.93 cents per share (or equivalent to HK10 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\$788 million (approximately RMB704 million). The Interim Dividend will be paid in Hong Kong dollars on Tuesday, 22 October 2019 to the shareholders whose names appear on the register of members of the Company on Friday, 27 September 2019.

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

The register of members of the Company will be closed from Wednesday, 25 September 2019 to Friday, 27 September 2019, 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 Tuesday, 24 September 2019.

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

During the six months ended 30 June 2019 (the "Relevant Period"), the outstanding Convertible Bonds with an aggregate principal amount of HK\$1,024 million were redeemed by the Company at the redemption price of 101.5% of the principal amount and were delisted from the Singapore Exchange Securities Trading Limited at maturity of the Convertible Bonds in February 2019.

During the Relevant Period, the Company has redeemed an aggregate principal amount of US\$150,000,000 of all of the outstanding 7.75% senior notes due 2020 (the "2020 Due USD Notes") on 5 June 2019 at the redemption price equal to 101.9375% of the principal amount thereof, being US\$152,906,250, plus accrued and unpaid interest of US\$5,812,500 to (but not including) the redemption date. The redeemed 2020 Due USD Notes have been fully cancelled, thereafter, as at 30 June 2019 the principal amount of the 2020 Due USD Notes remain outstanding was US\$250,000,000.

Subsequent to the Relevant Period and up to the date of this announcement, on 5 August 2019 an aggregate principal amount of US\$250,000,000 of all the outstanding 2020 Due USD Notes were fully redeemed by the Company ahead of maturity at the redemption price equal to 101.9375% of the principal amount thereof, being US\$254,843,750, plus accrued and unpaid interest of US\$3,228,000 to (but not including) the redemption date and delisted from The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since close of business on 12 August 2019.

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 (the "Listing Rules") during the Relevant Period.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

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

As required by the Company, relevant officers and employees of the Company are also bound by the Model Code, which prohibits them from dealing in securities of the Company at any time when they possess inside information in relation to those securities. No incident of non-compliance of the Model Code by the relevant officers and employees was noted by the Company.

## **REVIEW OF INTERIM RESULTS**

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2019 have not been audited but have been reviewed by Deloitte Touche Tohmatsu, the auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

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 2019 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. WANG Wei 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 THE 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 2019 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, 13 August 2019

### *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.*