

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 2017**

2017 INTERIM RESULTS HIGHLIGHTS

- Contracted sales increased by 70.9% to RMB47,151 million
- Recognized revenue increased by 28.5% to RMB11,235 million
- Core net profit increased by 62.2% to RMB1,538 million
- Gross profit margin and core net profit margin at 31.6% and 13.7% respectively
- Declared interim dividend of RMB4.35 cents (or equivalent to HK5 cents) per share
- Healthy net debt-to-equity ratio of 59.3%, abundant cash on hand of RMB25.8 billion as at 30 June 2017
- Weighted average cost of indebtedness decreased to 5.0% as at 30 June 2017

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 2017 (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 2017

		Six months ended 30 June	
		2017	2016
	<i>NOTES</i>	RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue	3	11,235,359	8,744,121
Cost of sales and services		<u>(7,680,373)</u>	<u>(6,377,396)</u>
Gross profit		3,554,986	2,366,725
Other income, gains and losses	4	40,717	(127,572)
Change in fair value of investment properties		19,286	(66,108)
Selling and marketing expenses		(271,021)	(217,837)
Administrative expenses		(598,808)	(314,619)
Share of results of joint ventures		1,204,327	261,124
Share of results of associates		319,124	(21,629)
Finance costs	5	<u>(99,587)</u>	<u>(108,190)</u>
Profit before taxation		4,169,024	1,771,894
Income tax expense	6	<u>(1,561,131)</u>	<u>(722,508)</u>
Profit and total comprehensive income for the period	7	<u>2,607,893</u>	<u>1,049,386</u>
Attributable to:			
Equity owners of the Company		<u>2,156,233</u>	<u>838,480</u>
Non-controlling interests		<u>451,660</u>	<u>210,906</u>
Profit and total comprehensive income for the period		<u>2,607,893</u>	<u>1,049,386</u>
Earnings per share, in RMB:			
Basic	9	<u>0.32</u>	<u>0.13</u>
Diluted	9	<u>0.31</u>	<u>0.13</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 June 2017

	<i>NOTES</i>	At 30 June 2017 <i>RMB'000</i> (unaudited)	At 31 December 2016 <i>RMB'000</i> (audited)
NON-CURRENT ASSETS			
Investment properties		12,019,900	5,773,100
Property, plant and equipment		84,177	75,783
Prepaid lease payments		32,742	32,742
Interests in associates		1,987,706	1,334,453
Interests in joint ventures		5,333,244	7,504,466
Investments in property projects		713,086	529,225
Available-for-sale investment		1,145,722	740,976
Derivative financial instruments		25,916	314,768
Deferred taxation assets		321,520	319,795
Deposits paid for acquisitions of equity interests		593,692	622,213
Long-term deposit		300,000	300,000
		22,557,705	17,547,521
CURRENT ASSETS			
Properties held for sale		7,683,345	6,829,221
Properties under development for sale		33,737,351	21,254,355
Accounts and other receivables, deposits and prepayments	10	14,684,861	9,625,149
Amounts due from non-controlling interests		4,779,409	2,387,678
Amounts due from joint ventures and associates		6,497,292	4,620,932
Deposits for land use rights for properties held for sale		1,346,394	4,373,075
Taxation recoverable		1,203,343	812,197
Financial assets at fair value through profit or loss ("FVTPL")		474,608	352,829
Pledged bank deposits		758,807	348,855
Bank balances and cash		25,034,770	20,328,397
		96,200,180	70,932,688
CURRENT LIABILITIES			
Accounts and other payables, and accrued charges	11	16,730,073	7,854,327
Deposits received from property sales		22,603,258	15,391,289
Amounts due to non-controlling interests		1,887,470	965,649
Amounts due to joint ventures and associates		10,098,113	14,419,441
Taxation payable		2,523,877	1,838,829
Bank and other borrowings – due within one year		4,984,163	2,367,536
Corporate bonds		1,529,558	2,088,970
		60,356,512	44,926,041
NET CURRENT ASSETS		35,843,668	26,006,647
TOTAL ASSETS LESS CURRENT LIABILITIES		58,401,373	43,554,168

	At 30 June 2017 <i>RMB'000</i> (unaudited)	At 31 December 2016 <i>RMB'000</i> (audited)
CAPITAL AND RESERVES		
Share capital	549,345	542,797
Reserves	<u>15,841,933</u>	<u>14,437,365</u>
Equity attributable to equity owners of the Company	<u>16,391,278</u>	<u>14,980,162</u>
Non-controlling interests	<u>6,821,706</u>	<u>2,302,851</u>
TOTAL EQUITY	<u>23,212,984</u>	<u>17,283,013</u>
NON-CURRENT LIABILITIES		
Bank and other borrowings – due after one year	20,174,776	11,199,111
Senior notes	4,623,798	5,683,011
Corporate bonds	8,244,546	8,052,498
Deferred taxation liabilities	<u>2,145,269</u>	<u>1,336,535</u>
	<u>35,188,389</u>	<u>26,271,155</u>
	<u>58,401,373</u>	<u>43,554,168</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2017

1. BASIS OF PRESENTATION

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

2. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2017 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2016.

In the current interim period, the Group has applied, for the first time, the following amendments to International Accounting Standard (“IAS”) and International Financial Reporting Standards (“IFRSs”) hereinafter collectively referred to as the “amendments to IFRSs” issued by the IASB.

Amendments to IAS 7	Disclosure Initiative
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to IFRS12	As part of the Annual Improvements to IFRSs 2014-2016 Cycle

The application of the amendments to IFRSs in current period has had no material impact on the results the Group’s financial performance and position for the current period and prior years and/or on the disclosures set out in the condensed consolidated financial statements, but the application is expected to have impact on disclosures in the consolidated financial statements for the year ending 31 December 2017.

3. SEGMENT INFORMATION

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

(a) Segment revenue and profit

	Property development RMB’000	Property investment RMB’000	Property management, project management and other related services RMB’000	Total RMB’000
Six months ended 30 June 2017				
Reportable segment revenue from external customers	<u>10,590,200</u>	<u>50,986</u>	<u>594,173</u>	<u>11,235,359</u>
Reportable segment profit	<u>3,095,718</u>	<u>35,363</u>	<u>223,097</u>	<u>3,354,178</u>

	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Property management, project management and other related services <i>RMB'000</i>	Total <i>RMB'000</i>
Six months ended 30 June 2016				
Reportable segment revenue from external customers	<u>7,985,162</u>	<u>17,487</u>	<u>741,472</u>	<u>8,744,121</u>
Reportable segment profit	<u>1,794,776</u>	<u>14,982</u>	<u>280,128</u>	<u>2,089,886</u>

(b) Segment assets and liabilities

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

(c) Reconciliations of reportable segment revenue and profit

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Revenue		
Reportable segment and consolidated revenue	<u>11,235,359</u>	<u>8,744,121</u>
Profit		
Reportable segment profit	3,354,178	2,089,886
Other income, gains and losses	40,717	(127,572)
Change in fair value of investment properties	19,286	(66,108)
Finance costs	(99,587)	(108,190)
Share of results of joint ventures	1,204,327	261,124
Share of results of associates	319,124	(21,629)
Depreciation of property, plant and equipment	(10,725)	(8,242)
(Allowance for) write-back of doubtful debts	(1,665)	415
Unallocated head office and corporate expenses	<u>(656,631)</u>	<u>(247,790)</u>
Consolidated profit before taxation	<u>4,169,024</u>	<u>1,771,894</u>

4. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Interest income	162,065	68,293
Gain on remeasurement	–	38,283
Gain from business combinations	–	33,867
Gain (loss) on disposal of subsidiaries	1,591	(211)
Government grants	1,734	3,560
Forfeited deposits paid by purchasers	12,339	2,912
Gain (loss) on disposal of property, plant and equipment	280	(6)
Loss on early redemption of senior notes	(128,288)	(182,263)
Change in fair value of financial assets designated as at FVTPL	(63,282)	–
Change in fair value of derivative financial instrument	(165,661)	61,687
Net exchange gain (loss)	213,284	(163,867)
Sundry income	6,655	10,173
	<u>40,717</u>	<u>(127,572)</u>

5. FINANCE COSTS

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Interest on bank and other borrowings	(630,299)	(385,201)
Interest expense on senior notes and corporate bonds	(419,139)	(475,725)
Less: Amount capitalized to properties under development for sale and investment properties under construction	949,851	752,736
	<u>(99,587)</u>	<u>(108,190)</u>

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

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2017	2016
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax in the People's Republic of China (the "PRC")		
PRC enterprise income tax	(704,015)	(485,536)
Land appreciation tax	(853,804)	(305,322)
	(1,557,819)	(790,858)
Deferred taxation	(3,312)	68,350
	(1,561,131)	(722,508)

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

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

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

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

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

7. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

	Six months ended 30 June	
	2017	2016
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit and total comprehensive income for the period has been arrived at after charging (crediting):		
Cost of properties sold included in cost of sales and services	7,324,885	6,276,464
Depreciation of property, plant and equipment	10,725	8,242
Allowance for (write-back of) doubtful debts	1,665	(415)
Operating lease rentals in respect of land and buildings	36,659	20,344

8. DIVIDEND

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Dividend recognized as distribution during the period:		
Final dividend paid in respect of financial year ended 31 December 2016 of RMB11.5 cents (equivalent to HK13 cents) (2015: RMB9.35 cents equivalent to HK11 cents) per ordinary share	<u>779,492</u>	<u>620,937</u>
Dividends declared as distribution during the period:		
Cash	<u>326,320</u>	<u>229,414</u>

The Board declared the payment of an interim dividend of RMB4.35 cents (equivalent to HK5 cents) (six months ended 30 June 2016: RMB3.42 cents (equivalent to HK4 cents)) per ordinary share for the six months ended 30 June 2017.

On 31 May 2017, a final dividend of RMB11.5 cents (equivalent to HK13 cents) per ordinary share, which included scrip dividend alternative offered to shareholders to elect receiving the final dividend by allotment of new shares in lieu of cash, were paid to shareholders as the final dividend in respect of the financial year ended 31 December 2016. The scrip dividend alternative was accepted by shareholders as follows:

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Dividends		
Cash	774,862	561,113
Scrip dividend alternative	<u>4,630</u>	<u>59,824</u>
	<u>779,492</u>	<u>620,937</u>

9. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Earnings		
Earnings for the purposes of basic and diluted earnings per share (profit for the period attributable to owners of the Company)	<u>2,156,233</u>	<u>838,480</u>

	Six months ended 30 June	
	2017	2016
	'000	'000
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	6,773,955	6,674,468
Effect of dilutive potential ordinary shares on share options	107,516	156
	<hr/>	<hr/>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	6,881,471	6,674,624
	<hr/>	<hr/>

10. ACCOUNTS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade receivables mainly arise from sales of properties and rental income. Considerations in respect of properties sold are paid in accordance with the terms of the related sales and purchase agreements, normally with a range of 60 days to 180 days from the date of agreement. Rental income is paid by tenants within two months in accordance to tenancy agreement.

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

	At	At
	30 June	31 December
	2017	2016
	RMB'000	RMB'000
	(unaudited)	(audited)
Within 60 days	1,015,962	815,941
61–180 days	140,347	66,126
181–365 days	66,319	202,118
Over 1 year	181,931	230,918
	<hr/>	<hr/>
	1,404,559	1,315,103
	<hr/>	<hr/>

11. ACCOUNTS AND OTHER PAYABLES, AND ACCRUED CHARGES

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

	At	At
	30 June	31 December
	2017	2016
	RMB'000	RMB'000
	(unaudited)	(audited)
Within 60 days	1,189,642	1,326,681
61–180 days	848,759	631,624
181–365 days	1,045,556	1,077,546
Over 1 year	608,972	702,138
	<hr/>	<hr/>
	3,692,929	3,737,989
	<hr/>	<hr/>

CHAIRMAN'S STATEMENT

Dear shareholders:

I am pleased to present to you the business review of the Group for the six months ended 30 June 2017, and outlook for the second half of 2017.

Interim Dividend

The Board declared payment of an interim dividend for the six months ended 30 June 2017 of RMB4.35 cents per share (or equivalent to HK5 cents per share based on the average middle rate of RMB to Hong Kong dollars as announced by the People's Bank of China for the five business days preceding the date of declaration of such dividend). Based on the total number of issued shares of the Company as at the date of this announcement and the expected new issue of shares pursuant to the Ping An Subscription (as defined below) and the Top-up Placing (as defined below), the interim dividend for the six months ended 30 June 2017 amounts to approximately HK\$375.1 million (approximately RMB326.3 million).

Interim Results

For the six months ended 30 June 2017, the Group achieved contracted sales of RMB47.15 billion, representing a year-on-year increase of 70.9% over RMB27.59 billion in the corresponding period in 2016. During the period, the Group's attributable contracted sales amounted to RMB25.42 billion representing a year-on-year increase of 66.6% over RMB15.26 billion in the corresponding period in 2016.

Recognized revenue was RMB11,235.4 million, for the six months ended 30 June 2017, representing a year-on-year increase of 28.5% over RMB8,744.1 million in the corresponding period in 2016.

The Group's net profit attributable to equity owners increased by 157.1% to RMB2,156.2 million for the six months ended 30 June 2017 from RMB838.5 million in the corresponding period in 2016. The Group's core net profit attributable to equity owners increased by 62.2% to approximately RMB1,537.5 million for the six months ended 30 June 2017 from RMB948.1 million in the corresponding period in 2016.

The Group improved its gross profit margin and core net profit margin to 31.6% and 13.7% respectively for the six months ended 30 June 2017, versus 27.1% and 10.8% respectively for the six months ended 30 June 2016.

Review of the first half of 2017

Market review

In the first half of 2017, China's real estate market continued its surges in both overall transaction volume and price, but market sentiment was extremely uneven in different regions. According to the China National Bureau of Statistics, during the first half of 2017, transaction volume of commodity housing was 747 million sq.m., a year-on-year increase of 16.1%; while sales of commodity properties housing were RMB5.92 trillion, rising by 21.5% on a year-on-year basis.

During the period, more than 40 Chinese cities viciously launched and intensified austerity measures, including: tightening home purchase eligibility, tightening home mortgage policies, stricter property pre-sale, tightening of bank credit quotas, raising mortgage interest rates, etc.

Intensity of government control measures vary in different regions. Government controls were most intensive and effective in most first- and hotspot second-tier cities. Transaction volume at first-tier and second-tier cities in three major metropolitan circles (Beijing-Tianjin-Hebei, the Yangtze River Delta and the Pearl River Delta) shrank dramatically in the first half of 2017. On the other hand, housing demands in previously laggard second-tier cities in the Central Western Region and Northeastern Regions such as Chongqing, Shenyang and other third-tier cities were still in full swing.

Sales performance

Mainly driven by the strong performance of second-tier and third-tier cities which were less affected by government controls, the Group sustained its strong growth in contracted sales during the period. During the first half of 2017, the Group's contracted sales and contracted gross floor area ("GFA") reached RMB47,151.2 million and 2,559,900 sq.m. respectively, representing strong year-on-year growth of 70.9% and 71.7% respectively. The Group's contracted average selling price ("ASP") in the first half of 2017 was approximately RMB18,419/sq.m., compared to RMB18,504/sq.m. in the corresponding period in 2016. The Group achieved a cash collection ratio of around 85% from contracted sales during the first half of 2017.

The Group's contracted sales in the first half of 2017 were dispersed among over 75 projects in 15 cities. During the period, the Group launched pre-sale of 12 new projects, including:

- Suzhou Henderson CIFI Riverside Park Phase 2
- Suzhou Henderson CIFI Riverside Park Phase 3
- Suzhou Henderson CIFI Discovery Island

- Suzhou Henderson CIFI City Phase 3
- Hangzhou CIFI Canal Mansion
- Hangzhou CIFI Jun Yue Palace
- Hangzhou CIFI Binjiang East Mansion
- Ningbo CIFI Central Mansion
- Ningbo Prosperous Reflection
- Shenyang CIFI Dong Yue City
- Wuhan CIFI Private Mansion Phase 3
- Chongqing Dongyuan CIFI Jiangshan Yue Phase 2

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

CIFI was ranked 17th nationally in terms of contracted sales amount in the first half of 2017 according to the “China Real Estate Enterprises Sales Ranking in the First Half of 2017” published by CRIC Information Group.

Profit margins

The Group’s gross profit margin improved to 31.6% for the six months ended 30 June 2017, compared to 27.1% for the corresponding period last year. The Group’s core net profit margin was 13.7% for the six months ended 30 June 2017, compared to 10.8% for the corresponding period last year. Higher profit margins achieved in the first half of 2017 were mainly due to higher profitability for products delivered, defensive land costs, lower finance cost as well as product premium achieved through improving quality and brand.

Land acquisitions

Due to the government’s land market control measures, regulatory control on developers’ funding as well as increased efforts of local governments in new land supply, land markets in the first half of 2017 softened but have yet shown any dramatic correction. Owing to our strong sell-through performance of contracted sales and with an urging need to replenish our saleable sources for our future sales growth, the Group inevitably became more active in acquiring suitable and cost-effective land resources.

In the first half of 2017, the Group acquired interests in 32 new projects with an aggregate land consideration attributable to the Group of RMB20.9 billion. In July 2017, the Group further acquired interests in 13 new projects with an aggregate land consideration attributable to the Group of RMB9.2 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 2017, we have strategically entered:

- (i) Zhengzhou, Chengdu and Xi'an, further penetrating the Central-Western Region;
- (ii) Qingdao and Dalian, expanding coverage in the Pan Bohai Area;
- (iii) Wuxi, Taicang and Wenzhou, strengthening our presence in metropolitan circles in the Yangtze River Delta;
- (iv) Hong Kong, gaining foothold in the Guangdong-Hong Kong-Macau Greater Bay Area.

Liability management and financial positions

In the first half of 2017, we sustained a prudent financial position and continued utilizing lower-cost funding to replace higher-cost debts, which further lowered our funding costs.

In February 2017, the Company completed the early redemption of entire US\$400 million 8.875% coupon due 2019 USD Bonds. On 27 July 2017, the Company entered into a subscription agreement (“Ping An Subscription”) with Ping An Life Insurance Company of China, Ltd. (“Ping An Life Insurance”) for issue of 545 million new shares at HK\$3.50 per share. On 28 July 2017, the Company entered into a placing and top-up subscription agreement (“Top-Up Placing”) involving further issue of 135 million new shares at HK\$3.82 per share. The Ping An Subscription and the Top-Up Placing will further strengthen the Company’s equity capital with an aggregate gross proceeds of approximately HK\$2.42 billion (approximately US\$311 million) being raised in support of the development of the Group.

As at 30 June 2017, the Group’s:

- net debt-to-equity ratio was 59.3% (as at 31 December 2016: 50.4%);
- net debts (total indebtedness less cash-on-hand) amounted to RMB13,764.0 million (as at 31 December 2016: RMB8,713.9 million);
- cash-on-hand level amounted to RMB25,792.9 million (as at 31 December 2016: RMB20,677.3 million);

- total indebtedness amounted to RMB39,556.8 million (as at 31 December 2016: RMB29,391.1 million);
- guaranteed joint ventures/associated companies debts amounted to RMB2,509.1 million (as at 31 December 2016: RMB3,574.0 million);
- weighted average cost of indebtedness decreased to 5.0% (as at 31 December 2016: 5.5%);
- proportion of short-term borrowings in overall indebtedness remained low at 16.5% (as at 31 December 2016: 15.2%);
- proportion of unsecured indebtedness in overall indebtedness was 68.0% (as at 31 December 2016: 75.9%); and
- proportion of US dollar/HK dollar denominated (non-RMB denominated) indebtedness in overall indebtedness was 50.4% (as at 31 December 2016: 44.0%), while proportion of “unhedged” US dollar/HK dollar denominated (non-RMB denominated) indebtedness in overall indebtedness was 30.7% (as at 31 December 2016: 20.9%).

As at 30 June 2017, unpaid committed land considerations attributable to the Group were approximately RMB9,438.5 million (versus cash-on-hand of approximately RMB25,792.9 million). The Group maintained a comfortable debt positions and off-balance sheet commitments.

Outlook for the second half of 2017

In the first half of 2017, China’s real estate market coincided with frequent and vicious government control policies, and market participants generally expected a decent market correction. Nevertheless, China has a tremendous market size. While the first- and second-tier cities located in booming metropolitan circles were adversely affected by intensive control measures, demands from second-tier cities in Central-Western Region and third-tier cities within non-metropolitan circles remained intact during the period.

We believe China real estate’s policy theme in the second half of 2017 is stability, which emphasizes continue cooling down the markets in first- and second-tier cities within booming metropolitan circles, while facilitating inventory clearance in laggard second-tier cities and third-tier cities outside major metropolitan circles. Property prices are not expected to dramatically increase. We expect that there is little chance for policy loosening this year, while there is also no urging need for policies to dramatically intensify. Compared to 2016, China’s overall real estate sales volume could mildly increase this year.

Large developers significantly accelerated their gain of market shares this year. While small and medium-sized developers suffered from tightened funding sources and restrictions in developers' funding policies, large-scale developers have impeccable edges in funding channels and counter-risk abilities.

Affected by this year's intensified tightening, high property prices and rising mortgage interest rates, considerable housing demands have been discouraged by the home purchase thresholds, thereby affecting developers' sales in future. Coupled with anticipated increased land supply by local governments in the future, land prices in top-tier cities within metropolitan circles may face correction. However, these are the city segments that offer the most attractive future investment opportunities in medium and long term.

Due to its overwhelming contracted sales achieved year-to-date, the Group has revised up its full year contracted sales target to RMB80.0 billion. For the seven months ended 31 July 2017, the Group already completed approximately 70% of its revised full year 2017 contracted sales target. The Group is confident that it will achieve its revised full-year contracted sales target this year. As a result of our successful land-banking efforts achieved in the first half of 2017, we possess abundant and quality saleable resources for the second half of 2017 and 2018.

Overall, for the second half of 2017 when China's real estate market is in the phase of peaking, we strive to maintain a high sell-through ratio, thereby further strengthening our cash and financial positions. This is essential to enable us to capture the next attractive land-banking window if the land prices correct in future. We anticipate that the land banking opportunity especially in top-tier cities among the metropolitan circles will become attractive towards the end of 2017 and first half of 2018. We strive to ensure that CIFI is fully prepared to capture this opportunity.

At CIFI, we place strong emphasis on financial prudence and ability to cope with cyclical market risks, while pursuing growth and scale. At the time when there has been tightening in developers' funding, we have already proactively taken measures to strengthen our equity capital. In July 2017, we have entered into agreements relating to the Ping An Subscription and the Top-Up Placing and introduced Ping An Life Insurance as our strategic shareholder. We are confident that the enlarged equity base and our strategic partnership with Ping An Life Insurance, one of the largest financial institutions in China, will propel CIFI's business to next level in the industry.

MANAGEMENT DISCUSSION AND ANALYSIS

PERFORMANCE HIGHLIGHTS

	NOTES	Six months ended 30 June 2017	2016	Year-on-year Growth
Contracted sales				
Contracted sales (RMB'million)	1	47,151	27,592	70.9%
Contracted GFA (sq.m.)		2,559,900	1,491,100	71.7%
Contracted ASP (RMB/sq.m.)		18,419	18,504	-0.5%
Selected financial information (RMB'million)				
Recognized revenue		11,235	8,744	28.5%
Profit for the period (including fair value gains)				
– Including non-controlling interests		2,607	1,049	148.5%
– Attributable to equity owners		2,156	838	157.3%
Core net profit	2			
– Including non-controlling interests		1,969	1,159	69.9%
– Attributable to equity owners		1,538	948	62.2%
Selected financial ratios				
Gross profit margin		31.6%	27.1%	
Core net profit margin	3	13.7%	10.8%	
Earnings per share (basic), RMB		0.32	0.13	
Core earnings per share (basic), RMB		0.22	0.14	
		As at 30 June 2017	As at 31 December 2016	
Selected balance sheet data (RMB'million)				
Total assets		118,758	88,480	
Bank balances and cash	4	25,793	20,677	
Total indebtedness	5	39,557	29,391	
Total equity		23,213	17,283	
Equity attributable to equity owners		16,364	14,980	
Net debt-to-equity ratio	6	59.3%	50.4%	
Weighted average cost of indebtedness	7	5.0%	5.5%	
Land bank (GFA, million sq.m.)				
Land bank (GFA, sq.m.) at the end of period				
– Total		22.1	17.5	
– Attributable		12.4	10.5	

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 2017, the Group achieved contracted sales of approximately RMB47.15 billion, representing a growth of 70.9% as compared to RMB27.59 billion in the corresponding period of last year. During the period the Group’s attributable contracted sales amounted to approximately RMB25.42 billion, representing a year-on-year increase of 66.6% over RMB15.26 billion in the corresponding period of last year. The overwhelming growth in the Group’s contracted sales was mainly attributable to the abundant supplies of quality saleable resources evenly distributed in different regions of China, mitigating the effect of government measures in hotspot cities. For the six months ended 30 June 2017, the Group’s contracted sales of approximately 2,560,000 sq.m. in GFA, representing an increase of 71.7% over the corresponding period of last year. The Group’s contracted ASP for the period was approximately RMB18,419/sq.m., similar to RMB18,504/sq.m. in the corresponding period of last year.

Contracted sales from the Yangtze River Delta, the Pan Bohai Rim and the Central Western Region contributed to approximately 68.5%, 19.3% and 12.2% of the Group’s total contracted sales respectively. Contracted sales from first- and second-tier cities accounted for approximately 97.4% of the Group’s total contracted sales whereas those from third-tier cities accounted for the remaining 2.6%. Contracted sales derived from residential projects contributed to approximately 82.7% whereas those from office projects contributed to the remaining 17.3%.

Cash collection from property sales during the period by the Group’s subsidiaries, joint ventures and associated companies represented around 85% of contracted sales recorded during the period.

Table 1: Details of contracted sales for the six months ended 30 June 2017

By project

Project	Primary intended use of the Project	Interest attributable to the Group (%)	Contracted Sales (RMB'000)	% of total Contracted Sales (%)	Contracted GFA (sq.m.)	Contracted ASP (RMB/sq.m.)
<i>Yangtze River Delta</i>						
Shanghai Lujiazui Yangjing Project	Office	50.0	2,251,001	4.8	46,848	48,049
Shanghai Henderson CIFI Center	Office/Commercial	50.0	1,672,723	3.5	43,554	38,406
Shanghai BCL CIFI the Great City	Residential	40.0	1,204,427	2.6	41,752	28,847
Shanghai CIFI Park Mansion West	Residential	67.5	1,133,788	2.4	25,005	45,342
Shanghai CIFI Pebble Beach	Residential	100.0	930,169	2.0	46,833	19,861
Shanghai CIFI Pure Center	Office/Commercial	45.0	628,064	1.3	25,427	24,701
Shanghai CIFI Pujiang International	Office/Commercial	100.0	280,854	0.6	15,234	18,436
Shanghai Jiuting Center	Office/Commercial	34.0	238,889	0.5	5,665	42,169
Shanghai Xinchengshengshi	Residential	15.0	144,400	0.3	3,487	41,411
Shanghai Greenland CIFI E World Center	Office/Commercial	50.0	92,891	0.2	1,629	57,023
Shanghai CIFI Elite Mansion	Residential	50.0	52,195	0.1	2,343	22,277
Shanghai CIFI Haishang International	Office/Commercial	53.0	47,331	0.1	1,110	42,641
Shanghai Amber Garden	Residential	35.0	27,925	0.1	787	35,483
Shanghai Shangkun CIFI Villa	Residential	50.0	23,025	*	506	45,504
Shanghai CIFI City	Residential	100.0	5,485	*	234	23,440
Suzhou CIFI Lake Mansion	Residential	40.0	3,168,391	6.7	88,302	35,881
Suzhou North Star CIFI No.1 Courtyard	Residential	50.0	1,577,454	3.3	82,230	19,183
Suzhou Henderson CIFI City	Residential	50.0	1,273,488	2.7	71,976	17,693
Suzhou Henderson CIFI Riverside	Residential	30.0	57,982	0.1	2,917	19,877
Park Phase 2						
Suzhou Henderson CIFI Riverside	Residential	30.0	881,092	1.9	44,710	19,707
Park Phase 3						
Suzhou Henderson CIFI Discovery Island	Office/Commercial	30.0	242,068	0.5	21,752	11,129
Suzhou CIFI Elegant City	Residential	100.0	174,868	0.4	11,904	14,690
Suzhou CIFI Shangli	Residential	100.0	132,211	0.3	11,425	11,572
Suzhou CIFI Park Mansion	Residential	100.0	86,452	0.2	2,429	35,592
Suzhou CIFI Private Mansion	Residential	100.0	34,750	0.1	2,460	14,126
Suzhou CIFI Canal County	Residential	100.0	9,556	*	838	11,403
Suzhou CIFI Apple Paradise	Residential	50.0	346	*	55	6,291
Hangzhou Binjiang CIFI Wanjiazhixing	Residential	35.0	977,043	2.1	48,189	20,275
Hangzhou CIFI Jun Yue Palace	Residential	23.0	813,074	1.7	33,999	23,915
Hangzhou Shunfa CIFI Honor Mansion	Residential	30.0	1,368,939	2.9	44,271	30,922
Hangzhou Greenland CIFI Glorious City	Office/Commercial	50.0	684,171	1.5	27,836	24,579
Hangzhou Greenland CIFI Glorious City	Residential	50.0	439,132	0.9	12,341	35,583
Hangzhou CIFI Times City	Residential	100.0	676,928	1.4	55,640	12,166
Hangzhou CIFI Canal Mansion	Residential	100.0	432,712	0.9	37,311	11,597
Hangzhou CIFI Binjiang East Mansion	Residential	29.0	383,206	0.8	15,580	24,596
Hangzhou Longfor CIFI Crystal Central	Residential	20.0	367,410	0.8	16,677	22,031
Hangzhou Vanke CIFI Luna Sea	Residential	33.0	194,790	0.4	7,033	27,697
Hangzhou Henderson CIFI Palace	Residential	100.0	151,254	0.3	9,733	15,540
Hangzhou Longfor CIFI Chunjiang City	Residential	35.0	36,605	0.1	1,887	19,399
Nanjing North Star CIFI Park	Residential	49.0	1,741,447	3.7	48,895	35,616
Mansion Jinling						
Nanjing CIFI Yincheng Baimalanshan	Residential	51.0	626,710	1.3	29,082	21,550

Project	Primary intended use of the Project	Interest attributable to the Group (%)	Contracted Sales (RMB'000)	% of total Contracted Sales (%)	Contracted GFA (sq.m.)	Contracted ASP (RMB/sq.m.)
Nanjing CIFI Park Mansion Qinhuai	Residential	100.0	180,486	0.4	5,416	33,325
Nanjing CIFI Nine Modern Life	Residential	100.0	155,757	0.3	10,384	15,000
Hefei CIFI Lake Betsuin	Residential	50.0	1,456,118	3.1	122,489	11,888
Hefei CIFI Ronchamp Courtyard	Residential	22.5	999,034	2.1	93,425	10,693
Hefei North Star CIFI Park Mansion Luzhou	Residential	50.0	827,259	1.8	37,320	22,167
Hefei CIFI Original Villa	Residential	100.0	59,828	0.1	2,474	24,183
Ningbo CIFI Central Mansion	Residential	33.0	1,473,451	3.1	53,786	27,395
Ningbo Prosperous Reflection	Residential	100.0	358,247	0.8	14,169	25,284
Zhejiang CIFI Times	Residential	100.0	95,837	0.2	7,518	12,748
Zhejiang CIFI East One Place	Residential	100.0	57,273	0.1	4,863	11,777
Jiaxing CIFI Ronchamp Town	Residential	100.0	623,801	1.3	73,865	8,445
Jiaxing CIFI Private Mansion	Residential	100.0	90,648	0.2	10,369	8,742
<i>Pan Bohai Rim</i>						
Beijing Tianheng CIFI No.7 Courtyard	Commercial/ Residential	49.0	2,391,117	5.1	70,341	33,993
Beijing Vanke World	Office/Commercial	26.5	1,358,592	2.9	28,060	48,417
Beijing Longxi CIFI No.6 Courtyard	Office/Commercial	20.0	590,223	1.3	26,265	22,472
Beijing CIFI The Upper House	Residential	80.0	16,813	*	1,428	11,774
Tianjin CIFI Yannan Garden	Residential	100.0	997,419	2.1	79,368	12,567
Tianjin Chengshizhiguang	Residential	25.0	847,400	1.8	33,879	25,013
Tianjin CIFI No. 6 Courtyard	Residential	70.0	351,802	0.7	16,372	21,488
Tianjin CIFI Private Mansion	Residential	100.0	20,767	*	802	25,894
Tianjin CIFI Rosedale	Residential	100.0	18,166	*	1,752	10,369
Shenyang CIFI Jin Court	Residential	100.0	567,826	1.2	42,147	13,473
Shenyang CIFI Dong Yue City	Residential	70.0	501,780	1.1	57,997	8,652
Shenyang Gemdale CIFI Jiuyunfenghua	Residential	50.0	289,870	0.6	29,297	9,894
Shenyang CIFI Private Mansion	Residential	100.0	191,210	0.4	21,431	8,922
Shenyang CIFI Fantastic Apartment	Residential	100.0	107,025	0.2	7,773	13,769
Langfang CIFI Path Walf	Residential	100.0	329,920	0.7	43,682	7,553
<i>Central Western Region</i>						
Wuhan Yulong CIFI Peninsula	Residential	55.0	900,808	1.9	45,566	19,769
Wuhan CIFI Private Mansion	Residential	100.0	182,486	0.4	7,063	25,837
Chongqing Dongyuan CIFI Jiangshan Yue	Residential	30.0	1,931,762	4.1	128,045	15,087
Chongqing CIFI City	Residential	100.0	1,236,430	2.6	181,886	6,798
Chongqing CIFI Paradise Town	Residential	100.0	170,154	0.4	27,534	6,180
Changsha Henderson Arch of Triumph	Residential	30.0	682,956	1.4	97,911	6,975
Changsha CIFI International Plaza	Office/Commercial	100.0	476,614	1.0	28,248	16,872
Changsha CIFI Dream Mansion	Residential	80.0	43,883	0.1	5,075	8,647
Changsha CIFI Private Mansion	Residential	100.0	28,518	0.1	1,944	14,670
Carpark and others			1,274,668	2.7	150,071	8,494
Total			47,151,194	100.0	2,559,901	18,419

* less than 0.1%

By type of project

	Contracted Sales (RMB'000)	% of total Contracted Sales (%)	Contracted GFA (sq.m.)	Contracted ASP (RMB/sq.m.)
Residential	38,972,585	82.7	2,296,170	16,973
Office/Commercial	8,178,609	17.3	263,731	31,011
Total	47,151,194	100.0	2,559,901	18,419

By city

	Contracted Sales (RMB'000)	% of total Contracted Sales (%)	Contracted GFA (sq.m.)	Contracted ASP (RMB/sq.m.)
Shanghai	8,838,118	18.8	267,908	32,989
Suzhou	7,729,589	16.4	356,159	21,703
Hangzhou	6,942,639	14.7	319,643	21,720
Beijing	4,765,057	10.1	180,542	26,393
Chongqing	3,395,197	7.2	361,065	9,403
Hefei	3,356,582	7.1	260,146	12,903
Nanjing	2,704,400	5.7	93,777	28,839
Tianjin	2,306,920	4.9	136,947	16,845
Ningbo	1,831,698	3.9	67,955	26,955
Shenyang	1,707,072	3.6	161,898	10,544
Changsha	1,264,449	2.7	140,450	9,003
Wuhan	1,083,294	2.3	52,629	20,584
Jiaxing	729,586	1.6	97,949	7,449
Langfang	337,328	0.7	50,005	6,746
Zhenjiang	159,265	0.3	12,828	12,415
Total	47,151,194	100.0	2,559,901	18,419

By region

	Contracted Sales (RMB'000)	% of total Contracted Sales (%)	Contracted GFA (sq.m.)	Contracted ASP (RMB/sq.m.)
Yangtze River Delta	32,291,877	68.5	1,476,365	21,873
Pan Bohai Rim	9,116,377	19.3	529,392	17,220
Central Western	5,742,940	12.2	554,144	10,364
	<u>47,151,194</u>	<u>100.0</u>	<u>2,559,901</u>	18,419

By first-, second- and third-tier cities

	Contracted Sales (RMB'000)	% of total Contracted Sales (%)	Contracted GFA (sq.m.)	Contracted ASP (RMB/sq.m.)
First-tier cities	13,603,175	28.9	448,450	30,334
Second-tier cities	32,321,840	68.5	1,950,669	16,570
Third-tier cities	1,226,179	2.6	160,782	7,626
	<u>47,151,194</u>	<u>100.0</u>	<u>2,559,901</u>	18,419

Notes:

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

Revenue recognized from sales of properties

Revenue recognized from sales of properties for the six months ended 30 June 2017 was approximately RMB10,590.2 million, up by 32.6% year-on-year, accounted for 94.3% of total recognized revenue. For the six months ended 30 June 2017, the Group's subsidiaries delivered approximately 730,400 sq.m. of properties in GFA, up by 1.7% year-on-year, while ASP recognised was RMB14,499/sq.m, up by 30.4% year-on-year.

Table 2: Breakdown of recognised revenue from property sales for the six months ended 30 June 2017

By project

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.)	
		2017	2016	2017	2016	2017	2016	2017	2016
Shanghai Park Mansion Riverside	Residential	1,473,563	–	13.9	–	20,126	–	73,217	–
Shanghai Lujiazui Yangjing Project	Office/Commercial	305,087	–	2.9	–	2,901	–	105,166	–
Shanghai Henderson CIFI Center	Office/Commercial	1,346,424	685,654	12.7	8.6	37,239	19,820	36,156	34,594
Shanghai CIFI Park Mansion West	Residential	737,212	181,269	7.0	2.3	14,407	5,230	51,170	34,659
Shanghai CIFI Pujiang International	Office/Commercial	191,509	67,906	1.8	0.9	12,017	3,958	15,937	17,157
Shanghai CIFI Pure Center	Office/Commercial	37,564	1,027,623	0.4	12.9	1,036	45,753	36,259	22,460
Shanghai CIFI Luxury Courtyard	Residential	27,343	7,995	0.3	0.1	1,098	401	24,903	19,938
Shanghai CIFI Pleasant Garden	Residential	8,317	192,045	0.1	2.4	474	17,202	17,546	11,164
Shanghai CIFI City	Residential	3,760	–	*	–	188	–	20,000	–
Shanghai CIFI Haishang International	Office/Commercial	–	236,029	–	3.0	–	5,789	–	40,772
Shanghai CIFI U Block	Office/Commercial	–	58,999	–	0.7	–	2,718	–	21,707
Shanghai CIFI Jiangwan Mansion	Residential	–	29,191	–	0.3	–	533	–	54,767
Shanghai CIFI Pebble Beach	Residential	300,990	15,104	2.8	0.2	13,580	1,123	22,164	13,450
Shanghai CIFI Samite Life	Residential	–	13,217	–	0.2	–	1,128	–	11,717
Suzhou CIFI Shangli	Residential	1,401,178	–	13.2	–	93,322	–	15,014	–
Suzhou CIFI Elegant City	Residential	50,169	1,234,319	0.5	15.5	2,975	115,983	16,864	10,642
Suzhou CIFI Private Mansion	Residential	5,455	3,290	0.1	*	465	236	11,731	13,941
Suzhou CIFI Canal County	Residential	512	–	*	–	75	–	6,827	–
Suzhou CIFI Sunny Life	Residential	–	47,896	–	0.6	–	4,809	–	9,960
Suzhou CIFI Private Mansion	Residential	–	3,651	–	*	–	263	–	13,882
Usonian City Villa									
Suzhou CIFI Luxury Courtyard	Residential	–	754	–	*	–	91	–	8,286
Hangzhou Henderson CIFI Palace	Residential	164,546	224,857	1.6	2.8	13,850	28,174	11,881	7,981
Nanjing CIFI Nine Modern Life	Residential	780,176	–	7.4	–	40,786	–	19,129	–
Nanjing CIFI Yincheng Baimalanshan	Residential	2,905	–	*	–	164	–	17,713	–
Hefei CIFI Original Villa	Residential	244,526	–	2.3	–	18,266	–	13,387	–
Hefei CIFI Private Mansion	Residential	917	–	*	–	1,051	–	873	–
Zhenjiang CIFI East One Place	Residential	763,910	–	7.2	–	144,666	–	5,281	–
Zhenjiang CIFI Times	Residential	49,557	19,861	0.5	0.2	4,306	3,238	11,509	6,134
Jiaxing CIFI Ronchamp Town	Residential	529,263	151,114	5.0	1.9	71,942	20,167	7,357	7,493
Jiaxing CIFI Private Mansion	Residential	52,184	68,065	0.5	0.9	7,675	9,520	6,799	7,150
Wuhan CIFI Private Mansion	Residential	412,318	239,286	3.9	3.0	16,948	22,288	24,328	10,736
Chongqing CIFI City	Office/Commercial	100,594	–	0.9	–	16,247	–	6,192	–
Chongqing CIFI City	Residential	49,402	–	0.5	–	3,538	–	13,963	–
Chongqing CIFI Purple City	Office/Commercial	63,136	–	0.6	–	11,302	–	5,586	–
Chongqing CIFI Paradise Town	Residential	686	–	*	–	128	–	5,359	–
Changsha CIFI International Plaza	Office/Commercial	512,918	166,613	4.8	2.1	35,591	8,985	14,411	18,543
Changsha CIFI International Plaza	Residential	4,004	–	*	–	421	–	9,511	–
Changsha CIFI Dream Mansion	Residential	189,130	382,490	1.8	4.8	24,071	58,035	7,857	6,591
Changsha CIFI Private Mansion	Residential	20,159	12,316	0.2	0.2	1,981	2,152	10,176	5,723
Beijing CIFI The Education Park	Office/Commercial	–	439,605	–	5.5	–	20,298	–	21,658
Beijing CIFI The Upper House	Residential	–	138,579	–	1.7	–	5,390	–	25,710
Tianjin CIFI Rosedale	Residential	46,660	194,831	0.3	2.4	5,134	28,916	9,088	6,738
Tianjin CIFI Private Mansion	Residential	15,185	1,047,921	0.1	13.1	869	102,219	17,474	10,252
Shenyang CIFI Jin Court	Residential	386,588	–	3.7	–	32,100	–	12,043	–
Shenyang CIFI Private Mansion	Residential	10,519	177,133	0.1	2.2	866	29,957	12,147	5,913
Langfang CIFI Path Walk	Residential	30,174	838,074	0.3	10.5	3,034	122,779	9,945	6,826
Carpark and others		271,660	79,475	2.6	1.0	75,557	30,927	3,595	2,570
Total		10,590,200	7,985,162	100	100	730,396	718,082	14,499	11,120

* less than 0.1%

By type of project

	Recognised revenue from sale of properties (RMB'000)		% of recognised revenue from sale of properties (%)		Total GFA delivered (sq.m.)		Recognised ASP (RMB/sq.m.)	
	2017	2016	2017	2016	2017	2016	2017	2016
	Residential	8,013,108	5,302,733	75.7	66.4	611,108	610,761	13,112
Office/Commercial	2,577,092	2,682,429	24.3	33.6	119,288	107,321	21,604	24,994
Total	10,590,200	7,985,162	100	100	730,396	718,082	14,499	11,120

By city

	Recognised revenue from sale of properties (RMB'000)		% of recognised revenue from sale of properties (%)		Total GFA delivered (sq.m.)		Recognised ASP (RMB/sq.m.)	
	2017	2016	2017	2016	2017	2016	2017	2016
	Shanghai	4,470,573	2,558,285	42.2	32.0	110,366	118,155	40,507
Suzhou	1,560,583	1,302,160	14.7	16.3	131,309	130,531	11,885	9,976
Zhenjiang	820,011	19,861	7.7	0.2	151,272	3,238	5,421	6,134
Nanjing	783,081	–	7.4	–	40,950	–	19,123	–
Changsha	757,441	561,419	7.2	7.0	69,359	69,172	10,921	8,116
Jiaxing	584,058	220,192	5.5	2.8	80,497	30,954	7,256	7,114
Shenyang	431,953	177,133	4.1	2.2	42,466	29,957	10,172	5,913
Wuhan	412,318	239,286	3.9	3.0	16,948	22,288	24,328	10,736
Hefei	245,444	–	2.3	–	19,318	–	12,705	–
Chongqing	221,901	–	2.1	–	34,919	–	6,355	–
Hangzhou	189,937	224,857	1.8	2.8	20,350	28,174	9,334	7,981
Tianjin	78,613	1,242,752	0.8	15.6	8,653	131,135	9,085	9,477
Langfang	34,287	838,074	0.3	10.5	3,989	122,779	8,595	6,826
Beijing	–	601,143	–	7.6	–	31,699	–	18,964
Total	10,590,200	7,985,162	100	100	730,396	718,082	14,499	11,120

By region

	Recognised revenue from sale of properties (RMB'000)		% of recognised revenue from sale of properties (%)		Total GFA delivered (sq.m.)		Recognised ASP (RMB/sq.m.)	
	2017	2016	2017	2016	2017	2016	2017	2016
	Yangtze River Delta	8,653,687	4,325,355	81.7	54.2	554,062	311,052	15,619
Central Western Region	1,391,660	800,705	13.1	10.0	121,226	91,460	11,480	8,755
Pan Bohai Rim	544,853	2,859,102	5.2	35.8	55,108	315,570	9,887	9,060
Total	10,590,200	7,985,162	100	100	730,396	718,082	14,499	11,120

By first-, second- and third-tier cities

	Recognised revenue from sale of properties (RMB'000)		% of recognised revenue from sale of properties (%)		Total GFA delivered (sq.m.)		Recognised ASP (RMB/sq.m.)	
	2017	2016	2017	2016	2017	2016	2017	2016
	First-tier cities	4,470,573	3,159,428	42.2	39.6	110,366	149,854	40,507
Second-tier cities	4,681,271	3,747,607	44.2	46.9	384,272	411,257	12,182	9,113
Third-tier cities	1,438,356	1,078,127	13.6	13.5	235,758	156,971	6,101	6,868
Total	10,590,200	7,985,162	100	100	730,396	718,082	14,499	11,120

Notes:

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

Completed properties held for sale

During the six months ended 30 June 2017, the total GFA of newly completed projects of the Group amounted to approximately 0.4 million sq.m. comprising 0.3 million sq.m. by its subsidiaries and 0.1 million sq.m. by its joint ventures or associated companies. As at 30 June 2017, the Group had 61 completed properties projects with a total and attributable unsold or undelivered GFA of approximately 4.0 million sq.m. and 3.4 million sq.m. respectively.

Properties under development/held for future development

As at 30 June 2017, the Group had 89 property projects under development or held for future development with a total and attributable GFA of approximately 18.1 million sq.m. and 9.0 million sq.m. respectively.

PROPERTY INVESTMENT

Rental income

The Group's rental income during the six months ended 30 June 2017 was approximately RMB51.0 million, increased by 191.6% year-on-year. The increase was primarily due to the improved performance of Jiaxing CIFI Square and contribution of Shanghai CIFI Haishang International retail spaces.

Investment properties

As at 30 June 2017, the Group had 9 investment properties with a total GFA of approximately 307,800 sq.m. Out of such investment properties portfolio of the Group, 6 investment properties with a total GFA of approximately 136,400 sq.m. had commenced leasing.

FINANCIAL REVIEW

Revenue

During the six months ended 30 June 2017, the Group's recognized revenue was approximately RMB11,235.4 million, up by 28.5% year-on-year. Out of the Group's total recognized revenue during the six months ended 30 June 2017, (i) sales of property increased by 32.6% from the corresponding period of last year to approximately RMB10,590.2 million; (ii) rental income increased by 191.6% from the corresponding period of last year; and (iii) project management and other related service income increased by 6.9% from the corresponding period of last year.

Table 3: Breakdown of recognized revenue for the six months ended 30 June 2017

	Six months ended 30 June 2017		Six months ended 30 June 2016		Year-on- year change (%)
	Recognized revenue (RMB'000)	% of total recognized revenue (%)	Recognized revenue (RMB'000)	% of total recognized revenue (%)	
Sales of properties	10,590,200	94.3	7,985,162	91.3	32.6
Rental income	50,986	0.5	17,487	0.2	191.6
Project management and other related service income	594,173	5.2	556,020	6.4	6.9
Property management income	—	—	185,452	2.1	n/a
Total	<u>11,235,359</u>	<u>100.0</u>	<u>8,744,121</u>	<u>100.0</u>	28.5

Cost of sales

The Group's cost of sales during the six months ended 30 June 2017 was approximately RMB7,680.4 million, up by 20.4% from the corresponding period of last year.

Gross profit and gross profit margin

The Group's gross profit for the six months ended 30 June 2017 was approximately RMB3,555.0 million, up by 50.2% compared to RMB2,366.7 million for the corresponding period of 2016.

Our gross profit margin was 31.6% for the six months ended 30 June 2017, compared to 27.1% for the corresponding period of 2016. The improvement of the Group's gross profit margin during the six months ended 30 June 2017 compared to the corresponding period in 2016 was primarily due to higher profitability of our products delivered during the period, with ASPs contracted and locked-in amid strong real estate market in China since last year.

Gain on remeasurement and gain from business combinations

During the six months ended 30 June 2016, the Group increased equity interests in certain project resulting in financial consolidation of such project as subsidiary. As a result, the Group recognized a gain of RMB38.3 million from remeasurement of the fair value of the equity interests in certain project companies (which were previously recognized as joint venture, before acquisition of the equity interests during the period and thereafter they were recognized as subsidiary) and a gain of RMB33.9 million from business combination for the acquisition of interest of the aforesaid companies, for the excess of fair value of net assets acquired over the consideration. There was no such gain recorded for the six months ended 30 June 2017.

Net exchange gain (loss) from hedging arrangements

During the six months ended 30 June 2017, the Group incurred net exchange gain of RMB213.3 million due to the effects of the appreciation of RMB during the period, compared to RMB163.9 million of net exchange loss in the corresponding period of last year.

Starting in early 2016, the Group had entered into currency capped forward contracts to hedge certain of its foreign currency exposure in non-RMB denominated indebtedness. Accordingly, during the six months ended 30 June 2017, the Group recorded in a fair value loss on derivative financial instruments of RMB165.7 million (30 June 2016: gain of RMB61.7 million) due to the corresponding accounting loss from these hedging arrangements.

Loss on early redemption of senior notes

During the six months ended 30 June 2017, the Group realized a loss on early redemption of senior notes of RMB128.3 million (30 June 2016: RMB182.3 million).

Change in fair value of investment properties

During the six months ended 30 June 2017, the Group recognized a fair value gain on investment properties of approximately RMB19.3 million as compared to a fair value loss on investment properties in the corresponding period of last year of approximately RMB66.1 million.

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 24.4% to approximately RMB271.0 million during the six months ended 30 June 2017 from approximately RMB217.8 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 2017.

Administrative and other expenses

The Group's administrative expenses increased by 90.3% to approximately RMB598.8 million during the six months ended 30 June 2017 from approximately RMB314.6 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 RMB1,523.5 million during the six months ended 30 June 2017, versus profits of RMB239.5 million in the corresponding period of last year. Included in the share of results of joint ventures and associates in the six months ended 30 June 2017 were RMB46.1 million share of exchange gain and RMB733.7 million share of gain in the fair value of investment properties under construction.

Eliminating the effects of exchange gain and fair value gains, the Group's share of results of joint ventures and associates were profits of RMB743.6 million during the six months ended 30 June 2017, compared to profits of RMB63.3 million in the corresponding period of last year.

Finance costs

The Group's finance costs expensed during the six months ended 30 June 2017 was approximately RMB99.6 million, versus RMB108.2 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 31.1% to approximately RMB1,129.0 million during the six months ended 30 June 2017 from RMB860.9 million in the corresponding period of last year. The increase in total finance costs expensed and capitalized was due to the increase of the Group's total indebtedness level, but partly set off by the decrease in weighted average cost of indebtedness. The Group's total indebtedness was RMB39.56 billion as at 30 June 2017, compared to RMB29.4 billion as at 31 December 2016 and RMB25.6 billion as at 30 June 2016. The Group's weighted average cost of indebtedness as at 30 June 2017 was 5.0%, compared to 5.5% as at 31 December 2016 and 5.8% as at 30 June 2016.

Income tax expenses

The Group's income tax expenses increased by 116.1% to approximately RMB1,561.1 million during the six months ended 30 June 2017 from approximately RMB722.5 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 37.4% during the six months ended 30 June 2017, versus 40.8% in the corresponding period of last year.

The Group made LAT provisions of approximately RMB853.8 million during the six months ended 30 June 2017 versus approximately RMB305.3 million in the corresponding period of last year. The Group made actual LAT payments of approximately RMB404.0 million during the six months ended 30 June 2017 versus approximately RMB335.5 million in the corresponding period of last year. As at 30 June 2017, the Group had accumulated unpaid LAT provisions of approximately RMB1,019.7 million.

Profit for the period

As a result of the factors described above, the Group's profit before taxation increased by 135.3% to approximately RMB4,169.0 million during the six months ended 30 June 2017 from approximately RMB1,771.9 million in the corresponding period of last year. The Group's profit and total comprehensive income for the period increased by 148.5% to approximately RMB2,607.9 million during the six months ended 30 June 2017 from approximately RMB1,049.4 million in the corresponding period of last year. The Group's net profit attributable to equity owners increased by 157.1% to approximately RMB2,156.2 million during the six months ended 30 June 2017 from approximately RMB838.5 million in the corresponding period of last year.

The Group's core net profit attributable to equity owners increased by 62.2% to approximately RMB1,537.5 million during the six months ended 30 June 2017 from approximately RMB948.1 million in the corresponding period of last year. The corresponding core net profit margin was 13.7% during the six months ended 30 June 2017, compared to 10.8% in the corresponding period in 2016 and 12.7% in the full year of 2016.

LAND BANK

As at 30 June 2017, the total GFA of the Group's land bank was approximately 22.1 million sq.m., and the attributable GFA of the Group's land bank was approximately 12.4 million sq.m.

Table 4: Breakdown of the Group's land bank as at 30 June 2017

By project

Project	Primary Intended use of the project	Remaining unrecognized saleable/Rentable GFA remaining unsold (carpark excluded) (sq.m.)	Interest attributable to the Group (%)
Completed properties			
<i>Yangtze River Delta</i>			
Shanghai CIFI Pujiang International	Office	17,425	100.0
Shanghai CIFI Luxury Courtyard	Residential	4,647	100.0
Shanghai CIFI Comfortable Joyous Bay	Residential	399	100.0
Shanghai CIFI Pebble Beach	Residential	35,584	100.0
Shanghai CIFI Pleasant Garden	Residential	3,184	100.0
Shanghai CIFI City	Residential	14,342	100.0
Shanghai CIFI Samite Life	Residential	5,751	100.0
Shanghai CIFI Jiangwan Mansion	Residential	7,722	100.0
Shanghai CIFI U Block	Office/Commercial	6,639	100.0
Shanghai CIFI Arthur Shire	Residential	5,718	100.0
Shanghai Greenland CIFI E World Center	Office/Commercial	11,822	50.0

Project	Primary Intended use of the project	Remaining unrecognized saleable/Rentable GFA remaining unsold (carpark excluded) (sq.m.)	Interest attributable to the Group (%)
Shanghai CIFI Elite Mansion	Residential	13,193	50.0
Shanghai Amber Garden	Residential	679	35.0
Shanghai Henderson CIFI Center	Residential, Office/ Commercial	37,800	50.0
Shanghai CIFI Haishang International	Office/Commercial	614	53.0
Shanghai CIFI Haishang International	Investment properties	45,400	53.0
Shanghai CIFI Park Mansion West	Residential	22,816	67.5
Shanghai CIFI Shilu	Residential	1,803	100.0
Shanghai CIFI Pure Center	Office/Commercial	48,509	45.0
Shanghai Shangkun CIFI Villa	Residential	3,810	50.0
Shanghai BCL CIFI the Great City	Residential	108,876	40.0
Shanghai Changning District, Huashanliyuan Project	Residential	10,500	100.0
Suzhou CIFI Canal County	Residential	10,988	100.0
Suzhou CIFI Luxury Courtyard	Residential	30,826	100.0
Suzhou CIFI Private Mansion	Residential	9,440	100.0
Suzhou CIFI Private Mansion Usonian City Villa	Residential	11,247	100.0
Suzhou CIFI Elegant City	Residential	22,122	100.0
Suzhou CIFI Sunny Life	Residential	6,837	100.0
Suzhou CIFI Apple Paradise	Residential	50,679	50.0
Hefei CIFI Central Park	Residential	1,323	100.0
Hefei CIFI Private Mansion	Residential	33,071	100.0
Hefei CIFI Original Villa	Residential	51,103	100.0
Zhenjiang CIFI Times	Residential and office	12,810	100.0
Zhenjiang CIFI East One Place	Residential	1,734	100.0
Nanjing CIFI Yincheng Baimalanshan	Residential	62,107	51.0
Nanjing CIFI Nine Modern Life	Residential	10,514	100.0
Jiaxing CIFI Square (Commercial)	Investment properties	82,600	100.0
Jiaxing CIFI Ronchamp Town	Residential	7,105	100.0
Hangzhou Henderson CIFI Palace	Residential	18,975	100.0
Hangzhou Greenland CIFI Glorious City	Residential	16,137	50.0
Hangzhou Greenland CIFI Glorious City	Office/Commercial	710	50.0
<i>Pan Bohai Rim</i>			
Beijing CIFI Wangxin Commercial Center	Investment properties	4,900	100.0
Beijing CIFI Olympic City	Office/Commercial	5,629	100.0
Beijing CIFI International Negotiate Garden	Office/Commercial	326	100.0
Beijing CIFI The Upper House	Residential	14,802	80.0
Beijing CIFI The Education Park	Office/Commercial	82	100.0
Beijing MOMA CIFI Residence	Residential	29,294	50.0

Project	Primary Intended use of the project	Remaining unrecognized saleable/Rentable GFA remaining unsold (carpark excluded) (sq.m.)	Interest attributable to the Group (%)
Langfang CIFI Path Walf	Residential	40,577	100.0
Tianjin CIFI Rosedale	Residential	6,949	100.0
Tianjin CIFI Private Mansion	Residential	66,524	100.0
Tianjin CIFI Paradise Bay	Residential	111,310	25.0
Shenyang CIFI Private Mansion	Residential	80,471	100.0
Shenyang CIFI Jin Court	Residential	30,343	100.0
<i>Central Western Region</i>			
Chongqing CIFI Ronchamp Town	Residential	59,045	100.0
Chongqing CIFI Paradise Town	Residential	774	100.0
Chongqing CIFI Purple City	Office/Commercial	89,154	100.0
Chongqing CIFI City	Residential	347,690	100.0
Chongqing CIFI City	Office/Commercial	161,726	100.0
Chongqing CIFI City	Investment properties	11,067	100.0
Changsha CIFI Private Mansion	Residential	105,345	100.0
Changsha CIFI International Plaza	Residential	1,765	100.0
Changsha CIFI International Plaza	Office/Commercial	57,668	100.0
Changsha CIFI International Plaza	Investment properties	24,967	100.0
Changsha CIFI Dream Mansion	Residential	7,581	80.0
Wuhan CIFI Private Mansion	Residential	106,228	100.0
<i>Other</i>			
Fuzhou CIFI Riverside	Residential	3,700	100.0
Hong Kong Nos. 44, 46, 48 & 50, Chung Hom Kok Road, No.1 Horizon Drive	Residential	Net saleable area: 2,450 sq.m. (26,369 sq.ft.)	100.0
Carparks		1,775,796	
GRAND TOTAL		3,993,725	

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 (%)
Properties under development and held for future development						
<i>Yangtze River Delta</i>						
Shanghai CIFI La Baie D'Evian	Residential	2017	189,800	24,500	–	100.0
Shanghai Lujiazui Yangjing Project	Office, commercial	2017	87,200	61,323	46,848	50.0
Shanghai Lujiazui Yangjing Project	Investment properties	2017		135,377	–	50.0
Shanghai Jiuting Center	Commercial and residential	2018-2019	83,400	227,100	5,665	34.0
Shanghai Baoshan District, Luodian Town Meiluo Jiayuan Community No. 01 Project	Office, commercial	2018	30,185	45,278	–	25.0
Shanghai Minhang District, Xinzhuang Town Min Hang New Town Project	Office, commercial	2018	15,726	51,895	–	50.0
Shanghai Putuo District, Changshou Community D5-6 Project	Investment properties	2018	11,648	45,427	–	50.0
Shanghai Huangpu District, Madang Road Project	Office	2020	8,600	25,800	–	100.0
Suzhou CIFI Park Mansion	Residential	2017	68,000	108,000	105,603	100.0
Suzhou Henderson CIFI City	Residential	2017-2019	171,300	394,100	319,992	50.0
Suzhou North Star CIFI No.1 Courtyard	Residential	2017-2018	178,700	180,500	150,042	50.0
Suzhou CIFI Lake Mansion	Residential	2018	131,000	209,700	94,621	40.0
Suzhou Wujiang District, Taihu Lake New City	Residential	2019	96,278	173,300	–	50.0
Suzhou Henderson CIFI Riverside Park, Phase 2	Commercial and residential	2018	N/A	16,721	2,917	30.0
Suzhou Henderson CIFI Riverside Park, Phase 3	Commercial and residential	2018	N/A	98,397	44,710	30.0
Suzhou Henderson CIFI Discovery Island (Xiangcheng District, G3 Project)	Office, commercial	2018	N/A	100,416	21,752	30.0
Suzhou Wuzhong District, West Mountain Project	Residential	2019	161,766	32,353	–	100.0
Suzhou Wuzhong District, Luzhi Project	Residential	2019	28,600	42,900	–	51.0
Suzhou Wuzhong District, Xukou Project	Residential	2019	48,500	121,300	–	49.0
Jiaxing Jiashan County, 2011-028 Project	Residential	2019	18,000	36,200	–	100.0
Jiaxing Jiashan County, Yaozhuang 2016-5-1 Project	Residential	2019	64,900	142,700	–	100.0
Yixing Grand Lakeview	Commercial and residential	2018-2021	N/A	485,665	–	50.0
Hangzhou CIFI Canal Mansion (Yuhang District Chongxian Xincheng No. 18 Site Project)	Residential	2017	35,300	90,800	37,311	100.0
Hangzhou Shunfa CIFI Honor Mansion	Residential	2017-2018	55,400	98,300	97,389	30.0
Hangzhou CIFI Times City	Commercial and residential	2018	54,100	129,800	78,658	100.0
Hangzhou Vanke CIFI Luna Sea	Commercial and residential	2018	57,600	143,900	7,033	33.0
Hangzhou Xiao Shan District, Olympic Park FG16-04 Project	Commercial	2018	29,800	86,400	–	100.0
Hangzhou CIFI Jun Yue Palace (Xiaoshan District, Xiaozhengchuchu 2015-No.32 Project)	Residential	2018	57,394	114,788	33,999	23.0
Hangzhou Binjiang CIFI Wanjiashixing (Yuhang District, Liangzhu New Town, No. 64 Project)	Residential	2018	24,596	54,111	53,295	35.0
Hangzhou CIFI Binjiang East Mansion (Xiaoshan District, Xianghu 2016-No. 5 Project)	Residential	2018	37,699	75,398	15,580	29.0
Hangzhou Longfor CIFI Crystal Central (Xihu District, Sandun North Project)	Residential	2018	34,172	95,682	16,677	20.0
Hangzhou Xiaoshan District, Dajiang East Project	Residential	2018	88,494	203,536	–	100.0
Hangzhou Lin'an County, Shizishan No.23 Project	Residential	2019	42,900	90,100	–	100.0
Hangzhou Lin'an County, Shizishan No.24 Project	Residential	2019	50,400	110,900	–	100.0
Hangzhou Xiaoshan District, Beigandanyuan Project	Commercial and residential	2019	11,400	37,700	–	100.0
Hefei North Star CIFI Park Mansion Luzhou	Residential	2018-2019	141,700	239,000	133,034	50.0
Hefei CIFI Ronchamp Courtyard	Residential	2019	99,972	235,934	244,503	22.5
Hefei CIFI Lake Betsuin	Residential	2019	151,780	399,550	273,789	50.0

Project	Primary Intended use of the project	Estimate Year of completion	Site Area (sq.m.)	Total GFA under development and held for future development (excluding carparks) (sq.m.)	Pre-sold (sq.m.)	Interest attributable to the Group (%)
Hefei Hi-Tech Industry Development Zone, TF 4 Project	Residential	2020	104,800	225,200	–	15.2
Hefei Hi-Tech Industry Development Zone, TF 5 Project	Residential	2020	139,700	297,600	–	20.0
Hefei Luyang District, No. N1614 Project	Residential	2019	22,600	56,400	–	100.0
Hefei Binhu District, No. 14 Project	Residential	2020	111,400	245,000	–	17.0
Wuxi Huishan District, Qianqiao Street, Yangxirenjia North Project	Residential	2019	90,500	271,600	–	60.0
Wuxi Huishan District, Qianqiao Street, Shangwei Road North Project	Residential	2019	47,400	142,200	–	60.0
Ningbo CIFI Central Mansion (Yinzhou District, Zhonggong Temple Project)	Commercial and residential	2018	38,256	72,686	14,169	100.0
Ningbo Prosperous Reflection (Dongbuxincheng Project)	Residential	2021	157,100	350,100	53,786	33.0
Nanjing CIFI Park Mansion Qinhuai	Residential	2018	28,700	80,400	65,639	100.0
Nanjing North Star CIFI Park Mansion Jinling	Residential	2017-2018	25,300	70,700	69,463	49.0
<i>Pan Bohai Rim</i>						
Beijing Vanke World	Office and commercial	2017	46,924	94,800	72,217	26.5
Beijing CIFI No.26 Block	Office and commercial	2017	88,700	206,700	125,804	10.0
Beijing CIFI Yihexiang	Office	2017	13,500	19,000	167	59.5
Beijing Tianheng CIFI No.7 Courtyard	Commercial and residential	2017-2018	158,300	266,200	94,643	49.0
Beijing Longxi CIFI No.6 Courtyard	Commercial and residential	2018	97,992	97,992	68,824	20.0
Beijing Fangshan District, Gongchen Street, No. 0007 Project	Office and commercial	2019	10,384	25,960	–	100.0
Beijing Fengtai District, Zhuangwei B10 Project	Office and commercial	2019	5,200	15,500	–	100.0
Beijing Fangshan District, Fangshan Street No.2 Project	Residential	2019	53,600	101,500	–	50.0
Beijing Chaoyang District, Sunhe Town, Xidian Village, 2902-86 Project	Residential	2019	59,500	89,300	–	25.0
Tianjin CIFI Yannan Garden	Residential	2017-2018	122,600	208,500	166,099	100.0
Tianjin CIFI No.6 Courtyard	Residential	2018	96,089	99,900	36,847	70.0
Tianjin CIFI Ronchamp Courtyard	Residential	2019	150,241	202,825	–	25.0
Tianjin Binhai New District, Sino-Singapore Tianjin Eco-city, Tourism Area Project	Residential	2019	20,305	49,735	–	35.7
Tianjin Jinghai District, Tuanboyishan County Project	Residential	2017	55,800	139,400	–	40.0
Tianjin Chengshizhiguang (Dongli District, Xiaowangzhuang Project)	Residential	2018	72,400	33,879	33,879	25.0
Jinan Huaiyin District, West Station Area Changhe Estate B6 Project	Residential	2018	72,954	218,820	–	20.0
Shenyang CIFI Fantastic Apartmenet	Residential	2018	5,340	15,487	14,432	100.0
Shenyang Gemdale CIFI Jiuyunfenghua	Residential	2018	33,108	66,217	29,297	50.0
Shenyang Tiexi District First Grain Warehouse Project	Residential	2020	84,832	186,630	27,452	100.0
Shenyang CIFI Dong Yue City (Dadong District Vocational and Technical College South-1,2 Project)	Commercial and residential	2019	117,011	268,536	57,997	70.0
Shenyang Dadong District, Vocational and Technical College South Project	Residential	2019-2022	89,354	196,580	–	50.0

Project	Primary Intended use of the project	Estimate Year of completion	Site Area (sq.m.)	Total GFA under development and held for future development (excluding carparks) (sq.m.)	Pre-sold (sq.m.)	Interest attributable to the Group (%)
<i>Central Western Region</i>						
Chongqing Dongyuan CIFI Jiangshan Yue	Commercial and residential	2018-2019	325,600	635,700	133,208	30.0
Chongqing Nanan District, Danzishi Project	Commercial and residential	2018-2019	150,519	443,781	–	33.3
Chongqing Dadukou District Project	Residential	2020	26,400	105,600	–	100.0
Chongqing Jiulongpo District, Yinchaoshe Project	Residential	2022	128,000	473,600	–	50.0
Chongqing Banan District, Masangxi No.67 Project	Residential	2020	179,600	419,800	–	50.0
Chengdu Chenghua District, Jinxiuhuacheng Project	Residential	2019	84,900	169,800	–	30.0
Chengdu Chenghua District, Beichengzhongyang Project	Commercial and residential	2020	42,400	202,300	–	30.0
Chengdu Wuhou District, Hongpailou Project	Residential	2019	10,700	20,200	–	22.5
Changsha Henderson Arch of Triumph	Commercial and residential	2018-2019	N/A	230,222	164,067	30.0
Changsha Kaifu District, Dadi Project	Residential	2018-2019	518,697	830,356	–	50.0
Changsha Tianxin District, Aoyuan South Project	Commercial and residential	2019	30,100	90,200	–	70.0
Wuhan Yulong CIFI Peninsula	Commercial and residential	2017-2019	129,900	289,000	66,394	55.0
Wuhan Hanyang District, Hanqiao Village Project Section B	Commercial and residential	2019-2021	103,822	481,010	–	55.0
Zhengzhou Erqi District No.225 Project	Residential	2020	69,400	173,600	–	21.0
<i>South China</i>						
Guangzhou Liwan District No.111, Baihua Road, Bai Hua Xiang Liao Chang Project	Residential	2018	31,900	143,600	–	19.0
Foshan San Shui New Town Huijin Project	Commercial and residential	2019-2020	114,319	285,796	–	100.0
Foshan San Shui New Town Huaxiang Project	Commercial and residential	2019-2020	134,001	268,002	–	100.0
Foshan Chancheng District, Haiwu Road North, Fenjianghe Road West Project	Commercial and residential	2018	72,964	267,143	–	33.3
Sanya Yalong Bay Project	Office and commercial	2018	46,930	18,772	–	50.0
Sanya Xin'aoliyang Project	Residential	2019	200,000	50,000	–	51.0
Hong Kong Yau Tong Sze Shan Street Project	Residential	2020	3,816 sq.m. (41,080 sq.ft.)	Net saleable area: 21,368 sq.m. (230,000 sq.ft.)	–	50.0
Carpark				2,995,736	150,071	
TOTAL GFA of Properties under development and held for future development				18,106,605	3,227,873	
GRAND TOTAL (Completed, under development and for future development)				22,100,329		

By region

	% of total land bank by sq.m. (%)
Yangtze River Delta	46
Pan Bohai Rim	16
Central Western Region	32
South China	6
	<hr/>
	100
	<hr/>

By type of project

	% of total land bank by sq.m. (%)
Residential projects	74
Office-for-sale projects	24
Investment properties and others	2
	<hr/>
	100
	<hr/>

During the six months ended 30 June 2017, the Group purchased interest in a total of 32 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 2017 amounted to approximately 4.4 million sq.m., out of which 2.1 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 2017 amounted to approximately RMB41,121.0 million, out of which RMB20,886.2 million were payable by the Group according to its equity interests in relevant projects. Based on the Group's attributable GFA acquired and the attributable acquisition considerations, the Group's average land acquisition cost (excluding Hong Kong) in the first half of 2017 was approximately RMB8,573 per sq.m.

Table 5: The Group's land acquisition in the first half of 2017

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.)			
Land acquisition from January to June 2017									
Shanghai	Changning District, Huashanliyuan Project	Residential	100.00	N/A	10,500	10,500	788,240,000	788,240,000	75,070
Shanghai	Huangpu District, Madang Road Project	Office	100.00	8,600	25,800	25,800	1,330,000,000	1,330,000,000	51,550
Jiaxing	Jiashan County, Yaozhuang 2016-5-1 Project	Residential	100.00	64,900	142,700	142,700	1,037,780,000	1,037,780,000	7,273
Jiaxing	Jiashan County, 2011-028 Project	Residential	100.00	18,000	36,200	36,200	245,960,000	245,960,000	6,794
Suzhou	Wuzhong District, Luzhi Project	Residential	51.00	28,600	42,900	21,900	545,700,000	278,310,000	12,731
Suzhou	Wuzhong District, Xukou Project	Residential	49.00	48,500	121,300	59,400	1,442,320,000	706,740,000	11,893
Wuxi	Huishan District, Qianqiao Street, Yangxirenjia North Project	Residential	60.00	90,500	271,600	163,000	1,068,000,000	640,800,000	3,934
Wuxi	Huishan District, Qianqiao Street, Shangwei Road North Project	Residential	60.00	47,400	142,200	85,300	591,000,000	354,600,000	4,156
Hangzhou	Lin'an County, Shizishan No.23 Project	Residential	100.00	42,900	90,100	90,100	777,080,000	777,080,000	8,623
Hangzhou	Lin'an County, Shizishan No.24 Project	Residential	100.00	50,400	110,900	110,900	890,010,000	890,010,000	8,023
Hangzhou	Xiaoshan District, Beigandanyuan Project	Residential/ Commercial	100.00	11,400	37,700	37,700	723,380,000	723,380,000	19,200
Ningbo	Dongbuxincheng Project	Residential	33.00	157,100	350,100	115,500	4,087,850,000	1,348,990,000	11,676
Hefei	Hi-tech Industry Development Zone, TF 4 Project	Residential	15.20	104,800	225,200	34,200	1,380,000,000	209,760,000	6,127
Hebei	Luyang District, No. N1614 Project	Residential	100.00	22,600	56,400	56,400	550,000,000	550,000,000	9,752
Hefei	Hi-tech Industry Development Zone, TF5 Project	Residential	20.00	139,700	297,600	59,500	1,803,000,000	360,600,000	6,058
Hefei	Binhu District, No. 14 Project	Residential	17.00	111,400	245,000	41,700	1,805,000,000	306,850,000	7,366
Beijing	Fangshan District, Fangshan Street No.2 Project	Residential	50.00	53,600	101,500	50,800	1,810,000,000	905,000,000	17,831
Beijing	Fengtai District, Zhuangwei B10 Project	Commercial	100.00	5,200	15,500	15,500	620,130,000	620,130,000	40,128
Beijing	Chaoyang District, Sunhe Town, Xidian Village, 2902-86 Project	Residential	25.00	59,500	89,300	22,300	4,575,000,000	1,143,750,000	51,232
Tianjin	Jinghai District, Tuanboyishan County Project	Residential	40.00	55,800	139,400	55,800	628,000,000	251,200,000	4,505
Tianjin	Dongli District, Xiaowangzhuang Project	Residential	25.00	72,400	144,700	36,200	760,000,000	190,000,000	5,252
Chongqing	Dadukou District Project	Residential	100.00	26,400	105,600	105,600	374,000,000	374,000,000	3,542
Chongqing	Jiulongpo District, Yinchaohe Project	Residential	50.00	128,000	473,600	236,800	3,920,000,000	1,960,000,000	8,277
Chongqing	Banan District, Masangxi No.67 Project	Residential	50.00	179,600	419,800	209,900	2,110,000,000	1,055,000,000	5,027
Chengdu	Chenghua District, Jinxiuhucheng Project	Residential	30.00	84,900	169,800	50,900	787,900,000	236,370,000	4,640
Chengdu	Chenghua District, Beichengzhongyang Project	Residential/ Commercial	30.00	42,400	202,300	60,700	254,800,000	76,440,000	1,260
Chengdu	Wuhou District, Hongpailou Project	Residential	22.50	10,700	20,200	4,500	348,080,000	78,320,000	17,200
Changsha	Tianxin District, Aoyuan South Project	Residential/ Commercial	70.00	30,100	90,200	63,100	502,880,000	352,020,000	5,573
Zhengzhou	Erqi District No.225 Project	Residential	21.00	69,400	173,600	36,500	988,880,000	207,660,000	5,696
Sanya	Xin'aoliyang Project	Residential	51.00	200,000	50,000	25,500	990,000,000	504,900,000	19,800
Hong Kong	Nos. 44, 46, 48 & 50, Chung Hom Kok Road, No.1 Horizon Drive	Residential	100.00	N/A	Net saleable area: 2,450 sq.m. (26,369 sq.ft.)	Net saleable area: 2,450 sq.m. (26,369 sq.ft.)	HK\$ 1,588,000,000	HK\$ 1,588,000,000	HK\$ 60,222/sq.ft.
Hong Kong	Yau Tong Sze Shan Street Project	Residential	50.00	3,816 sq.m. (41,080 sq.ft.)	Net saleable area: 21,368 sq.m. (230,000 sq.ft.)	Net saleable area: 10,684 sq.m. (115,000 sq.ft.)	HK\$ 2,312,000,000	HK\$ 1,156,000,000	HK\$ 8,500/sq.ft.
1H2017 TOTAL (Excluding Hong Kong)					4,401,700	2,064,900	37,734,990,000	18,503,890,000	8,573
1H2017 TOTAL (Including Hong Kong)					4,425,518	2,078,034	41,120,970,000	20,886,230,800	9,292

City	Project	Intended Primary Use	The Group's equity interest (%)	Site area (sq.m.)	Planned GFA (excluding car parks) (sq.m.)	Attributable planned GFA (excluding car parks) (sq.m.)	Total consideration (RMB)	Attributable consideration (RMB)	(Average land cost (excluding car parks) (RMB/sq.m.))
Land acquisition subsequent to 30 June 2017 (and up to the date of the interim results announcement)									
Hangzhou	Jiangan District, Yuanzhuyihao Project	Office/ Commercial	100.00	3,900	26,100	26,100	230,000,000	230,000,000	8,807
Hefei	New Station District, No. 215 Project	Residential	100.00	85,500	154,000	154,000	1,179,900,000	1,179,900,000	7,664
Hefei	Binhu District, No.25 Project	Residential/ Commercial	21.50	130,900	295,900	63,600	2,089,000,000	449,140,000	7,060
Ji'nan	Licheng District, Fengshenlu Project	Residential	100.00	40,000	112,000	112,000	1,712,600,000	1,712,600,000	15,291
Dalian	Shahekou District, Police Affairs Training Base Project	Residential/ Commercial	100.00	16,100	16,300	16,300	225,980,000	225,980,000	13,847
Wenzhou	Ouhai District, Chashan Project	Residential	100.00	51,400	139,100	139,100	1,172,000,000	1,172,000,000	8,426
Jiaxing	Pinghu county, Danghujiedao No.1 Project	Residential	100.00	26,000	39,000	39,000	378,930,000	378,930,000	9,728
Jiaxing	Jiashan County, Weitang Project	Residential	100.00	107,300	214,600	214,600	1,609,740,000	1,609,740,000	7,500
Xi'an	Economic and Technological Development Zone, Ronghua International Project	Office/ Commercial	100.00	17,500	87,500	87,500	875,000,000	875,000,000	10,006
Xi'an	Chanba Ecological District Project	Office/ Commercial	70.00	27,500	151,100	105,800	435,710,000	305,000,000	2,883
Qingdao	Huangdao District, Xingyuecheng Project	Residential	50.00	104,900	187,000	93,500	430,090,000	215,050,000	2,300
Nanjing	Jiangning District, G54 Project	Residential	49.00	73,200	80,500	39,500	1,610,000,000	788,900,000	19,991
Taichang	Shaxi Town Project	Residential	28.00	56,700	102,000	28,600	386,130,000	108,120,000	3,786
First 7M 2017 TOTAL (Excluding Hong Kong)					<u>6,006,800</u>	<u>3,184,500</u>	<u>50,070,070,000</u>	<u>27,754,250,000</u>	<u>8,336</u>
First 7M 2017 TOTAL (Excluding Hong Kong)					<u>6,030,618</u>	<u>3,197,634</u>	<u>53,456,050,000</u>	<u>30,136,590,800</u>	<u>8,864</u>

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

The Group had cash and bank balances of approximately RMB25,034.8 million (31 December 2016: approximately RMB20,328.4 million) and pledged bank deposits of approximately RMB758.8 million (2016: RMB348.9 million).

Indebtedness

As at 30 June 2017, the Group had outstanding total borrowings amounted to approximately RMB39,556.8 million (31 December 2016: RMB29,391.1 million), comprising bank and other loans of approximately RMB25,158.9 million (31 December 2016: RMB13,566.6 million), onshore corporate bonds with a carrying amount of RMB9,774.1 million (31 December 2016: RMB10,141.5 million) and offshore senior notes with a carrying amount of RMB4,623.8 million (31 December 2016: RMB5,683.0 million).

Table 6: Breakdown of indebtedness

By type of borrowings and maturity

	At 30 June 2017 RMB'000	At 31 December 2016 RMB'000
Onshore bank loans		
Within one year	1,366,402	875,490
Over one years and within two years	1,576,900	1,351,000
Over two years and within three years	3,463,900	2,764,747
Over three years and within four years	1,154,000	–
Over four years and within five years	1,471,439	–
Over five years	816,117	885,330
Subtotal	9,848,758	5,876,567
Onshore corporate bonds		
Within one year	1,529,558	2,088,970
Over three years and within four years	4,125,979	4,023,949
Over four years and within five years	4,118,567	4,028,549
Subtotal	9,774,104	10,141,468
Offshore bank loans		
Within one year	3,617,761	1,492,046
Over one year and within two years	4,636,586	2,928,591
Over two years and within three years	5,831,024	2,737,216
Over three years and within four years	1,224,810	532,227
Subtotal	15,310,181	7,690,080
Offshore senior notes		
Over two years and within three years	2,707,773	2,890,449
Over three years and within four years	–	2,792,562
Over four years and within five years	1,916,025	–
Subtotal	4,623,798	5,683,011
TOTAL	39,556,841	29,391,126

By currency denomination

	At 30 June 2017 <i>RMB'000</i>	At 31 December 2016 <i>RMB'000</i>
Analysis of borrowings by currency		
– Denominated in RMB	19,622,862	16,458,537
– Denominated in USD	13,623,695	10,130,382
– Denominated in HKD	6,310,284	2,802,207
	<u>39,556,841</u>	<u>29,391,126</u>

By fixed or variable interest rates

	At 30 June 2017 <i>RMB'000</i>	At 31 December 2016 <i>RMB'000</i>
Fixed interest rates	16,494,304	17,704,969
Variable interest rates	23,062,537	11,686,157
	<u>39,556,841</u>	<u>29,391,126</u>

Secured versus unsecured

	At 30 June 2017 <i>RMB'000</i>	At 31 December 2016 <i>RMB'000</i>
Secured borrowings	12,645,425	7,078,339
Unsecured borrowings	26,911,416	22,312,787
	<u>39,556,841</u>	<u>29,391,126</u>

Cost of borrowings

The Group's total finance costs expensed and capitalized in first half of 2017 was approximately RMB1,129.0 million, representing an increase of 31.1% from RMB860.9 million in first half of 2016. The increase was due to the increase of the Group's total indebtedness level, but partly set off by the decrease in weighted average cost of indebtedness.

The Group's weighted average cost of all indebtedness (including bank and other loans, onshore corporate bonds and offshore senior notes) as at 30 June 2017 was 5.0%, compared to 5.5% as at 31 December 2016. The decrease in weighted average cost of indebtedness during the period was primarily attributable to the effective liability management exercised by the Group.

Foreign currency risk

The Group conducts its business primarily in Renminbi. The Group's certain bank deposits are denominated in Hong Kong dollars and United States dollars, and the majority of the Group's offshore bank loans and senior notes are denominated in United States dollars and Hong Kong dollars.

Starting in early 2016, the Group adopts 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 had entered into US dollar versus offshore RMB capped forward contracts to hedge certain of its foreign currency exposure in non-RMB denominated indebtedness. Under such currency capped forward contracts, 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 rate (“Capped Rate”), the Group shall buy the contract amount of US dollar against offshore RMB at the pre-specified contract rate (“Strike Rate”); or
- if the Expiry Rate is greater than the Cap Rate, the Group shall receive the amount of relevant depreciation amount of offshore RMB against US dollar up to the Capped Rate (“Capped 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 Rates. As at 30 June 2017, the Group had entered into capped forward contracts with an aggregate contract value of US\$1,148 million at Capped Rates of 7.0 and 7.5.

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 2017. The Group will monitor its foreign currency exposure closely and may, depending on the circumstances and trend of foreign currencies, consider adjusting its foreign currency hedging policy in the future.

Financial guarantees

The Group has provided mortgage guarantees to PRC banks in respect of the mortgage loans provided by the PRC banks to the Group's customers. The Group's mortgage guarantees are issued from the dates of grant of the relevant mortgage loans and released upon the earlier of (i) the relevant property ownership certificates being obtained and the certificates of other interests with respect to the relevant properties being delivered to the mortgagee banks, or (ii) the settlement of mortgage loans between the mortgagee banks and the Group's customers. As at 30 June 2017, the Group provided mortgage guarantees in respect of mortgage loans provided by the PRC banks to the Group's customers amounting to approximately RMB7,792.6 million (versus 31 December 2016: approximately RMB7,644.6 million).

During the period, certain of the Group's joint ventures and associates have utilized offshore and/or onshore bank loans. The Company provided guarantees on several basis covering its respective equity shares of outstanding obligations under certain offshore and/or onshore bank loans incurred by the joint ventures and associates. As at 30 June 2017, the Group's aggregate share of such guarantees provided in respect of loans incurred by these joint ventures amounted to approximately RMB2,509.1 million (31 December 2016: approximately RMB3,574.0 million).

Gearing ratio

The Group's net debt-to-equity ratio (total indebtedness net of bank balances and cash divided by total equity) was approximately 59.3% as at 30 June 2017 versus approximately 50.4% as at 31 December 2016. The Group's debt-to-asset ratio (total indebtedness divided by total assets) was approximately 33.3% as at 30 June 2017 versus approximately 33.2% as at 31 December 2016. The Group's current ratio (current assets divided by current liabilities) was approximately 1.6 times as at 30 June 2017 versus approximately 1.6 times as at 31 December 2016.

PAYMENT OF INTERIM DIVIDEND

The Board declared payment of an interim dividend for the six months ended 30 June 2017 of RMB4.35 cents per share (or equivalent to HK5 cents per share based on the average middle rate of RMB to Hong Kong dollars as announced by the People's Bank of China for the five business days preceding the date of declaration of such dividend). Based on the total number of issued shares of the Company as at the date of this announcement and the expected new issue of shares pursuant to the Ping An Subscription and Top-up Placing, the interim dividend for the six months ended 30 June 2017 amounts to approximately HK\$375.1 million (approximately RMB326.3 million). The interim dividend will be paid on Wednesday, 11 October 2017 to the shareholders whose names appear on the register of members of the Company on Thursday, 28 September 2017.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 26 September 2017 to Thursday, 28 September 2017, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for the interim dividend, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 25 September 2017.

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

During the Relevant Period, all the outstanding 2019 Due USD Bonds were fully redeemed by the Company ahead of maturity and delisted from the Stock Exchange in February 2017. Details of such redemption are set out in the announcement of the Company dated 20 February 2017.

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

CORPORATE GOVERNANCE PRACTICES

The Board is of opinion that the Company had adopted, applied and complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules during the Relevant Period.

MODEL CODE FOR SECURITIES TRANSACTIONS

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

REVIEW OF INTERIM RESULTS

The audit committee of the Company (the "Audit Committee") consists of three independent non-executive Directors, Mr. TAN Wee Seng (being the chairman of the Audit Committee), Mr. GU Yunchang and Mr. ZHANG Yongyue. The Company's unaudited condensed consolidated interim results and financial report for the six months ended 30 June 2017 have been reviewed by the Audit Committee, which opines that applicable accounting standards and requirements have been complied with and that adequate disclosures have been made.

THE BOARD OF DIRECTORS

As at the date of this announcement, the Board consisted of six Directors comprising Mr. LIN Zhong (Chairman), Mr. LIN Wei (Vice-chairman) and Mr. LIN Feng (Chief Executive Officer) as executive Directors; and Mr. GU Yunchang, Mr. ZHANG Yongyue and Mr. TAN Wee Seng as independent non-executive Directors.

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

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.cifi.com.cn. The 2017 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, 9 August 2017

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.