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**CIFI Holdings (Group) Co. Ltd.**

**旭輝控股(集團)有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 00884)**

**ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

**INTERIM RESULTS HIGHLIGHTS**

For the six months ended 30 June 2013,

- the Group achieved contracted sales of RMB7,156 million, representing a year-on-year growth of 95.8%;
- recognised revenue increased to RMB4,829 million, representing a year-on-year growth of 141.3%;
- profit attributable to equity owners was RMB854 million and core net profit increased to RMB577 million, representing year-on-year growth of 5.6% and 384.9% respectively;
- gross profit margin and core net profit margin at 25.3% and 12.0% respectively;
- total finance cost (expensed and capitalised) over average indebtedness average on annualised basis decreased to 9.4% from 10.0% in the corresponding period in 2012; and
- earnings per share were RMB14.8 cents, while core earnings per share were RMB10.0 cents. The Board does not declare any interim dividend.

As at 30 June 2013,

- the Group's cash on hand was RMB7.07 billion; and
- net debt-to-equity ratio was 67.4%.

## 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 2013 (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 2013

		For the six months ended 30 June	
	NOTES	2013 RMB'000 (unaudited)	2012 RMB'000 (audited)
<b>Revenue</b>	3	<b>4,829,235</b>	2,001,487
Cost of sales		<u>(3,609,200)</u>	<u>(1,434,519)</u>
<b>Gross profit</b>		<b>1,220,035</b>	566,968
Other income	4	<b>42,675</b>	10,862
Fair value gain upon transfer to investment properties		–	905,083
Change in fair value of investment properties		<b>526,203</b>	60,536
Change in fair value of trust and other loans related derivatives		<b>2,000</b>	11,000
Selling and marketing expenses		<b>(113,390)</b>	(86,706)
Administrative expenses		<b>(177,045)</b>	(147,538)
Other expenses		–	(7,787)
Share of results of joint ventures		<b>(653)</b>	–
Finance costs	5	<u><b>(102,540)</b></u>	<u>(31,387)</u>
<b>Profit before taxation</b>		<b>1,397,285</b>	1,281,031
<b>Income tax expense</b>	6	<u><b>(440,416)</b></u>	<u>(431,133)</u>
<b>Profit and total comprehensive income for the period</b>	7	<u><b>956,869</b></u>	<u>849,898</u>
Attributable to:			
Equity owners of the Company		<b>854,213</b>	808,673
Non-controlling interests		<u><b>102,656</b></u>	<u>41,225</u>
Profit and total comprehensive income for the period		<u><b>956,869</b></u>	<u>849,898</u>
<b>Earnings per share, in RMB cents:</b>			
<b>Basic</b>	9	<u><b>14.8</b></u>	<u>17.9</u>
<b>Diluted</b>	9	<u><b>14.8</b></u>	<u>17.9</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2013

		At 30 June 2013 <i>RMB'000</i> (unaudited)	At 31 December 2012 <i>RMB'000</i> (audited)
<b>NON-CURRENT ASSETS</b>			
Investment properties		4,395,000	3,955,800
Property, plant and equipment		43,382	105,573
Prepaid lease payment		57,645	79,418
Interests in joint ventures		1,454,060	–
Available-for-sale investment		31,743	9,463
Restricted cash		21,768	21,768
Deferred taxation assets		114,073	114,073
		<u>6,117,671</u>	<u>4,286,095</u>
<b>CURRENT ASSETS</b>			
Properties held for sale		2,240,570	2,768,689
Properties under development		13,982,587	13,040,466
Accounts and other receivables, deposits and prepayments	10	1,789,711	1,396,198
Amounts due from non-controlling interests		64,704	122,554
Deposits for land use rights for properties held for sale		1,483,624	467,254
Taxation recoverable		243,957	184,526
Pledged bank deposits		110,871	–
Bank balances and cash		6,939,694	4,590,733
		<u>26,855,718</u>	<u>22,570,420</u>
<b>CURRENT LIABILITIES</b>			
Accounts and other payables and accrued charges	11	3,498,247	2,982,025
Deposits received from property sales		7,565,013	6,201,751
Amounts due to non-controlling interests		332,579	263,849
Taxation payable		678,586	760,540
Bank and other borrowings – due within one year		2,357,102	3,372,220
		<u>14,431,527</u>	<u>13,580,385</u>
<b>NET CURRENT ASSETS</b>		<u>12,424,191</u>	<u>8,990,035</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>18,541,862</u>	<u>13,276,130</u>

	At <b>30 June</b> <b>2013</b> <i>RMB'000</i> (unaudited)	At 31 December 2012 <i>RMB'000</i> (audited)
<b>CAPITAL AND RESERVES</b>		
Share capital	<b>467,370</b>	467,370
Reserves	<b>6,769,461</b>	6,082,158
	<hr/>	<hr/>
Equity attributable to equity owners of the Company	<b>7,236,831</b>	6,549,528
Non-controlling interests	<b>493,196</b>	391,066
	<hr/>	<hr/>
<b>TOTAL EQUITY</b>	<b>7,730,027</b>	6,940,594
	<hr/>	<hr/>
<b>NON-CURRENT LIABILITIES</b>		
Bank and other borrowings – due after one year	<b>8,169,541</b>	5,493,188
Trust and other loans related derivatives	<b>83,000</b>	85,000
Senior notes	<b>1,675,721</b>	–
Deferred taxation liabilities	<b>883,573</b>	757,348
	<hr/>	<hr/>
	<b>10,811,835</b>	6,333,536
	<hr/>	<hr/>
	<b>18,541,862</b>	13,276,130
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
*FOR THE SIX MONTHS ENDED 30 JUNE 2013*

**1. BASIS OF PRESENTATION**

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

**2. PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments which are measured at fair values.

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 2013 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2012.

**Application of new or revised amendments to International Financial Reporting Standards**

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

Amendments to IFRSs	Annual Improvements to IFRSs 2009-2011 Cycle
Amendments to IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendment to IFRS 10, IFRS 11 and IFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
IFRS 10	Consolidation Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income
IAS 19 (Revised in 2011)	Employee Benefits
IAS 27 (Revised in 2011)	Separate Financial Statements
IAS 28 (Revised in 2011)	Investments in Associates and Joint Ventures
IFRIC – Int 20	Stripping Costs in the Production Phase of a Surface Mine

**IFRS 13 Fair Value Measurement**

The Group has applied IFRS 13 for the first time in the current interim period. IFRS 13 established a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various IFRSs. Consequential amendments have been made to IAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

The scope of IFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. IFRS 13 contains a new definition for ‘fair value’ and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.

The directors of the Company have made an assessment on the impact of the adoption of IFRS 13 to the measurement and disclosures in the Group’s condensed consolidated financial statements and concluded that except the disclosures as set out in note 26, the adoption of IFRS13 has had no material impact on the Group’s condensed consolidated financial statements.

### **Amendments to IAS1 Presentation of Items of Other Comprehensive Income**

The amendments to IAS 1 introduce new terminology for statement of comprehensive income.

Under the amendments to IAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive section such that items of other comprehensive income are grouped into two categories: (a) items that will not be classified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

### **Amendments to IAS 34 Interim Financial Reporting (as part of the Annual Improvements to IFRSs 2009-2011 Cycle)**

The Group has applied the amendments to IAS 34 Interim Financial Reporting as part of the Annual Improvements to IFRSs 2009-2011 Cycle for the first time in the current interim period. The amendments to IAS 34 clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in the interim financial statements only when the amounts are regularly provided to the chief operating decision maker (“CODM”) and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

Since the CODM does not review assets and liabilities of the Group’s reportable segments for performance assessment and resource allocation purpose, the Group has not included total assets and liabilities information as part of segment information.

Except as described above, the directors of the Company concluded that the application of other new and revised IFRSs in the current interim period has had no material impact on the amounts and disclosures set out in these condensed consolidated financial statements.

### **3. SEGMENT INFORMATION**

The Group determines its operating segments based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (i.e., the board of directors of the Company) in order to allocate resources to the segment and to assess its performance.

Information reported to the Group’s chief operating decision maker for the purposes of resource allocation and assessment of performance is focused on three main operations:

- **Property development:** this segment represents the development and sales of office premises and residential properties. All the Group’s activities in this regard are carried out in the People’s Republic of China (“PRC”).
- **Property investment:** this segment represents the lease of investment properties, which are developed by the Group to generate rental income and to gain from the appreciation in the properties’ values in the long term. Currently the Group’s investment property portfolio is located entirely in the PRC.
- **Property management and property related services:** this segment mainly represents the income generated from property management. Currently the Group’s activities in this regard are carried out in the PRC.

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

(a) **Segment revenue and profit**

Information regarding the Group's reportable segments as provided to the Group's chief operating decision maker for the purposes of resources allocation and assessment of segment performance for the period is set out below.

	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Property management and property related services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Six months ended 30 June 2013 (unaudited)</b>				
Reportable segment revenue	<u>4,723,370</u>	<u>20,333</u>	<u>85,532</u>	<u>4,829,235</u>
Reportable segment profit	<u>1,056,445</u>	<u>19,617</u>	<u>30,583</u>	<u>1,106,645</u>
<b>Six months ended 30 June 2012 (audited)</b>				
Reportable segment revenue	<u>1,950,986</u>	<u>16,508</u>	<u>33,993</u>	<u>2,001,487</u>
Reportable segment profit	<u>472,717</u>	<u>15,952</u>	<u>(1,154)</u>	<u>487,515</u>

(b) **Segment assets and liabilities**

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

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

	<b>Six months ended 30 June</b>	
	<b>2013</b>	<b>2012</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>Revenue</b>		
Reportable segment and consolidated revenue	<u>4,829,235</u>	<u>2,001,487</u>
<b>Profit</b>		
Reportable segment profit derived from external customers	<b>1,106,645</b>	487,515
Other income	<b>42,675</b>	10,862
Fair value gain upon transfer to investment properties	<b>–</b>	905,083
Change in fair value of investment properties	<b>526,203</b>	60,536
Change in fair value of trust loans related derivatives	<b>2,000</b>	11,000
Finance costs	<b>(102,540)</b>	(31,387)
Share of results of joint ventures	<b>(653)</b>	–
Depreciation of property, plant and equipment	<b>(4,079)</b>	(6,385)
(Write-back of) allowance for doubtful debts	<b>(1,108)</b>	792
Unallocated head office and corporate expenses	<b>(171,858)</b>	(156,985)
Consolidated profit before taxation	<u><b>1,397,285</b></u>	<u>1,281,031</u>

#### 4. OTHER INCOME

	<b>Six months ended 30 June</b>	
	<b>2013</b>	<b>2012</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Dividend income from available-for-sale investment	<b>1,405</b>	1,312
Interest income	<b>13,607</b>	5,344
Gain on disposal of property, plant and equipment	<b>111</b>	44
Government grants ( <i>Note</i> )	<b>14,797</b>	1,777
Forfeited deposits paid by purchasers	<b>1,089</b>	1,663
Sundry income	<b>6,418</b>	722
Exchange gain	<b>5,248</b>	–
	<b>42,675</b>	10,862

*Note:* The amount represents the grants received from the relevant PRC government to encourage the investments in specific regions. The subsidies are unconditional and granted on a discretionary basis to the Group during the period.

#### 5. FINANCE COSTS

	<b>Six months ended 30 June</b>	
	<b>2013</b>	<b>2012</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Interest on bank and other borrowings and amounts due to non-controlling interests wholly repayable within five years	<b>(377,548)</b>	(400,080)
Interest on bank and other borrowings not wholly repayable within five years	<b>(26,529)</b>	(3,249)
Interest expense on senior notes	<b>(47,998)</b>	–
Less: Amount capitalised to properties under development and investment properties under construction	<b>349,535</b>	371,942
	<b>(102,540)</b>	(31,387)

Borrowing costs capitalised to properties under development and investment properties under construction were determined by the contracted interest rates of respective bank and other borrowings.



## 6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2013	2012
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
PRC enterprise income tax:		
Current income tax	(193,537)	(115,053)
Over (under) provision in respect of prior periods	<u>5,183</u>	<u>(2,965)</u>
	(188,354)	(118,018)
Land appreciation tax	<u>(120,654)</u>	<u>(78,602)</u>
	(309,008)	(196,620)
Deferred taxation		
Current period	<u>(131,408)</u>	<u>(234,513)</u>
	<u>(440,416)</u>	<u>(431,133)</u>

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

	Six months ended 30 June	
	2013	2012
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Profit and total comprehensive income for the period has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	4,079	6,385
Gain on disposal of property, plant and equipment	(111)	(44)
Operating lease rentals in respect of land and buildings	<u>14,680</u>	<u>7,442</u>

## 8. DIVIDEND

	Six months ended 30 June	
	2013	2012
	<i>HKD'000</i>	<i>HKD'000</i>
	(unaudited)	(audited)
Dividend recognised as distribution during the period:		
Final dividend paid in respect of 2012 of HKD 0.04 per share	<u>230,800</u>	<u>–</u>

No dividends were declared or proposed by the Company for the six months ended 30 June 2013 and 2012.

## 9. EARNINGS PER SHARE

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

	<b>Six months ended 30 June</b>	
	<b>2013</b>	2012
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(audited)
Earnings attributable to the owners of the Company for the purposes of calculation of basic and diluted earnings per share	<b>854,213</b>	808,673

	<b>Six months ended 30 June</b>	
	<b>2013</b>	2012
	<b>'000</b>	'000
	<b>(unaudited)</b>	(audited)

### Number of shares

Number of ordinary shares for the purpose of basic and diluted earnings per share	<b>5,770,000</b>	4,515,000
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No adjustment has been made to the basic earnings per share amount presented for the six months ended 30 June 2013 and 2012 as the Group had no potentially dilutive ordinary shares in issuing during both periods.

## 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 within 60 days from the date of agreement. Rental income is paid by tenants within two months in accordance to tenancy agreement.

	<b>At</b>	At
	<b>30 June</b>	31 December
	<b>2013</b>	2012
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(audited)
Trade receivables, net of allowance	<b>513,951</b>	349,230
Other receivables, net of allowance	<b>912,098</b>	741,374
Prepaid tax	<b>297,366</b>	234,457
Deposits and prepayments	<b>66,296</b>	71,137
	<b>1,789,711</b>	1,396,198

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

	At <b>30 June</b> <b>2013</b> <i>RMB'000</i> (unaudited)	At 31 December 2012 <i>RMB'000</i> (audited)
Within 60 days	<b>460,474</b>	289,835
61–180 days	<b>11,393</b>	30,854
181–365 days	<b>18,589</b>	28,541
Over 365 days	<b>23,495</b>	–
	<b>513,951</b>	349,230

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

	At <b>30 June</b> <b>2013</b> <i>RMB'000</i> (unaudited)	At 31 December 2012 <i>RMB'000</i> (audited)
Trade payables	<b>1,565,630</b>	1,754,063
Other payables and accrued charges	<b>1,932,617</b>	1,227,962
	<b>3,498,247</b>	2,982,025

Trade payables and accrued expenditure on construction work comprise of construction costs and other project-related expenses which are payable based on project progress measured by the Group. The average credit period of trade payables is 60 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

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

	At <b>30 June</b> <b>2013</b> <i>RMB'000</i> (unaudited)	At 31 December 2012 <i>RMB'000</i> (audited)
Within 60 days	<b>508,970</b>	1,034,830
61–180 days	<b>147,514</b>	197,410
181–365 days	<b>717,208</b>	256,920
1–2 years	<b>131,543</b>	241,501
2–3 years	<b>47,728</b>	2,061
Over 3 years	<b>12,667</b>	21,341
	<b>1,565,630</b>	1,754,063

## **CHAIRMAN'S STATEMENT**

Dear shareholders:

I am pleased to present to you the business review and outlook of the Group for the six months ended 30 June 2013.

### **Results**

In the first half of 2013, the Group recorded significant growth in terms of sales and profit.

For the six month ended 30 June 2013, the Group achieved contracted sales of RMB7,156.3 million, representing a significant year-on-year increase of 95.8% over RMB3,654.7 million in the corresponding period in 2012. Recognised revenue was RMB4,829.2 million, representing a significant year-on-year increase of 141.3% over RMB2,001.5 million in the corresponding period in 2012. The Group's net profit attributable to equity owners increased by 5.6% to RMB854.2 million for the six month ended 30 June 2013 from RMB808.7 million in the corresponding period in 2012. The Group's core net profit attributable to equity owners increased by 384.9% to RMB577.0 million for the six months ended 30 June 2013 from RMB119.1 million in the corresponding period in 2012. The Group's gross profit margin and core net profit margin was 25.3% and 12.0% respectively for the six months ended 30 June 2013.

### **Review of the first half of 2013**

#### *Market review and sales performance*

During the first half of 2013, transaction volumes and prices for commodity housing in China experienced strong recovery from the previous year, with strong sales and noticeable increases in property prices being reported in key first- and second-tier cities. In order to stabilise the real estate market, the State Council of China promulgated the New Five Measures of the State Council in early 2013 to curb price growth and reiterated its austerity measures to the real estate sector. Notwithstanding the Five New Measures of the State Council, homebuyers have already adapted to the continued regulatory measures and end-users have been driving the demand for the primary market property sales.

Benefitting from the massive increase in saleable resources, the Group's contracted sales and contracted GFA achieved record highs during the first half of the year. During the first half of 2013, the Group's contracted sales and contracted GFA reached RMB7,156.3 million and 714,600 sq.m. respectively, representing year-on-year growth of 95.8% and 65.3% respectively. Over 94% of the Group's contracted sales in the first half of 2013 were derived from first- and second-tier cities.

The Group's contracted sales in the first half of 2013 was dispersed among 32 projects in 10 cities. During the period, most of the Group's contracted sales were derived from 27 projects which were subsequent sales launches carried over from the previous year(s), while the remaining were derived from five new projects which started pre-sale in the first half of 2013, including: Shanghai CIFI City, Shanghai CIFI Jiangwan Mansion, Suzhou CIFI Private Mansion, Beijing CIFI Private Villa Riverside and Tianjin CIFI Paradise Bay. As the Group will have a further of at least five new projects launching pre-sales in the second half of 2013 contributing additional saleable resources, the Group is optimistic about its sales and operating cash inflow in the second half of 2013.

CIFI ranked 29th and 37th nationally in terms of contracted GFA sold and contracted sales amount respectively in the first half of 2013 according to the "Top 50 Real Estate Enterprise Property Developers by Sales in the First Half of 2013" jointly published by China Real Estate Information Corporation and China Real Estate Appraisal Center.

#### *Land acquisition*

The Group always adheres to a systematic and disciplined land acquisition approach. Due to its overwhelming contracted sales and strong cash inflow from property sales achieved in the first half of 2013, the Group has taken a proactive approach in land bank replenishment to provide sufficient saleable resources for sustainable growth.

The Group's land acquisitions during the period were characterised by (i) higher quality, better locations and larger sites in top notch first- and second-tier cities in China with high emphasis in top cities in Yangtze River Delta Region; (ii) targeting end-users demand with primarily mass market residential properties with small-to-medium unit sizes and office properties for sale; (iii) attractive estimated profit margins using conservative future average selling price assumptions; and (iv) utilising joint venture strategies by partnering with leading large-scale property developers, as well as other investment institutions as equity partners.

During the first half of 2013, the Group purchased 11 new projects in Shanghai, Suzhou, Hangzhou, Hefei, Jiaxing, Beijing, Tianjin and Chongqing with total planned GFA and attributable GFA of approximately 1.48 million sq.m. and approximately 0.9 million sq.m., respectively. The corresponding land acquisition consideration attributable to the Group was approximately RMB4,710.9 million. Based on the Group's attributable GFA acquired and the attributable acquisition considerations, the average cost of land acquisitions in the first half of 2013 was approximately RMB5,600 per sq.m. During the first half of 2013, the Group's cash outflow for the land acquisition and related payments amounted to approximately RMB3,900.0 million.

As at 30 June 2013, the Group's land bank amounted to a total GFA of approximately 7.65 million sq.m., of which attributable GFA amounted to approximately 6.54 million sq.m. The average unit cost of land bank was approximately RMB2,900 per sq.m.

### *Joint ventures with renowned property developers*

Since the beginning of 2013 and up to the date of the interim result announcement, the Group successfully executed equity joint ventures with Greenland Holding Group Company Limited (“Greenland”) and Henderson China Properties Limited (“Henderson China”) to jointly develop the following newly acquired projects:

<b>Joint venture projects</b>	<b>The Group’s equity interest</b>
<b><i>With Greenland</i></b>	
Hangzhou Binjiang District Olympic & International Epo Center Project	50%
Shanghai Minhang District Huacao 20-02 Project	50%
Shanghai Zhabei District Project	20%
Hefei Baohe District S1303 Project	33%
Beijing Fangshan District Changyang Town Project	30%
<b><i>With Henderson China</i></b>	
Hangzhou Yuhang District Chongxian Xincheng No. 24 Project	49%

The Group’s co-operations with renowned property developers demonstrate their recognitions of CIFI’s strong execution abilities and governance standard. The Group’s joint venture strategy diversifies its financial exposure in the particular projects, enhances its project branding and management capabilities by benefiting from the synergies of renowned project partners. In the future, the Group will strive to reinforce its cooperations with renowned property developers.

### *Improving financing structure and lower funding costs*

While implementing its growth strategies, the Group has also strived to improve its financing structure and to lower its funding costs. Following its initial public offering in November 2012 (“IPO”), the Group has made significant progress in establishing its track records in overseas capital markets:

- At the beginning of 2013, the Company obtained issuers’ credit ratings of B1 (stable outlook) from Moody’s, B+ (stable outlook) from Standard & Poor’s and B+ (positive outlook) from Fitch, respectively.
- In April 2013, the Company successfully issued its inaugural US dollar senior notes (“US Dollar Bonds”). The US Dollar Bonds has a maturity of five years with a principal amount of US\$275 million and an annual coupon rate of 12.25%. The secondary trading prices of the US Dollar Bonds remained strong after its issuance, reflecting market’s well acceptance of the Group’s credit.

- In July 2013, the Company signed a syndicated loan facility (“Syndicated Loan”) with a consortium of international banks and local banks. The Syndicated Loan is a dual-currency term loan facility with an aggregate amount of approximately US\$156.5 million divided into two tranches: (i) United States dollars tranche with an aggregate amount of US\$75 million; and (ii) Hong Kong dollars tranche with an aggregate amount of HK\$636 million, with final maturity of three years and interest of LIBOR or HIBOR plus 5.65% per annum.

Successful completion of its first US Dollar Bonds and Syndicated Loan within a short time frame from its IPO reflected a vote of confidence in CIFI’s future business strategies and development from the international capital market and banking industry. The Group utilised proceeds from the US Dollar Bonds and the Syndicated Loans for re-financing of loans, new business developments and/or general corporate purposes. These new offshore financings have broadened the Group’s offshore financing platform and enhanced its debt structure; and provided strong foundation to the Group’s future development.

#### *Healthy financial position*

In the first half of 2013, the Group enjoyed good operating cash inflow from strong sales of properties. By utilising joint ventures in land acquisitions, the Group lowered its financial commitments, while successfully executed its land banking strategies for growth in saleable resources. As a result, the Group sustained a healthy financial position with its debt structure further improved due to lower funding costs, longer duration, higher proportion of unsecured offshore debts and lower proportion of non-bank borrowings.

- As at 30 June 2013, the Group’s net debt-to-equity ratio was 67.4% (31 December 2012: 62.5%).
- During the six months ended 30 June 2013, total finance costs expensed and capitalised were equivalent to an annualized interest of 8.6% based on the Group’s average indebtedness outstanding during the period, compared to 10.2% during the corresponding period of last year. The Group’s weighted average cost of indebtedness based on its outstanding overall indebtedness as at 30 June 2013 decreased to 9.4% (31 December 2012: 10.0%).
- As at 30 June 2013, proportion of offshore indebtedness out of overall indebtedness increased to 15.2% (31 December 2012: 4.2%).
- As at 30 June 2013, proportion of short-term borrowings out of overall indebtedness reduced to 19.2% (31 December 2012: 37.7%).
- As at 30 June 2013, proportion of onshore non-bank borrowings out of overall indebtedness reduced to 26.3% (31 December 2012: 34.0%).

Other than balance sheet liabilities, the Group also paid close attention to off-balance sheet commitments. As at 30 June 2013, the Group had unpaid land considerations of approximately RMB2,446.1 million. The Group’s debt positions and off-balance sheet commitments are within a comfortable range for its operations.

### **Outlook for the second half of 2013**

In 2013, the Central Government of China is pursuing economic reforms and structural adjustments, which emphasize sustainable quality growth by using market-driven measures to foster urbanization and domestic consumption. This may have short term effect on the momentum of economic growth in China and it is widely expected that China's GDP will slow down to 7% area. While it is expected that current government administrative policies in the real estate sector to remain in place, more severe government policy risks are now alleviated by slower economic growth. This offers a stable operating environment for the Group to grow its business by adhering to its focus on top notch first – and second-tier cities in China and catering to the strong end-users' demand for high quality residential and office properties. The Group is confident of achieving its sales target for 2013 and continues to emphasise and strengthen its fast turnaround and high sell-through development model.

Regarding land reserves, the Group's new acquisitions in the first half of 2013 have fulfilled its target of ensuring substantial supply of saleable resources in 2014. In 2013, up to the date of the interim result announcement, the Group entered into two new cities, Hangzhou and Wuhan, enhancing its geographical coverage in the Yangtze River Delta and the Central-Western Region. In the second half of 2013, the Group will be more selective in land acquisitions but will remain open to add high quality property sites into the Group's land reserve to prepare for the Group's saleable resources in 2014 and beyond. Ultimately, the Group is pursuing a high-growth and low-risk development strategy for the next two years but will manage its expansion cautiously by taking into account the Group's sales performance, joint venture strategy and financial stability.



## MANAGEMENT DISCUSSION AND ANALYSIS

### PERFORMANCE HIGHLIGHTS

	<i>Notes</i>	<b>Six months ended 30 June 2013</b>	2012	<b>Year-on-year Growth</b>
<b>Contracted sales</b>				
Contracted sales ( <i>RMB'million</i> )	<i>1</i>	<b>7,156</b>	3,655	95.8%
Contracted GFA ( <i>sq.m.</i> )		<b>714,600</b>	432,400	65.3%
Contracted ASP ( <i>RMB/sq.m.</i> )		<b>10,014</b>	8,453	18.5%
<b>Selected financial information</b>				
Recognised revenue ( <i>RMB'million</i> )		<b>4,829</b>	2,001	141.3%
Gross profit ( <i>RMB'million</i> )		<b>1,220</b>	567	115.2%
Profit for the period (including fair value gains) ( <i>RMB'million</i> )				
– Including non-controlling interests		<b>957</b>	850	12.6%
– Attributable to equity owners		<b>854</b>	809	5.6%
Core net profit ( <i>RMB'million</i> )	<i>2</i>			
– Including non-controlling interests		<b>574</b>	115	399.1%
– Attributable to equity owners		<b>577</b>	119	384.9%
		<b>As at 30 June 2013</b>	As at 31 December 2012	
Total assets ( <i>RMB'million</i> )		<b>32,973</b>	26,857	
Bank balances and cash ( <i>RMB'million</i> )	<i>3</i>	<b>7,072</b>	4,613	
Total indebtedness ( <i>RMB'million</i> )	<i>4</i>	<b>12,285</b>	8,950	
Total equity ( <i>RMB'million</i> )		<b>7,730</b>	6,941	
Equity attributable to equity owners ( <i>RMB'million</i> )		<b>7,237</b>	6,550	

		<b>Six months ended 30 June</b>	
	<i>Notes</i>	<b>2013</b>	2012
<b>Selected financial ratios</b>			
Gross profit margin		<b>25.3%</b>	28.3%
Core net profit margin	5	<b>12.0%</b>	6.0%
Finance cost over average indebtedness (annualised)	6	<b>8.6%</b>	10.2%
Earnings per share (basic), RMB cents		<b>14.8</b>	17.9
Core earnings per share (basic), RMB cents		<b>10.0</b>	2.6
		<b>As at</b>	As at
		<b>30 June</b>	31 December
		<b>2013</b>	2012
Net debt-to-equity ratio	7	<b>67.4%</b>	62.5%
Weighted average cost of indebtedness	8	<b>9.4%</b>	10.0%
<b>Selected operating data</b>			
Land bank (GFA, sq.m.), end of period			
– Total		<b>7,650,500</b>	5,326,000
– Attributable		<b>6,544,560</b>	5,170,500
Delivered GFA (sq.m.), during the period			
– Total		<b>448,600</b>	175,200
– Attributable		<b>448,600</b>	175,200
New land acquisition (GFA, sq.m.), during the period			
– Total		<b>1,481,100</b>	–
– Attributable		<b>886,330</b>	–

*Notes:*

- Contracted sales excludes subscribed contract values.
- Core net profit excludes changes in fair value, non-cash expenses relating to share option grants, net of deferred taxes.
- Bank balances and cash include restricted cash and pledged bank deposits.
- Total indebtedness includes bank and other borrowings, senior notes and trust and other loans related derivatives.
- Core net profit margin is calculated based on core net profit attributable to equity owners over total recognised revenue.
- Finance cost over average indebtedness represents annualized percentage of total finance costs expensed and capitalised divided by the Group's average indebtedness outstanding during the period.
- Net debt-to-equity ratio is calculated by the Group's total indebtedness (including bank and other borrowings, senior notes, and trust and other loans related derivatives) under IFRS less bank balances and cash (including restricted cash and pledged bank deposit) as a percentage of total equity at the end of each period.
- Weighted average cost of indebtedness is the weighted average of interest costs of all bank and other borrowings and senior notes outstanding as at the end of each period.

## PROPERTY DEVELOPMENT

### Contracted sales

For the six months ended 30 June 2013, the Group achieved contracted sales of approximately RMB7,156.3 million representing a significant growth of 95.8% as compared to the corresponding period of last year. The significant growth in the Group's contracted sales was mainly attributable to the corresponding increase in the Group's saleable resources. For the six months ended 30 June 2013, the Group contracted sales of approximately 714,600 sq.m. in GFA, representing an increase of 65.3% over the corresponding period of last year. The contracted sales in Yangtze River Delta, Pan Bohai Rim and Central Western Region were approximately RMB4,106.9 million, RMB2,045.9 million and RMB1,003.5 million, contributing to 57.4%, 28.6% and 14.0% of the Group's total contracted sales respectively.

*Table 1: Details of contracted sales for the six months ended 30 June 2013*

*By project*

Project	Primary intended use of the project	Contracted sales (RMB'000)	% of total contracted sales (%)	Contracted GFA (sq.m.)	Contracted ASP (RMB/sq.m.)
Shanghai CIFI Rose Bay	Residential	155,837	2.2	9,200	16,939
Shanghai CIFI Private Mansion	Residential	238,265	3.3	14,300	16,662
Shanghai CIFI Comfortable Joyous Bay	Residential	72,430	1.0	5,700	12,707
Shanghai CIFI Pleasant Garden	Residential	5,285	0.1	600	8,808
Shanghai CIFI Luxury Courtyard	Residential	288,461	4.0	14,600	19,758
Shanghai CIFI City (Formerly known as: Shanghai Baoshan District Panjing Road Project)	Residential	269,940	3.8	21,900	12,326
Shanghai CIFI Pujiang International	Office-for-sale	391,738	5.5	23,900	16,391
Shanghai CIFI Century Square	Office-for-sale	200,559	2.8	7,500	26,741
Shanghai CIFI La Baie D'Evian	Residential	318	*	200	1,590
Shanghai CIFI Jiangwan Mansion	Residential	50,577	0.7	1,400	36,126
Shanghai CIFI Pebble Beach	Residential	55,704	0.8	2,400	23,210
Shanghai CIFI Ronchamp Town	Residential	7,021	0.1	700	10,030
Suzhou CIFI Canal County	Residential	245,385	3.4	22,700	10,810
Suzhou CIFI Ronchamp Town	Residential	114,402	1.6	13,500	8,474
Suzhou CIFI Luxury Courtyard	Residential	861,640	12.1	103,100	8,357
Suzhou CIFI Private Mansion (Formerly known as: Suzhou G88 Project)	Residential	178,607	2.5	21,400	8,346
Hefei CIFI Central Park	Residential	26,500	0.4	3,900	6,795
Hefei CIFI Private Mansion	Residential	711,883	9.9	92,200	7,721
Zhenjiang CIFI Times	Residential	208,013	2.9	23,300	8,928
Jiaxing CIFI Square	Residential	24,380	0.3	2,400	10,158
Beijing CIFI Private Mansion	Residential	390,072	5.5	29,500	13,223
Beijing CIFI Purple County	Residential	15,178	0.2	800	18,973
Beijing CIFI Private Villa Riverside Garden	Residential	376,887	5.3	15,500	24,315
Beijing CIFI International Negotiate Garden	Office-for-sale	833,133	11.6	60,300	13,816
Langfang CIFI Path Walf	Residential	198,873	2.8	27,500	7,232
Tianjin CIFI Rosedale	Residential	214,622	3.0	27,900	7,693

Project	Primary intended use of the project	Contracted sales	% of total contracted sales	Contracted GFA	Contracted ASP
		(RMB'000)	(%)	(sq.m.)	(RMB/sq.m.)
Tianjin CIFI Paradise Bay (Formerly known as: Tianjin CIFI Century Waterside)	Residential	17,133	0.2	3,000	5,711
Chongqing CIFI Ronchamp Town	Residential	170,922	2.4	32,300	5,292
Chongqing CIFI Langyuejun	Residential	360,789	5.0	59,900	6,023
Changsha CIFI Upward Community	Residential	5,650	0.1	2,400	2,354
Changsha CIFI Luxury Courtyard	Residential	42,100	0.6	9,500	4,432
Changsha CIFI Private Mansion	Residential	424,035	5.9	61,100	6,940
Total		<u>7,156,339</u>	<u>100.0</u>	<u>714,600</u>	10,014

\* less than 0.1%

*By type of project*

	Contracted sales	% of total contracted sales	Contracted GFA	Contracted ASP
	(RMB'000)	(%)	(sq.m.)	(RMB/sq.m.)
Residential projects	5,730,909	80.1	622,900	9,200
Office-for-sale projects	1,425,430	19.9	91,700	15,544
Total	<u>7,156,339</u>	<u>100.0</u>	<u>714,600</u>	10,014

*By city*

	Contracted sales	% of total contracted sales	Contracted GFA	Contracted ASP
	(RMB'000)	(%)	(sq.m.)	(RMB/sq.m.)
Shanghai	1,736,135	24.3	102,400	16,954
Beijing	1,615,270	22.6	106,100	15,224
Suzhou	1,400,034	19.6	160,700	8,712
Hefei	738,383	10.3	96,100	7,683
Chongqing	531,711	7.4	92,200	5,767
Changsha	471,785	6.6	73,000	6,463
Tianjin	231,755	3.2	30,900	7,500
Zhenjiang	208,013	2.9	23,300	8,928
Jiaxing	24,380	0.3	2,400	10,158
Langfang	198,873	2.8	27,500	7,232
Total	<u>7,156,339</u>	<u>100.0</u>	<u>714,600</u>	10,014

*By region*

	<b>Contracted sales</b>	<b>% of total contracted sales</b>	<b>Contracted GFA</b>	<b>Contracted ASP</b>
	<i>(RMB'000)</i>	<i>(%)</i>	<i>(sq.m.)</i>	<i>(RMB/sq.m.)</i>
Yangtze River Delta	4,106,945	57.4	384,900	10,670
Pan Bohai Rim	2,045,898	28.6	164,500	12,437
Central Western Region	1,003,496	14.0	165,200	6,074
<b>Total</b>	<b>7,156,339</b>	<b>100.0</b>	<b>714,600</b>	<b>10,014</b>

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

	<b>Contracted sales</b>	<b>% of total contracted sales</b>	<b>Contracted GFA</b>	<b>Contracted ASP</b>
	<i>(RMB'000)</i>	<i>(%)</i>	<i>(sq.m.)</i>	<i>(RMB/sq.m.)</i>
First-tier cities	3,351,405	46.9	208,500	16,074
Second-tier cities	3,373,668	47.1	452,900	7,449
Third-tier cities	431,266	6.0	53,200	8,107
<b>Total</b>	<b>7,156,339</b>	<b>100.0</b>	<b>714,600</b>	<b>10,014</b>

*Notes:*

1. The above contracted sales data includes sales of car parks.
2. First-tier cities refer to Shanghai and Beijing.
3. Second-tier cities refer to Suzhou, Hefei, Chongqing, Changsha and Tianjin.
4. Third-tier cities refer to Zhenjiang, Jiaxing and Langfang.

As at 30 June 2013, the Group had approximately RMB9.9 billion contracted but unrecognised sales which formed a solid basis for Group's future growth in recognised revenue.

**Revenue recognised from sales of properties**

Revenue recognised from sales of properties for the six months ended 30 June 2013 was approximately RMB4,723.4 million up by 142.1% year-on-year, accounted for 97.8% of total recognised revenue. For the six months ended 30 June 2013, the Group delivered approximately 448,600 sq.m. of properties in GFA, up by 156.1% year-on-year. The increase in Group's revenue recognised from sales of properties was in line with the increase in GFA delivered.

**Table 2: Breakdown of recognised revenue from property sales for the six months ended 30 June 2013**

*By project*

Project	Primary intended use of the project	Recognised revenue from sales of properties (RMB'000)		% of recognised revenue from sales of properties (%)		Total GFA delivered (sq.m.)		Recognised ASP (RMB/sq.m.)	
		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
		2013	2012	2013	2012	2013	2012	2013	2012
Shanghai CIFI Rose Bay	Residential	360,804	–	7.7	–	22,900	–	15,756	–
Shanghai CIFI Comfortable Joyous Bay	Residential	1,120,946	–	23.7	–	111,500	–	10,053	–
Shanghai CIFI Hongqiao International	Office-for-sale	198,628	101,025	4.2	5.2	6,800	3,000	29,210	33,675
Shanghai CIFI Century Square	Office-for-sale	200,580	2,400	4.2	0.1	7,600	500	26,392	4,800
Shanghai CIFI La Baie D'Evian	Residential	318	346	*	*	200	200	1,590	1,730
Shanghai CIFI Pebble Beach	Residential	85,737	–	1.8	–	3,600	–	23,816	–
Shanghai CIFI Ronchamp Town	Residential	6,891	–	0.2	–	800	–	8,614	–
Shanghai CIFI New Dream	Residential	–	4,058	–	0.2	–	1,000	–	4,058
Suzhou CIFI Canal County	Residential	1,289,385	773,397	27.3	39.7	148,000	83,700	8,712	9,240
Suzhou CIFI Ronchamp Town	Residential	376,094	–	8.0	–	48,100	–	7,819	–
Suzhou CIFI California Bay	Residential	–	4,500	–	0.2	–	300	–	15,000
Hefei CIFI Central Park	Residential	28,680	–	0.6	–	4,100	–	6,995	–
Zhejiang CIFI Times	Residential	327,798	–	7.0	–	28,600	–	11,461	–
Jiaxing CIFI Square	Residential	67,338	6,833	1.4	0.4	6,600	700	10,203	9,761
Beijing CIFI Private Mansion	Residential	491,082	–	10.4	–	34,200	–	14,359	–
Beijing CIFI Purple County	Residential	17,911	779,097	0.4	39.9	1,000	46,700	17,911	16,683
Langfang CIFI Path Walf	Residential	48,810	10,125	1.0	0.5	4,600	1,000	10,611	10,125
Chongqing CIFI Ronchamp Town	Residential	52,955	269,205	1.1	13.8	7,400	38,100	7,156	7,066
Changsha CIFI Upward Community	Residential	5,620	–	0.1	–	2,700	–	2,081	–
Changsha CIFI Luxury Courtyard	Residential	43,793	–	0.9	–	9,900	–	4,424	–
<b>Total</b>		<b>4,723,370</b>	<b>1,950,986</b>	<b>100.0</b>	<b>100.0</b>	<b>448,600</b>	<b>175,200</b>	<b>10,529</b>	<b>11,136</b>

\* less than 0.1%

*By type of project*

	Recognised revenue from sales of properties (RMB'000)		% of recognised revenue from sales of properties (%)		Total GFA delivered (sq.m.)		Recognised ASP (RMB/sq.m.)	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2013	2012	2013	2012	2013	2012	2013	2012
Residential projects	4,324,162	1,847,561	91.6	94.7	434,200	171,700	9,959	10,760
Office-for-sale projects	399,208	103,425	8.4	5.3	14,400	3,500	27,723	29,550
<b>Total</b>	<b>4,723,370</b>	<b>1,950,986</b>	<b>100.0</b>	<b>100.0</b>	<b>448,600</b>	<b>175,200</b>	<b>10,529</b>	<b>11,136</b>

### By city

	Recognised revenue from sales of properties (RMB'000)		% of recognised revenue from sales of properties (%)		Total GFA delivered (sq.m.)		Recognised ASP (RMB/sq.m.)	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2013	2012	2013	2012	2013	2012	2013	2012
Shanghai	1,973,904	107,829	41.8	5.5	153,400	4,700	12,868	22,942
Beijing	508,993	779,097	10.8	39.9	35,200	46,700	14,460	16,683
Suzhou	1,665,479	777,897	35.3	39.9	196,100	84,000	8,493	9,261
Hefei	28,680	-	0.6	-	4,100	-	6,995	-
Chongqing	52,955	269,205	1.1	13.8	7,400	38,100	7,156	7,066
Changsha	49,413	-	1.0	-	12,600	-	3,922	-
Zhenjiang	327,798	-	7.0	-	28,600	-	11,461	-
Jiaxing	67,338	6,833	1.4	0.4	6,600	700	10,203	9,761
Langfang	48,810	10,125	1.0	0.5	4,600	1,000	10,611	10,125
Total	<b>4,723,370</b>	<b>1,950,986</b>	<b>100.0</b>	<b>100.0</b>	<b>448,600</b>	<b>175,200</b>	<b>10,529</b>	<b>11,136</b>

### By region

	Recognised revenue from sales of properties (RMB'000)		% of recognised revenue from sales of properties (%)		Total GFA delivered (sq.m.)		Recognised ASP (RMB/sq.m.)	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2013	2012	2013	2012	2013	2012	2013	2012
Yangtze River Delta	4,063,199	892,559	86.1	45.8	388,800	89,400	10,451	9,984
Pan Bohai Rim	557,803	789,222	11.8	40.4	39,800	47,700	14,015	16,546
Central Western Region	102,368	269,205	2.1	13.8	20,000	38,100	5,118	7,066
Total	<b>4,723,370</b>	<b>1,950,986</b>	<b>100.0</b>	<b>100.0</b>	<b>448,600</b>	<b>175,200</b>	<b>10,529</b>	<b>11,136</b>

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

	Recognised revenue from sales of properties (RMB'000)		% of recognised revenue from sales of properties (%)		Total GFA delivered (sq.m.)		Recognised ASP (RMB/sq.m.)	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2013	2012	2013	2012	2013	2012	2013	2012
First-tier cities	2,482,897	886,926	52.6	45.4	188,600	51,400	13,165	17,255
Second-tier cities	1,796,527	1,047,102	38.0	53.7	220,200	122,100	8,159	8,576
Third-tier cities	443,946	16,958	9.4	0.9	39,800	1,700	11,154	9,975
Total	<b>4,723,370</b>	<b>1,950,986</b>	<b>100.0</b>	<b>100.0</b>	<b>448,600</b>	<b>175,200</b>	<b>10,529</b>	<b>11,136</b>

Notes:

1. The above contracted sales data includes sales of car parks.
2. First-tier cities refer to Shanghai and Beijing.
3. Second-tier cities refer to Suzhou, Hefei, Chongqing and Changsha.
4. Third-tier cities refer to Zhenjiang, Jiaxing and Langfang.

### Completed properties held for sale

During the six months ended 30 June 2013, the GFA of newly completed projects of the Group amounted to approximately 0.4 million sq.m.. As at 30 June 2013, the Group had 17 completed properties projects with a total unsold or undelivered GFA of approximately 0.5 million sq.m..

### Properties under development/held for future development

During the six months ended 30 June 2013, the GFA of properties the construction of which were newly commenced construction by the Group was approximately 1.4 million sq.m.. As at 30 June 2013, the Group had 40 property projects under development or held for future development with a total and attributable GFA of approximately 7.2 million sq.m. and 6.0 million sq.m. respectively.

## PROPERTY INVESTMENT

### Rental income

The Group's rental income during the six months ended 30 June 2013 was approximately RMB20.3 million, up by 23.2% year-on-year. The increase was primarily due to an increase in rental income from Jiaxing CIFI Square.

*Table 3: Breakdown of rental income for the six months ended 30 June 2013*

	Six months ended 30 June 2013		Six months ended 30 June 2012		Rental income Growth rate (%)
	Rental income (RMB'000)	% of Rental income (%)	Rental income (RMB'000)	% of Rental income (%)	
Investment properties					
Jiaxing CIFI Square	19,274	94.8	15,590	94.4	23.6
Other investment properties	564	2.8	451	2.7	25.1
Other non-investment properties	495	2.4	467	2.9	6.0
Total	<b>20,333</b>	<b>100.0</b>	<b>16,508</b>	<b>100.0</b>	<b>23.2</b>



## Investment properties

As at 30 June 2013, the Group had 4 investment properties with a total GFA of approximately 134,700 sq.m. Out of such investment properties portfolio of the Group, 3 investment properties with a total GFA of approximately 89,300 sq.m. were completed for rental, while the remaining were under development.

## FINANCIAL REVIEW

### Revenue

During the six months ended 30 June 2013, the Group's recognised revenue was approximately RMB4,829.2 million, up 141.3% year-on-year. Out of the Group's total recognised revenue during the six months ended 30 June 2013, (i) sales of property increased by 142.1% from the corresponding period of last year to approximately RMB4,723.4 million, which was in line with the increase in delivered GFA; (ii) rental income increased by 23.2% from the corresponding period of last year, which was primarily due to an increase in rental income from Jiaying CIFI Square; and (iii) property management income increased by 64.0% from the corresponding period of last year, as additional new property projects were completed by us and included in our property management portfolio during the period.

**Table 4: Breakdown of recognised revenue for the six months ended 30 June 2013**

	Six months ended 30 June 2013		Six months ended 30 June 2012		Year-on- year change
	Recognised revenue	% of total recognised revenue	Recognised revenue	% of total recognised revenue	
	(RMB'000)	(%)	(RMB'000)	(%)	(%)
Sales of properties	4,723,370	97.8	1,950,986	97.5	142.1
Rental income	20,333	0.4	16,508	0.8	23.2
Property management income	55,427	1.2	33,806	1.7	64.0
Other property related service income	30,105	0.6	187	—*	N/A
<b>Total</b>	<b>4,829,235</b>	<b>100.0</b>	<b>2,001,487</b>	<b>100.0</b>	<b>141.3</b>

\* Less than 0.1%

### Cost of sales

The Group's cost of sales during the six months ended 30 June 2013 was approximately RMB3,609.2 million, up 151.6% from the corresponding period of last year. This increase was primarily due to an increase in cost of property sales as a result of an increase in total GFA delivered compared to the corresponding period of last year.

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

The Group's gross profit during the six months ended 30 June 2013 was approximately RMB1,220.0 million, up 115.2% year-on-year. Our gross profit margin increased to 25.3% during the six months ended 30 June 2013, compared to 23.7% in the full year of 2012. The recovery of the Group's gross profit margin compared to 2012 was primarily due to (i) high proportion of recognised revenue from sales of office projects, which generally have higher gross profit margin compared to mass market residential projects; and (ii) increased selling prices of individual residential projects.

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

During the six months ended 30 June 2013, the Group recognised a fair value gain on investment properties of approximately RMB526.2 million as compared to a fair value gain on investment properties in the corresponding period of last year of approximately RMB60.5 million. The increase in fair value gain on investment properties was mainly due to the appreciation of the overall capital value and/or rental values of the Group's investment properties portfolio including completed and under development projects.

## ***Change in fair value of trust loans related derivatives***

During the six months ended 30 June 2013, the Group recognised a fair value gain on trust loans related derivatives of approximately RMB2.0 million as compared to a fair value gain on trust loans related derivatives in the corresponding period of last year of approximately RMB11.0 million. Such fair value gain reflected the change in fair value of the embedded financial derivatives relating to certain trust financing arrangements of the Group during the period.

## **Selling and marketing expenses**

The Group's selling and marketing expenses increased by 30.8% to approximately RMB113.4 million during the six months ended 30 June 2013 from approximately RMB86.7 million in the corresponding period of last year. This increase was primarily due to the Group's new launches of more property projects for pre-sale in 2013. The Group placed great emphasis on the effectiveness and appropriateness of sales strategies and successfully controlled its selling expenses at 1.6% of total contracted sales in the six months ended 30 June 2013, comparing to 2.4% in the corresponding period of last year.

## **Administrative and other expenses**

The Group's administrative expenses increased by 20.0% to approximately RMB177.0 million during the six months ended 30 June 2013 from approximately RMB147.5 million in the corresponding period of last year. This increase was primarily attributable to increase in staff costs and other administrative expenses resulting from the Group's business expansion. Due to implementation of stringent cost control, the Group successfully kept its administrative expenses at 2.5% of total contracted sales in 2013, comparing to 4.0% in the corresponding period of last year.

In addition, the Group did not incur other expenses during the six months ended 30 June 2013, compared to approximately RMB7.8 million in the corresponding period of last year. Other expenses in 2012 were mainly professional fees and expenses related to our IPO exercise.

### **Finance costs**

The Group's finance costs expensed increased by 226.4% to approximately RMB102.5 million during the six months ended 30 June 2013 from approximately RMB31.4 million in the corresponding period of last year. This increase in finance costs expensed was primarily attributable to an increase in the total finance costs incurred, net of the portion being capitalised in properties under development during the period. Total finance costs expensed and capitalised increased by 12.1% to approximately RMB452.1 million during the six months ended 30 June 2013 from approximately RMB403.3 million in the corresponding period of last year. Total finance costs expensed and capitalised were equivalent to an annualised interest of 8.6% based on the Group's average indebtedness during the six months ended 30 June 2013, comparing to 10.2% for the year ended 31 December 2012. The Group's total finance costs as a percentage of financial indebtedness decreased during the period. The decrease in total finance costs expensed and capitalised in 2013 was primarily attributable to decrease in the average proportion of non-bank borrowings (mainly trust financings) to total borrowings during the period. Those non-bank borrowings generally had higher interest costs during the period.

### **Income tax expenses**

The Group's income tax expenses increased by 2.2% to approximately RMB440.4 million during the six months ended 30 June 2013 from approximately RMB431.1 million in the corresponding period of last year. The Group's income tax expense included payments and provisions made for enterprise income tax ("EIT") and land appreciation tax ("LAT") during the year. The Group's effective income tax rate decreased to 31.5% during the six months ended 30 June 2013 from 33.7% in the corresponding period of last year, as a lower proportion of the Group's profit before taxation was derived from the increase in fair value gains relating to investment properties during the six months ended 30 June 2013, for which no provision for LAT was required.

The Group made LAT provisions of approximately RMB120.7 million during the six months ended 30 June 2013 versus approximately RMB78.6 million in the corresponding period of last year. The Group made actual LAT payments of approximately RMB170.3 million during the six months ended 30 June 2013 versus approximately RMB100.9 million in the corresponding period of last year. As at 30 June 2013, the Group had accumulated unpaid LAT provisions of approximately RMB242.6 million.

### **Profit for the period**

As a result of the factors described above, the Group's profit before taxation increased by 9.1% to approximately RMB1,397.3 million during the six months ended 30 June 2013 from approximately RMB1,281.0 million in the corresponding period of last year. The Group's profit and total comprehensive income for the period increased by 12.6% to approximately RMB956.9 million during the six months ended 30 June 2013 from approximately RMB849.9

million in the corresponding period of last year. The Group's net profit attributable to equity owners increased by 5.6% to approximately RMB854.2 million during the six months ended 30 June 2013 from approximately RMB808.7 million in the corresponding period of last year.

The Group's core net profit attributable to equity owners increased by 384.5% to approximately RMB577.0 million during the six months ended 30 June 2013 from approximately RMB119.1 million in the corresponding period of last year. The corresponding core net profit margin was 12.0% during the six months ended 30 June 2013, compared to 6.0% in the corresponding period in 2012 and 11.3% in the full year of 2012.

## LAND BANK

As at 30 June 2013, the total GFA of the Group's land bank was approximately 7.7 million sq.m., and the attributable GFA of the Group's land bank was approximately 6.5 million sq.m. As at 30 June 2013, average acquisition cost of the Group's overall land bank was approximately RMB2,900 per sq.m.

**Table 5: Breakdown of the Group's land bank as at 30 June 2013**

*By project*

Project	Primary intended use of the project	Saleable/ Rentable GFA remaining unsold (carpark excluded) <i>(sq.m.)</i>	Interest attributable to the Group <i>(%)</i>
<b>Completed properties</b>			
<i>Yangtze River Delta</i>			
Shanghai CIFI Rose Bay	Residential	4,800	100.0
Shanghai CIFI Comfortable Joyous Bay	Residential	4,800	100.0
Shanghai CIFI Hongqiao International	Office-for-sale	2,600	100.0
Shanghai CIFI Pebble Beach	Residential	82,400	100.0
Suzhou CIFI Canal County	Residential	15,900	100.0
Suzhou CIFI Ronchamp Town	Residential	1,400	100.0
Suzhou CIFI California Bay	Residential	300	100.0
Hefei CIFI Central Park	Residential	21,900	100.0
Zhenjiang CIFI Times	Residential	15,400	100.0
Jiaxing CIFI Square (Residential)	Residential	5,500	100.0
Jiaxing CIFI Square (Commercial)	Investment properties	82,600	100.0
<i>Pan Bohai Rim</i>			
Beijing CIFI Private Mansion	Residential	2,000	100.0
Beijing CIFI Wangxin Commercial Centre	Office-for-sale/Investment properties	4,900	100.0
Beijing CIFI Olympic City	Office-for-sale	6,000	100.0
Langfang CIFI Path Walf	Residential	48,700	100.0

<b>Project</b>	<b>Primary intended use of the project</b>	<b>Saleable/ Rentable GFA remaining unsold (carpark excluded)</b> <i>(sq.m.)</i>	<b>Interest attributable to the Group</b> <i>(%)</i>
<i>Central Western Region</i>			
Chongqing CIFI Ronchamp Town	Residential	21,400	100.0
Changsha CIFI Luxury Courtyard	Residential	3,400	100.0
<i>Other</i>			
Fuzhou CIFI Riverside	Residential	3,700	100.0
		327,700	
<i>Other</i>			
Carpark		172,800	100.0
		<b>500,500</b>	

<b>Project</b>	<b>Primary intended use of the project</b>	<b>Estimated Completion date</b>	<b>Site Area</b> <i>(sq.m.)</i>	<b>Total GFA under development and held for future development (Carpark excluded)</b> <i>(sq.m.)</i>	<b>Pre-sold</b> <i>(sq.m.)</i>	<b>Interest attributable to the Group</b> <i>(%)</i>
<b>Properties under development and held for future development</b>						
<i>Yangtze River Delta</i>						
Shanghai CIFI Private Mansion	Residential	4Q 2013	40,000	66,400	40,800	100.0
Shanghai CIFI Pleasant Garden	Residential	2Q 2014	36,500	69,100	4,300	100.0
Shanghai CIFI Luxury Courtyard	Residential	4Q 2013	26,400	53,800	35,700	100.0
Shanghai CIFI City (Formerly known as: Shanghai Baoshan District Panjing Road Project)	Residential	4Q 2014/1Q 2015	99,100	185,600	21,800	100.0
Shanghai CIFI Samite Life (Formerly known as: Shanghai Jiading Liu Jiahe Project)	Residential	4Q 2014	37,600	88,100	–	100.0
Shanghai Jiading District Nanxiang 37-01 and 37-02 Project	Office-for-sale	4Q 2014	21,400	62,100	–	100.0
Shanghai Hongqiao Xianfeng Village No.4 Project	Residential	4Q 2014	3,200	5,200	–	100.0
Shanghai Zhabei District Project	Office-for-sale	3Q 2015	31,400	91,900	–	20.0
Shanghai Minhang District Huacao 20-02 Project	Office-for-sale	4Q 2014	14,800	29,600	–	50.0
Shanghai Kangqiao Industrial East District Project	Residential	2Q 2015	30,200	38,500	–	50.0
Shanghai CIFI Pujiang International	Office-for-sale	4Q 2013	72,400	132,200	37,400	100.0

Project	Primary intended use of the project	Estimated Completion date	Site Area	Total GFA under development and held for future development (Carpark excluded)		Pre-sold	Interest attributable to the Group
				(sq.m.)	(sq.m.)		
Shanghai CIFI Yangpu Commercial Square	Office-for-sale	4Q 2015	18,300	20,600	–	53.0	
Shanghai CIFI Yangpu Commercial Square	Investment properties	4Q 2015		45,400	–	53.0	
Shanghai CIFI La Baie D'Evian	Residential	3Q 2014	189,800	24,500	–	100.0	
Shanghai CIFI Jiangwan Mansion	Residential	By phases from 2013 to 2014	26,000	34,100	1,400	75.5	
Suzhou CIFI Canal County	Residential	4Q 2013	176,900	10,000	–	100.0	
Suzhou CIFI Luxury Courtyard	Residential	4Q 2014	110,200	272,900	128,000	100.0	
Suzhou CIFI Private Mansion Usonian City Villa (Formerly known as: Suzhou G84 Project)	Residential	2Q 2015	42,900	100,200	–	49.0	
Suzhou CIFI Private Mansion (Formerly known as: Suzhou G88 Project)	Residential	2Q 2015	55,600	100,300	21,400	100.0	
Suzhou CIFI Meilan Town (Formerly known as: Suzhou G104 Project)	Residential	2015/2016	93,900	246,900	–	100.0	
Suzhou CIFI Joyous Mansion (Formerly known as: Suzhou Gaoxin District Hushuguan Project)	Residential	2Q 2015	32,700	73,300	–	100.0	
Hangzhou Binjiang District Olympic & International Expo Center Project	Residential	2Q 2016	58,800	231,700	–	50.0	
Hangzhou Binjiang District Olympic & International Expo Center Project	Office-for-sale	2Q 2016		50,000	–	50.0	
Hangzhou Yuhang District Chongxian Xincheng No.18 Project	Residential	2015/2016	35,300	90,800	–	100.0	
Hangzhou Yuhang District Chongxian Xincheng No.24 Project	Residential	2015/2016	86,700	222,000	–	49.0	
Hefei CIFI Private Mansion	Residential	By phases from 2013 to 2014	107,200	420,900	209,500	100.0	
Hefei Baohe District S1303 Project	Residential	2015/2016	64,000	204,900	–	33.0	
Zhenjiang CIFI Times	Residential	4Q 2013	32,700	94,000	31,600	100.0	
Jiaxing CIFI Private Mansion (Formerly known as: Jiaxing Yunhe New District Project)	Residential	3Q 2015	24,400	61,000	–	100.0	

Project	Primary intended use of the project	Estimated Completion date	Site Area (sq.m.)	Total GFA under development and held for future development (Carpark excluded)	Pre-sold (sq.m.)	Interest attributable to the Group (%)
				(sq.m.)		
<i>Pan Bohai Rim</i>						
Beijing CIFI Private Villa Riverside Garden	Residential	4Q 2014	76,400	144,200	15,500	80.0
Beijing CIFI International Negotiate Garden	Office-for-sale	4Q 2014	34,600	106,300	86,000	100.0
Beijing CIFI The Education Park (Formerly known as: Beijing Fangshan Liangxiang Town Project)	Office-for-sale	4Q 2015	30,800	86,800	–	100.0
Langfang CIFI Path Walf	Residential	4Q 2013/4Q 2014	140,600	263,600	28,500	100.0
Tangshan CIFI English Village	Residential	4Q 2014	346,200	329,800	–	80.0
Tianjin CIFI Rosedale	Residential	2Q 2014/4Q 2015	120,700	271,900	64,900	100.0
Tianjin CIFI Paradise Bay (Formerly known as: Tianjin CIFI Century Waterside)	Residential	4Q 2015	65,500	164,200	3,000	51.0
Tianjin Binhai Industrial Office Project Phase I	Industrial office park	2015	262,300	307,700	–	100.0
Tianjin Binhai Industrial Office Project Phase II	Industrial office park	2016	168,500	168,500	–	100.0
Tianjin CIFI Private Mansion (Formerly known as: Tianjin Xiqing District Zhongbei Zhen No.6 Project)	Residential	4Q 2015	165,200	332,100	–	49.0
<i>Central Western Region</i>						
Chongqing CIFI Ronchamp Town	Residential	4Q 2013/4Q 2014	47,200	235,300	166,400	100.0
Chongqing CIFI Langyuejun	Residential	4Q 2013	71,900	149,200	110,000	100.0
Chongqing CIFI Purple City	Office-for-sale	4Q 2014	44,400	152,600	–	100.0
Chongqing CIFI Jade Mansion (Formerly known as: Chongqing Yubei G53 Project)	Office-for-sale	2Q 2015	24,200	60,400	–	100.0
Changsha CIFI Private Mansion	Residential	4Q 2013/4Q 2014	97,500	294,500	131,700	100.0
			3,264,400	6,193,100	1,137,900	
<i>Other</i>						
Carpark				956,900	12,200	
				<u>7,150,000</u>	<u>1,150,100</u>	

*By region*

	<b>% of Total Land Bank</b>
	(%)
Yangtze River Delta	53
Pan Bohai Rim	33
Central Western Region	14
	<u>100</u>

*By type of project*

	<b>% of Total Land Bank</b>
	(%)
Residential with typical unit size <120 sq.m.	63
Office-for-sale	19
Residential with typical unit size >120 sq.m.	16
Investment properties and others	2
	<u>100</u>

During the six months ended 30 June 2013, the Group purchased a total of 11 new projects.

Total planned GFA of the Group's newly acquired land projects amounted to approximately 1.5 million sq.m. and total consideration payable by the Group amounted to approximately RMB4,710.9 million. Based on the Group's attributable GFA acquired and the attributable acquisition considerations, the Group's average land acquisition cost in the first half of 2013 was approximately RMB5,600 per sq.m..



**Table 6: The Group's land acquisition in the first half of 2013**

City	Project	Primary intended use of the project	Group's equity interest	Site area	Planned GFA excluding carpark	Attributable		Attributable consideration	Average land cost
						Planned GFA excluding carpark	Planned GFA excluding carpark		
			(%)	(sq.m.)	(sq.m.)	(sq.m.)	(RMB)	(RMB)	(RMB/sq.m.)
<b>Land acquisition from January to June 2013</b>									
Shanghai	Minhang District Huacao 20-02 Project	Office-for-sale	50.0	14,800	29,600	14,800	182,200,000	91,100,000	6,155
Shanghai	Kangqiao Industrial East District Project	Residential	50.0	30,200	38,500	19,250	515,000,000	257,500,000	13,377
Suzhou	CIFI Joyous Mansion (Formerly known as: Gaoxin District Hushuguan Project)	Residential	100.0	32,700	73,300	73,300	242,000,000	242,000,000	3,302
Hangzhou	Binjiang District Olympic & International Expo Center Project	Residential and Office-for-sale	50.0	58,800	281,700	140,850	3,565,000,000	1,782,500,000	12,655
Hangzhou	Yuhang District Chongxian Xincheng No. 18 Project	Residential	100.0	35,300	90,800	90,800	365,000,000	365,000,000	4,020
Hangzhou	Yuhang District Chongxian Xincheng No. 24 Project	Residential	49.0	86,700	222,000	108,780	763,000,000	373,870,000	3,437
Hefei	Baohe District S1303 Project	Residential	33.0	64,000	204,900	67,620	462,048,600	152,476,038	2,255
Jiaxing	CIFI Private Mansion (Formerly known as: Yunhe New District Project)	Residential	100.0	24,400	61,000	61,000	151,791,636	151,791,636	2,488
Beijing	CIFI The Education Park (Formerly known as: Fangshan District Liangxiang Town Project)	Office-for-sale	100.0	30,800	86,800	86,800	537,088,400	537,088,400	6,188
Tianjin	CIFI Private Mansion (Formerly known as: Xiqing District Zhongbei Zhen No. 6 Project)	Residential	49.0	165,200	332,100	162,730	1,340,000,000	656,600,000	4,035
Chongqing	CIFI Jade Mansion (Formerly known as: Yubei District G53 Project)	Office-for-sale	100.0	24,200	60,400	60,400	101,000,000	101,000,000	1,672
<b>Land acquisition subsequent to 30 June 2013 (and up to the date of the interim result announcement)</b>									
Suzhou	Gaoxin District Hushuguan No.59 Project	Residential	50.0*	42,400	87,100	43,550	240,000,000	120,000,000	2,755
Beijing	Fangshan District Changyang Town Project	Office-for-sale	30.0	33,300	116,400	34,920	553,000,000	165,900,000	4,751
Chongqing	Banan District Project	Residential and Office-for-sale	100.0	192,400	639,100	639,100	1,900,000,000	1,900,000,000	2,973
Wuhan	Donghu Gaoxin District Gaoxinsilu Project	Residential	100.0	139,500	348,600	348,600	1,345,570,000	1,345,570,000	3,860

\* Joint Venture in process

## LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

### Cash position

The Group had cash and bank balances (including pledged bank deposits) of approximately RMB7,050.6 million (31 December 2012: approximately RMB4,590.7 million) and restricted cash of approximately RMB21.8 million (31 December 2012: approximately RMB21.8 million) as at 30 June 2013.

## Indebtedness

The Group had outstanding bank and other borrowings of approximately RMB10,526.6 million as at 30 June 2013 (31 December 2012: approximately RMB8,865.4 million). The Group also had trust loans related derivatives of approximately RMB83.0 million as at 30 June 2013 (31 December 2012: approximately RMB85.0 million). The Group's outstanding senior notes (due April 2018) had an carrying amount of RMB1,675.7 million as at 30 June 2013 (31 December 2012: Nil).

**Table 7: Breakdown of bank and other borrowings**

*By type of borrowings*

	<b>30.6.2013</b>	31.12.2012
	<b>RMB'000</b>	RMB'000
Bank loans, secured	<b>7,296,830</b>	5,788,391
Bank loans, unsecured	–	31,500
Trust loans, secured	<b>2,165,538</b>	1,889,721
Trust loans, unsecured	<b>367,340</b>	246,300
Other loans, secured	<b>696,935</b>	909,496
	<b><u>10,526,643</u></b>	<u>8,865,408</u>

*By maturity*

	<b>30.6.2013</b>	31.12.2012
	<b>RMB'000</b>	RMB'000
Within one year or on demand	<b>2,357,102</b>	3,372,220
More than one year, but not exceeding two years	<b>3,538,253</b>	3,356,287
More than two years, but not exceeding three years	<b>3,691,986</b>	1,229,878
More than three years, but not exceeding four years	<b>298,000</b>	262,000
More than four years, but not exceeding five years	–	12,000
More than five years	<b>641,302</b>	633,023
	<b><u>10,526,643</u></b>	<u>8,865,408</u>
Less: Amount due within one year shown under current liabilities	<b><u>(2,357,102)</u></b>	<u>(3,372,220)</u>
Amount due after one year	<b><u>8,169,541</u></b>	<u>5,493,188</u>

*By currency denomination*

	<b>30.6.2013</b>	31.12.2012
	<b>RMB'000</b>	<b>RMB'000</b>
Analysis of borrowings by currency		
– Denominated in RMB	<b>10,341,043</b>	8,489,568
– Denominated in HKD	<b>185,600</b>	375,840
	<b><u>10,526,643</u></b>	<b><u>8,865,408</u></b>

*By fixed or variable interest rates*

	<b>30.6.2013</b>	31.12.2012
	<b>RMB'000</b>	<b>RMB'000</b>
Fixed interest rates	<b>2,723,340</b>	2,785,670
Variable interest rates	<b>7,803,303</b>	6,079,738
	<b><u>10,526,643</u></b>	<b><u>8,865,408</u></b>

**Foreign exchange rate risk**

The Group conducts its business primarily in Renminbi. The Group is exposed to foreign exchange rate risk on the portion of our bank deposits that it maintains in Hong Kong dollars and US dollars as well as on its outstanding principal loan balance of HK\$232.0 million and its outstanding senior notes of US\$275.0 million as at 30 June 2013. The Group does not have a foreign currency hedging policy. However, the Group monitors its foreign exchange exposure closely and may, depending on the circumstances and trend of foreign currencies, consider adopting a significant foreign currency hedging policy in the future.

**Financial guarantees**

The Group has provided mortgage guarantees to PRC banks in respect of the mortgage loans provided by the PRC banks to the Group's customers. The Group's mortgage guarantees are issued from the dates of grant of the relevant mortgage loans and released upon the earlier of (i) the relevant property ownership certificates being obtained and the certificates of other interests with respect to the relevant properties being delivered to the mortgagee banks, or (ii) the settlement of mortgage loans between the mortgagee banks and the Group's customers. As at 30 June 2013, the Group provided mortgage guarantees in respect of mortgage loans provided by the PRC banks to the Group's customers amounting to approximately RMB1,324.2 million (versus 31 December 2012: approximately RMB1,667.3 million).

## **Gearing ratio**

The Group's net debt-to-equity ratio (total indebtedness net of bank balances and cash including pledged bank deposits and restricted cash divided by total equity) was approximately 67.4% as at 30 June 2013 versus approximately 62.5% as at 31 December 2012. The Group's debt-to-asset ratio (total indebtedness divided by total assets) was approximately 37.3% as at 30 June 2013 versus approximately 33.3% as at 31 December 2012. The Group's current ratio (current assets divided by current liabilities) was approximately 1.9 times as at 30 June 2013 versus approximately 1.7 times as at 31 December 2012.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 30 June 2013, the Group had approximately 3,028 full-time employees in the PRC and Hong Kong, out of them, 1,274 employees worked for the property development business while 1,754 for the property investment, property management and other businesses.

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

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

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

## **CORPORATE GOVERNANCE**

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

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

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

## **REVIEW OF INTERIM RESULTS**

The audit committee of the Company (the "Audit Committee") which 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 2013 have been reviewed by the Audit Committee, which opines that applicable accounting standards and requirements have been complied with and that adequate disclosures have been made.

## **THE BOARD OF DIRECTORS**

As at the date of this announcement, the Board comprises Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng as executive Directors and Mr. GU Yunchang, Mr. ZHANG Yongyue and Mr. TAN Wee Seng as independent non-executive Directors.

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

This interim results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.cifi.com.cn](http://www.cifi.com.cn). The 2013 interim report will be dispatched to shareholders on or about 30 August 2013 and will be available on the above websites in due course.

By order of the Board  
**CIFI Holdings (Group) Co. Ltd.**  
**LIN Zhong**  
Chairman

Hong Kong, 21 August 2013

### *Notes:*

*The expression “we”, “us” and “our Company” may be used to refer to our Company or our Group as the context may require.*

*References to our “land bank”, “development projects”, “property projects” or “projects” refer to our property projects with land for which we have obtained land-use rights and property projects for which we have not obtained land-use rights but have entered into the land grant contracts or received successful tender auction confirmations as at the relevant dates.*

*The site area information for an entire project is based on the relevant land use rights certificates, land grant contracts or tender documents, depending on which documents are available. If more than one document is available, such information is based on the most recent document available.*

*The figures for GFA are based on figures provided in or estimates based on the relevant governmental documents, such as the property ownership certificate, the construction work planning permit, the pre-sale permit, the construction land planning permit or the land use rights certificate.*