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)
(Debt Stock Codes: 05261,40046, 40120, 40316, 40464, 40519, 40681, 40682)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board of directors (the "Board") of CIFI Holdings (Group) Co. Ltd. (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2024 (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 2024

		Six months ended 30 June	
		2024	2023
	NOTES	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Revenue	*4*	**20,206,011**	31,318,914
Cost of sales and service		**(17,497,903)**	(26,355,352)
Gross profit		**2,708,108**	4,963,562
Other income and gains (expenses), net	*5*	**(371,481)**	(639,280)
Selling and marketing expenses		**(674,958)**	(1,096,120)
Administrative expenses		**(915,535)**	(1,197,177)
Fair value loss of investment properties		**(371,014)**	(40,259)
Write-down of properties held for sale and properties under development for sale		**(1,649,166)**	(5,808,821)
Allowance for expected credit losses, net		**(257,201)**	(1,012,864)
Finance costs	*6*	**(1,841,315)**	(1,415,939)
Share of results of joint ventures and associates		**(80,680)**	(564,136)
Loss before tax		**(3,453,242)**	(6,811,034)
Income tax expense	*7*	**(987,166)**	(2,321,030)
Loss for the period	*8*	**(4,440,408)**	(9,132,064)

		Six months ended 30 June	
		2024	2023
	NOTES	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Other comprehensive expense:			
Item that will not be reclassified subsequently to profit or loss:			
Fair value change on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")		**(4,456)**	(19,893)
Total comprehensive expense for the period		**(4,444,864)**	(9,151,957)
Loss for the period attributable to:			
Equity owners of the Company		**(4,939,432)**	(8,972,013)
Owners of perpetual capital instruments		**123,082**	121,169
Non-controlling interests		**375,942**	(281,220)
		(4,440,408)	(9,132,064)
Total comprehensive expense for the period attributable to:			
Equity owners of the Company		**(4,943,888)**	(8,991,906)
Owners of perpetual capital instruments		**123,082**	121,169
Non-controlling interests		**375,942**	(281,220)
		(4,444,864)	(9,151,957)
Loss per share, in RMB:			
Basic	*10*	**(0.47)**	(0.86)
Diluted	*10*	**(0.47)**	(0.86)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	NOTES	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
NON-CURRENT ASSETS			
Investment properties		**46,056,536**	45,909,727
Property, plant and equipment		**498,330**	498,619
Right-of-use assets		**132,764**	151,162
Intangible assets		**263,837**	278,439
Goodwill		**1,488,171**	1,488,171
Interests in associates		**13,152,964**	15,050,426
Interests in joint ventures		**16,192,753**	16,739,077
Investments in property projects		**55,467**	53,671
Financial assets at fair value through profit or loss ("FVTPL")		**674,292**	739,354
Equity investments at FVTOCI		**25,377**	29,833
Deferred tax assets		**2,062,842**	2,231,162
Other receivables, deposits and prepayments	*11*	**18,851**	55,020
Deferred contract cost		**39,224**	38,011
		80,661,408	83,262,672
CURRENT ASSETS			
Properties held for sale		**23,026,620**	21,666,150
Properties under development for sale		**85,629,831**	96,603,349
Accounts and other receivables, deposits and prepayments	*11*	**28,723,215**	35,653,422
Amounts due from non-controlling interests		**24,179,634**	21,130,766
Amounts due from joint ventures and associates		**21,856,004**	22,765,845
Deposits for land use rights for properties held for sale		**2,195,301**	2,083,442
Tax recoverable		**3,776,326**	4,153,432
Financial assets at FVTPL		**4,665**	4,264
Pledged bank deposits		**1,341,872**	1,004,098
Bank balances and cash		**11,385,327**	12,749,791
Deferred contract costs		**6,597**	3,661
		202,125,392	217,818,220

	NOTES	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
CURRENT LIABILITIES			
Accounts and other payables and accrued charges	*12*	**54,928,596**	52,373,963
Contract liabilities		**42,142,661**	48,545,013
Amounts due to non-controlling interests		**5,392,158**	7,134,718
Amounts due to joint ventures and associates		**23,030,006**	24,541,833
Tax payable		**6,583,414**	6,611,028
Lease liabilities — due within one year		**40,440**	49,462
Bank and other borrowings — due within one year		**32,229,872**	30,765,061
Senior notes — due within one year		**28,917,281**	28,818,191
Corporate bonds and medium-term note — due within one year		**3,432,632**	8,110,209
Debt component of convertible bonds		**1,628,990**	1,571,304
Derivative component of convertible bonds		**–**	–
		198,326,050	208,520,782
NET CURRENT ASSET		**3,799,342**	9,297,438
TOTAL ASSETS LESS CURRENT LIABILITIES		**84,460,750**	92,560,110
CAPITAL AND RESERVES			
Share capital		**855,610**	855,610
Reserves		**14,345,098**	19,373,671
Equity attributable to owners of the Company		**15,200,708**	20,229,281
Perpetual capital instruments		**1,924,545**	1,924,545
Non-controlling interests		**40,065,749**	42,414,994
TOTAL EQUITY		**57,191,002**	64,568,820
NON-CURRENT LIABILITIES			
Other payables — due after one year	*12*	**–**	9,322
Lease liabilities — due after one year		**99,880**	114,352
Bank and other borrowings — due after one year		**12,871,832**	18,188,107
Corporate bonds and medium-term note — due after one year		**9,486,079**	4,828,267
Deferred tax liabilities		**4,811,957**	4,851,242
		27,269,748	27,991,290
		84,460,750	92,560,110

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. BASIS OF PRESENTATION

The condensed consolidated financial statements for the six months ended 30 June 2024 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 D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. The accounting policies and methods of computation used in the preparation of the condensed consolidated financial statements are consistent with those used in the Group's annual financial statements for the year ended 31 December 2023.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The applicability of these principles is dependent upon continued availability of adequate finance or attaining profitable operations in future and the success of the below plans and measures.

During the six months ended 30 June 2024, the Group incurred a net loss attributable to equity owners of the Company of approximately RMB4,939,432,000. As at 30 June 2024, the Group was unable to repay the principal and the interest of offshore senior notes, certain bank borrowings, offshore convertible bonds (including debt and derivative components) and corresponding interest payables amounted to approximately RMB17,425,250,000, RMB28,917,281,000, RMB1,628,990,000 and RMB4,629,429,000 respectively became default or cross-default.

In view of such circumstances, the Group has given careful consideration to the future liquidity and financial position of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken to mitigate the liquidity position and to improve the Group's financial position which include, but are not limited to, the following:

(i) The Group has appointed a financial adviser to assist it with a restructuring of its financing arrangements, in order to reach a consensual solution with all the stakeholders as soon as practical. Up to the date of approval for issuance of the condensed consolidated financial statements, a Co-ordination Committee (consists of a number of lenders under bank financings) and AHG (an ad hoc group of bondholders) have been formed and constructive discussions are continuing between the Company and the creditor groups or their advisers;

(ii) Based on the People's Bank of China's 16 Supportive Financial Measures, the Group has been actively negotiating with a number of financial institutions for renewal and extension of existing onshore bank borrowings to improve the liquidity position of the Group;

(iii) The Group has been actively negotiating with a number of financial institutions to timely secure relevant project development loans for qualified project development for the continuation of its People's Republic of China ("PRC") business operations;

(iv) The Group will continue to seek for other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures;

(v) The Group has prepared a business strategy plan mainly focusing on the acceleration of the sales of properties and cash collection;

(vi) The Group has implemented stringent cost saving measures including reducing non-core and unessential operations and expenses; and

(vii) The Group will continue to seek suitable opportunities to dispose of its non-core assets to strengthen its cash position.

The Board has reviewed the Group's cash flow projections prepared by the management of the Group. The cash flow projections cover a period of not less than twelve months from 30 June 2024. The Board is of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its obligations and to meet its financial obligations as they fall due not less than twelve months from the date of approval for issuance of the condensed consolidated financial statements. Accordingly, the Board is satisfied that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether management of the Group will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through the following:

(i) successfully completing the restructuring of its offshore financing arrangements;

(ii) successfully negotiating with the Group's existing lenders for the renewal or extension for repayment of the Group's onshore bank borrowings;

(iii) successfully securing project development loans for qualified project development timely;

(iv) successfully obtaining of additional new sources of financing as and when needed;

(v) successfully carrying out the Group's business strategy plan including the acceleration of the sales of properties and cash collection;

(vi) successfully implementing measures to effectively control costs and expenses; and

(vii) successfully disposing of the Group's non-core assets when suitable.

Should the Group fail to achieve the above mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to reclassify the Group's non-current assets and non-current liabilities as current assets and current liabilities respectively, to write down the carrying values of the Group's assets to their recoverable amounts and to provide for any provision for any contractual commitments that have become onerous as at the end of the reporting period. The effects of these adjustments have not been reflected in the condensed consolidated financial statements.

3. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

In the current period, the Group has applied the following amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 16	*Lease Liability in a Sales and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*
Amendments to IAS 1	*Non-Current Liabilities with Covenants*
Amendments to IAS 7 and IFRS 7	*Suppliers Finance Arrangements*

The application of these amendments to IFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. 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 (being the executive 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 segment performance is focused on three main operations:

- Sales of properties and other property related services: this segment represents the development and sales of office and commercial premises, carparks and residential properties and income generated from project management. Substantially most of the Group's activities in this regard are primarily carried out in the PRC.

- Property investment: this segment represents the lease of investment properties and other service related to investment properties, which are developed or purchased by the Group to generate rental income and gain from the appreciation of the properties' values in the long term. Currently, the Group's investment property portfolio is located entirely in the PRC.

- Property management and other 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.

(a) **Segment revenue and (loss) profit**

	Sales of properties and other property related services *RMB'000*	**Property investment** *RMB'000*	**Property management and other services** *RMB'000*	**Total** *RMB'000*
Six months ended 30 June 2024				
Reportable segment revenue from external customers	**16,208,285**	**788,703**	**3,209,023**	**20,206,011**
Reportable segment (loss) profit	**(747,984)**	**462,689**	**669,279**	**383,984**

	Sales of properties and other property related services *RMB'000*	Property investment *RMB'000*	Property management and other services *RMB'000*	Total *RMB'000*
Six months ended 30 June 2023				
Reportable segment revenue from external customers	27,661,021	716,266	2,941,627	31,318,914
Reportable segment (loss) profit	(2,922,608)	456,082	525,147	(1,941,379)

(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) Reconciliation of reportable segment revenue and loss

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue		
Reportable segment and revenue	**20,206,011**	31,318,914
Profit (loss)		
Reportable segment profit (loss)	**383,984**	(1,941,379)
Other income and gains (expenses), net	**(371,481)**	(639,280)
Fair value loss of investment properties	**(371,014)**	(40,259)
Finance costs	**(1,841,315)**	(1,415,939)
Share of results of joint ventures and associates	**(80,680)**	(564,136)
Allowance for expected credit losses, net	**(257,201)**	(1,012,864)
Depreciation of property, plant and equipment	**(56,702)**	(42,152)
Depreciation of right-of-use assets	**(23,307)**	(49,521)
Amortisation of intangible assets	**(14,602)**	(17,901)
Unallocated head office and corporate expenses	**(820,924)**	(1,087,603)
Loss before tax	**(3,453,242)**	(6,811,034)

5. OTHER INCOME AND GAINS (EXPENSES), NET

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest income	**62,121**	79,986
(Loss) gain on disposal of subsidiaries, net	**(79,454)**	28,957
Loss on disposal of associates, net	**(114,087)**	(47,554)
Loss on disposal of joint ventures, net	**(127,291)**	(16,721)
Loss on disposal of financial assets at FVTPL	**(3,112)**	–
Government grants	**25,012**	60,727
Forfeited deposits paid by purchasers	**9,358**	43,373
Gain on disposal of property, plant and equipment, net	**426**	667
Dividend income from financial assets at FVTPL	**39,786**	15,821
Dividend income from investments in property projects	**8,918**	9,172
Fair value changes on:		
— financial assets at FVTPL	**(28,963)**	(59,970)
— derivative component of convertible bonds	**–**	274,690
Net exchange loss	**(158,693)**	(1,044,511)
Sundry (expenses) income, net	**(5,502)**	16,083
	(371,481)	(639,280)

6. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest expense on bank and other borrowings	**1,576,386**	1,651,309
Interest expense on senior notes	**789,819**	816,517
Interest expense on corporate bonds and medium-term note	**272,030**	273,692
Interest expense on convertible bonds	**133,164**	121,182
Interest expense on lease liabilities	**687**	4,872
	2,772,086	2,867,572
Less: Amount capitalised to properties under development for sale and investment properties under construction	**(930,771)**	(1,451,633)
	1,841,315	1,415,939

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax		
PRC Enterprise Income Tax	**572,374**	1,283,213
Land Appreciation Tax	**285,756**	920,211
	858,130	2,203,424
Deferred tax		
Enterprise Income Tax	**129,036**	117,606
Total tax expense for the period	**987,166**	2,321,030

8. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period has been arrived at after charging:		
Cost of properties sold included in cost of sales and services	**14,489,413**	23,030,908
Depreciation of property, plant and equipment	**56,702**	42,152
Depreciation of right-of-use assets	**23,307**	49,521
Amortisation of intangible assets	**14,602**	17,901
Staff cost (including directors' emoluments)	**1,713,282**	1,729,875

9. DIVIDEND

No interim dividend was declared for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

10. LOSS PER SHARE

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

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss		
Loss for the purpose of basic and diluted loss per share (loss for the period attributable to equity owners of the Company)	**(4,939,432)**	(8,972,013)
Shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**10,413,446,790**	10,413,078,372

The computation of diluted loss per share for the six months ended 30 June 2024 does not include the convertible bonds as the assumed exercise of these convertible bonds has an anti-dilutive effect.

The computation of diluted loss per share for the six months ended 30 June 2024 does not assume the exercise of the share options as the assumed exercise of the certain share options would result in a decrease in loss per share and exercise price of certain share options was higher than the average market price of the shares of the Company for the six months ended 30 June 2024.

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

11. ACCOUNTS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Accounts receivables mainly arise from sales of properties. 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.

	At 30 June 2024	At 31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Accounts receivables — contracts with customers	**4,164,372**	3,962,730
Less: Allowance for expected credit losses	**(408,266)**	(335,715)
	3,756,106	3,627,015
Other receivables and deposits *(note)*	**20,562,311**	27,649,402
Less: Allowance for expected credit losses	**(822,809)**	(515,838)
	19,739,502	27,133,564
Prepaid tax	**1,323,403**	1,199,196
Prepayments	**3,923,055**	3,748,667
	28,742,066	35,708,442
Less: Amount shown under non-current assets	**(18,851)**	(55,020)
Amounts shown under current assets	**28,723,215**	35,653,422

Note: The amount mainly includes temporary deposits paid for potential property development projects and project-related deposits which would be refundable upon completion of the development projects. There is no fixed repayment term for deposits and the directors of the Company consider they are repayable on demand.

The following is an ageing analysis of accounts receivables, based on the invoice date and net of loss allowance, at the end of the reporting period:

	At 30 June 2024	At 31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 60 days	**1,784,271**	2,018,185
61–180 days	**432,552**	315,398
181–365 days	**441,497**	573,456
Over 1 year	**1,097,786**	719,976
	3,756,106	3,627,015

Before accepting any corporate customer, the Group uses an internal credit assessment system to assess the potential customers' credit quality.

12. ACCOUNTS AND OTHER PAYABLES AND ACCRUED CHARGES

	At 30 June 2024 *RMB'000* **(Unaudited)**	At 31 December 2023 *RMB'000* (Audited)
Accounts payables	**31,078,888**	29,116,347
Bills payables	**22,803**	16,906
	31,101,691	29,133,253
Other payables and accrued charges *(note)*	**15,623,554**	16,132,091
Other tax payable	**3,573,922**	4,167,600
Interest payables	**4,629,429**	2,950,341
	54,928,596	52,383,285
Less: Amounts shown under non-current liabilities	**–**	(9,322)
Amounts shown under current liabilities	**54,928,596**	52,373,963

Note: Other payables and accrued charges mainly represent temporary payments received for potential property development projects and various deposits received from contractors in relation to tendering and execution of construction contracts.

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

	At 30 June 2024 *RMB'000* **(Unaudited)**	At 31 December 2023 *RMB'000* (Audited)
Within 60 days	**11,466,548**	14,089,110
61–180 days	**4,059,440**	2,791,726
181–365 days	**4,653,531**	3,587,402
Over 1 year	**10,922,172**	8,665,015
	31,101,691	29,133,253

EXTRACT OF INDEPENDENT REVIEW REPORT

The following is an extract of the independent auditor's review report on the Group's interim condensed consolidated financial statements for the six months ended 30 June 2024.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the interim condensed consolidated financial statements for the six months ended 30 June 2024. The events and conditions stated in Note 2 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF THE FIRST HALF OF 2024 AND OUTLOOK FOR THE SECOND HALF OF 2024

In the first half of 2024, the overall real estate market maintained its trends of weak recovery and a general wait-and-see attitude dominated the market. Under the background of slowing economic growth, the growth momentum of the real estate market has weakened significantly. During the period, the cumulative trading volume of new housing in major cities dropped by 39% year-on-year, and the cumulative trading size of second-hand housing dropped by 8% year-on-year. Although the government has taken a series of measures to stabilize the market, the continuing decline in housing prices and shrinking of trading volume reflect a lack of market confidence.

Under the dual pressure of tight capital and debt maturity, real estate companies face severe challenges. Many companies have to relieve pressure through price-off promotions, asset sales, debt restructuring, etc. These measures have alleviated the financial pressure on companies to a certain extent, but also reflected that the market's overall confidence in the real estate industry has been wavered. Some investors and home buyers are adopting a wait-and-see attitude, waiting for a further clear market situation.

Since the meeting of the Political Bureau of the Communist Party of China held in April 2024, the policy focus has shifted to "destocking". After the "517 New Deal", the credit policy of residents ushered in benefits, with the down payment ratio lowered to 15% and the lower limit of mortgage interest rate cancelled, and the four major first-tier cities adjusted their purchase restriction and credit policy one after another. The restrictive policies on house purchases continued to be loosened with incentives policies for house purchases on the financial and tax side massively issued. In January, the Chinese government announced the launch of a real estate financing coordination mechanism and a white-list system to establish a coordinating mechanism for financing in the real estate market at the prefecture and municipal levels, to ensure the delivery of projects and to boost the confidence of home buyers. During the period, the People's Bank of China set up a RMB300 billion affordable housing refinancing loan, with an interest rate of 1.75%, to support local state-owned enterprises in acquiring completed unsold commercial properties at a reasonable price for use as allotment-type or rent-type affordable housing.

Driven by a series of policies, major cities have shown signs of stopping decline and stabilizing. At present, the market is still in a cycle of releasing existing demand, coupled with the current supply and turnover basically falling to a stage low, thereby probably maintaining the stability in the future.

Looking forward to the second half of the year, the central government level is expected to issue more policies to destock and stabilize the market, and local governments will also continue to increase their efforts from both sides of supply and demand to stabilize the market. The boosting effect of these policies will continue to ferment and promote a steady rebound in trading volume. New housing transactions in core first-tier and second-tier cities are expected to stabilize, and the share of second-hand housing transactions will continue to expand. The stabilization of transactions in core first-tier and second-tier cities will further narrow the decline in commercial housing sales across the country. However, due to factors such as the downward trend of the industry, the cash flow pressure caused by sluggish sales and financing, investment in real estate development will remain at a low level and at the bottom stage.

Despite the challenges, leveraging on many years of rich experience in real estate development and good product quality, CIFI ranked 22nd in China in the "PRC Real Estate Enterprises Sales List for January-June 2024" released by CRIC Research, positioning it among the industry leaders. The Company actively strives to do various groundwork well, maintains the stability of its core management team and is committed to ensuring the smooth progress of delivery and operation, and continuously strengthens its comprehensive strength to fulfil its commitment to ensure delivery and operation.

The Group has been making tremendous efforts to preserve the value for all stakeholders by ensuring delivery and operations, and maintaining onshore financing. The Group (including its joint ventures and associates) delivered approximately 35,000 housing units in aggregate year to date. CIFI ranked the top 20 of the industry in the ranking of "TOP 50 of China's typical real estate enterprises in terms of units delivered from January to June 2024 (《2024年1–6月中國典型房企交付套數TOP50》)" by EH Consulting, a third party institution. Domestic sales and cash collection are crucial to the Group's financial position and business operation, and the Group has been making unremitting efforts and will continue to take all possible measures to accelerate sales and cash collection.

PROPERTY DEVELOPMENT

Contracted sales

For the six months ended 30 June 2024, the Group achieved contracted sales of approximately RMB20.31 billion, representing a year-on-year decrease of 51.6% as compared to RMB41.94 billion in the corresponding period of last year. The drop in the Group's contracted sales was due to the tough business environment in the real estate industry.

For the six months ended 30 June 2024, the Group's contracted sales in GFA was approximately 1,657,300 sq.m., representing a decrease of 42.8% over the corresponding period of last year. The Group's contracted ASP for the Relevant Period was approximately RMB12,257/sq.m..

Contracted sales from the Yangtze River Delta, the Pan Bohai Rim, the Central Western Region, and the South China Region contributed to approximately 29.7%, 29.0%, 29.0% and 12.3% of the Group's total contracted sales in the first half of 2024 respectively. Contracted sales from first- and second-tier cities accounted for approximately 87.5% of the Group's total contracted sales. Contracted sales derived from residential projects contributed to approximately 73.7% of the Group's total contracted sales whereas those from office/commercial projects contributed to the remaining 26.3%.

Table 1: Details of contracted sales for the six months ended 30 June 2024

By type of project

	Contracted sales *(RMB'000)*	% of total contracted sales *(%)*	Contracted GFA *(sq.m.)*	Contracted ASP *(RMB/sq.m.)*
Residential	14,963,982	73.7	1,194,080	12,532
Office/Commercial	5,348,744	26.3	463,204	11,547
Total	20,312,726	100.0	1,657,284	12,257

By region

	Contracted sales *(RMB'000)*	% of total contracted sales *(%)*	Contracted GFA *(sq.m.)*	Contracted ASP *(RMB/sq.m.)*
Yangtze River Delta	6,037,078	29.7	460,958	13,097
Pan Bohai Rim	5,883,117	29.0	451,645	13,026
Central Western Region	5,896,761	29.0	540,040	10,919
South China Region	2,495,770	12.3	204,641	12,196
Total	20,312,726	100.0	1,657,284	12,257

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	1,923,547	9.5	99,951	19,245
Second-tier cities	15,858,336	78.0	1,248,153	12,705
Third-tier cities	2,530,843	12.5	309,180	8,186
Total	20,312,726	100.0	1,657,284	12,257

Notes:

1. First-tier cities refer to Beijing, Guangzhou, Hong Kong, Shanghai and Shenzhen.

2. Second-tier cities refer to Changsha, Chengdu, Chongqing, Dalian, Dongguan, Foshan, Fuzhou, Guiyang, Hangzhou, Hefei, Jinan, Kunming, Nanchang, Nanjing, Nanning, Nantong, Ningbo, Qingdao, Shaoxing, Shenyang, Shijiazhuang, Suzhou, Taiyuan, Tianjin, Urumqi, Wenzhou, Wuhan, Wuxi, Xiamen, Xi'an and Zhengzhou.

3. Third-tier cities refer to Fuyang, Huizhou, Linyi, Luoyang, Meishan, Weifang, Wuhu, Yantai, Liaocheng, Zhoushan, Zhuhai and Zibo.

Revenue recognised from sales of properties

Revenue recognised from sales of properties for the six months ended 30 June 2024 was approximately RMB15,840.3 million, down by 41.6% year-on-year, accounting for 78.4% of total recognised revenue. For the six months ended 30 June 2024, the Group's subsidiaries delivered approximately 1,246,811 sq.m. of properties in GFA, down by 33.4% from the corresponding period of last year, while ASP recognised was approximately RMB12,705/sq.m., down by 12.3% from the corresponding period of last year.

Table 2: Breakdown of recognised revenue from property sales for the six months ended 30 June 2024

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.)*	
Primary intended use of the project	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Residential	**14,662,406**	24,801,111	**92.6**	91.5	**1,183,232**	1,652,426	**12,392**	15,009
Office/Commercial	**1,177,886**	2,317,595	**7.4**	8.5	**63,579**	220,478	**18,526**	10,512
Total	**15,840,292**	27,118,706	**100.0**	100.0	**1,246,811**	1,872,904	**12,705**	14,479

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.)*	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
Yangtze River Delta	**5,685,557**	13,871,434	**35.9**	51.2	**448,049**	812,263	**12,690**	17,078
Pan Bohai Rim	**1,380,523**	1,680,672	**8.7**	6.2	**141,805**	158,667	**9,735**	10,592
Central Western Region	**7,125,180**	9,660,972	**45.0**	35.6	**548,447**	780,229	**12,992**	12,382
South China Region	**1,649,032**	1,905,628	**10.4**	7.0	**108,510**	121,745	**15,197**	15,653
Total	**15,840,292**	27,118,706	**100.0**	100.0	**1,246,811**	1,872,904	**12,705**	14,479

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.)*	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
First-tier cities	**528,226**	205,057	**3.3**	0.8	**23,548**	12,425	**22,432**	16,504
Second-tier cities	**14,127,151**	24,564,769	**89.2**	90.5	**1,059,935**	1,619,969	**13,328**	15,164
Third-tier cities	**1,184,915**	2,348,880	**7.5**	8.7	**163,328**	240,510	**7,255**	9,766
Total	**15,840,292**	27,118,706	**100.0**	100.0	**1,246,811**	1,872,904	**12,705**	14,479

Notes:

1. First-tier cities refer to Beijing, Guangzhou, Hong Kong, Shanghai, Shenzhen and Sydney.

2. Second-tier cities refer to Changsha, Chengdu, Chongqing, Dalian, Dongguan, Foshan, Fuzhou, Guiyang, Hangzhou, Hefei, Jinan, Kunming, Nanchang, Nanjing, Nanning, Nantong, Ningbo, Qingdao, Shaoxing, Shenyang, Shijiazhuang, Suzhou, Taiyuan, Tianjin, Urumqi, Wenzhou, Wuhan, Wuxi, Xiamen, Xi'an and Zhengzhou.

3. Third-tier cities refer to Fuyang, Huizhou, Linyi, Luoyang, Meishan, Weifang, Wuhu, Yantai, Liaocheng, Zhoushan, Zhuhai and Zibo.

Completed properties held for sale

As at 30 June 2024, the Group had over 180 completed properties projects with a total and attributable unsold or undelivered GFA of approximately 10.3 million sq.m. and 5.6 million sq.m. respectively.

Properties under development/held for future development

As at 30 June 2024, the Group had over 120 property projects under development or held for future development with a total and attributable GFA of approximately 24.0 million sq.m. and 14.1 million sq.m. respectively.

PROPERTY INVESTMENT

The Group's leases and other service income related to investment properties during the six months ended 30 June 2024 was approximately RMB788.7 million, increased by 10.1% year-on-year. The rental income in first half 2024 was mainly contributed by Shanghai LCM, Shanghai The Roof, Shanghai CIFI Tower, Beijing Wukesong Arena and Shanghai Yangpu Powerlong CIFI Plaza.

As at 30 June 2024, the Group had 32 investment properties with a total and attributable GFA of approximately 2,282,000 sq.m. and 1,664,800 sq.m., respectively, of which, 27 investment properties with a total and attributable GFA of approximately 1,740,700 sq.m. and 1,291,500 sq.m., respectively, had commenced leasing.

PROPERTY MANAGEMENT

The Group's property management and other services income during the six months ended 30 June 2024 was approximately RMB3,209.0 million, increased by 9.1% year-on-year, and such increase was primarily due to the increase in the number of properties under management.

FINANCIAL REVIEW

Revenue

During the six months ended 30 June 2024, the Group's recognised revenue was approximately RMB20,206.0 million, decrease by 35.5% year-on-year. Out of the Group's total recognised revenue during the six months ended 30 June 2024, (i) sales of properties and other property related service income decreased by 41.4% from the corresponding period of last year to approximately RMB16,208.3 million; (ii) leases and other service income increased by 10.1% from the corresponding period of last year; (iii) property management and other services increased by 9.1% from the corresponding period of last year.

Table 3: Breakdown of recognised revenue for the six months ended 30 June 2024

	Six months ended 30 June 2024		Six months ended 30 June 2023		
	Recognised revenue ***(RMB'000)***	**% of total recognised revenue** ***(%)***	Recognised revenue *(RMB'000)*	% of total recognised revenue *(%)*	Year-on-year change *(%)*
Sales of properties and other property related service income	**16,208,285**	**80.2**	27,661,021	88.3	-41.4
Leases and other service income	**788,703**	**4.0**	716,266	2.3	10.1
Property management and other services	**3,209,023**	**15.8**	2,941,627	9.4	9.1
Total	**20,206,011**	**100.0**	31,318,914	100.0	-35.5

Cost of sales and service

The Group's cost of sales during the six months ended 30 June 2024 was approximately RMB17,497.9 million, down by 33.6% from the corresponding period of last year.

Gross profit and gross profit margin

The Group's gross profit during the six months ended 30 June 2024 was approximately RMB2,708.1 million, down by 45.4% compared to approximately RMB4,963.6 million for the corresponding period in 2023. The gross profit margin was 13.4% during the six months ended 30 June 2024, compared to the gross profit margin of 15.8% in the corresponding period in 2023.

Write-down of properties held for sale and properties under development for sale

During the six months ended 30 June 2024, the Group recognized a loss of approximately RMB1,649.2 million on write-down of properties held for sale and properties under development for sale as compared to approximately RMB5,808.8 million in the corresponding period of last year.

Fair value loss of investment properties

During the six months ended 30 June 2024, the Group recognised a fair value loss on investment properties of approximately RMB371.0 million as compared to approximately RMB40.3 million in the corresponding period of last year.

Selling and marketing expenses

The Group's selling and marketing expenses decreased by 38.4% to approximately RMB675.0 million during the six months ended 30 June 2024 from approximately RMB1,096.1 million in the corresponding period of last year.

Administrative and other expenses

The Group's administrative expenses decreased by 23.5% to approximately RMB915.5 million during the six months ended 30 June 2024 from approximately RMB1,197.2 million in the corresponding period of last year.

Share of results of joint ventures and associates

The Group's share of results of joint ventures and associates amounted to loss of approximately RMB80.7 million during the six months ended 30 June 2024, versus loss of approximately RMB564.1 million in the corresponding period of last year.

Finance costs

The Group's finance costs expensed during the six months ended 30 June 2024 were approximately RMB1,841.3 million, versus approximately RMB1,415.9 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 capitalised in properties under development during the period.

The Group's total finance costs expensed and capitalised decreased by 3.3% to approximately RMB2,772.1 million during the six months ended 30 June 2024 from approximately RMB2,867.6 million in the corresponding period of last year. The Group's total indebtedness was approximately RMB88.6 billion as at 30 June 2024, compared to approximately RMB92.3 billion as at 31 December 2023 and RMB102.2 billion as at 30 June 2023.

Income tax expenses

The Group's income tax expenses decreased by 57.5% to approximately RMB987.2 million during the six months ended 30 June 2024 from approximately RMB2,321.0 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 tax during the period.

The Group made LAT provisions of approximately RMB285.8 million during the six months ended 30 June 2024 versus approximately RMB920.2 million in the corresponding period of last year.

Loss for the period

As a result of the factors described above, the Group's loss before tax was approximately RMB3,453.2 million during the six months ended 30 June 2024 versus loss before tax of approximately RMB6,811.0 million in the corresponding period of last year. The Group's loss for the period was approximately RMB4,440.4 million during the six months ended 30 June 2024 versus loss for the period of approximately RMB9,132.1 million in the corresponding period of last year. The Group's net loss attributable to equity owners was approximately RMB4,939.4 million during the six months ended 30 June 2024 versus net loss attributable to equity owners of approximately RMB8,972.0 million in the corresponding period of last year.

The Group's core net loss attributable to equity owners was approximately RMB3,401.0 million during the six months ended 30 June 2024 versus core net loss attributable to equity owners of approximately RMB1,764.7 million in the corresponding period of last year.

Interests in and amounts due from joint ventures and associates

The Group recorded interests in joint ventures and associates of approximately RMB29,345.7 million as at 30 June 2024, versus approximately RMB31,789.5 million as at 31 December 2023. The Group recorded amounts due from joint ventures and associates of approximately RMB21,856.0 million as at 30 June 2024, versus approximately RMB22,765.8 million as at 31 December 2023.

The interests in joint ventures and associates, and the amounts due from joint ventures and associates are related to the holding of interest of the Group in relevant joint venture entities formed with joint venture partners and engaged in single purpose property projects developed for sale which is of revenue nature in the ordinary and usual course of business of the Group. The amounts due from joint ventures and associates represented the shareholder's loans contributed by the Group in the capacity of the partners of the relevant joint ventures incidental to the development of the aforesaid single purpose property projects, including payment of the land premium and construction cost of the projects.

Properties under development for sale

The Group recorded properties under development for sale of approximately RMB85,629.8 million as at 30 June 2024, versus approximately RMB96,603.3 million as at 31 December 2023. Such decrease was due to no new land acquisition in the six months ended 30 June 2024.

Deferred tax assets

The Group recorded deferred tax assets of approximately RMB2,062.8 million as at 30 June 2024, versus approximately RMB2,231.2 million as at 31 December 2023.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

As at 30 June 2024, the Group had bank balances and cash of approximately RMB12,727.2 million (31 December 2023: approximately RMB13,753.9 million), which included pledged bank deposits of approximately RMB1,341.9 million (31 December 2023: approximately RMB1,004.1 million) and funds under supervision by banks for special use with an amount of approximately RMB8,460.0 million (31 December 2023: approximately RMB9,984.4 million).

Indebtedness

As at 30 June 2024, the Group had outstanding total borrowings of approximately RMB88,566.7 million (31 December 2023: approximately RMB92,281.1 million), comprising bank and other loans of approximately RMB45,101.7 million (31 December 2023: approximately RMB48,953.2 million), onshore corporate bonds with a carrying amount of approximately RMB12,918.7 million (31 December 2023: approximately RMB12,938.5 million), offshore convertible bonds with a carrying amount of approximately RMB1,629.0 million (31 December 2023: approximately RMB1,571.3 million) and offshore senior notes with a carrying amount of approximately RMB28,917.3 million (31 December 2023: approximately RMB28,818.2 million).

Cost of borrowings

The Group's weighted average cost of all indebtedness (including bank and other loans, onshore corporate bonds and medium-term note, offshore senior notes and offshore convertible bonds) as at 30 June 2024 was 4.7% (excluding default interest), compared to 4.8% as at 31 December 2023.

Foreign currency risk

The Group has transactional currency exposures arising from transactions by the group entities in currencies other than their respective functional currencies. In addition, the Group has foreign currency exposures from its bank balances and cash, senior notes and convertible bonds.

As at 30 June 2024, the Group had (i) bank balances and cash denominated in foreign currency of approximately RMB248.8 million, (ii) bank and other borrowings denominated in foreign currency of approximately RMB17,425.2 million, (iii) senior notes denominated in United States dollars of approximately RMB27,717.3 million and (iv) convertible bonds denominated in Hong Kong dollars of approximately RMB1,629.0 million which were subject to fluctuations in exchange rates. The Group has not entered into any foreign currency hedging arrangement. However, the Group will closely monitor its exposure to exchange rates in order to best preserve the Group's cash value.

Interest rate risk

The Group's exposure to risk for changes in market interest rates relates primarily to the Group's interest-bearing bank and other borrowings. The Group has not used derivative financial instruments to hedge any interest rate risk. The Group manages its interest cost using variable rate bank borrowings and other borrowings.

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 2024, the Group provided mortgage guarantees in respect of mortgage loans provided by the PRC banks to the Group's customers amounting to approximately RMB17,236.2 million (31 December 2023: approximately RMB19,824.1 million).

During the period, certain of the Group's joint ventures and associates have utilised offshore and/or onshore bank loans. The Company provided guarantees on several basis covering its respective equity shares of outstanding obligations under certain offshore and/or onshore bank loans incurred by the joint ventures and associates developing their projects. As at 30 June 2024, the Group's aggregate share of such guarantees provided in respect of loans incurred by these joint ventures and associate companies amounted to approximately RMB9,612.4 million (31 December 2023: approximately RMB9,843.2 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 132.6% as at 30 June 2024 versus approximately 121.6% as at 31 December 2023. The Group's debt-to-asset ratio (total indebtedness divided by total assets) was approximately 31.3% as at 30 June 2024 versus approximately 30.6% as at 31 December 2023. The Group's current ratio (current assets divided by current liabilities) was approximately 1.0 times as at 30 June 2024 versus approximately 1.0 times as at 31 December 2023.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2024 (for the six months ended 30 June 2023: Nil).

CORPORATE GOVERNANCE PRACTICES

The Board is of opinion that the Company had adopted, applied and complied with the code provisions as set out in Part 2 of the Corporate Governance Code contained in Appendix C1 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the Relevant Period.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 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 has confirmed that they complied with the required standards set out in the Model Code during the Relevant Period.

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.

REVIEW OF INTERIM RESULTS

The Company's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2024 have not been audited but have been reviewed by Prism Hong Kong Limited (formerly known as Prism Hong Kong and Shanghai Limited), the auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

The audit committee of the Company (the "Audit Committee") consists of three independent non-executive Directors, namely, Mr. TAN Wee Seng (chairman of the Audit Committee), Mr. ZHANG Yongyue and Ms. LIN Caiyi. The Company's unaudited condensed consolidated financial statements for the six months ended 30 June 2024 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 eight Directors comprising Mr. LIN Zhong (Chairman), Mr. LIN Wei (Vice-chairman), Mr. RU Hailin (Chief Executive Officer), Mr. YANG Xin (Chief Financial Officer) and Mr. GE Ming as executive Directors; and Mr. ZHANG Yongyue, Mr. TAN Wee Seng and Ms. LIN Caiyi as independent non-executive Directors.

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

Hong Kong, 30 August 2024

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.