CIFI GROUP
旭辉集团

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 ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

2013 RESULTS HIGHLIGHTS

- Contracted sales increased by 60.5% to RMB15,319 million
- Recognised revenue increased by 46.2% to RMB11,909 million
- Gross profit increased by 59.3% to RMB3,069 million; gross profit margin improved to 25.8%
- Profit for the year attributable to equity owners was RMB1,894 million; core net profit increased by 64.9% to RMB1,519 million; core net profit margin improved to 12.8%
- Core return on average equity at 20.0%; average asset turnover ratio at 53.4%
- Cash on hand of RMB7.18 billion, net debt-to-equity ratio was 67.6% as at 31 December 2013; weighted average cost of indebtedness decreased to 9.2% from 10.0% in 2012
- Proposed final dividend of HK 7 cents per share (total approximately RMB333.3 million)

ANNUAL RESULTS

The Board of Directors (the "Board") of CIFI Holdings (Group) Co., Ltd. (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2013 with comparative figures for the preceding financial year, are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

		2013	2012
	NOTES	***RMB'000***	*RMB'000*
Revenue	*2*	**11,909,162**	8,143,949
Cost of sales		**(8,840,651)**	(6,217,898)
Gross profit		**3,068,511**	1,926,051
Other income	*3*	**174,695**	40,259
Fair value gain upon transfer to investment properties		**–**	1,205,882
Change in fair value of investment properties		**753,535**	233,488
Change in fair value of trust and other loans related derivatives		**3,000**	26,541
Selling and marketing expenses		**(308,662)**	(245,837)
Administrative expenses		**(513,621)**	(285,155)
Other expenses		**–**	(18,258)
Share of results of joint ventures		**(14,117)**	–
Finance costs	*4*	**(188,465)**	(43,328)
Profit before taxation		**2,974,876**	2,839,643
Income tax expense	*5*	**(933,743)**	(818,809)
Profit and total comprehensive income for the year	*6*	**2,041,133**	2,020,834
Attributable to:			
Equity owners of the Company		**1,894,231**	1,937,127
Non-controlling interests		**146,902**	83,707
Profit and total comprehensive income for the year		**2,041,133**	2,020,834
Earnings per share, in RMB:			
Basic	*8*	**0.33**	0.42
Diluted	*8*	**0.33**	0.42

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2013

	NOTES	2013 RMB'000	2012 RMB'000
NON-CURRENT ASSETS			
Investment properties		**4,650,400**	3,955,800
Property, plant and equipment		**47,161**	105,573
Prepaid lease payments		**57,645**	79,418
Interests in joint ventures		**4,298,994**	–
Available-for-sale investment		**54,023**	9,463
Restricted bank deposit		**21,768**	21,768
Deferred taxation assets		**147,186**	114,073
		9,277,177	4,286,095
CURRENT ASSETS			
Properties held for sale		**3,951,144**	2,768,689
Properties under development		**13,044,558**	13,040,466
Accounts and other receivables, deposits and prepayments	9	**3,370,007**	1,396,198
Amounts due from non-controlling interests		**64,704**	122,554
Deposits for land use rights for properties held for sale		**1,972,562**	467,254
Taxation recoverable		**265,197**	184,526
Pledged bank deposits		**100,000**	–
Bank balances and cash		**7,060,748**	4,590,733
		29,828,920	22,570,420
CURRENT LIABILITIES			
Accounts payable and accrued charges	10	**6,330,270**	2,982,025
Deposits received from property sales		**8,067,878**	6,201,751
Amounts due to non-controlling interests		**433,202**	263,849
Taxation payable		**784,341**	760,540
Bank and other borrowings – due within one year		**2,934,643**	3,372,220
Trust and other loans related derivatives		**82,000**	–
		18,632,334	13,580,385
NET CURRENT ASSETS		**11,196,586**	8,990,035
TOTAL ASSETS LESS CURRENT LIABILITIES		**20,473,763**	13,276,130

	2013	2012
	RMB'000	*RMB'000*
CAPITAL AND RESERVES		
Paid in/share capital	**487,896**	467,370
Reserves	**8,123,057**	6,082,158
Equity attributable to equity owners of the Company	**8,610,953**	6,549,528
Non-controlling interests	**544,442**	391,066
TOTAL EQUITY	**9,155,395**	6,940,594
NON-CURRENT LIABILITIES		
Bank and other borrowings – due after one year	**7,219,455**	5,493,188
Trust and other loans related derivatives	**–**	85,000
Senior notes	**3,137,901**	–
Deferred taxation liabilities	**961,012**	757,348
	11,318,368	6,335,536
	20,473,763	13,276,130

1. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has applied for the first time in the current year the following new and revised International Financial Reporting Standards ("IFRSs") and International Accounting Standards ("IAS") issued by the International Accounting Standards Board.

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

Except for as described below, the application of the above new or revised IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 (as revised in 2011) "Separate Financial Statements" and IAS 28 (as revised in 2011) "Investments in Associates and Joint Ventures", together with the amendments to IFRS 10, IFRS 11 and IFRS 12 regarding transitional guidance.

IAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of IFRS 10

IFRS 10 replaces the parts of IAS 27 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements and SIC-12 "Consolidation – Special Purpose Entities". IFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee.

The directors of the Company made an assessment as at the date of initial application of IFRS10 as to whether or not the Group has control over the investees in accordance with the new definition of control and the related guidance set out in IFRS10, and concluded that the application of IFRS10 does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

Impact of the application of HKFRS 11

IFRS 11 replaces IAS 31 "Interests in Joint Ventures", and the guidance contained in a related interpretation, SIC-13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers", has been incorporated in IAS 28 (as revised in 2011). IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under IFRS 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under IFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, IAS 31 contemplated three types of joint arrangements – jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under IAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was accounted for as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations is different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable Standards.

As a result of the adoption of IFRS11, the Group re-evaluated its involvement in its joint arrangement. The Group has reclassified the investment from jointly controlled entity to joint venture. The investment continues to be accounted for using equity method and therefore this reclassification does not have any material impact on the financial position and the financial result of the Group.

Impact of the application of IFRS 12

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of IFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

IFRS 13 "Fair Value Measurement"

The Group has applied IFRS 13 for the first time in the current year. IFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of IFRS 13 is broad; the fair value measurement requirements of IFRS 13 apply 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, except for share-based payment transactions that are within the scope of IFRS 2 "Share-based Payment", leasing transactions that are within the scope of IAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

IFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of 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.

IFRS 13 requires prospective application. In accordance with the transitional provisions of IFRS 13, the Group has not made any new disclosures required by IFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of IFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to IAS 1 "Presentation of Items of Other Comprehensive Income"

The Group has applied the amendments to IAS 1 Presentation of Items of Other Comprehensive Income. Upon the adoption of the amendments to IAS 1, the Group's 'statement of profit or loss and other comprehensive income' is renamed as the '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. Furthermore, 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 reclassified 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 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.

Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective.

Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities[1]
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures[3]
IFRS 9	Financial Instruments[3]
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
Amendments to IFRSs	Annual Improvements to IFRSs 2010–2012 Cycle[4]
Amendments to IFRSs	Annual Improvements to IFRSs 2011–2013 Cycle[2]
IFRS 14	Regulatory Deferral Accounts[5]
IFRIC 21	Levies[1]

[1] Effective for annual periods beginning on or after 1 January 2014

[2] Effective for annual periods beginning on or after 1 July 2014

[3] Available for application – the mandatory effective date will be determined when the outstanding phases of IFRS 9 are finalised

[4] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

[5] Effective for first annual IFRS financial statements beginning on or after 1 January 2016

The directors of the Company anticipate that the application of the above new or revised IFRSs have been issued but are not yet effective will have no material impact on the results and the financial position of the Group.

2. 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 resource allocation and assessment of segment performance for the year is set out below.

	Property development	**Property investment**	**Property management and property related services**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Year ended 31 December 2013				
Reportable segment revenue	11,579,157	47,732	282,273	11,909,162
Reportable segment profit	2,623,354	44,628	91,867	2,759,849

	Property development	Property investment	Property management and property related services	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2012				
Reportable segment revenue	7,991,465	44,390	108,094	8,143,949
Reportable segment profit	1,628,123	41,801	10,290	1,680,214

(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

The reportable segment profit represents the results by each segment without including any effect of allocation of other income earned from operations other than the Group's main operations, unallocated head office and corporate expenses, depreciation of property, plant and equipment, allowance for doubtful debts, fair value gain upon transfer to investment properties, change in fair value of investment properties, change in fair value of trust and other loans related derivatives, finance costs and share of results of joint ventures. This is the measurement basis reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

	2013	2012
	RMB'000	*RMB'000*
Revenue		
Reportable segment and consolidated revenue	**11,909,162**	8,143,949
Profit		
Reportable segment profit derived from external customers	**2,759,849**	1,680,214
Other income	**174,695**	40,259
Fair value gain upon transfer to investment properties	**–**	1,205,882
Change in fair value of trust and other loans related derivatives	**3,000**	26,541
Change in fair value of investment properties	**753,535**	233,488
Finance costs	**(188,465)**	(43,328)
Share of results of joint ventures	**(14,117)**	–
Depreciation of property, plant and equipment	**(13,100)**	(13,365)
Allowance for doubtful debts	**(1,793)**	(1,207)
Unallocated head office and corporate expenses	**(498,728)**	(288,841)
Consolidated profit before taxation	**2,974,876**	2,839,643

(d) Geographic information

No geographic information has been presented as the Group's operating activities are carried out in the PRC.

(e) **Major customers**

No revenue from transactions with a single external customer amounted to 10% or more of the Group's revenue.

3. OTHER INCOME

	2013	2012
	RMB'000	*RMB'000*
Dividend income from available-for-sale investment	**1,405**	1,311
Gain on disposal of investments at fair value through profit or loss *(note)*	**100,000**	–
Interest income	**38,898**	10,987
Gain on disposal of property, plant and equipment and prepaid lease payments, net	**131**	18,201
Government grants	**23,442**	6,289
Forfeited deposits paid by purchasers	**1,422**	1,942
Sundry income	**9,397**	1,529
	174,695	40,259

Note: During the year, the Group acquired certain investments at fair value through profit or loss at RMB173,600,000 and subsequently disposed of at consideration RMB273,600,000. A gain on disposal of RMB100,000,000 has recognised.

4. FINANCE COSTS

	2013	2012
	RMB'000	*RMB'000*
Interest on bank and other borrowings and amounts due to non-controlling interests wholly repayable within five years	**(824,451)**	(697,579)
Interest on bank and other borrowings not wholly repayable within five years	**(52,068)**	(6,548)
Interest expense on senior notes	**(221,828)**	–
Less: Amount capitalised to properties under development and investment properties under construction	**909,882**	660,799
	(188,465)	(43,328)

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 and senior notes.

5. INCOME TAX EXPENSE

	2013	2012
	RMB'000	*RMB'000*
PRC enterprise income tax:		
Current income tax	**(447,639)**	(329,495)
Overprovision in respect of prior years	**5,183**	51
	(442,456)	(329,444)
Land appreciation tax ("LAT")	**(320,736)**	(164,537)
	(763,192)	(493,981)
Deferred taxation	**(170,551)**	(324,828)
	(933,743)	(818,809)

6. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

	2013	2012
	RMB'000	*RMB'000*
Profit and total comprehensive income for the year has been arrived at after charging (crediting):		
Auditors' remuneration	**4,592**	6,582
Cost of properties held for sale included in cost of sales	**7,991,166**	5,518,303
Depreciation of property, plant and equipment	**13,100**	13,365
Gain on disposal of property, plant and equipment and prepaid lease payments, net	**(131)**	(18,201)
Allowance for doubtful debts	**1,793**	1,207
Operating lease rentals in respect of land and buildings	**38,730**	15,040
Staff costs		
Directors' emoluments	**8,850**	6,342
Other staff costs		
Staff costs excluding retirement benefit costs	**344,487**	291,678
Retirement benefit costs	**22,469**	20,569
Equity-settled share based payment	**43,575**	25,307
Total staff costs	**410,531**	337,554
Less: Amount capitalised to properties under development	**(134,292)**	(98,627)
	276,239	238,927
Rental income from investment properties	**(47,732)**	(44,390)
Less: Related outgoings	**3,104**	2,589
	(44,628)	(41,801)

7. DIVIDEND

	2013	2012
	RMB'000	*RMB'000*
Proposed final dividend – HK 7 cents (2012: HK 4 cents) per ordinary share	**333,270**	186,948

The proposed final dividend for the year 2013 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share for the year ended 31 December 2013 is based on the profit for the year attributable to equity owners of the Company of approximately RMB1,894,231,000 (2012: RMB1,937,127,000) and the weighted average number of ordinary shares in issue during the year ended 31 December 2013 of 5,818,504,000 (2012: 4,645,658,000).

For the year ended 31 December 2013, the share options granted on 26 February 2013 and 29 October 2013 under the share option scheme adopted on 9 October 2012 are not included in the calculation of diluted earnings per share as the adjusted exercise price was greater than the average market price of the Company's shares during the outstanding period in 2013.

No adjustment has been made to the basic earnings per share amount presented for the years ended 31 December 2013 and 2012 as the Group had no potentially dilutive ordinary shares in issue during both years.

9. 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.

	2013	2012
	RMB'000	*RMB'000*
Trade receivables, net of allowance	**1,607,235**	349,230
Other receivables, net of allowance	**1,262,355**	741,374
Prepaid tax	**239,300**	234,457
Deposits and prepayments	**261,117**	71,137
	3,370,007	1,396,198

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

	2013	2012
	RMB'000	*RMB'000*
Within 60 days	**1,309,368**	289,835
61–180 days	**106,136**	30,854
181–365 days	**177,242**	28,541
1–2 years	**14,489**	–
	1,607,235	349,230

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

Movements in the allowance for doubtful debts on trade and other receivables are as follows:

	2013	2012
	RMB'000	*RMB'000*
Balance at the beginning of the year	**(3,384)**	(2,177)
Increase in allowance	**(1,793)**	(1,207)
Balance at the end of the year	**(5,177)**	(3,384)

10. ACCOUNTS PAYABLE AND ACCRUED CHARGES

	2013	2012
	RMB'000	*RMB'000*
Trade payables	**2,005,975**	1,754,063
Other payables and accrued charges	**4,324,295**	1,227,962
	6,330,270	2,982,025

Trade payable and accrued expenditure on construction comprise construction costs and other project-related expenses which are payable based on project progress measured by the Group. The average credit period of trade payable 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 aged analysis of trade payables, based on the invoice date, at the end of the reporting period:

	2013	2012
	RMB'000	*RMB'000*
Within 60 days	**1,086,287**	1,034,830
61–180 days	**66,811**	197,410
181–365 days	**740,890**	256,920
1–2 years	**41,495**	241,501
2–3 years	**58,166**	2,061
Over 3 years	**12,326**	21,341
	2,005,975	1,754,063

CHAIRMAN'S STATEMENT

Dear shareholders:

I am pleased to present to you the business review and outlook of CIFI Holdings (Group) Co. Ltd. ("CIFI" or the "Company", together with its subsidiaries, the "Group") for the year ended 31 December 2013.

Dividend

The Board recommended payment of a final dividend of HK 7 cents per share for the year ended 31 December 2013. The total final dividend for the year ended 31 December 2013 amounted to HK$421.9 million (approximately RMB333.3 million), representing a dividend payout ratio of approximately 22% of the core net profit attributable to equity owners.

Results

The year 2013 represented a new chapter for the Group's development. During the year, we continued to grow and improve every aspect of our business at a faster pace than the industry average. Despite the challenges when we advanced within the highly competitive China real estate industry, CIFI had successfully completed the year with fruitful rewards and encouragements.

In the past year, the Group successfully delivered the spectacular results for the first financial year after its initial public offering ("IPO"). We have gained respects and recognitions by the capital markets through our balanced financials and high growth potential.

In 2013,

- Our sales were strong, outperforming our stated contracted sales targets;
- In addition to our rapid growth, we improved our profit margins;
- We continued to expand in the first- and second-tier cities where we have coverage. We strategically ventured into three new cities: Hangzhou, Wuhan and Shenyang;
- We expanded our land bank by acquiring 21 high quality new projects;
- We co-operated with leading developers within the industry, forming strategic joint ventures for developing new projects;
- We sustained our prudent financial management, improved our debt structure and lowered our financing costs;
- We emphasised on high asset turnover, implemented fast project development and enhanced shareholder returns;
- We adopted customer-oriented approach to emphasise their needs on products and services and to improve construction quality.

In 2013, the Group sustained its high growth and further achieved record highs in terms of sales and profit. In 2013, the Group achieved contracted sales of RMB15.32 billion, representing a significant increase of 60.5% over RMB9.54 billion in the previous year and surpassing the Group's initial yearly contracted sales target of RMB12.5 billion set early in the year as well as the revised-up sales contracted target of RMB14.0 billion in the middle of the year. In 2013, recognised revenue was RMB11,909.2 million, representing a significant increase of 46.2% over RMB8,143.9 million in the previous year. The Group's core net profit attributable to equity owners increased by 65.0% to RMB1,518.8 million in 2013 from RMB920.6 million in 2012.

The Group's gross profit margin and core net profit margin were 25.8% and 12.8% respectively in 2013, improved from 23.7% and 11.3%, respectively in 2012. The Group delivered a core return on average equity of 20.0% in 2013, surpassing the 18.8% achieved in 2012.

Review of 2013

Market review

Since the beginning 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. In the fourth quarter of 2013, local governments of all first-tier cities and a number of second- and third-tier cities further introduced or reiterated tightening measures in the property market. Overall, these government measures are principally not new but rather mainly a reiteration or slight strengthening and/or stricter enforcement of tightening measures that have been introduced in the past.

Notwithstanding these policies, homebuyers have already adapted to the continued regulatory measures and end-users have been driving the demand and transaction prices for the primary market property sales. According to China National Bureau of Statistics, sales of commodity properties in 2013 surpassed RMB8.14 trillion, increased by 26.3% compared to 2012. Based on the official sales price index released by China National Bureau of Statistics, sales price of newly constructed residential commodity properties in December 2013 climbed over 20% year-on-year in all four first-tier cities in China, and climbed over 10% year-on-year in most of the second-tier cities where the Group have operations.

Sales performance

Benefitting from the massive increase in saleable resources, the Group's contracted sales and contracted GFA achieved record highs in 2013. During the year, the Group's contracted sales and contracted GFA reached RMB15,318.6 million and 1,428,300 sq.m. respectively, representing year-on-year growth of 60.5% and 39.2% respectively. Over 94% of the Group's contracted sales in 2013 were derived from first- and second-tier cities. Over 77.5% of the Group's contracted sales in 2013 were from residential projects, while the rest of 22.5% were from office projects. Cash collection from property sales during the year amounted to RMB13,680.9 million, representing a ratio of 89% of yearly contracted sales.

The Group's contracted sales in 2013 were dispersed among 42 projects in 10 cities. During the year, the Group launched pre-sale of 12 new projects which started pre-sale in 2013 including: Shanghai CIFI City, Shanghai CIFI Jiangwan Mansion, Shanghai CIFI Samite Life, Suzhou CIFI Private Mansion Usonian City Villa, Suzhou CIFI Private Mansion, Suzhou CIFI Elegant City, Suzhou CIFI Sunny Life, Beijing CIFI Private Villa Riverside Garden, Beijing CIFI The Education Park, Tianjin CIFI Paradise Bay, Tianjin CIFI Private Mansion and Chongqing CIFI Purple City. The two Hangzhou new projects started pre-sale in the last few days before the year-end.

CIFI was ranked 32nd and 36th nationally in terms of contracted GFA sold and contracted sales amount respectively in 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.

Profit margin improvement

In addition to the Group's strong growth in sales, the Group also improved its profit margins. The recovery of the Group's profit margins will be sustained and will be primarily driven by (1) higher proportion of recognised revenue from sales of office projects, which generally have higher gross profit margin compared to mass market residential projects; (2) better profit margins from new projects due to higher selling prices versus reasonable land prices; and (3) more efficient selling and general administrative expenses as well as lower interest cost as a percentage of sales.

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 2013, the Group took a proactive approach in land bank replenishment to provide sufficient saleable resources for sustainable growth. The majority of the Group's land acquisitions during the year were transacted in the first half of 2013 when land transaction prices were still reasonable.

The Group's land acquisitions in 2013 were characterised by (1) higher quality, better locations and larger sites in top notch first- and second-tier cities in China; (2) expansion mainly in the first- and second-tier cities where we have coverage, with new penetration into three new second-tier cities: Hangzhou, Wuhan and Shenyang; (3) targeting end-users demand with primarily mass market residential properties with small-to-medium unit sizes and office properties for sale; (4) attractive estimated profit margins using conservative future average selling price assumptions; and (5) utilising joint venture strategies by partnering with leading large-scale property developers, as well as other investment institutions as equity partners.

During the year, the Group purchased 21 new projects in Shanghai, Suzhou, Hangzhou, Hefei, Jiaxing, Beijing, Tianjin, Shenyang, Chongqing, Changsha and Wuhan, with total planned GFA and attributable GFA of approximately 3.8 million sq.m. and approximately 2.7 million sq.m., respectively. The corresponding land acquisition consideration attributable to the Group was approximately RMB10,771.6 million.

Based on the Group's attributable GFA acquired and the attributable acquisition considerations, the average cost of land acquisitions in 2013 was approximately RMB4,050 per sq.m. During the year, the Group's attributable cash outflow for the land acquisition and related payments amounted to approximately RMB8,600.0 million.

As at 31 December 2013, the Group's land bank amounted to a total GFA of approximately 9.2 million sq.m., of which attributable GFA amounted to approximately 7.6 million sq.m. As at 31 December 2013, the average unit cost of land bank based on the Group's attributable GFA and attributable cost was approximately RMB2,900 per sq.m.

Joint ventures with renowned property developers

In 2013, the Group successfully executed equity joint ventures with Greenland Holdings Group Company Limited ("Greenland") and Henderson China Properties Limited ("Henderson China") or their respective subsidiaries to jointly develop the following newly acquired projects:

Major joint venture projects	**The Group's equity interest**
With Greenland:	
Shanghai Huacao Project	50%
Hangzhou Greenland CIFI Glorious City	50%
Hefei Baohe District Project	33%
With Henderson China:	
Shanghai Hongqiao Central Business District Project	50%
Hangzhou Henderson CIFI Palace	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 co-operations with renowned property developers.

Massive breakthrough achieved in the international capital markets

Following its IPO in November 2012, the Group has achieved significant breakthrough in establishing its track records in international capital markets:

International credit ratings

- At the beginning of 2013, the Company obtained issuer's credit ratings of B1 (stable outlook) from Moody's, B+ (stable outlook) from Standard & Poor's and B+ (positive outlook) from Fitch, respectively.

Offshore bond issues

- In April 2013, the Company issued its inaugural 5-year US dollar senior notes ("US Dollar Bonds Due 2018") with a principal amount of US$275 million at a coupon rate of 12.25%. In September 2013, the Group further issued the US Dollar Bonds Due 2018 with an additional principal amount of US$225 million. The issue price of the additional issue in September 2013 was 104% with an effective interest cost of 11.11% per annum.

- In January 2014, the Company issued a new 5-year US dollar senior notes ("US Dollar Bonds Due 2019) with a principal amount of US$200 million at a coupon rate of 8.875%. The issue price of USD Dollar Bonds Due 2019 was 99.545% with an effective interest cost of 8.99%. Within less than a year, the Company successfully lowered its 5-year US dollar bonds issue cost from 12.25% to less than 9% per annum, reflecting market's well acceptance of the Group's credit.

Offshore syndicated loans

- In July 2013, the Company signed a syndicated loan facility ("CIFI Syndicated Loan") with a consortium of offshore banks. The CIFI Syndicated Loan is a US dollar/Hong Kong dollar dual-currency unsecured term loan facility with an aggregate amount of approximately US$156.5 million, with final maturity of three years and interest rate of LIBOR or HIBOR plus 5.65% per annum.

- In January 2014, the Group's 50%:50% joint venture companies with Greenland Hong Kong Holdings Limited in respect of Hangzhou Greenland CIFI Glorious City project signed onshore and offshore syndicated loan facilities ("Hangzhou Glorious City Syndicated Loans") with a consortium of offshore and onshore banks. The Hangzhou Glorious City Syndicated Loans comprise (i) an offshore US dollar/Hong Kong dollar dual currency term loan facility with an aggregate amount of approximately US$320 million, with a final maturity of three years and interest of LIBOR or HIBOR plus 4% per annum offshore term loan; and (ii) an onshore RMB project development loan facility with a facility amount of RMB1 billion, with final maturity of three years and interest rate of 106% times PBOC Base Rate per annum.

- As at 31 December 2013, offshore financings accounted for approximately 31% of the Group's total indebtedness. In future, the Group plans to further increase the proportion of its offshore financings with a view to achieve longer debt tenures and lower interest costs.

Equity placement

- In October 2013, the Company issued approximately 256.6 million new shares at issue price of HK$1.52 per share with a consideration of approximately US$50 million to Dalvey Asset Holding Ltd, a company wholly-owned by RRJ Capital ("RRJ"). The new shares invested by RRJ accounted for approximately 4.3% of the enlarged issued share capital of CIFI. RRJ is a renowned Asian investment firm which focuses on China and South-East Asia. RRJ and their founders have in the past made many successful investments in China. RRJ's investment underscored its vote of confidence in CIFI and improved CIFI's institutional shareholders' base.

Successful execution of the Group's multiple issues of US dollar bonds, syndicated loans and equity placement within a short time frame from its IPO reflected strong recognition of CIFI from the international capital market and banking industry. The Group utilised the offshore proceeds from the bond issues, syndicated loans and equity placement for re-financing of loans, new business developments and/or general corporate purposes. These new offshore financings have broadened the Group's financing platform and enhanced its debt structure; and provided strong foundation to the Group's future development.

We believe that the re-rating of the Company's shares and credits will be sustained as the Group further grows in terms of revenue scale and operations coverage.

Healthy financial position with improving debt structure and lower funding costs

In 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 offshore debts and lower proportion of non-bank borrowings.

As at 31 December 2013, the Group's:

- net debt-to-equity ratio was 67.6% (31 December 2012: 62.5%);

- weighted average cost of indebtedness based on its outstanding overall indebtedness decreased to 9.2% (31 December 2012: 10.0%);

- proportion of offshore indebtedness out of overall indebtedness increased to 30.4% (31 December 2012: 4.2%);

- proportion of short-term borrowings out of overall indebtedness reduced to 21.9% (31 December 2012: 37.7%);

- proportion of onshore non-bank borrowings out of overall indebtedness reduced to 19.2% (31 December 2012: 34.0%).

Other than balance sheet liabilities, the Group also paid close attention to off-balance sheet commitments. As at 31 December 2013, the Group had unpaid attributable land considerations of approximately RMB3,400 million, versus cash-on-hand of approximately RMB7,182.5 million. The Group's debt positions and off-balance sheet commitments are within a comfortable range for its operations.

Brand building and customer satisfaction

Since three years ago, we have engaged a third-party consultancy firm to research and track our customers' satisfaction ratings for the purpose of internal evaluation and improving customer satisfaction. In 2013, we made further improvements in overall customer satisfaction compared to the previous year according to the third-party surveys, evidencing that our brand recognition has continued to strengthen.

Through closer customers' surveys and appraisal systems, we have placed higher emphasis on understanding their preferences on products, their needs on sales and property management services. It has prompted us to adopt a more client-oriented approach to improve service and construction quality.

Outlook for 2014

Domestic and international economic conditions

Entering into 2014, the global markets continued to face uncertainties. As the United States economy shows signs of recovery, the Federal Reserve signaled tapering of quantitative easing policies, which imposed uncertainties on prices of global asset classes and triggered international capital outflow from the emerging markets. As a result, this caused significant fluctuations in global financial markets in the beginning of the year. Since last year, the Central Government of China has been pursuing economic reforms and structural adjustments, which emphasize sustainable quality growth by using market-driven measures. 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.

In terms of liquidity, in line with the tapering of quantitative easing policies, the United States dollar long term interest rate has been trending up. Meanwhile, China is undergoing interest rate liberalization as well as reforms and controls of local government finances and shadowing banking system. These offshore and onshore factors are expected to cause the tighter overall financings and higher funding costs to China's real estate sector.

Industry landscape

While it is expected that current Chinese government administrative policies in China's real estate sector to remain in place, more severe government policy risks are now alleviated by slower economic growth. The Chinese government has emphasised on fostering urbanization and domestic consumption as its key policies. This implies certain growth in terms of real estate investment in order to sustain GDP growth and to ensure that structural economic reforms could be successfully implemented. We expect that government policies in the upcoming year are neutral and will have less impact on the industry.

Our current major concern on the China's real estate industry is the imbalances between the land and property prices. We anticipate that transaction volume of residential and office properties catering to the strong end-users' demand in China's first- and second-tier cities will continue to grow steadily, as these cities are the main beneficiaries of urbanization and sustained growth in inflow of new populations and investment capital. However, property prices in large and mid-sized Chinese cities, after rising significantly in 2013, will stabilise or slow-down in 2014 as it would be difficult for China's average property price to further jump up substantially. We expect that in the upcoming year, performance of property prices in different cities, districts and product segments as well as sales results of different developers will be divided. Their respective performances will eventually depend on market demand and customers' affordability, rather than government policies.

We noticed that since the mid-2013, land prices has been rising far more substantially than property prices and most first- and second-tier cities have recorded frequent land deals with record highs in total considerations or average land prices, representing a high premium to the government's base land auction price and land prices transacted not long ago. We are concerned that high land transaction prices in certain areas have substantially exceeded market affordable levels.

For developers, the largest cost item is the land and the most important way to sustain profitability is to control its land costs. As the development projects with high land prices transacted last year progress into pre-sale period starting in the second half of this year, those developers which acquired land aggressively will face a difficult dilemma of either to let high land prices erode their profit, or to experience declining sales and cash flow. As the current market conditions do not allow another round of sharp rises in property prices, we believe that the land prices cannot be sustained at ultra-high levels.

The Group's development strategy

We believe that the real estate industry in China is still in a long term growth phase, and high quality properties catering to end-users' demand will remain strong in the long run. However, due to impacts of government policies or macro-economic cycles, transaction volume and properties prices of China's real estate sector will fluctuate in short term cycles within the long term uptrend.

The Group's long-term goal is to become a leading and well-respected real estate enterprise in China. To achieve this, we are pursuing the "high growth and balanced development" strategy. This strategy targets an expansion pace higher than growth rates of the industry average and those of leading developers, while stresses balances and disciplines avoiding ruthless, high gearing and low margin expansions. The Group in future will manage its expansion cautiously by taking into account the Group's sales performance, joint venture strategy and financial stability.

Based on its abundant saleable resources within the year and using conservative sell-through assumptions, the Group has set initial contracted sales target for the full year of 2014 at RMB22 billion, representing an increase of approximately 43.8% from the contracted sales in 2013. The Group is confident of achieving its sales target for 2014 and continues to emphasise and strengthen its fast turnaround and high sell-through development model.

In the course of expansion, we emphasise on maintaining the appropriate rhythm for land acquisition within the industry's short term cycles with precise product positioning as well as execution of development and sales. We endeavour to achieve buying low-cost lands at the lows of the industry cycle and selling properties when the market demand is robust. We reduce our risk through our healthy financials, balanced operating cash flows, and differentiating products. The majority of the Group's land acquisitions last year were transacted in the first half of 2013 when land transaction prices were still reasonable. Since the second half of last year, the Group has cautiously tightened our land acquisition criteria, ensuring defensive transacted land costs and reasonable profit margins. Regarding land reserves, the Group has already secured abundant supply of saleable resources in 2014 and 2015. At the time when land prices remain high in 2014, we have sufficient flexibility to refrain from purchasing land with overly aggressive land costs, but rather to acquire land sites omitted by competitors but with good development value. Meanwhile, if land prices revert to a reasonable level, we will decisively utilise our stable cash flow to accumulate quality land reserve at attractive costs, in order to prepare for our saleable resources for 2016 and beyond to raise the Group's sales to the next level.

The Group in future will focus on the mainstream market, mainstream customers and mainstream products in China's real estate industry, and will strive to enhance our product, service and brand capabilities. We also actively research and apply industry innovations, aiming to attract young customers with spending power by more stylish product designs, to improve customer experience and promote sales through mobile Internet and e-commerce platforms, and to utilize next-generation data systems for stricter cost controls and better operational efficiency.

Appreciation

Finally, on behalf of the Board, I would like to express our sincere appreciation to all employees for their dedication and hard work, and to our shareholders, bondholders and business partners for their support in the past year.

CIFI Holdings (Group) Co. Ltd.
LIN Zhong
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

PERFORMANCE HIGHLIGHTS

	Notes	**2013**	2012	**Year-on-Year Growth**
Contracted sales				
Contracted sales (RMB'million)	*1*	**15,319**	9,544	60.5%
Contracted GFA (sq.m.)		**1,428,300**	1,026,200	39.2%
Contracted ASP (RMB/sq.m.)		**10,725**	9,300	15.3%
Selected financial information				
Recognised revenue (RMB'million)		**11,909**	8,144	46.2%
Gross profit (RMB'million)		**3,069**	1,926	59.4%
Profit for the year (including fair value gains) (RMB'million)				
– Including non-controlling interests		**2,041**	2,021	1.0%
– Attributable to equity owners		**1,894**	1,937	-2.2%
Core net profit (RMB'million)	*2*			
– Including non-controlling interests		**1,510**	915	65.0%
– Attributable to equity owners		**1,519**	921	64.9%
At the end of year:				
Total assets (RMB'million)		**39,106**	26,857	45.6%
Bank balances and cash (RMB'million)	*3*	**7,183**	4,613	55.7%
Total indebtedness (RMB'million)	*4*	**13,374**	8,950	49.4%
Total equity (RMB'million)		**9,155**	6,941	31.9%
Equity attributable to equity owners (RMB'million)		**8,611**	6,550	31.5%
Selected financial ratios				
Gross profit margin		**25.8%**	23.7%	
Core net profit margin	*5*	**12.8%**	11.3%	
Earnings per share (basic), RMB cents		**33**	42	
Core earnings per share (basic), RMB cents		**26**	20	
Average asset turnover ratio	*6*	**53.4%**	47.8%	
Return on average equity	*7*	**20.0%**	18.8%	
Net debt-to-equity ratio, at the end of year	*8*	**67.6%**	62.5%	
Weighted average cost of indebtedness, at the end of year	*9*	**9.2%**	10.0%	
Selected operating data				
Land bank (GFA, sq.m.), at the end of year				
– Total		**9,202,900**	6,234,400	
– Attributable		**7,580,500**	5,898,200	
Delivered GFA (sq.m.), during the year				
– Total		**1,238,900**	734,700	
– Attributable		**1,238,900**	734,700	
New land acquisition (GFA, sq.m.), during the year				
– Total		**3,775,600**	1,487,800	
– Attributable		**2,658,110**	1,335,100	

Notes:

1. Contracted sales includes joint venture sales, but excludes subscribed contract values.

2. Core net profit excludes fair value changes, non-cash expenses relating to share option grants, net of deferred taxes.

3. Bank balances and cash include restricted cash and pledged bank deposits.

4. Total indebtedness includes bank and other borrowings, senior notes and trust and other loans related derivatives.

5. Core net profit margin is calculated based on core net profit attributable to equity owners over total recognised revenue.

6. The calculation of average asset turnover ratio is based on contracted sales divided by average total asset less investment properties during each financial year.

7. The calculation of return on average equity is based on our core net profit attributable to equity owners (excluding fair value gains) divided by average equity attributable to equity owners for each financial year.

8. 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 deposits) as a percentage of total equity at the end of each period.

9. 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

In 2013, the Group achieved contracted sales of approximately RMB15.32 billion, representing a significant growth of 60.5% as compared to 2012. The significant growth in the Group's contracted sales was mainly attributable to the corresponding increase in the Group's saleable resources and effective sell-through strategies. In 2013, the Group contracted sales of approximately 1,428,300 sq.m. in GFA, representing an increase of 39.2% over the previous year. The Group's contracted ASP in 2013 was approximately RMB10,725/sq.m., representing an increase of 15.3% from RMB9,300/sq.m. in 2012.

Contracted sales from Yangtze River Delta, Pan Bohai Rim and Central Western Region contributed to approximately 57.8%, 30.4% and 11.8% of the Group's total contracted sales respectively. Contracted sales from first- and second-tier cities accounted for approximately 94.0% of the Group's total contracted sales whereas those from third-tier cities accounted for the remaining 6.0%. Contracted sales derived from residential projects contributed to approximately 77.5% whereas those from office projects contributed to the remaining 22.5%.

Cash collection from property sales during the year amounted to RMB13,680.9 million, representing a ratio of 89% of yearly contracted sales.

During the year, the Group's average asset turnover ratio (contracted sales as a percentage of average total assets less investment properties) improved to 53.4% in 2013, versus 47.8% in 2012. The further improvement in asset turnover ratio was an evidence of the Group's successful implementation of high asset turnover and high sell-through strategies.

As of 31 December 2013, the Group had approximately RMB1.1 billion contracted but unrecognized sales which formed a solid basis for Group's future growth in recognised revenue.

Table 1: Details of contracted sales in 2013

By project

Project	Primary intended use of the project	Contracted sales	% of total contracted sales	Contracted GFA	Contracted ASP
		(RMB'000)	*(%)*	*(sq.m.)*	*(RMB/sq.m.)*
Shanghai CIFI Pujiang International	Office-for-sale	866,199	5.7	49,500	17,499
Shanghai CIFI Luxury Courtyard	Residential	381,439	2.5	19,800	19,265
Shanghai CIFI Comfortable Joyous Bay	Residential	112,340	0.7	8,900	12,622
Shanghai CIFI Private Mansion	Residential	277,936	1.8	16,100	17,263
Shanghai CIFI Rose Bay	Residential	182,597	1.2	11,000	16,600
Shanghai CIFI Pebble Beach	Residential	118,580	0.8	6,500	18,243
Shanghai CIFI Hongqiao International	Office-for-sale	71,113	0.5	2,600	27,351
Shanghai CIFI Century Square	Office-for-sale	201,982	1.3	7,900	25,567
Shanghai CIFI Ronchamp Town	Residential	10,417	0.1	1,500	6,945
Shanghai CIFI City	Residential	1,318,764	8.6	107,700	12,245
Shanghai CIFI La Baie D'Evian	Residential	657	*	300	2,190
Shanghai CIFI Jiangwan Mansion	Residential	144,720	1.0	4,000	36,180
Shanghai CIFI Samite Life	Residential	511,903	3.3	34,000	15,056
Shanghai CIFI Pleasant Garden	Residential	102,427	0.7	10,800	9,484
Suzhou CIFI Canal County	Residential	378,000	2.5	32,200	11,739
Suzhou CIFI Ronchamp Town	Residential	127,850	0.8	15,100	8,467
Suzhou CIFI California Bay	Residential	5,450	*	300	18,167
Suzhou CIFI Luxury Courtyard	Residential	1,347,980	8.8	159,600	8,446
Suzhou CIFI Private Mansion Usonian City Villa	Residential	293,495	1.9	22,300	13,161
Suzhou CIFI Private Mansion	Residential	459,405	3.0	53,300	8,619
Suzhou CIFI Elegant City (Formerly known as: Suzhou CIFI Meilan Town)	Residential	133,466	0.9	14,700	9,079
Suzhou CIFI Sunny Life (Formerly known as: Suzhou CIFI Joyous Mansion)	Residential	88,064	0.6	10,100	8,719
Hefei CIFI Central Park	Residential	139,772	0.9	20,700	6,752
Hefei CIFI Private Mansion	Residential	1,152,526	7.5	141,300	8,157
Zhenjiang CIFI Times	Residential	372,782	2.4	39,700	9,390
Jiaxing CIFI Square	Residential	52,980	0.3	4,900	10,812
Beijing CIFI Olympic City	Office-for-sale	3,866	*	200	19,330
Beijing CIFI Private Mansion	Residential	433,464	2.8	31,400	13,805
Beijing CIFI Purple County	Residential	15,527	0.1	900	17,252
Beijing CIFI Private Villa Riverside Garden	Residential	847,844	5.5	33,600	25,233
Beijing CIFI International Negotiate Garden	Office-for-sale	1,150,427	7.5	78,100	14,730
Beijing CIFI The Education Park	Office-for-sale	858,130	5.6	35,400	24,241
Tianjin CIFI Rosedale	Residential	442,566	2.9	55,100	8,032
Tianjin CIFI Paradise Bay	Residential	43,344	0.3	7,800	5,557
Tianjin CIFI Private Mansion	Residential	359,839	2.4	36,900	9,752
Langfang CIFI Path Walf	Residential	514,317	3.3	71,400	7,203
Chongqing CIFI Ronchamp Town	Residential	236,470	1.6	45,300	5,220
Chongqing CIFI Langyuejun	Residential	455,915	3.0	78,400	5,815
Chongqing CIFI Purple City	Office-for-sale	296,680	1.9	40,100	7,399
Changsha CIFI Upward Community	Residential	6,030	*	2,600	2,319
Changsha CIFI Luxury Courtyard	Residential	54,165	0.4	12,700	4,265
Changsha CIFI Private Mansion	Residential	747,127	4.9	103,600	7,212
Total		15,318,555	100.0	1,428,300	10,725

* *less than 0.1%*

	Contracted sales	% of total contracted sales	Contracted GFA	Contracted ASP
	(RMB'000)	*(%)*	*(sq.m.)*	*(RMB/sq.m.)*
By city				
Shanghai	4,301,074	28.2	280,600	15,328
Beijing	3,309,258	21.5	179,600	18,426
Suzhou	2,833,710	18.5	307,600	9,212
Hefei	1,292,298	8.4	162,000	7,977
Tianjin	845,749	5.6	99,800	8,474
Chongqing	989,065	6.5	163,800	6,038
Changsha	807,322	5.3	118,900	6,790
Zhenjiang	372,782	2.4	39,700	9,390
Jiaxing	52,980	0.3	4,900	10,812
Langfang	514,317	3.3	71,400	7,203
Total	15,318,555	100.0	1,428,300	10,725
By region				
Yangtze River Delta	8,852,844	57.8	794,800	11,138
Pan Bohai Rim	4,669,324	30.4	350,800	13,311
Central Western Region	1,796,387	11.8	282,700	6,354
Total	15,318,555	100.0	1,428,300	10,725
By first-, second- and third-tier cities				
First-tier cities	7,610,332	49.7	460,200	16,537
Second-tier cities	6,768,144	44.3	852,100	7,943
Third-tier cities	940,079	6.0	116,000	8,104
Total	15,318,555	100.0	1,428,300	10,725

Notes:

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

Revenue recognised from sales of properties

Revenue recognised from sales of properties in 2013 was approximately RMB11,579.2 million up by 44.9% year-on-year, accounted for 97.2% of total recognised revenue. In 2013, the Group delivered approximately 1,238,900 sq.m. of properties in GFA (all from its operating subsidiaries), up by 68.6% year-on-year. In 2013, the Group's recognised ASP from sales of properties was approximately RMB9,346/sq.m., representing a decrease of 14.1% from RMB10,877/sq.m. in 2012.

The increase in the Group's revenue recognised from sales of properties was attributable to the increase in GFA delivered.

Table 2: Breakdown of recognised revenue from property sales in 2013

By project

Project	Primary intended use of the project	Recognised revenue from sale of properties		% of recognised revenue from sale of properties		Total GFA delivered		Recognised ASP	
		(RMB'000)		*(%)*		*(sq.m.)*		*(RMB/sq.m.)*	
		2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
Shanghai CIFI Pujiang International	Office-for-sale	**1,319,767**	–	**11.4**	–	**73,900**	–	**17,859**	–
Shanghai CIFI Luxury Courtyard	Residential	**715,901**	–	**6.2**	–	**41,000**	–	**17,461**	–
Shanghai CIFI Comfortable Joyous Bay	Residential	**1,160,782**	–	**10.0**	–	**114,700**	–	**10,120**	–
Shanghai CIFI Private Mansion	Residential	**311,220**	–	**2.7**	–	**19,200**	–	**16,209**	–
Shanghai CIFI Rose Bay	Residential	**400,071**	1,574,575	**3.5**	19.7	**25,500**	105,400	**15,689**	14,939
Shanghai CIFI Pebble Beach	Residential	**148,411**	–	**1.3**	–	**7,600**	–	**19,528**	–
Shanghai CIFI Hongqiao International	Office-for-sale	**269,741**	134,345	**2.3**	1.7	**9,400**	4,000	**28,696**	33,586
Shanghai CIFI Century Square	Office-for-sale	**201,814**	2,794	**1.7**	*	**7,900**	600	**25,546**	4,657
Shanghai CIFI Ronchamp Town	Residential	**10,078**	21,972	**0.1**	0.3	**1,400**	4,000	**7,199**	5,493
Shanghai CIFI La Baie D'Evian	Residential	**657**	17,380	*****	0.2	**300**	1,500	**2,190**	11,587
Shanghai CIFI New Dream	Residential	**–**	4,058	**–**	*	**–**	1,500	**–**	2,705
Suzhou CIFI Canal County	Residential	**1,422,291**	901,533	**12.3**	11.3	**158,400**	95,800	**8,979**	9,411
Suzhou CIFI Ronchamp Town	Residential	**389,736**	358,733	**3.4**	4.5	**49,800**	43,100	**7,826**	8,323
Suzhou CIFI California Bay	Residential	**5,450**	4,500	*****	*	**300**	300	**18,167**	15,000
Hefei CIFI Central Park	Residential	**141,889**	691,973	**1.2**	8.7	**20,900**	91,200	**6,789**	7,587
Hefei CIFI Private Mansion	Residential	**794,792**	–	**6.9**	–	**109,000**	–	**7,292**	–
Zhenjiang CIFI Times	Residential	**768,752**	–	**6.6**	–	**81,500**	–	**9,433**	–
Jiaxing CIFI Square	Residential	**94,641**	134,220	**0.8**	1.7	**9,600**	13,600	**9,858**	9,869
Beijing CIFI Olympic City	Office-for-sale	**3,866**	–	*****	–	**200**	–	**19,330**	–
Beijing CIFI Private Mansion	Residential	**523,626**	2,153,056	**4.5**	26.9	**35,600**	115,300	**14,709**	18,674
Beijing CIFI Purple County	Residential	**24,539**	775,290	**0.2**	9.7	**1,200**	46,900	**20,449**	16,531
Langfang CIFI Path Walf	Residential	**125,104**	204,258	**1.1**	2.6	**12,000**	22,700	**10,425**	8,998
Chongqing CIFI Ronchamp Town	Residential	**1,070,842**	319,407	**9.3**	4.0	**195,100**	45,700	**5,489**	6,989
Chongqing CIFI Langyuejun	Residential	**775,057**	–	**6.7**	–	**128,000**	–	**6,055**	–
Changsha CIFI Upward Community	Residential	**6,140**	4,520	**0.1**	0.1	**3,000**	500	**2,047**	9,040
Changsha CIFI Luxury Courtyard	Residential	**56,811**	688,851	**0.5**	8.6	**12,300**	142,600	**4,619**	4,831
Changsha CIFI Private Mansion	Residential	**837,179**	–	**7.2**	–	**121,100**	–	**6,913**	–
Total		**11,579,157**	7,991,465	**100.0**	100.0	**1,238,900**	734,700	**9,346**	10,877

* *less than 0.1%*

	Recognised revenue from sale of properties		% of recognised revenue from sale of properties		Total GFA delivered		Recognised ASP	
	(RMB'000)		*(%)*		*(sq.m.)*		*(RMB/sq.m.)*	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
By city								
Shanghai	**4,538,442**	1,755,124	**39.2**	22.0	**300,900**	117,000	**15,083**	15,001
Beijing	**552,031**	2,928,346	**4.7**	36.6	**37,000**	162,200	**14,920**	18,054
Suzhou	**1,817,477**	1,264,766	**15.7**	15.8	**208,500**	139,200	**8,717**	9,086
Hefei	**936,681**	691,973	**8.1**	8.7	**129,900**	91,200	**7,211**	7,587
Chongqing	**1,845,899**	319,407	**16.0**	4.0	**323,100**	45,700	**5,713**	6,989
Changsha	**900,130**	693,371	**7.8**	8.7	**136,400**	143,100	**6,599**	4,845
Zhenjiang	**768,752**	–	**6.6**	–	**81,500**	–	**9,433**	–
Jiaxing	**94,641**	134,220	**0.8**	1.7	**9,600**	13,600	**9,858**	9,869
Langfang	**125,104**	204,258	**1.1**	2.5	**12,000**	22,700	**10,425**	8,998
Total	**11,579,157**	7,991,465	**100.0**	100.0	**1,238,900**	734,700	**9,346**	10,877
By region								
Yangtze River Delta	**8,155,993**	3,846,083	**70.4**	48.1	**730,400**	361,000	**11,166**	10,654
Pan Bohai Rim	**677,135**	3,132,604	**5.8**	39.2	**49,000**	184,900	**13,819**	16,942
Central Western Region	**2,746,029**	1,012,778	**23.8**	12.7	**459,500**	188,800	**5,976**	5,364
Total	**11,579,157**	7,991,465	**100.0**	100.0	**1,238,900**	734,700	**9,346**	10,877
By first-, second- and third-tier cities								
First-tier cities	**5,090,473**	4,683,470	**43.9**	58.6	**337,900**	279,200	**15,065**	16,775
Second-tier cities	**5,500,187**	2,969,517	**47.6**	37.2	**797,900**	419,200	**6,893**	7,084
Third-tier cities	**988,497**	338,478	**8.5**	4.2	**103,100**	36,300	**9,588**	9,324
Total	**11,579,157**	7,991,465	**100.0**	100.0	**1,238,900**	734,700	**9,346**	10,877

Notes:

1. The above sales data includes sales of carparks.

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 year 2013, the total GFA of newly completed projects of the Group amounted to approximately 1.5 million sq.m. (2012: 1.2 million sq.m.). As at 31 December 2013, the Group had 22 completed properties projects with a total unsold or undelivered GFA of approximately 0.7 million sq.m. and an attributable unsold or undelivered GFA of approximately 0.7 million sq.m., respectively.

Properties under development/held for future development

During the year 2013, the total GFA of properties newly commenced construction by the Group was approximately 2.7 million sq.m. (2012: 1.5 million sq.m.). During the year 2013, the total GFA of properties under development by the Group was approximately 5.4 million sq.m. (2012: 3.9 million sq.m.). As at 31 December 2013, excluding properties completed by the Group during the year, total GFA of properties under development by the Group was approximately 3.9 million sq.m. (2012: 2.7 million sq.m.).

As at 31 December 2013, the Group had 42 property projects under development or held for future development with a total and attributable GFA of approximately 8.5 million sq.m. and 6.9 million sq.m. respectively.

PROPERTY INVESTMENT

Rental income

The Group's rental income in 2013 was RMB47.7 million, up by 7.5% year-on-year. The increase was primarily due to an increase in rental income from Jiaxing CIFI Square.

Table 3: Breakdown of rental income in 2013

	2013		2012		
	Rental income	**% of Rental income**	Rental income	% of Rental income	**Rental income growth rate**
	RMB'000	***%***	*RMB'000*	*%*	***%***
Investment properties					
Jiaxing CIFI Square	**45,258**	**94.8**	42,161	95.0	7.4
Other investment properties	**807**	**1.7**	960	2.2	-15.9
Other non-investment properties	**1,667**	**3.5**	1,269	2.8	31.4
Total	**47,732**	**100.0**	44,390	100.0	7.5

Investment properties

As at 31 December 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. had commenced leasing, while the remaining was under development.

FINANCIAL REVIEW

Revenue

In 2013, the Group's recognised revenue was approximately RMB11,909.2 million, up 46.2% year-on-year. Out of the Group's total recognised revenue in 2013, (i) sales of property increased by 44.9% from the previous year to approximately RMB11,579.2 million, which was mainly attributable to the increase in GFA delivered; (ii) rental income increased by 7.5% from the previous year, which was primarily due to an increase in rental income from Jiaxing CIFI Square; and (iii) property management and other property related service income increased by 161.1% from the previous year, as boosted by additional new property projects completed and added in our property management portfolio during the year.

Table 4: Breakdown of recognised revenue in 2013

	2013		2012		
	Recognised revenue	**% of Total recognised revenue**	Recognised revenue	% of Total recognised revenue	**Year-on-year change**
	RMB'000	*%*	*RMB'000*	*%*	*%*
Sales of properties	**11,579,157**	**97.2**	7,991,465	98.1	44.9
Rental income	**47,732**	**0.4**	44,390	0.6	7.5
Property management income and other property related service income	**282,273**	**2.4**	108,094	1.3	161.1
Total	**11,909,162**	**100.0**	8,143,949	100.0	46.2

Cost of sales

The Group's cost of sales in 2013 was approximately RMB8,840.7 million, up 42.2% from the previous 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 previous year.

Gross profit and gross profit margin

The Group's gross profit in 2013 was RMB3,068.5 million, up 59.3% year-on-year. Our gross profit margin increased to 25.8% in 2013 from 23.7% in 2012.

The improvement 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 in 2013 (15.5% of total recognised revenue) compared to 2012 (1.7% of total recognised revenue). The Group's office-for-sale projects generally have higher gross profit margins compared to mass market residential projects; and (ii) increased selling prices of individual residential projects as a result of favourable market sentiment resulting in better gross profit margin.

Fair value changes

Fair value gain upon transfer to investment properties

In 2012, the Group recognised a fair value gain upon transfer to investment properties in the amount of approximately RMB1,205.9 million as a result of the shopping mall portion of Jiaxing CIFI Square being leased out and transferred to investment properties during that year.

Initially at the time of construction, the commercial podium of Jiaxing CIFI Square comprising the basement supermarket, department store and the shopping mall portions were accounted for as properties under development. Upon completion, they were accounted for as properties for sale. Under IFRS, these commercial properties accounted for as properties for sale could be transferred into investment properties when it is evidenced by the commencement of an operating lease to another party. The gains upon transfer to investment properties relating to the commercial podium of Jiaxing CIFI Square in 2012 represent the difference between the fair value of the relevant properties after substantial appreciation and their original book costs. As at 31 December 2012, the entire commercial podium of Jiaxing CIFI Square were fully leased out and were fully transferred into investment properties.

In 2013, the Group did not record any fair value gain upon transfer to investment properties recorded, as it did not have properties completed or under construction which were transferred to investment properties during the year.

Change in fair value of investment properties

In 2013, the Group recognised a fair value gain on investment properties of approximately RMB753.5 million as a corresponding gain in 2012 of approximately RMB233.5 million. The increase in fair value gain on investment properties was 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 and other loans related derivatives

In 2013, the Group recognised a fair value gain on trust and other loans related derivatives of approximately RMB3.0 million as compared to a corresponding gain in 2012 of approximately RMB26.5 million. Such fair value gain reflected the change in fair value of the embedded financial derivatives relating to certain trust and other loans of the Group during the year.

Selling and marketing expenses

The Group's selling and marketing expenses increased by 25.6% to approximately RMB308.7 million in 2013 from RMB245.8 million in 2012. This increase was in line with the Group's new launch of more property projects available 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 2.0% of total contracted sales in 2013, compared to 2.6% in 2012.

Administrative and other expenses

The Group's administrative expenses increased by 85.3% to approximately RMB513.6 million in 2013 from RMB285.2 million in 2012. 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 and improvement in per capita efficiency, the Group still controlled its administrative expenses at 3.4% of total contracted sales in 2013, compared to 3.0% in 2012.

In 2012, the Group incurred other expenses of RMB18.3 million, which were professional fees and expenses related to our IPO during that year. In 2013, the Group did not incur such expenses.

Finance costs

The Group's finance costs expensed increased by 335.3% to approximately RMB188.5 million in 2013 from RMB43.3 million in 2012. 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 year. Total finance costs expensed and capitalised increased by 56.0% to approximately RMB1,098.3 million in 2013 from RMB704.1 million in 2012. The Group's weighted average cost of all indebtedness (including bank loans, trust and other loans and senior notes) as at 31 December 2013 was 9.2%, compared to 10.0% as at 31 December 2012. The decrease in weighted average cost of indebtedness during the year was primarily attributable to the decrease in the average proportion of non-bank borrowings (trust and other loans) to total indebtedness during the year. These non-bank borrowings generally had higher interest costs.

Income tax expenses

The Group's income tax expenses increased by 14.0% to approximately RMB933.7 million in 2013 from RMB818.8 million in 2012. 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 increased to 31.4% in 2013 from 28.8% in 2012, as a lower proportion of the Group's profit before taxation was derived from fair value gains relating to investment properties in 2013, for which no provision for LAT was required.

The Group made LAT provisions of approximately RMB320.7 million in 2013, versus RMB164.5 million in 2012. The Group made actual LAT payments of RMB309.7 million in 2013, versus RMB181.7 million in 2012. As at 31 December 2013, the Group had accumulated unpaid LAT provisions of RMB303.3 million.

Profit for the year

As a result of the factors described above, the Group's profit before taxation increased by 4.8% to approximately RMB2,974.9 million in 2013 from RMB2,839.6 million in 2012. The Group's profit and total comprehensive income for the year increased by 1.0% to approximately RMB2,041.1 million in 2013 from RMB2,020.8 million in 2012. The Group's net profit attributable to equity owners decreased by 2.2% to approximately RMB1,894.2 million in 2013 from RMB1,937.1 million in 2012.

The Group's core net profit attributable to equity owners increased by 65.0% to approximately RMB1,518.8 million in 2013 from RMB920.6 million in 2012. The corresponding core net profit margin was 12.8% in 2013 and 11.3% in 2012.

Benefited from the implementation of the Group's stated high asset turnover, high sell-through business strategies and improved profit margins, the Group achieved a return on average equity ("ROE") of 20.0% in 2013 versus 18.8% in 2012.

LAND BANK

As at 31 December 2013, the total GFA of the Group's land bank was approximately 9.2 million sq.m., and the attributable GFA of the Group's land bank was approximately 7.6 million sq.m. As at 31 December 2013, average acquisition cost of the Group's overall land bank based on attributable GFA and attributable cost was approximately RMB2,900 per sq.m.

Table 5: Breakdown of the Group's land bank as at 31 December 2013

By property type

Project	Primary intended use of the project	Saleable/ Rentable GFA remaining unsold (carpark excluded)	Interest attributable to the Group
		(sq.m.)	*(%)*
Completed properties			
Yangtze River Delta			
Shanghai CIFI Pujiang International	Office-for-sale	55,300	100.0
Shanghai CIFI Luxury Courtyard	Residential	11,400	100.0
Shanghai CIFI Comfortable Joyous Bay	Residential	1,600	100.0
Shanghai CIFI Private Mansion	Residential	12,700	100.0
Shanghai CIFI Pebble Beach	Residential	78,400	100.0
Suzhou CIFI Canal County	Residential	15,200	100.0
Hefei CIFI Central Park	Residential	6,000	100.0
Hefei CIFI Private Mansion	Residential	10,200	100.0
Zhenjiang CIFI Times	Residential	56,200	100.0
Jiaxing CIFI Square (Residential)	Residential	800	100.0
Jiaxing CIFI Square (Commercial)	Investment properties	82,600	100.0
Pan Bohai Rim			
Beijing CIFI Wangxin Commercial Centre	Investment properties	4,900	100.0
Beijing CIFI Olympic City	Office-for-sale	5,800	100.0
Langfang CIFI Path Walf	Residential	41,200	100.0
Central Western Region			
Chongqing CIFI Ronchamp Town	Residential	16,800	100.0
Chongqing CIFI Langyuejun	Residential	22,400	100.0
Changsha CIFI Luxury Courtyard	Residential	900	100.0
Changsha CIFI Private Mansion	Residential	10,500	100.0
Other			
Fuzhou CIFI Riverside	Residential	3,700	100.0
		436,600	
Other			
Carpark		240,900	100.0
		677,500	

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.)*	*(sq.m.)*	*(%)*
Properties under development and held for future development						
Yangtze River Delta						
Shanghai CIFI Arthur Shire (Shanghai Kangqiao Industrial District Project)	Residential	2Q 2015	30,200	38,500	–	50.0
Shanghai CIFI City	Residential	4Q 2014/ 1Q 2015	99,100	184,100	107,700	100.0
Shanghai CIFI La Baie D'Evian	Residential	4Q 2015	189,800	24,500	–	100.0
Shanghai CIFI Jiangwan Mansion	Residential	4Q 2014	26,000	34,100	4,000	75.5
Shanghai CIFI Yangpu Commercial Square	Office-for-sale	3Q 2015	18,300	19,600	–	53.0
Shanghai CIFI Yangpu Commercial Square	Investment properties	3Q 2015		45,400	–	53.0
Shanghai CIFI Samite Life	Residential	4Q 2014	37,600	83,200	34,000	100.0
Shanghai CIFI U Block (Shanghai Nanxiang Town Project)	Office-for-sale	2Q 2015	21,400	54,800	–	100.0
Shanghai Hongqiao Xianfeng Village Project	Residential	4Q 2015	3,200	5,400	–	100.0
Shanghai Hongqiao Central Business District Project	Office-for-sale	4Q 2015	84,800	135,700	–	50.0
Shanghai Hongqiao Central Business District Project	Residential	2Q 2016		34,900	–	50.0
Shanghai Huacao Project	Office-for-sale	2Q 2015	14,800	30,100	–	50.0
Shanghai Jiuting Town Project	Office-for-sale	1Q 2016	41,500	106,300	–	45.0
Shanghai Jinshan New Town Project	Residential	2Q 2016	108,400	199,000	–	50.0
Shanghai CIFI Pleasant Garden	Residential	2Q 2014	36,500	69,000	14,500	100.0
Suzhou CIFI Luxury Courtyard	Residential	4Q 2014	110,200	259,000	184,600	100.0
Suzhou CIFI Private Mansion Usonian City Villa	Residential	2Q 2015	42,900	108,800	22,300	49.0
Suzhou CIFI Private Mansion	Residential	2Q 2015	55,600	98,600	53,300	100.0
Suzhou CIFI Elegant City (Formerly known as: Suzhou CIFI Meilan Town)	Residential	2015/2016	93,900	256,900	14,700	100.0
Suzhou CIFI Sunny Life (Formerly known as: Suzhou CIFI Joyous Mansion)	Residential	4Q 2015	32,700	79,900	10,100	100.0
Suzhou CIFI Apple Paradise (Suzhou Gaoxin District Hushuguan No.59 Project)	Residential	4Q 2015	42,400	88,000	–	51.0

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.)*	*(sq.m.)*	*(%)*
Hangzhou Greenland CIFI Glorious City (Hangzhou Binjiang Olympic & International Expo Center Project)	Residential	2Q 2016	58,800	235,100	–	50.0
Hangzhou Greenland CIFI Glorious City (Hangzhou Binjiang Olympic & International Expo Center Project)	Office-for-sale	4Q 2016		31,000	–	50.0
Hangzhou Henderson CIFI Palace (Hangzhou Yuhang Chongxian New Town No.24 Project)	Residential	4Q 2015	86,700	220,800	–	49.0
Hangzhou Yuhang Chongxian New Town No.18 Project	Residential	2Q 2016	35,300	90,800	–	50.0
Hefei CIFI Private Mansion	Residential	4Q 2014	107,200	302,900	149,600	100.0
Hefei Baohe District Project	Residential	2015/2016	64,000	204,900	–	33.0
Jiaxing CIFI Private Mansion	Residential	4Q 2015	24,400	77,000	–	100.0
Jiaxing CIF Canal County (Jiaxing Xiuzhou New District Project)	Residential	4Q 2015	92,400	166,500	–	100.0
Pan Bohai Rim						
Beijing CIFI Private Villa Riverside Garden	Residential	4Q 2014	76,400	142,500	33,600	80.0
Beijing CIFI International Negotiate Garden	Office-for-sale	4Q 2014	34,600	106,200	103,700	100.0
Beijing CIFI The Education Park	Office-for-sale	4Q 2015	30,800	86,600	35,400	100.0
Tianjin CIFI Rosedale	Residential	2Q 2014/ 4Q 2015	120,700	272,000	92,000	100.0
Tianjin CIFI Paradise Bay	Residential	3Q 2015/ 3Q 2016	65,500	163,000	7,800	51.0
Tianjin CIFI Private Mansion	Residential	By phases from 2015 to 2017	165,200	322,300	36,900	49.0
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
Shenyang Dongling District Project	Residential	2Q 2016	81,500	162,800	–	100.0
Langfang CIFI Path Walf	Residential	4Q 2014	140,600	266,100	64,200	100.0
Central Western Region						
Chongqing CIFI Ronchamp Town	Residential	4Q 2014	18,700	58,000	–	100.0
Chongqing CIFI Purple City	Office-for-sale	4Q 2014	44,400	151,900	40,100	100.0
Chongqing CIFI Jade Mansion	Office-for-sale	1Q 2016	24,200	58,500	–	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.)*	*(sq.m.)*	*(%)*
Chongqing CIFI City (Chongqing Banan District Project)	Residential	By phases from 2015 to 2017	192,400	448,200	–	100.0
Chongqing CIFI City (Chongqing Banan District Project)	Office-for-sale	By phases from 2015 to 2017		193,300	–	100.0
Changsha CIFI Private Mansion	Residential	4Q 2014	97,500	162,900	57,800	100.0
Changsha CIFI Comfortable Joyous Bay (Changsha Nancheng Centre Project)	Residential	2Q 2016	41,500	148,800	–	80.0
Changsha Hualing Project	Residential	2Q 2016	95,400	131,150	–	100.0
Changsha Hualing Project	Office-for-sale	2017		136,750	–	100.0
Wuhan CIFI Private Mansion (Wuhan Donghu Gaoxin District Project)	Residential	4Q 2015/ 4Q 2016	139,500	348,700	–	50.0
			3,357,800	7,120,700	1,066,300	
Other						
Carpark				1,404,700	700	
				8,525,400	1,067,000	

Land acquisition in 2013

During the year 2013, the Group purchased a total of 21 new projects, out of which 19 projects were acquired through government-held public tenders, auctions or listing-for-sale and the other 2 property projects were acquired through acquisition of equity interest. Since the beginning of 2013, the Group has been utilising equity joint ventures with property developers and financial investors to jointly develop the newly acquired projects. Out of the total 21 new projects acquired by the Group in 2013, 12 were equity joint ventures.

Total planned GFA of the Group's land acquisition in 2013 amounted to approximately 3.8 million sq.m., out of which 2.7 million sq.m. were attributable to the Group's equity interests. Total contracted consideration of the Group's land acquisition amounted to approximately RMB16,975.9 million, out of which RMB10,771.6 million were payable by the Group according to its equity interests in relevant projects. Based on the Group's attributable GFA acquired and the attributable acquisition considerations, the Group's average land acquisition cost in 2013 was approximately RMB4,050 per sq.m.

Table 6: The Group's land acquisition in 2013

City	Project	Primary intended use of the project	Group's equity interest	Site area	Planned GFA excluding carpark	Attributable Planned GFA excluding carpark	Consideration	Attributable Consideration	Average land cost
			(%)	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(RMB)*	*(RMB)*	*(RMB)*
Land acquisition in 2013									
Shanghai	CIFI Arthur Shire (Kangqiao Industrial District Project)	Residential	50.0	30,200	38,500	19,250	515,000,000	257,500,000	13,377
Shanghai	Huacao Project	Office-for-sale	50.0	14,800	30,100	15,050	182,200,000	91,100,000	6,053
Shanghai	Hongqiao Central Business District Project	Office-for-sale and Residential	50.0	84,800	170,600	85,300	2,144,000,000	1,072,000,000	12,567
Shanghai	Jiuting Town Project	Office-for-sale	45.0	41,500	106,300	47,840	367,500,000	165,375,000	3,457
Shanghai	Jinshan New Town Project	Residential	50.0	108,400	199,000	99,500	704,010,000	352,005,000	3,538
Suzhou	CIFI Sunny Life (Formerly known as: CIFI Joyous Mansion)	Residential	100.0	32,700	79,900	79,900	242,000,000	242,000,000	3,029
Suzhou	CIFI Apple Paradise (Gaoxin District Hushuguan No.59 Project)	Residential	51.0	42,400	88,000	44,880	240,000,000	122,400,000	2,727
Hangzhou	Greenland CIFI Glorious City (Binjiang Olympic & International Expo Center Project)	Residential and Office-for-sale	50.0	58,800	266,100	133,050	3,565,000,000	1,782,500,000	13,397
Hangzhou	Henderson CIFI Palace (Yuhang Chongxian New Town No.24 Project)	Residential	49.0	86,700	220,800	108,190	763,000,000	373,870,000	3,456
Hangzhou	Yuhang Chongxian New Town No.18 Project	Residential	50.0	35,300	90,800	45,400	365,000,000	182,500,000	4,020
Hefei	Baohe District Project	Residential	33.0	64,000	204,900	67,620	462,048,600	152,476,038	2,255
Jiaxing	CIFI Private Mansion	Residential	100.0	24,400	77,000	77,000	151,791,636	151,791,636	1,971
Jiaxing	CIFI Canal County (Xiuzhou New District Project)	Residential	100.0	92,400	166,500	166,500	312,990,640	312,990,640	1,880
Beijing	CIFI The Education Park	Office-for-sale	100.0	30,800	86,600	86,600	537,088,400	537,088,400	6,202
Tianjin	CIFI Private Mansion	Residential	49.0	165,200	322,300	157,930	1,340,000,000	656,600,000	4,158
Shenyang	Dongling District Project	Residential	100.0	81,500	162,800	162,800	292,224,108	292,224,108	1,795
Chongqing	CIFI Jade Mansion	Office-for-sale	100.0	24,200	58,500	58,500	101,000,000	101,000,000	1,726
Chongqing	CIFI City (Banan District Project)	Residential and Office-for-sale	100.0	192,400	641,500	641,500	1,900,000,000	1,900,000,000	2,962
Changsha	CIFI Comfortable Joyous Bay (Nancheng Centre Project)	Residential	80.0	41,500	148,800	119,040	460,550,000	368,440,000	3,095
Changsha	Hualing Project	Residential and Office-for-sale	100.0	95,400	267,900	267,900	984,924,593	984,924,593	3,676
Wuhan	CIFI Private Mansion (Donghu Gaoxin District Project)	Residential	50.0	139,500	348,700	174,350	1,345,570,000	672,785,000	3,859
Land acquisition subsequent to 31 December 2013 (and up to the date of the results announcement)									
Zhenjiang	Dingmao New District Guyang Road East Project	Residential	100.0	49,400	148,300	148,300	210,000,000	210,000,000	1,416

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

The Group had bank balances and cash of approximately RMB7,060.7 million (2012: RMB4,590.7 million), pledged bank deposits of approximately RMB100.0 million (2012: Nil) and restricted cash of RMB21.8 million (2012: RMB21.8 million) as at 31 December 2013.

Indebtedness

As at 31 December 2013, the Group had outstanding total borrowings amounted to approximately RMB13,292.0 million (2012: RMB8,865.4 million), comprising bank loans, trust and other loans of approximately RMB10,154.1 million (2012: RMB8,865.4 million) and senior notes due April 2018 with an carrying amount of RMB3,137.9 million (2012: Nil). As at 31 December 2013, the Group also had trust and other loans related derivatives of RMB82.0 million (2012: RMB85.0 million). As at 31 December 2013, the Group had un-utilised banking facilities of RMB3,045.2 million (2012: RMB1,472.2 million).

Cost of borrowings

The Group's total finance costs expensed and capitalized in 2013 was approximately RMB1,098.3 million, representing an increase of 56.0% from RMB704.1 million in 2012. The increase was mainly attributable to higher average balance of indebtedness in 2013.

The Group's weighted average cost of all indebtedness (including bank loans, trust and other loans and senior notes) as at 31 December 2013 was 9.2%, compared to 10.0% as at 31 December 2012. The decrease in weighted average cost of indebtedness during the year was primarily attributable to the decrease in the average proportion of non-bank borrowings (trust and other loans) to total indebtedness during the year. These non-bank borrowings generally had higher interest costs.

Foreign currency risk

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

Other than those disclosed, the Group does not have any material exposures to foreign exchange fluctuations. The Group does not have a foreign currency hedging policy. However, the Group monitors its foreign currency 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 31 December 2013, the Group provided mortgage guarantees in respect of mortgage loans provided by the PRC banks to the Group's customers amounting to RMB977.7 million (versus 31 December 2012: RMB1,667.3 million).

Gearing ratio

The Group's net debt-to-equity ratio (total indebtedness net of bank balances and cash and restricted cash divided by total equity) was 67.6% as at 31 December 2013 versus 62.5% as at 31 December 2012. The Group's debt-to-asset ratio (total indebtedness divided by total assets) was 34.2% as at 31 December 2013 versus 33.3% as at 31 December 2012. The Group's current ratio (current assets divided by current liabilities) was 1.6 times as at 31 December 2013 versus 1.7 times as at 31 December 2012.

EMPLOYEES AND COMPENSATION POLICY

As at 31 December 2013, the Group had approximately 3,600 full-time employees in the PRC including Hong Kong, out of them, approximately 1,500 employees worked for the property development business and 2,100 in 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.

PAYMENT OF FINAL DIVIDEND

The Board recommends the payment of a final dividend for 2013 of HK 7 cents per Share (the "Proposed Final Dividend"). Subject to the approval of the Proposed Final Dividend by the shareholders at the annual general meeting to be held on Wednesday, 2 April 2014 (the "2014 AGM"), it is expected that the Proposed Final Dividend will be paid on or around Wednesday, 16 April 2014 to the shareholders whose names appear in the register of members of the Company on Wednesday, 9 April 2014.

CLOSURE OF THE REGISTER OF MEMBERS

(a) For determining the entitlement to attend and vote at the 2014 AGM

The register of members of the Company will be closed from Thursday, 27 March 2014 to Wednesday, 2 April 2014, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to determine the identity of members who are entitled to attend and vote at the 2014 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 26 March 2014.

(b) For determining the entitlement to the Proposed Final Dividend

The register of members of the Company will be closed from Tuesday, 8 April 2014 to Wednesday, 9 April 2014, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for the Proposed Final Dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 7 April 2014.

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 year under review.

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 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the year under review.

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, all Directors have confirmed that they complied with the required standards set out in the Model Code during the year under review.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year under review, none of the Directors nor the management shareholders of the Company nor their respective associates (as defined in the Listing Rules) had any interest in a business that competed or might compete with the business of the Group. Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng, being the executive Directors and the controlling shareholders of the Company declared that they have complied with the undertakings given under the deed of non-competition signed between them and the Company. The independent non-executive Directors have also reviewed the relevant undertakings and have not noticed any non-compliance incidence.

REVIEW OF ANNUAL RESULTS

The audit committee of the Company (the "Audit Committee") consists of three independent non-executive Directors, Mr. TAN Wee Seng (being the chairman of the Audit Committee), Mr. GU Yunchang and Mr. ZHANG Yongyue. The Audit Committee is satisfied with its review of the remuneration and the independence of the auditors, Deloitte Touche Tohmatsu, and recommended the Board to re-appoint Deloitte Touche Tohmatsu as the Company's auditors for 2014, which is subject to the approval of the shareholders of the Company at the 2014 AGM. The Company's annual results for the year ended 31 December 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 ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.cifi.com.cn. The 2013 annual report will be dispatched to shareholders on or about 4 March 2014 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, 26 February 2014

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.