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 2014

2014 RESULTS HIGHLIGHTS

- Contracted sales increased by 38.4% to RMB21,206 million
- Recognised revenue increased by 35.9% to RMB16,179 million
- Gross profit increased by 36.4% to RMB4,187 million; core net profit increased by 27.7% to RMB1,939 million
- Gross profit margin and core net profit margin remained stable at 25.9% and 12.0% respectively; core return on average equity at 20.6%
- Proposed final dividend of HK11 cents per share (total approximately RMB524.6 million), representing a payout ratio of approximately 27% of core net profit
- Cash on hand of RMB7.12 billion, net debt-to-equity ratio improved to 58.2% as at 31 December 2014
- Weighted average cost of indebtedness decreased to 8.3% as at 31 December 2014

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 2014 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 2014

		2014	2013
	NOTES	***RMB'000***	*RMB'000*
Revenue	*2*	**16,179,334**	11,909,162
Cost of sales and services		**(11,992,548)**	(8,840,651)
Gross profit		**4,186,786**	3,068,511
Other income, gains and losses	*3*	**246,604**	174,695
Change in fair value of investment properties		**241,166**	753,535
Change in fair value of trust and other loans related derivatives		**4,000**	3,000
Selling and marketing expenses		**(319,404)**	(308,662)
Administrative expenses		**(529,391)**	(513,621)
Share of results of joint ventures		**(118,708)**	(14,117)
Finance costs	*4*	**(386,228)**	(188,465)
Profit before taxation		**3,324,825**	2,974,876
Income tax expense	*5*	**(1,325,237)**	(933,743)
Profit and total comprehensive income for the year	*6*	**1,999,588**	2,041,133
Attributable to:			
Equity owners of the Company		**1,861,149**	1,894,231
Owners of perpetual capital instruments		**35,913**	–
Other non-controlling interests		**102,526**	146,902
		138,439	146,902
Profit and total comprehensive income for the year		**1,999,588**	2,041,133
Earnings per share, in RMB:			
Basic	*8*	**0.31**	0.33
Diluted	*8*	**0.31**	0.33

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2014

	NOTES	**2014** **RMB'000**	2013 RMB'000
NON-CURRENT ASSETS			
Investment properties		**5,206,200**	4,650,400
Property, plant and equipment		**48,078**	47,161
Prepaid lease payments		**57,645**	57,645
Interest in an associate		**15,300**	–
Interests in joint ventures		**7,891,784**	4,298,994
Available-for-sale investment		**54,023**	54,023
Restricted bank deposit		**–**	21,768
Deferred taxation assets		**213,551**	147,186
		13,486,581	9,277,177
CURRENT ASSETS			
Properties held for sale		**5,419,473**	3,951,144
Properties under development for sale		**9,803,747**	13,044,558
Accounts and other receivables, deposits and prepayments	*9*	**3,975,308**	3,146,357
Amounts due from non-controlling interests		**104,704**	64,704
Amounts due from joint ventures and an associate		**1,041,654**	223,650
Deposits for land use rights for properties held for sale		**2,256,720**	1,972,562
Taxation recoverable		**326,798**	265,197
Pledged bank deposits		**30,000**	100,000
Bank balances and cash		**7,093,654**	7,060,748
		30,052,058	29,828,920
CURRENT LIABILITIES			
Accounts payables and accrued charges	*10*	**5,183,049**	5,140,512
Deposits received from property sales		**5,015,996**	8,067,878
Amounts due to non-controlling interests		**477,307**	433,202
Amounts due to joint ventures and an associate		**4,926,725**	1,189,758
Taxation payable		**1,472,710**	784,341
Bank and other borrowings – due within one year		**3,035,362**	2,934,643
Trust and other loans related derivatives		**–**	82,000
		20,111,149	18,632,334
NET CURRENT ASSETS		**9,940,909**	11,196,586
TOTAL ASSETS LESS CURRENT LIABILITIES		**23,427,490**	20,473,763

	2014	2013
	RMB'000	*RMB'000*
CAPITAL AND RESERVES		
Share capital	**487,896**	487,896
Reserves	**9,717,153**	8,123,057
Equity attributable to equity owners of the Company	**10,205,049**	8,610,953
Perpetual capital instruments	**585,710**	–
Other non-controlling interests	**792,159**	544,442
	1,377,869	544,442
TOTAL EQUITY	**11,582,918**	9,155,395
NON-CURRENT LIABILITIES		
Bank and other borrowings – due after one year	**6,468,435**	7,219,455
Senior notes	**4,356,950**	3,137,901
Deferred taxation liabilities	**1,019,187**	961,012
	11,844,572	11,318,368
	23,427,490	20,473,763

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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.

Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Recoverable Amount Disclosures for Non-financial Assets
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21	Levies

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.

Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities

The Group has applied the amendments to IFRS10, IFRS 12 and IAS27 Investment Entities for the first time in the current year. The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investments entities.

As the Company is not an investment entity (assessed based on the criteria set out in IFRS 10 as at 1 January 2014), the application of the amendments has had no impacts on the disclosures or the amounts recognised in the Group's consolidated financial statements.

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

Amendments to IAS 1	Disclosure Initiative[1]
Amendments to IAS 27	Equity Method in Separate Financial Statements[1]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[1]
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception[1]
Amendments to IFRSs	Annual Improvements to IFRSs 2010–2012 Cycle[3]
Amendments to IFRSs	Annual Improvements to IFRSs 2011–2013 Cycle[2]
Amendments to IFRSs	Annual Improvements to IFRSs 2012–2014 Cycle[1]
IFRS 9	Financial Instruments[4]
IFRS 14	Regulatory Deferral Accounts[5]
IFRS 15	Revenue from Contracts with Customers[6]

[1] Effective for annual periods beginning on or after 1 January 2016

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

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

[4] Effective for annual periods beginning on or after 1 January 2018

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

[6] Effective for annual periods beginning on or after 1 January 2017

IFRS 15 "Revenue from contracts with Customer"

IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 "Revenue", IAS 11 "Construction Contracts" and the related interpretations when it becomes effective. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods and services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The directors of the Company anticipates that the application of IFRS 15 in the future may affect the amounts reported and related disclosures. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 Impairment of Assets regarding impairment testing of a cash generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to IFRS 11 will have a material impact on the Group's consolidated financial statements.

Annual Improvements to IFRSs 2012–2014 Cycle

The Annual Improvement to IFRSs 2012–2014 Cycle include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 5 introduce special guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments apply prospectively.

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that the offsetting disclosures (introduced in the amendments to IFRS 7 Disclosure-Offsetting Financial Assets and Financial Liabilities issued in December 2011 and effective for periods beginning on or after 1 January 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with IAS 34 Interim Financial Reporting.

The amendments to IAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in earnings at the beginning of that period.

The amendments to IAS 34 clarify the requirements relating to information required by IAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross-reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The directors of the Company do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements.

Except for the above impact, the directors of the Company do not anticipate that the application of other new and revised IFRSs will have significant impact on the Group's consolidated financial statements.

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 (being 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 and commercial 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 or purchased 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 2014				
Reportable segment revenue from external customers	15,653,684	41,688	483,962	16,179,334
Reportable segment profit	3,656,574	32,200	178,608	3,867,382

	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 from external customers	11,579,157	47,732	282,273	11,909,162
Reportable segment profit	2,623,354	44,628	91,867	2,759,849

(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, 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.

	2014	2013
	RMB'000	*RMB'000*
Revenue		
Reportable segment and consolidated revenue	**16,179,334**	11,909,162
Profit		
Reportable segment profit	**3,867,382**	2,759,849
Other income	**246,604**	174,695
Change in fair value of trust and other loans related derivatives	**4,000**	3,000
Change in fair value of investment properties	**241,166**	753,535
Finance costs	**(386,228)**	(188,465)
Share of results of joint ventures	**(118,708)**	(14,117)
Depreciation of property, plant and equipment	**(14,171)**	(13,100)
Allowance for doubtful debts	**(711)**	(1,793)
Unallocated head office and corporate expenses	**(514,509)**	(498,728)
Consolidated profit before taxation	**3,324,825**	2,974,876

(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, GAINS AND LOSSES

	2014	2013
	RMB'000	*RMB'000*
Dividend income from available-for-sale investment	**1,958**	1,405
Interest income	**53,949**	38,898
Gain on disposal of certain investments at fair value through profit or loss *(note)*	**–**	100,000
Gain on disposal of property, plant and equipment, net	**837**	131
Gain on disposal of a joint venture	**80,243**	–
Gain on disposal of subsidiaries	**62,412**	–
Government grants	**39,058**	23,442
Forfeited deposits paid by purchasers	**2,742**	1,422
Sundry income	**5,405**	9,397
	246,604	174,695

Note: During the year ended 31 December 2013, 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 was therefore recognised.

4. FINANCE COSTS

	2014	2013
	RMB'000	*RMB'000*
Interest on bank and other borrowings and amounts due to non-controlling interests wholly repayable within five years	**(715,124)**	(824,451)
Interest on bank and other borrowings not wholly repayable within five years	**(48,887)**	(52,068)
Interest expense on senior notes	**(503,932)**	(221,828)
Interest expense on settlement of trust and other loans with derivatives nature	**(167,638)**	–
Less: Amount capitalised to properties under development for sale and investment properties under construction	**1,049,353**	909,882
	(386,228)	(188,465)

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

5. INCOME TAX EXPENSE

	2014	2013
	RMB'000	*RMB'000*
PRC Enterprise Income Tax:		
Current income tax	**(860,973)**	(447,639)
Overprovision in respect of prior years	**462**	5,183
	(860,511)	(442,456)
Land Appreciation Tax	**(472,916)**	(320,736)
	(1,333,427)	(763,192)
Deferred taxation	**8,190**	(170,551)
	(1,325,237)	(933,743)

6. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

	2014	2013
	RMB'000	*RMB'000*
Profit and total comprehensive income for the year has been arrived at after charging (crediting):		
Auditors' remuneration	**4,716**	4,592
Cost of properties sold included in cost of sales and services	**11,678,446**	7,991,166
Depreciation of property, plant and equipment	**14,171**	13,100
Gain on disposal of property, plant and equipment, net	**(837)**	(131)
Allowance for doubtful debts	**711**	1,793
Net exchange loss	**19,790**	12,592
Operating lease rentals in respect of land and buildings	**40,822**	38,730
Staff costs		
Directors' emoluments	**9,963**	8,850
Other staff costs		
Staff costs excluding retirement benefit costs	**368,599**	344,487
Retirement benefit costs	**32,495**	22,469
Equity-settled share based payment	**64,392**	43,575
Total staff costs	**465,486**	410,531
Less: Amount capitalised to properties under development for sale	**(148,995)**	(134,292)
	316,491	276,239
Rental income from investment properties	**(41,688)**	(47,732)
Less: Related outgoings	**9,488**	3,104
	(32,200)	(44,628)

7. DIVIDEND

	2014	2013
	RMB'000	*RMB'000*
Proposed final dividend – HK11 cents (2013: HK7 cents) per ordinary share	**524,572**	333,270

The Board recommends the payment of a final dividend for 2014 of HK11 cents (2013: HK7 cents) per share (the "Proposed Final Dividend"). The Proposed Final Dividend will be payable in cash but shareholders will have an option to receiving the Proposed Final Dividend in cash or in form of new fully paid shares of the Company in respect of part or all of such final dividend.

The Proposed Final Dividend for 2014 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 2014 is based on the profit for the year attributable to equity owners of the Company of approximately RMB1,861,149,000 (2013: RMB1,894,231,000) and the weighted average number of ordinary shares in issue during the year ended 31 December 2014 of 6,026,579,000 (2013: 5,818,504,000).

For the year ended 31 December 2014, 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 2014.

No adjustment has been made to the basic earnings per share amount presented for the years ended 31 December 2014 and 2013 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 with a range of 60 days to 180 days from the date of agreement. Rental income is paid by tenants within two months in accordance to tenancy agreement.

	2014	2013
	RMB'000	*RMB'000*
Trade receivables, net of allowance	**2,381,005**	1,607,235
Other receivables, net of allowance	**1,353,501**	1,038,705
Prepaid tax	**168,294**	239,300
Deposits and prepayments	**72,508**	261,117
	3,975,308	3,146,357

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:

	2014	2013
	RMB'000	*RMB'000*
Within 60 days	**1,675,839**	1,309,368
61–180 days	**407,496**	106,136
181–365 days	**100,776**	177,242
1–3 years	**196,894**	14,489
	2,381,005	1,607,235

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:

	2014	2013
	RMB'000	*RMB'000*
Balance at the beginning of the year	**(5,177)**	(3,384)
Increase in allowance	**(711)**	(1,793)
Balance at the end of the year	**(5,888)**	(5,177)

10. ACCOUNTS PAYABLES AND ACCRUED CHARGES

	2014	2013
	RMB'000	*RMB'000*
Trade payables	**2,448,235**	2,005,975
Other payables and accrued charges	**2,734,814**	3,134,537
	5,183,049	5,140,512

Trade payables 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 payables is 60 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

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

	2014	2013
	RMB'000	*RMB'000*
Within 60 days	**940,624**	1,086,287
61–180 days	**320,690**	66,811
181–365 days	**698,297**	740,890
1–2 years	**437,291**	41,495
2–3 years	**39,859**	58,166
Over 3 years	**11,474**	12,326
	2,448,235	2,005,975

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 2014.

Dividend

The Board recommended payment of a final dividend of HK 11 cents per share for the year ended 31 December 2014. The total final dividend for the year ended 31 December 2014 amounted to HK$662.9 million (approximately RMB524.6 million), representing a dividend payout ratio of approximately 27% of the core net profit attributable to equity owners.

Results

Despite the challenges faced by the China real estate sector in 2014, the Group sustained its growth in both scale and quality, and further achieved record highs in terms of sales and profits.

In 2014, the Group achieved contracted sales of RMB21.21 billion, representing an increase of 38.4% over RMB15.32 billion in the previous year. Despite the correction in the China real estate sector during the year, the Group's contracted sales in 2014 was close to the Group's yearly target set early in the year. In 2014, recognised revenue was RMB16,179.3 million, representing an increase of 35.9% over RMB11,909.2 million in the previous year. The Group's core net profit attributable to equity owners increased by 27.7% to RMB1,938.6 million in 2014 from RMB1,518.8 million in 2013.

The Group's gross profit margin and core net profit margin were 25.9% and 12.0% respectively in 2014, both of which remained stable compare to 25.8% and 12.8% respectively in 2013. The Group delivered a core return on average equity of 20.6% in 2014, compared to 20.0% in 2013.

Review of 2014

Market review

The real estate sector in China entered into a phase of correction in 2014. Historically, cyclical property prices in China due to its macro-economic environment and fluctuating government policies against the real estate market have caused the China real estate sector to undergo a market cycle every three to four years.

According to China National Bureau of Statistics, transaction volume of primary residential commodity properties in China in 2014 were 1,052 million sq.m., decreased by 9.1% on a year-on-year basis. During the year, structural imbalance of demand and supply in certain cities in China became apparent. Tighter bank liquidity and wait-and-see attitude of potential buyers further exacerbated the real estate market correction, especially in the first half of 2014. Transaction volume and prices for different cities and different developers have become divergent. Different cities have experienced different level of correction in both volume and prices. Real estate markets in 2014 for certain Chinese cities have declined remarkably compared to 2013.

With changes in supply-demand relationship of the housing market, central and local government of China since mid-2014 had promptly switched its policies towards the real estate sector, from restrictive controls to supportive measures. Due to clear supports from the Chinese government signified by lifting of home purchase restrictions in most cities (except first-tier cities), relaxed mortgage policies for first-time purchasers and upgraders without previous mortgage loans, and more importantly, cuts in interest rate and bank reserve requirements ratio, correction in primary residential prices have shown signs of bottoming since the fourth quarter of 2014.

Sales performance

Since the end of 2013, the Group had well anticipated the correction in the physical real estate market in China. In 2014, the Group implemented its "balanced development and sustainable growth" strategy and adopted proactive measures to outperform in a more challenging operating environment. In certain cities in China where property markets have been more resilient in 2014, the Group was aggressive in offloading its saleable resources in these cities. On the other hand, in certain cities in China where property sales volume and prices have been weaker, the Group adopted a more patient strategy by holding back its sell-through and defer its sales of such saleable resources to the following year. Overall, the Group strived to strike an optimal balance amongst volume, price and profit margin by adopting flexible and accurate sales strategies.

Despite a tighter and more challenging market environment in 2014, the Group outperformed the market by achieving growth both in terms of contracted sales and average selling price. In 2014, the Group's contracted sales and contracted GFA reached RMB21.21 billion and 1,733,200 sq.m. respectively, representing year-on-year growth of 38.4% and 21.4% respectively. The Group's contracted ASP in 2014 was approximately RMB12,235/sq.m., representing an increase of 14.1% from RMB10,725/sq.m. in 2013. Approximately 94% of the Group's contracted sales in 2014 were derived from first- and second-tier cities. The Group achieved a cash collection ratio of around 80% from its contracted sales during 2014.

The Group's contracted sales in 2014 were dispersed among more than 50 projects in 13 cities. During the year, the Group launched presale of 18 new projects, including:

- Shanghai Henderson CIFI Center;
- Shanghai CIFI Arthurshire;
- Shanghai Elite Mansion;
- Shanghai CIFI U Block;
- Shanghai Greenland CIFI E World Center;
- Shanghai CIFI Haishang International;
- Shanghai CIFI Shilu;
- Suzhou CIFI Apple Paradise;
- Hangzhou Greenland CIFI Glorious City;
- Hangzhou Henderson CIFI Palace;
- Chongqing CIFI City;
- Changsha CIFI International Plaza;
- Changsha CIFI Dream Mansion;
- Shenyang CIFI Private Mansion;
- Wuhan CIFI Private Mansion;
- Zhenjiang CIFI East One Place;
- Jiaxing CIFI Ronchamp Town; and
- Jiaxing CIFI Private Mansion.

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

CIFI was ranked 30th nationally in terms of contracted sales by value in 2014 according to the "China Real Estate Enterprises Top 100 Sales Ranking in 2014" jointly published by CRIC Information Group and China Real Estate Appraisal Center.

Profit margins

In 2014, the Group's profit margins remained stable. Effects of correction in selling prices in the physical markets on profit margins had been alleviated by (1) the Group's lower finance costs through its liability management exercise, (2) the Group's defensive and reasonable land prices, (3) product premium through the Group's improving quality and brand; and (4) more efficient selling and general administrative expenses.

Land acquisitions

When the China real estate market was undergoing correction in the first three quarters of 2014, the Group remained cautious in land acquisition and refrained from purchasing land with overly aggressive land costs. The Group became more proactive in land-banking in selected out-performing Chinese cities when the real estate market in these preferred cities showed signs of stabilizing in the fourth quarter of the year.

In 2014, the Group acquired interests in 10 new projects with an aggregate land consideration attributable to the Group of RMB6.0 billion. For land acquisitions made during the year, the Group placed strong emphasis in the two first-tier cities: Shanghai and Beijing, and made reasonable replenishments in selected prefer second-tier cities: such as Suzhou, Hefei and Nanjing. During the year, the Group successfully entered Nanjing, one of the top-notch Chinese cities with a resilient real estate market in this phase of correction and a long-awaited new city by the Group to complete its coverage in the Yangtze River Delta.

The Group continued utilising joint venture strategies in land acquisitions with a key objective of diversifying its financial exposure.

Upgrades in credit ratings and further breakthrough in liability management

In 2014, the Group continued to lower its funding costs, with an objective to match with its growth in scale. During the year, the Group made further breakthroughs in its liability management exercise.

Upgrades in credit ratings

- The Group was one of the very few privately-owned China Real Estate issuers which achieved upgrades in international credit ratings in 2014.

- In 2014, Fitch and Moody respectively upgraded our issuer's credit rating to "BB–" (with "Stable" outlook) and "Ba3" (with "'Stable" outlook) respectively; while in February 2015, Standard & Poor's also upgraded our issuer's rating to "BB–"(with "Stable" outlook). All three credit rating agencies unanimously upgraded our credit rating, reflecting CIFI's track record in sales execution, disciplined financial management and strong financial liquidity.

Offshore bond issues

- In January 2014, the Company issued a new 5-year US dollar senior notes due 2019 ("US Dollar Bonds Due 2019") with a principal amount of US$200 million at a coupon rate of 8.875%. Within less than a year, the Company successfully lowered its 5-year US dollar bonds issue cost from its inaugural issue coupon of 12.25% last year to less than 9%.

- In January 2015, the Company further issued the US Dollar Bonds Due 2019 with an additional principal amount of US$200 million. The issue price of this additional issue was 102% with an effective interest cost of approximately 8.3% per annum.

Syndicated project loans

- 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 offshore and onshore syndicated loan facilities. Such loans comprise (i) an offshore term loan facility with an aggregate amount of approximately US$320 million, with a final maturity of 3 years and interest rate of LIBOR or HIBOR plus 4% per annum; and (ii) an onshore term RMB project development loan facility with a facility amount of RMB1 billion, with final maturity of 3 years and interest rate of 106% times PBOC Base Rate per annum.

- In November 2014, the Group's 50:50 joint venture companies with Henderson China Properties Limited in respect of Shanghai Henderson CIFI Center project signed offshore and onshore syndicated loan facilities. Such loans comprise (i) an offshore HKD term loan with a facility amount of HK$1.44 billion, a final maturity of 3 years and interest rate of HIBOR plus 4% per annum; and (ii) an onshore RMB project development loan with a facility amount of RMB1.5 billion, a final maturity of 3 years and interest rate of 106% times PBOC base lending rate per annum.

Offshore syndicated loan

- In January 2015, the Company signed a new syndicated loan facility with an initial size of approximately US$120 million and a greenshoe option of an additional US$100 million. Such loan has a final maturity of 3 years and interest rate of LIBOR or HIBOR plus 4.75% per annum.

In the end of 2014 and the beginning of 2015, a few China real estate developers were reported to be involved in anti-corruption events in the PRC, thereby resulting in excessive volatility in offshore funding costs of China real estate corporate borrowers and severe cautiousness of the international capital markets against the sector. However, the Group remained relatively unaffected by such tightening in the offshore funding markets. Our emphasis in the past two years in diversifying our financing channels and penetrating into different funding markets (both onshore and offshore) have started to pay off. Since the end of 2014, we decisively captured the market window amid difficult offshore market and secured the above mentioned low-cost funding transactions to cater for our upcoming phase of development.

Prudent financial positions

Despite tighter onshore liquidity in China in most periods of 2014, the Group maintained good cash collection from its sales of properties. The Group's emphasis on first- and second-tier cities and its end-users driven product structure facilitated better disbursement for both onshore development loans and for mortgage loans to end-users.

As a result of better cash collection rate within the industry, cautious land acquisition spending, restrained pace of new construction and continued progress in liability management in 2014, the Group sustained a healthy financial position with its debt structure continued to improve due to lower interest costs, longer maturity, higher proportion of unsecured offshore debts and lower proportion of onshore non-bank borrowings.

As at 31 December 2014, the Group's:

- net debt-to-equity ratio was 58.2% (31 December 2013: 67.6%);
- total indebtedness remained stable at RMB13,861 million (31 December 2013: RMB13,374 million);
- cash-on-hand level remained high at RMB7,124 million (31 December 2013: RMB7,183 million);
- weighted average cost of indebtedness decreased to 8.3% (31 December 2013: 9.2%);
- proportion of short-term borrowings out of overall indebtedness remained low at 22% (31 December 2013: 22%);
- proportion of offshore indebtedness (unsecured) out of overall indebtedness increased to 38% (31 December 2013: 30%);
- proportion of onshore non-bank borrowings out of overall indebtedness reduced to 6% (31 December 2013: 19%).

As at 31 December 2014, unpaid committed land considerations attributable to the Group were approximately RMB2,854 million (versus cash-on-hand of approximately RMB7,124 million). The Group maintained a conservative and comfortable debt positions and off-balance sheet commitments.

Customer satisfaction and brand recognition

The Group is dedicated to improve its product quality and customer service to meet the ever-demanding preferences and needs by consumers. During the year, the Group launched its nationwide toll-free customer service hotline, offering one-stop compliant, maintenance and repair services to the purchasers of the Group's properties. Based on the customer satisfaction survey conducted annually by the third-party consultancy firm engaged by the Group, we recorded new highs in overall customer satisfaction in both property sales and property management services in 2014 compared to previous yearly ratings, evidencing that our brand recognition has further strengthened.

Product development

In line with its strategy to tap into the upgraders' market and to improve its profit margins, the Group is committed to enhance its product capabilities and to raise its proportion of fully-fitted residential products. During the year, the "CIFI Product Research Center" commenced operations and started its research and development of standardized full fitted residential product modules. This research center studies the application of a range of construction and fitting materials and simulates the corresponding customer experience on different residential unit layouts and configurations. It effectively strengthens the Group's product capabilities for future development.

Innovations

Despite the unchanged traditional "brick-and-mortar" nature of real estate industry, the Group acknowledges the need of the industry to embrace innovations to revolutionize its business process, to enhance sales channels, and to improve product designs and provision of value-added customer services.

In 2014, we pioneered the industry trend of utilizing mobile Internet and successfully developed and applied our "CIFI Wei-Sales" platform to facilitate third-party agency sales of our properties.

We are also at the forefront within the industry by applying institutional innovation to promote sense of ownership of our key management teams and to align their common interest with our shareholders. During the year, we started to implement management project co-investment scheme for certain pilot newly acquired projects. Under such project co-investment scheme, key frontline local management team at relevant city level as well as key management team at headquarters level (other than the Company's directors and their respective associates) are in-principle required to co-invest with the Group in the minority interest of project equity for new development projects, while other employees (other than the Company's directors and their respective associates) can also choose to co-invest in the project.

Outlook for 2015

Compared to the previous year, the Group's outlook for the industry in 2015 is more upbeat.

Macro-economic factors and real estate supply/demand situations

Despite the cyclical correction, long term housing demand remained intact in first- and second-tier cities in China due to sustained urbanization and migration of growing population into these big cities. This is further evidenced by the fact that the corrected primary residential transaction volume in 2014 were still generally above last bottom levels in 2011 during the past market cycle in most first- and second-tier cities in China, a sign reflecting long term uptrend demand unchanged.

Under the current administration of its central government, China is now undergoing a "new normal" phase of its macro-economy characterized by slower GDP growth coupled with more market-driven economic reforms. To stimulate the domestic economy, the central government is expected to adopt more monetary easing policies in 2015. The market widely anticipates further round(s) of interest rate and/or bank requirement ratio. These monetary easing measures will effectively improve the availability and affordability of mortgage loans and the sentiment for purchasing real estates. Further, the cumulative effects from loosening of home purchase restrictions, relaxation of the one-child policy and mortgage loans for upgraders will be very effective for releasing end-users' demand for property. We believe supply and demand of China real estates will become more balanced in the upcoming year.

We believe that different cities in China will experience different levels of recovery in 2015. Overall, in the first half of 2015, the real estate market in China will continue to be driven by inventory clearance carried over from last year. Accordingly, we expect transaction volume will initially only recover slowly with stable property prices. On the supply side, new construction started and land sales in most major cities declined significantly in 2014 due to the market correction. This points to an overall shrinkage in supply of new saleable resources to occur as early as in the second half of 2015, which could possibly drive a decent rebound in property prices by then. Inventory levels in first-tier cities were amongst the lowest in the nation with strongest recovery expected. Inventory levels in different second-tier cities vary but are generally higher than first-tier cities. Some second-tier cities with higher inventory levels require longer duration to absorb housing inventory will show slower recovery. Third-tier cities generally have the highest inventory levels and their recovery remains uncertain.

The Group's development strategy

The Group adopts the "balanced development and sustainable growth" strategy to pursue sustainable and quality growth. 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, profitability and shareholders' return, as well as financial prudence.

Navigating through the cyclical cycles of our industry, we emphasise on maintaining the appropriate rhythm for land acquisitions with precise product positioning as well as timely execution of development and sales. Based on our analysis of the current market landscape, we believe that 2015 will mark the beginning of a new market up-cycle. The land market at the early phase of market recovery usually offers low-risk opportunities for expansion. As we stayed defensive for landbanking and preserved significant amount of cash and debt capacity last year, we plan to proactively capture the ideal land acquisition window in 2015, with priority in the two first-tier cities, Shanghai and Beijing followed by outperforming second-tier cities such as Suzhou, Nanjing, Tianjin and Hangzhou. Our lean and clean land bank coupled with our asset-light development model and our reasonably low completed inventory level offer us burden-free advantage in future expansion over other real estate developers. As always, we will sustain our systematic, disciplined and prudent approach for landbanking. We will place priority on quality sites in better locations suitable for products targeted at self-use upgraders, the product segment which offers the best profit margin potential at the current round of market cycle.

We have already captured the opportunity especially in the fourth quarter of last year to acquire decent amount of land sites for supply of new saleable resources in 2015 at attractive land costs. Based on its existing available saleable resources within the year (excluding contribution from further new land acquisitions) and using conservative sell-through assumptions, the Group has set initial contracted sales target for the full year of 2015 at RMB25 billion, representing an increase of approximately 18% from the contracted sales in 2014. If the market recovers to the extent within or above our expectations in 2015 with decent rebounds in property prices, we may choose to sell more aggressively especially in the second half of 2015 to realize our investment returns.

We will continue to mitigate our business risks through lowering our exposures using joint ventures, maintaining balanced operating cash flows, lowering our finance costs and developing popular differentiating products in the mainstream end-users' segment.

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	**2014**	2013	**Year-on-Year Growth**
Contracted sales				
Contracted sales (RMB'million)		**21,206**	15,319	38.4%
Contracted GFA (sq.m.)	*1*	**1,733,200**	1,428,300	21.4%
Contracted ASP (RMB/sq.m.)		**12,235**	10,725	14.1%
Selected financial information				
Recognised revenue (RMB'million)		**16,179**	11,909	35.9%
Gross profit (RMB'million)		**4,187**	3,069	36.4%
Profit for the year (including fair value gains) (RMB'million)				
– Including non-controlling interests		**2,000**	2,041	-2.0%
– Attributable to equity owners		**1,861**	1,894	-1.7%
Core net profit (RMB'million)	*2*			
– Including non-controlling interests		**2,064**	1,510	36.7%
– Attributable to equity owners		**1,939**	1,519	27.7%
Selected balance sheet data				
Total assets (RMB'million)		**43,539**	39,106	11.3%
Bank balances and cash (RMB'million)	*3*	**7,124**	7,183	-0.8%
Total indebtedness (RMB'million)	*4*	**13,861**	13,374	3.6%
Total equity (RMB'million)		**11,583**	9,155	26.5%
Equity attributable to equity owners (RMB'million)		**10,205**	8,611	18.5%
Selected financial ratios				
Gross profit margin		**25.9%**	25.8%	
Core net profit margin	*5*	**12.0%**	12.8%	
Earnings per share (basic), RMB cents		**31**	33	
Core earnings per share (basic), RMB cents		**34**	26	
Average asset turnover ratio	*6*	**58.3%**	53.4%	
Return on average equity	*7*	**20.6%**	20.0%	
Net debt-to-equity ratio, at the end of year	*8*	**58.2%**	67.6%	
Weighted average cost of indebtedness, at the end of year	*9*	**8.3%**	9.2%	
Land bank (GFA, million sq.m.)				
Land bank (GFA, sq.m.), at the end of year				
– Total		**9.6**	9.2	
– Attributable		**7.4**	7.6	
Delivered GFA (sq.m.), during the year				
– Total		**1.4**	1.2	
– Attributable		**1.4**	1.2	
New land acquisition (GFA, sq.m.), during the year				
– Total		**1.3**	3.8	
– Attributable		**1.0**	2.7	

Notes:

1. "Contracted sales" includes sales by the Group's subsidiaries, joint ventures and associated company.

2. "Core net profit" excludes fair value changes, expenses relating to share option grants, interest expense on settlement of trust and other loans with derivative nature and net exchange losses, 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 assets 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 2014, the Group achieved contracted sales of approximately RMB21.2 billion, representing a growth of 38.4% as compared to 2013. The 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 2014, the Group contracted sales of approximately 1,733,200 sq.m. in GFA, representing an increase of 21.4% over the previous year. The Group's contracted ASP in 2014 was approximately RMB12,235/sq.m., representing an increase of 14.1% from RMB10,725/sq.m. in 2013.

Contracted sales from Yangtze River Delta, Pan Bohai Rim and Central Western Region contributed to approximately 64.5%, 24.6% and 10.9% of the Group's total contracted sales respectively. Contracted sales from first- and second-tier cities accounted for approximately 94.1% of the Group's total contracted sales whereas those from third-tier cities accounted for the remaining 5.9%. Contracted sales derived from residential projects contributed to approximately 85.0% whereas those from office projects contributed to the remaining 15.0%.

Cash collection from property sales by the Group's subsidiaries, joint ventures and associated company during the year represented around 80% of yearly contracted sales.

As of 31 December 2014, the Group's subsidiaries, joint ventures and associated company had approximately RMB16 billion contracted but unrecognised sales which formed a solid basis for Group's future growth in recognised revenue.

__Table 1: Details of contracted sales in 2014__

By project

Project	Primary intended use of the Project	Interest attributable to the Group	Contracted sales	% of total Contracted Sales	Contracted GFA	Contracted ASP
		(%)	*(RMB'000)*	*(%)*	*(sq.m.)*	*(RMB/sq.m.)*
Yangtze River Delta						
Shanghai Henderson CIFI Center	Residential	50.0	907,287	4.3	24,837	36,530
Shanghai Henderson CIFI Center	Office/Commercial	50.0	161,041	0.8	4,551	35,386
Shanghai CIFI Arthurshire	Residential	50.0	893,860	4.2	29,497	30,303
Shanghai CIFI City	Residential	100.0	796,621	3.8	60,941	13,072
Shanghai Elite Mansion	Residential	50.0	723,366	3.4	72,749	9,943
Shanghai CIFI U Block	Office/Commercial	100.0	670,863	3.2	43,925	15,273
Shanghai CIFI Jiangwan Mansion	Residential	75.5	626,042	3.0	14,574	42,956
Shanghai CIFI Samite Life	Residential	100.0	625,053	2.9	41,829	14,943
Shanghai CIFI Pujiang International	Office/Commercial	100.0	434,407	2.0	24,206	17,946
Shanghai Greenland CIFI E World Center	Office/Commercial	50.0	346,902	1.6	13,900	24,957
Shanghai CIFI Pleasant Garden	Residential	100.0	190,830	0.9	19,283	9,896
Shanghai CIFI Private Mansion	Residential	100.0	144,022	0.7	6,184	23,288
Shanghai CIFI Haishang International	Office/Commercial	53.0	143,332	0.7	3,657	39,199
Shanghai CIFI Luxury Courtyard	Residential	100.0	94,930	0.4	3,445	27,552
Shanghai CIFI Pebble Beach	Residential	100.0	92,775	0.4	7,250	12,796
Shanghai CIFI Shilu (Shanghai Hongqiao Xianfeng Village Project)	Residential	100.0	34,270	0.2	712	48,151
Shanghai CIFI Comfortable Joyous Bay	Residential	100.0	13,551	0.1	1,071	12,653
Suzhou CIFI Elegant City	Residential	100.0	950,916	4.5	107,700	8,829
Suzhou CIFI Private Mansion Usonian City Villa	Residential	49.0	597,428	2.8	49,212	12,140
Suzhou CIFI Luxury Courtyard	Residential	100.0	356,078	1.7	41,608	8,558
Suzhou CIFI Sunny Life	Residential	100.0	266,645	1.3	31,349	8,506
Suzhou CIFI Private Mansion	Residential	100.0	257,634	1.2	29,390	8,766
Suzhou CIFI Apple Paradise	Residential	51.0	79,178	0.4	10,631	7,448
Suzhou CIFI Canal County	Residential	100.0	62,086	0.3	4,375	14,192
Suzhou CIFI Ronchamp Town	Residential	100.0	6,665	0.0	583	11,435
Hangzhou Greenland CIFI Glorious City	Residential	50.0	2,080,609	9.8	93,314	22,297
Hangzhou Henderson CIFI Palace	Residential	49.0	301,345	1.4	36,123	8,342
Hefei CIFI Private Mansion	Residential	100.0	983,229	4.6	110,841	8,871
Hefei CIFI Central Park	Residential	100.0	19,999	0.1	2,470	8,096
Zhenjiang CIFI East One Place	Residential	100.0	205,433	1.0	35,334	5,814
Zhenjiang CIFI Times	Residential	100.0	90,161	0.4	13,094	6,886
Zhenjiang CIFI Times	Office/Commercial	100.0	73,887	0.3	7,005	10,548
Jiaxing CIFI Ronchamp Town	Residential	100.0	225,735	1.1	33,755	6,687
Jiaxing CIFI Private Mansion	Residential	100.0	129,962	0.6	17,241	7,538
Jiaxing CIFI Square	Residential	100.0	10,331	*	820	12,605

Project	Primary intended use of the Project	Interest attributable to the Group	Contracted sales	% of total Contracted Sales	Contracted GFA	Contracted ASP
		(%)	*(RMB'000)*	*(%)*	*(sq.m.)*	*(RMB/sq.m.)*
Pan Bohai Rim						
Beijing CIFI The Upper House	Residential	80.0	1,245,061	5.9	51,965	23,960
Beijing CIFI The Education Park	Office/Commercial	100.0	1,108,233	5.2	43,073	25,729
Beijing CIFI International Negotiate Garden	Office/Commercial	100.0	51,751	0.2	1,875	27,594
Beijing CIFI Olympic City	Office/Commercial	100.0	2,998	*	171	17,500
Tianjin CIFI Private Mansion	Residential	47.6	1,700,419	8.0	144,674	11,753
Tianjin CIFI Rosedale	Residential	100.0	407,068	1.9	56,651	7,186
Tianjin CIFI Paradise Bay	Residential	25.0	56,837	0.3	12,077	4,706
Shenyang CIFI Private Mansion	Residential	100.0	130,558	0.6	15,967	8,177
Langfang CIFI Path Walf	Residential	100.0	518,305	2.4	71,311	7,268
Central Western Region						
Chongqing CIFI City	Residential	100.0	569,823	2.7	78,702	7,240
Chongqing CIFI Fashion Tribe	Office/Commercial	100.0	247,364	1.2	31,852	7,766
Chongqing CIFI Langyuejun	Residential	100.0	114,415	0.5	21,142	5,412
Chongqing CIFI Private Mansion	Residential	100.0	85,419	0.4	13,836	6,174
Changsha CIFI Private Mansion	Residential	100.0	468,350	2.2	61,852	7,572
Changsha CIFI International Plaza	Residential	50.0	309,090	1.5	34,348	8,999
Changsha CIFI Dream Mansion	Residential	80.0	187,374	0.9	25,474	7,355
Changsha CIFI Luxury Courtyard	Residential	100.0	4,883	*	914	5,345
Wuhan CIFI Private Mansion	Residential	50.0	292,938	1.4	37,432	7,826
Carpark and others			108,455	0.5	32,379	3,350
Total			21,205,814	100.0	1,733,152	12,235

* *less than 0.1%*

By city

	Contracted sales	% of total contracted sales	Contracted GFA	Contracted ASP
	(RMB'000)	*(%)*	*(sq.m.)*	*(RMB/sq.m.)*
Shanghai	6,903,281	32.6	377,312	18,296
Suzhou	2,607,527	12.3	282,785	9,221
Beijing	2,409,252	11.4	97,393	24,738
Hangzhou	2,405,294	11.3	130,787	18,391
Tianjin	2,164,324	10.2	213,402	10,142
Chongqing	1,037,450	4.9	152,869	6,787
Hefei	1,021,169	4.8	120,894	8,447
Changsha	977,729	4.6	125,718	7,777
Langfang	518,305	2.4	71,311	7,268
Zhenjiang	371,959	1.8	55,467	6,706
Jiaxing	366,028	1.7	51,815	7,064
Wuhan	292,938	1.4	37,432	7,826
Shenyang	130,558	0.6	15,967	8,177
Total	21,205,814	100.0	1,733,152	12,235

By region

	Contracted sales	% of total contracted sales	Contracted GFA	Contracted ASP
	(RMB'000)	*(%)*	*(sq.m.)*	*(RMB/sq.m.)*
Yangtze River Delta	13,675,258	64.5	1,019,061	13,419
Pan Bohai Rim	5,222,439	24.6	398,072	13,119
Central Western Region	2,308,117	10.9	316,019	7,304
Total	21,205,814	100.0	1,733,152	12,235

By first-, second- and third-tier cities

	Contracted sales	% of total contracted sales	Contracted GFA	Contracted ASP
	(RMB'000)	*(%)*	*(sq.m.)*	*(RMB/sq.m.)*
First-tier cities	9,312,533	43.9	474,705	19,618
Second-tier cities	10,636,989	50.2	1,079,854	9,850
Third-tier cities	1,256,292	5.9	178,593	7,034
Total	21,205,814	100.0	1,733,152	12,235

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, Shenyang, Chongqing, Changsha, Hangzhou and Wuhan.

4. Third-tier cities refer to Zhenjiang, Jiaxing and Langfang.

Revenue recognised from sales of properties

Revenue recognised from sales of properties in 2014 was approximately RMB15,653.7 million up by 35.2% year-on-year, accounted for 96.8% of total recognised revenue. In 2014, the Group delivered approximately 1,416,900 sq.m. of properties in GFA, up by 14.4% year-on-year. In 2014, the Group's recognised ASP from sales of properties was approximately RMB11,047/sq.m., representing an increase of 18.2% from RMB9,346/sq.m. in 2013.

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

Table 2: Breakdown of recognised revenue from property sales in 2014

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.)*	
		2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
Shanghai CIFI City	Residential	2,074,122	–	13.3	–	166,725	–	12,440	–
Shanghai CIFI Samite Life	Residential	1,129,601	–	7.2	–	75,334	–	14,995	–
Shanghai CIFI Jiangwan Mansion	Residential	718,225	–	4.6	–	17,519	–	40,997	–
Shanghai CIFI U Block	Office/Commercial	670,863	–	4.3	–	43,925	–	15,273	–
Shanghai CIFI Private Mansion	Residential	475,914	311,220	3.1	2.7	29,404	19,210	16,185	16,201
Shanghai CIFI Pleasant Garden	Residential	309,755	–	2.0	–	32,228	–	9,611	–
Shanghai CIFI Pujiang International	Office/Commercial	234,527	1,319,767	1.5	11.4	13,616	73,845	17,224	17,872
Shanghai CIFI Luxury Courtyard	Residential	79,705	715,901	0.5	6.2	2,804	40,945	28,425	17,484
Shanghai CIFI Pebble Beach	Residential	66,929	148,411	0.4	1.3	5,375	7,638	12,452	19,431
Shanghai CIFI Comfortable Joyous Bay	Residential	15,247	1,160,782	0.1	10.0	1,201	114,723	12,695	10,118
Shanghai CIFI Rose Bay	Residential	–	400,071	–	3.5	–	25,473	–	15,706
Shanghai CIFI Hongqiao International	Office/Commercial	–	269,741	–	2.3	–	9,404	–	28,684
Shanghai CIFI Century Square	Office/Commercial	–	198,300	–	1.7	–	6,983	–	28,398
Shanghai CIFI Ronchamp Town	Residential	–	4,676	–	*	–	144	–	32,472
Suzhou CIFI Luxury Courtyard	Residential	1,913,699	–	12.2	–	227,380	–	8,416	–
Suzhou CIFI Private Mansion	Residential	723,638	–	4.6	–	86,185	–	8,396	–
Suzhou CIFI Canal County	Residential	62,086	1,418,269	0.4	12.2	3,778	157,715	16,434	8,993
Suzhou CIFI Ronchamp Town	Residential	6,670	380,435	*	3.3	583	48,353	11,441	7,868
Suzhou CIFI California Bay	Residential	–	5,450	–	*	–	322	–	16,925
Hefei CIFI Private Mansion	Residential	788,406	794,792	5.1	6.9	92,973	109,040	8,480	7,289
Hefei CIFI Central Park	Residential	22,003	132,078	0.1	1.1	4,677	17,856	4,705	7,397
Zhenjiang CIFI Times	Residential	138,437	753,432	0.9	6.5	18,364	76,564	7,538	9,841
Jiaxing CIFI Square	Residential	12,400	94,641	0.1	0.8	1,016	9,603	12,205	9,855
Beijing CIFI The Upper House	Residential	1,785,712	–	11.4	–	73,604	–	24,261	–
Beijing CIFI International Negotiate Garden	Office/Commercial	1,506,720	–	9.6	–	105,874	–	14,231	–
Beijing CIFI Olympic City	Office/Commercial	2,998	3,866	*	*	171	203	17,532	19,044
Beijing CIFI Private Mansion	Residential	–	464,914	–	4.0	–	21,714	–	21,411
Beijing CIFI Purple County	Residential	–	24,539	–	0.2	–	1,152	–	21,301
Langfang CIFI Path Walf	Residential	678,847	125,104	4.3	1.1	86,125	12,024	7,882	10,405
Tianjin CIFI Rosedale	Residential	777,503	–	5.1	–	102,902	–	7,556	–
Chongqing CIFI Fashion Tribe	Office/Commercial	411,894	–	2.6	–	50,700	–	8,124	–
Chongqing CIFI Langyuejun	Residential	115,422	758,334	0.7	6.5	21,269	122,563	5,427	6,187
Chongqing CIFI Ronchamp Town	Residential	84,226	1,039,257	0.5	9.0	13,607	181,003	6,190	5,742
Changsha CIFI Private Mansion	Residential	779,848	837,179	5.1	7.2	111,257	121,123	7,009	6,912
Changsha CIFI Luxury Courtyard	Residential	4,883	53,234	*	0.5	914	11,310	5,342	4,707
Changsha CIFI Upward Community	Residential	–	436	–	*	–	33	–	13,212
Carpark and others		63,404	164,328	0.4	1.4	27,429	49,957	2,312	3,289
Total		15,653,684	11,579,157	100.0	100.0	1,416,939	1,238,900	11,047	9,346

* *less than 0.1%*

By city

	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.)*	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
Shanghai	**5,778,522**	4,538,442	**36.9**	39.2	**389,492**	300,900	**14,836**	15,083
Beijing	**3,295,804**	552,031	**21.0**	4.7	**179,769**	37,000	**18,334**	14,920
Suzhou	**2,709,977**	1,817,477	**17.3**	15.7	**319,806**	208,500	**8,474**	8,717
Hefei	**810,409**	936,681	**5.2**	8.1	**97,650**	129,900	**8,299**	7,211
Changsha	**809,438**	900,130	**5.2**	7.8	**124,970**	136,400	**6,477**	6,599
Tianjin	**777,503**	–	**5.0**	–	**102,902**	–	**7,556**	–
Langfang	**678,847**	125,104	**4.3**	1.1	**86,125**	12,000	**7,882**	10,425
Chongqing	**640,104**	1,845,899	**4.1**	16.0	**95,645**	323,100	**6,693**	5,713
Zhenjiang	**140,680**	768,752	**0.9**	6.6	**19,564**	81,500	**7,191**	9,433
Jiaxing	**12,400**	94,641	**0.1**	0.8	**1,016**	9,600	**12,205**	9,858
Total	**15,653,684**	11,579,157	**100.0**	100.0	**1,416,939**	1,238,900	**11,047**	9,346

By region

	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.)*	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
Yangtze River Delta	**9,451,988**	8,155,993	**60.4**	70.4	**827,528**	730,400	**11,422**	11,166
Pan Bohai Rim	**4,752,154**	677,135	**30.4**	5.8	**368,796**	49,000	**12,886**	13,819
Central Western Region	**1,449,542**	2,746,029	**9.2**	23.8	**220,615**	459,500	**6,571**	5,976
Total	**15,653,684**	11,579,157	**100.0**	100.0	**1,416,939**	1,238,900	**11,047**	9,346

By first-, second- and third-tier cities

	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.)*	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
First-tier cities	**9,074,326**	5,090,473	**58.0**	43.9	**569,261**	337,900	**15,941**	15,065
Second-tier cities	**5,747,431**	5,500,187	**36.7**	47.6	**740,973**	797,900	**7,757**	6,893
Third-tier cities	**831,927**	988,497	**5.3**	8.5	**106,705**	103,100	**7,797**	9,588
Total	**15,653,684**	11,579,157	**100.0**	100.0	**1,416,939**	1,238,900	**11,047**	9,346

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, Tianjin, Chongqing and Changsha.

4. Third-tier cities refer to Zhenjiang, Jiaxing and Langfang.

Completed properties held for sale

During the year 2014, the total GFA of newly completed projects of the Group amounted to approximately 1.6 million sq.m. (2013: 1.5 million sq.m.). As at 31 December 2014, the Group had 27 completed properties projects with a total unsold or undelivered GFA of approximately 1.7 million sq.m..

Properties under development/held for future development

As at 31 December 2014, the Group had 42 property projects under development or held for future development with a total and attributable GFA of approximately 7.9 million sq.m. and 5.7 million sq.m. respectively.

PROPERTY INVESTMENT

Rental income

The Group's rental income in 2014 was approximately RMB41.7 million, down by 12.7% year-on-year. The decrease was primarily due to a temporary decrease in rental income from Jiaxing CIFI Square as a result of the moving out of department store tenant and re-leasing of such areas to retail shops.

Table 3: Breakdown of rental income in 2014

	2014		2013		
	Rental income	**% of Rental income**	Rental income	% of Rental income	**Rental income growth rate**
	RMB'000	***%***	*RMB'000*	*%*	***%***
Investment properties					
Jiaxing CIFI Square	**38,161**	**91.5**	45,258	94.8	-15.7
Other investment properties	**2,614**	**6.3**	807	1.7	223.9
Other non-investment properties	**913**	**2.2**	1,667	3.5	-45.2
Total	**41,688**	**100.0**	47,732	100.0	-12.7

Investment properties

As at 31 December 2014, the Group had 7 investment properties with a total GFA of approximately 180,700 sq.m. Out of such investment properties portfolio of the Group, 5 investment properties with a total GFA of approximately 91,100 sq.m. had commenced leasing, while the remaining was under development.

FINANCIAL REVIEW

Revenue

In 2014, the Group's recognised revenue was approximately RMB16,179.3 million, up 35.9% year-on-year. Out of the Group's total recognised revenue in 2014, (i) sales of property increased by 35.2% from the previous year to approximately RMB15,653.7 million; (ii) rental income decreased by 12.7% from the previous year; and (iii) property management and other property related service income increased by 71.5% 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 2014

	2014		2013		
	Recognised revenue	**% of Total recognised revenue**	Recognised revenue	% of Total recognised revenue	**Year-on-year change**
	RMB'000	***%***	*RMB'000*	*%*	***%***
Sales of properties	**15,653,684**	**96.8**	11,579,157	97.2	35.2
Rental income	**41,688**	**0.3**	47,732	0.4	-12.7
Property management income and other property related service income	**483,962**	**2.9**	282,273	2.4	71.5
Total	**16,179,334**	**100.0**	11,909,162	100.0	35.9

Cost of sales

The Group's cost of sales in 2014 was approximately RMB11,992.5 million, up 35.7% 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 2014 was RMB4,186.8 million, up 36.4% year-on-year. Our gross profit margin remained stable at 25.9% in 2014, compared to 25.8% in 2013.

Despite effects of correction in selling prices in the physical market on gross profit margin, the Group's stable gross profit margin in 2014 was primarily due to (i) lower capitalized interest cost through its liability management exercise, (ii) high proportion of recognised revenue from sales of office projects, which generally have higher gross profit margin compared to mass market residential projects and (iii) increased recognized ASP's of certain residential projects.

Fair value changes

Change in fair value of investment properties

In 2014, the Group recognised a fair value gain on investment properties of approximately RMB241.2 million as a corresponding gain in 2013 of approximately RMB753.5 million. The fair value gain on investment properties was mainly due to the appreciation of the overall capital value and/or rental values, as well as 3 new investment properties added to the Group's investment properties portfolio including completed and under development projects.

Change in fair value of trust and other loans related derivatives

In 2014, the Group recognised a fair value gain on trust and other loans related derivatives of approximately RMB4.0 million as compared to a corresponding gain in 2013 of approximately RMB3.0 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 3.5% to approximately RMB319.4 million in 2014 from RMB308.7 million in 2013. This increase was in line with the Group's new launch of more property projects available for pre-sale in 2014. During the year, the Group placed great emphasis on the effectiveness of sales execution and successfully controlled its selling expenses at an appropriate level.

Administrative and other expenses

The Group's administrative expenses increased by 3.1% to approximately RMB529.4 million in 2014 from RMB513.6 million in 2013. This increase was primarily attributable to increase in staff costs and other administrative expenses resulting from the Group's business expansion. During the year, the Group's administrative expenses were kept at a reasonable level due to implementation of stringent cost control and improvement in per capita efficiency.

Finance costs

The Group's finance costs expensed increased by RMB197.7 million or 104.9% to approximately RMB386.2 million in 2014 from RMB188.5 million in 2013. Such increase in total finance costs incurred was primarily attributable to the interest expense on settlement of trust and other loans with derivative nature of approximately RMB167.6 million. Save for this trust-loan related derivatives related accounting item, total finance costs, net of the portion being capitalised in properties under development, only increased by approximately RMB30.1 million. The Group's weighted average cost of all indebtedness (including bank loans, trust and other loans and senior notes) as at 31 December 2014 was 8.3%, compared to 9.2% as at 31 December 2013. The decrease in weighted average cost of indebtedness during the year was primarily attributable to the effective liability management exercise by the Group.

Income tax expenses

The Group's income tax expenses increased by 41.9% to approximately RMB1,325.2 million in 2014 from RMB933.7 million in 2013. 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 39.9% in 2014 from 31.4% in 2013, as a lower proportion of the Group's profit before taxation was derived from fair value gains relating to investment properties in 2014, for which no provision for LAT was required.

The Group made LAT provisions of approximately RMB472.9 million in 2014, versus RMB320.7 million in 2013. The Group made actual LAT payments of RMB314.5 million in 2014, versus RMB309.7 million in 2013. As at 31 December 2014, the Group had accumulated unpaid LAT provisions of RMB461.6 million.

Profit for the year

As a result of the factors described above, the Group's profit before taxation increased by 11.8% to approximately RMB3,324.8 million in 2014 from RMB2,974.9 million in 2013. The Group's profit and total comprehensive income for the year decreased by 2.0% to approximately RMB1,999.6 million in 2014 from RMB2,041.1 million in 2013. The Group's net profit attributable to equity owners decreased by 1.8% to approximately RMB1,861.1 million in 2014 from RMB1,894.2 million in 2013.

The Group's core net profit attributable to equity owners increased by 27.7% to approximately RMB1,938.6 million in 2014 from RMB1,518.8 million in 2013. The corresponding core net profit margin was 12.0% in 2014 and 12.8% in 2013.

The Group maintained its return on average equity at 20.6% in 2014 versus 20.0% in 2013.

LAND BANK

As at 31 December 2014, the total GFA of the Group's land bank was approximately 9.6 million sq.m., and the attributable GFA of the Group's land bank was approximately 7.4 million sq.m. As at 31 December 2014, average acquisition cost of the Group's overall land bank based on attributable GFA and attributable cost was approximately RMB4,400 per sq.m.

Table 5: Breakdown of the Group's land bank as at 31 December 2014

By property

Project	Primary intended use of the project	Remaining unrecognised/ Saleable / Rentable GFA remaining unsold (carpark excluded)	Interest attributable to the Group
		(sq.m.)	*(%)*
Completed properties			
Yangtze River Delta			
Shanghai CIFI Pujiang International	Office/Commercial	41,684	100.0
Shanghai CIFI Luxury Courtyard	Residential	8,596	100.0
Shanghai CIFI Comfortable Joyous Bay	Residential	399	100.0
Shanghai CIFI Pebble Beach	Residential	73,025	100.0
Shanghai CIFI Pleasant Garden	Residential	36,772	100.0
Shanghai CIFI City	Residential	17,375	100.0
Shanghai CIFI Samite Life	Residential	7,866	100.0
Shanghai CIFI Jiangwan Mansion	Residential	16,581	75.5
Shanghai CIFI U Block	Office/Commercial	10,875	100.0

Project	Primary intended use of the project	Remaining unrecognised/ Saleable / Rentable GFA remaining unsold (carpark excluded)	Interest attributable to the Group
		(sq.m.)	*(%)*
Suzhou CIFI Canal County	Residential	11,422	100.0
Suzhou CIFI Luxury Courtyard	Residential	31,620	100.0
Suzhou CIFI Private Mansion	Residential	12,415	100.0
Hefei CIFI Central Park	Residential	1,323	100.0
Hefei CIFI Private Mansion	Residential	220,127	100.0
Zhenjiang CIFI Times	Residential	37,840	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/Commercial	5,629	100.0
Beijing CIFI International Negotiate Garden	Office/Commercial	326	100.0
Beijing CIFI Private Villa Riverside Garden	Residential	68,896	80.0
Langfang CIFI Path Walf	Residential	221,175	100.0
Tianjin CIFI Rosedale Phase I	Residential	2,398	100.0
Central Western Region			
Chongqing CIFI Ronchamp Town	Residential	61,194	100.0
Chongqing CIFI Langyuejun	Residential	1,131	100.0
Chongqing CIFI Purple City	Office/Commercial	101,199	100.0
Changsha CIFI Luxury Courtyard	Residential	-	100.0
Changsha CIFI Private Mansion	Residential	162,900	100.0
Other			
Fuzhou CIFI Riverside	Residential	3,700	100.0
Carparks		477,324	
		1,721,292	

Project	Primary intended use of the project	Estimated Year of Completion	Site Area	Total GFA under development and held for future development (excluding carparks)	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	Residential	2015	30,200	38,500	29,497	50.0
Shanghai CIFI La Baie D'Evian	Residential	2016	189,800	24,500	–	100.0
Shanghai CIFI Haishang International	Office/Commercial	2015	18,300	19,600	3,657	53.0
Shanghai CIFI Haishang International	Investment properties	2015	–	45,400	–	53.0
Shanghai CIFI Shilu (Shanghai Hongqiao Xianfeng Village Project)	Residential	2015	3,200	5,400	712	100.0
Shanghai Henderson CIFI Centre (Shanghai Hongqiao Business District Project)	Residential, Office/ Commercial	2016–2017	84,800	170,600	29,388	50.0
Shanghai Greenland CIFI E Park (Shanghai Huacao Project)	Office/Commercial	2015	14,800	30,100	13,900	50.0
Shanghai Songjian District Jiuting Town Project	Office/Commercial	2016	41,500	106,300	–	45.0
Shanghai Elite Mansion (Shanghai Ginshan New Town Project)	Residential	2016	108,400	199,000	72,749	50.0
Shanghai Pudong District Yangjing Project	Residential	2017	87,200	40,000	–	49.0
Shanghai Pudong District Yangjing Project	Office/Commercial	2017		186,700	–	49.0
Shanghai Songjiang District Chedun Town Project	Residential	2017	103,900	103,900	–	35.0*
Suzhou CIFI Private Mansion Usonian City Villa	Residential	2015	42,900	108,800	72,002	49.0
Suzhou CIFI Elegant City	Residential	2015–2016	93,900	256,900	122,400	100.0
Suzhou CIFI Sunny Life	Residential	2015	32,700	79,900	41,449	100.0
Suzhou CIFI Apple Paradise	Residential	2015	42,400	88,000	10,631	51.0
Suzhou Gaoxin District Hushuguan Sunny Life South Project	Residential	2016	21,600	47,600	–	100.0
Suzhou Wuzhong District Tayuan Road Project	Residential	2016	68,000	149,500	–	100.0
Suzhou Industrial Park District Project	Residential	2017	68,000	108,700	–	100.0
Hangzhou Greenland CIFI Glorious City	Residential	2016	58,800	235,100	93,314	50.0
Hangzhou Greenland CIFI Glorious City	Office/Commercial	2016		31,000	–	50.0
Hangzhou Henderson CIFI Palace	Residential	2015	86,700	220,800	36,123	49.0

Project	Primary intended use of the project	Estimated Year of Completion	Site Area	Total GFA under development and held for future development (excluding carparks)	Pre-sold	Interest attributable to the Group
			(sq.m.)	*(sq.m.)*	*(sq.m.)*	*(%)*
Hangzhou Yuhang District Chongxian Xincheng No. 18 Site Project	Residential	2017	35,300	90,800	–	50.0
Hefei CIFI•Original Villa (Gaoxin District Project)	Residential	2016–2017	199,200	219,100	–	50.0*
Jiaxing CIFI Private Mansion	Residential	2015	24,400	77,000	17,241	100.0
Jiaxing CIFI Ronchamp Town (Xiuzhou New District Project)	Residential	2016	92,400	166,500	33,755	100.0
Zhenjiang CIFI East One Place (Dingmao New District Project)	Residential	2016	49,400	148,300	35,334	100.0
Nanjing Jiangning District Project	Residential	2017	17,300	52,000	–	100.0
Nanjing Pokou New District Project	Residential	2016	81,700	114,400	–	49.0
Pan Bohai Rim						
Beijing CIFI The Education Park	Office/Commercial	2015	30,800	86,600	78,473	100.0
Beijing MOMA CIFI Residence (Pinggu District Daxingzhuang Town)	Residential	2016–2017	73,400	132,200	–	50.0
Beijing Daxing District Huangcun Town Project	Office/Commercial	2017	46,900	94,800	–	27.0
Tianjin CIFI Rosedale Phase II	Residential	2015–2016	74,000	166,700	45,749	100.0
Tianjin CIFI Paradise Bay	Residential	2015–2016	65,500	163,000	19,877	25.0
Tianjin CIFI Private Mansion	Residential	2015–2017	165,200	322,300	181,574	48.0
Tianjin Binhai Industrial Office Project Phase I	Industrial office park	2017	262,300	307,700	–	100.0
Tianjin Binhai Industrial Office Project Phase II	Industrial office park	2017	168,500	168,500	–	100.0
Shenyang CIFI Private Mansion (Dongling District Project)	Residential	2015–2017	81,500	162,800	15,967	100.0
Central Western Region						
Chongqing CIFI Jade Mansion	Office/Commercial	2017	24,200	58,500	–	100.0
Chongqing CIFI City (Banan District Project)	Residential	2015–2017		448,200	78,702	100.0
Chongqing CIFI City (Banan District Project)	Office/Commercial	2015–2017	192,400	149,000	–	100.0
Chongqing CIFI City (Banan District Project)	Investment properties	2015–2017		44,300	–	100.0

Project	Primary intended use of the project	Estimated Year of Completion	Site Area	Total GFA under development and held for future development (excluding carparks)	Pre-sold	Interest attributable to the Group
			(sq.m.)	*(sq.m.)*	*(sq.m.)*	*(%)*
Changsha CIFI Dream Mansion	Residential	2016	41,500	148,800	25,474	80.0
Changsha CIFI International Plaza (Hualing Project)	Residential	2016	95,400	131,200	34,348	50.0
Changsha CIFI International Plaza (Hualing Project)	Office/Commercial	2016		136,800	–	50.0
Wuhan CIFI Private Mansion (Donghu Gaoxin District Project)	Residential	2015–2017	139,500	348,700	37,432	50.0
Other						
Carpark				1,639,600	2,080	
TOTAL Properties under development and held for future development				7,874,100	1,131,828	
GRAND TOTAL (Completed, under development and for future development)				9,595,392	1,131,828	

* *Joint venture in progress, interest attributable to the Group shown, reflects the equity after joint venture*

Land acquisition in 2014

During the year 2014, the Group purchased a total of 10 new projects, all of which were acquired through government-land auctions. During the year, the Group continued utilising equity joint ventures with property developers and financial investors to jointly develop the newly acquired projects.

Total planned GFA of the Group's land acquisition in 2014 amounted to approximately 1.3 million sq.m., out of which 1.0 million sq.m. were attributable to the Group's equity interests. Total contracted consideration of the Group's land acquisition amounted to approximately RMB9,744.4 million, out of which RMB5,994.5 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 2014 was approximately RMB7,480 per sq.m.

Table 6: The Group's land acquisition in 2014

City	Project	Primary intended use of the project	Group's equity interest	Site area	Planned GFA excluding carpark	Consideration	Attributable Consideration	Average land cost
			(%)	*(sq.m.)*	*(sq.m.)*	*(RMB)*	*(RMB)*	*(RMB/sq.m.)*
Land acquisition in 2014								
Zhenjiang	CIFI East One (Dingmao New District)	Residential	100.0	49,400	148,300	210,000,000	210,000,000	1,416
Beijing	MOMA CIFI New Project (Pinggu District)	Residential	50.0	73,400	132,200	778,000,000	389,000,000	5,885
Suzhou	Gaoxin District Hushuguan Sunny Life South Project	Residential	100.0	21,600	47,600	138,000,000	138,000,000	2,899
Hefei	CIFI Original Villa (Gaoxin District Project)	Residential	50.0*	199,200	219,100	1,165,360,000	582,680,000	5,319
Suzhou	Wuzhong District Tayuan Road New Project	Residential	100.0	68,000	149,500	630,000,000	630,000,000	4,214
Shanghai	Pudong District YangJing Project	Office/Commercial and Residential	49.0	87,200	226,700	4,175,000,000	2,045,750,000	18,416
Suzhou	Industrial Park District Project	Residential	100.0	68,000	108,700	1,190,000,000	1,190,000,000	10,948
Nanjing	Pokou District New Project	Residential	51.0	81,700	114,400	490,000,000	249,900,000	4,283
Nanjing	Jiangning District Project	Residential	100.0	17,300	52,000	339,000,000	339,000,000	6,519
Shanghai	Songjiang District Chedun Town Project	Residential	35.0*	103,900	103,900	629,000,000	220,150,000	6,054

* *Joint venture in progress, interest attributable to the Group shown, reflects the equity after joint venture*

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

The Group had bank balances and cash of approximately RMB7,093.7 million (2013: RMB7,060.7 million), pledged bank deposits of approximately RMB30.0 million (2013: RMB100.0 million) and restricted cash of RMB nil (2013: RMB21.8 million) as at 31 December 2014.

Indebtedness

As at 31 December 2014, the Group had outstanding total borrowings amounted to approximately RMB13,860.7 million (2013: RMB13,374.0 million), comprising bank loans, trust and other loans of approximately RMB9,503.8 million (2013: RMB10,154.1 million) and senior notes with an carrying amount of RMB4,356.9 million (2013: RMB3,137.9 million). As at 31 December 2014, the Group also had trust and other loans related derivatives of RMB nil (2013: RMB82.0 million). As at 31 December 2014, the Group had un-utilised banking facilities of RMB2,854.5 million (2013: RMB3,045.2 million).

Cost of borrowings

The Group's total finance costs expensed and capitalised in 2014 was approximately RMB1,435.6 million, representing an increase of 30.7% from RMB1,098.3 million in 2013. Such increase in total finance costs incurred was primarily attributable to the interest expense on settlement of trust and other loans with derivative nature of approximately RMB167.6 million. Excluding this trust-loan related derivatives related accounting item, total finance costs was RMB1,227.4 million in 2014, increased only by approximately RMB162.2 million or 15.2% compared to 2013. The increase in total finance costs incurred was due to higher average balance of indebtedness in 2014 versus 2013.

The Group's weighted average cost of all indebtedness (including bank loans, trust and other loans and senior notes) as at 31 December 2014 was 8.3%, compared to 9.2% as at 31 December 2013. The decrease in weighted average cost of indebtedness during the year was primarily attributable to the effective liability management exercise by the Group.

Foreign currency risk

The Group conducts its business primarily in Renminbi. The Group's certain bank deposits are denominated in Hong Kong dollars and United States dollars, and the 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 2014, the Group provided mortgage guarantees in respect of mortgage loans provided by the PRC banks to the Group's customers amounting to RMB2,761.5 million (versus 31 December 2013: RMB977.7 million).

During the year, the Group's joint venture companies in respect of the development Hangzhou Greenland CIFI Glorious City and Shanghai Henderson CIFI Center have utilised offshore and onshore bank loans. The Company provided guarantees on several basis covering its respective equity shares of outstanding obligations under the offshore and onshore bank loans incurred by the joint venture companies developing these projects. As at 31 December 2014, the Group's aggregate share of such guarantees provided in respective of loans incurred by these joint ventures amounted to approximately RMB1,997.3 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 58.2% as at 31 December 2014 versus 67.6% as at 31 December 2013. The Group's debt-to-asset ratio (total indebtedness divided by total assets) was 31.8% as at 31 December 2014 versus 34.0% as at 31 December 2013. The Group's current ratio (current assets divided by current liabilities) was 1.5 times as at 31 December 2014 versus 1.6 times as at 31 December 2013.

EMPLOYEES AND COMPENSATION POLICY

As at 31 December 2014, the Group had approximately 4,200 full-time employees in the PRC including Hong Kong, out of them, approximately 1,850 employees worked for the property development and property investment businesses and 2,350 in the 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 2014 of HK 11 cents (2013: 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 Friday, 17 April 2015 (the "2015 AGM"), the Proposed Final Dividend will be payable in cash but shareholders will have an option to receiving the Proposed Final Dividend in cash or in form of new fully paid shares of the Company ("scrip shares") in respect of part or all of such final dividend (the "Scrip Dividend Scheme").

The Scrip Dividend Scheme is conditional upon the passing of the resolution relating to the payment of final dividend at the 2015 AGM and the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be issued under the Scrip Dividend Scheme.

A circular containing details of the Scrip Dividend Scheme together with relevant election form will be dispatched to shareholders on or about Wednesday, 29 April, 2015. It is expected that the cheques for cash dividends or if scrip shares are elected, the certificates for the scrip shares will be sent on or about Thursday, 28 May 2015 to shareholders whose names appear on the register of members of the Company on Friday, 24 April 2015.

CLOSURE OF THE REGISTER OF MEMBERS

(a) For determining the entitlement to attend and vote at the 2015 AGM

The register of members of the Company will be closed from Monday, 13 April 2015 to Friday, 17 April 2015, 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 2015 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 Friday, 10 April 2015.

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

The register of members of the Company will be closed from Thursday, 23 April 2015 to Friday, 24 April 2015, 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 Wednesday, 22 April 2015.

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 contained in Appendix 10 to the Listing Rules as its own code of conduct of dealings in securities of the Company by Directors (the "Model Code"). Upon specific enquiries of all the Directors, each of them confirmed that they have complied with the required standards set out in the Model Code during the year under review.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, none of the Directors, 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. In particular, Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng, being the Executive Directors and the controlling shareholders of the Company declared that they did not engage in business that competed or might compete with the business of the Group during the year and they have complied with the undertakings given under the Deed of Non-competition as disclosed in the prospectus of the Company dated 13 November 2012. The Independent Non-executive Directors did not notice any incident non-compliance of such undertakings.

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 2015 AGM. The Company's annual results for the year ended 31 December 2014 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 2014 annual report will be despatched to shareholders of the Company and available on the above websites in due course.

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

Hong Kong, 10 March 2015

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.