

[For Immediate Release]



CIFI Holdings Announces 2014 Interim Results

Balanced Development, Sustainable Growth

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Contracted Sales Increased by 42.5% YoY to RMB10.2 Billion

Core Net Profit Attributable to Equity Owners Up by 12.0% YoY to RMB646 Million

Results Highlights and Outlook:

Strong Sales Performance in 1H2014; Outperforming Peers:

- Contracted sales grew by 42.5% YoY to RMB10.2 billion, and achieved 46% of annual sales target. Launched 9 new projects in 1H2014, with total of 43 projects contributing sales. Contracted ASP reached RMB12,500 per sq.m., up 25% and 17% respectively compared to those for 1H2013 and FY2013.
- Continued profit margin improvement: gross profit margin and core net profit margin improved to 26.4% and 12.9% respectively. Core net profit attributable to equity owners grew by 12% YoY to RMB646 million.

Prudent and Solid Financial Management; Debt Structure Modified:

- Gearing ratio remained stable; net gearing ratio was 71.1%.
- Cash-on-hand was RMB6.41 billion.
- Proportion of onshore trust and other non-bank borrowings decreased to 9% (31 Dec 2013: 18%). Proportion of unsecured offshore debt increased to 38% (31 Dec 2013: 31%).
- Average interest rate decreased to 8.7% (31 Dec 2013: 9.2%). Lengthen average duration of debts to 3.7 years (31 Dec 2013: 3.5 years).

Implemented “Balanced Development and Sustainable growth” Strategy; A Successful Industry Consolidator:

- Nationwide, well-balanced and high quality land bank: more than 60 projects in 13 cities, 3 major regions. As of 30 June 2014, total GFA was 9.5 million sq.m and attributable GFA was 7.5 million sq.m.
- Contracted sales were approximately RMB11.72 billion for the first seven months in 2014, completed approximately 53% of full year 2014 contracted sales target of RMB22 billion, and is fully confident to achieve full-year contracted sales target this year.

Financial Highlights:

	Six months ended 30 June (RMB'million)		
	2014 1H	2013 1H	Changes
Contracted Sales	10,200	7,156	+42.5%
Recognised Revenue	5,021	4,829	+4.0%
Gross Profit	1,323	1,220	+8.4%
Core Net Profit Attributable to Equity Owners	646	577	+12.0%

(13 August 2014 – Hong Kong) **CIFI Holdings (Group) Co. Ltd.** ("CIFI", or the "Group", HKEX Code: 884), one of the "Top 100 Real Estate Developers in China" and a company focused on the property development, property investment and property management business in the PRC, is pleased to announce its unaudited interim results for the six months ended 30 June 2014 ("the period").

Overall Results

During the period under review, the Group outperformed the market by achieving growth both in terms of contracted sales and average selling price. Contracted sales and contracted GFA reached RMB10.2 billion and 816,000 sq.m., respectively, representing year-on-year growth of 42.5% and 14%. Over 95% of the contracted sales were derived from first- and second-tier cities. The Group launched nine new projects in the first half of 2014, with 43 projects contributing sales. Contracted ASP reached RMB12,500 per sq.m., up 25% and 17% respectively compared to those for 1H2013 and FY2013.

The Group's recognised revenue was RMB5,021 million, representing a year-on-year increase of 4% over RMB4,829 million in the corresponding period in 2013. In the first half of 2014, contracted but unrecognised sales reached RMB16.2 billion. The Group achieved a cash collection ratio of 80% from contracted sales. Core net profit attributable to equity owners grew on year-on-year basis by 12% to RMB646 million from RMB577 million in the corresponding period in 2013. Gross profit margin and core net profit margin improved to 26.4% and 12.9% respectively.

Mr. Lin Zhong, Chairman and Executive Director of the Company, said, "In the first half of 2014, the Group implemented its "balanced development and sustainable growth" strategy. The Group has adopted proactive measures to outperform in a more challenging operating environment. Despite a tighter and more challenging market environment in the period, the Group outperformed the market by achieving growth both in terms of contracted sales and average selling price in the first half of the year. We aim to deliver better returns to shareholders."

Business Review

The Group's contracted sales in the period were dispersed among 43 projects in 11 cities. During the period, the Group launched pre-sale of nine new projects, including: Shanghai CIFI U Block, Shanghai CIFI Arthur Shire, Shanghai Elite Mansion, Shanghai Greenland CIFI E World Center, Chongqing CIFI City, Changsha CIFI Dream Mansion, Jiaying CIFI Private Mansion as well as Hangzhou Greenland CIFI Glorious City and Hangzhou Henderson CIFI Palace (which were launched in the year-end of 2013). The Group also continued to record contracted sales in other 34 projects

the pre-sale of which started in previous year(s). In the first half of 2014, the total GFA of properties newly commenced construction by the Group was approximately 1.5 million sq.m.

In the first half of 2014, the Group believed that land prices in first- and second-tier cities in China had yet to reflect the correction in the physical real estate market, and thus has refrained from purchasing land with overly aggressive land costs. From January to July 2014, the Group only acquired interests in 5 land sites with one each in Beijing, Hefei and Zhenjiang and two in Suzhou with a total contracted attributable consideration of RMB1.95 billion. The Group continued utilising joint venture strategies in land acquisitions with a key objective of diversifying its financial exposure.

As at 30 June 2014, the total GFA of the Group's land bank was approximately 9.5 million sq.m., and the attributable GFA of the Group's land bank was approximately 7.5 million sq.m. Average acquisition cost of the Group's overall land bank was approximately RMB3,800 per sq.m.

Continued to Strengthen Financial Management

Entering into 2014, the Group made further breakthroughs in its liability management exercise. In January 2014, the Group issued a new 5-year US dollar senior notes with a principal amount of US\$200 million at a coupon rate of 8.875%. Within less than a year, the Group successfully lowered its 5-year US dollar bonds issue cost from its inaugural issue coupon of 12.25% last year to less than 9%.

As a result of better cash collection rate within the industry, cautious land acquisition strategy and continued strengthening of financial management, the Group sustained a healthy financial position with improving debt structure due to lower interest costs, longer duration, higher proportion of unsecured offshore debts and lower proportion of onshore non-bank borrowings.

Outlook

Since the end of 2013, the Group had well anticipated the current phase of correction in the physical real estate market in China. The Group's yearly contracted sales target were conservatively set based on our abundant saleable resources comprising mostly small-to-mid sized, end-user driven products which are generally more resilient and easier to achieve sell-through in a less favourable market environment. For the seven months ended 31 July 2014, the Group completed approximately 53% of its full year 2014 contracted sales target of RMB22 billion, one of the highest completion rates of yearly target amongst industry peers. The Group is fully confident that it will achieve its full-year contracted sales target this year.

Since the beginning of 2014, in certain outperforming cities in China where the property sales volume and prices have been more resilient, the Group has been aggressive in offloading its saleable resources in these cities. On the other hand, in certain slow and bottoming cities in China where property sales volume and prices have been weak, the Group has been adopting a more patient strategy by holding back its sell-through and deferring such saleable resources to next year.

Overall, the Group strives to strike an optimal balance amongst volume, price and profit margin by adopting flexible and accurate sales strategies. The Group remained cautious in land acquisition and has fine-tuned the Group's pace of construction in order to control its capital expenditure and to preserve cash.

Mr. Lin Zhong remarked, "Under the current government policy in China, administrative intervention has been reduced and it is more likely to adopt a market-oriented policy approach to resolve the current demand and supply imbalance of the real estate market. Thus, the current phase of market correction may not be completed within a short period of time. However, given the sustained urbanization and population inflow into large cities in China, the Group believes that industry divergence and market consolidation will continue and may be regarded as opportunities rather than risks for the Group. Leveraging our renowned brand and enhanced product structure, prudent and sound financial management along with flexible and creative sales strategies, the Group is confident that it will be able to navigate through challenging times, adapt to the market cyclical changes and ultimately emerge as an industry winner and to deliver better returns to shareholders."

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About CIFI Holdings (Group) Co. Ltd.

CIFI Holdings (Group) Co. Ltd., headquartered in Shanghai and one of China's Top 50 Real Estate Developers in terms of sales revenue, is engaged in the property development, property investment and property management businesses in the PRC. CIFI is a strategy-oriented and shareholder value-focused real estate enterprise. The Company develops its business strategies in line with government policies related to the real estate sector in the PRC. In the area of residential property development, CIFI principally focuses on developing residential properties with small-to-medium unit sizes, comfortable living environments and locations with good public transportation links. In the area of commercial property development, CIFI principally focuses on developing commercial properties for sale. From 1st June, 2013, CIFI has been included in the MSCI Global Small Cap Indices.

To learn more about the Company, please visit CIFI's website at: <http://www.cifi.com.hk>

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