

[For Immediate Release]



CIFI publishes its first standalone ESG report, highlighting five key accomplishments

CIFI implements corporate responsibilities in five key aspects, including green buildings, construction with quality, compliance and integrity, staff welfare and philanthropy

(8 July 2020 – Hong Kong) **CIFI Holdings (Group) Co. Ltd.** ("CIFI" or the "Group", HKEx stock code: 884), a leading real estate developer engaged in the property development and investment business in the first-, second- and robust third-tier cities in China, published a standalone ESG report for the first time and early adopted comprehensive disclosure requirements from HKEx's ESG reporting guideline, marking the Group's leapfrog improvement in the level and richness of disclosure.

CIFI has been dedicated to playing a leading role in the practice of corporate social responsibility and seeking breakthrough in its ESG indicators. In 2019, CIFI established ESG Management Committee and ESG Work Group to advance the Group's sustainable development through committed efforts in environmental protection, social responsibility and governance capacities. The Group commits the mission of "building for a better life", and constantly pursue quality development and improvement in corporate governance capacity.

Its ESG report demonstrates the Group's praiseworthy efforts in implementing corporate responsibilities in five key aspects, namely **green buildings, construction with quality, compliance and integrity, staff welfare and philanthropy**, and commitment to long-term sustainable development.

Green buildings have been the focus of CIFI's ESG investing practice. The Group brings full play to its expertise and enforces the green concept throughout its process from product design, construction to supply chain management. Besides, it actively engaged in the development and application of the green building system, and has stipulated the standard of greenness and health for residential and office projects, which offers guidance on delivery of green and healthy buildings. In 2019, CIFI obtained a total of 15 green building certifications. Specifically, the Metropolis Mansion project in Hangzhou was granted with BREEAM four-star rating, and there were two other projects certified with China Health Building Label.

CIFI has been consistently carrying out the management philosophy of "quality our top priority". The Group is certified by the ISO9001 quality management system and has set up an all-rounded quality management system to ensure high-quality delivery of its projects. It enforces "lifetime accountability" system to assure construction quality and has defined five key responsible parties for "geological survey, design, supervision, construction and contracting" respectively and refined

the management system of construction records. In 2019, CIFI added the indicator of client satisfaction rate into the performance evaluation of the heads of regional offices. In this way, the staff put quality management as top priority and seek to assure premium product quality. CIFI's all-rounded quality assurance efforts are highly acclaimed within the industry. Its projects have won multiple prizes, such as the Tien-yow Jeme Civil Engineering Prize, BALI National Landscape Award and the International Property Awards etc. In particular, CIFI earned 57 titles at the 15th Kinpan Awards, and retained the first place in the master tally.

By combining regulations and corporate culture, CIFI has compiled a series of audit and supervision regulations, and established a sound anti-fraud system. Meanwhile, work procedures and accountability are implemented to avert power vacuum and ensure the Group's lawful and compliant operation. It launched the WeChat public account— "CIFI Anti-Corruption" in 2019, the public account regularly pushes updates about the Group's integrity campaign and cases of warning and offers a channel for online reporting, so as to raise its employees' awareness of anti-corruption. At the end of 2019, the Group was named an "Advanced Unit" in the national enterprise anti-fraud campaign for its outstanding performance in internal audit, supervision and anti-fraud efforts. The Group also earned recognition from the capital market for its highly acclaimed corporate governance capacity. Specifically, it won titles such as China's Top 50 Boards of Directors by the *Fortune China*, and the Best Corporate Governing Body and Best ESG Metrics in Asia by the *Institutional Investor*.

CIFI's special attention to employees' health and safety are embodied in all aspects of its governance. In addition to strict compliance with national mandatory regulations regarding production safety, the Group has prepared and implemented many guidelines on safety management, strict standards about on-site inspection and management of compliant construction, safety and health, and environmental protection, as well as each party's responsibilities and power in safe and compliant construction. At the same time, the Group endeavors to be named the "national / provincial / municipal safety and compliance demonstration construction site", and includes corresponding mechanism into its project incentive & penalty system. The ESG report reveals that no major construction safety or quality accident was reported among CIFI's projects in 2019. In addition, 34 projects were named government's demonstration construction sites, and 29 projects won provincial or above level honors. It's worth mentioning that CIFI has been named the "Best Employer-China" by Aon Hewitt China for three consecutive years since 2017, the one and only company within the industry to win the title for three consecutive years.

Abiding by the philosophy of "altruism through philanthropy", CIFI has been consistently committed to philanthropy in areas such as repaying hometown and subsidizing education for many years, making all-out contribution to pandemic and disaster relief, and striving for better life. Up to now, CIFI has made aggregated donations worth over RMB 300 million. When the COVID-19 pandemic broke out at the beginning of 2020, CIFI granted RMB 20 million as the containment and relief fund to combat the disease. Meanwhile, the Group's leasing apartments, commercial properties and education businesses also has waived the rent and relevant costs and offered special discounts to medical workers, through which it joins hands with all parties to weather through the tough time.

Mr. Lin Zhong, Chairman of CIFI Holdings' Board of Directors, said: "We are facing an era that full of uncertainties and volatilities, a successful enterprise is not only about improvements on short-term financials, but more about its potential of and dedication to sustainable development. In response to customers' needs and creating values to our employees, CIFI will continue to uphold its environmental accountability and repay the society with its accomplishments going forward. Looking ahead, CIFI will continue to fuse the ESG element into corporate strategies, endeavor to add presence in key EGS indexes, and strive to develop itself into a sustainable centenary group as a benchmark of an ESG elites within the real estate industry."

- End -

About CIFI (Group):

Headquartered in Shanghai, CIFI is one of China's top real estate developers. CIFI principally focuses on developing high-quality properties in first-, second- and selective third-tier cities in China. CIFI develops various types of properties, including residential, office and commercial complexes.

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

For more information, please contact:

iPR Ogilvy
Gary Li / Ada Chew / Sisi Sheung
Tel: +852 2136 6185
Email: cifi@iprogilvy.com