

[Press Release]



**Lianhe upgrades CIFI's global scale long-term issuer credit rating to 'BBB-'  
Issuer rating outlook stable**

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**High-quality land bank and strong execution,  
stable profitability and financial leverage**

(21 October 2020 – Hong Kong) CIFI Holdings (Group) Co. Ltd. ("CIFI" or the "Group", HKEx stock code: 884), a leading real estate developer and investor in first-, second- and robust third-tier cities in China, is pleased that Lianhe Ratings Global Limited ("Lianhe"), an international credit rating company, has upgraded CIFI's global scale long-term issuer credit rating to "BBB-" from "BB+" and the outlook is stable. The upgrade reflects CIFI's leading position in the Chinese property developer market, a track record of prudent operating performance, consistent profitability and financial leverage, and financial discipline demonstrated in the past years. The move is a recognition of the Group's outstanding performance.

Lianhe rating report expected that CIFI will continue expanding its franchise, diversifying revenue source, and replicating the success in the Yangtze River Delta region to continue expanding and deepening its footprint nationally by formulating the strategy of centralized financing, investing and decision-making platform while delegating its project management to the seven decentralized regional teams and offices to streamline the operation to achieve a high efficiency.

Lianhe stated that CIFI reported contracted sales of over RMB80 billion in 1H2020 despite the COVID-19 outbreak in early 2020 and achieved a single-month record-high contracted sales of RMB25 billion in June 2020. CIFI was ranked 18th in terms of gross contracted sales by CRIC in the 1H2020 which placed it among the top 20 leaders of the Chinese property market and ranked among the top 10 players (mostly) within the company's top 10-city coverage which further solidifies its market leader position.

The report also stated that CIFI's high-quality land bank covers over 60 cities helps reducing its policy risk. Together with its strong execution, Lianhe believed that the Group would be able to maintain its gross margin and profitability in the next 12 to 18 months even under the pressure of increasing land-banking expenses.

Furthermore, Lianhe believed that CIFI's management is mindful of cost control and the use of financial leverage while growing a national franchise and delivering projects by their preset metrics. Its attributable land bank of 27.7 million square meters at end-June 2020 was sufficient to support the company's growth target for the next three years. This allows a flexible headroom of land acquisition targets, therefore aggressive land-banking through increasing financial leverage is hence unlikely.

Mr. Lin Zhong, Chairman of CIFI, said "We welcome the upgrade of our global scale long-term

issuer credit rating by Lianhe. The move is the capital market's recognition of CIFI's excellent business and financial performance. Looking ahead, CIFI will continue to achieve efficient and high asset-turnover operating strategies to consolidate our leading position in the Chinese property market and generate encouraging return to our shareholders."

Lianhe is an international credit rating company that provides credit ratings to corporations, banks, non-bank financial institutions, local government financing vehicles, and other asset classes around the globe. Lianhe also provides credit risk research and other services related to credit ratings.

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**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 select third-tier cities in China. CIFI develops various types of properties, including residential buildings, offices and commercial complexes.

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

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