



CIFI's corporate family rating (CFR) upgraded to 'Ba2' and senior unsecured debt rating on its existing notes upgraded to 'Ba3' by Moody's Outlook Stable

(26 November 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 Moody's Investors Service ("Moody's") has upgraded the corporate family rating (CFR) of CIFI Holdings (Group) Co. Ltd. to Ba2 from Ba3 and upgraded the senior unsecured debt rating on its existing notes to Ba3 from B1. The outlook is stable. This reflects CIFI's business development, management efficiency, and credit quality improvement in recent years have been recognized by Moody's.

Moody's rating report expected that CIFI's credit metrics will improve over the next 12 to 18 months, supported by strong revenue growth and controlled debt growth. Moody's believed that with CIFI's more geographically diversified operations and continued strong access to funding, will enable the Group to deliver solid business growth over the next 12 to 18 months.

The report stated that CIFI contracted sales grew 12% to RMB174.4 billion in the first ten months of 2020, despite the negative impact on sales from coronavirus outbreak, especially in the first half of the year. This reflects the Group's ability to execute its property development strategy, which is focused on catering to the housing demand from upgraders in key tier-1 and tier-2 cities in China.

Moody's expected that CIFI's sizable salable resources, strong sales execution and solid housing demand in the Group's core markets will enable the Group to further grow its contracted sales to RMB220 billion to RMB240 billion over the next 12 to 18 months. The Group's EBIT/interest will also improve to 3.1x to 3.6x from 2.5x over the same period, driven by higher earnings and declining interest costs.

Furthermore, as CIFI continues to demonstrate prudent financial management with a balanced debt maturity profile and solid balance sheet liquidity, Moody's believed that CIFI's debt will improve to 65%-75% over the next 12 to 18 months, from 46% for the 12 months ended June 2020, driven robust revenue recognition on the back of the company's strong contracted sales over the past two to three years, as well as its disciplined approach to pursuing growth and controlling debt increase.

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Mr. Lin Zhong, Chairman of CIFI, said "We welcome the upgrade of our corporate family rating

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and senior unsecured debt rating by Moody's. The move is the capital market's recognition of CIFI's achievements. CIFI raised funds prudently in the offshore capital markets in 2020. The newly issued long-term US dollar debts exceeded 5-year maturity, effectively extending the average debt maturity and lowering the average financing costs. It fully reflects the recognition of credit quality of CIFI by the investors.

“Moreover, under the new 'three red lines' rules, the debt control by real estate companies will benefit the long-term and healthy development of the industry. Looking ahead, as a leading real estate developer, CIFI will continue to implement prudent financial policies to improve our credit quality and generate encouraging return to our shareholders”, Mr. Lin said.

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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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