



Green Finance Report

About the Report

CIFI has been committed to promoting the philosophy of green growth, and developed the "green competitiveness" with its accumulated experiences in green buildings, visible construction, green finance, etc.

This report (the "Report") is the second green finance report published by CIFI Holdings (Group) Co. Ltd. (SEHK: 00884, hereinafter referred to as "CIFI" or "we").

This Report is prepared with reference to the Green Finance Framework published by CIFI in April 2020, reporting the use of proceeds and the environmental impacts generated from CIFI's green financing and the management and allocation of those proceeds during the period from 1 January 2021 to 31 December 2021.

Our ESG Working Group supervises and implements the relevant provisions of the Green Finance Framework, and regularly reports to the ESG Management Committee on the use of proceeds for and environmental impact on the eligible green projects. We will continue to explore diversified green financing approaches to facilitate the green growth of CIFI. For further information about our "green actions", please visit CIFI's official website (www.cifi.com.cn) or Environmental, Social and Governance Report.

Contents

01	Commitment to Sustainable Development	02
02	Eligible Green Project Standards	04
03	Allocation of Proceeds Report	06
04	Eligible Green Projects	08
05	Independent Practitioner's Assurance Report	12





Commitment to Sustainable Development

Build upon the corporate mission of "Building for a Better Life" and formulate strategies for our sustainable development.

Under the guidance of the United Nations 2030 Sustainable Development Goals (SDGs), we interpret "better life" as "quality life", "green life", "wonderful life" and "harmonious life", and integrate sustainable development elements to the processes of our operation and business decision-making with an effort to facilitate our sustainable development and realise infinite possibilities of better lives.

Pursue for higher green building standards and make commitment to sustainable development.

As a part of our efforts to strike a balance between product competitiveness and environmental impact of the a building's entire life cycle, we require that all of our residential products to meet the standard of at least one-star green building, and all new commercial complex projects to meet the standard of two-star green building, striving to transform us into a low-carbon, efficient and sustainable enterprise. In 2021, the completed GFA that met the green building standard was 16,155,760 sq.m., representing 76.8% of the total completed GFA. Among them, 34 projects have been certified as green buildings.

Integrate the sustainability philosophy into our financing mechanism and drive the positive cycle of corporate growth and sustainable development.

We strive to obtain green financing through diversified channels such as green bonds and green loans, which will be served as the key support for building our "green" competitiveness. We will invest in eligible green projects, covering the areas of green buildings, clean transportation, energy efficiency, renewable energies, water management, waste treatment, and climate change adaptation.

Our exploration and practices on sustainability lead us to achievements and recognitions.





Looking forward, CIFI will continue to advocate and undertake the philosophy of responsible development, take the sustainable development as a stepby-step systematic project and a long-term planning, and remain steadily on the path for pusuing green, low-carbon, high-quality and sustainable development.


Details of the Green Bonds and Green Loan

As at 31 December 2021, we had issued three USD green bonds and obtained one HKD green loan. We have invested the proceeds from green financing into eligible green projects to improve our performance in environmental protection and promote the low-carbon urban development.

 Post-issuance Stage Certificate No.: CC 7349	Category	Green Bonds
	ISIN	XS2205316941
	Size	USD500 million
	Duration	5.25 years
	Issue Date	20 July 2020
	Maturity Date	20 October 2025
	Coupon Rate	5.95%
	Certification/Recognition	HKQAA ¹ Green Finance Certification (Post- issuance Stage)

 Overall Score E1/86	Category	Green Bonds
	ISIN	XS2342908949
	Size	USD350 million
	Duration	5.25 years
	Issue Date	17 May 2021
	Maturity Date	17 August 2026
	Coupon Rate	4.45%
	Certification/Recognition	S&P green transaction evaluation score E1/86

 Overall Score E1/86	Category	Green Bonds
	ISIN	XS2342499592
	Size	USD150 million
	Tenor	7 years
	Issue Date	17 May 2021
	Maturity Date	17 May 2028
	Coupon Rate	4.80%
	Certification/Recognition	S&P green transaction evaluation score E1/86

 Pre-issuance Stage Certificate No.: CC 7606	Category	Green Loan
	Size	HKD2.798 billion ²
	Term	3.5 years
	Transaction Date	16 July 2021
	Certification	HKQAA ¹ Green Finance Certification (Pre- issuance Stage) The Best Green Syndicated Loan (real estate sub-category) of the Sustainable Capital Markets Awards 2021 by the Asset

Notes:

- Hong Kong Quality Assurance Agency
- HKD2.798billion green loan has been converted to USD 358,718,000

Eligible Green Project Standards

As of 31 December 2021, the proceeds from CIFI's three green bonds with the aggregate amount of USD1 billion and one green loan of HKD2.798 billion had been allocated to the eligible green projects, the details of which are stated in the section "Allocation of Proceeds Report" of this Report. The eligible green projects include the residential projects or commercial projects under construction or in operation by 31 December 2021.

Definition of eligible green projects

- LEED minimum certification of Gold;
- BEAM Plus minimum certification level of Gold;
- BREEAM minimum certification level of Excellent;
- BCA Green Mark minimum certification level of Gold; or
- Green Building Label (GBL) minimum certification level of 2 stars.

Among them, the Assessment Standard for Green Building (GB/T 50378-2014) is the main reference standard for the design of residential and commercial product lines of CIFI. The Assessment Standard for Green Building (GB/T 50378-2014) is a voluntary third-party certification standard prepared by the Ministry of Housing and Urban-Rural Development of China, which is used to evaluate residential buildings and public buildings such as office buildings and shopping malls.

Six major indicators for the evaluation system

- Land saving and the outdoor environment
- Energy saving and energy utilisation
- Water saving and water resources utilisation
- Material saving and material resources utilisation
- Indoor environment quality
- Operations management (residential buildings), life-cycle integrated performance (public buildings)

LEED, a voluntary and third-party building certification standard developed by the United States Green Building Council (USGBC), is the main reference for CIFI to benchmark the standard adopted by the international peers.

Aspects included in the standard

- Evaluate the environmental performance from a whole-building perspective over a building's life cycle;
- Provide a definitive standard for what constitutes a "Green Building";
- Enhance environmental awareness among architects and building contractors;
- Encourage the design and construction of energy-efficient and water-saving buildings that use sustainable or green resources and materials.



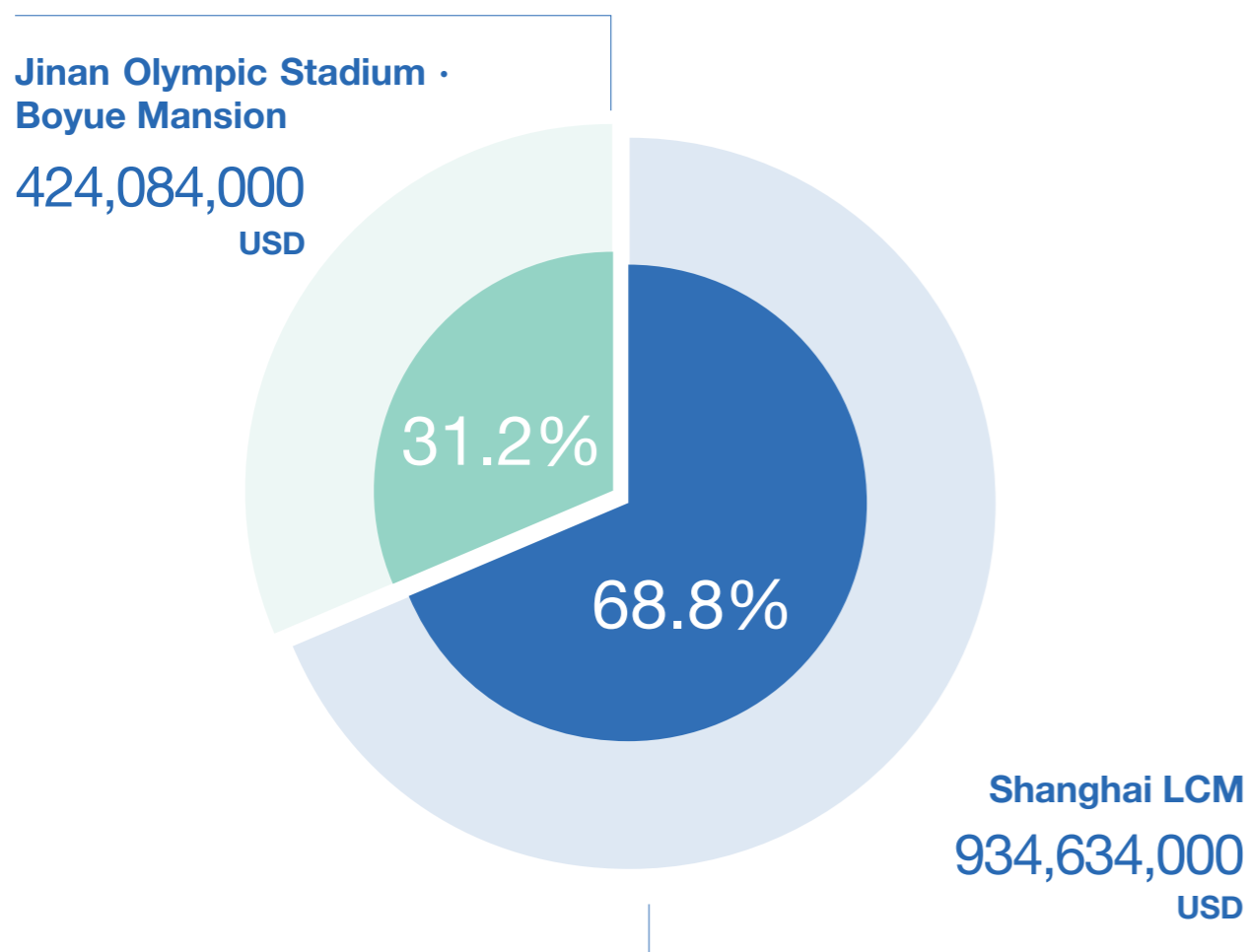
Allocation of Proceeds Report

CIFI's green bonds and green loan align the Green Bond Principles (GBP) 2018 of the International Capital Market Association (ICMA) and the Green Loan Principles (GLP) of the Loan Market Association (LMA) 2018, respectively, covering four aspects including use of proceeds, project evaluation and selection, management of proceeds, and reporting.

Use of Proceeds

Net proceeds of CIFI's green finance transactions will be used to fund or refinance, in whole or in part, new or existing eligible green projects that meet GBP 2018 or GLP 2018 to address environmental issues such as climate change, depletion of natural resources, loss of biodiversity, and air, water and soil pollution.

All proceeds from the three green bonds and one green loan have been used for refinancing Shanghai LCM and Jinan Olympic Stadium · Boyue Mansion.



Project Evaluation and Selection



CIFI imposes strict environmental and risk management policy during its normal course of business. Representatives from various functions participate in the process of identifying and selecting eligible green projects.

After discussion and selection of projects according to the definition of eligible green projects, the ESG Working Group has confirmed that Shanghai LCM and Jinan Olympic Stadium · Boyue Mansion satisfy the requirements of use of proceeds under the Green Finance Framework. The ESG Working Group has submitted these two projects to the ESG Management Committee, which has granted the approval.



Management of Proceeds

The proceeds from each green finance transaction are managed by CIFI's finance team and deposited into the general funding accounts. CIFI maintains a register of green finance transaction to keep track of the use of proceeds for each transaction. The register contains the information set forth below.

 Type of Funding Transaction	 Allocation of Use of Proceeds
<ul style="list-style-type: none"> Key information includes issuer/borrower entity, transaction date, number of transactions, principal amount of proceeds, repayment or amortization profile, maturity date, interest or coupon, and the ISIN number in case of bond transaction. 	<ul style="list-style-type: none"> Name and description of eligible green projects to which the proceeds of the green finance transactions have been allocated in accordance with the Green Finance Framework Amount of proceeds of green finance transactions allocated to each eligible green project The balance of unallocated proceeds Information of temporary investment for unallocated proceeds

According to the process for evaluation and selection, the use of proceeds of all the green bonds and green loan has been recorded in the register in accordance with the requirements of the Green Finance Framework.

Eligible Green Projects

Shanghai LCM

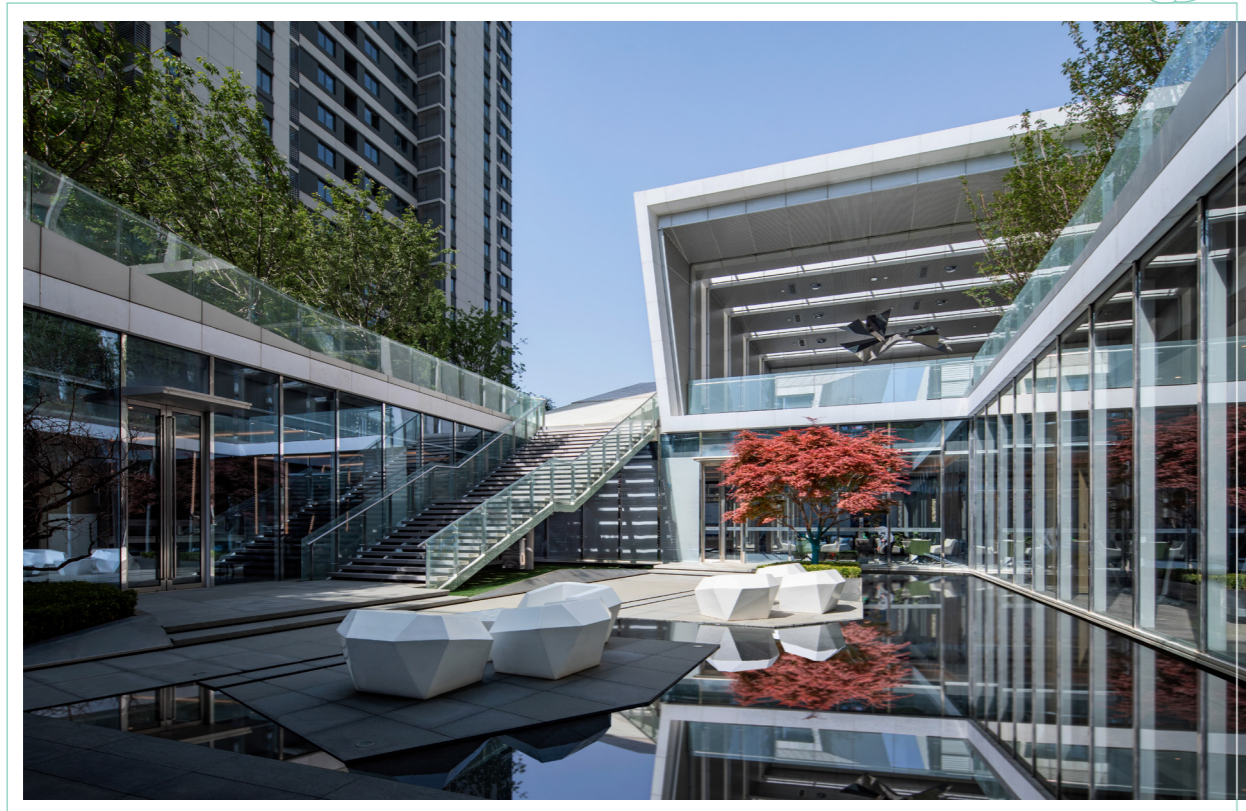


Project name	Shanghai LCM
GFA	290,400 sq.m.
Building type	Commercial and office
City	Shanghai
Project status	Operating
Green and healthy building certification	Green Building Design Label - 2 star
Green transaction proceeds allocated	USD934,634,000

Environmental benefits	
Building Energy Saving Rate¹ 65%	<ul style="list-style-type: none"> ◆ Reducing building's energy consumption with low-energy heating, ventilation and air conditioning systems ◆ Connecting to an intelligent lighting control system for centralised control of energy-saving lighting equipment ◆ Use of large-scale energy-saving equipment such as energy-saving transformers, elevators and escalators ◆ Use of heat recovery system
Non-traditional water utilisation² 0.37%	<ul style="list-style-type: none"> ◆ To adapt to Shanghai's climate, adopting the rainwater recycling system for watering and irrigation of landscape and green lands, to enhance the utilization of non-traditional water sources based
Green space ratio³ 25.42%	<ul style="list-style-type: none"> ◆ Integrated use of roof greening and vertical greening to enhance the greenery area
Recyclable building material usage ratio⁴ 10.09%	<ul style="list-style-type: none"> ◆ Use of recyclable building materials such as concrete, insulation membranes and glass curtain walls

1: Design with reference to the Shanghai Design Standards for Energy efficiency in Public Buildings (DGJ08-107-2012)
 2: Percentage of non-traditional water consumption over the traditional water consumption
 3: Percentage of the green space area over the total site area
 4: Percentage of the weight of recyclable building materials over the total weight of building materials

Jinan Olympic Stadium · Boyue Mansion



Project name	Jinan Olympic Stadium · Boyue Mansion
GFA	159,100 sq.m.
Building type	Residential
Location	Jinan, Shandong Province
Project status	Under construction (expected completion in 2022)
Green and healthy building certification	Green Building Design Label - 3 star WELL Community Gold Precertification
Green transaction proceeds allocated	USD424,084,000

Environmental benefits	
Building Energy Saving Rate¹ 75%	<ul style="list-style-type: none"> Reducing building's energy consumption with low-energy heating, ventilation and air conditioning systems Connecting to an intelligent lighting control system for centralised control of energysaving lighting equipment Use of large scale energy-saving equipment such as energysaving transformers, elevators and escalators Use of exhaust air heat recovery system
100% renewable energy utilisation for domestic hot water	<ul style="list-style-type: none"> Adopting centralised hot water supply mode, and using solar power to supply hot water
Reusable and recyclable material utilisation² 8.76%	<ul style="list-style-type: none"> Use of recycled timber, aluminium profiles and assembled components to enhance recycled material utilisation
Total annual runoff control rate for the site³ 75%	<ul style="list-style-type: none"> Use of depressed green space, landscape water and rainwater harvesting systems to control site stormwater drainage
Proportion of industrialised prefabricated components⁴ 22.22%	<ul style="list-style-type: none"> Use of prefabricated wall panels, prefabricated balcony panels and other components to reduce waste of raw materials

1: Design with reference to Shandong Design Standards for Energy efficiency of Residential Buildings(DB37/5026-2014)
 2: Percentage of the weight of recyclable building materials over the total weight of building materials
 3: Design with reference to Jinan's Requirements on the Pilot Work for Sponge City Building
 4: Percentage of the weight of prefabricated elements over the total weight of the building

Independent Practitioner's Assurance Report

To the Board of Directors of CIFI Holdings (Group) Co. Ltd.

We have been engaged to perform a limited assurance engagement on the accompanying information ("Selected Information") described below and set out in the Green Finance Report 2021 of CIFI Holdings (Group) Co. Ltd. (the "Company") for the period from 1 January 2021 to 31 December 2021.

The Selected Information for the year ended 31 December 2021 is summarised as below:

Aggregate amounts of allocated proceeds to each Eligible Green Project

Reporting Criteria

The criteria used by the Company to prepare the Selected Information is set out in Appendix 1 of this report (the "Reporting Criteria").

Directors' Responsibilities

The directors of the Company are responsible for:

- designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing objective Reporting Criteria for preparing the Selected Information;
- measuring and reporting the Selected Information based on the Reporting Criteria; and
- the content of the Green Finance Report 2021 for the period from 1 January 2021 to 31 December 2021.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibilities

It is our responsibility to express a conclusion on the Selected Information based on our work performed and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our work in accordance with International Standard on Assurance Engagements 3000 (Revised) ("ISAE 3000") - "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our work to form the conclusion.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The extent of procedures selected depends on the practitioner's judgment and our assessment of the engagement risk. Within the scope of our work we performed amongst others the following procedures:

- made enquiries of the Company's management, including those with involved in providing information relating to the Green Finance Report 2021 for the period from 1 January 2021 to 31 December 2021;
- checked the approval of allocation of proceeds by the ESG Management Committee of CIFI Holdings (Group) Co. Ltd. to the Company's proposal for eligible use of proceeds relating to the transactions; and
- checked, on a sample basis, the use of proceeds as approved by the ESG Management Committee of CIFI Holdings (Group) Co. Ltd. to capital expenditure supporting payment documents and ensured that these are for approved projects.

Our work did not include reviewing the effectiveness of systems, processes and controls that generated the Selected Information. Thus, our work was not performed for the purposes of expressing an opinion on the effectiveness and performance of the Company's management systems, processes and controls, and not for the purposes of expressing an opinion on any statutory financial statements.

Inherent Limitation

We draw attention to the fact that the Reporting Criteria includes certain inherent limitations that can influence the reliability of the information. The Selected Information needs to be read and understood together with Reporting Criteria, which the Company is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time. The Reporting Criteria used for the reporting of the Selected Information are for the period from 1 January 2021 to 31 December 2021.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Selected Information for the period from 1 January 2021 to 31 December 2021 is not prepared, in all material respects, in accordance with the Reporting Criteria.

Purpose and Restriction on Use and Distribution

We draw attention to the fact that the Selected Information was prepared for the Green Finance Report using Reporting Criteria designed for this purpose. As a result, the Selected Information may not be suitable for another purpose. This report is not intended to be, and should not be distributed to any other parties or used for any other purpose.

PricewaterhouseCoopers

Certified Public Accountants
Hong Kong, 1 August 2022

Appendix I – Reporting Criteria

CIFI will report the allocation of the net proceeds of its green finance transaction (the "GFT") on an annual basis. For each GFT, CIFI will provide the following information for the net proceeds of all the GFTs during the period:

- the aggregate amount allocated to various Eligible Green Projects;
- the remaining balance of funds which have not yet been allocated and type of temporary investment;
- examples of Eligible Green Projects (subject to confidentiality disclosures).

Allocation of Use of Proceeds:

- name and description of Eligible Green Projects to which the proceeds of the GFTs have been allocated in accordance with the GFF;
- amount of GFT proceeds allocated to each Eligible Green Project;
- the balance of unallocated proceeds;
- information of temporary investment for unallocated proceeds.

CIFI is committed to allocating all proceeds from the GFT to Eligible Green Projects on a best effort basis within one year of the issuance in accordance with the evaluation and selection process set out above.

Pending allocation, the net proceeds from the GFT issued will be held in accordance with CIFI's liquidity guidelines for short term time deposits or investments, or used to repay existing borrowings within the group.

During the life of the GFT issued, if the designated Projects cease to fulfil the Eligibility Criteria, the net proceeds will be reallocated to replacement Projects that comply with the Eligibility Criteria, as soon as reasonably practicable.