



CIFI ES-Service 2021 Results Announcement

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Outlook



2021 Results Highlights

Results Highlights in 2021 : prudent operation



Parent Firm (CIFI) Sustainable Development

- sales reached 247.25 billion yuan, up 7% year on year, and the collection reached 240.3 billion yuan.
- All four major rating agencies, including Moody's, maintained positive outlooks ;
- MSCI-ESG rating improved from BB to BBB ;
- Issuance completed at home and abroad in 22 years: usd 150 million overseas and approved by China Securities Corporation in China. The initial issue was RMB 1 billion with an annual interest rate of 4.75%



Revenue Increased More Than 50.8% Yoy

- Revenue increased by 50.8% to RMB 4,702.8million ;
- Net profit attributable to owners increased by 58.0% to RMB617.0million. ;
- Net cash inflow from operating activities reached RMB837.0 million, 1.2x of the net profit



Newly obtained over 90mn sq.m, via four-wheel drive

- Record increment of GFA contract of CIFI : 13.0mn sq.m. ;
- Market expansion: over 63.3 mn sq.m, annualized contract value RMB 1.2 billion;
- Big step in Merger & Acquisition, Shanghai Macalline, Zhengzhou Jingyi , GFA of M&A reached 18.0 mn sq.m.



Improve the layout of city service

- Intergrate Hunan Meizhong city service, enhance city service ability;
- First time bided top Internet company firm service, strengthen firm service ability;
- Acquired Shanghai Macalline property service, become the top firm in furniture plaza category.

Results Highlights in 2021 : prudent operation



Fine operation, customer oriented via technology

- In 2021, technological investment over 60 million yuan, long-term oriented, adhere to the investment in tech;
- Linjiu Tech. firm finished systematic develop, fully empowered frontline and increased operation efficiency ;
- The percentage of SG&A expenses drop 0.8 pct.



Enrich the community value-added services, Professional BU accelerates commercialization

- Home service self-management mode has made a major breakthrough, with more than 400 door-to-door engineer certifications ;
- Mercure, House repair, Rental and Sale, and Engineering BU are all on the right track and developing well ;
- Digital Community Resources.



Be the organization with the most lasting fighting power, evolve and grow

- To build a management model of "five understanding", introduce and promoted 64 middle to senior managers ;
- 5 phases "Monolith Plan", 500 school admissions "Ever Power Plan"
- 387 online courses with a total of over 70,000 hours ;
- In 7 sessions of CEO's direct broadcast, more than 10,000 users registered in internal BBS ;
- Employee satisfaction increased by 3 points to 80 points



MSCI-ESG A, adhere to healthy, long-term, sustainable development

- MSCI ESG-A rating , and assumed long-term social development responsibility ;
- Adhere to four-wheel drive, "5221" growth model ;
- Dependent on independent, endogenous and exogenous growth, continuing connected transactions accounted for 17.3% ;
- Adhere to the long-term philosophy that no satisfaction, no business, gain reasonable profit.

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Business Review

Established strategic expansion in 10 key regions, breakthrough 124 cities in management

Contracted GFA of **270.8** mn sq.m. Up **49.4%** yoy

GFA under management of **171.0** mn sq.m Up **68.3%** yoy

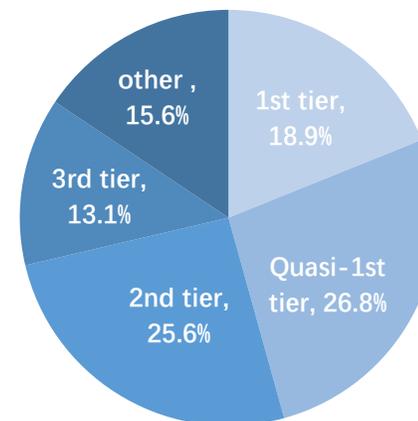
1409 contracted projects Up **43.0%** yoy

1032 projects under management Up **61.8%** yoy

Business presence extended to **124** cities Up **15.9%** yoy

Serving **600 thousand** households Up **57.9%** yoy

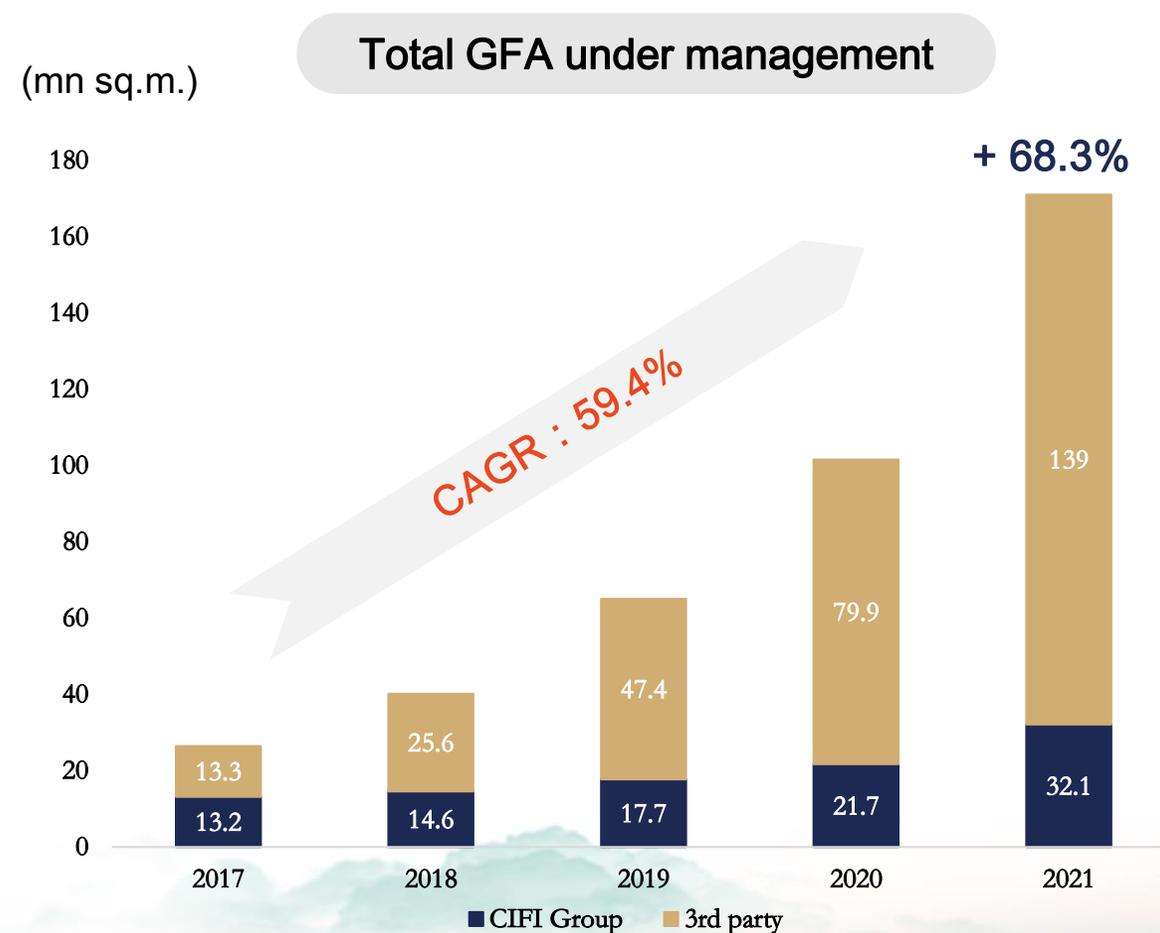
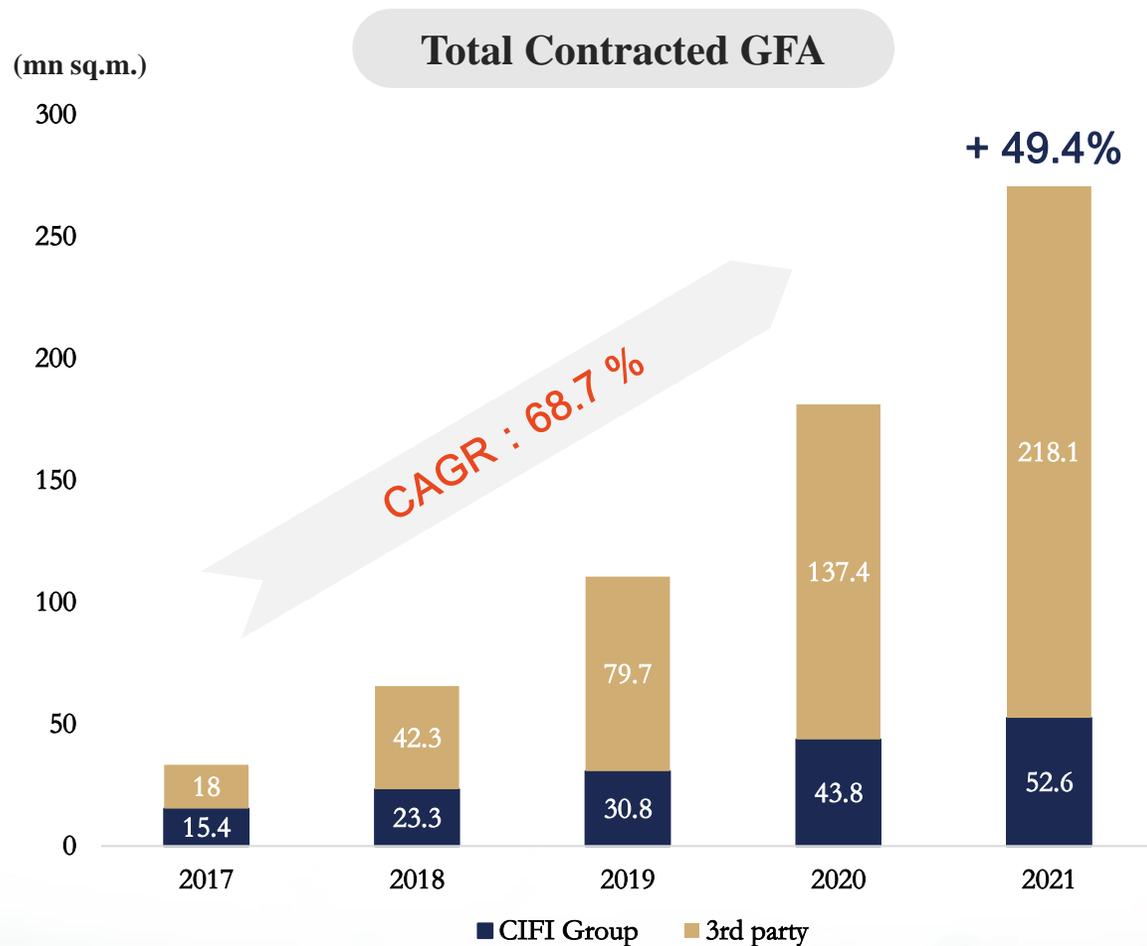
Contract GFA weighted in 1st & 2nd Tier cities above 70%



Contracted GFA in Key Cities (mn/sq.m)



Stick to the four-wheel drive strategy: Ordered scaling



CIFI Group: include properties solely developed by CIFI Group and properties that CIFI Group jointly developed with other property developers (CIFI Group held controlling interests in such properties).

Third-parties: refer to properties solely developed by third-party developers independent from CIFI Group, as well as properties jointly developed by CIFI Group and other property developers (CIFI Group did not hold controlling interests in such property projects).

Parent Firm (CIFI) Aim for Long-term Sustainable Development

- Aim for Long-term Sustainable Development, Maintain a healthy pace of development.

Recognized by four major international rating agencies

MOODY'S

FitchRatings

S&P Global

聯合評級國際
Lianhe Ratings Global

Mainstream banks have abundant trust and credit lines

2021.12.31 on hand credit line

more than 200 billion

Multiple commercial banks
Headquarter to Headquarter,
Strategic cooperation
covers all areas

Newly addition in 2022

150 million
Green US
bonds issued

100 million
MTN 4.75%

Credit ratings bucked the trend and remained stable

S&P | BB Stable

Moody's | Ba2 Stable

Fitch | BB Stable

Lianhe Global | BBB- Stable

Lianhe Credit Rating

CCXI

AAA Stable

M&A signed loan

Bank-enterprise Strategic Cooperation

Agreement of Ping An Bank

Grant 5 billion M&A financing quota

Additional financing cost

Additional financing
in 2021
The average cost*

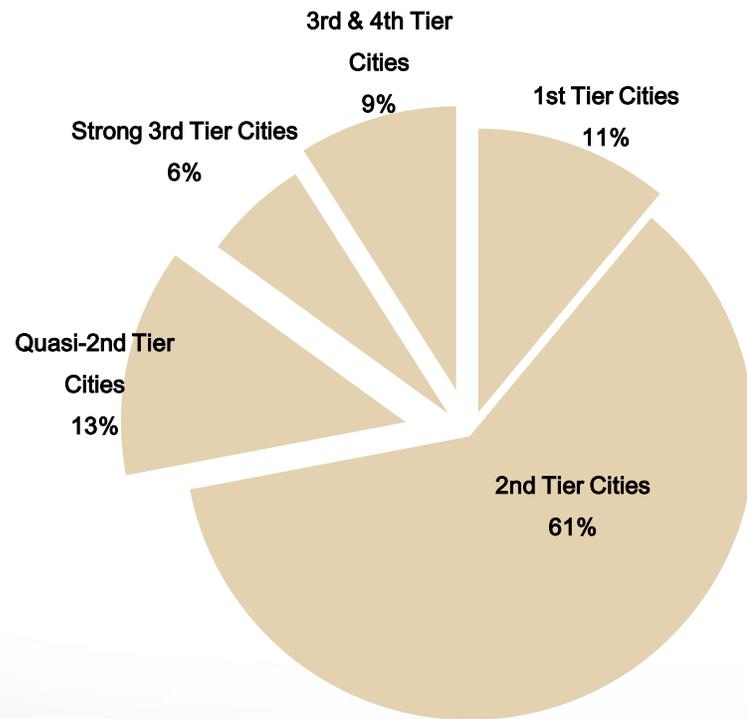
4.0%

* Excluding domestic bank loans

Parent Firm (CIFI) : Dynamic ecology, help future growth

- CIFI Group is the TOP14 real estate developer in the industry, with a land bank of more than 68.6 million sq.m.
- The urban layout in high-tier cities, with approximately 85% of saleable resources located in 1st ,2nd and quasi-2nd tier cities.
- CIFI real estate + business gradually mature , Agent construction and other businesses continue to bring new development opportunities for Ever Sunshine.

Proportion of Saleable Resources (%)



Gross Land Reserve

Gross Land Reserve

GFA

68.57M sq.m.*

1st,2nd and quasi- 2nd Tier Cities weighted

85%

CIFI contracted project



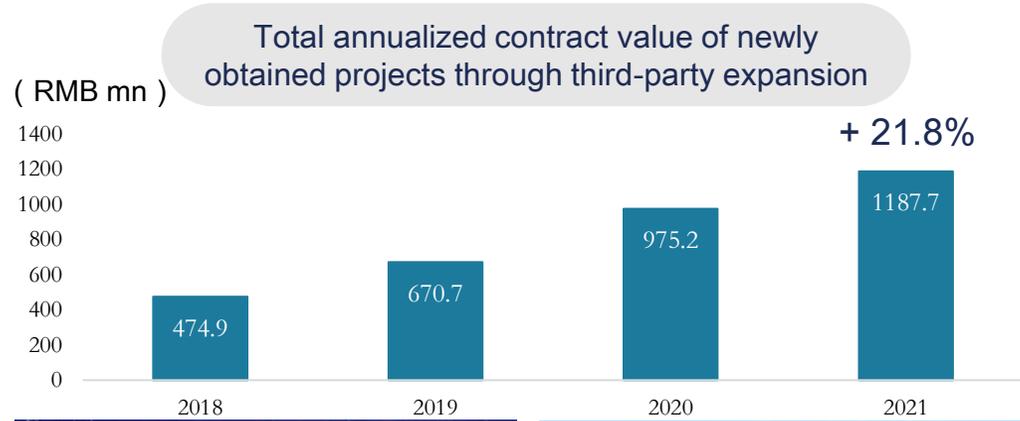
CIFI Development - Shanghai Century Gumei

*Sum of land bank having land use rights and urban development projects contracted subject to government listings, in which 58.41M sq.m. land bank obtained land use rights

**By total saleable resources with approved land use rights as of 30 Jun 2021

Display core advantage annualized contract value of newly obtained projects through third-party expansion reached RMB 1200 million

- Rely on the comprehensive competitive strength such as service quality, brand reputation and multiple channels to win the property bidding contract.



Baoji Galaxy star



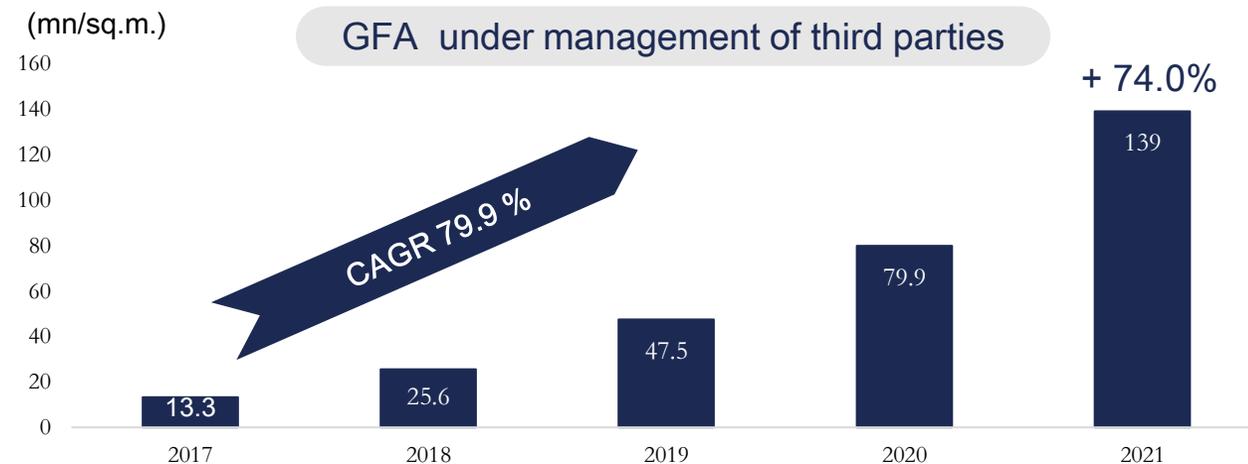
Shanghai Institute of Technology



Huai'an District People's Hospital



Chengdu East Aviation Maintenance area,



Strategically M&A

- Huaxi Xin'an (Beijing) 50% equity interest ;
- Shanghai Xingyue 80% equity interest ;
- Shandong XinJian70% equity interest ;
- Hunan Meizhong 51% equity interest ;
- Shanghai Macalline 80% equity interest ;
- Zhengzhou Jinyi100% equity interest 。

- ① Adhere to strategic mergers and acquisitions, through the "five" funnel screening ;
- ② Stay rational when the M&A market is hot ;
- ③ Since listing, the total M&A amount is only 1.69 billion yuan ;
- ④ All the M&A projects are in good condition of integration and growth ;
- ⑤ In the future, we will still adhere to the strategic M&A with controllable risks.



Huaxi Xin'an



Zhengzhou Jinyi



Hunan Meizhong



Shanghai Macalline

Established strategic partnerships with both JV and Association over 30 developers

- Enter into strategic partnerships with state-owned enterprises and regional property developers to take charge of property management projects;
- Focus on strategic partnerships through multi-channels and cooperation with various types of operations of different industries and core channels.



邯鄯市邯山区城投



Supplement the layout of urban services and improve the multi-development track

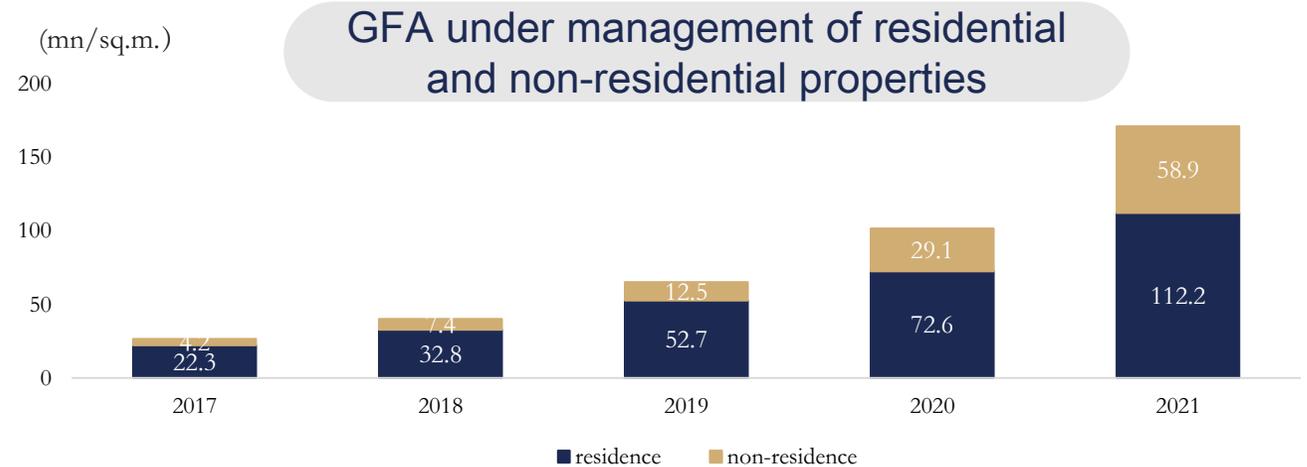
- Set up Firm Management division to coordinate commercial office, government and enterprise, public and city services;
- Intergrate Hunan Meizhong city service, enhance city service ability;
- First time bided top Internet company firm service, strengthen firm service ability;



Meizhong city service



Firm Management division



Active service, fine operation, build customer - oriented high-quality operation system

- The Good Life model
- Park safety - convenient life - beautiful environment - colorful - harmonious community - value preservation and appreciation - sense of respect;

Active service

- Walking management;
- Smile and listen;
- 37°C community operation;
- Brand community activities.



The Ministry of Housing and Urban-Rural Development visited Suzhou Boyuexi Lake to investigate the site

Fine operation

- Curing standard action;
- Strong service system support;
- Supplier management;
- Brand community activities;
- Improving efficiency and process management.

Over RMB 60million investe, Fine operation, customer oriented via technology

- Let customers feel satisfied, help improve customer quality experience ;
- Let service improve efficiency: management efficiency, operation efficiency, service efficiency ;
- Facilitate business growth across the board.

Improve Efficiently

一、 management efficiency :

- Automatic OA initiation reduced by 25%
- The efficiency of system approval increased by 55.6%

二、 working performance :

- 486 inspection online projects
- Online channel payment rate increased 2.6 times

三、 efficiency of service :

- Online reporting increased 12 times



- AI品质管理**
精准辐射重点区域, 自动完成人工调度
- 社区安全管理**
7*24小时安全管理, 事件秒级响应, 无差错
- 报事管理**
社区所有报事报修、人员状态、工单数量、处理进度等数据一览无遗

- 01**
拥有移动版、PC版、大屏版多种模型组合
- 02**
管理者可以及时发现、明确指标差距、辅助运营决策、实时动作纠偏
- 03**
无需加工即可看到准确及时的数据, 降低数据加工成本
- 04**
打破业务系统数据孤岛局面, 统一汇总入湖, 降低了跨系统数据的开发成本
- 05**
指标复用、降低成本
- 06**
在线敏捷报告中心, 即时展示系统真实数据, 降低指标测试成本和原本数据不统一的问题



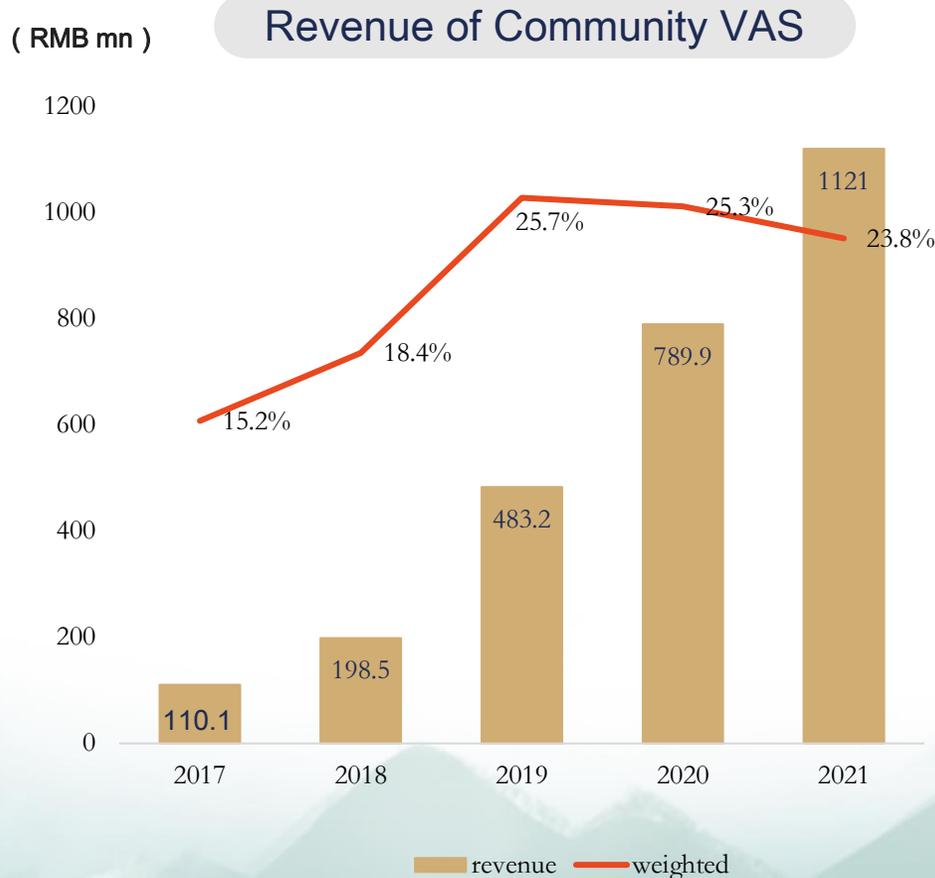
Help to improve quality



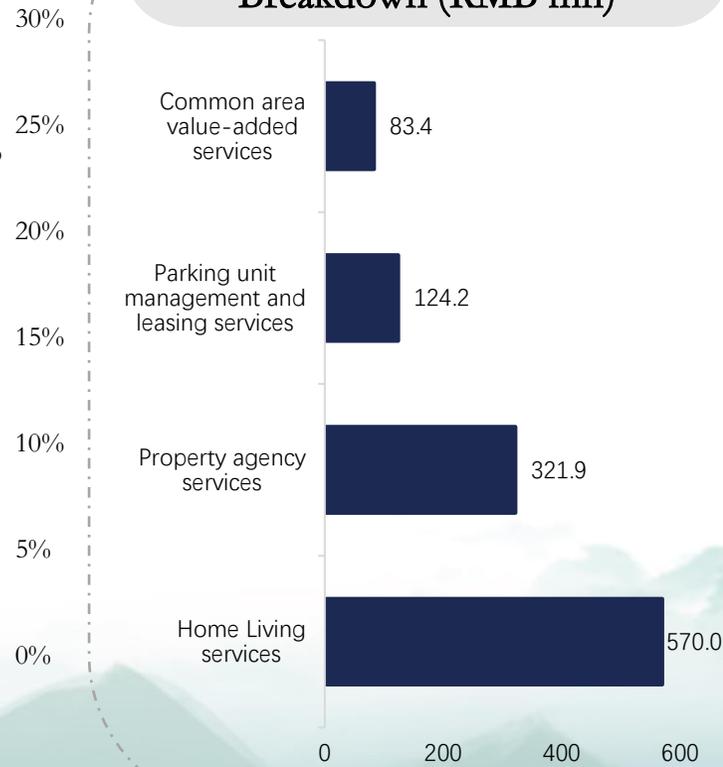
Drive business expansion

Community value-added services grew into the company's second profit contributor

- The rapidly expanding area has laid the foundation for the development of community value-added services. ;
- Under the platform + ecological strategy, high viscosity and efficient reach jointly improve community value-added services ;
- Service productization, ecological product supply capacity is increasingly rich.



Revenue of Community VAS Breakdown (RMB mn)



Value-added services in public areas:

- Public area operation, such as elevator advertising, site leasing.

Parking space management and rental services :

- The revenue recorded is for temporary parking and parking space rental business.

Property agency services :

- With no advertising, no shop low-cost operation mode, to provide owners with full life cycle services of assets ;
- Business includes housing rental, housing trusteeship, parking agency sales, etc

Home living services :

- The core business BU, send wings to better and wider touch to meet the common needs of owners ;
- Main business contents include: Mercure BU, house repair BU (for owners), home service, project BU (community business), etc.

Remain BU mode, product model is maturing

- House repairing BU , revenue in 2021 RMB229million , +75.8% yoy ;
- House decoration BU , revenue in 2021 RMB330million , +73.7% yoy ;
- Property agency BU , revenue in 2021 RMB322million , +68.0% yoy ;
- Engineering BU , revenue in 2021 RMB67million , +103.0% yoy.



House decoration



Property agency



House repairing



Engineering

To build a management model of "five understanding", Adhere to organizational evolution and promote per capita efficiency

- Talent upgrade: Teng cage for birds, high-level talent to join in succession, to maintain the fighting strength of the organization ;
- Talent pool: More than 500 students will be enrolled in autumn 2021 ;
- Organizational evolution: small headquarters, fine area, live line ;
- Significant effect: per capita efficiency continued improve.



2022 Campus enrollment activities

Key per capita efficiency improvement indicators increased:

- ① Human service ratio
- ② Labor cost rate
- ③ Management fee rate
- ④ Per capita income
- ⑤ Create profit per capita
- ⑥ Project manager internal growth rate



New employee training program



Butler Training Scheme

Various forms of consensus building, strong cultural identity, improve employee loyalty

- President direct broadcast room, link all staff, build consensus, drive business growth ;
- Through employee BBS forum, build open, transparent and equal cultural mechanism ;
- Various forms of expression of staff care, enhance staff recognition.



CEO Live Podcast



BBS Forum



Cultural stories



Employee activities

The MSCI ESG-A rating continues to demonstrate corporate responsibility

- MSCI ESG A rating ;
- Asian-ii BEST ESG rating ;
- Adhere to the long-term principle, take the initiative to shoulder social responsibility, sustainable and healthy development.

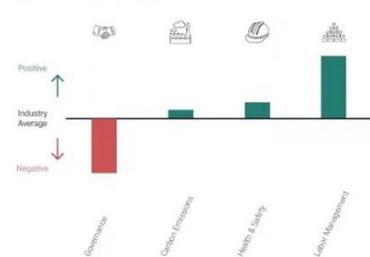
Cifi Ever Sunshine Services Group Ltd (1995)
Commercial Services & Supplies | CN

Improved labor management and occupational safety programs

○ Pending corporate actions or newly initiated MSCI ESG Ratings coverage of a low disclosure market in which company operates may lead to higher than usual volatility in the rating

Score attribution by key issue

This chart highlights the company's positioning relative to the industry average for each Key Issue that contributed to its ESG Rating as of December 28, 2021.



Last ESG Rating action

Rating action date: December 28, 2021

Ever Sunshine Lifestyle has been upgraded to 'A' from 'BBB'.

The upgrade reflects improvements in the company's initiatives related to employee management and safety programs. In 2020, CIFI Ever Sunshine acquired Qingdao Yinhaijing and Jiangsu Kangsheng and its workforce increased by 3,107 (~4% of 2019 staff). These factors may pose staff integration challenges. Our research indicates the company leads peers in labor management efforts. It appears to offer engagement and career development programs which could help address staff morale issues.

- Property maintenance operations generally pose low risks of workplace accidents. The company's health and safety initiatives appear average relative to those of peers. New evidence suggests it now undertakes employee safety training, and its operations are certified to OHSAS 18001 standards.
- The company's policies to monitor unethical business conduct appear on par with those of global peers. Its anti-corruption framework includes board-level oversight of corporate conduct and ethics training for employees.
- Evidence suggests the company trails global and home market peers in board and ownership structures, as well as accounting practices. Ever Sunshine Lifestyle is a family firm-the controlling shareholders hold 62.29% of voting power (as of June 2021). Its board lacks an independent majority. Further, the presence of multiple executives on the board, and related-party transactions with the controlling shareholder may undermine minority shareholder interests.

Analyst: MSCI ESG Research

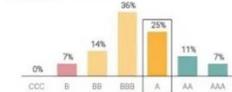


ESG Rating history



ESG Rating distribution

Universe: MSCI ACWI Index constituents, Commercial Services & Supplies, n=28



Key scores

| Weight | Score (0-10) | |
|----------------------------------|--------------|-----|
| Industry-Adjusted Score | 6.1 | |
| Weighted Average Key Issue Score | 5.8 | |
| Environmental Pillar Score | 5% | 8.3 |
| Social Pillar Score | 40% | 8.3 |
| Governance Pillar Score | 55% | 3.8 |

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What is an ESG Rating? MSCI ESG Ratings aim to measure a company's resilience to long-term ESG risks. Companies are scored on an industry-relative AAA-CCC scale across the most relevant Key Issues based on a company's business model.

Institutional Investor



2021

BEST ESG

1st Place Property

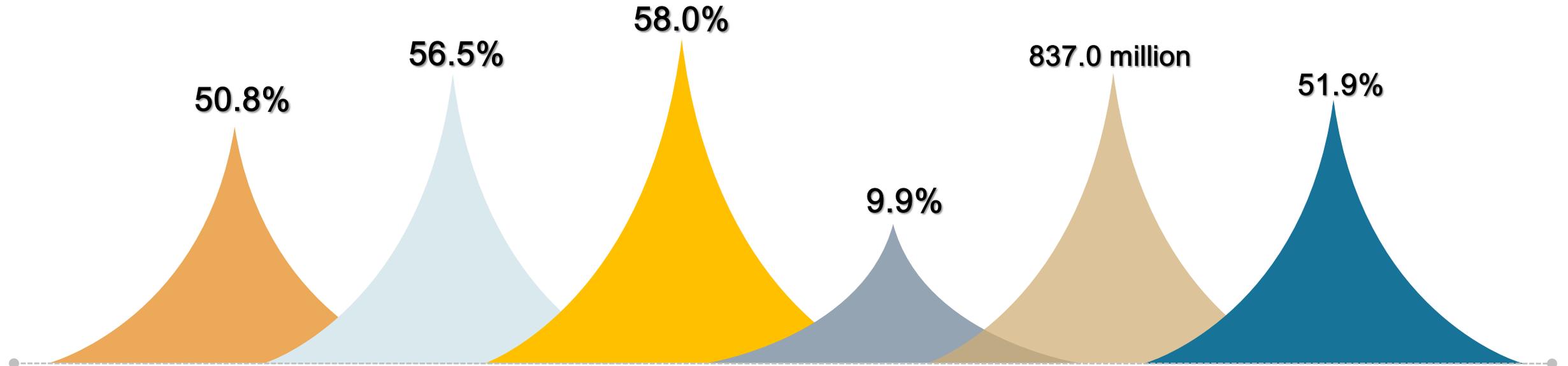
CIFI Ever Sunshine Services Group Limited



3

Financial Highlights

Financial Highlights



➤ Huge increase in **Revenue**, reached **RMB4702.8 Million**

➤ Huge increase in **Profit** reached **RMB 692.5 Million**

➤ Huge increase in **Profit** attributable to owners of the **Company**, reached **RMB 617.0 Million**

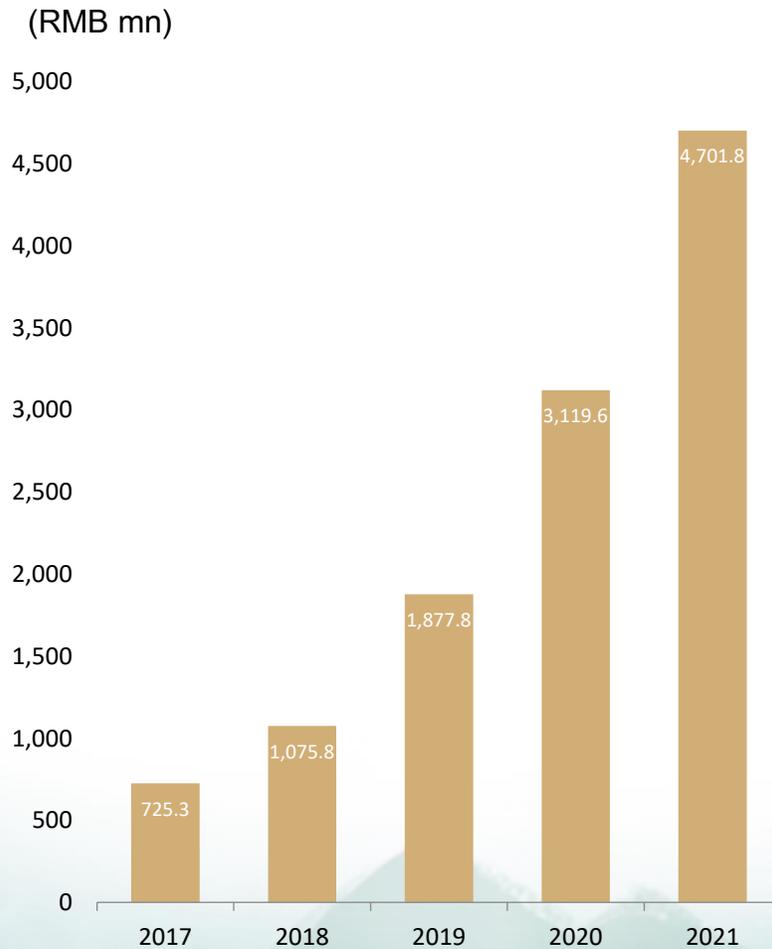
➤ The **percentage** of **SG&A** expenses drop **0.8 pct yoy**

➤ **Positive Net cash inflow** from **operating** activities, far beyond net profit

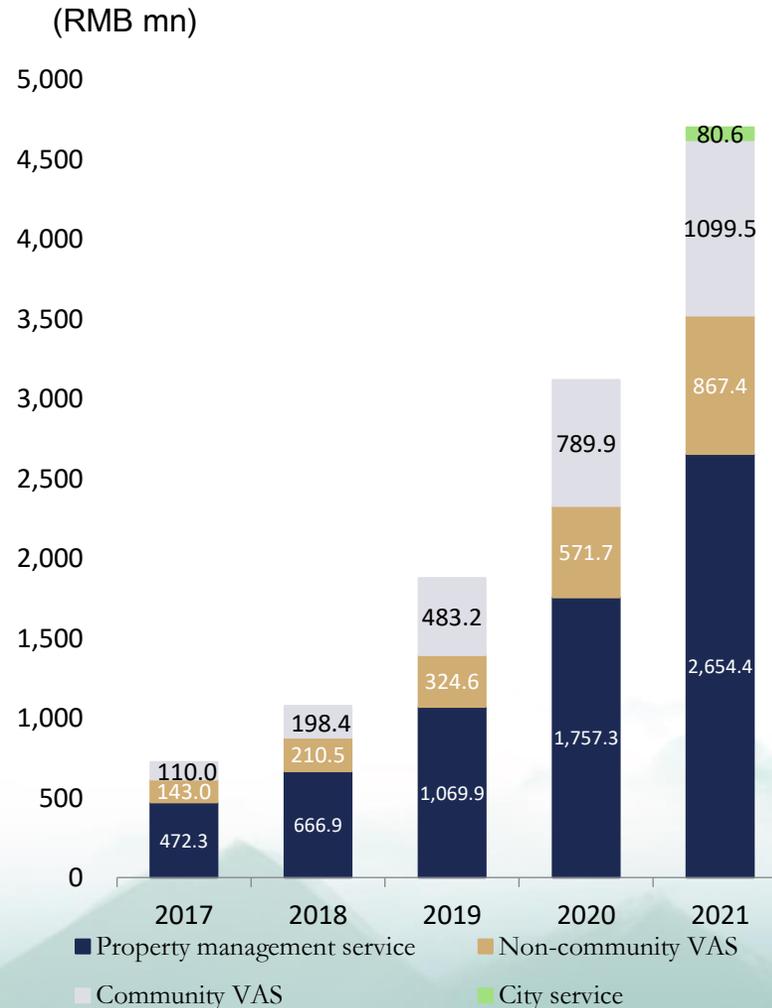
➤ Two types of **VAS** accounted for **51.9%** of total gross profit ;
➤ **community VAS** occupies **38.0%**

Huge increase in topline, with a "60%, 20%, 20%" revenue breakdown

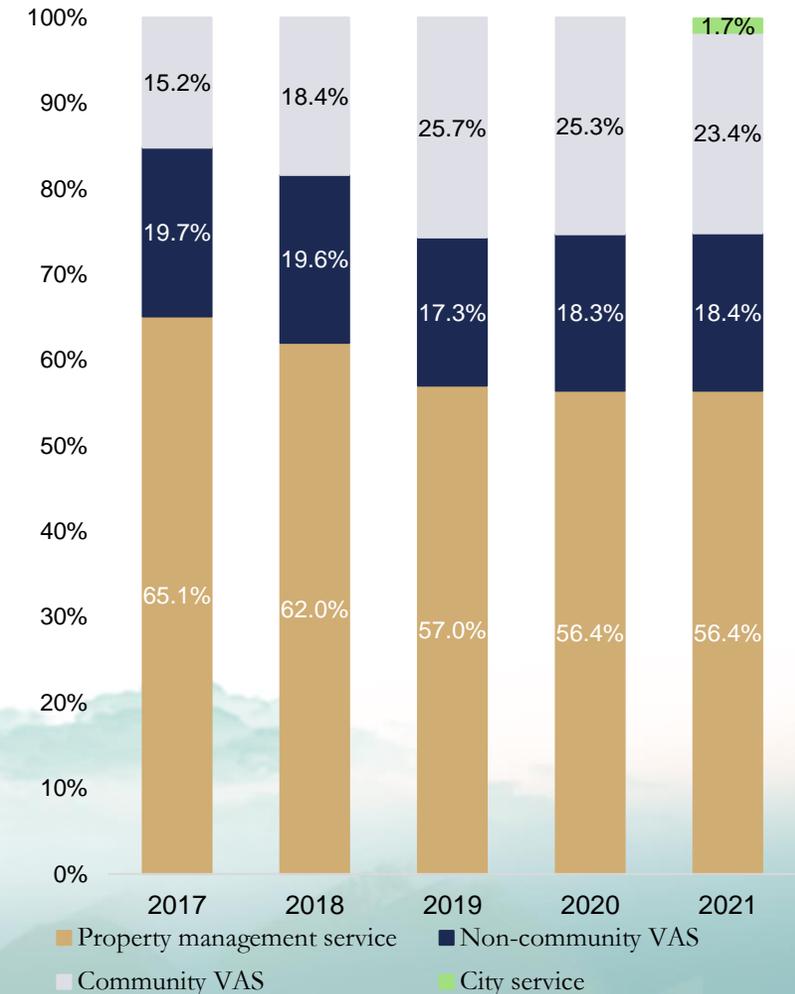
Revenue



Revenue (by Business Lines)

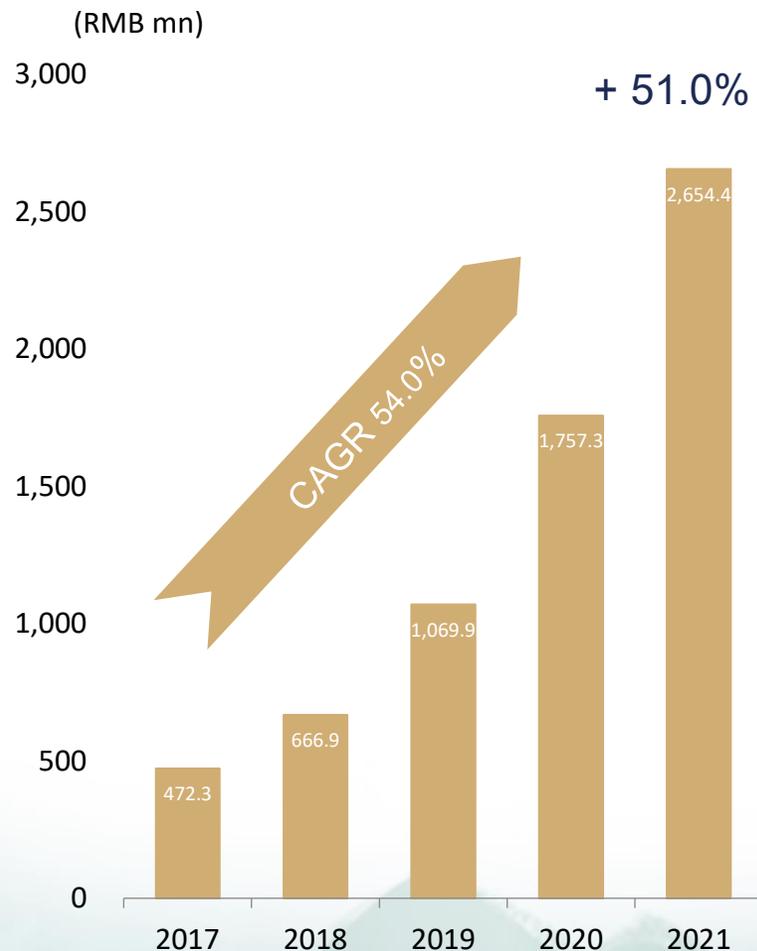


Portion of Revenue (%)

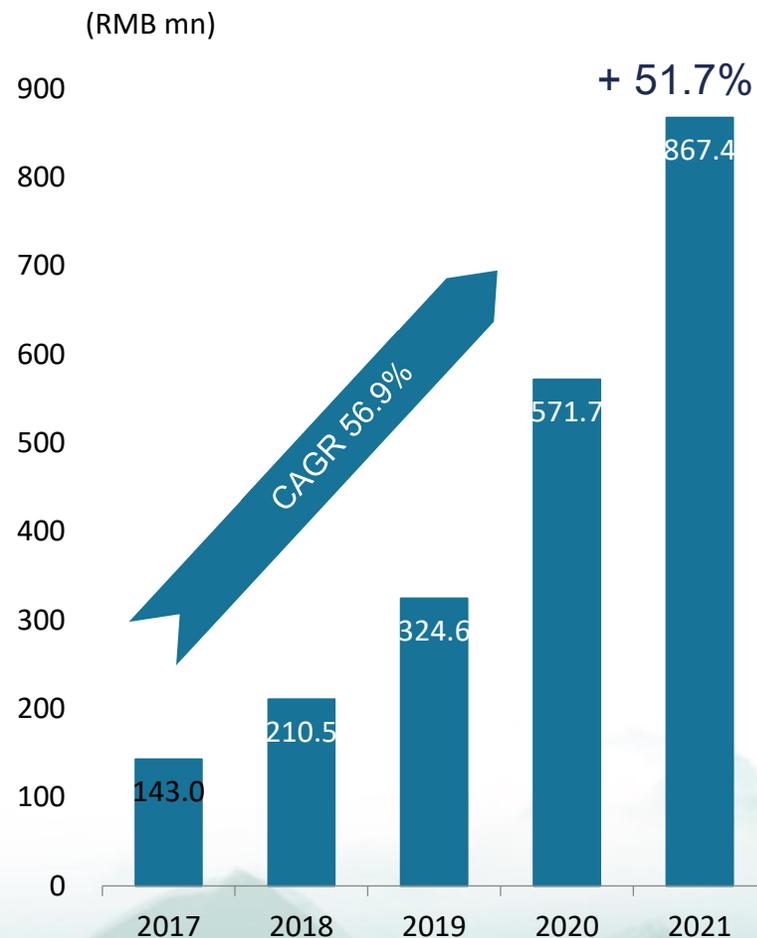


All three business lines had a huge growth due to business expansion

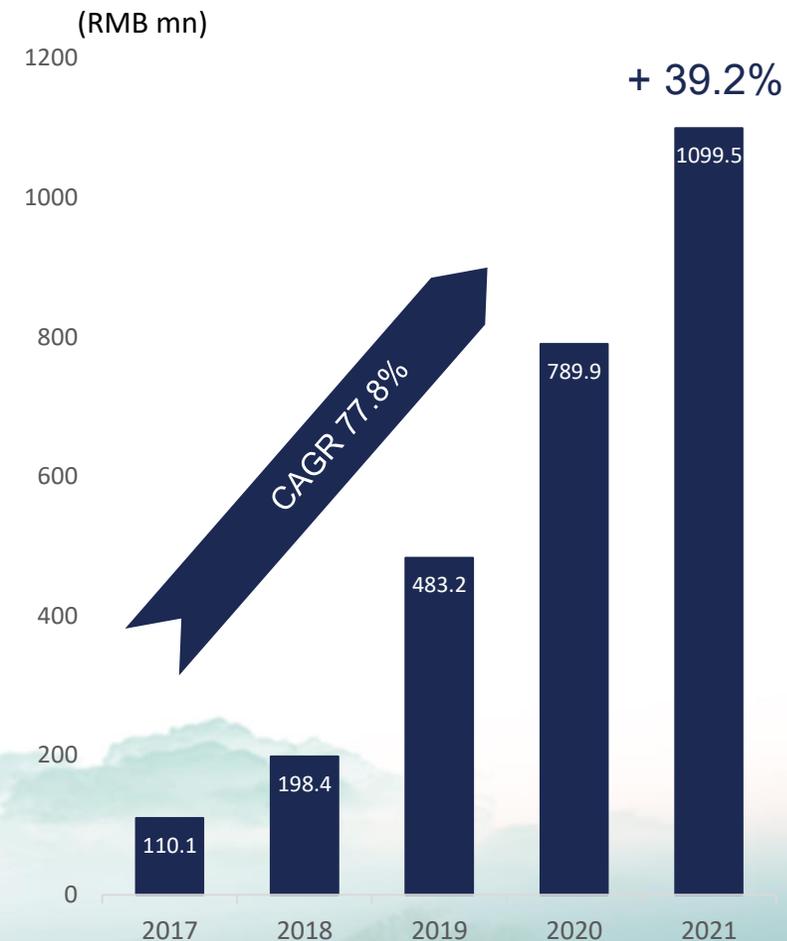
Revenue of Property Management Services



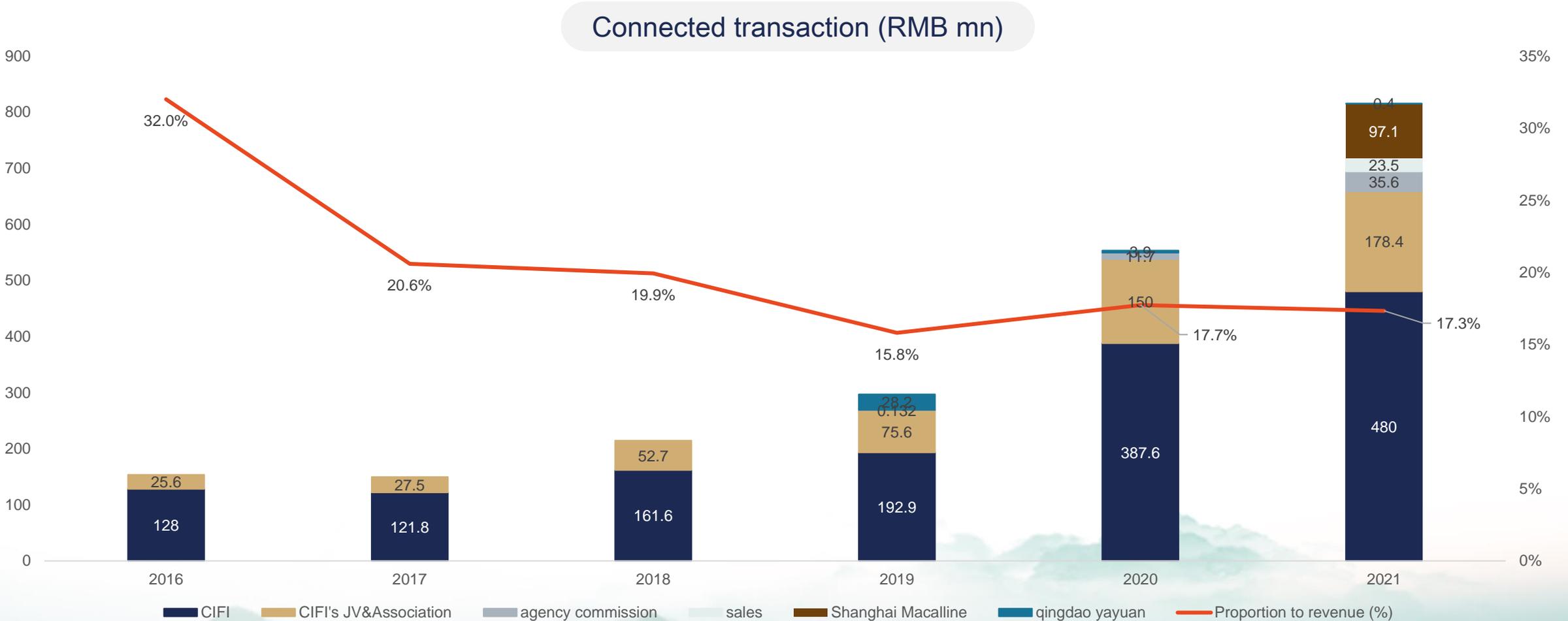
Revenue of Value-added services to non-property owners



Revenue of Community value-added services

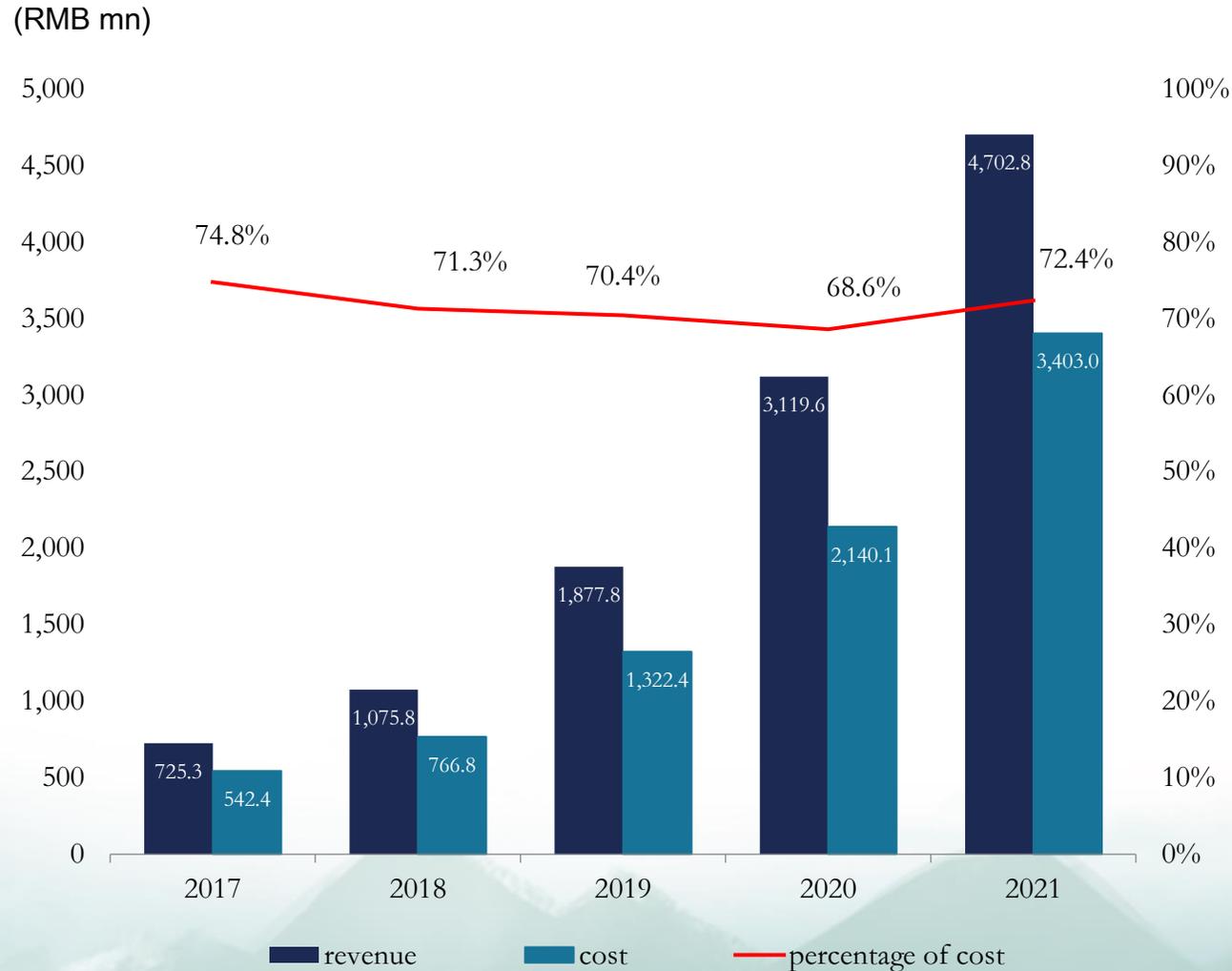


Comparison of the amount of Connected transactions, cooperate with the parent company but not counted on that

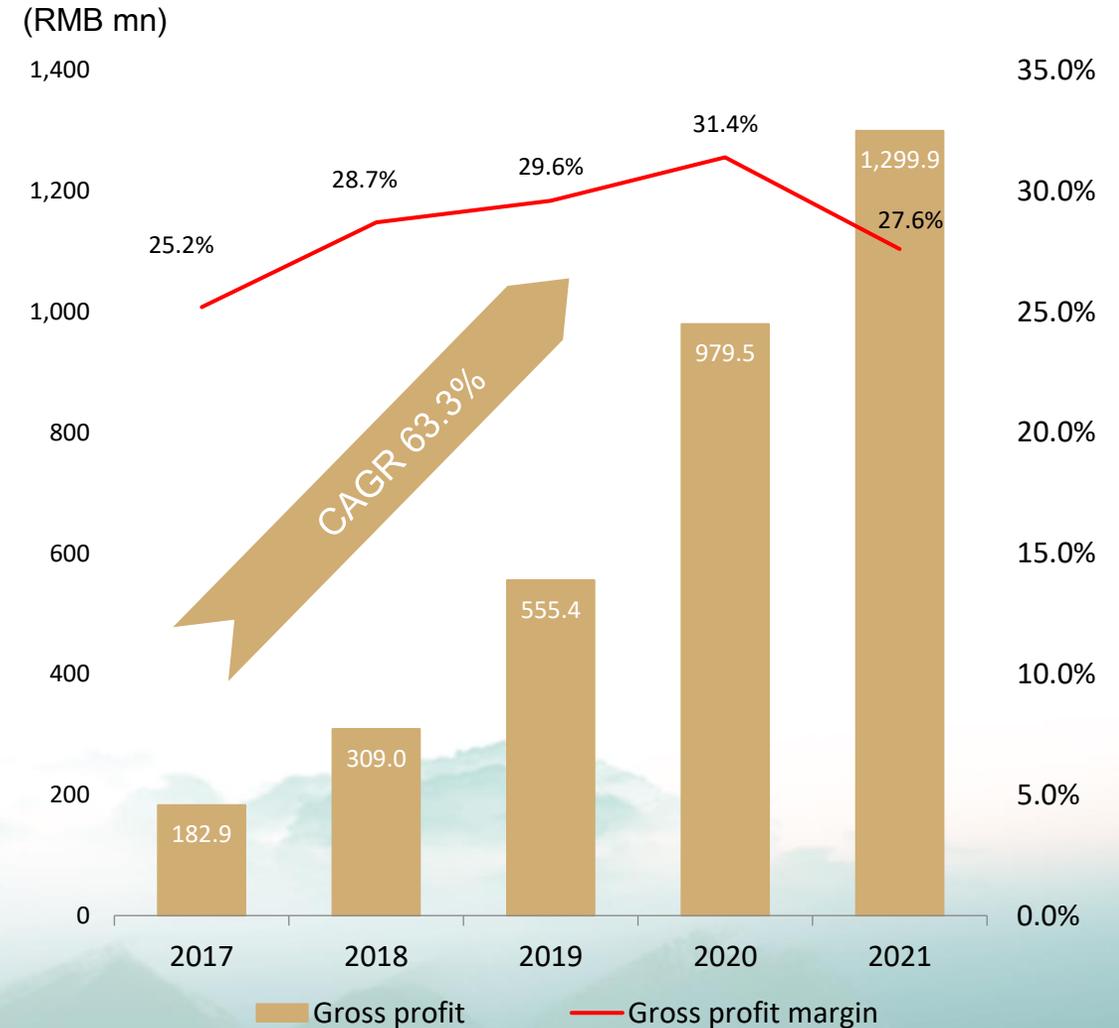


Adhere to the principle of quality first, reasonable profit, comprehensive cost has risen

Cost of Sales (%)

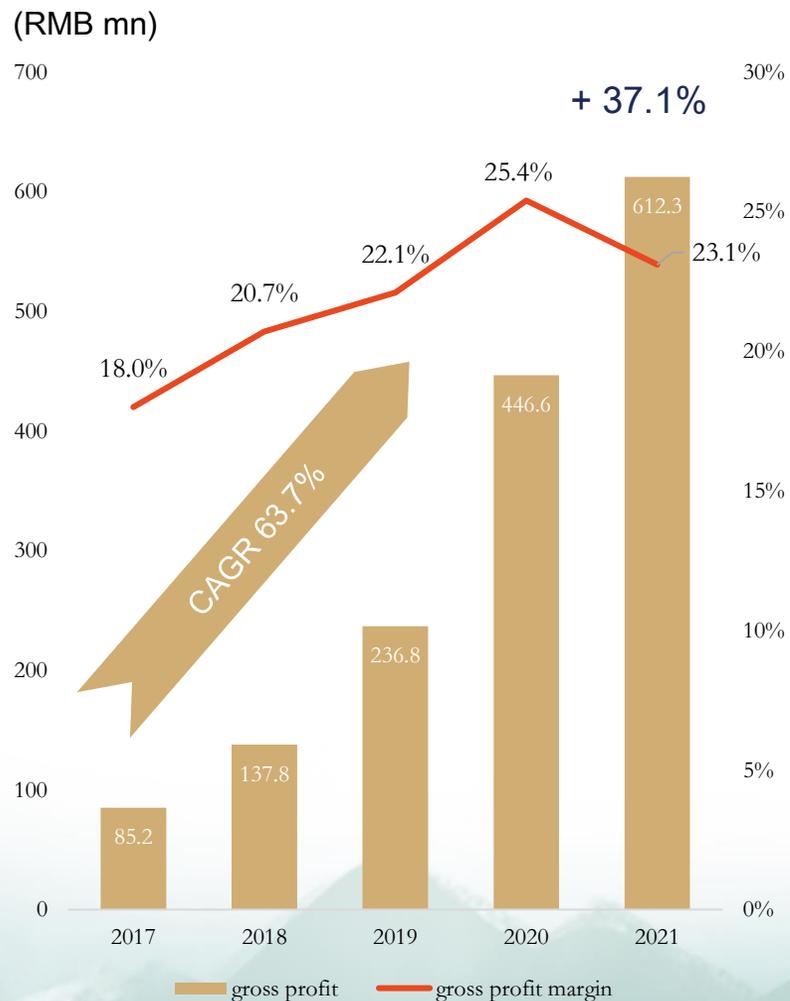


Gross profit and Margin

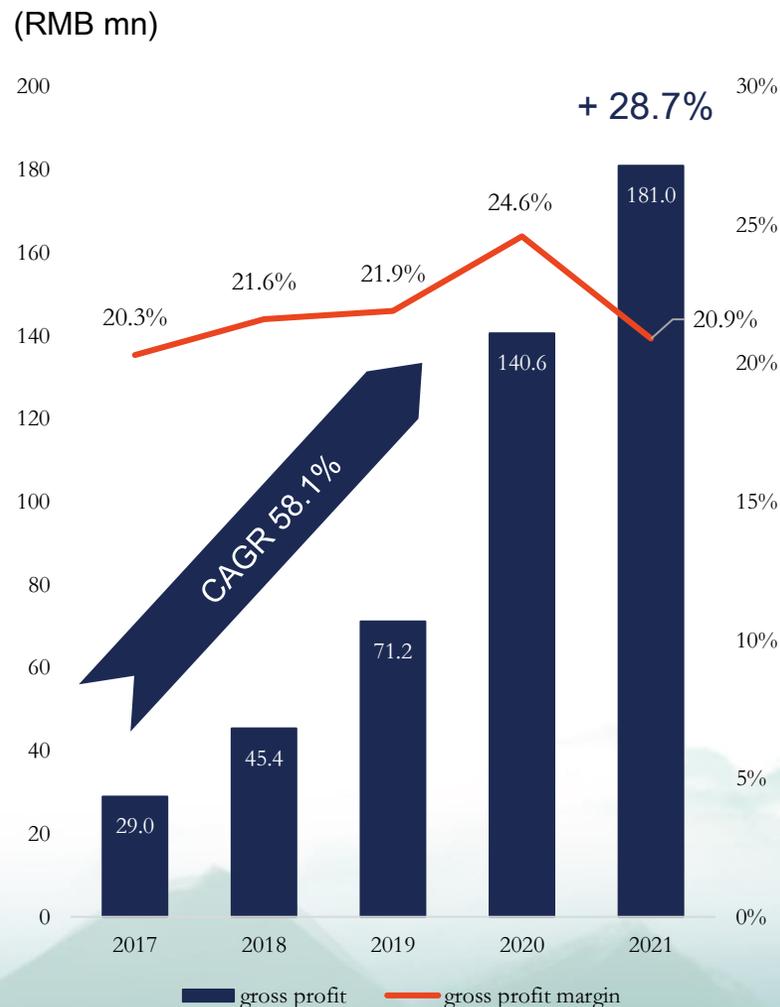


The gross profit margin of the three businesses declined, but remained at a reasonable and healthy level

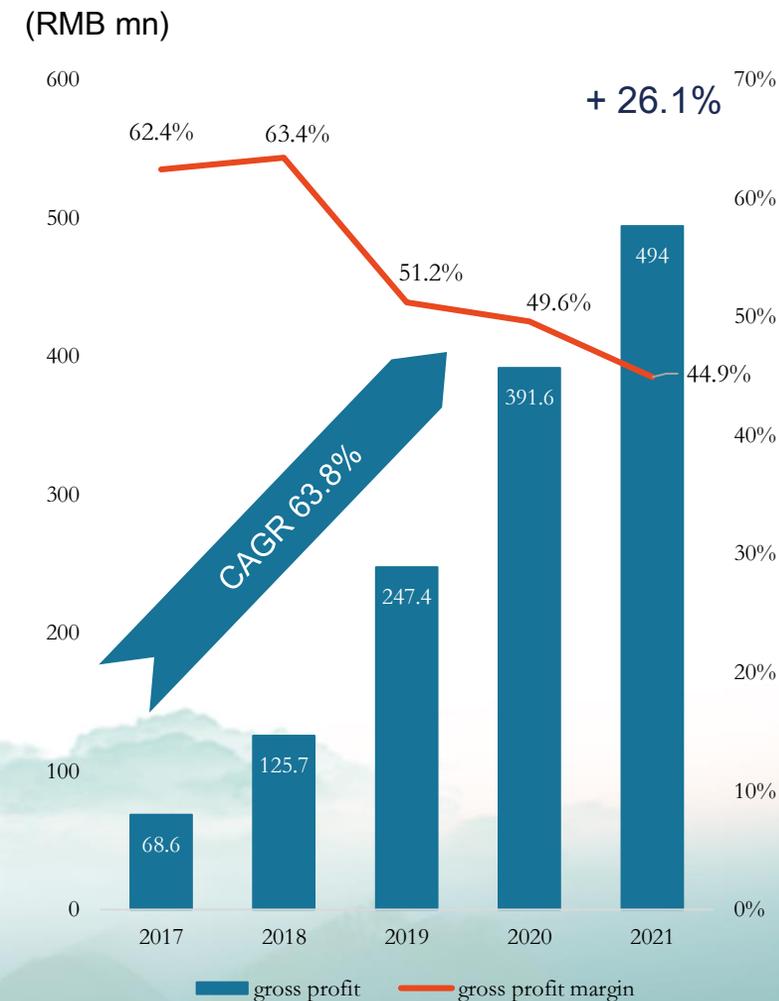
Property Management Services



Non-property owner value-added services



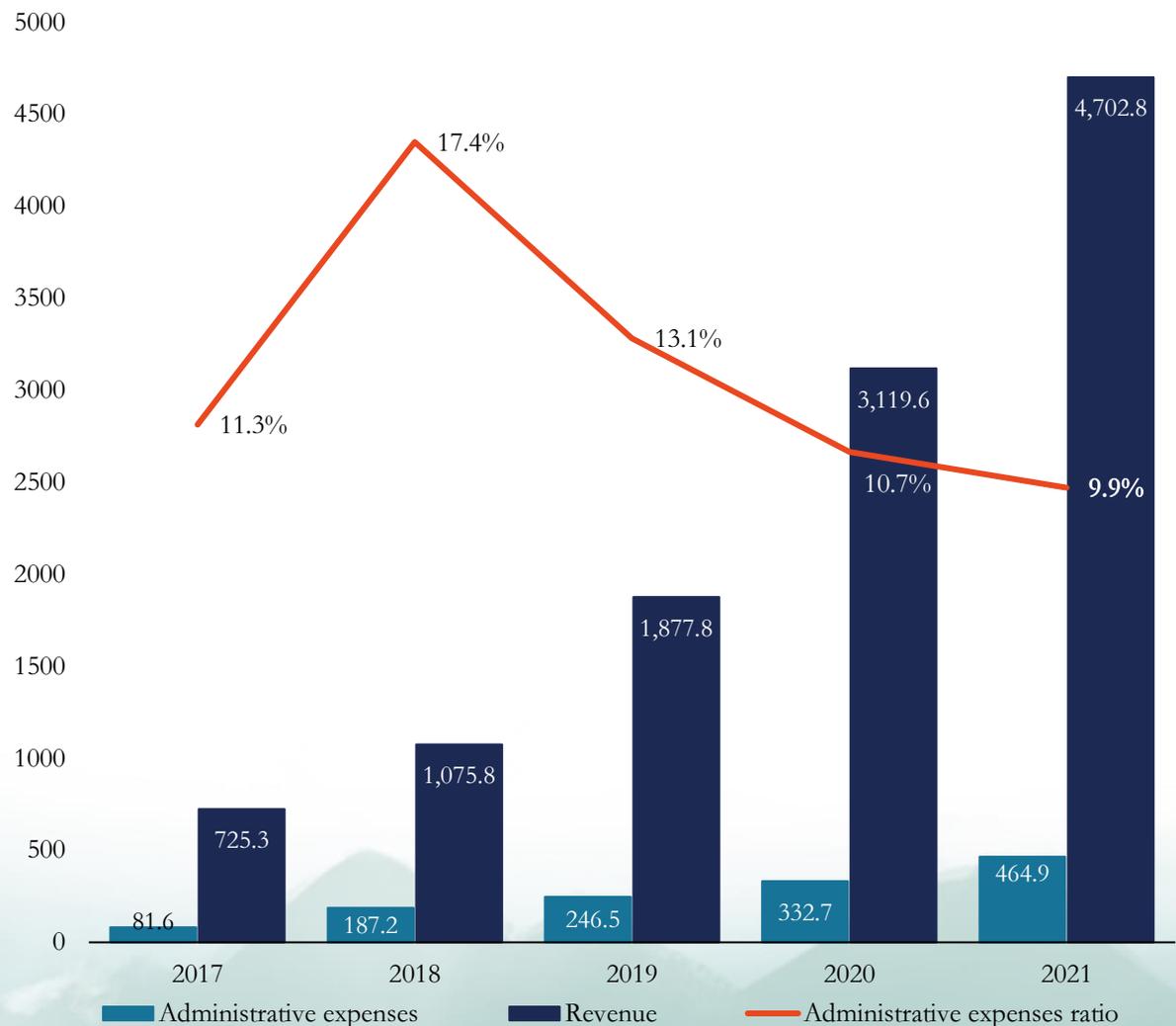
Community value-added services



Management efficiency continued to improve, expense ratio decreased, net profit margin continued to improve

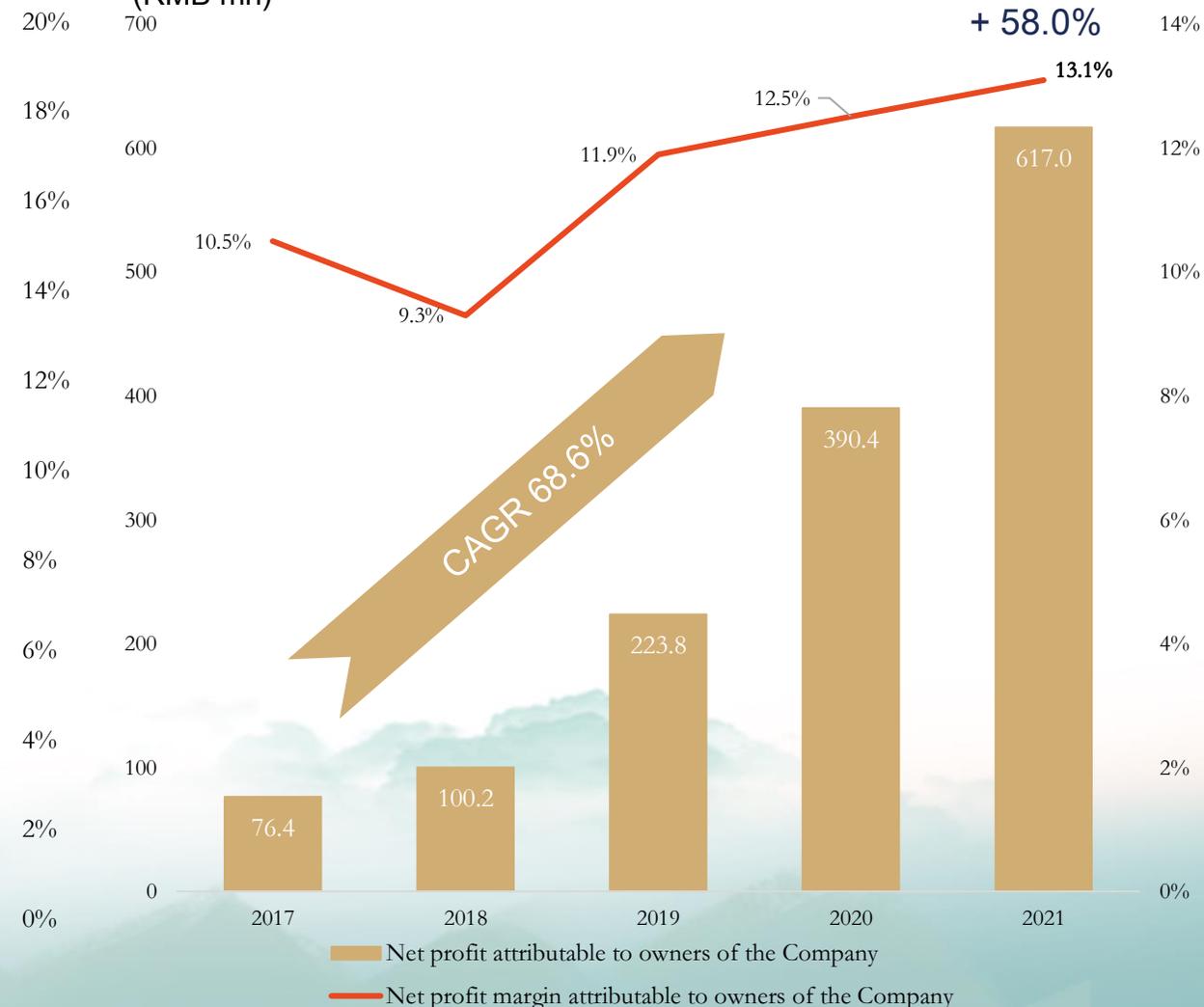
SG&A expenses & ratio

(RMB mn)



Net profit & margin attributable to owners of the Company

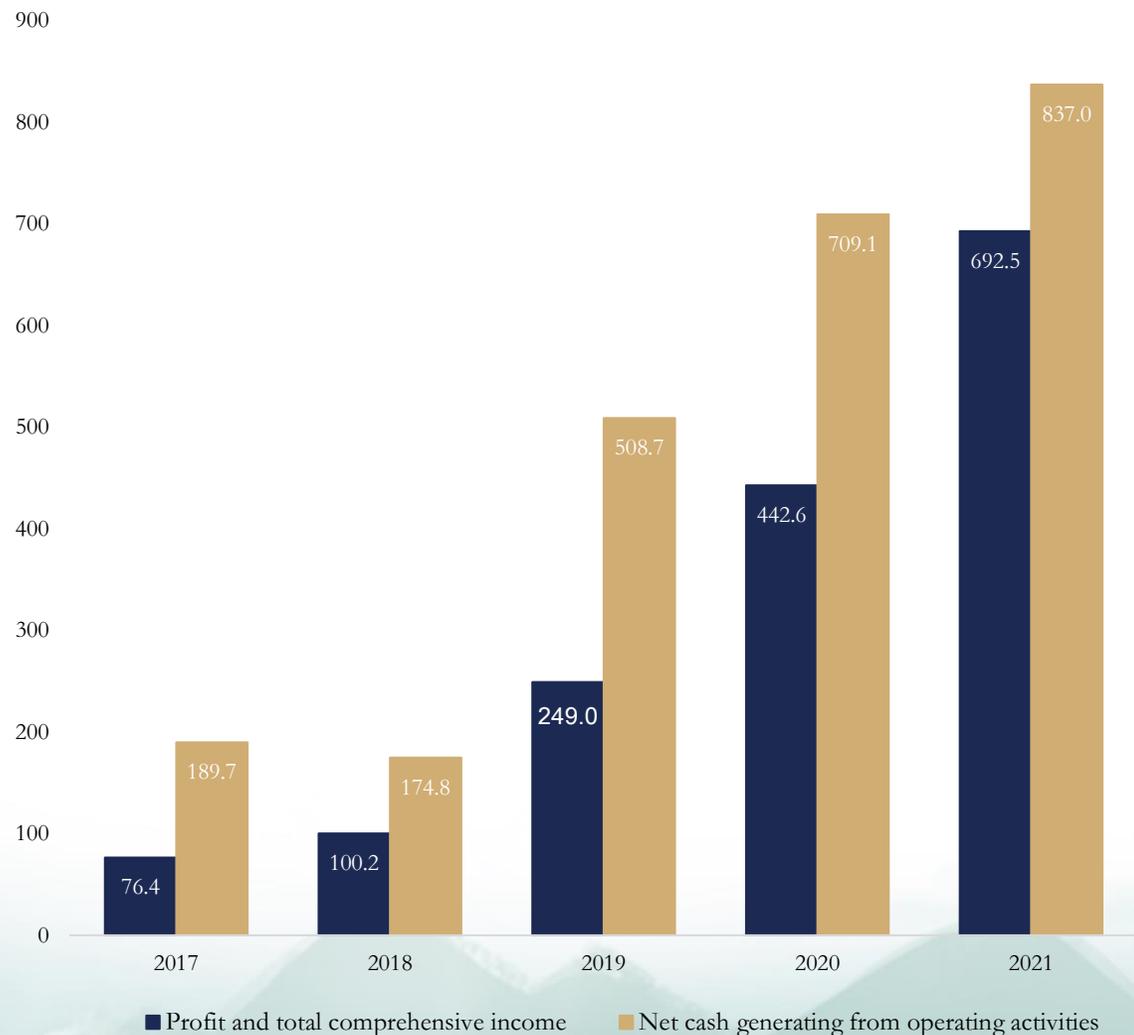
(RMB mn)



Net cash generating from operating activities far more beyond net profit, Abundant cash in hand

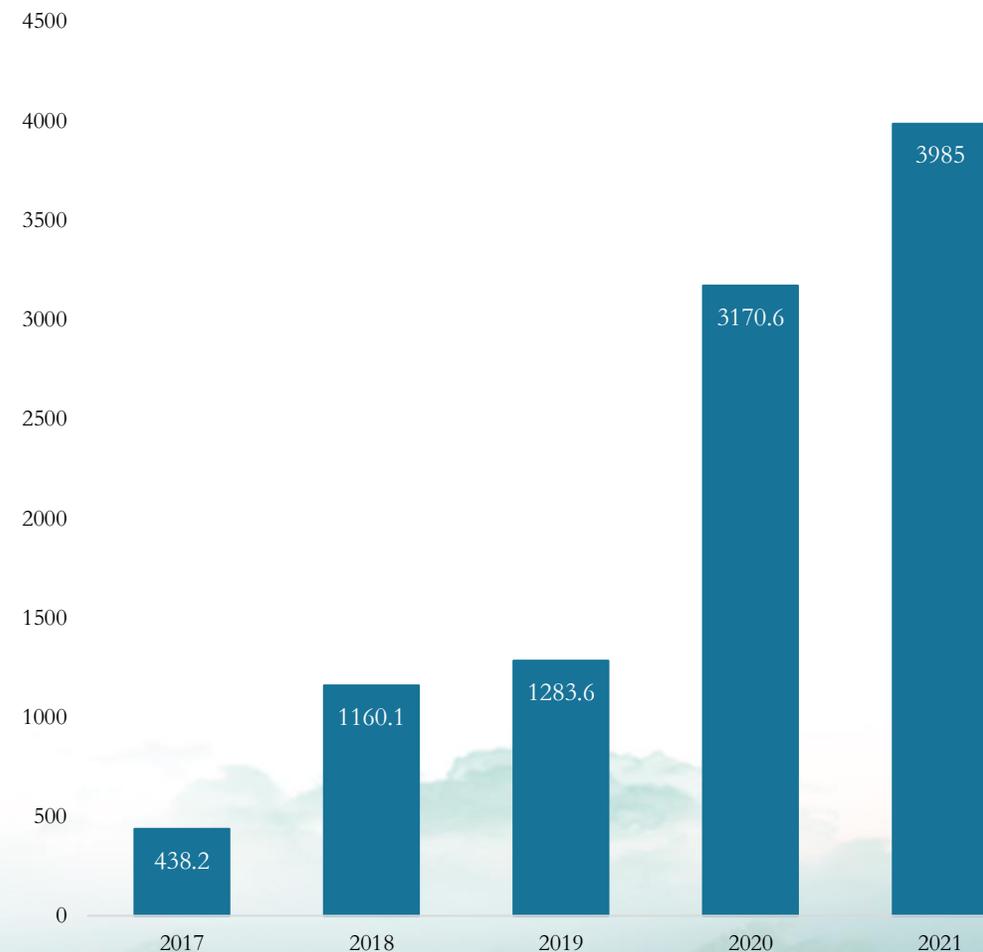
Profit and total comprehensive income and net cash generated from operating activities

(RMB mn)

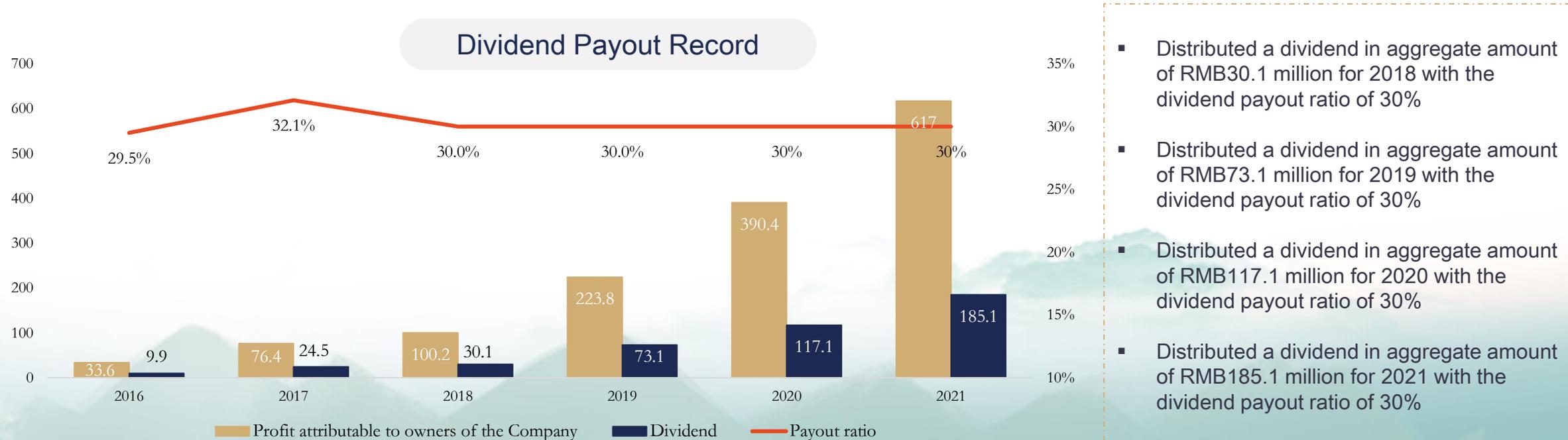
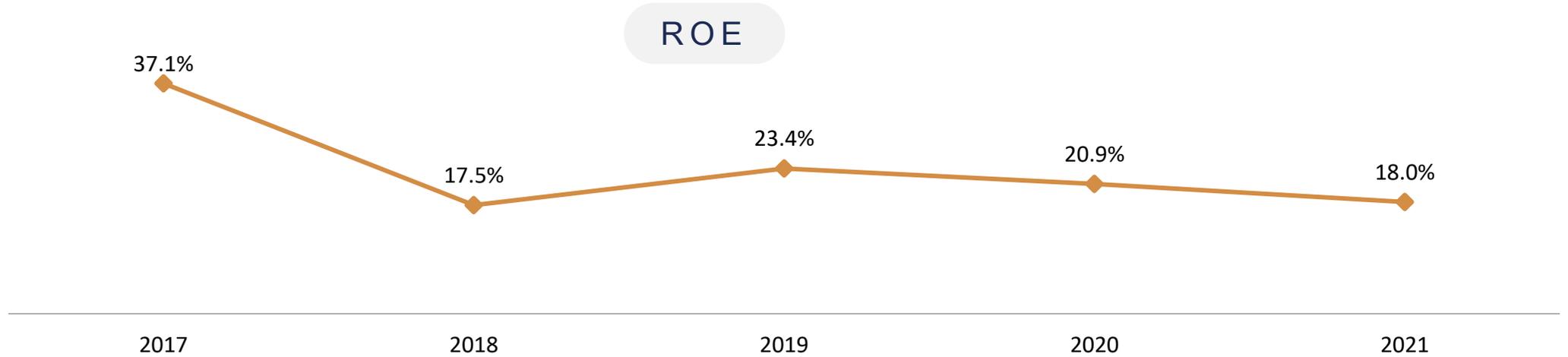


Cash and cash equivalents

(RMB mn)



ROE remains high with good record of dividend payout



4

Outlook

Industry outlook: slowly but surely

- The industrial value of property management is still increasing, and the great tide of property management is still in progress.
- The direction of policy support has not changed, and the role of property + life service + grassroots governance has become more prominent.
- The real estate regulation squeezes the growth space in the short term, but brings the independent development opportunity of the industry in the long term, and accelerates the marketization process.
- Technology empowerment, urban cultivation and service transformation have been widely valued.
- From extensive management to fine operation transformation is imperative.
- What really wins is reputation, service force namely brand force.
- With the completion of the listing of the head enterprises, the entire industry capitalization process came to an end, the return of value, with long-distance ability of enterprises win.

Ever sunshine strategy: consist with 1st five year plan

- The external environment has changed, the goal of perpetual growth has not changed, the concept of no business without satisfaction has not changed, the discipline of rational and prudent investment has not changed, and the growth plan of "10 times in 5 years" has not changed.
- In 2022, we will fight the "Six Battles" and become a long-distance runner.
 1. **Scale Battles** : Four-wheel drive to promote scale growth, deep cultivation of the main city, classified bidding, multi-brand cooperation, battle map technology support ;
 2. **Brand Battles** : Active service, good reputation brand ;
 3. **Operation Battles** : Fine operation, experience upgrade, low cost operation and high satisfaction ;
 4. **Ecosystem Battles** : Professional BU, mode innovation, focus on improving product strength ;
 5. **Organization Battles** : Everyone is energetic, the organization is efficient, to create the most fighting organization ;
 6. **Technology Battles** : Intelligent property, driven by data intelligence.



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