



佳兆業集團控股有限公司^{*}
KAISA GROUP HOLDINGS LTD.

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1638

2020

SUSTAINABILITY REPORT



Kaisa

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Message from the Management Team

This Report is Kaisa's first independently released sustainability report. This Report vividly records our progress on the road to sustainable development in 2020, and presents our commitments and actions to sustainable development in a comprehensive and objective manner. We hope to deepen the communication with all stakeholders through the report and continuously improve our level of management for sustainable development.

2020 is the closing year of China's 13th five-year plan and the key year for planning the development of the 14th five-year plan. 2020 is also a very extraordinary year, the whole country is defying hardships and dangers in the fight against the COVID-19 epidemic. At this time of transition between the old and the new, facing the complex situation on both local and external fronts, Kaisa has always adhered to the core values of "professionalism, innovation, value, responsibility" and focused on the general situation of national socioeconomic development such as promoting people's livelihood, city operation, industrial services, low carbon and environmental protection, etc., so as to be sustainable in profit, along with social and environmental benefit.

Implementing strategies with results shown. In 2020, we formulated Kaisa's sustainable development strategy, and fully implemented the two main lines of "local community development through urban renewal" and "reducing negative impacts on the environment", integrating with the Sustainable Development Goals ("SDGs") of the United Nations. On the one hand, we promote social and economic development and enhances the values of the city. On the other hand, we actively develop green building projects to reduce the impacts on the environment. We have integrated sustainability strategies into daily operation management, proactively participated in external ESG forums and investor relations activities, and won multiple ESG awards and recognitions. The ESG rating results have been significantly improved, in which our sustainability bonds issued have been awarded as "Best Sustainability Bond 2020" by The Asset. Our efforts and achievements in the field of sustainable development have attracted the attention and reports from many overseas and domestic mainstream media.

Working together to prevent and control the epidemic. At the beginning of 2020, the outbreak of the COVID-19 epidemic has pulled at people's heartstrings. The Group responded quickly and earnestly implemented the national deployment to ensure scientific epidemic prevention and orderly resumption of work. We always keep in mind that "the interests of the people are above all else", and support the front-line anti-epidemic work through monetary and materials donations. We actively give full play to our business advantages, provide security for community epidemic prevention, protect people's livelihood, and overcome difficulties with all tenants and merchants through rent reduction. We care about the people in need, donating epidemic prevention materials and facilities, in order to help prevent and control the epidemic situation in targeted poverty alleviation areas.

Forging ahead and promoting sustainable finance. In 2020, we formulated the Group's *Sustainable Finance Framework* for the first time among the Mainland real estate companies in accordance with internationally recognized sustainable finance standards and obtained the *Second Party Opinion on the Sustainable Finance Framework* issued by independent rating agency Sustainalytics. We have also established a Sustainable Finance Working Group, which is responsible for selecting eligible green and/or social projects. Under the guidance of this framework, we have successively issued a total of 600 million U.S. dollars of sustainable development senior notes, becoming the first real estate developer in the Asia-Pacific region to issue sustainable senior notes. The proceeds will be used for the development of our green building projects, as well as affordable housing, basic infrastructure and essential services projects, so as to continuously create environmental and social benefits. Kaisa's sustainability performance has also received great attention from international organizations. The Group received a "BB" level in the latest MSCI ESG assessment and a low risk score of 18.7 in the Sustainalytics ESG rating, which strongly prove our effort and dedication in sustainability development.

Rising with accumulated experience and leading urban renewal. Being a pioneer of urban renewal industry in the Greater Bay Area, we closely follow the pace of the continuous evolution and upgrading of China's urbanization process. We continue to play to our own advantages, promote the renewal of the urban structure and strive to achieve the sustainable development of cities and communities. During the transformation of urban villages, old industrial districts, old commercial districts, and old residential districts, we proactively responded to policy planning and people's livelihood demands. And we built public service facilities such as education, medical care, culture and sports for the general public in accordance with local conditions, as well as affordable housing with limited price or rent for low and middle-income families whom with difficulties, enhancing the social value of the projects and achieve the outcome of urban renewal and multiple benefits.

Persisting in craftsmanship and cultivating green building. As a real estate developer rooted in the Greater Bay Area, we proactively respond to the "Ecology First, Green Development" cooperation principle proposed in the Framework Agreement on Deepening Guangdong-Hong Kong-Macao Cooperation in the Development of the Greater Bay Area, and are committed to building high-quality, high-star ranking, people-oriented healthy buildings, and green ecological urban planning to help build a world-class ecological and livable Bay district. In 2020, the Group has added 11 green building certification projects, with a total green building certification area of 2,338,900 square meters, representing an increase of 139.35% compared with that in 2019. We first obtained a LEED Gold Certification from the United States Green Building Council in the project of Shenzhen Kaisa International Fintech Center. In 2020, we obtained another LEED Gold Certification in the Shanghai Kaisa Financial Center project.

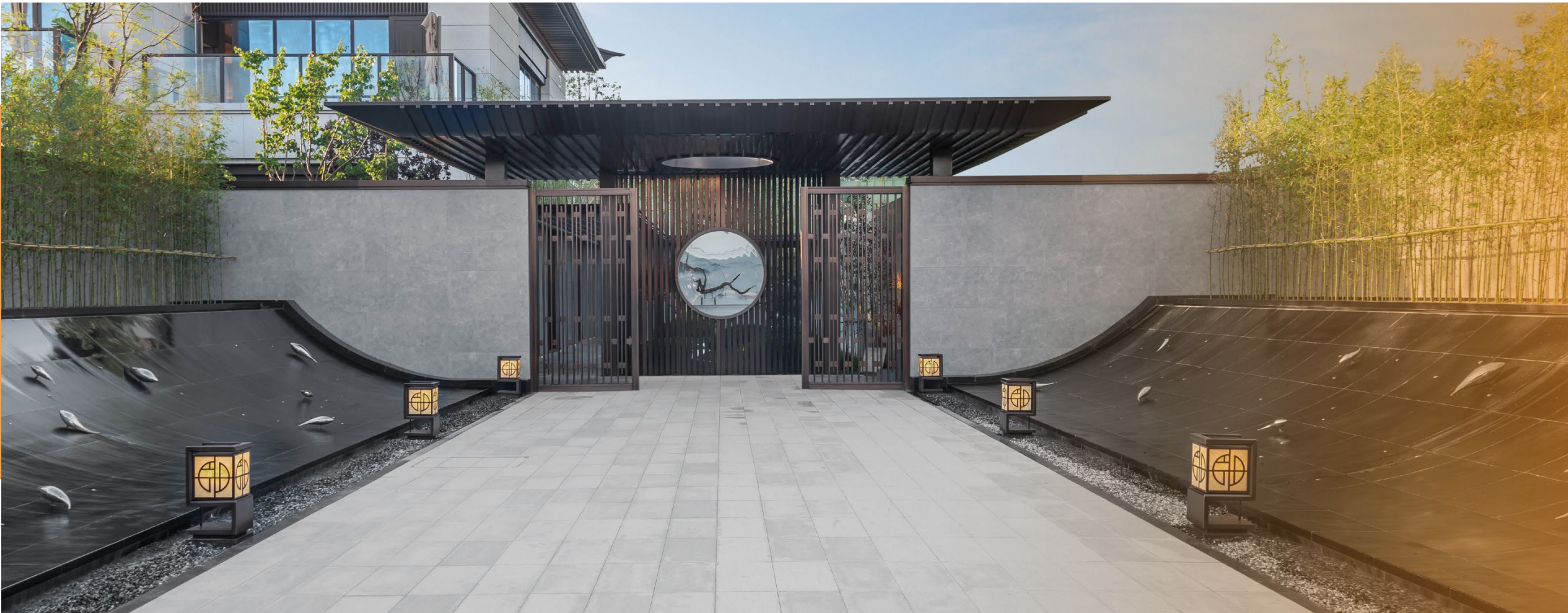
Looking forward to the future, Kaisa will bear in mind our original aspirations, seize the opportunities of the times, and work with stakeholders to create greater value for society and the environment. With the bright future of sustainable development, we will take the goal of building new patterns in community construction, leap forward in sustainable finance, create a new atmosphere in urban renewal, make new breakthroughs in green buildings, and overcome all obstacles and forge ahead.

KWOK Ying Shing

Chairman

31 March, 2021

ABOUT THE REPORT



Introduction to the Report

This Sustainability Report ("this Report") published by Kaisa Group Holdings Limited (the "Company", "Kaisa", or "We") and its subsidiaries (collectively referred to as the "Group") aims to provide the performance of the Group in respect of the environmental, social and governance aspects in a transparent and open manner over the past year, in response to the concerns and expectations of all stakeholders on the sustainable development of the Group. This enables all stakeholders to better understand the company's sustainable development philosophy, actions, and related performance.

The Board of the Company ensures that the contents of this Report are free from any false records, misleading statements or major omissions, and shall bear individual and joint liabilities for the authenticity, accuracy, and completeness of the contents.

This Report is published in Traditional Chinese and English. In case of any discrepancy, the Traditional Chinese version shall prevail.

▶ Reporting Period

This Report covers the period from 1 January 2020 to 31 December 2020 (the "Reporting Period"), which is in conformity with the Group's financial year. Unless specified, otherwise the report mainly describes the company's specific policies and performance in environmental, social and sustainable development during the Reporting Period. Due to the continuity and comparability involved, part of the information in this Report will be appropriately extended as needed.

▶ Reporting Scope

This Report focuses on the Group's management policies, measures, and performance in terms of environment, social and governance. In particular, the environmental key performance indicators ("KPIs") disclosed in this Report cover the selected 20 core functional companies, including their project departments' office areas, property management areas, and marketing departments' sales centers; The method of defining the scope of the organizational reporting boundary for the KPIs is consistent with the past, and the core functional company is defined as the Group's top 20 subsidiaries by revenue during the Reporting Period. Social KPIs cover the overall business scope of the Group.

► Reporting Basis

This Report has been prepared in accordance with the requirements set out in the *Environmental, Social and Governance Reporting Guide* (the "Guide") contained in Appendix 27 of *the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* ("SEHK") and followed the principles of "Materiality, Quantitative, and Consistency":

Reporting Principles	The Company's Responses
Materiality: If the Board decided that the threshold at which ESG issues become sufficiently important to investors and other stakeholders, they should be reported by the issuer.	This Report provided procedures for stakeholders' engagement and materiality assessment and stated the provisions of "comply or explain" in relation to the matters not to be disclosed as they are not material to the Group and the reasons for making this decision.
Quantitative: The disclosure of KPIs needs to be measurable. The data of standards, methods and assumption or calculation on emissions and energy consumption, as well as standards for reporting emissions and energy consumption as well as conversion factors used shall be disclosed	<p>This Report made quantitative disclosure about KPIs, and reported the standards, methods, assumption or data for calculation of emissions and energy consumption, as well as the conversion factors used.</p>
Consistency: The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time.	<p>As far as possible, the indicators contained in this Report shall adopt the same statistical methods of disclosure as in the past.</p> <p>During the preparation of this Report, we identified quantitative methods of environmental KPIs that better reflect the actual situation, and therefore made changes. We also followed Hong Kong Exchanges and Clearing Limited ("HKEX") How to Prepare an ESG Reports - Appendix III: Reporting Guidance on Social KPIs to make changes to the quantitative methods of some social KPIs.</p> <p>For detailed information about the changes to the quantitative method, please refer to the Overview of Key Performance Indicators section.</p>

► Report Assurance

Certain data and information contained in this Report have been independently verified by Grant Thornton Sweden AB to ensure their accuracy and credibility. For details, please refer to the independent limited assurance report contained in the appendix to this Report.

► Reporting Specification

In this Report, unless the context requires, otherwise the following terms shall have the following meanings:

Our Company, Kaisa, or We	Refers to	Kaisa Group Holdings Limited
The Group	Refers to	Kaisa Group Holdings Limited and its subsidiaries
Greater Bay Area	Refers to	Guangdong-Hong Kong-Macao Greater Bay Area
This Report	Refers to	The Company's "2020 Sustainability Report"
ESG	Refers to	Environment, Social and Governance
The Reporting Period	Refers to	January 1, 2020 to December 31, 2020
SEHK	Refers to	The Stock Exchange of Hong Kong Limited
HKEX	Refers to	Hong Kong Exchanges and Clearing Limited
Kaisa Urban Renewal Group	Refers to	Kaisa Urban Renewal Group Co., Ltd.
Kaisa Prosperity	Refers to	Kaisa Prosperity Holdings Limited
Jiake Intelligent	Refers to	Shenzhen Jiake Intelligent Engineering Co., Ltd.
Kaisa Commercial Group	Refers to	Kaisa Commercial Group Co., Ltd.
Kaisa Technology Innovation Group	Refers to	Merged by Kaisa Wewa Technology (Shenzhen) Co., Ltd. and Kaisa Technology Industry (Shenzhen) Co., Ltd.
Kaisa Hainan Group	Refers to	Kaisa Hainan Group Co., Ltd.
Kaisa Culture Sports & Technology Group	Refers to	Kaisa Culture Sports & Technology Group Co., Ltd.
Kaisa Lefire	Refers to	Lefire Sports Development Co., Ltd.under Kaisa Culture Sports & Technology Group Co., Ltd.
Kaisa Charity Foundation	Refers to	Kaisa Charity Foundation
Kaisa Hotel Group	Refers to	Shenzhen Kaisa Hotel Management Co., Ltd.
Camilla Chinese Cuisine	Refers to	Camilla Chinese Cuisine Group (HK) Co., Ltd.
COVID-19	Refers to	Coronavirus Disease 2019

► Report Access

This Report provides an electronic version for the convenience of readers. The electronic version can be viewed and downloaded on the Company's website and the HKEX news's website (<https://www.hkexnews.hk>). If you have any questions, comments, feedback or suggestions about this Report and the Company's sustainability matters, please email to IR1638@kaisagroup.com to contact the Company or access to the Company's website (<https://www.kaisagroup.com/Investor/Information.aspx>) and submit your valuable comments.

01

ABOUT US

Group Profile

Established in 1999, Kaisa Group Holdings Ltd. is headquartered in Hong Kong and was listed on the Hong Kong Stock Exchange in December 2009 (stock code: 1638).

Kaisa is a large-scale comprehensive investment group in China, with more than 20 groups and professional companies, over 100 branches and approximately 17,000 employees. Our total assets amount to approximately RMB310 billion. Around the world, Kaisa owns 6 listed platforms namely Kaisa Group Holdings (1638.HK), Kaisa Prosperity Holdings (2168.HK), Kaisa Health Group (00876.HK), Jiayun Technology (300242.SZ), Nam Tai Property (NYSE:NTP), Shuanglin Bio-pharmacy (000403.SZ). Currently, Kaisa's businesses have covered major economic regions such as Guangdong-Hong Kong-Macao Greater Bay Area, the coordinated development area of Beijing-Tianjin-Hebei regions, and the Yangtze River Economic Belt. The Group has entered more than 50 major cities across the country. Kaisa's business covers more than 20 industrial fields such as comprehensive development, urban renewal, healthcare, culture & leisure, sports, technology, property management, water-way passenger and cargo transportation, commercial operations, catering management, hotel operations, technology industry, football clubs, international education and so on.

Kaisa implements the development strategy of "real estate + urban renewal + industrial development" as three driving forces, and ranks the 24th in the "2021 China Top 100 Real Estate Companies in 2021" (2021 中國房地產百強企業第24位), and continues to be the "No. 1 Chinese Real Estate Urban Renewal Excellent Enterprise" (中國房地產城市更新優秀企業第一名) in 2019-2021. Kaisa has always stood at the height of the city's comprehensive industrial operator. With "professionalism, innovation, value, and responsibilities" as core corporate values, we possess a global vision with an unwavering spirit of innovation. While having multiple perspectives such as intensive intelligence, green and low carbon and quality services, the Group focuses on the development of China's urbanization, and has made positive contributions to promoting industrial upgrading, fostering urban development and enhancing urban value.

Over the past 22 years, Kaisa has always regarded social responsibility as our own one. We have funded more than 80 charitable projects in poverty alleviation, poverty relief, education, medical care, environmental protection, and fighting the epidemic, with a cumulative amount of more than RMB1.6 billion. The Group has also gradually established a complete charity platform of "Three Funds and One Foundation" (三金一會) comprising Kaisa Public Welfare Foundation (佳兆業公益基金會), Kaisa Medical Workers Caring Fund (佳兆業白衣天使基金), Kaisa Yushu Education Fund (佳兆業玉樹助學基金) and Kaisa Sanitation Workers Caring Fund (佳兆業環衛工關愛基金). The Group continues to promote the advancement of public welfare undertakings through normalized, institutionalized, and standardized operating mechanisms.



Group's Value

Kaisa has always taken
"professionalism, innovation, value,
responsibility"
as core corporate values:

- The unremitting pursuit of professional competence and core competitiveness is the key for the Company to stay ahead of the industry;
- The continuous innovation of product concepts, business models, and management methods are the sources of power for the sustainable development of the Company;
- Constantly creating value for customers, employees, partners, shareholders, and society is the way for the Company to realize its own values;
- Employees regard their work as their career and take responsibility for the Company on their own initiative;
- The Company regards its business as the mission of a corporate citizen and shoulders various responsibilities for the country and society.



02

THE PATH TO SUSTAINABLE DEVELOPMENT

Kaisa deeply understands the importance of sustainable development to enterprises and society, and the increasing recognition of ESG investment from investors. As a corporate citizen, the Group has always been mindful of its social and environmental responsibilities, has long attached great importance to sustainable development, and has built a clear system of sustainable development governance into its development, creating values for all stakeholders.

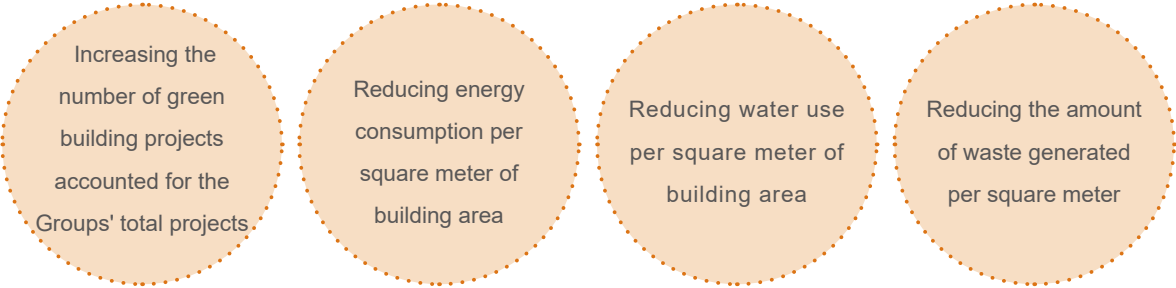
We are committed to being a responsible corporate citizen and proactively manage the environmental and social impacts of our operations by fulfilling our environmental responsibilities and contributing to social projects, so as to create a harmonious and inclusive community and create long-term benefits and values for our stakeholders, the community, and the environment, and building a sustainable future together.

The Group's Board of Directors is responsible for leading and guiding the Group's ESG policies, and continues to work with management to identify, evaluate, and resolve ESG-related issues. We have formulated the *Sustainable Development Strategy*. On the one hand, we will implement local community development through urban renewal, increase land use and improve public supporting facilities; on the other hand, we will increase investment in green environmental protection projects to reduce the negative impact of operations on the climate and environment. Our *Sustainable Development Strategy* supports eight of the United Nations Sustainable Development Goals.



During the Reporting Period, the Group has set the following long-term targets based on the findings of the materiality assessment:

- Promoting the development of green buildings and strengthening the practice of green operation

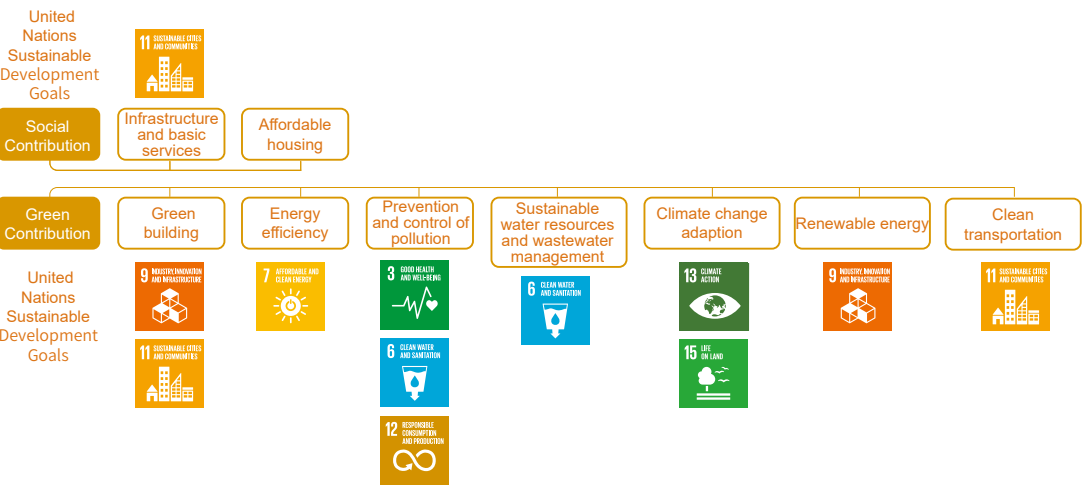


- Emphasizing on employees' occupational health protection, career development, and welfare improvement



Sustainable Development Strategy

Kaisa's *Sustainable Development Strategy* supports eight of the United Nations Sustainable Development Goals under two main lines and in nine categories:



► Reducing negative impacts on the environment

Kaisa attaches great importance to and actively promotes the development of green building, and is committed to reducing the environmental impacts from building design to building operation. In the early stage of project development, the Group entrusts professional institutions to evaluate the surrounding environment and ecology of the construction site and to formulate detailed soil and water conservation plans. Besides, during the construction process, the Group preferentially selects energy-saving and environmentally friendly materials, and adopts advanced and environmentally friendly construction equipment and technologies under the engineering design requirements. In addition, the Group vigorously promotes the delivery model of refined decoration and strives to reduce environmental pollution caused by secondary decoration.

During the Reporting Period, the Group completed 11 green building projects and completed a total of 2,338,900 square meters of green building certification, an increase of 139.35% from 2019.

► Improving community development through urban renewal

The Group is deeply involved in the urban renewal business, actively participating in the development and operation of China's urbanization, promoting the upgrading of urban and industries, and enhancing the value of the city. In the transformation of urban villages, old industrial areas, old commercial areas, and old residential areas, the Group is committed to providing high-quality public transportation, municipal roads, public parks, community health centers, public cultural and sports facilities, public schools, etc. At the same time, we ensure that a minimum area of 3,000 square meters, or at least 15% of the total area of each urban renewal project, is allocated for basic infrastructure, in accordance with the requirements set out in the *Implementation Rules of the Shenzhen Urban Renewal Measures* (《深圳市城市更新辦法實施細則》), so as to ensure the interests of local residents. The Group is also committed to building, refurbishing and maintaining affordable housing projects by planning 15-20% of the total residential gross floor area of each urban renewal project as affordable housing, which are low-cost housing provided for local people in need.

Sustainable Finance

During the Reporting Period, we tried to adopt sustainable finance for the first time to support the business development of the Group and create long-term benefits for society.

► Sustainable Finance Working Group

In order to select eligible green and/or social projects, the Group established a Kaisa Sustainable Finance Working Group (hereinafter referred to as "Sustainable Finance Working Group"). The members include relevant employees from the project development, sustainability, finance, legal, and investor relations functions. The list of shortlisted projects will be provided by the Project Development Department and then submitted to the Sustainable Finance Working Group for review and approval in accordance with internal regulations. The Sustainable Finance Working Group will also review the shortlisted projects annually and remove those that are no longer eligible.



► Sustainable Bonds

In order to realize the sustainable development concept of Kaisa and promote the sustainable development process with green finance as a lever, the Group established the *Sustainable Finance Framework* (hereinafter referred to as the "Framework") in July 2020, which obtained the *Second Party Opinion on the Sustainable Finance Framework* by Sustainalytics, an independent rating agency. The Framework aligns with the four core components of the *Green Bond Principles*, *Social Bond Principles*, *Sustainability Bond Guidelines*, administered by the International Capital Market Association (ICMA), and the *Green Loan Principles*, administered by the Asia Pacific Loan Market Association (LMA), and is applicable to bonds, loans and other financing products. All sustainable financing net proceeds will be dedicated to providing partial or full financing or refinancing for new or existing eligible green and/or social projects that meets the definition of the Framework.

Under the Framework, the Group issued US\$200 million of senior perpetual capital securities on September 30, 2020, and a total of US\$400 million of sustainable development senior notes on December 8, 2020 and December 23, 2020. The Group became the first property developer in the Asia-Pacific region to issue sustainable development senior notes, and was selected as the "Best Sustainability Bond 2020" in the "Triple A Sustainable Capital Markets Regional Awards" organized by *The Asset*, a well-known international asset management and investment magazine.

03

ANNUAL ESG
WORK REVIEW

Kaisa has always been committed to promoting sustainable development. In 2020, we have received market recognition for many times, improved our performance in a number of representative sustainability indicator evaluations, and won different ESG awards. We have also been invited to participate in ESG events organized by different organizations.



Kaisa established the first *Sustainable Finance Framework* among Mainland real estate companies, and obtained the *Second Party Opinion on the Sustainable Finance Framework* issued by Sustainalytics, an independent rating agency, as the certification of sustainable financing, which shows the determination of the Group to continue to deepen its development in this field.

Morgan Stanley Capital International ("MSCI"), a world-famous index company, released Kaisa's latest ESG rating report, which upgraded the Group's ESG rating from "B" to "BB", leading among mainland properties stocks in Hang Seng Index, which reflects MSCI's recognition of our excellent performance in ESG. In this ESG rating, the Group received a "low risk" score in terms of corporate governance such as integrity supervision, product management, and talent development. This reflects the organization's recognition of the Group's corporate governance strategy and at the same time demonstrates the Group's contribution to the society, good supervision and management of the internal system and commitment to achieving sustainable development together with the country.

Sustainalytics, the world's leading ESG rating and research company, released Kaisa's latest ESG rating report. The Group received a low-risk score of 18.7 points, which is at the "low risk" level. This score ranks first among real estate developers in the Asia-Pacific region, which fully reflects the Group's outstanding performance in ESG.

On "2020 Guangdong Poverty Alleviation and Relief Day", Kaisa once again donated RMB173 million to the fight against poverty in Guangdong Province, making us one of Guangdong enterprises with the largest accumulated donation amount in the recent four years. The Group has been actively participating in the "Guangdong Poverty Alleviation and Relief Day" for ten consecutive years. In recognition of our outstanding contribution in poverty alleviation work, the Guangdong Poverty Alleviation and Development Leading Group has awarded Kaisa the grand title of "Outstanding Contributing and Caring Enterprise in the 10th Anniversary of Guangdong Poverty Alleviation and Relief Day".

Kwok Hiu Kwan, the executive director of the Group, and Kwok Hiu Ting, the general manager of administration and human resources department of the Group, were appointed as the honorary president of the Guangdong Charity Association and the honorary president of the Shenzhen Longgang District Charity Association respectively during the Reporting Period. These titles are recognition of Mr. Kwok Hiu Kwan's and Ms. Kwok Hiu Ting's long-standing commitment to charity, as well as full recognition of the contribution made by Kaisa in the field of public welfare and charity over the years.

As of the end of December 2020, Kaisa promoted the implementation of 107 poverty alleviation projects, helping 15 counties and more than 40 poor villages in Guangdong, Guangxi, Qinghai and other provinces, benefiting 82,000 people in the poor villages.

Kaisa donated HK\$200 million to the Hong Kong University of Science and Technology in the Reporting Period to establish a joint research institute to support research and education.

During the 2020 epidemic, the Kaisa Volunteer Team has carried out many voluntary activities in Hong Kong to bring warmth to the community, with a total of over 1,000 hours of service throughout the year.

Kaisa officially obtained the "Caring Company" certification issued by the Hong Kong Council of Social Service, fully affirming the Group's outstanding performance in caring for society and fulfilling corporate social responsibilities by Hong Kong society.

With the Group's new high in scale, comprehensive improvement in profitability, and continuous advancement of the urban public service provider strategy, Kaisa continues to enhance its core competitiveness in multiple dimensions such as comprehensive strength, professional fields, and social responsibility, and continuously won recognitions and appreciations from the industry and the public. The Group was granted a total of 132 awards during the Reporting Period and topped the list of the industry, and won the "Top Award-Winner in China's Real Estate Industry in 2020", reaching a new high in brand influence.

During the Reporting Period, Kaisa participated in Barclays ESG Fixed Income Virtual Corporate Day to discuss and exchange views with investors on ESG-related issues.

Hong Kong's authoritative financial media "Hong Kong Economic Journal" conducted an in-depth study on how Kaisa perfectly integrates business development with ESG, and published a series of three issues of Kaisa's ESG special report on the website homepage of "Hong Kong Economic Journal", which received quite some responses.

Main ESG Awards and Honors

Name of ESG-related Awards	Granting Authority
The Asset ESG Corporate Awards 2020-Titanium Award Winner	The Asset
Best Sustainability Bond 2020	The Asset
Best Investor Relations Team Award	The Asset
ESG Leading Enterprise Award	Bloomberg Businessweek
Listed Enterprises of the Year 2020	Bloomberg Businessweek
ESG Best Case Award for Chinese Enterprises 2020	Shanghai United Media Group, Cailian Press
China ESG Golden Awards 2020-Best Responsibility Progress Award	Sina Finance
2020 ESG Leading Real Estate Listed Company Awards	Hexun.com
2020 Financial Risk Control Model for Real Estate Companies	Hexun.com
Best Listed Company in Greater China 2020-Best IR Team of the Year	Gelonghui
New Fortune's Best IR Hong Kong Stock Company	New Fortune
Best Investor Relations Listed Company	Ifeng.com
2020 China Real Estate Targeted Poverty Alleviation Pioneer Award	Times Media Group
2020 Guangdong Province Real Estate Targeted Poverty Alleviation Outstanding Contribution Enterprise	Guangdong Real Estate Association
2020 China Influential Employer of the Year	Guandian Property & Co.
2020 Best Employer Enterprise in China's Real Estate Industry	EH Consulting, Keyan Think Tank
2020 Poverty Alleviation Enterprise	International Finance News by People's Daily
2020 Social Responsibility Contribution Award	China Business Journal
Outstanding Contributing and Caring Enterprise in the 10th Anniversary of the Guangdong Poverty Alleviation and Relief Day	Guangdong Leading Group for Poverty Alleviation and Development
2019-2020 China Real Estate Annual Poverty Alleviation Benchmarking Enterprise	China Index Academy Limited, China Real Estate TOP10 Research Group
Caring Enterprises Facilitating High-quality Development in Ethnic Areas	Poverty Alleviation and Development Office of Guangdong Province, Ethnic and Religious Affairs Commission of Guangdong Province
2020 Best Governance Award for Chinese Real Estate Enterprises	Leju
Respected Company	Institutional Investor
2020 China's Top 20 Real Estate Urban Renewal and Innovative Power TOP1	Times Media Group
No. 1 among the Top 30 Comprehensive Urban Redevelopment Strength of Chinese Real Estate Companies in 2020	China Real Estate Business
Ranked 30th among the Top 500 Chinese Real Estate Development Enterprises in 2020	China Real Estate Association, E-house China R&D Institute
2020 China's Real Estate Urban Redevelopment Leading Brand TOP1	China Index Academy Limited, China Real Estate TOP10 Research Group
Benchmarking Enterprise for Financial Stability in 2020	China Business Journal
Ranked 20th in 2020 China's Top 100 Listed Real Estate Companies in Comprehensive Strength	EH Consulting
2020 Chinese Real Estate Enterprise Brand Value TOP14	EH Consulting
2020 China's Real Estate Enterprises Comprehensive Strength TOP22	EH Consulting
The 40 Most Respected Enterprises in the 40th Anniversary of Shenzhen Special Economic Zone	Stcn.com
The 40 Most Respected Corporate Figures of the 40th Anniversary of the Shenzhen Special Economic Zone-Guo Yingcheng	Stcn.com

Performance Highlights

Business Corporate Benefits	Sustainable Finance <ul style="list-style-type: none">• Issued US\$200 million of senior perpetual capital securities• Issued a total of US\$400 million of sustainable senior notes• The Group's first sustainable finance report is attached to this Report¹.	ESG rating <ul style="list-style-type: none">• MSCI ESG Rating upgraded from 'B' to 'BB'• Sustainalytics ESG rating of 'Low Risk' - 18.7 points	
	Community Welfare <ul style="list-style-type: none">• Over the past three years, the Group has built over 10 community health service centers and over 10 public schools as part of its urban renewal projects.	Community Revitalization <ul style="list-style-type: none">• Since its establishment, Kaisa has completed more than 30 urban renewal projects, involving urban renewal, land preparation, and interests coordination, covering a wide range of areas such as old towns, old villages, old factories and redevelopment of dilapidated buildings.	Charitable Actions <ul style="list-style-type: none">• On "2020 Guangdong Poverty Relief Day", Kaisa once again donated RMB173 million, making us one of Guangdong enterprises with the largest accumulated donation amount in the recent four years.
	Green Building and Operation Management <ul style="list-style-type: none">• During the Reporting Period, the Group obtained green building certification for 11 projects with a total area of 2,338,900 square meters.• Apart from green buildings, the Group also proactively developed projects related to sponge cities to help allocate water resources and tackle flooding problems.		
	Building Partnerships <ul style="list-style-type: none">• The Group organized its annual Partners of Excellence Summit, which was themed "Unite for a Better Future" and brought together over 200 outstanding partners from all over the world. At the summit, the Group, with a commitment to building a platform for cooperation with an open mind, commended strategic suppliers who have made outstanding contributions to us during the Reporting Period.		Technology Incubation <ul style="list-style-type: none">• KMAX, a technology incubation platform of the Kaisa Technology Innovation Group focuses on the incubation of innovative and entrepreneurial projects in the fields of artificial intelligence, Internet of Things and big data.• During the Reporting Period, there were a total of 433 companies in KMAX, with technology (artificial intelligence, electronic information, IT and Internet) accounting for 60% of the total.
Business Partners			
Caring For Employees	People-oriented <ul style="list-style-type: none">• The Group was awarded the "Best Employer Enterprise in China Real Estate 2020" for its excellent human resources management capabilities and innovative management model, reflecting the high recognition of the Group's human resources management and organizational management by external organizations.	Talent Training and Development <ul style="list-style-type: none">• Percentage of employees trained: 100%• Average number of hours of training completed per employee: 18 hours	Diversity and Inclusion <ul style="list-style-type: none">• Ratio of male to female employees (women to men): 1:2

¹Please refer to the chapter on Allocation of Sustainable Bonds for further details.

04

FIGHTING THE EPIDEMIC AND RESPONDING PROACTIVELY

At the beginning of the new year in 2020, the COVID-19 epidemic has quietly spread, pulling at people's heartstrings. Kaisa quickly responded to the epidemic prevention and control requirements of the country and governments at all levels, took the initiative to act, fulfilled its responsibilities to protect public health, and fulfilled its corporate social responsibility. In addition to urgently mobilizing funds and materials to directly fight the epidemic, the Group also fully participated in the fight against and protection of the epidemic within the scope of its operations, proactively finding out the actual needs of various stakeholders during this period, and cooperated with stakeholders including owners, tenants, customers, partners, etc., to help each other.

Rescuing from the Epidemic

► Donation

Kaisa donated a total of RMB 10 million to Wuhan Charity Federation and Xiaogan Charity Federation respectively, and also donated RMB 300,000 to Jiangyan District Charity Association of Taizhou City, Jiangsu Province to help fight the COVID-19 epidemic.

► Protecting People's Livelihood

For the community's livelihood and material support, Kaisa is also taking actions:

- The Group donated 5,000 sets of protective clothing to 11 hospitals in Wuhan, Hubei, and 2.5 tons of disinfectant to the Management Committee of Airport Economic Zone of Xiaogan City, Hubei to fully support the anti-epidemic work in various places.
- Kaisa Prosperity carried out a comprehensive disinfection work in its communities, proactively procuring daily supplies for quarantined owners, clearing and transporting garbage, and providing safety guarantees for the community's epidemic prevention.
- Businesses supporting people's livelihood such as the commercial supermarkets under the Kaisa Commercial Group insisted on normal operations to ensure an orderly life for the general public.
- Kaisa Hainan Group purchased 100,000 catties of vegetables, delivered from Sanya, Hainan to Wuhan, Hubei, where the epidemic was the most severe, and provided to the people of Wuhan for free.



On February 13, 2020, the Group donated 5,000 sets of protective clothing to 11 hospitals in Wuhan, Hubei, and 2.5 tons of disinfectant to the Management Committee of Xiaogan Airport Economic Zone.



On February 8, 2020, Kaisa Hainan Group purchased 100,000 catties of vegetables, delivered from Sanya, Hainan to Wuhan, Hubei, where the epidemic was the most severe, and provided to the people of Wuhan for free.



To pay tribute to the "heroes" on the front line of the fight against the epidemic, on February 20, 2020, Camilla Chinese Cuisine delivered meticulously cooked dishes to the staff of the Department of Respiratory Medicine of Peking University Shenzhen Hospital, and provided free loving meals to the white-clothed angels on the front line, appreciating them for serving the public on the front line.

► Material Support, Promotion of Epidemic Prevention and Control

For 10 consecutive years, Kaisa has participated in poverty alleviation work in Guangdong Province, and has been concerned about the impacts of the COVID-19 epidemic on the targeted poverty alleviation sites, and has immediately offered assistance to the targeted poverty alleviation sites to fight against the epidemic.

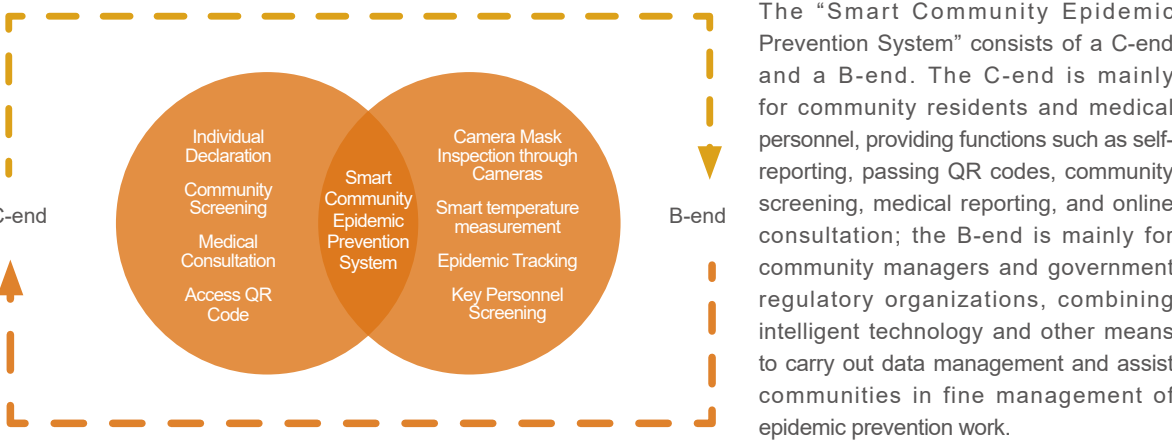


Kaisa donated 30,000 masks to Longtian, Longmen County, Huizhou City for the prevention and control of the COVID-19 epidemic, and 3 sets of village communication intelligent monitoring and broadcasting systems of the Extending Radio and TV Broadcasting Coverage to Every Village Project² to help promote the prevention and control of the epidemic in rural areas. With the support of Guangdong Charity Federation, the Group coordinated the donation of 4 tons of chlorine dioxide disinfectant tablets to Shangdong Village, Lantian Yao Ethnic Group Countryside, Longmen Town; Tianwei Village; Xipu Village; Chenguang Village, Pingling Street; Zutang Village and Xiaotang Village in Longtian Town for the prevention and control of the epidemic and daily environmental hygiene work in the poor villages.

Resuming Operation and Work

► Smart Anti-epidemic Solution

Kaisa believes that the only way to better combat the COVID-19 epidemic is to work together with all sectors. The Company has set up a dedicated development team to jointly launch the "Smart Community Epidemic Prevention System" to help community managers at the frontline of epidemic prevention and control by leveraging the core technologies of artificial intelligence, ubiquitous electric Internet of Things, and big data of both companies.



²Extending Radio and TV Broadcasting Coverage to Every Village Project is a national system project that includes: roads, electricity, domestic and drinking water, telephone network, cable TV network, Internet, etc.

► Supporting the Public

The ongoing outbreak of COVID-19 has had a direct impact on people's ability and willingness to spend. The Group responded swiftly and participated in the protection and control against the epidemic within its operations, covering its communities, shopping centers, hotels, centralized long-term rental apartments, and office areas across the country.

- Kaisa Commercial Group and Kaisa Culture Sports & Technology Group waived the rent of their shopping centers and operating venues for 15 days.
- Kaisa Technology Innovation Group waived one month's rent for tenants of long-term rental apartments affected by the epidemic and customers of its own property KMAX.
- Kaisa Hotel Group offered free cancellation and refund services to customers who have made reservations.

► Free Services

Kaisa is very concerned about the physical and mental health of the medical personnel, who travelled from Shenzhen to Hubei to support, and their families, and thus has prepared cultural and sports-related activities for them.

During the period from April 1 to December 31, 2020, Kaisa Culture Sports & Technology Group launched a special campaign called "Great Love for Doctors, A Great Gift for People" to pay tribute to health care workers fighting against the epidemic by arranging 14 of its venues to provide free fitness services and discounts for health care workers in the regions, in Hubei and overseas. The event served in total a few thousands of health care workers in the fight against the epidemic.



In addition to providing the venue, Kaisa Culture Sports & Technology Group also provided free sports training courses. The Group actively participated in the "Warmth for the Heroes" sports care project initiated by the Shenzhen Urban Sports Development Foundation and provided two sessions of sports training courses, including soccer, basketball, badminton, swimming, etc., worth nearly RMB300,000 for the medical personnel from Shenzhen, who went to Hubei to support, or their spouses and children.

At the same time, Kaisa Lefire, a one-stop service platform for youth and children's quality education under Kaisa Culture Sports & Technology Group, also provided free training for the children of medical personnel from Shenzhen in the front line of epidemic prevention and support in Hubei, including soccer, basketball, badminton, swimming, etc. More than 100 children of medical personnel received free training services.

► Resuming Work in an Orderly Manner

With the situation of the COVID-19 epidemic under control, Kaisa has launched the restoration of work in an orderly manner, taking multiple measures to strictly follow the requirements of governments at all levels to strictly prevent and control the epidemic, and to promote the restoration of work in an orderly manner to restore normal socio-economic operations so as to reduce the impacts of the epidemic. To ensure a smooth restoration of work, the Group implemented various measures to prevent and control the epidemic on a regular basis, insisting on daily disinfection of common areas and toilets in resumed workplaces such as offices and sales centers, and requiring employees to wear masks in their work areas to consolidate the results of epidemic prevention and control and protect the health and safety of employees.

For construction personnel returning to work, Kaisa proactively cooperates with the epidemic prevention authorities in various provinces and only allows entry of personnel without coughing or fever during the 14-day isolation period. The Group's construction sites are closed to the public, while the living, office, and operation areas are disinfected at regular intervals. The entry and exit of staff are registered, so as to prevent people from entering or leaving the sites without having their body temperature checked. At the same time, the Group has established a special health file for returning employees. All returning employees are required to fill in an admission undertaking and make detailed records of their personal information, health status, activity trajectory, route of return to work, mode of transportation, and health code.



Disinfection in office areas



Restoration of work and production in Wuhan, entry permitted only at normal body temperature



One-to-one reception by consultants in the sales office, with a strict safety distance of 1 meter or more



► Channels Established

In addition to helping the public to resume work, Kaisa has also developed channels to support the recovery of its own business.

The Group proactively made use of various online marketing channels including online live streaming and proprietary sales platforms – a WeChat application "Kaisa-your dream house (築夢佳)" and a mobile application "Kaisa-your new house (置業佳)" and collaborated with various major property sales platforms through both online and offline channels and VR house viewing, providing more powerful tools for our employees, while opening up more convenient channels for customers in need.

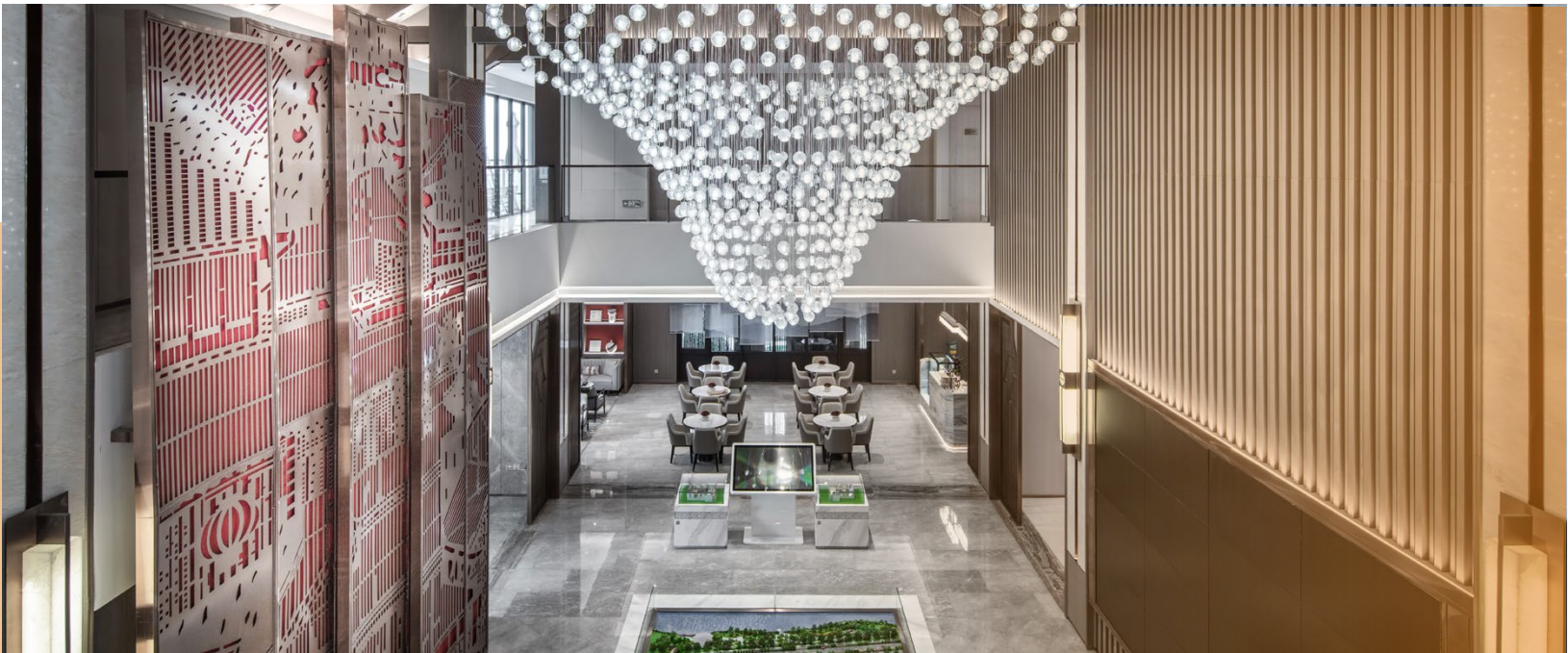


05

OPEN
COMMUNICATION

Communication with Stakeholders

Maintaining close communication with our stakeholders helps the Group to determine our sustainable development approach and management strategy. We have been actively communicating with our stakeholders through various channels to understand their concerns and expectations, and based on these, we take them into full consideration in our daily operation and decision-making process to seriously improve our long-term development strategy, so as to achieve mutual progress and development of the enterprise and society.



The table below summarizes our communication channels with stakeholders, and our concerns and action plans in place.

Stakeholder Group	Communication Ways/Channels	Key Concerns	Our Action Plans
Shareholders and investors	<ul style="list-style-type: none">General meetingsAnnual and interim reportsAnalyst meetingsEmailsInvestor hotline and meetings	<ul style="list-style-type: none">Maintain profitabilityFormulate sustainable development policyTransparency of the Company's informationProtection of rights and interest of shareholders and investors	<ul style="list-style-type: none">Convene regular general meetingsConvene board meetingsMeeting with investorsMake disclosure on-time in accordance with law
The government	<ul style="list-style-type: none">Public consultationSeminarsReportsOnline surveyInterviews	<ul style="list-style-type: none">Ensure operational compliancePay taxes in compliance with lawsRespond to national policiesSupport local developmentPromote employment	<ul style="list-style-type: none">Facilitate urban development plansComply with the national laws and regulationsCreate more job opportunitiesPay taxes in full and on time
Employees	<ul style="list-style-type: none">Staff activities and mailboxesCompany's intranetOnline opinion survey	<ul style="list-style-type: none">Career developmentTraining opportunitiesCompensation benefitsCorporate cultureHealth and safety	<ul style="list-style-type: none">Continue to optimize the training and development system, covering professional development, occupational skills and safety regulationsUnderstand employees' personal development needs and appraising their performance in an impartial and objective mannerProvide competitive remuneration packageProvide psychological counseling

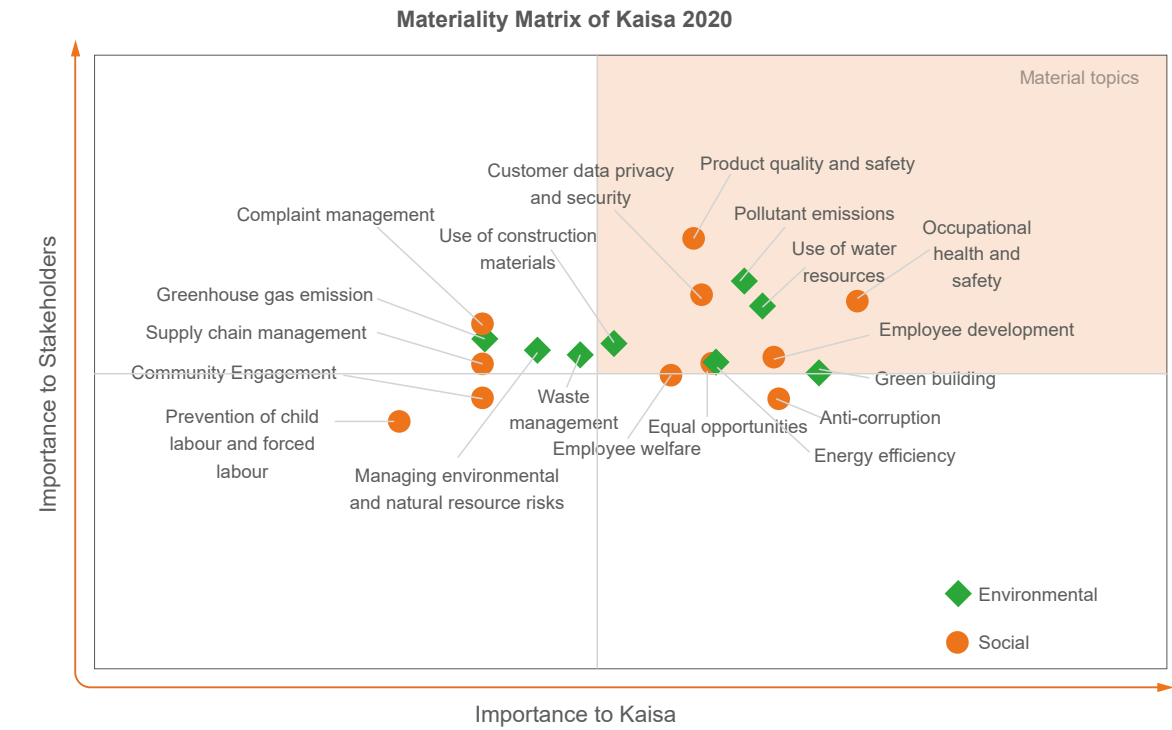
Stakeholder Group	Communication Ways/Channels	Key Concerns	Our Action Plans
Customers/ Tenants	<ul style="list-style-type: none">Collect feedbacks on servicesReturn visitsCustomer satisfaction survey	<ul style="list-style-type: none">High-quality products and after-sales servicesComfortable living experienceProtection of privacy	<ul style="list-style-type: none">Regulate and standardize products and servicesConduct regular satisfaction surveyPromptly handle customer complaintsEnsure protection of customers' privacy
Suppliers	<ul style="list-style-type: none">Supplier performance review and evaluationOnline opinion survey	<ul style="list-style-type: none">Transparent procurement proceduresBusiness integrityPerformance of contractOn-time payment	<ul style="list-style-type: none">Conduct routine communicationImplement fair and ethical business practiceProvide suppliers with equal opportunitiesComply with contractual provisions
Communities	<ul style="list-style-type: none">Community charitable activitiesVoluntary activities	<ul style="list-style-type: none">Investment in public welfareGreen operationParticipation of community buildingCare about the vulnerable groups	<ul style="list-style-type: none">Charity foundation establishmentEncourage employees to participate in voluntary activitiesOrganize charitable eventsIntegrate green concept and environmental protection elements into designs

Materiality Assessment

In order to respond to the stakeholders' evolving expectations of sustainability in a timely manner, the Group continued to conduct materiality assessments during the Reporting Period to identify ESG issues that are material to the Group and our stakeholders, which provide an important basis for the Group's sustainability management and the determination of the scope of this Report. The following is the materiality assessment process:



The results of the materiality assessment are shown in the following materiality matrix.



Having reviewed the results of the 2020 Materiality Assessment, the Board has identified the “community engagement” as a social issue which is material to Kaisa during the Reporting Period and has therefore directly identified “community engagement” as a material ESG issue.

This Report will highlight the progress and results of our work on 12 key ESG issues, while other issues will also be disclosed in a compliance manner to enable stakeholders to have a comprehensive understanding of our work in different areas.

The 12 key ESG issues and their corresponding response chapters as a result of the materiality assessment are as follows:

Aspect	Key ESG Issue	Response Chapter
Environmental	Pollutant emissions	ENVIRONMENTALLY FRIENDLY
	Use of water resources	Green Operation and Strict Saving Practice
	Green building	Green Technology Smart Building
	Energy efficiency	Green Operation and Strict Saving Practice
	Use of construction materials	Green Construction and Ecological Conservation
Social	Occupational health and safety	Health and Safety
	Product quality and safety	Stick to the Original Intention of Quality
	Customer data privacy and security	Dedicated to Maintain Relationship with Customers
	Employee development	Training and Development
	Equal opportunities	Rights and Welfare
	Employee welfare	Rights and Welfare
	Community engagement	COMMUNITY BUILDING

06

COMMUNITY BUILDING

As a city operator that has been making unremitting efforts to improve the living environment and build a happy life, Kaisa has been exploring and innovating, advocating a green and healthy working and living concept. While expanding its business, Kaisa has taken practical actions to ensure the development of public welfare and services, such as education, medical care, culture and sports, and affordable housing to continuously promote the development of public welfare undertakings, enhancing the social value of the project, realizing urban renewal, and thus creating more shared values.





Serving the City, Community Reengineering

Kaisa regards urban renewal³ as the core development engine of the Company and believes that urban renewal is an important way to realize shared value. Over the past 21 years, Kaisa has successfully completed more than 30 urban renewal projects, involving urban renewal, land preparation, and interests coordination, covering a wide range of areas such as old towns, old villages, old factories, and redevelopment of dilapidated buildings. The Group's projects adopt a mixed development approach, providing a variety of public facilities and sites for public use while bringing economic benefits to the projects and enhancing community building benefits

³ Urban renewal involves partial or overall, step-by-step transformation and renewal of the entire physical living environment of the old city, including roads, road networks, utilities, and communication facilities, as well as the improvement of its firefighting, travel, production, labor, living, service, and rest conditions.

In the course of urban renewal, the Group actively responds to policy planning and people's aspirations by building public service facilities in education, healthcare, culture and sports, as well as subsidized housing for low- and middle-income families with housing difficulties at a limited price or rent, according to local conditions.

► Basic Infrastructure and Essential Services

Kaisa subsidizes the construction, renovation, and maintenance of basic infrastructure facilities and essential services, such as public schools, public hospitals, public cultural and sports facilities, etc. The projects are managed by the government and are open to the public. A minimum area of 3,000 square meters, or at least 15% of the total area of each urban renewal project, is allocated for basic infrastructure, in accordance with the *Implementation Rules of Shenzhen Urban Renewal Measures* (《深圳市城市更新辦法實施細則》).

In the past three years,the Group's urban renewal projects have involved building

10+
community health
service centers

10+
public schools

► Affordable Housing

Kaisa subsidizes the construction, refurbishment and maintenance of affordable housing in residential developments. The affordable housing takes up 15-20% of the residential gross floor area of each urban renewal project, and the housing provided in these projects are for people in need who meet the local government's criteria for renting or purchasing low-cost housing.

In the past three years,the urban renewal projects have provided

480,000
square meters of affordable
housing

320,000
square meters have been
built

160,000
square meters are
under construction⁴

⁴The figures disclosed here are based on projections made during the design phases of the projects.

► Key Project Overview

● Shenzhen Kaisa International Fintech Center

Formerly part of the old residential buildings in Nan Yuan New Village, Shenzhen Kaisa International Fintech Center was included as one of the major construction projects in Shenzhen's 12th Five-Year Plan. It is located at the intersection of Shennan Avenue and Shangbu Road in Futian District, Shenzhen. The building is approximately 258 meters in height, with 50 floors above the ground and 4 floors below the ground, and a total gross floor area of approximately 130,000 square meters, which is expected to put in use in 2022.

As a new era of business landmark in Shenzhen, Shenzhen Kaisa International Fintech Center has extracted the essence of global landmark architectures and adopted the design concept of "cooperation and cohesion" to make the building in the shape of multiple chopsticks converging into the clouds and elegantly presenting itself along Shennan Avenue. The value of Shenzhen Kaisa International Fintech Center is that it has changed the traditional business concept and innovatively created a vertical urban landmark with super Grade A business and commercial center, shared conference center, staff restaurant, sky garden and sky lobby, etc. It has been awarded LEED Gold Certification and National Green Building 3-stars Certification.



Original view



Actual view after capping the core cylinder



Rendering view

● Yantian Relocation Project

The Shenzhen Yantian No.3 & No. 4 Village, Xishanxia Village, and Xiaobu Village Community Relocation Project ("Yantian Comprehensive Relocation Project") is the first urban renewal and off-site relocation project in Shenzhen to be put out to tender, involving 13 natural villages, a precedent for large-scale relocation in Shenzhen. Kaisa has renewed 265,600 square meters of land, providing a total of 470,000 square meters of gross floor area for the return of indigenous residents. On 27 November 2020, Shanhai City Phase 2 (Xishanxia Garden) and Phase 3 (Yuehai Garden) of the Home Returning Scheme were officially launched, providing a total of 1,344 residential units.



Kaisa Shanhai City Phase 2&3



Home Returning Launching Ceremony

● Pinghu Old Town Project

The GX01 Urban Renewal Unit 1 ("Pinghu Old Town Project") of Pinghu Street, Longgang District, Shenzhen is located in the central area of Pinghu and is one of the 70 historical projects in Shenzhen. Before the renewal, there was a mix of residential and industrial buildings in the old village of Pinghu, which was crowded and chaotic, posing a safety hazard.

Through urban renewal, Kaisa has integrated space, adjusted the layout of the sites, improved public facilities, recreated a pleasant community, and reshaped the image of Pinghu's central area. With a planned gross floor area of 475,000 square meters, the project covered a wide range of commercial, residential, office and flat developments, as well as public facilities such as nurseries, homes for the elderly, public green spaces and public squares, bringing a more convenient, enriched and humanistic "one-stop" living experience to all returning owners. On 19 November 2020, the first phase of the Pinghu Old town project, Kaisa Plaza, was launched. 830 units of re-housing will be delivered to owners.



A new landmark in the Pinghu area



Home Returning to Kaisa Plaza

Integrated Deployment and Technology Innovation

With a strong emphasis on building value chains, Kaisa insists on laying out its business in different industries and formulating a business strategy which integrate urban renewal with integrated development, industrial operations, ancillary operations, wealth management, and culture and tourism in an orderly manner. We believe that by establishing an ecological system along the entire value chain, including urban planning and design, industrial resource integration, development and construction, investment and operation, and financial services, we can help communities upgrade and bring more value to the relevant stakeholders. At the same time, in an era of constant technological innovation, we are committed to promoting the organic combination of technological advancement and industrial innovation to drive the sustainable development of the Group.

► Promoting Sports and Culture, Entering e-Sports

The Kaisa Culture Sports & Technology Group under Kaisa is responsible for the operation of 26 iconic sports and cultural venues, including the Shenzhen Universiade Center, Shenzhen Nanshan Sports and Cultural Center, Wuhan Five Rings Sports Center, Hangzhou Xiaoshan Guali Culture and Sports Center, Guangxi Guigang Sports Center, and Jiangsu Nantong Haian Sports Center. With an operating area of more than 2.55 million square meters, we provide sport services, including football, basketball, tennis, volleyball, badminton, table tennis, and swimming. During the Reporting Period, the Group was awarded the provincial award for sports industry for the second consecutive year, and the French Super Cup, and the Elite Sailing International Federation World Tour - China Open Table Tennis Tournament (Shenzhen), which were organized by the Group, were recognized as the Guangdong Province Sports Industry Demonstration Project.



In December 2020, the Guangdong Sports Bureau awarded the Guangdong Province Sports Industry Demonstration Project to the Kaisa Culture Sports & Technology Group.

In 2020, due to the impact of the COVID-19 epidemic, the operating sports and cultural venues of the Kaisa Culture Sports & Technology Group were closed from 24 January to late March, with each venue open for public welfare for an average of 150 days. All the venues in operation have received nearly 500,000 free visits from the public and conducted over 220 public welfare activities.

Meanwhile, the Kaisa Culture Sports & Technology Group has been actively responding to the rising needs of the general public for sports and culture, and is committed to promoting the quality development of the city's cultural and sports industry. 2020 FINA Champion Swimming Series (Shenzhen) was held at the Shenzhen Universiade Swimming Stadium operated by the Kaisa Culture Sports & Technology Group in January 2020. This is a brand-new event launched by FINA in 2019 and is the most important world class swimming competition after the Olympic Games and the World Championships. Many top athletes from 26 countries and regions, including China, the United States, Russia, Hungary, and Brazil, participated in the event, presenting a high standard of international swimming competition to the general public.



FINA Champion Swimming Series (Shenzhen) at Shenzhen Universiade Center in January 2020



"2020 League of Legends Global Finals" offline charity event



The second "National Chinese Chess Qualifier" tournament in 2020 was watched by millions of people across the internet

In October 2020, Kaisa officially entered the e-sports industry. Kaisa Culture Sports & Technology Group has fully deployed e-sports clubs, built professional e-sports venues, and launched international e-sports events. The Kaisa Culture Sports & Technology Group successfully held the "2020 League of Legends Global Finals" free offline charity event at the Shenzhen Universiade Center, gaining high attention from the industry and players. In addition, Kaisa Culture and Sports Technology Group presented the "National Chinese Chess Qualifier", China's top chess IP tournament, inviting the best chess players in China to participate in the tournament and live streaming the tournament through various online platforms, gaining the attention of tens of millions of people across the internet. For the next step, Kaisa Culture and Sports Technology Group will join hands with Shenzhen World Sports Culture Co Ltd to build the Kaisa E-Sports Center, which is expected to be completed in 2021.

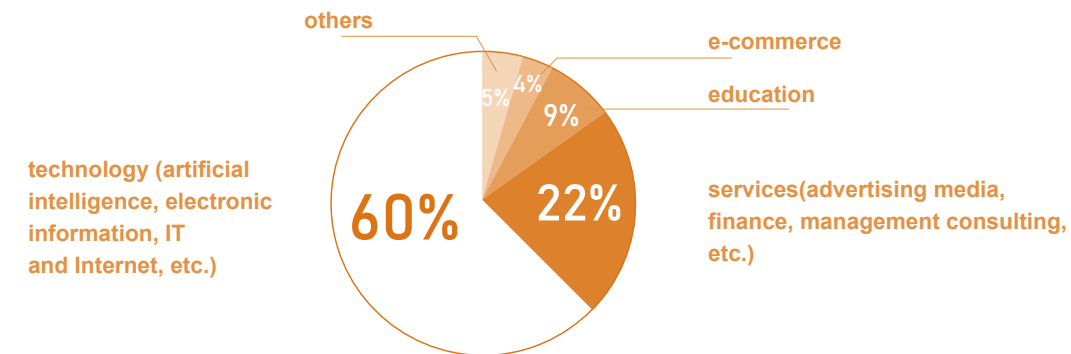
► Industry Empowerment, Technology Incubation

With technology innovation as the driving force, in-depth integration of resources as the support, and technology industries as the carrier, Kaisa is committed to building an integrated platform for the industrial value chain through the operation of parks, technology incubation, and research and development of intelligent products. As at the end of the Reporting Period, Kaisa has successfully completed a number of park projects, including Kaisa Xingdong Technology Innovation Park (Shenzhen), Kaisa Technology Innovation City (Niugu Ling project), and Kaisa Airport Science and Technology City.

KMAX is an innovation and technology incubation platform under Kaisa Technology Innovation Group, focusing on the incubation of innovative and entrepreneurial projects in the fields of artificial intelligence, Internet of Things and big data. Currently, KMAX has established a presence in key cities across China, holding more than 10 operating spaces with a total of over 60,000 square meters:



During the Reporting Period, there were 433 companies in KMAX



In addition, Kaisa has always attached importance to technology research and development and application. With the objective of “accelerating the transformation of technological achievements and promoting industrialization”, Kaisa has joined hands with renowned tertiary institutions to attract top-tier international educational resources and set up an operational capability with emphasis on technology incubation. At present, Kaisa has donated HK\$200 million to the Hong Kong University of Science and Technology (HKUST), and jointly established the HKUST-Kaisa Joint Research Institute, focusing on four major areas: new materials, Internet of Things (artificial intelligence), big data, and health technology, and introducing Kaisa’s own smart Internet of Things, new materials, artificial intelligence and health technology industries to various industrial projects. The HKUST-Kaisa Joint Research Institute will accelerate the flow of science and technology resources from Hong Kong to Shenzhen, further enrich the connotation of scientific and technological research and development and innovation and entrepreneurship incubation in Shenzhen, practically promote the in-depth integration of industry, academia and research, vigorously incubate and nurture innovative high-tech enterprises, and promote the construction of Shenzhen as an early demonstration zone of socialism.

During the Reporting Period, the Group has completed the funding to the first batch of five projects of the HKUST-Kaisa Joint Research Institute:

-> Highly integrated multi-sensor synchronization system for driverless security surveillance
-> Smart Park Management System with integrated indoor and outdoor locations
-> High flow porous UHMWPE desalination film
-> Development of low cost, high efficiency, high temperature resistant selective solar heat absorbing film and its application in energy efficient buildings
-> Development of materials for organic photovoltaic and indoor applications

At the same time, the Group established the Joint International Innovation Center for Artificial Intelligence and the Joint Innovation Center for New Materials with Tongji University and Southern University of Science and Technology respectively.



Passionate about Public Welfare and Promoting Social Well-being

Without community engagement and the support from the community, there will be no steady and strong development for Kaisa. The Group has actively assumed the role of a corporate citizen, listening and responding to the expectations of the communities in which it operates in a timely manner, and is committed to social welfare, promoting community building and sharing the fruits of corporate development with the community through practical actions.

In accordance with *Regulations on the Management of Foundations* published by the State Council(國務院《基金會管理條例》) and the *Regulations of the Constitution of Shenzhen Kaisa Charity Foundation* (《深圳市佳兆業公益基金會章程規定》), and in line with the objective of “Funding outstanding public welfare projects and promoting social equality and harmony”, the *Management System for External Donations of Kaisa Group Holdings* (《佳兆業集團控股對外捐贈管理制度》) was formulated to standardize and clarify the internal approval and management of the Group’s external donation activities and to ensure an efficient and smooth workflow.

Determined to poverty alleviation and revitalizing the villages

Through the establishment of a poverty Through the establishment of a poverty alleviation company, the creation of a poverty alleviation “special task force”, and the exploration of a new path for sustainable development in poverty alleviation in accordance with local conditions, Kaisa has been participating in the poverty alleviation work in depth by focusing on the three main areas of rural infrastructure, industrial poverty alleviation, and education poverty alleviation. With the EPC (Engineering Procurement Construction) model of poverty alleviation and the long-term mechanism of “blood transfusion” and “blood creation”, Kaisa has successfully led the people in the poor villages to fight poverty and increase their income.

► Rural Infrastructure

The Group has been promoting the construction of beautiful villages by building bridges over water and opening roads over mountains. In Shangdong Village, Tianwei Village, Xipu Village, Xiaotang Village, Chenguang Village and Zutang Village in Longmen, Huizhou City, the company has donated 93 rural infrastructure projects, including habitat improvement, running water and sewage treatment, sanitation stations, homes for the elderly, and renovation of dilapidated houses, which have effectively made up for the shortcomings of infrastructure and public services in poor villages and successfully built the road to prosperity.



► Poverty Alleviation Through Industries

Poverty alleviation through industries is the fundamental solution to achieve stable poverty alleviation. Through the three innovative approaches of “Internet + Poverty Alleviation”, “Building Poverty Alleviation Bases”, and “Developing Modern Agriculture”, Kaisa deeply promotes the implementation of industrial poverty alleviation projects, forming a closed-loop model of “Poverty Alleviation Company + Professional Planting Enterprise + Farmers’ Co-operative + Kaisa Sales”, taking the development path of “intensification, boutique and branding”, broadening the scope of value-added and efficiency enhancement of rural agriculture, and striving to realize the fundamental goal of fighting poverty and achieve prosperity. The goal is to broaden the scope for value-added rural agriculture and to realize the fundamental goal of poverty alleviation.



► Education for Poverty Alleviation

The Group's efforts in poverty alleviation are based on the "Will and Wisdom" approach to interrupt the intergenerational transmission of poverty and to win the battle against poverty. In the past three years, the Group has donated nine rural education infrastructures in poverty-stricken areas and set up special funds, including the Meizhou Centennial Vocational School, the Qinghai Yushu Education Fund, the Huizhou Longmen Huilong Education Fund, and the Puning Tieshan Education Fund, to directly subsidize the education of thousands of children in poverty on a long-term basis. In addition, the Kaisa (Longtian) Center Nursery School, which was donated and constructed by Kaisa, has been officially opened in 2020.

► Donations for poverty

Case: Poverty Alleviation in Guangdong Province

On 30 June 2020, during the "2020 Guangdong Poverty Alleviation and Relief Day" event, Kaisa once again donated RMB173 million, of which RMB133 million and RMB40 million in Guangdong Province's and Shenzhen City's activity site respectively, to be fully used in the fight against poverty in Guangdong Province, making us one of Guangdong enterprises with the largest accumulated donation amount in the recent four years. The Group has been actively participating in the event for ten consecutive years. In recognition of our outstanding contribution to precise poverty alleviation work, the Guangdong Poverty Alleviation and Development Leading Group has awarded Kaisa as "Outstanding Contributing and Caring Enterprise in the 10th Anniversary of the Guangdong Poverty Alleviation and Relief Day", giving full recognition to our past poverty alleviation and relief work.

During the Reporting Period, Kwok Hiu Kwan, the executive director of the Group, and Kwok Hiu Ting, the general manager of administration and human resources department of the Group, were appointed as the honorary president of the Guangdong Charity Association and the honorary president of the Shenzhen Longgang District Charity Association respectively. These titles are recognition of Mr. Kwok Hiu Kwan's and Ms. Kwok Hiu Ting's long-standing commitment to charity, as well as full recognition of the contribution made by Kaisa in the field of public welfare and charity over the years.



On 28 November 2020, at the "China Danxia Mountain Poverty Alleviation Charity Walk", Kaisa donated RMB10 million to Shendushui Yao Ethnic Group Village in Shixing County, Shaoguan City, Guangdong Province, to fully support the poverty alleviation work in the ethnic minority areas in northern Guangdong Province, and was awarded the honor of "Caring Enterprise for Quality Development of Ethnic Regions" by the Guangdong Poverty Alleviation and Development Office and the Guangdong Ethnic and Religious Affairs Commission.

► Committed to public welfare and sharing the outcome

In the course of actively participating in social welfare undertakings, Kaisa has gradually built up a comprehensive public welfare platform, successfully establishing the Kaisa Charity Foundation in May 2011, and setting up fund platforms such as the White Angel Care Fund, the Yushu Scholarship Fund, and the Environmental Hygiene Workers' Care Fund. By the end of December 2020, Kaisa has donated over RMB1.6 billion to 80 charitable projects.



In 2020, the Kaisa Culture Sports & Technology Group launched a nationwide public welfare campaign to monitor the physical fitness of more than 30,000 people across China, providing free measurements of more than 10 physical fitness indicators such as height and weight, blood pressure and lung capacity to assess the physical fitness of the subjects and give them scientific exercise advice.



► Kaisa Volunteer Team

During the epidemic in 2020, the Kaisa Volunteer Team has carried out many volunteer activities in Hong Kong to bring warmth to the community, with a total of over 1,000 hours of service.

The grassroots elderly and young people were the target of the team's care, and in June 2020, the team launched a volunteer activity in Hong Kong under the theme of "Love in the Dragon Boat Festival - Fighting the Epidemic Together". Under the premise of strict epidemic prevention and safety, the team visited 100 singleton elderly households in Tai Wo Hau Estate, Kwai Tsing District, Hong Kong, and distributed carefully prepared healthcare packages to give them festive greetings and care. In September 2020, the team visited the Hong Kong Society for the Aged and presented a donation cheque to support its "Home Improvement Programme for Families with Elderly Persons". At the same time, when the schools started in September 2020, the team visited the Fresh Fish Traders' School, a grassroots school in Hong Kong, to distribute anti-epidemic and stationery packs to 300 primary school students and masks to all teachers.



In June 2020, the Kaisa Volunteer Team visited 100 elderly families living alone in Tai Wo Hau Estate, Kwai Tsing District, Hong Kong and distributed healthcare packages to them.



In September 2020, the Kaisa Volunteer Team visited the Fresh Fish Traders' School, a grassroots school in Hong Kong, and distributed anti-epidemic and stationery gift packs to 300 primary school students and donated masks to all teachers.

Extracts of the Group's community building outcome:

-> Awarded the "Outstanding Contribution to the 10th Anniversary of the Guangdong Poverty Relief Day"
-> Awarded the "2019-2020 China Real Estate Poverty Alleviation Benchmark Enterprise of the Year"
-> As of the end of December 2020, the Group had funded over 80 projects in the areas of poverty alleviation, poverty relief, education, healthcare and environmental protection, with an accumulated donation of over RMB1.6 billion

Funded over	Accumulated donation of over
80+ projects and campaigns	RMB 16 billion +

-> As of the end of December 2020, the Group had implemented 107 poverty alleviation projects, helping 15 counties and more than 40 poor villages in Guangdong, Guangxi and Qinghai provinces, benefiting 100,000 people in poor villages.
-> Donated HK\$200 million to the Hong Kong University of Science and Technology in April 2020 to establish a joint research institute to support research and education
-> Awarded the "Caring Company Certification" by the Hong Kong Council of Social Service in 2020

07

ENVIRONMENTALLY FRIENDLY

Kaisa is committed to reducing the adverse impact of business operations on the environment in accordance with the global sustainable development goal SDG11-sustainable development of cities and communities. We strictly abide by the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》), the *Air Pollution Prevention Law of the People's Republic of China* (《中華人民共和國大氣污染防治法》), the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes* (《中華人民共和國固體廢物污染環境防治法》), the *Law of the People's Republic of China on Water Pollution Prevention and Control* (《中華人民共和國水污染防治法》), the *Law of the People's Republic of China on Prevention and the Control of Pollution From Environmental Noise* (《中華人民共和國環境噪聲污染防治法》), the *Regulations on the Administration of Construction Project Environmental Protection* (《建設項目環境保護管理條例》) and other laws and regulations related to environmental protection. We cooperate with government's supervision and guidance to ensure the legal compliance of the Group's business work. During the Reporting Period, the Group did not receive any violations related to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

The Group is committed to establishing environmental awareness in our businesses, actively bringing green concepts to our projects, developing green building certification, and implementing a series of emission reduction and consumption reduction environmental protection measures, in order to achieve a long-term policy of reducing or eliminating business impacts on the environment.

Green Technology
Smart Building



In 2020,

11 green building certification projects completed

By 2020,

44 green building certification projects obtained

Total certified area

5,597,600 square meters

In accordance with the requirements of a number of internationally recognized standards and rating plans, Kaisa entrusts professional teams to fully demonstrate the environmental, ecological, and other impacts on the areas in the early stage of the project development and thus formulates detailed water and soil conservation plans; energy-saving and environmentally friendly materials are selected, and new environmental protection technology are used in the development process. The Group vigorously promoted green building certification in 2020, and completed 11 green building certification projects. The certification areas reached 2,338,900 square meters, making rapid progress. As of the end of the Reporting Period, the group has obtained 44 green building certifications, with a total area of 5,597,600 square meters.

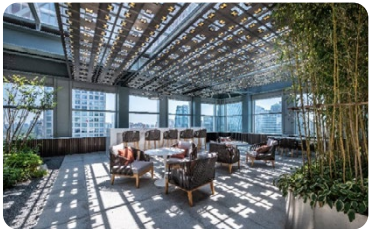
The green building assessment plans that our projects participate in include:

- The Leadership in Energy and Environmental Design (LEED) Rating System designed by the United States Green Building Council (USGBC)
- China Green Building Label Design issued by the Ministry of Housing and Urban-Rural Development of the People's Republic of China

Green Building Certification Program	Rating	The Reporting
The Leadership in Energy and Environmental Design (LEED)	Gold	1
	Two Stars	3
China Evaluation Standard for Green Building	One Star	7
Total		11

Project	Type	Issuing Agency	Certification Level	Certified Area (square meter)
Shanghai Kaisa Financial Center	Commercial Building	United States Green Building Council	LEED Gold	77,000
Royal Mansion (Phase 2)	Residential Building	Technology Development Promotion Center, Jiangsu Province Department of Housing and Urban-Rural Development	Two Stars	84,200
Kaisa Golden Bay International Park	Commercial and Leisure Building	Shenzhen Green Building Association	Two Stars	400,300
Longmen Kaisa Hot Spring	Commercial and Residential Building	Guangdong Province Department of Housing and Urban-Rural Development	Two Stars	287,900
Yangjiang Kaisa Culture House	Residential Building	Guangdong Province Department of Housing and Urban-Rural Development	One Star	127,200
Guangzhou Kaisa City Plaza (Phase 1 and plots 17-21)	Public Facilities and Public Housing	Guangdong Province Department of Housing and Urban-Rural Development	One Star	338,100
Shanghai Kaisa City Plaza (Plots 13-05&07)	Residential Building	Shanghai Green Building Council	One Star	58,000
Huizhou Kaisa Riverbank New Age (Phase 11&12)	Residential Building	Huizhou Green Building and Energy Conservation Association	One Star	440,600
Guangzhou Kaisa Sky Villa	Public Housing	Guangdong Province Department of Housing and Urban-Rural Development	One Star	78,300
Changsha Kaisa Plaza	Public Facilities	Hunan Construction Technology and Building Energy Conservation Association	One Star	223,900
Huizhou Kaisa Times Park (Phase 1A&2)	Residential Housing	Huizhou Green Building and Energy Conservation Association	One Star	223,400
Total				2,338,900

CASE: Shanghai Kaisa Financial Center



Shanghai Kaisa Financial Center takes green and environmental protection as the primary consideration for the office environment and has been awarded the Gold Level in LEED. The center has facial recognition and intelligent visitor systems, 15 elevators for vertical and efficient passage, independent fresh air (equipped with humidification function) and air conditioning system. The lobby can be warmed extensively with the ground air conditioning in winter and variable air volume & central air conditioning system.



► Sponge Projects

Kaisa manages the water consumption and potential risks within the entire property cycle in a responsible manner in accordance with the sustainable construction policy. The Group proactively uses the “Sponge City” concept for planning and constructing the projects, so as to redistribute water resources and cope with flood problems.

Where feasible, the Group will set up basic rainwater infrastructures based on the project site conditions, which are used to absorb the site rainwater and reduce the external discharge of rainwater, thus relieving the flood discharge pressure of urban rainwater pipe network. Combining waterlogging disaster prevention and control, runoff pollution control, and rainwater resource utilization, it can achieve multi-target environmental and ecological benefits and promote the harmonious development of urban construction and development of hydrological ecology.

CASE: Shenzhen Pinghu Jinyujia Garden



The Kaisa Jinyujia Garden project has a total land area of 46,355 square meters. The designs such as green roofs, green biological retention facilities, and permeable pavement have been adopted to improve the use of water resources in the project.

- The green roof coverage rate is 54%, the green roof is 6,236 square meters, and the remaining hard roof is 5,244 square meters.
- The proportion of green biological retention facilities is 43%, the recessed green space is 5,372 square meters, and the total green area is 12,641 square meters.
- The permeable paving rate is 6%, the permeable pavement area is 1,293 square meters, and the impervious pavement area is 20,941 square meters.

CASE: Zhuhai Golden World Phase 4 in Doumen



The total land area of the Zhuhai Golden World Phase 4 project is 49,008.35 square meters, of which the sponge city occupies 39,341 square meters. The sponge facilities include biological retention facilities such as grass grids, recessed green spaces, and rain gardens. Specialized personnel regularly maintain the sponge facilities, including timely replanting and pruning of plants and weed removal, and cleaning up garbage sediments in case of blockage and siltation of water inlet and overflow, so as to maximize the collection and utilization of precious water resources.

Green Construction and Ecological Conservation

Kaisa implements green and environmental protection measures throughout the whole process of project construction. At the same time, we strengthen suppliers' environmental awareness, encourage them to contribute to sustainable development together, and promote the formation of a green and low-carbon city construction operation model with a series of energy-saving, emission-reduction, and environmental protection measures.

Use of Construction Materials

We advocate the principle of resource protection. In addition to adopting sustainable building design in the projects, we make better use of green materials. For our construction projects, we:

- Use low-carbon building materials such as concrete, masonry, and wood;
- Use energy-saving and environmentally friendly materials such as lightweight partition boards and high-precision blocks;
- Adopt new environmental protection technologies such as aluminum molds, prefabricated buildings, and plaster-free interior and exterior walls;
- Choose sanitary appliances with higher water-saving efficiency grades, and the water-use efficiency grades all reach level 2;
 - select water-saving faucets with good sealing performance such as ceramic core, which can limit the outflow flow rate and are qualified by relevant national quality inspection departments;
 - select water-saving urinals with a water tank volume of less than 6 liters, and use 3 or 6 liters of double-stage water-saving siphon type drainage urinals;
 - select water temperature regulator and water-saving shower nozzle;
- Use energy-saving and high-efficiency insulating glass as the outer window material to reduce the thermal energy loss of the outer window;
- Adopt natural ventilation, natural lighting design and high-efficiency energy-saving lamps such as LED lights, and install voice-activated sensor LED lights in basements, stairwells and areas with less pedestrian flow.

Reducing the Impact of Construction

The main business of the Group is real estate development. The impacts of business activities on the environment and natural resources mainly involve the consumption of electricity, water resources, building materials, and office supplies during office and building construction. Regarding the noise, dust, and sewage discharge during business activities, the Group takes all necessary measures to reduce the impacts of business on the environment and strictly meets the requirements of relevant national laws and regulations.

In general, an environmental protection leading group is established for each project, including 2 full-time environmental management personnel, who are responsible for the implementation of environmental protection measures and daily environmental management during the project construction and operation. We implement an environmental impact assessment system, which requires the implementation of various environmental protection and pollution prevention measures during the construction period and operation period. In order to further reduce the impacts of the construction process on the environment, the Group actively publicizes and implements relevant laws and regulations to employees, and takes the following measures, including but not limited to:

Matters	Measures Taken
Reducing Green House Gas Emission/ Saving Energy	<ul style="list-style-type: none">Planning, coordinating, and arranging intensive material transportation during off-peak hours to reduce carbon dioxide and greenhouse gas emissions from large vehiclesRequiring the use of environmentally friendly and energy-saving air-conditioning in the living area of the construction contractorsStrengthening land greening work, plant large areas of plants in office areas and on both sides of roads
Reducing Waste Water/ Saving Water	<ul style="list-style-type: none">Using energy-saving faucets in the whole construction siteA rainwater collecting system is set up on the construction site to reduce dust by spraying water, maintain concrete and water spraying tests on external walls, etc.Sewage from the construction site is discharged into the municipal pipe network after being treated by several sedimentation tanksThe domestic sewage from the dormitory is discharged into the municipal underground pipe network after being treated in the septic tank
Reducing Wastes	<ul style="list-style-type: none">Vigorously promoting the delivery model of refined decoration and striving to reduce environmental pollution caused by secondary decorationStandardizing temporary construction facilities and process construction materials to increase the chance of reuseThe construction teams are required to collect construction waste at the construction site and clean it up regularly, and send the decoration waste to the designated landfillSetting up garbage points in the living area of the construction contractor; the garbage points shall be enclosed shall not be stored in the open area to avoid secondary pollution.The domestic garbage in the dormitory shall be cleared daily and transported out in time, which shall be treated by the environmental sanitation department.

Matters	Measures Taken
Reducing Noise	<ul style="list-style-type: none">Strictly controlling the construction time of the project, and stop the noisy construction before 9 pmClosing doors and windows tightly on working days and implement indoor constructionSetting up noise reduction walls and soundproof sheds, and adopting low-noise equipment and technologySelecting low-noise equipmentExcept for substations in separate buildings, all noise- generating equipment is placed undergroundInstalling damping pads or damping frames on the foundation of the equipment, and installing damping pads on the foundations of doors and windows, and adopting a sound insulation design to ensure that the noise emission generated by the mechanical equipment meets the standard
Reducing Dust	<ul style="list-style-type: none">Developing a special construction plan for dust control, in order to implement the responsibilities of dust control workThe construction site must be enclosed, road hardened, equipped with flushing facilities, watery operations, with cleaning personnel to clean the construction site regularly.Vehicles are not allowed to leave the construction site with mud, cast construction waste, mix concrete on site. Water accumulation, burning of waste and stacking uncovered soil on site is also not allowed.Setting up a construction dust report and complaint hotline to receive reports and complaints from the public on the dust pollution at the construction sites, so as to supervise the construction sites.



Curtain wall of Kaisa Dongshan Project Phase 1 is in the stage of foundation pit construction



Pinghu Kaisa Plaza Greening Project



Enclosure operation, hardened road, wet working operation at Changsha Kaisa Metropolis

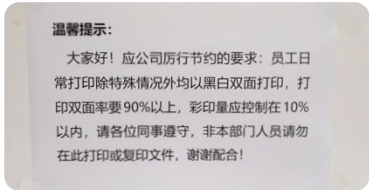


Changsha Cloud Top Meixi Lake Project is equipped with a sedimentation tank

Green Operation and Strict Saving Practice

The Group advocates green office and has formulated internal management policies such as the *Guidelines for the Management of Office Supplies of Kaisa Group Holdings Limited* (《佳兆業集團控股辦公用品管理工作指引》) and the *Office Environment and Safety Management System of Kaisa Group Holdings Limited* (《佳兆業集團控股辦公環境及安全保衛管理制度》), in order to provide guidelines for office energy saving, consumption reduction and waste reduction measures, which aims to minimize the impacts on the environment.

Matters	Management Measures
Saving Resources	<ul style="list-style-type: none">Dynamic procurement of office supplies is implemented, and timely replenishment is made based on inventory. It is strictly prohibited to purchase over standard and over specification supplies.Reusing office supplies such as binding machines, scissors, pen holders, etc.Promoting the reuse of paper, improving the efficiency of paper use, and paperless officeAll computer printing must be set to black and white, double-sided printing by default, so as to reduce the use of paper and toner and the pollution causedThe printer uses the employee account to log in and records the amount of personal paper used in order to reduce invalid printing and wrong printingReducing the use of disposable chopsticks, disposable paper cups and unnecessary plastic productsDo not buy products that are difficult to recycle or easily cause waste, such as over-packaged gift boxes or food
Energy Conservation and Emission Reduction	<ul style="list-style-type: none">Specifying the time when the air conditioner is turned on and off, and strictly controlling the use of the air conditioner. If the indoor temperature does not reach the specified temperature (32°C) in summer, the air conditioner shall not be used, and the temperature setting of the air conditioner shall not be lower than 26°CEncouraging employees to use video or teleconference to reduce the carbon footprint of business travelEncouraging employees to use public transportation as much as possible and reduce self-drivingEmployees who leave work should turn off their personal computers, electrical appliances, printers, air conditioners and other electrical equipment to reduce the standby energy consumption of electrical equipment
Water Conservation	<ul style="list-style-type: none">Posting labels and notices to remind employees to turn off the faucetRegularly inspecting and repairing pipelines to avoid water pipe damage and leakage, and avoid water waste



Environmental-friendly printing tips posted in the office



“Electricity Saving” sign has been posted

Waste Management

The Group’s subsidiaries formulated their own waste management and supervision systems and reported to the departments responsible for particular businesses. The hazardous wastes generated by the Group's daily operations are mainly batteries and selenium cartridges, while non-hazardous wastes are mainly business and household waste generated in the offices. Hazardous wastes are usually handled by a professional recycling and processing unit. For hazardous wastes such as waste toner cartridge, when purchasing, we agree that it should be recycled by the suppliers. As for non-hazardous wastes, the Group classifies recyclable wastes (such as plastics and wastepaper) and submits them to the recycling companies for treatment, and regenerates them into new products for reuse. For other non-recyclable wastes, they are treated by the environmental sanitation departments uniformly.



Trash bins are provided to collect recyclable waste and other garbage

Energy Efficiency

Kaisa always pursues the management strategy of making good use of resources and is committed to seeking effective measures to reduce the resources used in operation. In order to further monitor and improve energy consumption management, we have formulated the *Guidelines for Energy Conservation Design of Electromechanical Energy Efficiency System for Projects of Kaisa Group Holdings Limited* (《佳兆業集團控股自持項目機電能耗能效系統節能設計指引》) to provide guidance for employees to collect, store, and analyze energy consumption data.

CASE: Kaisa's Commercial responded to "2020 Earth Hour"



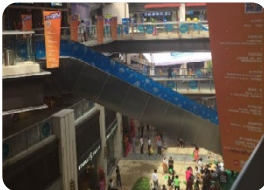
Decorative lights or large screens were turned off



A static device made of discarded bottle caps

On the evening of March 28, 2020, Kaisa Commercial Group's operating shopping malls collectively turned off decorative lights or large screens to support "Earth Hour" with practical actions. At the same time, six shopping malls under Kaisa Commercial Group jointly launched the "Earth Actors Alliance 2", which is a series of online cross-border health and environmental protection theme activities. It aims to implement the spirit of scientific epidemic prevention and to advocate an environment-friendly, energy-saving, and emission-reducing lifestyle.

CASE: Shenzhen Dapeng Kaisa Square



In Shenzhen Dapeng Kaisa Square, 20 escalators have been intelligently transformed with frequency conversion functions. When there are no passengers, the running speed of the escalator is only 30% of the normal running speed. At the same time, a large sky garden is set up to save energy and reduce carbon through the green roof.

Water Conservation

The water used for the offices of the Group is urban tap water, which is directly supplied by the municipal pipeline network, and there is no special problem in obtaining suitable water sources. We understand that water is a precious natural resource, so we try to improve water efficiency through various methods, such as posting labels and notices in the offices to remind employees to develop good habits of saving water. Rainwater harvesting systems are set in the project sites to achieve water reuse, thereby reducing the use of tap water. Through the installation of tap water meters, we collect water use data for analysis and providing guidance.

In addition, the Group implemented a series of water pollution measures in the projects, such as installing a backflow preventer on the inlet pipe of the non-negative pressure & variable frequency water supply equipment, installing a check valve on the inlet pipe of the water heater, and installing ultraviolet sterilizer or water disinfection facilities on the suction pipe of the variable frequency water supply equipment. We require that the cleaning and disinfecting of water tanks should not be less than once a year, and the water quality should be tested at the same time.



The project is equipped with pressurized water supply pump station to provide safe water supply and high-quality services



Tap water metering box



08

JOIN HANDS AND
WORK TOGETHER

Improving Supply Management

Supplier Management System

In order to standardize the management of suppliers, the Group has formulated the *Kaisa Group Holdings Suppliers Management Measures* (《佳兆業集團控股供應商管理辦法》) and the *Guidelines for Pre-qualification of Suppliers* (《供應商資格預審工作指引》), covering engineering, materials, design, marketing, consulting, administrative, etc. The inspection scopes include, supplier's warehousing and in-warehousing management, performance evaluation and grading, and out-of-warehousing and other full-life cycle management processes, so as to ensure the standardization and standardization of supplier warehousing. We will never hire suppliers who violate laws and regulations and internal management systems, bad operations, and provide false information.

Supplier Inspection	New supplier's information is sourced from government announcements, media, industry agreements, and other channels to identify potential risks.
Supplier Approval and Warehousing	We ask for the business licenses, professional qualification certificates, work safety licenses, and other management system approval certificates from suppliers, and review their business performance, qualification, and background. We also require an authoritative third-party <i>Corporate Credit Decision Report</i> (企業信用決策報告) to be provided during the pre-qualification of suppliers so that we can conduct risk assessments of suppliers. All suppliers need to be reviewed to ensure that they meet the requirements before they can be stored and cooperated, and finally achieve the three-level supplier resource management.
Performance Evaluation and Grading	We conduct annual performance evaluation on the cooperative suppliers and conduct hierarchical classification management of suppliers to monitor and evaluate their sustainability performance and ensure the quality of supply.

When carrying out procurement work, the Group requires relevant personnel to strictly abide by the *Kaisa Group Holdings Real Estate Procurement Management Measures* (《佳兆業集團控股地產採購管理辦法》) and the *Kaisa Group Holdings Procurement Inspection Management Measures* (《佳兆業集團控股採購巡查管理辦法》), which clearly specify the procurement methods and standardize the bidding procurement process. The rewards and penalties for inspections and assessments are specified to improve the efficiency and quality of procurement and safeguard the legitimate rights and interests of the Group. During the Reporting Period, there were 29,724 suppliers to which the Group implemented the above management policies and employment practices.

CASE: 2020 Kaisa National Partner Summit



On December 11, 2020, the Group successfully held the annual Summit with excellent partners. The theme of the Summit was "Gathering efforts to achieve a win-win future" and brought together more than 200 excellent partners from all over the country. At the summit, the Group commended the strategic suppliers who made outstanding contributions for us during the Reporting Period and who committed to building a cooperation platform with an open mind.

Sustainable Supply Chain

The Group is committed to building a sustainable supply chain and shouldering the vision of building a better environment and society together with suppliers. The Group gives priority to cooperate with suppliers with the same philosophy, and we require on-site inspections when conducting due diligence on the Group's suppliers, especially factories and other suppliers. The inspection content includes factory environment, environmental protection measures, and international certification (such as ISO14001 environmental management system certification, ISO9001 quality management system certification, OHSAS occupational health and safety management system certification), etc. The Group will also specify our sustainable development principles in business contracts, including basic requirements for compliance with local laws and regulations, labor laws, health and safety standards, and prevention of corruption. Our Group:

- Continues to promote environmental procurement, giving priority to suppliers that have requirements for energy-saving products (such as air conditioners that need to meet energy efficiency ratio requirements), environmental protection acceptance (such as generator environmental protection projects), and green buildings;
- Adopts the principle of "obtaining materials nearby", and select local or nearby building materials suppliers to reduce the energy consumption of materials during transportation;
- Entrusts an independent third party to conduct regular inspections and evaluations of cooperative suppliers, and provide training for suppliers through craftsmanship exchange exhibition and excellent case demonstrations in various project exhibition areas across the country; and
- Requires the project site personnel to check the supplier's materials and select some materials for inspection to ensure that the materials meet the environmental protection requirements.



During the Reporting Period, the Group organized an inspection tour for the stone material to inspect potential major environmental and social potential risks in the supply chain, in order to formulate corresponding risk management measures.

Sticking to the Original Intention of Quality

The Group adheres that "Quality is the lifeblood of an enterprise, and customer value-oriented". Providing excellent product quality and fulfilling product responsibilities are the cornerstones of our business. The Group strictly abides by the laws and regulations related to health and safety, advertising, privacy and remedies in the products and services provided, including the *Product Quality Law of the People's Republic of China* (《中華人民共和國產品質量法》), the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* (《中華人民共和國消費者權益保護法》), the *Advertising Law of the People's Republic of China* (《中華人民共和國廣告法》), the *Provisions on the Release of Real Estate Advertisements* (《房地產廣告發佈規定》), the *Copyright Law of the People's Republic of China* (《中華人民共和國著作權法》), the *Regulations on the Protection of Computer Software* (《計算機軟件保護條例》), the *Trademark Law of the People's Republic of China* (《中華人民共和國商標法》), etc.

Product Quality and Safety

The Group is committed to creating healthier and safer products and services for customers, and strictly abides by the *Construction Law of the People's Public of China* (《中華人民共和國建築法》), the *Regulations of the People's Republic of China on Quality Control of Construction Works* (《中華人民共和國建設工程質量管理條例》), and other laws and regulations related to the quality and safety of construction projects. In order to better control the quality of construction products, we carry out comprehensive and strict quality management in every section. The Group has implemented a series of quality assessment regulations, including the *Kaisa Group Holdings Management Measures on Incoming Materials and Engineering Samples Acceptance for Real Estate Projects* (《佳兆業集團控股地產項目進場材料及工程樣板驗收管理辦法》), *Kaisa Group Holdings Public Area Quality Special Evaluation Measures* (《佳兆業集團控股公共區域品質專項考核辦法》), etc., and revised the *Kaisa Real Estate Group Management Measures on the Quarterly Appraisal and Surveillance for Projects* (《佳兆業地產集團工程季度評估檢查管理辦法》) during the Reporting Period. The Group has also formulated the *Kaisa Real Estate Group Management Measures on Red and Yellow Card for the Safety and Quality of Projects Under Construction* (《佳兆業地產集團在建項目安全品質紅黃牌管理辦法》) which defines the "red line behavior", ensures that projects adhere to the quality and safety baseline, maintaining the highest standard product and service quality of the industry with absolute determination.

During the Reporting Period, the Group carried out a number of quality and safety special inspections and third-party assessments to form effective complements and prevent the occurrence of risky quality problems.

- Quality control during processes: each regional group organizes "self-assessment" and conducts inspections on a quarterly frequency; and entrusts professional third-party evaluation companies to conduct process quality and safety flight inspections
- Quality control before delivery: The types of delivered products are divided into residential and commercial categories, and the assessment is carried out according to the inspection standards of residential or commercial products respectively. In the third-party delivery evaluation, the "Comprehensive Score of Product Quality" and "Comprehensive Score of Special Water Drainage Test" must reach the specified level, and no delivery can be made if the evaluation fails. For unqualified products, they must be fully rectified and re-evaluated by a third party before they are allowed to be delivered.

CASE: "Excellent craftsmanship" Quality Month Event



Employees observed the prefabricated residential project under construction



The Group conducted lectures on topics such as smart real estate, landscape gardening, decoration design, etc.

"Excellent craftsmanship" quality month is a special event organized by the Group under the guidance of the spirit of "Four Promotion and Four Reduction, Lower Costs and Increase Efficiency" in order to strengthen the exchange and interaction of engineering system personnel, to promote the "craftsman spirit" and to pursue excellent quality. We have launched the "Excellent craftsmanship" quality monthly event from May to June 2020 and held an on-site observation and summary meeting from June 28 to 30. We hope to strengthen communication through a series of activities and promote the overall improvement of quality management of the projects under construction.

Dedicated to Maintain Relationship with Customers

Customer Complaint Handling

The Group always puts the needs of customers in the first place. Customers can provide feedback on our products and services through telephone, e-mails, and other channels. The Group formulated and implemented the *Kaisa Group Holdings Implementation Rules on Customer Complaint and Claims Service* (《佳兆業集團控股客戶投訴、理賠服務實施細則》) to clarify and standardize the handling procedures for customer crises, major complaints, important complaints, and general complaints, to ensure that all customer complaints can be handled in a timely manner under the following principles:

- Complying with laws, regulations, and relevant regulatory policy requirements, and ascertaining facts, distinguishing responsibilities, and negotiating fairly
- Responding to complaints in a timely manner and handling them within the specified time limit, communicating and replying with customers in a timely manner during the handling process to avoid repeated complaints
- Not making random or false promises, treating the result seriously, paying attention to and following up the matters
- Keeping customer information, complaint matters, claim demands, final claim settlement scheme, and settlement method strictly confidential

In order to timely understand customer feedback, the Group has conducted annual satisfaction survey and monthly satisfaction survey for a long time, so that we can continuously improve the quality of products and services and constantly improve customer satisfaction.

Annual Satisfaction Survey	The Group entrusts a third-party research company to conduct satisfaction surveys on property owners twice in the first half and the second half of the year and publishes the results. The survey as an important annual indicator of the Group helps to ensure that customer complaints, suggestions, and praise can be recorded and counted objectively and effectively. It also guides enterprises to continuously improve products and services from the perspective of customers, enhancing the influence of customers and brands. Kaisa's annual satisfaction score in 2020 is 85 points.
Monthly Satisfaction Survey	The Group's customers and marketing departments are responsible for receiving customer complaints uniformly and conducting regular satisfaction return visits. They will continue to follow up on the problems found to ensure that customer complaints can be effectively handled. At the same time, the relevant responsible persons will be evaluated based on the results of the matter.

Customer Privacy Protection

The Group spares no effort to protect the privacy of customers. We have formulated a series of internal guidelines, such as the *Kaisa Group Holdings File Management System* (《佳兆業集團控股檔案管理制度》), the *Kaisa Group Holdings Confidentiality Management System* (《佳兆業集團控股保密管理制度》), the *Kaisa Group Holdings Computer Management Measures* (《佳兆業集團控股電腦管理辦法》), the *Kaisa Group Management Measures on Marketing Informatization Assessment* (《佳兆業集團營銷信息化考核管理辦法》), etc. These guidelines stipulate the overall work requirements related to customer data, including data entry, file storage, information use, permission setting, punishment measures, etc. The collected customer data is processed, managed, and protected in accordance with regulations, strictly guaranteeing customer privacy and preventing information leakage.

Our system permissions of customer information access are also set according to the employees' job responsibilities and positions. Without the approval of the management team, employees are not allowed to transfer customer data to other units in the Group. At the same time, we have added relevant content of confidentiality system into the entry examination of new employees, to ensure that they fully understand the standards and procedures for handling customer information, so as to reduce the risk of loss or leakage of customer information. In order to further safeguard the legitimate rights and interests of customers, the Group conducts regular special inspections, which is included in performance appraisal. Employees who violate the system will be dealt with internally or transferred to judicial authorities depending on the severity of the circumstances.

Sales Information Management

Sales information management is an essential part of the Group's steady operation. On the basis of abiding by laws and regulations, we formulated the *Kaisa Real Estate Project Promotion Red Line Handbook* (《佳兆業地產板塊項目推廣宣傳紅線手冊》). In consideration of laws and internal control, we have strengthened the management and control of external publicity, ensuring that real estate advertising must be true, legal, and accurate. There must be no false, misleading contents or misleading to customers, so as to ensure that the promotion and publicity comply with national laws and regulations, and to avoid damaging the Company's reputation due to illegal behaviors and customer risks caused by excessive or false publicity. The Group also respects intellectual property rights, conducts internal training on the protection of intellectual property rights, and applies for copyrights and trademark registration for major projects and product names.

Upholding Integrity

The Group always regards integrity management as the foundation of our business. We insist on operating in a clean, honest, open and transparent manner. We strictly abide by the *Constitution of the People's Republic of China* (《中華人民共和國憲法》), the *Criminal Law of the People's Republic of China* (《中華人民共和國刑法》), the *Securities Law of The People's Republic of China* (《中華人民共和國證券法》), the *Anti-Unfair Competition Law of the People's Republic of China* (《中華人民共和國反不正當競爭法》), the *Interim Provisions on Prohibiting Commercial Bribery* (《關於禁止商業賄賂行為的暫行規定》), the *Anti-Monopoly Law of the People's Republic of China* (《中華人民共和國反壟斷法》), the *Hong Kong's Securities and Futures Ordinance* (《證券及期貨條例》) and other relevant business ethics and anti-corruption related laws and regulations. We ensure that the formulation and promulgation of the internal management system of the Group and the implementation of business activities are legal and compliant.

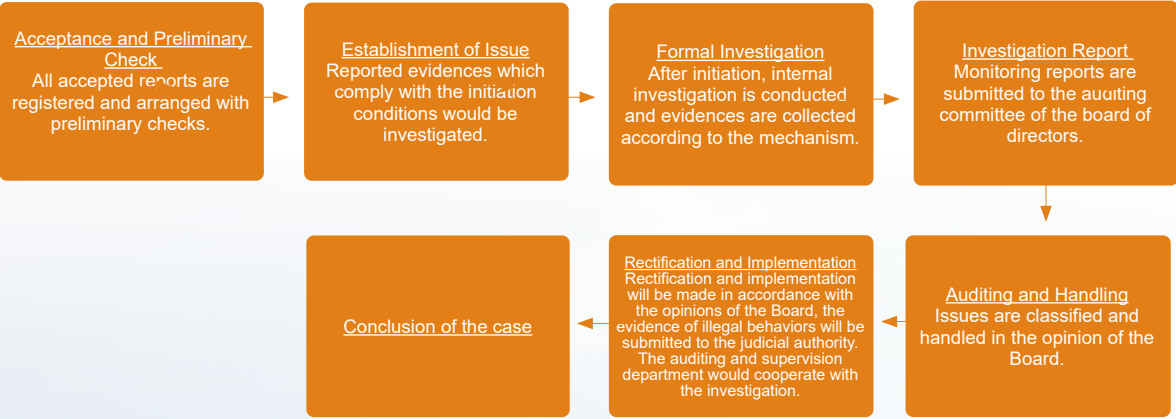
In order to maintain good corporate governance and business integrity, the Group has formulated a sound anti-corruption system, including the *Kaisa Group Holdings Supervision and Management System* (《佳兆業集團控股監察管理制度》), the *Kaisa Group Supervision and Case Management Measures* (《佳兆業集團監察案件管理辦法》), and the *Kaisa Group Holding Employees' Courtesy Management System* (《佳兆業集團控股員工因公受禮管理制度》). The Group checks whether employees are involved in ethical issues before entering employment, and requires them to sign documents to promise to comply with the Group's policies related to preventing bribery and corruption. In addition, we also clearly listed in the Employee Handbook related complaints and reporting channels, conflicts of interest declaration, conduct, confidentiality system, and provisions on the prevention of bribery and anti-corruption. We also issued the Code of conduct for "Six Prohibitions on Professional Ethics, Eight Prohibitions against Procurement" to strengthen the system and red line management of professional ethics and to standardize the professional ethics of employees, so as to strengthen the establishment of a culture of integrity in the Company.

Six Prohibitions on Professional Ethics	Eight Prohibitions against Procurement
<ul style="list-style-type: none">It is strictly forbidden to accept banquets and receptions from interested parties and individualsIt is strictly forbidden to accept any kind of giftsIt is strictly forbidden for individuals and their relatives to solicit or accept bribes in any way, and have economic relations with partnersIt is strictly forbidden to engage in business activities that conflict with the company's interestsIt is strictly forbidden to misappropriate or embezzle company assets, and to guarantee using company's position in violation of regulationsIt is strictly forbidden to fabricate and spread false information, which will damage the company's image and the interests of others	<ul style="list-style-type: none">Do not disclose the target cost, estimated price and bidder informationUnreasonable business negotiations in violation of the company system are not allowedIt is not allowed to bypass the system to issue orders and circumvent supervisionIt is forbidden to falsify of applying visas, or reporting false information on amount of workIt is not allowed to falsely report the output value, resulting in overpayment of project fundsProhibition of separating tenders and avoiding the approval processIt is not allowed to set specific conditions during the bidding process to exclude or attract specific biddersIt is not allowed to set specific conditions during the bidding process to exclude or attract specific bidders

The Company has authorized the auditing and supervising department to independently perform audit and supervision functions, responsible for conducting routine audits and special investigations, and focusing on whether employees have ethical issue. The results need to be reported to the board of directors. Meanwhile, Kaisa Real Estate Group has set up the audit and supervising branch in Beijing, Shanghai, Guangzhou, Shenzhen, and 5 major cities or regions in Southwest China, which is directly managed by the audit and supervising department of the Company. The audit and supervising department of the Company will conduct routine audit on relevant regional or city companies every year, and the city or regional audit and supervising departments conduct long-term monitor and spot check on the marketing, bidding, and purchasing. During the Reporting Period, the audit and supervising department conducted a total of 21 audit activities and 21 special investigations.

On the basis of strict internal management, we have also set up multiple anti-corruption reporting channels, such as telephone, QQ, email, WeChat official account, etc., The audit and supervising department arranges special personnel to manage. and publishes the bidding documents, contract attachments, office districts, collaborative office platforms, etc. In addition, we have implemented a whistleblower reward and whistleblower protection mechanism, and the content of the whistleblower and whistleblower information will be strictly protected.

The following are the relevant implementation and monitoring methods of the Group's reporting procedures:



The Group has set up ample integrity education channels and methods to popularize the knowledge of laws and to improve employees' awareness of integrity and the capability in anti-corruption. During the Reporting Period, the Group has provided 10 anti-corruption trainings to directors, full-time and part-time employees of various professional groups such as real estate, property, and commerce. The training is mainly about the Company's supervision system, sharing typical fraud cases in the industry, anti-bureaucratic and crime prevention duty and other content.

CASE: Kaisa Hotel Group's "Excellent Manager Promotion Training Project"

In order to strengthen the employees' sense of integrity and self-discipline and management ability, Kaisa Hotel Group held the "Excellent Managers Promotion and Training Project" from July 5 to 7, 2020, which introduced Kaisa Integrity Management to 13 excellent managers in detail. The content included integrity and self-discipline, self-inspection and self-correction, risk control, position management and how to avoid and find problems in time.





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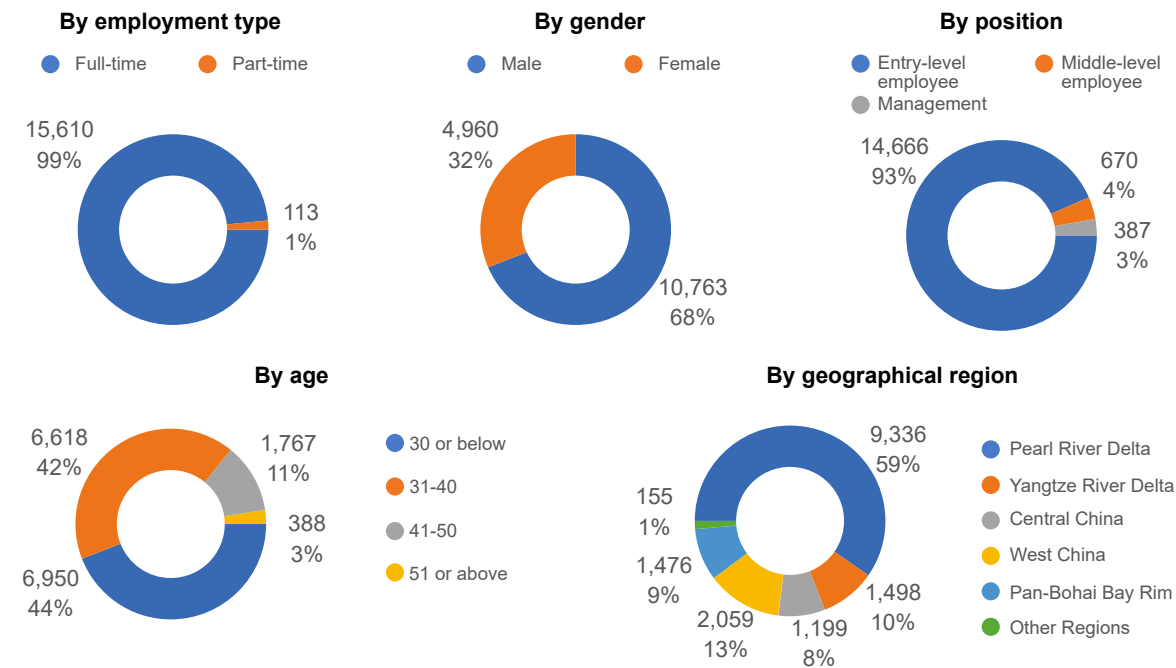
CARE FOR
EMPLOYEES

Rights and Welfare

The Group cherishes its employees very much and is committed to safeguarding their legitimate rights and interests and assisting their development. The Group strictly abides by the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), the Social Security Law of the People's Republic of China (《中華人民共和國社會保障法》) and other laws and regulations in Mainland China. The Group has formulated a series of internal human resources management policies to improve the employment of the Group Management efficiency. During the Reporting Period, the Group did not receive any violations of laws and regulations related to salary and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversification, anti-discrimination, other benefits and benefits which had a significant impact on the Group.

Employee Overview

As of December 31, 2020, the total number of employees of the Group was 15,723. The summary of employees by category are as follows:



	Employee Turnover	Employee Turnover Rate
Total ⁵	3,027	19%
By gender		
Male	1,943	18%
Female	1,084	22%
By position		
Entry-level employee	2,837	19%
Middle-level employee	134	20%
Management	56	14%

	Employee Turnover	Employee Turnover Rate
By age		
30 or below	1,464	21%
31-40	1,393	21%
41-50	136	8%
51 or above	34	9%
By region		
Pearl River Delta	1,883	20%
Yangtze River Delta	320	21%
Central China	191	16%
West China	282	14%
Pan-Bohai Bay Rim	301	20%
Other Regions ⁶	50	32%

⁵We no longer include in employee-related data the personnel assigned to the Group by third-party labor companies.

⁶Other regions include Hainan Island and Hong Kong.

Recruitment, Promotion and Dismissal

The Group formulated the Kaisa Group Holdings Recruitment Management System (《佳兆業集團控股招聘管理制度》) to ensure standardized and transparent recruitment and hiring procedures. We adhere to the recruitment principle of "competence first" and treat candidates equally. We only consider candidates' job ability and development potential when recruiting, and will not consider their gender, age, race, religious beliefs and other factors as assessment criteria. In order to ensure the "fair, open and just" recruitment process, the Group also adheres to the principle of "recruiting talents and avoiding relatives", and does not allow employees' relatives to work in the same company.

In terms of employee promotion, the Group clearly formulated the functional requirements and promotion conditions for each rank and position, and implemented the Kaisa Group Holdings Employee Performance Management Measures (《佳兆業集團控股員工績效管理辦法》), and the Kaisa Group Holdings Reward and Penalty Management System (《佳兆業集團控股獎罰管理制度》) to implement "performance-oriented" principle. Performance appraisals, covering work performance, abilities and attitudes, are performed regularly on employees, and the results of the appraisal are used as an important basis for bonus payment, salary adjustment, and promotion.

The Group has also formulated the Kaisa Group Holdings Employee Resignation Management Measures (《佳兆業集團控股員工離職管理辦法》). Except for the prescribed circumstances (such as the Employee Handbook which states that employees violate laws and regulations, etc., the labor contract will be terminated). We strictly prohibit any unfairness or unreasonable dismissal in order to protect the rights and interests of employees.

Labor Standards

Kaisa Group strictly prohibits child labor and forced labor, in compliance with the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and the Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》) in Mainland China, the Employment of Children Regulations (《僱用兒童規例》) and the Employment of Young Persons (Industry) Regulations (《僱用青年(工業)規例》) under the Employment Ordinance (《僱傭條例》) of Hong Kong, and the Forced Labor Convention (No. 29) of the International Labor Organization. In accordance with the internal policies Kaisa Group Holdings Recruitment Management System (《佳兆業集團控股招聘管理制度》) and the Kaisa Group Holdings Employees' Overtime Work Management System (《佳兆業集團員工加班管理制度》), the above laws and regulations are effectively implemented. In the recruitment process, we check the valid identity documents of the candidates to ensure that they have reached the legal age of employment. When signing employment contracts or agreements with employees, we accurately convey the terms of working place, time, labor remuneration to prevent illegal use of child labor and forced labor. During the Reporting Period, the Group has not received any violations related to the illegal employment of child labor and forced labor, which have a significant impact on the Group.

► Working Hours and Holidays

The Group strives to create a good working environment for its employees. In order to ensure the reasonable working period and hours of employees, we have formulated the *Kaisa Group Holdings Attendance Management System* (《佳兆業集團控股考勤管理制度》), which implemented the five-day work system and 8-hour standard working hour system in the office. The overtime work of employees are provided with overtime pay or compensatory leave according to the *Kaisa Group Holdings Employees' Overtime Work Management System* (《佳兆業集團員工加班管理制度》). In addition to statutory holidays, our employees also enjoy paid holidays such as marriage leave, bereavement leave, maternity leave, nursing leave, family visit leave, and annual leave, and their annual leave will be adjusted according to their seniority.

► Salary and Welfare

The Group has formulated the *Kaisa Group Holdings Remuneration Management System* (《佳兆業集團控股薪酬管理制度》) and the *Kaisa Group Holdings Welfare Management System* (《佳兆業集團控股福利管理制度》) to provide employees with a competitive salary package and comprehensive welfare. The establishment of our remuneration system is based on the principles of "raise for excellence", "marketization", "internal fairness" and "results sharing". At the same time, we have a complete annual and instant salary adjustment mechanism, which provide employee with performance bonus in combination with their personal ability and performance. In addition, we provide employees with social security such as social insurance and provident fund, as well as additional welfare such as commercial insurance, festival funds, consolation money, transportation subsidies, meal subsidies, physical examination of employees and preferential property purchase.

► Equal Opportunities, Diversity and Anti-discrimination

The Group opposes any form of discrimination. Employees will never be affected by factors such as gender, age, religion, race, disability, etc. in their recruitment, promotion, dismissal, training, job performance evaluation, salary and welfare. We implement the "anti-bureaucratic" system and regularly hold anti-bureaucratic meetings. Employees, regardless of their ranks, should conduct work exchanges on an equal basis. We are committed to safeguarding the legitimate rights and interests of female employees, complying with the *Special Provisions on Labor Protection for Female Employees* (《女職工勞動保護特別規定》), and guaranteeing female employees' maternity leave and breastfeeding leave and other related welfare, so as to build an equal workplace environment. In addition, the Group has formulated the *Board Diversity Policy* (《董事會成員多元化政策》), covering policies which can achieve the diversity of the Board. The Group also recruits talents with different qualifications, backgrounds, and experiences through campus recruitment and social recruitment, in order to strengthen talent introduction and realize talent diversity.



CASE: Kaisa was awarded "2020 China's Best Employer Enterprise for Real Estate"

With the excellent human resource management capabilities and innovative management model, the Group won the "2020 China Real Estate Best Employer Enterprise", highlighting the high recognition of the Group's human resource management and organizational management by external agencies.

► Communication and Exchange

The Group is committed to building a frank, open and efficient communication environment, and establishing a harmonious and trustworthy relationship between employees. Kaisa has established a comprehensive employee care plan system and regularly organizes meetings to listen to the opinions and ideas of employees. In addition, we regularly conduct anonymous employee satisfaction surveys to collect employees' ideas and suggestions on our operations and management.

At the same time, a variety of employee activities also provide diversified communication channels to employees. The Group organizes various types of activities such as association activities, departmental activities, outings, and party activities to enrich the amateur cultural life of employees.



On March 8, 2020, the Goddess Festival, Kaisa Prosperity Changsha branch customized festive flowers for the "goddess" and presented festive gifts to female employees



Jiake Intelligent of Kaisa Prosperity held a Mid-Autumn Festival employee activity



In order to help new employees integrate into the team and carry out their work smoothly, Kaisa Yuedong Group held a new employee induction training and a team building activity on September 19, 2020



Kaisa Shaanxi Real Estate Co., Ltd. held a birthday party for employees to enhance their sense of belonging

Training and Development

Kaisa has always regarded talents as one of the key elements of the group's development. We continuously put resources and provide different types of training for employees to continuously improve their professional skills and development their career, so as to meet the needs of the Group's current and future development and to realize the common growth of employees and the Group.

In order to standardize the training plan formulation, training evaluation, curriculum content building requirements and curriculum development process, the Group has formulated internal policies such as the *Kaisa Group Holdings Echelon Construction System* (《佳兆業集團控股人才梯隊建設制度》). The Group also provides various training forms to potential and elite personnel such as tutoring system, special seminar discussion, on-the-job academic education, which aim to systematically promote the construction of talent team. In order to ensure the quality of our training, we select outstanding business backbones and senior executives at all levels, who have rich experience in management and professions, willing to share their knowledge and experience, enthusiasm and strong sense of responsibility, as mentors for new employees and managers in key positions. The *Kaisa Group Holdings Instructor Management System* (《佳兆業集團控股導師管理制度》) has been formulated to clarify the selection and management of training lecturers.

► Kaisa Employee Training System

The Group provides employees with diversified talent training activities and expects to assist employees to improve their skills through training. The Group also helps employees realize their career planning and encourages employees to give full play to their strengths and potentials in their respective positions. To this end, we established the "Kaisa College" in 2009 with the aim of coordinating and implementing talent training and enhancing the quality and capabilities of employees.



A Team of Professional Lecturers

To provide trainings on various professional skills, corporate culture, and leadership by internal and external professional lecturers



Online Learning Platform "Cloud College"

To provide case library, reference books, instructional procedure system, training materials, videos, micro-lectures, other sharing resources and other flexible learning ways



Four-Level Talent Training System

Build a new Training System for Kaisa New Generation, Training System for Potential Talent, Training System for Elite Personnel, Training System for Outstanding Management Members, provide employees with a large number of targeted courses covering all stages of their careers



IDP (Individual Development Plan)

A tailor-made customized personal development opportunity according to the development need of the Company and individuals



Regular Cross-professional and Interdisciplinary Training

Job rotation, observation and exchange in benchmark enterprises, leader training camps, executives training camps and further study



Lecturing and Mentoring

A one-on-one mentoring system, responsible for the career development throughout the whole training stage for fresh graduates with senior business experts as mentors to enhance their professional level

CASE: 2020 "Set Sail" Novice Training Program



Outstanding fresh graduates are the driving force for the development of the Group. The Novice Training Program started in 2003 to provide trainees with targeted courses. The project is divided into three stages: set-sail, sailing and cruising. Trainees can demonstrate and explore their talents through job rotation and skill training.

The 2020 "Set Sail" Novice Training Program was successfully launched from July 13 to 23 in 2020, helping graduates to transform smoothly to the workplace. Experienced tutors will help graduates to familiarize themselves with the business as soon as possible, integrate into the company, and provide help and guidance in work and life.

In addition to the four-level talent training system, the Group also provides employees with different professional certification training and general skills training to prepare a good talent reserve.



From November 12 to 15, 2020, the Group successfully held the second training course for human manager qualification certification



The Group has carried out special training on purchasing management capacity improvement in 2020 for more than 90 colleagues in the procurement business line

The Group has set up two parallel career development channels for employees, which are professional and management respectively. Employees can choose the direction of development according to their own characteristics, personal career development plans, and job requirements. The Group also provides job rotation and expatriate opportunities to meet the career development needs of different employees.

Health and Safety

The Group is committed to ensuring the occupational safety and health of its employees. We strictly abide by the *Law of the Production Safety Law of the People's Republic of China* (《中華人民共和國安全生產法》), the *Regulations on Production Safety Management in Construction Work* (《建設工程安全生產管理條例》), the *Regulations on the Reporting and Investigation of Production Safety Accidents* (《生產安全事故報告和調查處理條例》), the *Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases* (《中華人民共和國職業病防治法》), the *Fire Control Law of the People's Republic of China* (《中華人民共和國消防法》), the *IRegulation on Work-Related Injury Insurances Law of the People's Republic of China*(《中華人民共和國工傷保險條例》), the *Provisions on the Supervision and Administration of Occupational Health at Work Sites* (《工作場所職業衛生監督管理規定》), the *Categories and Catalogue of Occupational Diseases* (《職業病分類與目錄》), etc. In addition, internal management policies such as the *Kaisa Group Management Measures on Safe Production and Supervision* (《佳兆業集團安全生產監督管理辦法》) are formulated to standardize the contents of safety construction management, process, and reward and punishment measures, so as to continuously improve the safety management and control of construction site.

In order to implement the policy of "safety first, prevention first, and comprehensive management", and to realize the standardization and standardization of safety management in the construction process of real estate development projects, the Group formulated the *Kaisa Group Holdings Management Measures on Construction Safety of Real Estate Projects* (《佳兆業集團控股地產項目施工安全管理辦法》), and carry out safe and civilized construction on the construction site in accordance with the *Kaisa Group Holdings Catalogue on Safe and Civilized Construction of Real Estate Projects* (《佳兆業集團控股項目安全文明施工圖冊》). The system covers all professional groups, regional groups and projects under construction to ensure personal safety and property safety during the construction process and prevent safety accidents occurrence, to ensure that the safety management of the project is controllable.

Beforehand Control	•Safe and civilized construction management •Hazard management in the whole life cycle of project
Intermediate Control	•Safety inspection •Regular safety meeting
Afterwards Control	•Emergency management system •Safety early warning system

According to the safety management policy of the Group, we implemented the following measures during the course of construction to eliminate and prevent safety incidents:

- Identify hazard sources before the construction of project. Prepare the *Contingency Plan for the Project Under Construction*(《在建項目應急處置方案》) to identify and evaluate the major hazards of the project, and formulate countermeasures
- Prepare specific contingency plans and on-site treatment plans, conduct contingency drills at least once in half-year and review and analyse in respect to the process and results of the drill
- Regular inspections at different levels
 - Appoint a third-party inspection agency at the group level to conduct quarterly inspections on project safety management, including the organization of monthly joint inspections in accordance with the *Kaisa Group Holdings Regulations on Joint Inspection of Marketing and Customer Service*(《佳兆業集團控股行銷及客服聯合飛檢專項管理辦法》). We have conducted inspection, investigation, supervision on major safety risk sources, and conducted special sampling inspection of "safety civilization" and "materials entering the site"
 - Conduct bimonthly inspections at the regional group level
 - Conduct a comprehensive inspection on the project safety management at the subsidiary level at least once a month
 - Weekly inspection at project department level
- All engineering personnel of the Group's ongoing projects need to undergo training, examinations, etc.
- Pay attention to the weather report and prepare contingency measures in advance, prepare emergency supplies, counter measures and conduct on-site checks
- In case of safety accidents, relevant responsible units must timely, actively and accurately report and record, supervise, guide and assist the rescue work on site, and actively cooperate with accident investigation. Afterwards, we will conduct cause analysis, review and rectifications
- For employees injured at work, promptly arrange medical treatment, follow-up and condolences

During the Reporting Period, the target value of the group's comprehensive safety management score is 78, and the actual score is 78.90, which is at a good level in the industry.

The Group regularly organizes employees to participate in safety knowledge training and various emergency plan drills.

CASE: Safe Production Month Activity

In order to strengthen the safety attention of employees and cooperative units, the Group conducts a 1–2 month-activity of "Safety Production Month" every year. All projects under construction will be horizontally compared, excellent and demonstration safety sites will be selected, and field observation activities will be held. Activities help to promote communication within the Group and improve the overall safety control level.



CASE: theme activity of "119" fire safety publicity and education day of Kaisa Prosperity

Kaisa Prosperity carried out 119 fire safety publicity activities, through various forms of publicity and education activities, to popularize fire protection laws and regulations, fire protection knowledge and fire evacuation skills.



The Group is very concerned about the physical and mental health of employees. Employees will receive an online learning plan that includes occupational health and safety when they are on board, and they need to complete corresponding exams before they can pass. We have implemented the *Kaisa Group Holdings Smoking Ban Management Measures* (《佳兆業集團控股禁煙管理辦法》) to completely ban smoking in office area and to proactively promote the non-smoking culture. The Group allocates medical kits in the office, provides regular physical examinations for employees every year, and purchases commercial insurance for employees, including accident insurance, critical illness insurance, traffic accident insurance, and supplementary hospitalization insurance, to protect the health of employees. We also organize employees to regularly participate in fire emergency drills organized by the building property management company to strengthen their disaster prevention awareness and emergency response capabilities. The Group also sets up various sports clubs including the fitness club, football club, badminton club, and basketball club to encourage staff to do exercises.

CASE: 2020 Kaisa Badminton League



In order to increase employees' attention to physical and mental health, create a vigorous corporate culture, and enhance friendly exchanges among the subsidiaries, the Group has hosted the 2020 Kaisa "Badminton League". It includes men's singles, women's singles, men's doubles, mixed doubles and other 4 team competitions. 16 powerful teams and more than 150 players from the subsidiaries competed with each other and demonstrated the spirit of teamwork.

In the face of the COVID-19 epidemic, each subsidiary company carried out prevention and control work in an orderly manner in accordance with the Company's deployment requirements for prevention and control work so as to prevent the spread of the epidemic situation and ensure the health and safety of employees. The Group has implemented a series of epidemic prevention measures, including:



All regional companies of Kaisa Real Estate Group conduct comprehensive disinfection work in their office premises before resuming work



Kaisa Prosperity Shenzhen Branch detects body temperature for employees



Kaisa Prosperity Changsha Branch provides employees with disinfection and anti-epidemic supplies and staff care materials for employees

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ALLOCATION OF SUSTAINABLE BONDS

According to the *Sustainable Finance Framework* established by the Group in July 2020, we are required to report the use of proceeds and the environmental and social impacts of the projects annually.



As of the end of the Reporting Period, the Group issued US\$200 million of senior perpetual capital securities on September 30, 2020, and a total of US\$400 million of sustainable senior notes on December 8, 2020 and December 23, 2020.

Year Issued	Issuer	Currency	Principal Amount	Coupon	Maturity Date
2020	Kaisa Group Holdings Limited	U.S. dollar	200,000,000	10.875%	non-redeemable until September 30, 2023
2020	Kaisa Group Holdings Limited	U.S. dollar	250,000,000	6.5%	December 7, 2021
2020	Kaisa Group Holdings Limited	U.S. dollar	150,000,000	6.5%	December 7, 2021



Use of Proceeds

Project Type	Project	Allocated Proceeds (Within the Reporting Period)		
		RMB	U.S. Dollars Equivalent	Percentage
Green Project				
Green Building	Shenzhen Kaisa International Fintech Center	985,000,000.00	148,000,000.00	24.6%
Green Building	Xuzhou Fuchun Mountain Residence	904,000,000.00	136,000,000.00	22.6%
Social Project				
Affordable Housing, Basic Infrastructure and Essential Services	Shenzhen Kaisa City Plaza	1,103,000,000.00	166,000,000.00	27.7%
Affordable Housing, Basic Infrastructure and Essential Services	Shenzhen Yantian Kaisa City Plaza	389,000,000.00	58,000,000.00	9.7%
Affordable Housing, Basic Infrastructure and Essential Services	Shenzhen Pinghu Kaisa Plaza	426,000,000.00	64,000,000.00	10.7%
Affordable Housing, Basic Infrastructure and Essential Services	Shenzhen Kaisa Future City	188,000,000.00	28,000,000.00	4.7%
Total Allocated Proceeds		3,995,000,000.00	600,000,000.00	100%
Unutilized Proceeds		0	0	Not applicable
Total Net Proceeds		3,995,000,000.00	600,000,000.00	100%


Project Information Summary

Project Name	Shenzhen Kaisa International Fintech Center	
Gross Floor Area	176,884.14 m ²	
Location	Shennan Avenue, Futian District, Guangdong	
Allocated Proceeds	985,000,000.00 RMB	
Categories of Qualified Investment Projects	Green Building <div></div>	
Green Building Certification:	Three Star Certificate of Green Building Design Label, China Green Building Certification Pre-certified Gold for LEED certification	
Energy Saving Design	<ul style="list-style-type: none">● Adopt a dot layout to maximize the use of natural ventilation and natural lighting● High performance energy-saving glass is used, adopting energy-saving and efficient insulating glass for the external windows of the project, and high- efficiency energy-saving lamps such as LED lamps● Use energy-saving elevators and energy-saving control methods to effectively save energy consumption	
Water Saving Design	<ul style="list-style-type: none">● Sponge city combined with landscape design: the project will set a recessed green space in the site, and in conjunction with the sponge city design, the comprehensively calculated site runoff control rate can reach 70%● Rainwater harvesting system: The project is equipped with rainwater collection ponds, and the collected rainwater is used for greening and irrigation and road washing● Application of water-saving measures: All water-saving appliances with a water-saving efficiency level above level 1 are used to effectively save water resources	
Carbon Emissions Avoided	704.18 tons of CO ₂ e / year	
Energy Savings	742.10 '000 kWh/ year	
Water Saving	1,328.80 m ³ / year	





Project Name	Xuzhou Fuchun Mountain Residence	
Gross Floor Area	247,279.41 m ²	
Location	Yunlong District, Xuzhou City, Jiangsu	
Allocated Proceeds	904,000,000.00 RMB	
Categories of Qualified Investment Projects	Green Building <div></div>	
Green Building Certification:	Three Star Certificate of Green Building Design Label, China Green Building Certification	
Energy Saving Design	The thermal performance of the enclosure structure of this project is designed in accordance with the <i>Design Standard for Thermal Environment and Energy Conservation of Residential Buildings in Jiangsu Province (DGJ32/J71-2014)</i> , reaching the standard of 65% energy saving.	
Water Saving Design	This project adopts mixed rainwater harvesting system. Rainwater from the roof, road and green space is transported to the rainwater reservoir through the rainwater pipe network, and is reused for greening and irrigation and road washing after the treatment to meet the standards.	
Carbon Emissions Avoided	445.82 tons of CO ₂ e/year	
Energy Savings	469.83 '000 kWh/year	
Water Saving	13,147 m ³ /year	



Project Name	Shenzhen Kaisa City Plaza	
Location	Banxuegang Boulevard, Longgang District, Shenzhen City, Guangdong	
Allocated Proceeds	1,103,000,000.00RMB	
Categories of Qualified Investment Projects	Affordable Housing, Basic Infrastructure and Essential Services <div></div>	
Affordable Housing Area after the Completion of the Project	312,195 m ²	
Basic Infrastructure Area	484,426 m ²	
Basic Infrastructure	3 Kindergartens 1 Public school 2 Health service centers 2 Public cultural and sports facility 1 Fire station 2 Recycling stations	



Project Name	Shenzhen Yantian Kaisa City Plaza	
Location	Junction of Hong'an road and Donghai 4th Street, Yantian District, Shenzhen City, Guangdong	
Allocated Proceeds	389,000,000.00 RMB	
Categories of Qualified Investment Projects	Affordable Housing, Basic Infrastructure and Essential Services 	
Affordable Housing Area after the Completion of the Project	30,100 m²	
Basic Infrastructure Area	22,650 m²	
Basic Infrastructure	1 Elementary school 2 Kindergartens 2 Health service centers 1 Food market 2 Post offices	

Project Name	Shenzhen Pinghu Kaisa Plaza	
Location	Junction of Huihua Road and Xinxia Avenue, Shenzhen City, Guangdong	
Allocated Proceeds	426,000,000.00RMB	
Categories of Qualified Investment Projects	Affordable Housing, Basic Infrastructure and Essential Services 	
Affordable Housing Area after the Completion of the Project	35,611 m²	
Basic Infrastructure Area	200,201 m²	
Basic Infrastructure	1 Elementary school 1 Health service center 1 Sanatorium 1 Community sports venue	



Project Name	Shenzhen Kaisa Future City
Location	Junction of Ruyi Road and Dayun Road, Longgang District, Shenzhen City, Guangdong
Allocated Proceeds	188,000,000.00 RMB
Categories of Qualified Investment Projects	Affordable Housing, Basic Infrastructure and Essential Services 
Affordable Housing Area after the Completion of the Project	16,120 m²
Basic Infrastructure Area	75,630 m²
Basic Infrastructure	1 Kindergarten 1 Day care center for the elderly 1 Community sports venue 1 Library 1 Post office



Independent Limited Assurance Report on the Review of the Impact and Allocation Reporting of 2020 Sustainable Bonds Report



Independent Limited Assurance Report
Auditor's Independent Limited Assurance Report on the review of the impact and allocation reporting of 2020 Sustainable Bonds Report included in KAISA GROUP HOLDINGS LTD. (the "company")'s sustainability report for 2020, section 10 (the "sustainability report").

To KAISA GROUP HOLDINGS LTD. (stock code: 01638.HK)

Introduction
I have been assigned by the Board of Directors of KAISA GROUP HOLDINGS LTD. to review the company's impact and allocation reporting of Sustainable Bonds included in its sustainability report for 2020, section 10. My assurance does not extend to information in respect of earlier periods or to any other information included in the sustainability report. The company has defined the scope of our work, with our approval, to provide limited assurance over the impact and allocation reporting of Sustainable Bonds on pages 72 to 81 of the sustainability report.

Inherent limitations
The absence of a significant body of established practice on which to draw to measure or evaluate the subject matter information allows for different, but acceptable, measurement or evaluation techniques and can affect comparability between entities and over time.

Directors' responsibility for the reporting
The directors of the company are responsible for the sustainability report. The sustainability report, section 10, is prepared by the company in accordance with the applicable criteria outlined in the *Allocation Reporting* and *Impact Reporting* sections incorporated in paragraph 4 of the Sustainable Finance Framework established by the company in July 2020.

This responsibility also includes the internal control that is deemed necessary to prepare the report on the impact and allocation reporting of Sustainable Bonds included in the sustainability report so that it does not contain material misstatements, whether due to irregularities or errors.

Auditor's responsibility
My responsibility is to express a conclusion on the impact and allocation reporting of Sustainable Bonds included in the sustainability report based on my review and to report my conclusion solely to KAISA GROUP HOLDINGS LTD.

I performed a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 *Assurance Engagements other than Audits and Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board. A review consists of making inquiries, primarily to persons responsible for the preparation of the impact and allocation reporting of Sustainable Bonds included in the sustainability report, to carry out analytical reviews and to take other review measures.

Grant Thornton Sweden applies ISQC 1 (International Standard on Quality Control) and thus has a comprehensive quality control system which includes documented guidelines and procedures regarding compliance with professional ethical requirements, standards of professional practice and applicable requirements in laws and regulations. I am independent in relation to KAISA GROUP HOLDINGS LTD. in accordance with generally accepted auditors in Sweden and have otherwise fulfilled my professional ethical responsibilities in accordance with these requirements.

My review of the impact and allocation reporting of Sustainable Bonds included in the sustainability report is based on the criteria, as defined above. I believe these criteria are appropriate for the preparation of the impact and allocation reporting of Sustainable Bonds included in the sustainability report. I believe that the evidence I have obtained during my review is sufficient and appropriate for the purpose of providing a basis for my statements below.

Statements
Based on my review, no circumstances have emerged that give me reason to believe that the impact and allocation reporting of Sustainable Bonds included in KAISA GROUP HOLDINGS LTD.'s sustainability report for 2020 has not, in all material respects, been prepared in accordance with the criteria set out in the *Allocation Reporting* and *Impact Reporting* sections incorporated in paragraph 4



of the Sustainable Finance Framework set by KAISA GROUP HOLDINGS LTD. In addition to this, no circumstances has emerged that give me reason to believe that the data of the impact and allocation reporting of Sustainable Bonds included in the sustainability report is not, in all material aspects, reliable and complete.

Intended use of this report
This independent limited assurance report, including our conclusion, is made solely to KAISA GROUP HOLDINGS LTD. in accordance with the terms of our engagement letter dated 16 March 2021. That agreement permits disclosure to other parties, solely for the purpose of KAISA GROUP HOLDINGS LTD. showing that it has obtained an independent limited assurance report in connection with the subject matter information. Our work has been undertaken so that we might state to KAISA GROUP HOLDINGS LTD. those matters we are required to state to them in an independent limited assurance report and for no other purpose. We have not considered the interest of any other party in the subject matter information. To the fullest extent permitted by law, we do not accept or assume responsibility and deny any liability to any party other than KAISA GROUP HOLDINGS LTD. for our work or this limited assurance report, including our conclusion.

Markus Håkansson
Authorized Public Accountant
Grant Thornton Sweden (Reg. no. 556356-9382)

11

OVERVIEW OF KEY PERFORMANCE INDICATORS

The environmental KPIs disclosed in this Report cover the selected 20 core functional companies, including their project departments' office areas, property management areas, and marketing departments' sales centers. The social KPIs cover the overall business scope of the Group.

Environmental KPIs

As the reporting scope of the environmental KPIs for 2019 includes construction sites undertaken by third-party contractors and that for this Report no longer includes construction sites undertaken by third-party contractors, therefore the environmental KPI values for 2020 are generally lower than those for 2019. We believe that this reporting scope has more reasonably reflected the environmental impacts in areas over which the Group has control.

For density calculations, the area used in this Report includes only the areas of the project departments' office areas, property management areas, and marketing departments' sales centers, and does not include the areas of construction sites undertaken by third-party contractors. The density in 2020 differs significantly from the density in 2019 because the construction site areas of projects under the owned by the core functional companies were used in the density calculation in 2019. In addition, we have used square meters instead of million square meters because the areas of construction sites under the responsibility of third-party contractors is no longer involved.

No. of Key Performance Indicator	Key Performance Indicator	Unit	2020	2019
A1.1 Emissions ⁷	Nitrogen oxides (NO _x)	kg	35.10	5,364.98
	Sulphur oxides (SO _x)	kg	1.43	5.97
	Inhalable particulate matter (PM ₁₀)	kg	0.66	160.86
	Fine particulate matter (PM _{2.5})	kg	0.60	145.4
	Total particulate matter (TPM)	kg	0.66	/

⁷The emission sources included non-road mobile sources, road mobile sources and stationary sources. The reference for calculation in 2020 includes *Industrial Boiler (Heat Production and Supply Industry) Industry Coefficient Manual of the Second National General Survey on Pollution Sources Production and Emission Calculation Coefficient Manual* published by the Ministry of Ecology and Environment of PRC, the *First National General Survey on Pollution Sources of Urban Domestic Source Production and Discharge Coefficients Manual* by General Survey on Pollution Sources Office, *Provisional Technical Guidelines for Road Mobile Sources Emission* and *Provisional Technical Guidelines for Non-road Mobile Sources Emission* published by the Ministry of Ecology and Environment of China. Compared to 2019 calculation methods, the changes in the calculation method are mainly related to stationary sources, the sulfur content of SO_x used to calculate stationary sources and non-road mobile sources. The change in the calculation reference for stationary sources is mainly due to the release of a new version of the reference by the Ministry of Ecology and Environment of the PRC in 2019, which shall better reflect the environmental impact of the Group. In addition, emissions from the operation of the canteens also used as references that can more realistically reflect the environmental impact of the Group at the place of operation. The change in the calculation reference for non-road mobile sources is mainly because the reference published by the Ministry of Ecology and Environment of the PRC is more reflective of the environmental impact of the Group at the place of operation. As the 20 core functional companies operate in different provinces, we used the national standard GB17820-2012 natural gas with a sulfur content of 200 mg/m³ for Class II natural gas, as a larger sulfur content can project the SO_x emissions from the Group's stationary sources more conservatively.

A1.2 Greenhouse gases ⁸	Scope 1: Direct emission of greenhouse gas			
	Deduction of greenhouse gas by the newly planted tree ⁹	tons of CO ₂ e	-23.54	-91.49
	Total direct carbon dioxide equivalent emissions	tons of CO ₂ e	178.92	946.38
	Total direct carbon dioxide equivalent emissions intensity	tons of CO ₂ e/m ²	0.01	0.00006
	Scope 2: Indirect emission of greenhouse gas			
	Total indirect carbon dioxide equivalent emissions	tons of CO ₂ e	1969.21	19,319.84
	Total indirect carbon dioxide equivalent emissions intensity	tons of CO ₂ e/m ²	0.13	0.001
	Scope 3: Other indirect emission of greenhouse gas			
	Waste paper discarded in landfills	tons of CO ₂ e	5.81	167.14
	Electricity consumed by governmental authorities for handling drinking water and sewage ¹⁰	tons of CO ₂ e	112.49	573.99
A1.3 Total hazardous waste	Employees' business trips by airplane	tons of CO ₂ e	11.45	43.12
	Total other indirect carbon dioxide equivalent emissions	tons of CO ₂ e	129.75	784.25
	Battery	tons	0.01	<0.01
	Fluorescent bulb	tons	0.01	0.01
	Waste toner	tons	0.03	0.01
	Waste cartridge	tons	0.05	<0.01
	Waste lightbulb	tons	0.08	0.01
	Waste activated carbon	tons	<0.01	<0.01
	Total hazardous waste	tons	0.18	0.04
	Total hazardous waste density	tons/m ²	0.00001	0.000000003
A1.4 Non-hazardous waste ¹¹	Waste paper	tons	1.09	0.86
	Plastic	tons	0.06	0.06
	Computer and equipment	tons	0.01	1.47
	Food waste	tons	13.20	2.13
	Foam	tons	0.01	0.03
	Total non-hazardous waste	tons	14.37	4.55
	Total non-hazardous waste density	tons/m ²	0.0009	0.0000003

¹⁰Electricity consumed per unit for handling drinking water and sewage in the PRC was set as 0.6 and 0.28328 kWh, and the default emission factor for electricity purchased in the PRC was set as 0.6101kg/kWh.

¹¹The environmental KPIs disclosed in this report cover the selected 20 core functional companies, including their project departments' office areas, property management areas, and marketing departments' sales centers. As the reporting scope of the environmental KPIs for 2019 includes construction sites undertaken by third-party contractors and that for this Report no longer includes construction sites undertaken by third-party contractors, Therefore, wastes generated by third party contractors at construction sites are no longer disclosed. The 2019 total non-hazardous waste and total non-hazardous waste density have been adjusted to exclude wastes generated by third-party contractors at construction sites.

⁸The emission sources included non-road mobile sources, road mobile sources and stationary sources, refrigerants, electricity purchased and scope 3 indirect GHG emissions. The reference for calculation in 2020 includes *Provisional Calculation Methods and Reporting Guidelines on Public Infrastructure Operating Units Greenhouse Gas Emissions* published by Office of the National Development and Reform Commission of PRC, the *2015 National Grid Average Emission Factor* mentioned in the 2018 Carbon Emission Supplementary Data Accounting Report Template attached in the *Notice on the Preparation of 2018 Annual Carbon Emission Report and Verification and Emission Monitoring Plan* published by the Ministry of Ecology and Environment of the People's Republic of China, global warming potential values by GHG Protocol and *Appendix 2: Reporting Guidance on Environmental KPIs* from *How to prepare an ESG Report*. Compared to 2019, the changes to the calculation method mainly relate to emission sources other than refrigerants. We used references published by the NDRC Office of PRC and the Ministry of Ecology and Environment of PRC as they can better reflect the environmental impact of the Group at the sites where it operates. In addition, we no longer disclose indirect emissions from purchased coal gas, and direct emissions from the coal gas have been fully included in total Scope 1 direct CO₂ equivalent emissions.

⁹The main reference for the greenhouse gas emission calculation for 2020 is *Appendix 2: Reporting Guidance on Environmental KPIs* from *How to prepare an ESG Report*.

A2.1 Energy ¹²	Direct energy consumption			
	Coal gas	'000 kWh	11.02	34.11
	Diesel	'000 kWh	6.91	677.65
	Gasoline	'000 kWh	224.79	1,011.76
	Natural gas	'000 kWh	28.76	/
	direct energy consumption	'000 kWh	271.48	1723.52
	direct energy consumption density	'000 kWh/m ²	0.02	0.0001
	Indirect energy consumption			
	Electricity purchased	'000 kWh	3,227.68	21,891.93
	Indirect energy consumption	'000 kWh	3,227.68	21,891.93
	Indirect energy consumption density	'000 kWh/m ²	0.21	0.001
	Total energy consumption			
	Total energy consumption	'000 kWh	3499.16	23,615.45
	Total energy consumption density	'000 kWh/m ²	0.23	0.002
A2.2 Water consumption	Total water consumption	m ³	206,126.40	812,303.77
	Total water consumption density	m ³ /m ²	13.59	0.05
A2.5 Packing materials	Wooden pallets	tons	0.50	0.8
	Wrapping paper	tons	0.40	0.2
	Wood	tons	0.05	5.5
	Plastic	tons	0.05	1.5
	Plastic bag	tons	0.14	0.8
	Carton	tons	0.60	4.5
	Packing strap	tons	0.06	0.4
	Other	tons	0.11	/
	Total Packaging materials	tons	1.90	13.7
	Total Packaging materials density	tons/m ²	0.0001	0.0000009

¹² We no longer disclose the amount of purchased coal gas as all of which is included in our direct energy consumption. 2019 figures have been adjusted to include the amount of purchased gas in our gas usage.

Social KPIs

No. of Key Performance Indicator	Key Performance Indicator	Unit	2020	2019	2018
B1.1 Total number of employees ¹³	Total number of employees	person	15,723	15,281	14,310
	By employment type				
	Full-time	person	15,610	15,281	14,310
	Part-time	person	113	/	/
	By gender				
	Male	person	10,763	10,330	9,551
	Female	person	4,960	4,951	4,753
	By position				
	Entry-level employee	person	14,666	/	/
	Middle-level employee	person	670	/	/
	Management	person	387	/	/
	By age				
	30 or below	person	6,950	7,027	7,064
	31-40	person	6,618	6,376	5,406
	41-50	person	1,767	1,594	1,461
	51or above	person	388	284	379
	By geographical region				
	Pearl River Delta region	person	9,336	9,101	/
	Yangtze River Delta region	person	1,498	1,530	/
	Central China region	person	1,199	939	/
	Western China region	person	2,059	1,268	/
	Pan-Bohai Bay Rim	person	1,476	1,428	/
	Other region ¹⁴	person	155	1,015	/

¹³ We no longer include in employee-related data the personnel assigned to the Group by third-party labor companies.

¹⁴Other regions include Hainan Island and Hong Kong.

B1.2 Employee turnover rate ¹⁵	Employee turnover rate	%	19%	23%	22%
	By gender				
	Male	%	18%	21%	/
	Female	%	22%	27%	/
	By position				
	Entry-level employee	%	19%	/	/
	Middle-level employee	%	20%	/	/
	Management	%	14%	/	/
	By Age				
	30 or below	%	21%	26%	/
	31-40	%	21%	24%	/
	41-50	%	8%	13%	/
	51 or above	%	9%	13%	/
	By geographical region				
	Pearl River Delta region	%	20%	24%	/
	Yangtze River Delta region	%	21%	24%	/
	Central China region	%	16%	17%	/
	Western China region	%	14%	9%	/
	Pan-Bohai Bay Rim	%	20%	22%	/
	Other region ¹⁶	%	32%	36%	/
B2.1 Number and rate of work-related fatalities ¹⁷	Number of work-related fatalities	person	0	0	0
	Rate of work-related fatalities	person/hour	0	0	0
	Lost days due to work injury	day	0	/	/
B3.1 Percentage of trained employees ¹⁸	Percentage of trained employees		100%	100%	/
	By gender ¹⁹				
	Male	%	68%	100%	/
	Female	%	32%	100%	/
	By position ²⁰				
	Entry-level employee	%	93%	100%	/
	Middle-level employee	%	4%	100%	/
	Management	%	2%	100%	/

¹⁵We no longer include in employee-related data the personnel assigned to the Group by third-party labor companies.

¹⁶Other regions include Hainan Island and Hong Kong

¹⁷We no longer include in employee-related data the personnel assigned to the Group by third-party labor companies.

¹⁸We no longer include in employee-related data the personnel assigned to the Group by third-party labor companies.

¹⁹The calculation for the percentage of trained employees for 2020 has been updated according to *Appendix 3: Reporting Guidance on Social KPIs* from *How to prepare an ESG Report*. The percentage of trained employees in 2020 by gender = (Trained male or female employees / Total number of trained employees) × 100%. The denominator used in 2019's calculation was the total number employees of that specific category, i.e. Trained male employees / Total number of male employees) × 100%.

²⁰The calculation for the percentage of trained employees for 2020 has been updated according to *Appendix 3: Reporting Guidance on Social KPIs* from *How to prepare an ESG Report*. The percentage of trained employees in 2020 by positions = (Number of trained employees in a specific position category / Total number of trained employees) × 100%. The denominator used in 2019's calculation was the total number employees of that specific position category, i.e. Trained entry-level employees / Total number of entry-level employees) × 100%.

B3.2 Average training hours completed per employee	Average training hours completed per employee	hour	18	14	/
	By gender				
	Male	hour	18	15	/
	Female	hour	19	12	/
	By position				
	Entry-level employee	hour	14	35	/
	Middle-level employee	hour	36	18	/
	Management	hour	20	12	/
B5.1 Number of suppliers	Number of suppliers	suppliers	29,724	25,411	/
	By category ²¹				
	Survey and Design	suppliers	2,775	/	/
	Consulting Services	suppliers	2,512	/	/
	Marketing	suppliers	8,773	/	/
	Engineering	suppliers	9,853	/	/
	Materials and Equipment	suppliers	3,031	/	/
	Administration	suppliers	3,163	/	/
	Others	suppliers	1,137	/	/
	By geographical region				
	Pearl River Delta region	suppliers	11,424	9,766	/
	Yangtze River Delta region	suppliers	6,734	5,757	/
	Central China region	suppliers	2,589	2,213	/
	Western China region	suppliers	2,323	1,986	/
	Pan-Bohai Bay Rim	suppliers	6,421	5,489	/
	Other region ²²	suppliers	233	200	/

²¹Some suppliers apply to more than one category, so the sum does not equal the total number of suppliers as of the end of the Reporting Period.

²²Other regions include Hainan Island and Hong Kong

B6.1 Percentage of products subject to recalls for safety and health reasons	Percentage of total products sold or shipped subject to recall for safety and health reasons	%	0	0	/
B7.3 Anti-corruption training	Number of anti-corruption training courses	number	10	19	/
	Anti-corruption training course hours	hour	10	/	/
	Number of directors attending anti-corruption training	person	20	/	/
	Number of employees attending anti-corruption training	person	1,000	/	/
B8.2 Community investment	Prevention and control of epidemics	RMB'000	10,300	/	/
	Education Development	RMB'000	134,162	/	/
	Public Charity	RMB'000	5,998	/	/
	Poverty Alleviation	RMB'000	121,300	/	/
	Total Community/Charity Investment during the Reporting Period	RMB'000	271,760	188,044	/

ANNEX I: SIGNIFICANT LAWS AND REGULATIONS COMPLIED WITH BY THE GROUP DURING THE REPORTING PERIOD

The Company has complied with the laws and regulations during the Reporting Period, including but not limited to those set out in this chapter, in respect of the operation of Kaisa:

The Laws and Regulations the Company complied with	Internal Policies of the Company
A. Environmental	
Aspect A1: Emissions	
<i>Law of the People's Republic of China on Air Pollution Prevention and Control</i> (《中華人民共和國大氣污染防治法》) <i>Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste</i> (《中華人民共和國固體廢物污染環境防治法》) <i>Environmental Protection Law of the People's Republic of China</i> (《中華人民共和國環境保護法》) <i>Law of the People's Republic of China on Energy Conservation</i> (《中華人民共和國節約能源法》) <i>Law of the People's Republic of China on Water Pollution Prevention and Control</i> (《中華人民共和國水污染防治法》)	<i>Kaisa Group Holdings Office Environment and Safety and Security Management System</i> (《佳兆業集團控股辦公環境及安全保衛管理制度》) <i>Kaisa Group Holdings Office Supplies Management Guidelines</i> (《佳兆業集團控股辦公用品管理工作指引》) <i>Kaisa Group Holdings Smoking Ban Management Measures</i> (《佳兆業集團控股禁煙管理辦法》)
Aspect A2: Use of Resources	
	<i>Kaisa Group Holdings Guidelines on Energy Saving Design for Electrical and Mechanical Energy Efficiency Systems in Owned Projects</i> (《佳兆業集團控股自持項目機電能耗能效系統節能設計指引》)
B. Social	
Aspect B1: Employment	
<i>Labour Law of the People's Republic of China</i> (《中華人民共和國勞動法》) <i>Labour Contract Law of the People's Republic of China</i> (《中華人民共和國勞動合同法》) <i>Social Insurance Law of the People's Republic of China</i> (《中華人民共和國社會保險法》) <i>Special Provisions on Labor Protection for Female Employees</i> 《女職工勞動保護特別規定》	<i>Kaisa Group Holdings Employees' Overtime Work Management System</i> (《佳兆業集團員工加班管理制度》) <i>Kaisa Group Holdings Attendance Management System</i> (《佳兆業集團控股考勤管理制度》) <i>Kaisa Group Holdings Recruitment Management System</i> (《佳兆業集團控股招聘管理制度》) <i>Kaisa Group Holdings Employee Performance Management Measures</i> (《佳兆業集團控股員工績效管理辦法》) <i>Kaisa Group Holdings Employee Resignation Management Measures</i> (《佳兆業集團控股員工離職管理辦法》) <i>Kaisa Group Holdings Welfare Management System</i> (《佳兆業集團控股福利管理制度》) <i>Kaisa Group Holdings Reward and Penalty Management System</i> (《佳兆業集團控股獎罰管理制度》) <i>Kaisa Group Holdings Remuneration Management System</i> (《佳兆業集團控股薪酬管理制度》) <i>Board Diversity Policy</i> (《董事會成員多元化政策》)

Aspect B2: Health and Safety	
<p><i>Production Safety Law of the People's Republic of China</i> (《中華人民共和國安全生產法》)</p> <p><i>Regulation on Work-Related Injury Insurances Law of the People's Republic of China</i> (《中華人民共和國工傷保險條例》)</p> <p><i>Fire Control Law of the People's Republic of China</i> (《中華人民共和國消防法》)</p> <p><i>Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases</i> (《中華人民共和國職業病防治法》)</p> <p><i>Provisions on the Supervision and Administration of Occupational Health at Work Sites</i> (《工作場所職業衛生監督管理規定》)</p> <p><i>Regulations on Production Safety Management in Construction Work</i> (《建設工程安全生產管理條例》)</p> <p><i>Regulations on the Reporting and Investigation of Production Safety Accidents</i> (《生產安全事故報告和調查處理條例》)</p> <p><i>Categories and Catalogue of Occupational Diseases</i>(《職業病分類與目錄》)</p>	<p><i>Kaisa Group Holdings Management Measures on Construction Safety of Real Estate Projects</i> (《佳兆業集團控股地產項目施工安全管理辦法》)</p> <p><i>Kaisa Group Holdings Catalogue on Safe and Civilized Construction of Real Estate Projects</i> (《佳兆業集團控股地產項目安全文明施工圖冊》)</p> <p><i>Kaisa Group Holdings Smoking Ban Management Measures</i> (《佳兆業集團控股禁煙管理辦法》)</p> <p><i>Kaisa Group Management Measures on Safe Production and Supervision</i> (《佳兆業集團安全生產監督管理辦法》)</p> <p><i>Contingency Plan for Projects Under Construction</i> (《在建項目應急處置方案》)</p>
Aspect B3: Development and Training	
	<p><i>Kaisa Group Holdings Training Management System</i> (《佳兆業集團控股培訓管理制度》)</p> <p><i>Kaisa Group Holdings Echelon Construction System</i> (《佳兆業集團控股人才梯隊建設制度》)</p> <p><i>Kaisa Group Holdings Instructor Management Measures</i> (《佳兆業集團控股導師管理制度》)</p> <p><i>Kaisa College Program Management Measures</i> (《佳兆業學院課程管理辦法》)</p>
Aspect B4: Labour Standards	
<p><i>Labour Law of the People's Republic of China</i> (《中華人民共和國勞動法》)</p> <p><i>Labour Contract Law of the People's Republic of China</i> (《中華人民共和國勞動合同法》)</p> <p><i>Supervision on the Prohibition of the Use of Child Labour</i> (《禁止使用童工規定》)</p> <p><i>Employment of Children Regulations, Employment Ordinance, Law of Hong Kong</i> (《香港法律《僱傭條例》《僱用兒童規例》)</p> <p><i>Employment of Young Persons (Industry) Regulations, Employment Ordinance, Law of Hong Kong</i> (《香港法律《僱傭條例》《僱用青年（工業）規例》)</p> <p><i>The Forced Labor Convention (No. 29) of the International Labor Organization</i> 國際勞工組織第 29 號公約《強迫勞動公約》</p>	<p><i>Kaisa Group Holdings Recruitment Management System</i> (《佳兆業集團控股招聘管理制度》)</p> <p><i>Kaisa Group Holdings Employees' Overtime Work Management System</i> (《佳兆業集團員工加班管理制度》)</p>
Aspect B5: Supply Chain Management	
	<p><i>Guidelines on Pre-qualification of Suppliers</i> (《供應商資格預審工作指引》)</p> <p><i>Kaisa Real Estate Group Management Measures on the Quarterly Appraisal and Surveillance for Projects</i> (《佳兆業地產集團工程季度評估檢查管理辦法》)</p> <p><i>Kaisa Group Holdings Suppliers Management Measures</i> (《佳兆業集團控股供應商管理辦法》)</p> <p><i>Kaisa Group Holdings Procurement Inspection Management Measures</i> (《佳兆業集團控股採購巡查管理辦法》)</p> <p><i>Kaisa Group Holdings Real Estate Procurement Management Measures</i> (《佳兆業集團控股地產採購管理辦法》)</p> <p><i>Kaisa Group Holdings Management Measures on Incoming Materials and Engineering Samples Acceptance for Real Estate Projects</i> (《佳兆業集團控股地產項目進場材料及工程樣板驗收管理辦法》)</p>

Aspect B6：Product Responsibility	
<p><i>Regulations of the People's Republic of China on Quality Control of Construction Works</i> (《中華人民共和國建設工程質量管理條例》)</p> <p><i>Construction Law of the People's Republic of China</i> (《中華人民共和國建築法》)</p> <p><i>Law of the People's Republic of China on the Protection of Consumers' Rights and Interests</i> (《中華人民共和國消費者權益保護法》)</p> <p><i>Trademark Law of the People's Republic of China</i> (《中華人民共和國商標法》)</p> <p><i>Product Quality Law of the People's Republic of China</i> (《中華人民共和國產品質量法》)</p> <p><i>Law of the People's Republic of China on Copyright</i> (《中華人民共和國著作權法》)</p> <p><i>Provisions on the Release of Real Estate Advertisements</i> (《房地產廣告發佈規定》)</p> <p><i>Regulations on the Protection of Computer Software</i> (《計算機軟件保護條例》)</p>	<p><i>Kaisa Real Estate Project Promotion Red Line Handbook</i> (《佳兆業地產板塊項目推廣宣傳紅綫手冊》)</p> <p><i>Kaisa Real Estate Group Management Measures on the Quarterly Appraisal and Surveillance for Projects</i> (《佳兆業地產集團工程季度評估檢查管理辦法》)</p> <p><i>Kaisa Real Estate Group Management Measures on Red and Yellow Card for the Safety and Quality of Projects Under Construction</i>(《佳兆業地產集團在建項目安全品質紅黃牌管理辦法》)</p> <p><i>Kaisa Group Holdings Confidentiality Management System</i> (《佳兆業集團控股保密管理制度》)</p> <p><i>Kaisa Group Holdings File Management System</i> (《佳兆業集團控股檔案管理制度》)</p> <p><i>Kaisa Group Holdings Management Measures on Incoming Materials and Engineering Samples Acceptance for Real Estate Projects</i> (《佳兆業集團控股地產項目進場材料及工程樣板驗收管理辦法》)</p> <p><i>Kaisa Group Holdings Computer Management Measures</i> (《佳兆業集團控股電腦管理辦法》)</p> <p><i>Kaisa Group Holdings Public Area Quality Special Evaluation Measures</i> (《佳兆業集團控股公共區域品質專項考核辦法》)</p> <p><i>Kaisa Group Holdings Implementation Rules on Customer Complaint and Claims Service</i> (《佳兆業集團控股客戶投訴、理賠服務實施細則》)</p> <p><i>Kaisa Group Holdings Regulations on Joint Inspection of Marketing and Customer Service</i>(《佳兆業集團控股行銷及客服聯合飛檢專項管理辦法》)</p> <p><i>Kaisa Group Management Measures on Marketing Informatization Assessment</i>(《佳兆業集團營銷信息化考核管理辦法》)</p>
Aspect B7: Anti-corruption	
<p><i>Anti-Unfair Competition Law of the People's Republic of China</i> (《中華人民共和國反不正當競爭法》)</p> <p><i>Anti-monopoly Law of the People's Republic of China</i> (《中華人民共和國反壟斷法》)</p> <p><i>Constitution of the People's Republic of China</i> (《中華人民共和國憲法》)</p> <p><i>Criminal Law of the People's Republic of China</i> (《中華人民共和國刑法》)</p> <p><i>Securities Law of the People's Republic of China</i> (《中華人民共和國證券法》)</p> <p><i>Provisional Provisions on Prohibition of Commercial Bribery</i> (《關於禁止商業賄賂行為的暫行規定》)</p> <p><i>Securities and Futures Ordinance, Law of Hong Kong</i> 香港法律《證券及期貨條例》</p>	<p><i>Kaisa Group Supervision and Case Management Measures</i> (《佳兆業集團監察案件管理辦法》)</p> <p><i>Kaisa Group Holdings Supervision and Management System</i> (《佳兆業集團控股監察管理制度》)</p> <p><i>Kaisa Group Holding Employees' Courtesy Management System</i> (《佳兆業集團控股員工因公受禮管理制度》)</p> <p><i>Kaisa Integrity Management</i> (《佳兆業廉潔管理》)</p> <p><i>Code of Ethics and Conduct for Employees</i> (《員工職業道德規範及行為守則》)</p>
Aspect B8: Community Investment	
<p><i>Regulations on the Management of Foundations</i> (《基金會管理條例》)</p>	<p><i>Kaisa Group Holdings External Donation Management System</i> (《佳兆業集團控股對外捐贈管理制度》)</p> <p><i>Regulations of the Constitution of Shenzhen Kaisa Charity Foundation</i> (《深圳市佳兆業公益基金會章程規定》)</p>

INDEPENDENT LIMITED ASSURANCE REPORT ON THE REVIEW OF SELECTED KEY PERFORMANCE INDICATORS



Independent Limited Assurance Report
Auditor's Independent Limited Assurance Report on the review of selected key performance indicators (KPIs) in KAISA GROUP HOLDINGS LTD. (the "company")'s sustainability report for 2020 (the "sustainability report").

To KAISA GROUP HOLDINGS LTD. (stock code: 01638.HK)

Introduction
I have been assigned by the Board of Directors of KAISA GROUP HOLDINGS LTD. to review the company's reporting of selected KPIs in its sustainability report for 2020. The company has defined the scope of our work, with our approval, to provide limited assurance over the following selected KPIs included in the sustainability report on pages 86 to 92:

No. of KPI	Selected KPI
1. A 1.2	Indirect Greenhouse gases ("GHG") emissions (Scope 2) (tons of CO2e)
2. A 2.1	Total indirect energy consumption (purchased electricity) (kWh in '000s)
3. A 2.2	Water consumption in total (in cubic meters)
4. B 1.1	Total number of employees by gender, by employment type, by age group and by geographical region as at 31 December 2020
5. B 8.2	Total community/charity investment (RMB)

Inherent limitations
The absence of a significant body of established practice on which to draw to measure or evaluate the KPIs allows for different, but acceptable, measurement or evaluation techniques and can affect comparability between entities and over time.

Directors' responsibility for the reporting
The directors of the company are responsible for the sustainability report. The sustainability report is prepared by the company in accordance with the applicable criteria. The criteria are set in accordance with Appendix 27, the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") to the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited (the "Reporting Criteria"). This responsibility also includes the internal control that is deemed necessary to prepare the report on the selected KPIs that does not contain material misstatements, whether due to irregularities or errors.

Auditor's responsibility
My responsibility is to express a conclusion on the selected KPIs in the sustainability report based on my review and to report my conclusion solely to KAISA GROUP HOLDINGS LTD.

I performed a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 *Assurance Engagements other than Audits and Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board. A review consists of making inquiries, primarily to persons responsible for the preparation of the selected KPIs in the sustainability report, to carry out analytical reviews and to take other review measures.

Grant Thornton Sweden applies ISQC 1 (International Standard on Quality Control) and thus has a comprehensive quality control system which includes documented guidelines and procedures regarding compliance with professional ethical requirements, standards of professional practice and applicable requirements in laws and regulations. I am independent in relation to KAISA GROUP HOLDINGS LTD. in accordance with generally accepted auditors in Sweden and have otherwise fulfilled my professional ethical responsibilities in accordance with these requirements.

My review of the selected KPIs in the sustainability report is prepared in accordance with the Reporting Criteria, as defined above. I believe these criteria are appropriate for the preparation of the selected KPIs in the sustainability report. I believe that the evidence I have obtained during my review is sufficient and appropriate for the purpose of providing a basis for my statements below.



Statements
Based on my review, no circumstances have emerged that give me reason to believe that the selected KPIs in the sustainability report has not, in all material respects, been prepared in accordance with the Reporting Criteria stated above. In addition to this, no circumstances has emerged that give me the reason to believe that the data of the selected KPIs is not, in all material aspects, reliable and complete.

Intended use of this report
This independent limited assurance report, including our conclusion, is made solely to KAISA GROUP HOLDINGS LTD. in accordance with the terms of our engagement letter dated 16 March 2021. That agreement permits disclosure to other parties, solely for the purpose of KAISA GROUP HOLDINGS LTD. showing that it has obtained an independent limited assurance report in connection with the KPIs. Our work has been undertaken so that we might state to KAISA GROUP HOLDINGS LTD. those matters we are required to state to them in an independent limited assurance report and for no other purpose. We have not considered the interest of any other party in the KPIs. To the fullest extent permitted by law, we do not accept or assume responsibility and deny any liability to any party other than KAISA GROUP HOLDINGS LTD. for our work or this independent limited assurance report, including our conclusion.

Markus Håkansson
Authorized Public Accountant
Grant Thornton Sweden (Reg. no. 556356-9382)

SEHK ESG REPORTING GUIDE CONTENT INDEX

► Environmental

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)			Index/Remarks
A. Environmental			
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuerrelating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		Green Construction and Ecological Conservation
KPI A1.1	The types of emissions and respective emissions data		Environmental KPIs
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).		Environmental KPIs
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).		Environmental KPIs
KPI A1.4	Total non-hazardous waste produced (in tons) and,where appropriate, intensity (e.g., per unit of production volume, per facility).		Environmental KPIs
KPI A1.5	Description of emission target(s) set, and steps taken to achieve them.		Green Operation and Strict Saving Practice
KPI A1.6	Description of how hazardous and non-hazardous w astes are handled, and a description of reduction target(s) set, and steps taken to achieve them.		Green Operation and Strict Saving Practice
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.		Green Construction and Ecological Conservation
KPI A2.1	Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).		Environmental KPIs
KPI A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).		Environmental KPIs
KPI A2.3	Description of energy use efficiency target(s) set, and steps taken to achieve them.		Green Operation and Strict Saving Practice

KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set, and steps taken to achieve them.	Green Operation and Strict Saving Practice
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Environmental KPIs
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Green Construction and Ecological Conservation
KPI A3.1	Description of the significant impacts of activities on the environ-ment and natural resources and the actions taken to manage them.	Green Construction and Ecological Conservation
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Green Technology Smart Building
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Green Technology Smart Building

► Social

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)			Index/Remarks
B. Social			
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Rights and Welfare
KPI B1.1	Total workforce by gender, employment type(for example, full- or part-time), age group and geographical region.		Social KPIs
KPI B1.2	Employee turnover rate by gender, age group and geographical region		Social KPIs
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuerrelating to providing a safe working environment and protecting employees from occupational hazards		Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year		Social KPIs
KPI B2.2	Lost days due to work injury.		Social KPIs
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored		Health and Safety

Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g., senior management,middle management).	Social KPIs
KPI B3.2	The average training hours completed per employee by gender and employee category.	Social KPIs
Aspect B4: Labour Standards		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Rights and Welfare
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Rights and Welfare
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Rights and Welfare
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Improve Supply Management
KPI B5.1	Number of suppliers by geographical region.	Social KPIs
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Improve Supply Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Improve Supply Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Improve Supply Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Dedicated to Maintain Relationship with Customers
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Social KPIs
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Dedicated to Maintain Relationship with Customers
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Dedicated to Maintain Relationship with Customers

KPI B6.4	Description of quality assurance process and recall procedures.	Stick to the Original Intention of Quality
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Dedicated to Maintain Relationship with Customers
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuerrelating to bribery,extortion, fraud and money laundering.	Uphold Integrity
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases	Uphold Integrity
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Uphold Integrity
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Uphold Integrity
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Serving the City, Community Reengineering
KPI B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	Serving the City, Community Reengineering
KPI B8.2	Resources contributed (e.g., money or time) to the focus area.	Serving the City, Community Reengineering



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