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新城发展

2021

Seazen Group Limited

Environmental, Social and Governance Report

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ABOUT THE REPORT

Seazen Group Limited (the "Company", stock code: 1030) is pleased to present the 2021 Environmental, Social and Governance Report (the "Report") of the Company and its subsidiaries (collectively the "Group", "Seazen" or "we"). The Report discloses Seazen's major actions and achievements in environmental, social and governance ("ESG") aspects in 2021, and responds to the expectations and concerns of various stakeholders on the Group's sustainable development performance in a targeted manner.

REPORTING SCOPE

The Report includes the Group's principal activities: property development & investment operations and commercial management business during the period from 1 January 2021 to 31 December 2021 (the "Reporting Period"), and part of this Report covers the first and second quarters of 2022. The environmental KPIs disclosed in this Report cover the Group's urban complex operations. In 2021, the number of urban complexes included in the statistical scope was 124. There is no significant adjustment to the reporting scope compared with the *2020 Environmental, Social and Governance Report*.

Details of corporate governance can be found in the "Corporate Governance Report" of the *Company's Annual Report 2021*.

RESPONSE TO THE REPORTING PRINCIPLES

The Report is prepared in line with *the Environmental, Social and Governance Reporting Guide (the "ESG Guide")* set out in Appendix 27 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). During the preparation of this Report, the Group complies with the principles of "Materiality", "Quantitative" , "Consistency" and "Balance" stipulated in *the ESG Guide:*

"Materiality": The Group has identified material ESG issues through communication with stakeholders and listening to their expectations and concerns. For details, please refer to the sections headed "Management of Stakeholders" and "Management of Material Issues".

"Quantitative": Information on the standards, methodologies and source of conversion factors used for the reporting of emissions and energy consumption has been disclosed. For details, please refer to the section headed "Low Carbon Operation".

"Consistency": The statistical methods and KPIs in the Report are consistent with previous years.

"Balance": The Report provides both positive and negative information about the Company in an unbiased manner.

Meanwhile, the Report makes extensive reference to the following domestic and foreign advanced disclosure guidelines:

- Global Reporting Initiative *Sustainability Reporting Standards (GRI Standards)*
- United Nations Sustainable Development Goals (SDGs)
- Task Force on Climate-related Financial Disclosure (TCFD) disclosure recommendations on climate change risks and opportunities
- Chinese Academy of Social Sciences *China Corporate Social Responsibility Reporting Guidelines (CASS-CSR4.0)*
- Social Responsibility National Standard *Social Responsibility Guidelines" (GB/T 36000-2015)*
- Shanghai Stock Exchange *Guidelines for Environmental Information Disclosure of Listed Companies*

CURRENCY

Unless otherwise specified, all monetary qouted in the Report are presented in Renminbi ("RMB").

REPORT AVAILABILITY

The Report is available in electronic version which can be viewed and downloaded on the Group's website (http://seazengroup.com.cn) and the HKEXnews website (http://www.hkexnews.hk).

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PREFACE

The Committee is pleased to publish the Company's *2021 Environmental, Social and Governance Report of the Company*. This is also the fifth year of Seazen Group Limited's public disclosure of the work and achievements in the field of sustainable development. We would like to express our sincere gratitude to all sectors of society for their long-term attention and support to the Group!

Looking back on the past year, against the backdrop of the overall pressure on the real estate industry, we have strengthened our confidence, made steady progress, and integrated the concept of sustainable development into all aspects of the Group's business development from top to bottom. This year, Seazen maintained the Camel Spirit and driven by dual-core strategy of residential and commercial real estate to build the cornerstone of the development of the residential business, and promote the continuous improvement of commercial operations in the second growth curve. Together with, Seazen works with all employees and partners to steadily cross the industry cycle, seek for opportunities in risks, turn crises into new chances for development, repay every Seazen shareholder and investor with stable performance, protects the rights and interests of every Seazen owner and consumer with high-quality products, and help build a beautiful and happy society with responsible low-carbon environmental protection and public welfare actions. In 2021, MSCI upgraded our ESG rating to "BB" level based on our sustainable development performance, and our performance in "Product Safety and Quality" and "Corporate Governance" were better than those of our peers, reflecting the solid confidence of various stakeholders in the long-term investment value and sustainable development management level of Seazen.

In 2021, we focused on the key concerns of stakeholders and adhered to the concept of sustainable development in the overall strategy of Seazen Development. We synergized the sustainable development strategy with the key layout of business development, further optimized the sustainable development dimension of corporate governance, actively embraced green building development opportunities, implemented compliance and integrity management, effectively improved product safety and quality performance, and ensured the occupational health and safety of employees and partners, and we have effectively identified and avoided the potential risks of the Group at the environmental, social and governance aspects, contributing to performance growth and financial stability.

In 2021, we seized the great opportunities for green building development, and promoted the sustainable green and low-carbon development of the construction and real estate industry based on our accumulated advantages over the year. In 2021, we accurately grasped the national strategies of "Carbon Peak by 2030" and "Carbon Neutrality by 2060", and as a guide in scientific planning, we compiled the Group's *Green and Low-Carbon Development Plan for 2022-2024*. For the further implementation, we promoted green buildings development, strengthened green building certification, and continuously upgraded the prefabricated building technology system; issued the first green bond to open up diversified financing channels; focused on green development to build a green construction system with "Core Smart Construction" technology; improved green business operations and optimized the big data application of the "New Cloud Platform"; expanded renewable energy application and the proportion of renewable energy usage in commercial projects with the support of Wusheng Energy, and gradually influenced the supply chain and partners, contributing to the country's low-carbon emission reduction across the whole society.

In 2021, we always adhered to the mission of "making happiness simple", listening to the true voices of every individual in the tide of the times, and sharing the happiness results with customers, employees and partners. Customers are the most treasured wealth of Seazen. In 2021, we upgraded the "Happiness 360°" 3.0 version of customer service system and launched the "Happiness Experience Project" to create a comprehensive happiness experience for customers, iterating intelligent, diversified and humanized diversified high-quality products to create a better life scenario for customers. Employees are the most valuable assets of Seazen, and every effort deserves to be respected. This year, we continued to strictly regulate the recruitment and talent training mechanism, provide sound health and safety protections, and create harmonious and challenging working opportunities. As a result, Seazen has been awarded the title of "Best Employer in China" for 16 consecutive years and won the SHL China Talent Management Best Practice Award 2021. Partners are staunch companions of Seazen in pursuit of long-term happiness development. We are committed to responsible procurement and work with industry partners to promote the development in technology, quality, delivery, environmental protection, safety and other aspects to build a green and sustainable supply chain.

In 2021, "taking from and giving back to the society", we continuously contribute to a better society along with the comprehensive and high-quality development. During the year, we actively participated in urban renewal, brownfield transformation and sponge city projects, embracing into the ecological attributes and human-oriented perspectives, which projects in Hanjiang Road, Changzhou City and Guiyang City have initially explored new sustainable development model of urban renewal. We also insisted on the "Colorful Light Project", a large-scale public welfare brand created by the Group for 8 consecutive years, including a series of activities of Seazen Happy Charity Bazaar, "Glorious Library" project and New Green Action. In this year, Seazen Happy Charity Bazaar was launched in Xi'an of Shaanxi Province and Zunyi of Guizhou Province, to support rural revitalization by selling agricultural products online through live broadcast room. The "Glorious Library" project continues to be promoted across the country, creating a good reading environment for rural children. Meanwhile, employees, customers and partners are encouraged to actively participate in the New Green Action, and our tree planting resulting in the continuous expansion of the scale of "Seazen No. 1 Forest" and "Seazen No. 2 Forest", which achieved the strategic goal of million green trees planting half of a year ahead of schedule in advance, with a total of 100,000 saplings donating and about 1,000,000 sq.m. of desert greening completing in 2021, so that Seazen will continue to upgrade our efforts towards the next "five-year plan" of "five million sq.m of desert greening". We also focused on various public welfare activities such as supporting epidemic prevention and control, caring for education, and ecological protection, and urgently donated RMB 20 million to the Henan Charity Federation to assist the rescue and flood disaster relief work in Henan Province. In 2021, we are fortunate to be awarded the "2021 Responsible Brand Award" at the 11th Charity Festival of 2021, widely recognized of our practical actions from the society.

Looking forward, we will always adhere to the Camel Spirit of Seazen, actively respond to the uncertainty of the external environment with the stability of the core competence of Seazen, remain true to the original aspiration of integrity, pragmatism, low-carbon and sustainable development. We will join hands with investors, customers, employees, industry partners, society and other stakeholders, and strive to achieve mutual success on the journey of "Century-old Seazen, Sustainable Development".

Seazen ESG Committee

ABOUT SEAZEN

COMPANY PROFILE

Seazen was founded in Changzhou, Jiangsu province in 1993 and is headquartered in Shanghai. It is an industrial investment and operation group focusing on the construction of a happy life. In November 2012, the Company was listed on the Stock Exchange (stock code: 1030). In December 2015, Seazen Holdings Co., Ltd. ("Seazen Holdings"), a subsidiary of the Company, was listed on the Shanghai Stock Exchange (stock code: 601155). After 28 years of rapid development, the Group has become a comprehensive real estate group covering residential properties and commercial.

CORPORATE CULTURE

Corporate Mission

Making Happiness Simple

"Making happiness simple" is the constant mission of Seazen Group, which means:

- Building a happiness foundation
- Optimizing happiness programs
- Innovative happiness experience
- Creating a happiness ecology

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Corporate Vision

Sharing joy and courtesy

Corporate spirit

Be honest and pragmatic

Corporate values

For the future, be willing to take responsibility, be honest and pragmatic, achieve mutual success

Enterprise gene

Camel spirit

Seazen corporate culture and values

NUMBERS IN SEAZEN

Financial Performance

Total assets 540.109 billion	Contracted sales 233.775 billion	Total commercial operating income(i.e. tax-included rental income) 8.639 billion
Revenue 169.537 billion	Net profit 8.591 billion	Core profit attributable to the parent company 7.044 billion

Environmental Performance

Green Building Certification
- Total green floor area of new residential developments: 1,103 ten thousand sq.m.
- Green building coverage of new residential development projects: 100%
- Shopping center project won the National Green Building Operation Labeling: 12 unit
- Wuyue Plaza declared through green shopping malls: 11 unit

Use of renewable energy
- Completed rooftop distributed photovoltaic power station and completed grid-connected power generation: 149 ten thousand kWh
- Annual reduction in carbon emissions: 1,539.86 tonne

Green Finance
- Issuance of 4.25-year green senior notes: 0.3 USD billion

Social Performance

Casting Happiness Products
- Award for Residential Design Projects: 105 unit
- New patent licensing: 129 item
- Design patent licensing: 117 item
- Licensed invention patents: 21 item

Creating Happiness Experience
- Seazen Overall Satisfaction: 77 score

Promoting Happiness Cooperation
- Suppliers' signing rate of *Integrity Cooperation Agreement*: 100%

Building a happy team
- Total investment in safety production: 7,609.34 ten thousand yuan
- Number of work-related fatalities: 0 person
- Employee online training coverage: 100%
- The Company's expenses for helping and sending warmth to employees in need: 165.68 ten thousand yuan

Happiness and the World
- Total amount of charitable donations exceeded: 7,000 ten thousand yuan

CORPORATE HONOURS

10th

2021 Top 10 China Real Estate Developers in Comprehensive Strength

5th

2021 Top 10 China Real Estate Developers in terms of Comprehensive Strength in Commercial Real Estate

2nd

2021 Top 10 China Real Estate Developers in Commercial Real Estate Operation

Blue Chip Annual Conference Top 100 Enterprises

The 18th (2021) Blue Chip Annual Conference Top 100 Enterprises

City Operator of the Year

2021 City Operator of the Year

ESG Responsible Enterprise Award

2021 ESG Responsible Enterprise Award

10th

2021 Top 10 China Real Estate Listed Companies in terms of Comprehensive Strength

4th

2021 Top 10 A-share Listed Real Estate Companies in China

11th

2021 Top 20 Listed Real Estate Enterprises in China

Ranked 10th in Top 100

Ranked 10th in Top 100 China Real Estate Enterprises in Comprehensive Strength in 2022

Outstanding Enterprise

2022 Outstanding Real Estate Product Capability Enterprise in China

Ranked 10th in Top 100 China Real Estate Enterprises

Ranked 10th in Top 100 China Real Estate Enterprises in Financing Capacities in 2022

3rd

2020 Top 10 Brand Value of China Commercial Real Estate Projects

Responsible Brand Award

2021 Responsible Brand Award

Most Valuable Listed

China New Economy Most Valuable Listed Company

Top 100 Commercial Real Estate Enterprises

2022 Top 100 Commercial Real Estate Enterprises in China

Top 10 Commercial Real Estate Operation Enterprises

2022 Top 10 Commercial Real Estate Operation Enterprises in China

MANAGEMENT OF STAKEHOLDERS

We attach great importance to the expectations and concerns of stakeholders on the Group's ESG work, and establishing a diversified communication mechanism with stakeholders is an important basis for achieving Seazen's ESG goals.

STAKEHOLDER COMMUNICATION

By setting up a sustainable development section on the official website, we regularly publish annual reports, interim reports and quarterly reports, actively participate in industry forums and conferences, organize or participate in research, hold stakeholder forums, plan and participate in public welfare activities, and insist on continuous public release. Continuous development reports, timely disclosure of corporate information on official micro-platforms and mainstream media, etc., to listen to and respond to the requirements and expectations of stakeholders.

Stakeholders	Expectations and requirements	Communication and response
Government and regulators	• Compliance with laws • Pay tax according to law • Respond to national policies • Support local development	• Continuously improve compliance management • Execute the regulateor's requirements • Actively respond to relevant national policies
Investors and shareholders	• Sustainable development to reward shareholders • Information disclosure • Investor relations • Corporate governance • Risk control	• Improve corporate governance and risk control • Annual general meetings • Information disclosure • Activities promoting investor relations
Clients	• High-quality products • Quality services • Consumer rights guarantee • Business integrity	• Improve product and service quality • Full life-cycle service system • 4008 service hotline • Customer satisfaction survey • "Happiness conference" • Responsible marketing
Suppliers and partners	• Keep commitments • Fair, open and equal procurement • Win-win development	• Improve supplier management mechanism • Manage safety and health risks of supply chain • Develop transparent supply chain • Communication with suppliers
Employees	• Protect employees' rights and interests • Salaries and welfare • Decent working environment and development platforms • Fair promotion and development opportunities • Healthy and safe working environment	• Remuneration management and benefits protection • Sonud promotion channels • Safety and health management • Staff trainings • Communication and care • Staff activities
Industry associations	• Compliance with industry standards • Promote industry development • Fair competition	• Engage in industry discussion and exchanges • Promote sustainable development • Raise suggestions on industry norms
Environmental	• Environmental protection • Respond to climate change	• Address risks and opportunities of climate change • Compliance emission • Energy conservation and comsumption reduction • Green buildings
Society	• Community engagement • Promote local employment • Support cultural and sports activities • Help the development of poverty-stricken areas	• "Colorful Light Project" • Targeted poverty alleviation • Social welfare activities • Support epidemic protection and control

PROMOTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The concept of responsible development has always been embedded in the development and operation of the Group's businesses. With the clear guidance of the United Nations Sustainable Development Goals (SDGs), Seazen earnestly fulfils the Group's environmental and social responsibilities and works with various stakeholders to promote low-carbon environmental protection, industry progress and social prosperity. Seazen is committed to contributing to the realization of SDGs and establishing an industry benchmark image. In 2021, we made the following commitments to our sustainability efforts:

Section	Response to the United Nations Sustainable Development Goals	Commitment to sustainability	ESG issues of concern
STEADY OPERATION	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Adhere to "zero tolerance" for corruption • fight against commercial bribery; • develop legal support under the Company's whistleblower protection policy, introduce relevant policies and make legal support channels available on the official website; • maintain a smooth and effective whistle-blowing mechanism, and work with all employees and partners to build a culture of integrity in seazen	• Business ethics and anti-corruption • Risk identification and management • Communication with stakeholders • Intellectual property rights
INGENIOUS PRODUCTS	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Adhere to promote the construction of green buildings; insist on building commercial and residential properties that are safe, resilient to disasters and sustainable development • improve construction management and safety risk control capabilities, and promote ISO 9001 quality management system certification for projects that have the conditions; • engage third-party testing organizations to monitor the quality of the construction process of qualified projects throughout the process	• Product safety and quality • Technological innovation • Digital development
CUSTOMER SERVICES	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Adhering to the full life-cycle customer service system of "Happiness 360°", ensuring the health and safety of property owners and consumers: • develop marketing policies, internal control procedures and training programs for responsible marketing and strict control of false advertising; • comprehensively improving customer satisfaction	• Customer service • Responsible marketing • Product safety and quality
WORKING WITH PARTNERS	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS	Adhere to strict screening and management of suppliers: • ensure that suppliers meet or exceed the Company's supplier standards; • develop policies and measures related to quality inspection of suppliers (including indirect suppliers) and strengthen third-party audits; • improve the coverage of business ethics training for suppliers; • work with suppliers to create safe, disaster-resistant and sustainable commercial and residential properties	• Supplier management • Social responsibility of value chain • Industry communication and cooperation • Business ethics and anti-corruption
PEOPLE ORIENTED	1 NO POVERTY 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION	Safeguard the health and safety of the Company's employees: • strive to achieve zero work-related fatalities; • promote the establishment of EHS management system for quality, safety, civilization and civilized construction system, promote ISO 45001:2018 or OHSAS18000 health and safety management system certification for headquarters and each molecular company, and commit to complete EHS system certification for 20% of new projects in 2024; • enforce the same supplier health and safety standards as our employees; • promote safe and civilized construction, and create a safe and guaranteed construction environment	• Occupational health and safety • Create a fair and respectful workplace • Staff training and development • Employee engagement and satisfaction • Employment, employee remuneration and rights
LOW CARBON OPERATION	6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	Adhering to environmental protection, energy conservation and emission reduction, and continuously promoting the construction of green buildings: • by 2025, the greenhouse gas emissions, energy consumption, non-hazardous waste emissions and water consumption (i.e. Emission intensity) per million dollars of rental and management fee income of urban complexes will be reduced by 10% (2020 as the base year); • develop green building certification program and commit to 100% green building coverage in new projects by 2024; • promote the use of renewable energy and commit to achieving a renewable energy utilization rate of 8% or more in the new Wuyue Plaza by 2024; • promote the establishment and implementation of an environmental management system at the commercial property level; • develop reasonable and feasible urban renewal, affordable residential and commercial projects, brownfield redevelopment plans and landing proposals	• Green building design and promotion • Urban renewal and co-construction • Management of emissions • Use of resources and efficiency • Responding to climate change
GIVING BACK TO SOCIETY	1 NO POVERTY 4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Adhering to the "Colorful Light Project" public welfare platform: • actively undertaking corporate social responsibilities and continuously carrying out public welfare activities	• Public welfare and charity • Urban renewal and co-building • Responding to climate change

MANAGEMENT OF MATERIAL ISSUES

To enhance the pertinence and responsiveness of the Report, Seazen has gradually improved the identification and management of material issues of sustainable development. Based on the requirements of the Stock Exchange, the rating index and the focus on sustainable development of the industry, Seazen conducted a questionnaire survey on material issues from the aspects of corporate governance, operation, environment and employment, and sent them to the majority of stakeholders through the regionalcompanies, city companies and project companies under the Group and the three major business divisions. Based on the results of the questionnaire survey, issues that are highly concerned by stakeholders and closely related to the sustainable development of Seazen were selected as the key points of information disclosure in the 2021 Report.

Environmental

1. Green building design and promotion
2. Urban renewal and co-construction
3. Management of emissions
4. Use of resources and efficiency
5. Responding to climate change

Society

6. Occupational health and safety
7. Create a fair and respectful workplace
8. Employee training and development
9. Employee engagement and satisfaction
10. Employment, employee remuneration and rights
11. Business ethics and anti-corruption
12. Risk identification and management
13. Supplier management
14. Communication with stakeholders
15. Responsible marketing
16. Intellectual property rights
17. Customer service
18. Digital development
19. Public welfare and charity
20. Product safety and quality
21. Social responsibility in value chain
22. Industry communication and cooperation
23. Technological innovation

TAKING THE LEAD IN SPECIAL LOW-CARBON PLANNING AND STEADILY PROMOTING THE IMPLEMENTATION: SUPPORTING THE NATIONAL "DUAL CARBON STRATEGY"

Lucid waters and lush mountains are invaluable assets, and steadily implement the low-carbon emission. Facing the increasingly severe climate change trend, as a green pioneer enterprise focusing on low-carbon transformation, Seazen actively responded to the national strategies of "Carbon Peak by 2030" and "Carbon Neutrality by 2060" (hereinafter referred to as the "Dual Carbon Strategy") and formulated the *Green and Low Carbon Development Plan for 2022-2024*, which clarified the Group's green and low-carbon development goals and concepts. To promote the realization of goals, on the one hand, Seazen integrates the concept of green development into all aspects of corporate operation, vigorously promotes low-carbon buildings, formulates commercial energy consumption optimization plans, increases the application of renewable energy, and actively seeks its low-carbon transformation path to address climate change; On the other hand, Seazen gives full play to its influence and leadership role in the real estate value chain, actively drives partners and customers to carry out the low-carbon green transformation, and calls on all sectors of society to contribute to the realization of the "Dual Carbon Strategy".

STRATEGY AND PLANNING

Green and low carbon vision

achieve green low carbon transition with high quality, making green the real background of Seazen

Green and low-carbon development concept

Green development, low-carbon operation and maintenance, sustainable growth

Green and low-carbon development measures

System Construction
- Green technology system construction
- Full coverage of green building in new construction projects, green building operation and the number of international markers to enhance
- Green leasing system construction (including benchmarking)
- Health building certification acquisition
- EHS system construction

Low Carbon Operations
- Low-carbon Business Modeling (New Projects)
- Low-carbon Business Model Construction (Stock Renewal Project)

Improve quality and efficiency
- Use of new materials and technologies
- Use of integrated energy and low-carbon technologies
- Retrofitting existing projects

Green Finance
- Green Finance Product Promotion Program
- Integrated Energy Financing

Green Empowerment
- Digital Operation System Development
- Carbon Asset Management System
- Green Branding System

KEY WORK

Section	Our practices	Corresponding disclosure section	Key performance display
Governance	Board of Directors	MANAGEMENT OF SUSTAINABLE DEVELOPMENT	Commitment to achieve **100%** green building coverage for new projects and **8%** or more renewable energy utilization rate for new Wuyue Plaza in 2024
	Formulate the "Green and Low-carbon Development Plan"	TAKING THE LEAD IN SPECIAL LOW-CARBON PLANNING AND STEADILY PROMOTING THE IMPLEMENTATION: SUPPORTING THE NATIONAL "DUAL-CARBON STRATEGY"	Formulated the *Green and Low-carbon Development Plan* of Seazen Proposed **6** goals and **15** specific measures
	Identify risks and opportunities of climate change and formulate countermeasures	STANDARDIZING ENVIRONMENTAL MANAGEMENT	Identified **5** risks and **5** opportunities with reference to TCFD
Self-emission reduction	Formulate energy consumption optimization plans for commercial real estate to promote energy conservation and emission reduction	STANDARDIZING ENVIRONMENTAL MANAGEMENT	Formulated an optimization plan for commercial energy consumption and formulated a total of **36** optimization plans, of which **30** have been piloted
	Vigorously promoting green building and other new low-carbon technologies	DEVELOPING GREEN BUILDINGS	Commitment to **100%** green building coverage for new residential developments
	Increase the application of renewable energy	STANDARDIZING ENVIRONMENTAL MANAGEMENT	Seazen built roof solar photovoltaic power stations in **8** projects, reducing carbon emissions by **1,539.86** tonnes in total during the Reporting Period
	Practice green and low-carbon office	ADVOCATING GREEN OFFICE	The office area of the Seazen headquarters building adopts a zoned induction intelligent energy-saving system
Promoting emission reduction along the value chain	Promote suppliers to use energy-saving and environmental-friendly materials	PROMOTING SUPPLY CHAIN RESPONSIBILITY	Cooperated with Changzhou Architectural Research Institute Group to build a green building materials certification platform, and organized material suppliers to carry out green building materials certification initiative
	Promote emission reduction of commercial tenants	PROMOTING GREEN COMMERCIAL	Formulated *the Green Leasing Policy* and signed *the Green Leasing Agreement* with all tenants to promote tenants' compliance with environmental management objectives
Increase carbon sinks to promote overall emission reduction of the society	Launched the "New Green Action" to increase forest area	LIGHTING UP HAPPINESS WITH HEART	In the first half of 2021, a total of **100,000** saplings have been donated, and about **1,000,000** sq.m of desert greening have been completed
	Leveraging on green finance and issuing green bonds, the Group has opened up diversified financing channels	DEVELOPING GREEN FINANCE	Seazen completed the issuance of USD **300** million green senior notes

01

STEADY OPERATION

In the face of great changes that have not been seen in a century, Seazen anchors the foundation of steady operation and escorts the road of happiness creation. Seazen people have a bottom line, pay attention to rules and business. For 28 years, we have continuously developed and improved the construction of anti-corruption system and mechanism, adhered to steady and compliant operation, and protected the rights and interests of stakeholders.

IMPROVING GOVERNANCE STRUCTURE

In strict accordance with the requirements of *the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Code of Corporate Governance for Listed Companies* and *the Code of Corporate Governance of the Hong Kong Stock Exchange, the Group has established a set of Articles of Association and General Meeting of Shareholder*, Which based on *the Rules of Procedure, the Rules of Procedure for the Board of Directors and the Rules of Procedure for the Board of Supervisors,* each specialized the working rules of the committee*, the Working Rules for the President, the Information Disclosure Management System and the Inside Information Insider Registration Management System* are specific and standardized and sound corporate governance systems. A scientific and effective division of responsibilities and working mechanism has been established to ensure full transparency in the governance and decision-making process of Seazen. At the same time, in order to ensure the diversity of the Board of Directors of the Group, the Board of Directors of the Company adoptsed the board diversity policy, and sought to achieve the diversity of the Board of Directors by considering various factors, including age, educational background, skills, knowledge, professional experience, etc.

The Group is committed to maintaining high standards of corporate governance. the Board is responsible for the overall leadership of the Group, overseeing the Group's strategic decisions and monitoring its business and performance. to oversee specific aspects of the Company's affairs, the Board has established four Board committees, including the Audit Committee, the Remuneration Committee, the Nomination Committee and the ESG Committee. in 2021, the Company held 12 Board meetings and one general meeting. The Company has effectively performed its duties and safeguarded the legitimate interests of the Company and its shareholders.

Governance Structure of Seazen

Board of Directors of Seazen

Audit Committee	Remuneration Committee	Nomination Committee	ESG Committee
Independent Non-executive Directors	**Independent Non-executive Directors**	**Executive Directors**	**Executive Directors**
Mr. Chen Huakang	Mr. Zhu Zengjin	Mr. Lu Zhongming	Mr. Lv Xiaoping
Mr. Zhu Zengjin	Mr. Chen Huakang	**Independent Non-executive Directors**	Mr. Lu Zhongming
Mr. Zhong Wei	Mr. Zhong Wei	Mr. Zhu Zengjin	**Non-executive Directors**
		Mr. Zhong Wei	Mr. Wang Xiaosong
			Mr. Qu Dejun
			Mr. Zhang Shengman

MANAGEMENT OF AFFILIATED TRANSACTION

During the Reporting Period, the Group's continuing connected transactions have followed the pricing policy and payment terms disclosed in the Company's announcement on October 28, 2021. The internal audit department of the Company has reviewed the adequacy and effectiveness of the continuing connected transactions and internal control procedures, and provided the review results to the independent non-executive directors for annual review. In addition, Seazen Holdings, a subsidiary of the Group, has formulated the *Management System for Related Party Transactions of the Group* based on the actual situation, which stipulates the decision-making procedures and pricing of connected transactions to ensure that its connected transactions will not harm the Group's subsidiary Seazen Holdings and its non-connected parties. the legitimate rights and interests of shareholders.

MANAGEMENT OF INFORMATION DISCLOSURE TRANSPARENCY

In 2021, Seazen actively enhanced communication and exchanges with investors and analysts, proactively introduced the latest progress of the Company's ESG practices, and enhanced the company's sustainability and intrinsic value. Throughout the year, Seazen and its subsidiaries participated in 51 brokerage strategy meetings, organized 85 domestic and international roadshows, conducted 42 company and project surveys, organized 36 conference calls, communicated with over 3,500 institutional investors through 188 investor relations events, held 4 shareholder meetings, and received and communicated with individual investors.

51
Seazen and its subsidiaries participated in 51 brokerage strategy meetings

85
organized 85 domestic and international roadshows

42
conducted 42 company and project surveys

36
organized 36 conference calls

3,500
188 investor relations events with over 3,500 institutional investors

4
held 4 shareholder meetings

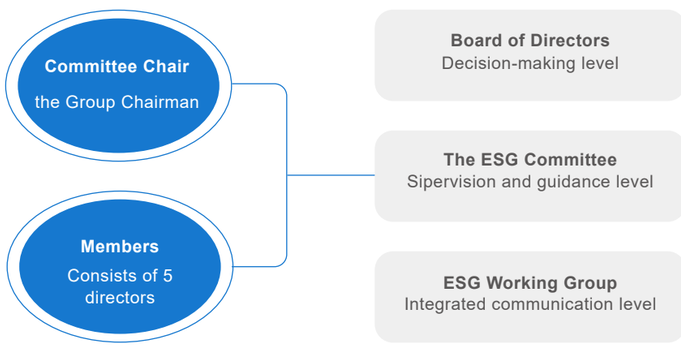
MANAGEMENT OF SUSTAINABLE DEVELOPMENT

The Group is committed to deeply integrating ESG concepts into all aspects of business operation and development, continuously optimizing the Company's ESG governance structure, continuously maintaining good communication with stakeholders, understanding their opinions and expectations on the Company's sustainable development work, effectively implementing the Company's responsibility concept into specific actions, and exploring the sustainable development path with Seazen characteristics.

ESG governance structure and Board statement

The Board of Directors of Seazen attaches great importance to environmental, social and governance matters and integrates ESG governance into the governance structure of the Group. The Group has established the Environmental, Social and Governance Committee (the "ESG Committee"), which is the highest management body of the Group's ESG management and is responsible for formulating management policies and annual targets. The ESG working group arranges all departments to complete the ESG work and is responsible for collecting ESG data and information to ensure the smooth disclosure of relevant work progress. The Group's ESG governance structure provides a strong guarantee for the sustainable development of Seazen, standardizes the management responsibilities and implementation entities of ESG-related matters, clarifies ESG work responsibilities and processes, and achieves top-down systematic management of ESG matters.

ESG governance structure of Seazen



Seazen held the ESG Committee to determine the development direction of annual ESG work

At the beginning of 2022, the ESG Committee held the first ESG Committee meeting in 2022.

The meeting summarized the achievements of Seazen's sustainable development in 2021

- Compiled *the **Group's Green and Low-Carbon Development Plan***
- Issued Seazen's **first green bond**, opened up diversified financing channels
- Sustainable development performance has been widely recognized, **MSCI has successively upgraded its ESG rating to "BB" level**
- Obtained the certificate of **"Pre-issuance Stage of Green Finance"** issued by the Hong Kong Quality Assurance Agency (HKQAA)

Approved the Group's key direction of sustainable development in 2022

- Green construction coverage rate of new projects in 2024 reaching **100%**
- **20%** of new projects completing EHS-related system certification in 2024
- Renewable energy utilization rate of new Wuyue Plaza reaching more than **8%** in 2024
- Further improving product **quality and responsible marketing**

ANTI-CORRUPTION SYSTEM

Seazen is committed to conducting business with integrity and honesty, complying with the laws and ethical standards of the countries where it operates, and taking full compliance with the laws and regulations as an important policy of the Company. Seazen strictly abides by the *Company Law of the People's Republic of China* and other laws and regulations, establishes a sound internal control and audit supervision system, and strictly prevents and punishes violations and corruption such as bribery, embezzlement and fraud. According to the Group's Internal *Business Conduct Guidelines, Audit and Supervision Management Policy*, Seazen actively carries out internal audits and supervision and handles violations and corruption in accordance with the *Employee Code of Conduct*, the *Employee Handbook* and other relevant regulations. The Group regularly conducts an internal audit on its *Anti-Bribery and Anti-Corruption System* to promote the continuous optimization and improvement of the anti-bribery system.

Anti-corruption and anti-corruption system of Seazen

The Group's Board of Directors is the highest governing body for anti-corruption work and is fully responsible for anti-corruption work. The Seazen Audit and Supervision Center is responsible for the Group's audit and supervision work, investigating and dealing with various types of violations and frauds and reporting directly to the Board of Directors, while establishing a "three-in-one" internal anti-fraud system comprising the Group's headquarters, functional lines of each business unit and first-line business units to identify integrity risks in a timely manner.

In terms of administrative penalties, the Group has clarified the grading standards and response strategies, and formulated standardized response measures according to different levels and conditions, so as to achieve the anti-corruption effect of quick replication and output with supporting evidence, principles and standards. In 2021, the number of concluded legal cases regarding corrupt practices brought against the Group was 1, and the number of valid reported cases received was 7.

ISO37001-Certificate Photo

In October 2021, Seazen Holdings Shanghai Branch, a subsidiary of the Group, successfully passed the ISO 37001: 2016 anti-bribery management system certification. ISO 37001: 2016 is the first international anti-bribery management system standard, which marks that Seazen has established a sound anti-bribery management system and represents a high recognition of the Group's anti-corruption governance work by professional international standards.

ISO37001- Certification Ceremony

Smooth reporting channels

During the Reporting Period, *the Group updated the Complaint and Reporting Management Policy, the Management Policy for Gifts* and *Cash Gifts, and the Management Policy for Conflicts of Interest*, increased the efforts of real-name reporting and verification of real-name rewards, rewarded the payment of cash gifts, expanded the scope of application of the system, and refined the requirements of reporting matters to front-end risk control.

In order to open the complaint and whistle-blowing channels for customers and partners, the Group has further established and improved the whistle-blowing mechanism to clarify the reporting channels. The Company embedded the integrity clauses of suppliers in the business documents (including bidding information and contract information) with suppliers to promote transparent cooperation and formulated effective measures to hold accountable for the dishonest behaviors in business cooperation, accept customers' reports on the Company's internal dishonest behaviors through multiple channels, keep confidential and reward the reports, and timely investigate, handle and give feedback on the results.

In the public area and on the bulletin board of the opened Wuyue Plazas, we display the prohibited behaviors of employees and complaint reporting channels, set up integrity desk cards, and convey the integrity concept of "Sincerity and Trust - Harmonious Seazen" to customers; in the bidding meeting room and business negotiation room, we make clear the bidding discipline, emphasize the integrity requirements, and proactively display the complaint reporting channels.

Integrity publicity and bidding discipline posters

Contact information for whistle-blowing

Hotline: 021-32522898

Email: jubao@xincheng.com

Whistle-blowing WeChat: lianzhengxincheng

Whistleblower protection

Seazen protected the privacy of whistleblowers in accordance with the law, strictly prohibitted the disclosure of the subject matter of the Report, the investigation and information related to the whistleblower, protected the information security of the whistleblower and anti-fraud investigators, and made detailed provisions for whistleblower protection in *Seazen's Complaint and Reporting Management Policy, the Management Policy and Employee Code of Conduct.*

Promoting ethical awareness

Through regular meetings, Seazen trains the Group's directors and senior executives on integrity audit matters and conveys the control requirements of integrity management. Jointly organized the "launching ceremony of enterprise anti-fraud governance and scientific research centre" with the enterprise internal control association and Shimao Group, strengthened the company's integrity warning education through the joint construction project of enterprise anti-fraud governance and scientific research centre, popularized relevant legal knowledge and relevant requirements of the company for the Company's directors, employees and suppliers, and enhanced the awareness of integrity.

Seazen Anti-corruption Training in 2021

	Unit	2021
Number of directors participating in anti-pollution training	person	4
Coverage rate of anti-pollution training of Directors (including independent directors)	%	57
Coverage rate of anti-pollution training of Directors (excluding independent directors)	%	100
Average hours of anti-pollution training per Director (including independent directors)	hours	1.4
Average hours of anti-pollution training per Director (excluding independent directors)	hours	2.5
Number of employees participating in anti-pollution training	person	19,274
Average hours of anti-pollution training per employee	hours	2.0

134

Seazen launched 134 legal training courses through the online learning platform

170

delivered 170 times of online courses throughout the year

10,579

total of 10,579 participants completed

100%

the Company signed the *Integrity Cooperation Agreement* with all suppliers, and the signing rate reached 100%

100%

the Company's employees voluntarily signed the *Integrity and Self-discipline Commitment*, and the signing rate was 100%.

Promoting ethical awareness

In August 2021, Seazen launched the second integrity culture themed publicity activity, with the theme of "clear reward and punishment, low-cost Seazen", adhering to the concept of "treating patients before punishment" and putting forward the idea that "employees who actively report their problems shall in principle be exempted, managers who actively report problems within their jurisdiction shall be exempted from management responsibilities, and those who fail to understand will be hit hard", to further build a clean and honest Happiness Seazen. During the activity, 8,802 integrity questionnaires were distributed by professional lines, with a completion rate of 84.31%.

Integrity promotion for employees

Poster of the 2nd Seazen Clean Government Culture Theme Propaganda Month

8,802

integrity questionnaires distributed

84.31%

completion rate reached

Case: Cultivation of Integrity Lecturers

To further strengthen the construction of integrity culture, the Group has continuously carried out the certification of integrity culture lecturers, and has now formed a group of 68 lecturers, and carried out 3 lecturer empowerment trainings to effectively improve the teaching ability of the lecturer team, and spread and transmit the power and mission of Seazen's integrity.

Case: Warning Education Film Filming

The Group cooperated with the public security authority to produce the *Anti-corruption Warning Education Film of Seazen* and organized employees to watch it in a centralized manner, to warn employees of the importance of anti-corruption and build up the awareness of integrity. At the same time, Seazen has organized award-winning essays to encourage employees to write down their integrity and determination.

Employees watching *Integrity Warning Education Film*

Case: Integrity Education Base Visit

In order to further strengthen the integrity of employees, the Group organized Party members and employees to visit the Chen Yun Palace Memorial Hall of the National Integrity Education Base, and invited experts and scholars to give lectures on integrity.

Learning and education activities on the theme of building a clean government in Seazen

Case: Integrity culture theme week activities

In April 2022, the Northwest District of Seazen Commercial Management launched the "Integrity Culture Theme Week" activity. Through the promotion of integrity culture and case warnings, Seazen employees more directly recognized the importance of integrity construction and strengthened Seazen employees' awareness of integrity. In addition, the Northwest District of Seazen Commercial Management also carried out return visits to merchants and suppliers during the theme week activities, face-to-face clean government publicity, etc., to lay the foundation for building a sunny and healthy clean government ecology.

Integrity culture theme week – integrity knowledge contest

PROTECTION OF INTELLECTUAL PROPERTY

The Group attaches great importance to the protection of intellectual property rights, standardizes the management of intellectual property rights, encourages employees' enthusiasm for invention and creation, and promotes the promotion and application of scientific and technological achievements. Following *the Intellectual Property Law of the People's Republic of China, the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Copyright Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China* and other laws and regulations, combined with the actual situation of the Company, the Group continuously upgrades and improves the internal systems such as the *Intellectual Property Management Policy, Operation Guidelines for Trademark Registration Application, Operation Guidelines for Copyright Application and Operation Guidelines for Patent Application and Correction*. Standardize the management of patents, trademarks, trade secrets, copyrights and other intellectual property rights in accordance with the principles of centralized and unified management and hierarchical processing.

To promote the development of the Company's intellectual property business, Seazen encourages employees to be committed to invention and creation, and issues *the Notice on Rewarding Employees' Patent Applications* and rewards employees who have made major knowledge achievements and applied for patents during their work. In 2021, the Company obtained 129 utility model patents, 117 appearance design patents and 21 invention patents.

Seazen comprehensively strengthens the protection of intellectual property rights and takes the initiative tocrack down on infringement of the Company's intellectual property rights. In 2021, the Group carried out the protection of the rights of "Seazen" and "WUYUe" trademarks across the country and discovered over 800 infringement claims. After preliminary screening, 43 cases were filed, requesting to stop infringement, apologize for submission, and compensate for infringement losses.

129

obtained 129 utility model patents

117

117 patents granted for exterior design

21

Licensed 21 invention patents

SUPERVISION AND CONTROL OF RISK

The Group continuously improves the supervision and control of corporate risks and ESG-related risks, focuses on risk pre-control management, strengthens the publicity and implementation of internal control and risk management, and effectively improves the Company's risk control level. We has built a governance system based on risk prevention and control, such as pre-construction application, design and development, marketing management, recruitment engineering, finance, labor, and public opinion customer service based on company risks, risk control system, and formulated risk control red lines, risk control lists, and risk manuals, training courseware, risk inspection standards, etc.

First line of defense The functional departments at the headquarters manage and control the risks of functional businesses, and supervise and inspect the risks of the corresponding businesses of each unit; Each unit has set up an internal risk management group to coordinate the risk management work of each unit under the guidance of the Risk Management Department	**Headquarters functional departments**
Second line of defense Responsible for organizing, coordinating, guiding and supervising the effective implementation of risk management work and guiding the implementation of risk management work of each unit	**Risk Management Department**
Third line of defense Responsible for coordinating and supervising the normal operation of the risk management system, reviewing and approving the relevant systems, strategic objectives, plans and reports of risk management	**Board of Directors and Management**

Seazen's Risk Management Framework

The Group has formulated internal systems such as *the Risk Management System, the Risk Early Warning System*, etc., and comprehensively established the risk control system; The Company has formulated 10 risk control manuals, including 86 major risk scenarios, through sorting out business processes, including *the Preliminary, Technology, Marketing, Procurement & Recruitment,* which cover all aspects of daily business, laying a institutional foundation for effectively reducing risks and ensuring the stable operation of the Company. In 2021,Seazen completed a total of 87 audits, found more than 300 problems in the audit, and the rectification completion rate was 100%, further consolidating the company's risk prevention and control construction.

In 2021,Seazen completed

87

87 audits

300

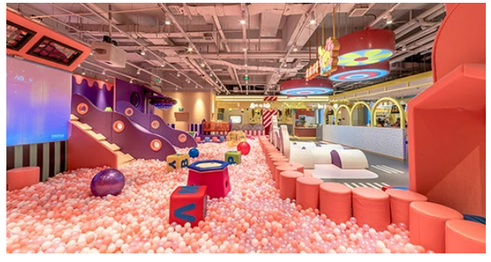
found more than 300 problems in the audit

100%

rectification completion rate was 100%

Case: Formulate the children's parks *Personal Injury Accident Risk Prevention*

In response to the high risk of personal injury in children's parks, Seazen issued the *Personal Injury Accident Risk Prevention* regulations for its Amazing Land for the first time, and formulated detailed risk prevention and countermeasures in the two aspects of pre-prevention and accident handling. , further reducing the potential risks of Seazen and tourists.



Seazen Amazing Land

Case: Actively respond to the national "Double Reduction Policy"

In July 2021, the state issued a policy to guide "effectively reducing the burden of excessive homework and off-campus training for students in compulsory education" ("Double Reduction Policy"). Based on the normalized risk pre-control management work space, Seazen identifies the potential risks of the "Double Reduction Policy" in a timely manner, that is, some education and training merchants may not be able to pay rent to Seazen due to the loss of income due to the "Double Reduction Policy". Therefore, we actively responded to risks, voluntarily terminated business cooperation with 147 education and training brands, and gave 235 early education and non-disciplinary training brands an average rent-free policy of 58 days.

02

INGENIOUS PRODUCTS

Seazen is committed to exploring and building products that can change customers' life experiences and improve their sense of happiness, creating more dimensions for happiness, and creating a more simplified and compound urban happiness life so that the happy life can be accessed.

CREATING INGENIOUS PRODUCTS

Core Smart Construction-Leading building upgrades

Seazen regards social responsibility as its mission, and uses the "Core Smart Constrcution" construction technology system to realize "industrial intelligent manufacturing, intelligent space change, intelligent quality, and intelligent management" through industrialized construction and production, modular housing technology, and product parameterization technology. At the same time, Seazen promotes industry changes, leads the progress of human living, and puts itself into China's urban construction with a green and innovative perspective, injecting inexhaustible power for sustainable development.

2011

Seazen Building Technology Research Center was officially recognized as a national housing industrialization base by the Ministry of Housing and Urban-Rural Development of the People's Republic of China

2017

Atlantic Modular System Ltd. a housing industry base of Seazen, has become the first batch of national prefabricated building industry bases to be recognized

2018

Seazen's subsidiary Jiangsu Zhusen Architectural Design Co., Ltd. was approved as "Jiangsu Prefabricated Concrete Construction Engineering Technology Research Center"

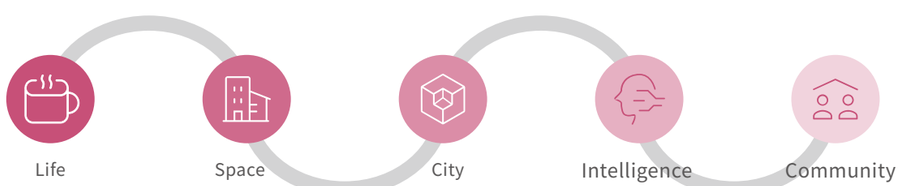
Residential-Leading a Better Life

Twenty-eight years of refinement, adhering to the product responsibility of hundreds of millions of real estate enterprises, as well as the core unit of China's centennial residential strategy and its technology research and development. Seazen continues to build green, high-quality and diversified residential products and service models for the society, leading the industry.

In 2021, Seazen won the 2021 Top **30** China Green Real Estate Development Competitiveness Enterprises, a total of **105** awards for residential design projects, **60** international awards, **3** national awards, **42** other awards, and **3** awards for commercial design projects.

Adhering to the product quality concept of "customer-oriented, changes due to demand", the Group launched a new residential product brand "Future +" , which practices the product concept of "looking forward to the era of residential culture with future residential insight; building centurial residential works through research and development; leading a better life cia rich future experience".With five core product value modules and 185 leading product functions, the "Future +" product brand has realized the all-dimensional creation of advanced living experience in the future.

"Future +" Product Brand 5 Core Value Modules



Seazen 2021 Residential Development Award Winning Project

The 18th Jingrui Habitat Award: Suzhou Xinhui Urban Jingyuan

The 18th Jingrui Habitat Award: Jiashan Seazen Feili Fenghua

The 6th REARD AWARD Global Design Awards: Xi'an Seazen Capital

The 3th Global Real Estate Design Awards Urban Culture Promotion Award: Tianjin Seazen Xiyue Chunqiu

Platinum Award of TITAN Real Estate Design Awards: Xuzhou Puyue Yulonghu

American MUSE Real Estate Design Award: Changsha Mingyu Dongfang

Commercial - Creating a brand new "WUYUe"

With the continuous advancement of new urbanization, under the driven by dual-core of residential and commercial real estate, Seazen Commercial will continue to focus on offline space, and continue to increase investment in commercial space with the future development vision of "making commercial space more valuable", to promote the investment value, commercial value and service value. We are committed to making "WUYUe" a more popular consumption place for customers and a business platform that is more recognized by merchants. In line with the development concept of "having strong sentiments, unique and one of a kind, with a large-scale", Seazen constantly upgrades the "WUYUe" brand, polishes the "WUYUe", and explores the ideal development model of symbiosis and co-prosperity between business and city.

Seazen's 2021 commercial development award-winning projects

GBE Best commercial complex of the year award: Nanjing Jianye Wuyue Plaza

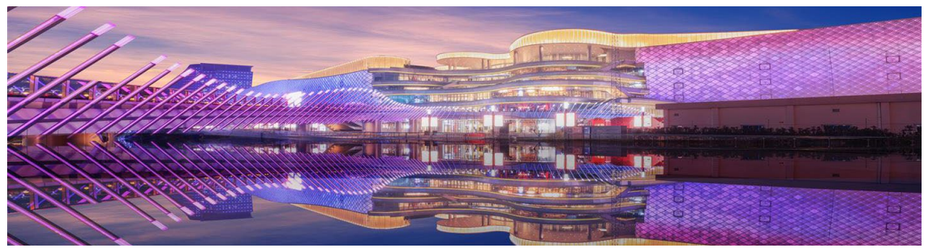
International property awards (Asia Pacific): Changchun Beihu Wuyue Plaza

GBE Best experiential commercial space award: Chongqing Yubei Wuyue Plaza

Case: Wenzhou Future Community – Building a Model of Future Community Construction in China

Located in the core area of Wenzhou, Zhejiang Province, the project is at the intersection of Dongtuo Qiaotou and Sanqu, and is within walking distance to the Seazen A flagship store and Wenzhou Wuyue Plaza, the largest complex in Wenzhou. As the first batch of future community pilot projects in Zhejiang Province, it was selected as the only comprehensive community in Wenzhou in 2021. The project is one of the models for the future development of community construction in China by redefining the new era of living with the fourth-generation residential properties.

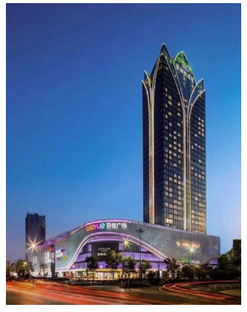
Wenzhou Future Community



Wenzhou Wuyue Plaza

Hotel Chapter - Creating a branded hotel

Seazen has been involved in the hotel industry since 2014, established a professional team of hotel development and management, and created a brand matrix of "Citilink Hotels Xingli Series Hotels": luxury brand-Xinglihua, luxury brand-Xinglilan, High-end brand-Xinglichen, Mid-end brand-Xingliheng, four self-operated hotel brands, are committed to building a full-process operation and management system covering planning, design, construction and operation, and strategically deploying super-large hotels in many target cities across the country.



Create a multi-level hotel living experience for travelers - "Citilink Hotels Xingli Series Hotels"

Cinema - Build a high-quality cinema

Adhering to the brand concept of "Let the beauty of movies come to life", Bestar commits to create high-quality movie center with the spirit of craftsmanship. Since its establishment, it has quickly become a first-line brand with excellent technology and high-quality reputation in the industry. Through the world's top projection equipment configuration, the movie viewing environment created by the best cinema design team in Asia, and the five-star movie viewing service that surprises and warms, Bestar has built itself into a movie theater integrating movie screening, interactive entertainment, art culture, and amusement. A new generation of super fantasy casino with experience and unique dining. As of October 2021, Seazen has opened 114 cinemas, setting off an epoch-making revolution in movie viewing across the country. In 2021, the first children's stage play performance in Tongling Bestar was a complete success.

Seazen Bestar

Children's stage drama at Bestar

Rehabilitation - Building a comfortable elderly care

In 2019, Seazen established the health care brand "Caring & Sharing", which uses services to deliver happiness and make happiness simple. "Caring & Sharing " adheres to the brand proposition of "Nourish life by happiness. ", not only pays attention to the physical health of the elderly, but also pays attention to the spiritual world of the elderly, and nourishes a healthier body with spiritual abundance.

Networking activities (top) and evening parties (bottom) for senior members

"The Seazen Orange Apartment"- providing affordable housing

Seazen has always closely linked its corporate development with social responsibility. We provide affordable housing for low-income groups and the young people. Seazen actively responds to the national call for both housing purchase and renting, and develops long term rental apartments to solve the housing difficulties of local talents. In the future, we will continue our efforts to meet the housing needs of society, support national housing construction, and promote high-quality urban development.

Case: "The Seazen Orange Apartment" - a long-term rental apartment community for young talents

"The Seazen Orange Apartment", which is a long-term rental apartment brand of Seazen, provides high quality rental housing, quality services, and community activities. With the provision of supporting facilities such as a gym, coffee bar, and recreational areas, it is committed to creating an all-in-one platform for rental housing experience. Seazen is devoted to providing warm, affordable, and secure housing for more young people.

Seazen long-term rental apartment brand - "The Seazen Orange Apartment"

Starwing Space-Providing affordable business

As a socially responsible real estate company, Seazen continues to provide affordable commercial properties for small and medium-sized enterprises. During the epidemic in 2021, in order to ease the operating pressure of the merchants in Wuyue Plaza, Seazen will provide a policy of "rental reduction during the epidemic ", and the accumulated rental income has reached RMB 22.93 million. In addition, Seazen has created a low-cost co-working space for entrepreneurs - "Starwing Space" to promote the development of small and medium-sized enterprises.

Case: Create a suitable maker space for entrepreneurs – "Starwing Space"

Designed by WOODS BAGOT, a well-known design firm, Starwing Space is a top incubator established by Seazen in China. Matching Class A office standards, it is equipped with a full-view gym, coffee bar, staff restaurant, a large road-show hall, and multi-functional leisure areas, dedicating to creating a one-stop entrepreneurial experience. As at the end of the Reporting Period, Starwing Space has incubated over 59 enterprises in total, focuses on VR/AR technology, pan-entertainment, health, information technology, consumption upgrading, smart home, game research and development and other fields. Some enterprises have grown into leading enterprises in their industry. As of the end of this Reporting Period, Starwing Space has won the titles of "Shanghai Science and Technology Enterprise Incubator", "Shanghai Entrepreneurship Incubator Model Base" and "Putuo District Entrepreneurship Incubator Base".

Seazen Starwing Space

OPTIMIZING PRODUCT QUALITY

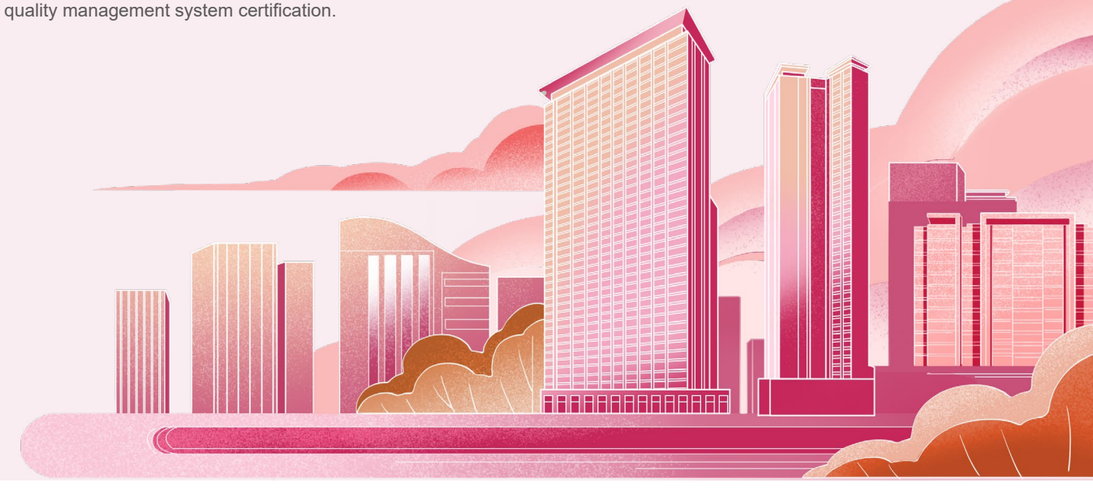
Optimizing product quality is an important cornerstone for Seazen to achieve sustainable development. The Group continuously improves the product quality management system and methods, carries out full life-cycle control of project quality, and delivers exquisite products to customers.

Seazen's quality management system

The Group strictly abides by *the Construction Law of the People's Republic of China, the Regulations on the Quality Management of Construction Projects, the Administrative Regulations on Urban Real Estate Development and Operations* and other relevant laws and regulations, establishes a three-level quality management organization system and sets up quality control specialists and has formulated a full-process quality management system, including *Quality and Safety Management Measures (2021 Edition), Project Quality Assessment Management Measures (2021 Edition), Engineering Technology Management Measures (2021 Edition), the Operation Guidelines for Construction Planning Outline Management, the Operation Guidelines for Engineering Leakage Prevention, the Operation Guidelines for Fine Decoration Project Management, the Management Measures for Project Quality Evaluation of Commercial Development Division and the Management Measures for Project Quality and Safety of Commercial Development Business Department,* to further clarify the work standards and management functions of each construction and delivery stage. During the Reporting Period, the Group continued to improve its internal quality management system and policy system, and strictly controlled the quality of projects. 36 Wuyue Plaza projects have successfully passed the ISO9001: 2015 quality management system certification.

36

36 Wuyue Plaza projects have successfully passed the ISO9001: 2015 quality management system certification



The quality management process of Seazen's project development stage

Process

Construction control

Seazen strictly abides by the requirements of *the Development Sector Engineering Management System*, and adopts various control measures to strengthen project nodes and improve the quality of construction management.

Actual measurement

The construction unit, supervision unit and Party A's engineers will carry out the actual measurement work, requiring 100% self-inspection by the construction unit, 50% random inspection by the supervision unit, and 30% random inspection by Party A's engineers. In view of the reasons for deviations in the analysis of measured data, assess whether there are systematic problems and propose rectification and preventive measures; take the pass rate of measured data as one of the important dimensions of the Group's project quality inspection and assessment. The actual measurement rate of Seazen has increased year by year, reaching 95.57% in 2021.

Establishment of stop check points

Set up stop check points for key acceptance nodes involving leakage, such as the back-casting belt of the basement, the sealing of screw holes in the outer wall, the closed water in the kitchen and bathroom, the plugging of the outer windows, and the roof. After the rectification and acceptance are passed, the next process can be entered.

Quality and safety "gate pulling" mechanism

Always pay attention to the quality and safety issues of the project, and immediately carry out "gate pulling alert" when problems are found, and partially stop work for rectification. In 2021, a total of 7 times of safety and civilization inspections and 22 times of large machinery inspections were pulled in Seazen to ensure the elimination of quality and safety hazards of the project in a timely manner.

Third-party unannounced inspection

Hire a third-party evaluation agency to conduct third-party unannounced inspections and pre-delivery inspections in the entire project construction process. The inspection results will be reported to the whole group, and rewards and punishments will be issued. Job promotion is directly linked. In 2021, a total of 858 third-party flight inspections were conducted in Seazen.

Delivery

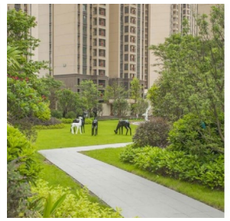
Check Evaluation

We form a delivery inspection and evaluation team jointly with operation, property, product development and third parties, and conduct a comprehensive evaluation of all products 15 days before the official delivery according to the requirements of *the Delivery Pre-Assessment Guidelines* to ensure that products such as indoors, public areas, garden landscapes, outdoor High quality delivery of facades, basements, powered lighting, etc. In 2021, the delivery evaluation of the rough is 80.02 points, the hardcover is 82.47 points, and the actual measurement pass rate is 95.57%.

Case: Three-tier quality management system implementation plan – "Ingenuity Program" pilot benchmarks creates high-quality projects

During the Reporting Period, Seazen further implemented the corporate mission of "making happiness simple" and proposed the Seazen "Ingenuity Program".
Seazen's "Ingenuity Program" promotes the improvement of product strength, and wins the reputation of all walks of life.
At the post-opening stage, restoring the construction process and details, giving customers an open and transparent physical quality experience.
The core concept of display at the pre-delivery stage is the public facilities such as the homecoming, physical delivery and landscape, giving customers a warm feeling of home.

Seazen's "Ingenuity Program" homecoming line display



Seazen's "Ingenuity Program" homecoming line display

Quality inspection and supervision mechanism

To further reduce quality risks and provide customers with a good product experience, the Group conducts reviews from multiple dimensions such as project quality, design specifications, customer use functions and property management, collects objective and fair feedback, promotes project rectification, and improves the quality of product design and construction of Seazen. In 2021, Seazen opened 89 times to guest construction sites before delivery.

Manage by system

The *Development Sector Engineering Management System* includes more than 20 operation guidelines such as *Operation Guidelines for Construction Planning Outline Management, Guidelines for the Management of Construction Models, Guidelines for the Operation of Mandatory Engineering Practices in Project Construction*, and *Guidelines for the Water Storage Test*. The whole process cycle of the project from pre-planning to delivery, comprehensively control the quality of the project.

To carry out the responsibilities by examination

Seazen implemented a life-long responsibility system for the construction quality of construction projects, and we have established five main bodies of responsibility for "survey, design, supervision, construction, and construction". The performance and results of the inspection and evaluation of the engineering functions and project departments of the companies in each region are included in the evaluation and evaluation, which is linked to the performance of each employee to effectively ensure the quality.

To check the compaction results

Utilize third-party manufacturer inspection and evaluation to further consolidate quality control. Evaluate engineering management effects through unannounced inspections, delivery assessments, etc., and track and close the inspection results to identify and eliminate project engineering management risks. At the same time, we also combine the inspection results of third-party manufacturers and real feedback from customers to continuously upgrade the dimensions, content and standards of iterative inspections to promote continuous quality improvement.

Vigorously promote the intelligent construction system

Actively promote the visual management of smart construction sites, build a "Core Smart Construction" system, optimize products through design standardization, building parameterization, tube-in-tube structure, and modular kitchen and bathroom, improve project quality through the use of advanced technology to improve the quality of products, through carefully organizing and interspersing construction to speed up construction efficiency, from product design, process method, construction organization to achieve the characteristics of excellent products, high quality, fast construction, realize intelligent management, improve collaborative efficiency.

Seazen Builds "Core Smart Construction" to improve quality management efficiency

Quality data related to residential development stage

Indicators	Unit	2019	2020	2021
Project process assessment	score	90.16	91.78	91.17
Project delivery assessment	score	79.3	81.23	81.07
Special safety assessment	score	82.29	82.98	81.66

Note: The above statistics only include relevant data of the residential development stage of the residential development division.

Quality related data during the development stage of commercial complex

Indicators	Unit	2019	2020	2021
Project process assessment	score	84.84	84.81	87.11
Project delivery assessment	score	86.11	86.83	80.28
Special safety inspection	times	394	173	156
Monthly quality and safety assessment and inspection	times	637	229	164
Identified quality and safety issues/hidden dangers	item	36,295	12,054	7,901

Note: The above statistics only include relevant data of the project development stage of the Commercial Development Division; Process evaluation and delivery evaluation Source from third-party evaluation data[1]; The special safety inspection, monthly quality and safety assessment and inspection, and discovery of quality and safety issues/hidden dangers only include the implementation data of the Commercial Development Quality Supervision Center, and do not include the data organized by each region, city and project company during the Period.

[1]Shanghai Pingda Construction Engineering Consulting Co.

Quality-related data during the operation and management phase of commercial complexes

Indicators	Unit	2019	2020	2021
Special safety assessment	score	89.73	94.06	95.81
Special safety inspection	times	33	23	54
Monthly quality and safety assessment and inspection	times	164	125	189
Identified quality and safety issues/hidden dangers	Item	4,401	3,418	12,038

Note: The above statistics only include relevant data of the operation and management stage of commercial complexes, and exclude relevant data of the development stage of commercial complexes.

Improving quality awareness

In 2021, the Group organized 20 training sessions on project quality with a total of 1,400 hours and 13,800 participants.

Based on the daily inspection and customer satisfaction survey feedback, the Group focused on "hollowing, cracking, penetration, facade, doors and windows, landscape" and other quality sensitive points, organized 4 regional companies and 99 project companies to hold 6 quality and safety training publicity and implementation meetings of the division; In the process of offline patrol inspection, 160 enabling trainings such as "full cycle operation map of quality and safety" and "special management of quality and safety" have been carried out for the engineering department, construction unit and supervision unit of each project company, so as to promote the effective improvement of on-site construction quality.

20
organized 20 training sessions on project quality

1,400
total of 1,400 learning hours

13,800
total of 13,800 participants

Holding quality and safety meetings to raise employees' awareness

UPGRADING DATA INTELLIGENCE

Building the "Oasis Project", establishing an information-based office platform

With the goal of improving the overall organizational efficiency, Seazen has built an integrated platform information system for the "Oasis Project". By establishing standards, formulating rules, managing performance, and exporting management capabilities, it aims to prevent systematic risks and achieve "refining the headquarters and empowering the regions".

After the implementation of the "Oasis Project", the automation rate of the Seazen's financial vouchers reached more than 95%, and the automatic scoring rate of the consolidated statements and notes reached more than 90%, which greatly improved the Group's work efficiency. In 2021, the "Oasis Project" was widely recognized in the industry, and won the "Annual Future Enterprise Award" of IDC digital transformation and the "Annual Enterprise Award" of the Digital Transformation Pioneer List of the Dingge Award.

IDC Digital Transformation "Future Enterprise of the Year"

Dingge Award Digital Transformation Pioneer List "Enterprise of the Year"

CRIC "2020-2021 Enterprise Service Benchmark Project"

Promoting intelligent construction system

In 2021, Seazen formulated a BIM (Building Information Modeling) technology promotion work plan to continue to promote the development of building standardization and informatization.

Seazen's 2022-2024 BIM Technology Promotion Work Plan

2022

- Collect and sort out the results of the application of BIM technology in each project
- Clarify the scope and type of BIM technology application in business, and form a standardized file
- Completed the implementation and evaluation of BIM technology pilots for 3 projects

2023

- Combine with the feedback from the pilot project, the *Guidelines for the Application of BIM Technology in Construction Engineering*"were compiled
- Promote the adoption of BIM technology in more than half of new large commercial projects

2024

- Comprehensively promote the application of BIM technology, and continuously upgrade and improve BIM application technology

Building smart commerce

Seazen has always been committed to the innovation and development of smart Commercial. In 2021, it created a pleasant, convenient and safe shopping environment by creating 13 sets of smart systems such as a New Cloud, building automation, energy management, passenger flow statistics, information release, smart parking, dynamic navigation, video surveillance, and wireless WIFI, to protect every customer in an all-round way.

With the help of emerging technologies such as the Artificial Intelligence & Internet of Things (AIoT), cloud computing, Seazen Smart Shopping Mall combines and innovates the digitization and intelligence of traditional shopping malls, and people's lifestyle and shopping methods are becoming more "convenient".

Case: Seazen builds a "3 + 1" commercial digital intelligence platform to promote information development

With the continuous development of new-generation digital technologies such as big data and artificial intelligence, based on the exploration and application of digital technologies for more than 10 years, Seazen Commercial has gradually built a "3 + 1" commercial digital ecological platform. While improving customer consumption experience, it also accurately empowers brand merchants, further improves the operation and management level of the entire shopping mall, and achieves a win-win situation among consumers, merchants and shopping malls.

- Intelligent management system

  Seazen's intelligent management system covers three aspects: customer consumption experience, merchant management empowerment and square digitalization. Seazen Commercial has built a perfect digital marketing matrix for members, which not only realizes that payment is a member and payment is a product, but also opens up equal spot meals, cinema viewing and the exchange of points and interests of various intelligent devices, so as to provide consumers with the ultimate experience;

  Established a one-stop mobile merchant service platform to provide 24-hour service accessible to merchants from property services, commercial services, data services and marketing services;

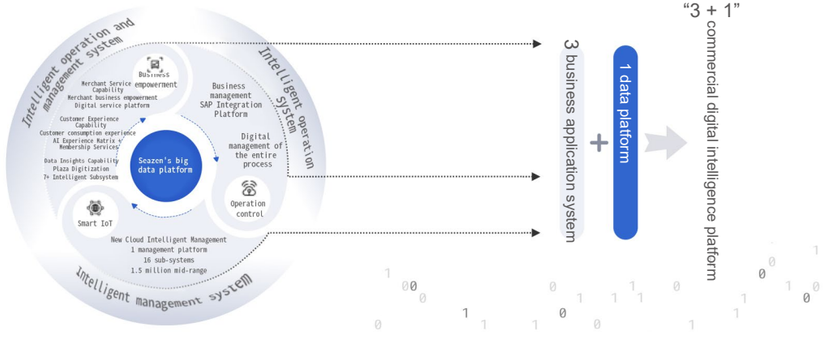
  Innovatively introduced the latest technologies such as smart parking, smart interactive screen, smart storage cabinet, smart POS machine and AR navigation, which fully realized the digitalization of the square and improved the insights of Seazen Commercial on data.

- Intelligent Operation System

  Seazen has built the first integrated commercial management SAP system in the industry, covering the collaborative management of the entire life cycle of commercial operation, realizing the closed-loop management from digital results to the digital whole process, and creating a comprehensive strategic operation management and control model.

- Intelligent Application System

  Based on AIoT technology, Seazen Commercial has built an information-based intelligent management and control platform "New Cloud Intelligent Management System", which integrates the control and management of 13 intelligent equipment systems, including energy (energy consumption) management, heating, ventilation and air conditioning, power transformation and distribution air conditioning, video surveillance, water supply and drainage, into one management platform, and has controlled more than 150 ten thousand terminal equipment in total. The Company achieves intelligent and automatic daily operation and maintenance, and can take the initiative to give early warning and achieve intelligent linkage, to achieve the objectives of "improving management efficiency", "expanding management scope, reducing operating costs", "ensuring project operation quality" and "appropriately reducing energy consumption and labour costs of each project"



Seazen's "3 + 1" commercial digital intelligence platform

Building smart communities

In the residential sector, Seazen combines the concept of technological development and intelligent management in the new era to create new models such as smart communities and smart properties to promote the realization of smart life, create an efficient, convenient and perfect community life, and improve the happiness of residents.

Case: Smart Community

In 2021, Seazen actively promoted the implementation of smart community projects. Based on residents' "clothing, food, housing and transportation", Seazen paid close attention to the daily needs of residents in real-time, and upgraded and optimized the intelligent system in security, communication, comprehensive platform, community service, property management and other aspects following the requirements of local smart community documents of the project. Through continuous summary and review, the service quality was improved, to improve the happiness of residents' life.

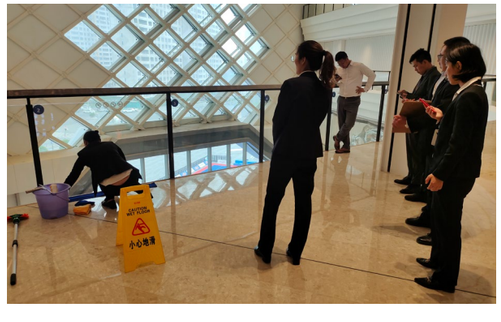
Smart community smart security "angel eye" system

Creating a culture of innovation

Adhering to the concept of "developing an incentive mechanism for product innovation, creating a product culture, and actively advocating innovation", Seazen has formulated the *Incentive Scheme for Product Innovation* to promote innovation in terms of product innovation and technological innovation.

Seazen has formulated the *Minimally Invasive New Process Work Method of Commercial Development Department* from the dimensions of "technological innovation, construction measures, safety and civilization", and actively promoted the pursuit of excellence, management upgrading, and continued to empower the improvement of project quality.

To cultivate employees' awareness of innovation and strengthen their innovation capabilities, Seazen has carried out a series of training and activities, including Zhusen Design's large-scale sharing sessions, internal academic conferences and competitions.



Photos of the 2021 Competition

03

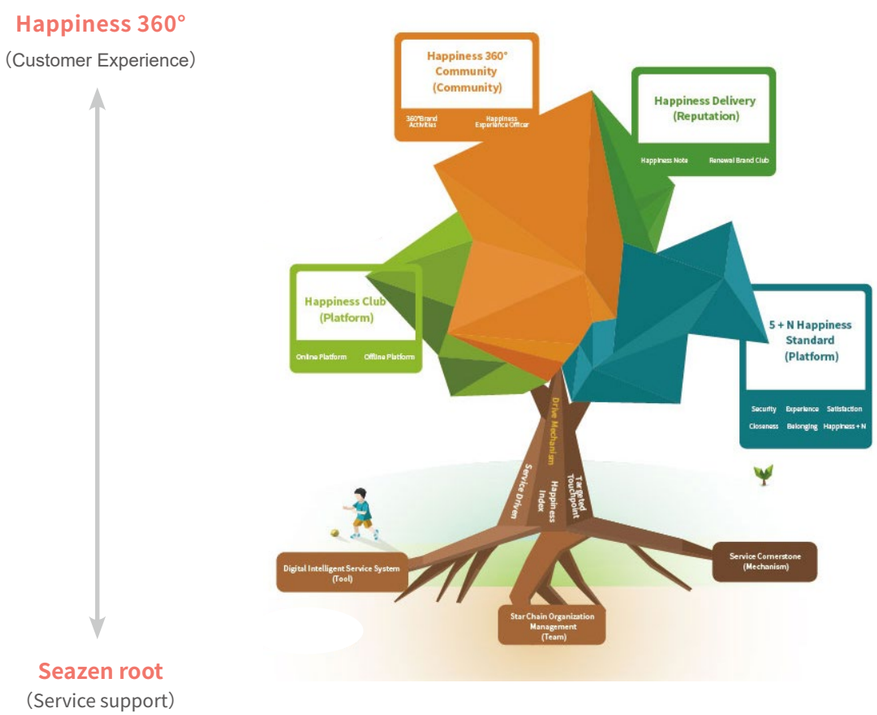
CUSTOMER SERVICES

Seazen has always practised the corporate mission of "making happiness simple", listening to customers, resonating with their voices, maximising customer value, developing high-quality products from the perspective of customers, providing diversified and innovative services, and creating long-term value for customers.

CUSTOMER SERVICE SYSTEM

In 2021, Seazen launched the "Happiness 360°" 3.0 version of customer service system, which is comprehensively upgraded. Based on the root force, with the "Happiness 360°" service touchpoint for users as the starting point and the happiness index as the driving mechanism, Seazen built a multi-dimensional "Happiness 360°" service self-cycle ecological tree of Seazen, such as the "Happiness Club" platform that property owners can perceive, and the 5+N Happiness Standard. In 2021, with its unique humanistic care system, Seazen's thoughtful, pragmatic and continuously upgraded high-quality service content was successfully selected as one of the top ten excellent cases in "Community Governance - Top 10 Excellent Cases of Property Management (2020)".

"Happiness 360°" Customer Service System 3.0 Multi-dimensional Circular Ecological Tree



The "Happiness Club" is an all-around interactive platform created by the Group for customers to realize full-cycle services and value-added services. Through the online platform, the offline 4008 call centre and the happiness service centre, happiness can be made available on hand.

Through brand activities and the all-around and multi-format experience of happiness experience officers, the "Happiness 360°" community continued to create an exclusive way of a happy life for customers throughout the year.

The 5+N Happiness Standard is based on the five dimensions of security, experience, satisfaction, trust and sense of belonging required by customers for a happy life. It runs through the five scenarios of housing selection, contract signing, waiting, delivery and occupancy, and upgrades and builds a full-cycle service standard with 60 service actions.

IMPROVING CUSTOMER EXPERIENCE

The Group attaches great importance to customer experience and is committed to continuously improving products and services, thereby enhancing customer satisfaction, enhancing customer happiness and delivering a better life. In 2021, the Company launched a major activity to enhance customer service experience - **"Happiness Experience Project"**.

It has always been the heart of Seazen to provide a comfortable living environment for every owner. After-sales warranty is the most important service in the process of delivery and occupancy, and house maintenance, which is related to the quality of life and living experience of property owners. Therefore, Seazen has set up a housing repair service centre with a professional housing repair team to provide property owners with professional, reliable and efficient maintenance services during the warranty period, so as to escort the property owners' homes and a better life.

In 2021, Seazen cooperated with Beijing Saiwei Consulting Co., Ltd. to establish a product strength evaluation mechanism. The multi-dimensional comprehensive and objective evaluation of "housing quality, housing design, garden landscape and planning facilities" by customers, will be used as the report card of the final delivery of Seazen's product strength, which will be included in the evaluation of the operation port and linked with performance, so that to effectively ensure the continuous improvement of product strength. In 2021, product quality satisfaction was 72 points, 4 points higher than the same dimension in 2020, especially the design index dimension, which improved by 5 points.

Seazen always pays attention to the owners' pursuit of happiness and integrates sincerity into every drop of daily life. The small things of property owners are the major issues of the team. In response to the needs of customers, the Seazen team makes every effort to realize with care, and only fulfil the ideal quality of life of residents. Be committed to work and weave a happy life.

Happiness Experience Project - Residential Chapter

The "Happiness Experience Project - Residential Chapter" includes 20 experience scenes covering the whole cycle of housing construction, finishing works and delivery, etc. Relying on the construction system and engineering management system of Seazen "Core Smart Construction", the project presents the achievements of Seazen's residential development with immersive scenes that can be experienced, allowing visitors to directly and effectively experience the happiness ecology.

"Happiness Experience Project – Residential Chapter " Experience 5 Senses of Happiness

Sense of trust	Site focused process workmanship display experience, main stage material workmanship experience, information integration material experience
Experience	On-site safety standardization experience, rough physical process sample display experience, rough delivery standard sample display experience, finishing delivery standard sample display experience, basement garage open experience, facade scene display experience
Safety	Main structure display experience, masonry stage display experience, water drenching and water storage test display experience, aluminum plate supporting mold technology, lift type intelligent climbing experience, central control SAP intelligent site display
Satisfaction	Rough delivery site open experience, finishing delivery site open experience, common area pre-delivery site open experience, landscape delivery site open experience
A sense of belonging	A Profile of Growing Up at Home

Case: Happiness Experience Project - Residential Chapter

First — **On April 22, 2021**

Changzhou Station

Seazen started from Changzhou to the whole country, and continued to grow and develop. On April 22, 2021, the "Residential" of the Happiness Experience Project officially opened at Puyue Chunqiu in Changzhou, comprehensively and systematically presents 7 major scene experiences of "landscape experience, facade display, hardcover delivery display, underground garage experience, information integration material display, rough delivery display, water shower and water storage test show". Each scene interprets Seazen's intention to create a happiness experience from a different aspect.

Changzhou Puyue Chunqiu Station

Second — **On June 3, 2021**

Suzhou High-speed Railway Seazen MOC Xinchenghui Station

On June 3, 2021, the second station of the Happiness Experience Project entered the MOC Seazenhui in Suzhou High-speed Rail Seazen. Taking products as the carrier, Seazen collects customer sensitive points on the marketing side, implants customer concepts on the R&D side, focuses on customer feedback on the engineering side, and taps customer needs on the customer service side. Improve and iterate products from the design source, forming the "lean operation" system with precise positioning and product matching. Among them, the construction system and engineering management system of "Core Smart Construction" are the core areas of Seazen. In the "Happiness Experience Tour" on this site, visitors under the guidance of professional commentators experienced in-depth the 7 major scenes of the "Residential" and the "Core Smart Construction" factory processing area at a core area.

Suzhou High-speed Railway Seazen MOC Xinchenghui Station

Third — **On October 19, 2021**

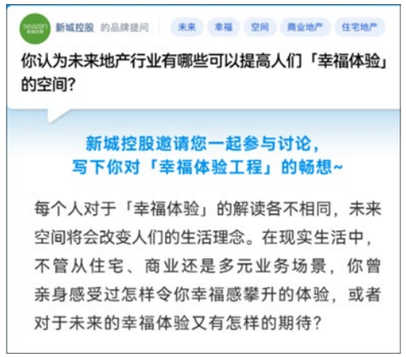
East Seazen Yuntu Time Station

On October 19, 2021, the third "Residential" station of the Seazen Happiness Experience Project was launched in the East Seazen Yuntu Time, and the whole-age composite community living space "Happiness Joy Space" for property owners was officially launched. "Happy Joy Space" originated from Seazen's corporate mission of "making happiness simple" and corporate vision of "sharing joy and living a sense of affection". The customer service system 3.0 is rooted in "Happiness 360°". Based on basic services, we plan to cover the diversified community life scenarios of property owners and integrate various operation models to create a variety of community life scenarios, build a bond that connects neighbours with warmth, and provide property owners with diversified companion living experiences.

East Seazen Yuntu Time Station

Case: Join hands with the domestic authoritative knowledge social platform "Zhihu" to create an exclusive brand questioning platform for "Happiness Experience Project"

In 2021, Seazen has carried out a new interpretation of the corporate mission of "making happiness simple" - to achieve the cornerstone of happiness, optimize happiness plans, innovate happiness experience, and create a happy ecology. Focusing on the theme of "innovative happiness experience", the "Happiness Experience Project" brand IP activity was officially launched at the same time. Hundreds of national media representatives and investment institution representatives turned into happiness experience officers to interpret the definition of happiness.



Seazen joins hands with "Zhihu" to launch the exclusive brand questioning platform of the same name of "Happiness Experience Project"

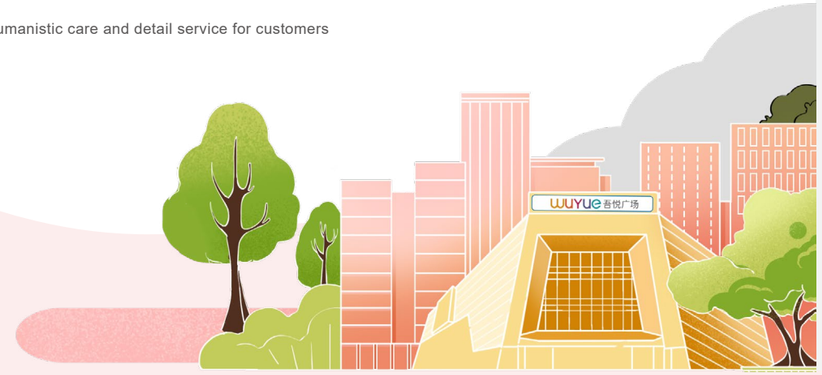
Happiness Experience Project – Commercial Chapter

On 11 November 2021, the "Happiness Experience Project – Commercial Chapter" was officially launched, and the first station was launched in Hubei Jingzhou Wuyue Plaza. "Happiness Experience Project – Commercial Chapter" includes 20 major experience scenarios, covering all aspects of business management and operation, and continues to enhance the trust, experience, security, satisfaction and sense of belonging of users and consumers.

The event presented a total of 11 scenarios of business development and operation management, including in-depth business guidance for merchants, intelligent property management, visual experience of the brand image of merchants, intelligent commercial interactive experience, engineering property management platform, fire management experience of the complex, and multi-dimensional consumption channel experience demonstrated the management and operation strength of Seazen Commercial.

Intelligent Management and New Technology Experience of Jingzhou Wuyue Plaza

Humanistic care and detail service for customers



Full-dimensional touch points to achieve happiness experience

In 2021, starting from the five elements of happiness, Seazen Suwan Region focused on the whole process from customers entering the marketing center to housing delivery and occupancy, ensured the perfect experience of each aspect of Seazen's life with higher quality services.

Mobile house inspection system: online delivery of software and house delivery ceremony

Implementing "Renewal Plan" to upgrade the owner's life experience

Adhering to the original aspiration of protecting the happiness of customers, Seazen continued to pay attention to the living experience of property owners in small areas delivered, and implemented the "Renewal Plan". Based on the actual needs of property owners, the public space and facilities and equipment in the community are repaired, improved and upgraded to provide customers with convenient life and sustainable happiness. Since the launch of the "Renewal Plan 2.0" in 2019, with the theme of "Renewal of Happiness and More Possibilities", Seazen has created four major renovation scenarios, namely warmth and renewal, neighbourhood renewal, vitality renewal and children renewal, to promote the preservation and appreciation of housing value, upgrade the living experience of property owners, and improve the happiness of property owners with practical actions. In 2021, the Renewal Plan covered a total of 45 cities involving 180 projects and 470 renovation projects.

180

In 2021, the Renewal Plan covered a total of 45 cities involving 180 projects

470

470 renovation projects

Renewal scenarios of Seazen Renewal Plan

"Renewal Plan 2.0" – Warm Renewal Scenarios

"Renewal Plan 2.0" – Neighbourhood Renewal Scenarios

"Renewal Plan 2.0" – Children's Dreaming Renewal Scenarios

"Renewal Plan 2.0" – Vitality Renewal Scenario

Organizing community activities

Seazen not only pays attention to the renewal of hardware facilities but also makes efforts in service. Organizing a variety of community activities to improve the vitality of the community, it creates a caring and happy community activity with practical actions, creating a warm community environment, and encouraging the owners to pursue and love life.

Based on the corporate business philosophy of "making happiness simple", Seazen actively organizes various cultural and entertainment activities through the "Happiness Club" customer club to enrich the life of property owners and advocate healthy living. The "Happiness Club" effectively integrates service, interest, communication, emotional and other factors to promote communication between Seazen and property owners, property owners and property owners, property owners and the society. During the operation, we provide customers with all-around services at discounts and convenience through contacting and integrating various living service resources and professional service institutions in the form of activities, experience and cooperation.

Case: Love with Heart, Cohesive Care for All-age People and Exploration of Community Activities

Seazen Suwan Region adheres to the principle of customer satisfaction first and all-stage standardized services and the all-age community operation system to portray the happiness blueprint of community life. In 2021, the Suwan Region of the Seazen held various community activities with the themes of parent-child, sports and public welfare on a regular basis throughout the year, and implanted more innovative elements into them according to different seasons to bring various benefits and surprise to property owners of different age groups and create the common spirit of residents.

The Suwan Region of the Seazen also pays attention to the creation of a festive atmosphere. At the Lantern Festival in 2021, Seazen Suwan Region invited property owners to gather together and set up fun links such as guessing lantern riddles and playing games, so that property owners could experience a strong New Year atmosphere.

2021 Seazen's Activity Venue and Activity Site for Children's Community in Suwan Region

2021 Lantern Festival Fun Spring Festival in Suwan Region

Case: Carring out a variety of cultural and sports activities - "Seazen Summer"

"Seazen Summer" is a summer-themed customer activity in the standardized action of "Happiness 360°" Seazen customer relationship maintenance, and it is also the largest brand customer activity in the "Happiness 360°" customer service system. In the summer of 2021, the 10th "Seazen Summer" event was held. The Seazen Anhui-Jiangxi Region and the property owners visited the stars together, jumped the most popular dance in July, experienced the VR of "taking glasses as the whole universe" and left a recording of light in the "Space Tunnel". Seazen Anhui-Jiangxi Region insists on growing together with all property owners and is willing to share a wonderful time with every family member and portray a happy chapter.

2021 Summer "Seazen Summer" Activity Site

Case: Warm XIN charity run

In December 2021, the "Warm XIN Charity Run" started warmly. This season's "Warm XIN Charity Run" is combined with Seazen's "Colorful Light Project · New Green Action" charity, with the call of "the first run in the new year, every step you take is a tree!" The tree donation interactive applet has recruited nearly 20,000 people and donated a total of 20,000 saplings. In 4 days, 35 cities held a total of 56 public welfare runs. The owners, members and partners of Seazen participated in public welfare through running to help green and low-carbon emission reduction. It is estimated that 200,000 sq.m of desert will be greened, and this share will be given to the desert. The green gift of the contestants makes every step of the contestants more meaningful, and finally allows the public welfare to give back to the society.

"Warm XIN Charity Run" activity

ACTIVELY RESPONDING TO CUSTOMER NEEDS

The Group adheres to the people-oriented principle, honesty and credibility, timeliness and balance, attaches great importance to customer feelings, and provides smooth customer feedback channels. Seazen has formulated the *Management Measures for Customer Satisfaction and Customer Complaints Public Crisis Management* and the *Operation Management Measures for Customer Service System* to facilitate centralized collection, processing and response to customer demands.

The establishment of onlibe 4008 platform has realized the integration of the Group's headquarters call centre with regional and city company customer service and project property, which created a unified management platform for complaints, repairs and consulting, so that every person can contact the Seazen, and can feel the one-stop convenient service and happy humanistic care.

- After the 4008 call center answers and registers the customer's appeal, the regional (project) companies and service centers process the service order and submit a closure application to the 4008 call center after processing be closed.
- 4008 Call Center also conducts random quality inspections on system data on a regular basis to ensure that customer problems are effectively resolved.
- At the same time, with the help of technological means, Seazen has built an online 4008 platform (Orange APP) to provide customers with more real-time and faster manual customer service and realize the informatization of consulting and complaint management.

The Group, as always, adheres to the stance of customers and is committed to the interests of customers, striving for maximum customer satisfaction, and paying attention to customers' evaluation and feedback on products and services. Therefore, to have a more comprehensive understanding of customer experience and evaluation, Seazen conducts monthly surveys by telephone or WeChat following the Group's *Customer Satisfaction Management Measures*. The Group's customer satisfaction survey covers all aspects of products and services, including ten indicators, namely sales services, post-contract communication and services, delivery services, housing quality, maintenance services, housing design, community landscape, community overall planning and environment, property services, and compliant services. The survey comprehensively investigates customers satisfaction with products and services provided by Seazen in all key experience links such as subscription, contract signing, house collection and occupancy. The achievement of customer satisfaction goals has been incorporated into the relevant personnel assessment system. In 2021, Seazen collected 72,610 valid customer questionnaires throughout the year. Based on maintaining a **38%** increase in the number of customers compared with 2020, the overall satisfaction score was **77**, which was the same as that in 2020.

Customer Service Performance of Seazen 4008

	Unit	2021
Number of customer enquiries, complaints and repair requests for products and services handled by Seazen 4008 platform	Case	42,485
Acceptance rate of customer enquiries, complaints and repair requests for products and service handled by Seazen 4008 platform	%	100
Response rate of customer enquiries, complaints and repair requests for products and service handled by Seazen 4008 platform	%	100
Cumulative closure rate of customer enquiries, complaints and repair requests for products and service handled by Seazen 4008 platform	%	96.2
Number of customer enquiries for products and service handled by Seazen 4008 Platform	Case	5,066
Number of customer complaints for products and service handled by Seazen 4008 Platform	Case	13,635
Number of repair requests for products and service handled by Seazen 4008 Platform	Case	7,800
Number of other types of feedback received (property services and suggestions) for products and serviceshandled by Seazen 4008 Platform	Case	15,984
Successful resolution rate of customer complaint cases	%	97
Average resolution time of customer complaint cases	Day	3 – 15

Case: Handling customer feedback on pine and cypress tree planting in the park

Summary of the event

In 2021, Seazen 4008 Call Center received feedback from 30 owners of the Tangshan Project regarding the concentrated problem of planting pine cypress tree species in the community. The owners said that the project park planted pine cypress trees, and believed that it was not Geely, hoping to replace them with other tree species.

Investigation process

After receiving customer opinions, the project company will immediately conduct investigation. After verification, the preliminary project organization and design, customer service, and property inspection to surrounding projects; Considering the northern climate, we choose to plant a small number of evergreen trees to meet the needs of the community at all seasons and are located in hidden areas of the park.

Treatment

After receiving the feedback from customers, the project company immediately paid a return visit to customers to communicate and understand their demands. Taking into account the suggestions of the owner and local people's livelihood customs, the project transplanted all 31 Pinus Bungeana and 9 spruces out of the community and replaced them with Japanese Sakura, purple leaf plum and North American Begonia, which was widely recognized by the owner.

Case: Listen to customers directly

Listening to customers' voices is a new measure in the 3.0 upgrade of the "Happiness 360°" customer service system of Seazen Happiness, a new measure of the service initiative mechanism of Seazen's rooted force system. Through an efficient management feedback mechanism and a perfect customer service system, it drives the continuous upgrading of product and service quality. In March 2021, President Liang Zhicheng of Seazen Holdings, a subsidiary of the Group, led the management team and became a member of 4008 to start the annual "pro" listening to customers' voice activity. The event successively organized Hangzhou, Chengdu-Chongqing Region, functional design, operation and other ports to carry out 7 "close" listening to customers' voice activities, a total of 113 people participated, and 113 participants' perception evaluations, which effectively strengthened the management's awareness of embracing customers.

President Liang Zhicheng "pro" listens to customers' voices and improves customer service level

Improving service level

In order to improve customer service capabilities, the Group has established an effective customer service training system, combining courses, lecturers and platform resources, through online and offline training, learning, lectures, visits and other forms of training and exchanges, to cultivate a professional and efficient customer service team.

Considering the epidemic, multi-media, and mobility, the training form in 2021 was adjusted, and the combination of offline and online was adopted to enhance the flexibility of the training mechanism. At the same time, the number of trainees of Seazen's customer service system training system in 2021 has also been expanded. Based on the original "Two New" training, the "Letuo PM" and the "Letuo PLUS" classes, the "Professional Master Class" was added for professional training, to achieve the goal of strengthening professionalism and bringing "trend".

Training on improving customer service capability in 2021

In addition, Seazen signed a strategic cooperation with the "The International Butler Academy" to help Seazen improve its service capabilities through brand cooperation, project operation and talent system certification. Seazen has established a high-end service talent training and service standard system. In 2021, 32 employees of Seazen passed the one-star certification of the International Professional Housekeeper Alliance, and 1,400 employees of the Property Group were trained internally.

Excellent customer service

IMPLEMENTING RESPONSIBLE MARKETING

Formulation of system guarantee

In accordance with the requirements of laws and regulations such as the *Advertising Law of the People's Republic of China* and the *Measures for the Administration of Real Estate Sales,* the Group has formulated responsible marketing policies such as *the Operational Guidelines for Risk Control of Sales Advertising and the Measures for Risk Inspection Before Project Opening*. During the product sales period, the staff will present to customers the "five certificates and one certificate" including land use permit, commodity sales pre-sale permit, real estate development enterprise qualification certificate, publicity of unfavorable factors within the red line and other regulatory documents and items that customers care about Basic information, and indicate the Group's complaint telephone information at the sales site, delivery notices, etc., to safeguard the customer's right to know and appeal.

The case information is transparent

In 2021, we have strengthened the transparency of sales case information, respected customers' right to know, and further strengthened risk warnings such as publicity of unfavorable factors inside and outside the red line, publicity of various sales licenses, and notification of different apartment types, so as to achieve open and transparent sales.

The standard of contract and rhetoric is unified

We uniformly formulate text templates such as subscription agreements and contracts, unify sales rhetoric and sales customer questions, and conduct strict and comprehensive review of all external display and publicity materials. All project materials need to be approved for advertising compliance before they go out to the market, so as to ensure uniform standards in the sales process. External information transmission is accurate.

Strengthen the management and control of marketing risks

In the whole-cycle risk control management of the project, from the region to the headquarters, two major nodes are established: the open review of the demonstration area and the inspection before the opening of the market, and a comprehensive inspection of the sales materials and the display of the model houses is carried out. Information and materials are continuously reviewed to effectively avoid risks. In addition, before all project demonstration areas are opened to receive customers, 100% of the sales commitments and marketing material risk control inspections are accepted, and they can be opened after the inspections are passed.

Third-party mystery customer management

From the perspective of mystery guest as a third-party customer, it detects the two issues that customers are more concerned about in terms of sales integrity and sales service. In 2021, Seazen will conduct a total of 368 third-party mystery guest interviews, covering 14 regional companies and about 160 projects, with a total annual score of 90.4 points.

Case: Seazen Eastern District Project further formulates responsible marketing policies to protect customer rights

In strict accordance with the relevant provisions of the *Administrative Regulations on the Prevention and Control of Risks at Marketing Sites in Eastern District*, all projects in the Eastern District of Seazen presented relevant marketing tools to customers, including the product display of "eye-catching" that customers care about, such as a sand table, commercial enclosure, commercial model section, and demonstration area of reality, to standardize the risk management and control work that customers are not allowed to make arbitrary commitments during the sales process, realize the front-end and standardization of risk pre-control, improve product recovery, and closed-development-sales-delivery full-cycle customer expected to control, which is in line with the quality concept of the Group .

Responsible marketing awareness training

To protect the rights and interests of customers and implement the corporate principle of "serving customers with heart", the Group has set up training and special courses for employees in responsible marketing to ensure that customers are not misled in an objective, true, legal and compliant manner in the process of marketing, advertising and sales.

Publicity and implementation of Management System

Seazen standardized the management of sales offices from the institutional level and clarified the management standards of sales offices from the aspects of sales speech, sales reception, marketing display and risk warning. For example, on 7 May 2021, the Company organized one system publicity event, with 1,022 participants participating online; In August 2021, the Marketing Center organized relevant personnel to study the *Regulations on Sales Data Entry and Time Management*, emphasizing the authenticity and compliance of data processing and reporting in the marketing process.

1,022

1,022 participants

1

1 system publicity event

Legal Awareness Training

Through a common explanation of marketing cases related to customer litigation and customer rights and interests, Seazen strengthened the risk control awareness of the site and cultivated the sense of responsibility of employees. For example, on January 25, 2021, we organized one online training session, and 61 on-sale project marketing 1 + 4 core positions participated in the training.

Responsible Marketing Online Staff Training Course

PROTECTION OF CUSTOMER PRIVACY

The Group attaches great importance to the protection of customer information and consumer privacy, and has formulated comprehensive information protection regulations to keep customer information collected during the business process strictly confidential. In accordance with the requirements of laws and regulations such as *the Cybersecurity Law of the People's Republic of China*, Seazen has formulated management systems such as *the Confidentiality Management System, the Code of Conduct for Employees'Duties and the Standardized Management Measures for the Maintenance of Full Life Cycle Customer Relationship of "Happiness 360°" of the Group*, which clearly stipulates that no employee shall disclose customer information, and the offender shall be subject to serious disciplinary violations.

bsi.
Certificate of Registration

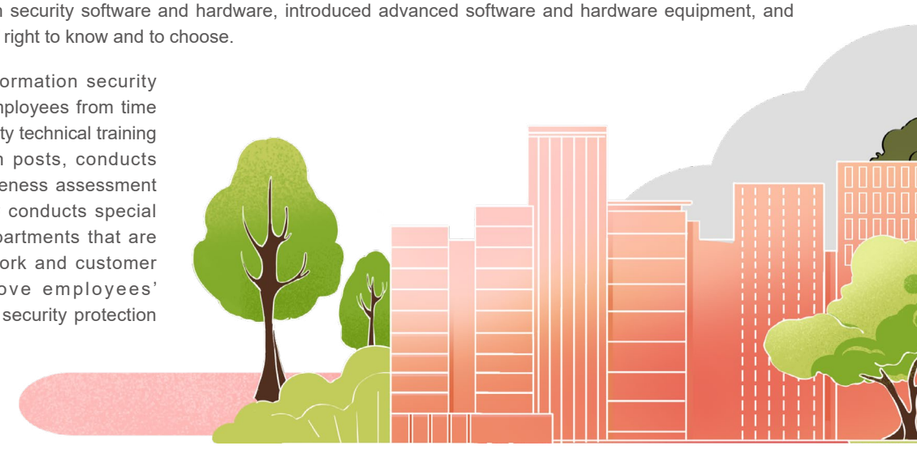
BSI certificate

Seazen has established an information security management committee, with the Group's senior vice president as the management representative, to implement information security management and technical measures in terms of data life cycle security management, identity authentication, access control, information asset protection, etc., to ensure the Company's core data and customer information security, and set up an emergency response team to respond to internal and external information security risk events in a timely manner.

Seazen's core system and private cloud platform have passed the three-level security evaluation in the network security level protection evaluation, and have met the evaluation requirements in terms of physical security, network security, host security, application security, data security, security management system, personnel security management, system security construction, system security operation and maintenance, etc. Seazen has established an international information security standard system in compliance with ISO 27001, and has passed the British Standards Institution (BSI) evaluation with "zero non-compliance" for three consecutive years.

Following the requirements of laws and regulations such as *the Data Security Law of the People's Republic of China* and *the Personal Privacy Protection Law of the People's Republic of China*, Seazen further optimized the relevant service agreements such as *the Privacy Policy of TO-C APP*, formulated the *Information Security Management Measures and the Confidentiality Management Measures of the Group*, established a sound IT audit system, continuously strengthened the construction of information security software and hardware, introduced advanced software and hardware equipment, and effectively protected users' right to know and to choose.

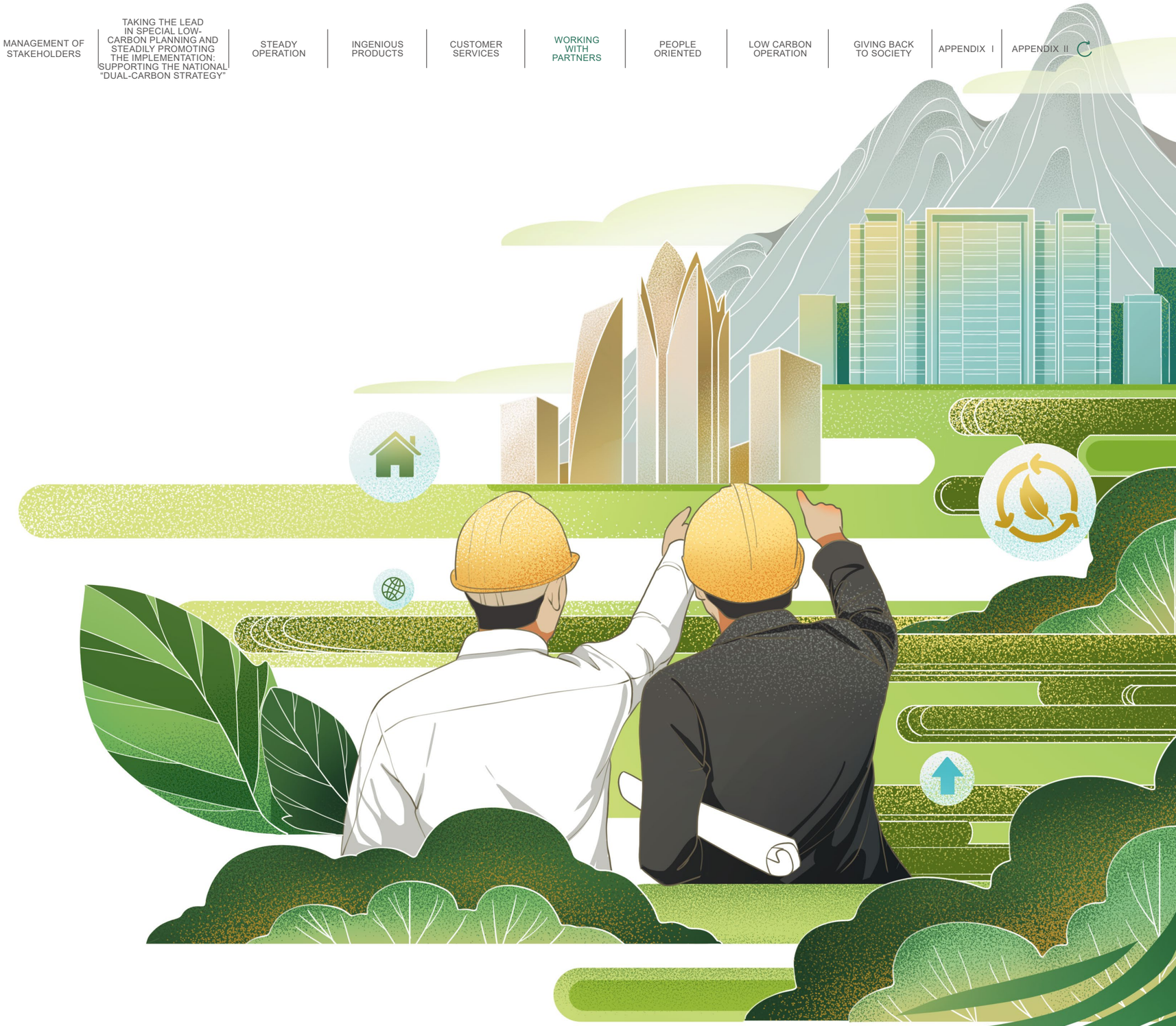
The Group conducts information security awareness training for employees from time to time, professional security technical training for sensitive information posts, conducts information security awareness assessment every year and regularly conducts special training for business departments that are highly related to daily work and customer data, aiming to improve employees' awareness of information security protection and professional skills.



04

WORKING WITH PARTNERS

Seazen insists on establishing a happy cooperation model with excellent partners to jointly promote high-quality development and win-win results, and constantly seeks more high-quality partners to jointly portray the beautiful blueprint of the happy business. Responsible procurement is the mission that Seazen has always adhered to. We actively exert our influence to lead upstream and downstream suppliers to continuously improve technology, quality, delivery time, environmental protection, safety and other aspects, and work together to create a green and sustainable supply chain.



PROMOTING SUPPLY CHAIN RESPONSIBILITY

Supplier responsibility management system

Seazen adheres to the five principles of supplier management, establishing *Supplier Behaviours Regulations, Supplier Management Measures and Procurement Management Measures*, whitch strictly regulates the introduction, evaluation and elimination process of suppliers.

In this Reporting Period, Seazen launched the Big Recruitment Mode to unify the management of various suppliers to ensure transparent and efficient supplier management, and to make the bidding process fair, open and impartial.

Seazen launched the Oasis platform to promote the consistency of suppliers' intranet and extranet, realize the integration of procurement process and promote efficient cooperation.

Full lifecycle supplier management system

Supplier access

When selecting suppliers, the Group will include key indicators such as suppliers' corporate reputation, social impact, environmental awareness and labor relations. We also refers to basic indicators such as suppliers' quality and production capacity, and fully consider important factors such as corporate demand, social expectation and social responsibility to promote the establishment of new sustainable supply chain relationships.

Supplier evaluation

The Group conducts quarterly and annual evaluation of suppliers' performance, and manages suppliers' ratings by classifying suppliers into four categories: A, B, C and D, and formulating corresponding incentives and penalties. During the Reporting Period, we systematically mapped and sorted out 2,163 suppliers and scored their credit systems from multiple perspectives to improve risk control and optimize the supply chain system.

Supplier elimination

The Group has established a black list, a grey list and a list of unqualified suppliers. Among them, we will directly recognize the suppliers who affected the nomarl work with jerry-building and defective products, as well as those who have defaulted on workers' wages, violated social morality, laws and regulations, and endangered the social environment as unqualified suppliers, and resolutely cancel the cooperation relationship, so as to continuously maintain a good social responsibility supply chain system in Seazen.

Supplier audit status tracking for three consecutive years

	2019	2020	2021
Number of core suppliers reviewed during the Reporting Period	1,588	1,127	1,798
Number of qualified core suppliers	1,522	1,051	1,750
Qualification rate of core suppliers (%)	95.8	93.3	97.3

Suppliers business ethics management

Seazen adheres to the principle of integrity and justice cooperation, formulates the *Supplier Management Measures*, including anti-corruption-related clauses in business cooperation, and providing integrity training for suppliers.

100%

In 2021, the Company signed the *Integrity Cooperation Agreement* with all suppliers, and the signing rate reached 100%.

Positive recruitment measures

01 Maintaining transparency in the procurement process, all departments actively cooperate, comprehensive communicate, share information. All procurement actions are decided by the tender team collectively and openly.

02 Complying with the conditions of honesty and effectiveness in cooperating with customers, suppliers and other business partners to promote honesty and integrity in business activities.

03 The *Integrity Cooperation Agreement* will be attached to the commercial cooperation contract, and suppliers will be required to sign the *Letter of Commitment for Honest Cooperation*, which clearly stipulates the cooperation norms and conflicts of interest. In 2021, the Company signed the *Integrity Cooperation Agreement* with all suppliers, and the signing rate reached 100%.

04 "Sunshine clause" are wrote in each contract, and the telephone number and monitoring channels for reporting are publicized.

05 In the public areas and on the bulletin boards of the opened Wuyue Plazas, the prohibited behaviors of employees and the channels for reporting complaints are displayed, and integrity desk cards are set up to convey the concept of integrity to customers. In August 2021, we conducted a special survey of suppliers and merchants and received 409 valid leads to establish a preliminary communication channel with our partners on integrity information.

Case: Integrity promotion to suppliers

In April 2021, Seazen convened the 2021 "Beautiful Companion" Eco Conference, at which the Group made a positive announcement to suppliers, emphasizing Seazen's control requirements on integrity management, tending to establish a good communication mechanism with partners. The Group futher hoped to create a active and healthy cooperation atmosphere, and jointly build a firm compliance defense line.

Integrity Promotion Poster

Seazen integrity desk card is a transparent reporting channel for partners (residential development and commercial development)

Seazen integrity desk card as a transparent reporting channel for partners (Commercial Management)

Strictly controling suppliers' product quality

Seazen is committed to providing satisfying products and services through multi-dimensional control of supplier and contractor supply and project quality, including supplier selection, factory source control, and material incoming sampling.

Carefully selecting suppliers	We select the shortlisted material suppliers based on multiple dimensions such as qualification capability, product quality, benchmarking performance and customer popularity. Suppliers whose product quality cannot meet the national standards and Seazen corporate standards are prohibited from being shortlisted.
Factory source controling	The quality inspection department is dedicated to conduct occasional inspections of material suppliers' factories, sampling and inspection of supplied materials in raw materials, semi-finished products and finished products, and all materials are tested and approved by authoritative testing institutions of third-party vendors before use.
Material entry sampling	We have set up a specialized quality inspection department and cooperated with authoritative third-party organizations such as the national testing center of the Quality Inspection Institute and internationally renowned testing organizations to coordinate the monthly sampling and inspection of construction materials to prevent unqualified materials from entering the projects.
Industry technology exchange	We have conducted material technology exchange meetings with excellent suppliers in the industry and product quality exchange meetings with third-party testing organizations.

Promoting green procurement

Seazen coorperates with Changzhou Architectural Research Institute Group to build a green building materials certification platform. We organizes material suppliers to launch green building materials certification initiative, and publishes Seazen's requirements for suppliers' green certification. By the end of 2021, the Group's subsidiary, Seazen Holdings, has promoted material suppliers to conduct green building materials certification activities. Futhermore, by the end of 2021, it has promoted 24 strategic cooperative suppliers to obtain the *China Green Building Materials Certification*. In addition, S-Enjoy Service Group Co., Limited (S-Enjoy Service), the supplier of the Group's subsidiary, Seazen Holdings, has obtained the Environmental Management System Certification.

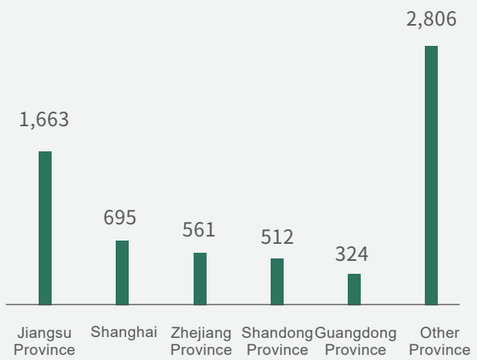
The ISO14001:2015 Environmental Management System Certification (S-Enjoy Service)

Green Building Materials Product Certificate (Kailun Building Materials)

Green Building Materials Product Certificate (Beijing Kele)

Localized procurement

The Group promotes localized procurement. The proportion of localized suppliers is over 50%. In 2021, the number of active suppliers of the Group by region is as follows:



DEVELOPING SUPPLIER CAPABILITY TRAINING

The Group actively communicates with suppliers and partners. We conducts supplier capability training activities annually and gradually extends the training scope to all suppliers.

In 2021, Seazen held 12 centralized training activities for suppliers, including *Material System Application Training, Contract Terms and Conditions Promotion Training, On-line List Application Training, SAP On-line Training* and so on. Affected by the epidemic, Seazen adopted various forms of training, such as on-site centralized lectures, online training, operation and maintenance guidance, and pre-bid lectures. Among them, 1,200 participants were trained in centralized classes, and 100% of the training coverage was achieved through online training, operation and maintenance guidance and re-tender training each year. In addition, we have launched system promotion activities for suppliers to provide them with clear and referenceable systems and rules to deal with complex uncertainties in the cooperation process.

We have conducted more than 100 empowerment trainings such as "Quality and Safety Full Cycle Operation Map" and "Quality and Safety Specialized Management" for the engineering department, construction units and supervision units of each project company during the offline inspection process to enhance construction safety protection. In addition, we conduct competency training on quality sensitive points such as "hollow drums, cracks, leaks, facades, windows and doors, and landscaping" to promote effective improvement of on-site construction quality.

Supplier training sessions

Seazen Holdings' supplier S-Enjoy Service, a subsidiary of the Group, obtained ISO9001 Quality Management System Certification

Seazen Holdings' supplier S-Enjoy Service, a subsidiary of the Group, obtained ISO9001 Occupational Health Management System Certification

PROMOTING GROWTH

Promoting communication and cooperation

We maintain close communication and cooperation with suppliers, brands and other business partners to create a better future together. Seazen has always been promoting the development of the industry. We drives partners to work together and develop while becoming an industry leader.

Since 2019, Seazen has launched the “Beautiful Alliance” and invited more suppliers and partners with social responsibility to jointly build a better public welfare platform through the Colorful Light Project, to promote the development of public welfare undertakings with greater strength. In addition to the impact of the epidemic in 2020, Seazen held communication meetings with partners over the past five years.

Case: “Beautiful Companion” Ecological Conference in 2021

On 23 April 2021, we held the 2021 “Beautiful Companion” Ecological Conference at Hilton Changzhou，Jiangsu with the theme of “New things and new momentum”. The Group's Chairman and President and other senior management team had in-depth exchanges with more than 400 partners from all over China and actively explored the way to win together.

“Beautiful Companion” Ecological Conference 2021 with the theme of “New things and new momentum”

Leading the industrial coorporated development - "Starlight Brand Program"

In order to provide better quality products and drive the common development of the industry, Seazen has launched the "Starlight Brand Program" to help brands become a benchmark, driving greater customer traffic and steadily improving operational efficiency. In 2021, Seazen will continue to implement the "Starlight Brand Program" to cooperate with top brands to achieve a win-win situation. By enhancing brand performance through marketing synergy and resource resonance, Seazen tends to establish market influence and reputation. In 2021, annual sales of 30 Starlight brands reached nine billion, a year-on-year increasing of 43%.

Part brands of "Starlight Branding Program" of Seazen

In addition, in order to promote cooperation with various business partners, the Company explores the "MALL+X" model, innovating the business form, relying on the commercial space and taking the consumption line of customers as the main line of the scene construction and the logic of property placement. It also takes sports and socialization as the core, takes the consumption gathering of young customers as the engine, and carries out multi-dimensional linkage with "X" to build a large thematic platform carrying leisure, socialization and shopping functions. It brings different experiences to the quality customers and the new generation of consumers who pay attention to experience and scene consumption, and creates a more dynamic platform for business partners.

During the Reporting Period, the Group has jointly organized a number of material technology exchange sessions with outstanding suppliers in the industry, including a special technical exchange session on fresh air equipment and a special technical exchange session on smart door locks. In order to respond to the national dual carbon target and promote the industry's carbon peak and carbon neutrality, we held a carbon neutrality and material control mode exchange meeting with a third-party China Testing Inspection, discussing the characteristics and status of carbon emissions of real estate enterprises, the path of carbon neutrality and other important emission reduction issues.

Carbon neutrality and material control model exchange with China Testing Inspection

Actively participating in industry exchange meetings

We actively participate in the summits of well-known industry platforms, including the China Chain Store & Franchise Association (CCFA). In June 2021, President Qu Dejun delivered a keynote speech on *The Happiness Curve of Seazen Business* at the "CCFA New Consumption Forum - 2021 China Shopping Center and Chain Brand Development Summit and Exhibition Appreciation", explaining the goal and vision of making commercial space more valuable.

President Qu Dejun delivers a speech at CCFA

PARTICIPATING IN THE “GREEN CHAIN INITIATIVE”

To promote green and low-carbon development in the supply chain, Seazen has joined the China Real Estate Industry Green Supply Chain Initiative ("Green Chain Initiative") and has promoted 3,874 suppliers in 13 building materials categories to the "White List"[2] and 22 suppliers to the "Green List"[3].

Seazen and Midtown cooperate to promote green procurement exceeds 17 billion. Through the release of the Green Chain Index TOP20 of real estate enterprises and the annual Green Chain Enterprise Award of Jingrui Habitat, a total of 5 outstanding real estate enterprises were selected. 3 reports and 1 policy review article were completed, and 3 online and offline events and 4 training sessions were held for enterprises to interpret policies and propose operational guidelines.

[2] “White List” needs to meet the Green Chain Initiative standards and environmental pollution compliance requirements
[3] “Green List” refers to the white list based on the increase in resources, energy, environment and other evaluation indicators.

05

PEOPLE ORIENTED

Adhering to the "people-oriented" philosophy, Seazen is committed to providing employees with a broad and challenging working opportunity, a relaxed and harmonious working atmosphere, comprehensive health and safety measures, a clear training and promotion mechanism, and competitive remuneration and benefits, to attract outstanding talents and cultivate future business leaders. The Company has been awarded the title of "Best Employer in China" for 16 consecutive years and won the SHL China Talent Management Best Practice Award 2021.

EMPLOYMENT SYSTEM

Seazen adheres to the principle of equal employment in the recruitment process, strictly abides by the *Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Provisions on the Prohibition of Using Child Labor* and other laws and regulations, and has formulated the *Policy of Human Rights and Pluralistic Inclusion* opposes all discrimination due to gender, age, region, education, religious belief, nationality, race, sexual orientation, disability, and eliminates the use of child labour, forced labour, overtime work, harassment and abuse by signing labour contracts in accordance with the law.

In 2021, Seazen Holdings Shanghai Branch, a subsidiary of the Group, was awarded the honorary title of "Shanghai Harmonious Labor Relations Standard Enterprise" by four departments including Shanghai Municipal Human Resources and Social Security Bureau; The Brand and Public Affairs Center of Seazen Holdings was awarded the 2021 Shanghai Women Civilization Post.

Seazen Holdings Shanghai Branch, a subsidiary of the Group won the SHL China Talent Management Practice Award

Seazen Holdings Shanghai Branch , a subsidiary of the Group, was awarded the "Shanghai Harmonious Labour Relations Standard Enterprise

Seazen holdings, a subsidiary of the Group was awarded the "Shanghai Women Civilization Post" in 2021

As the end of 2021, the Group had a total of 32,105 employees. The number of total workforce by gender, age group and geographical region is showed as below:

	Total workforce（person）	Percentage
By gender		
Male	20,174	62.84%
Female	11,931	37.16%
By employment type		
Full-time employees	32,105	100%
By age group		
Below 30	11,573	36.04%
From 30 to 50	20,212	62.96%
Above 50	320	1.00%
By geographical region		
Shanghai	2,207	6.88%
Jiangsu	9,074	28.26%
Zhejiang	2,712	8.45%
Others	18,112	56.41%

As the end of 2021, the employee turnover rate was 31.4%. The employee turnover rate by gender, age and region is shown in the following chart:

	Employee turnover rate[4]
By gender	
Male	31.8%
Female	30.6%
By age group	
Below 30	34.3%
From 30 to 50	29.8%
Above 50	19.9%
By geographical region	
Shanghai	24.8%
Jiangsu	29.5%
Zhejiang	38.0%
Others	32.0%

[4] Turnover rate = annual turnover / (annual turnover + number at the end of the year) * 100%

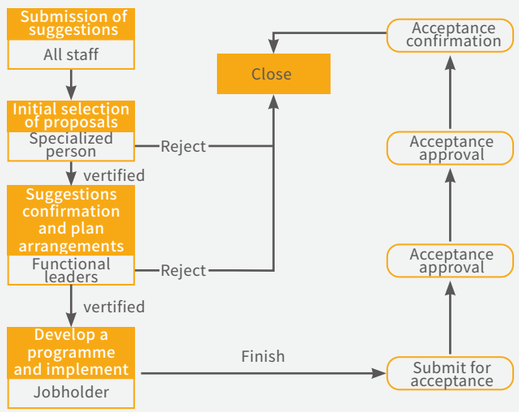
GUARANTEE LABOUR RIGHTS

Seazen attaches great importance to the protection of employees' rights and interests, and has formulated internal policies such as *Policy for Recruitment Management, Measures for Internal Talent Recommendation, Management of Employesss' Job Appointment, Detailed Rules on Award and Punishment Points, Policy for Remuneration and Benefits Management, Measures for Performance Management, and Policy for Attendance and Holiday Management* to ensure that employees enjoy a fair treatment in recruitment, labour, salary, training, promotion, compensation, vacation, etc.

Seazen continues to improve the open mechanism of democratic management affairs in the basic form of the employee representative meeting, adheres to the employee representative meeting system, fully listens to employees' opinions and suggestions, and protects employees' right to know, participate, express and supervise; Actively promote the collective wage negotiation and the signing of collective labor contracts at the Group's headquarters, fully safeguard the legitimate rights and interests of both employees and employers, build a harmonious and stable labor relationship, and improve the Company's ability to manage the enterprise in accordance with the law and management level; Various democratic management activities such as face-to-face meetings with senior management, internal forums, WeChat groups, employee interviews and employee service hotlines were carried out to encourage employees to actively participate in corporate management and enhance the cohesion and centripetal force of employees.

In 2021, in order to further open up the bottom-up information feedback channel, Seazen upgraded the OA office system and launched the "Have sincere opinion" system module, widely absorbed suggestions, and rewarded excellent suggestions. Since the launch of the "Have sincere opinion" system on September 30, 2021, as of October 31, 2021, a total of 230 suggestions have been received. Compared with before the system was iteratively launched, the number of suggestions made by employees has increased significantly. Among the suggestions received: 189 passed the preliminary screening, with a pass rate of 85%; 111 have been adopted, with an acceptance rate of 69%; 49 closure suggestions have been implemented, with a closure rate of 44%.

"Have sincere opinion" system operation and maintenance proces



Seazen strictly abides by national laws, regulations and standards, and actively implements the diversified welfare guarantee for employees. Seazen provides employees with all-around additional benefits such as annual physical examination, holiday benefits, working meals, communication subsidies, vehicle subsidies, external subsidies, high-temperature condolences, and house purchase discounts.

Seazen attaches great importance to the construction of employee compensation and benefits and strives to build diversified incentive forms such as fixed salary, incentives, co-investment, restricted shares and options. It continues to optimize the compensation management system to ensure that the salary level of employees is equal to internal fairness and external competitiveness, and to stimulate the vitality of cadres and employees.

PAYING ATTENTION TO OCCUPATIONAL HEALTH AND SAFETY

Ensuring the health and safety of employees is the cornerstone of talent development. Therefore, the Company pays attention to improving the health level of employees, continuously strengthening the prevention and control of occupational diseases, and strengthening labour protection and health knowledge popularization. Setting up a special psychological counselling room to provide employees with space to talk, help employees improve their self-confidence, and improve their sense of security, gain and happiness. During the epidemic period, the Company did comprehensive disinfection to eliminate the risk of infection, strengthened the control of staff entering the building, organised vaccination and arranged on-site nucleic acid testing. The Company is fully committed to protecting the physical and mental health of its staff and promoting the harmonious development of corporate construction and staff health. In addition, the Company has developed a sound system and set up a special management team to ensure that relevant safeguard measures are strictly implemented.

Occupational health and safety system

The Group strictly complies with laws and regulations such as the *Production Safety Law of the People's Republic of China,* and has passed the OHSAS 18000 safety and health management system certification, and passed the **ISO 45001:2018** occupational health and safety management system certification in **2022**. Seazen has set up an environmental management team and an occupational health and safety management team, which are mainly responsible for establishing and reviewing relevant management policies and management objectives, formulating and supervising relevant measures, and providing suggestions for the improvement of the management system. *Occupational Health and Safety Management Policy*, which applies to all employees, suppliers, contractors and other partners and clarifies the roles, clarifies the roles, responsibilities and authorities of personnel related to environmental and occupational health and safety, and stipulates training, participation, coordination, review and other procedures to ensure the effective operation of the Company's environmental and occupational health and safety system.

Seazen continued to promote the construction of safety management capabilities, clarified the management functions of the Board and senior management, established a three-level safety management structure of the headquarters, regions and projects, strengthened the safety responsibility system and performance evaluation system, and created a safe and stable environment for the development of the Company. The Company has formulated *Occupational Health and Safety Management Policy*, set the objectives of occupational health and safety management monitoring, assessment and hidden danger investigation, and links with the remuneration of project leaders and management, to reduce the occurrence of general and above safe production accidents and ensure that there are no work-related fatalities and no major or above safety accidents.

Seazen ISO 45001:2018 occupational health and safety management system certification

Seazen health and safety management measures

- Prepare standardization documents of health and safety management system
- Set occupational health and safety performance indicators
- Organize occupational health and safety training every six months
- Regularly organize the third party to carry out safety insepctions
- Refine the daily measures for safety management and control on the construction site and supervise the landing mechanism

Ensure safe production

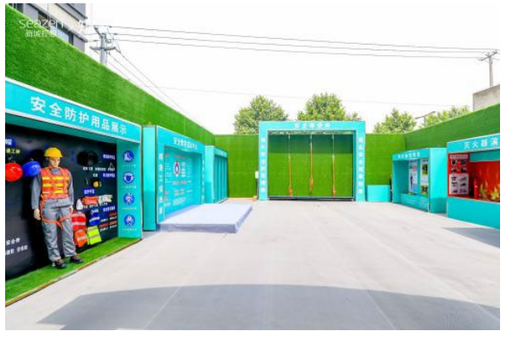
Seazen has formulated the *Regulations on Safety and Civilization of Seazen Real Estate and the Manual on Standardized Control of Safe and Civilized Construction*, which clarify the management system of construction site, living area and office area, the setting of safety signs and other engineering matters, so as to comprehensively ensure the health and safety of workers.

To regularly evaluate the safety management of various projects, we actively promote the two safety management systems of "number management of edge openings" and "management of seat belt real-name system", and organize the third-party evaluation unit to carry out safety flight inspection and special evaluation of large machinery for all projects under construction.

Emergency and fire drill of Lanzhou Anning project

High altitude falling simulation

Helmet impact simulation



Display of safety protection articles

Implementing safe operation

Seazen is equipped with perfect measures to ensure the health and safety of employees, and provides employees with unified annual physical examination and sufficient social insurance. In addition, the Company has purchased "employer's liability insurance" and "comprehensive accident insurance" to avoid the losses caused by accidents during working hours and non-working hours to the greatest extent.

Data related to safe production in the operation and management phase of commercial complexes

Indicators	Unit	2019	2020	2021
Total investment in safe production	ten thousand RMB	4,216.01	4,708.05	7,609.34
Number of general and above safe production accidents	item	0	0	0
Number of employees suffered from minor injuries	person	2	2	1
Number of work-related fatalities	person	0	0	0
Mortality rate per thousand persons	%	0	0	0
Serious injury rate per thousand persons	%	0	0	0
Lost days due to work injury	day	——	100	103
Emergencies	/	46	42	65
Safety accident	/	1	1	0
Large potential safety hazards	/	200	42	28
Major safety hazards	/	16	1	0
Rectification rate of safety hazards	%	100	100	100

Attaching importance to safety training

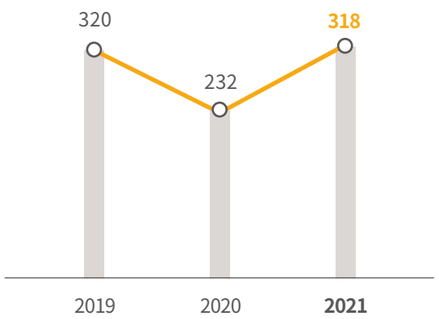
Seazen pays attention to the construction of enterprise safety culture and safety training and education, and uses diversified training forms, occupational health and safety production training such as first aid training, to regularly carry out publicity and education activities such as safety quality month, fire drill and safety skill competition, so as to create a good atmosphere of "safety at all times, safety everywhere and safety for everyone", so as to improve the safety emergency response ability of employees.

Data related to safety training during residential development stage[5]

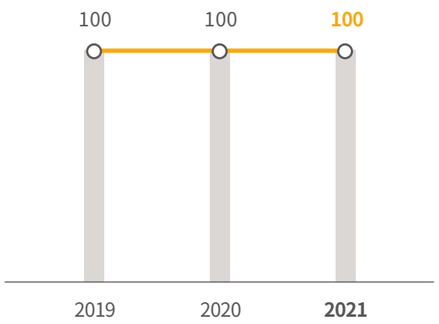
Indicators	Unit	2019	2020	2021
Safety training coverage rate	%	100	100	100

Safety training related data during the development stage of commercial complex[6]

Number of safety training sessions (Number)

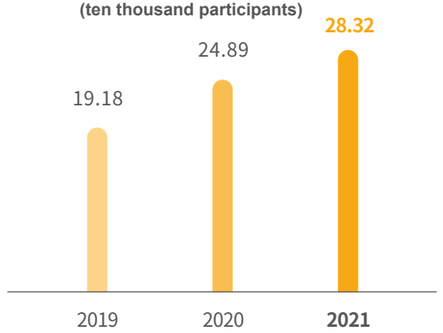


Safety training coverage rate (%)

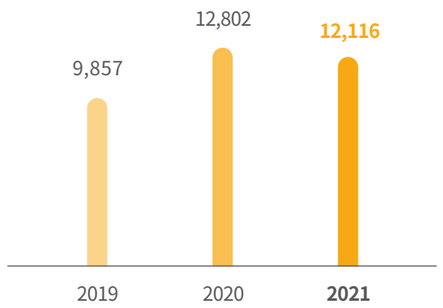


Data related to safety training during the operation and management stage of commercial complex[7]

Number of safety training participants (ten thousand participants)



Number of safety training sessions (Number)



[5] The above statistics only include data related to safety training in the residential development stage of the Residential Development Division.
[6] The above statistics only include the data related to the development stage of the commercial complex, excluding the data related to the operation and management stage of the commercial complexes.
[7] The above statistics only include relevant data of the operation and management stage of commercial complexes, and exclude relevant data of the development stage of commercial complexes.

Carrying out epidemic prevention to ensure safety of site, health, employees and customers

To actively respond to the national prevention and control requirements, Seazen has established a special epidemic prevention team, continuously strengthened the awareness of prevention and control, compacted the responsibility of control, unified the plan and management linkage, formed a grid management mechanism, and formed a hierarchical pre control and prevention plan for all office places, canteens, commercial places and project squares, so as to ensure the safety, order and standardization of places and personnel activities.

In 2021, Seazen successively issued more than 20 epidemic prevention reminder emails and text messages, and continued to carry out epidemic prevention and control.

Seazen actively responded to the call of Shanghai Municipality on the implementation of the vaccination of COVID-19, actively coordinated, set up mobile vaccination car parking spots in the Group building, invited vaccination units to visit the headquarters for full vaccination, and provided convenient services for enterprises and residents around the Group, with a total of more than 3,000 injections.

In view of the normalization of epidemic prevention and control, Seazen strictly implemented the prevention and control requirements, regularly did a good job in epidemic risk investigation and nucleic acid detection, and jointly build a "Great Wall" of epidemic prevention. By the end of 2021, the number of nucleic acid detection had reached more than 12,000 times.

During the epidemic period, employees of Seazen volunteered to become "soldiers" to defend the city, actively help the community epidemic prevention work and stick to the first line of defense for epidemic prevention and control. At the construction sites such as Chuzhou Nanqiao project and Xuzhou Jiawang project, Seazen has never slackened in the prevention and control of the epidemic, ensuring the safety and controllability of the production process. In addition, Seazen integrates various resources and distributes free vegetable bags, epidemic prevention supplies and other materials to residents, ensuring the basic living needs of people in Seazen. Customer service room repair engineers actively sign up for community volunteers, guide residents to detect nucleic acid, pick up and deliver express for the elderly with poor mobility in the community, so as to ensure the orderly development of community epidemic prevention work.

Nucleic acid detection point of Seazen headquarters building

Epidemic prevention partitions are placed on the dining positions of the Company's canteen

Chuzhou Nanqiao project site automatic temperature measurement system

Distribute vegetable bags to residents free of charge

Case: Providing a safe shopping place

Since the outbreak, Wuyue Plaza Commercial Management Company in the Seazen have established special epidemic prevention working groups to strengthen the normalized epidemic prevention and control, and are on duty 24 hours in turn to ensure that they arrive at the first time when necessary. In terms of normalized control of the epidemic situation, the temperature, health code and travel code of Wuyue Plaza in Seazen were checked at all entrances and exits according to the regulations. The staff wore masks at all times and measured their temperature three times a day; In addition, Wuyue Plaza carries out comprehensive killing at regular and fixed points every day, without sparing any dead corner of elevator room, toilet, railing, toilet bucket, elevator handrail, etc.

Providing a safe shopping place

PROMOTING EMPLOYEE DEVELOPMENT

Guided by strategies and business development needs, to create a high-quality and efficient talent supply chain, Seazen has systematically established a training system covering all employees, formulated the *Training Management System, the In-house Lecture Management* and other systems, and assisted a large number of outstanding talents in job rotation, on-the-job practice, and excellent growth through diversified training methods such as practical simulation, case study and interactive teaching.

Diversified training system

During the Reporting Period, with "service", "leadership" and "culture" as the core pillars and "talent assessment platform" and "integrated training platform" as the basic platforms, Seazen organized and carried out diversified training programs such as "Key Position Training", "Eminence Camp", "Joy Business Class" and "New Employee Integration", so that employees at different levels and in different fields are able to get trained on what they need.

Employee Training Performance

	Unit	2021 Performance
Training investment per capita	RMB	404
Online training hours per capita	hour	2.0
Percentage of male employees trained online	%	65
Percentage of female employees trained online	%	35
Percentage of senior management trained online	%	0.2
Percentage of middle management trained online	%	8.3
Percentage of general employees trained online	%	91.5
Average online training hours per male employee	hour	1.9
Average online training hours per female employees	hour	2.0
Average online training hours per senior management	hour	1.1
Average online training hours per middle management	hour	2.5
Average online training hours per general employee	hour	1.9
Employee online training coverage rate	%	100

Case: Series of training for new employees

The Group provides a series of intensive training programs for new employees to help them quickly adapt to the work in Seazen, improve their skills, and become real estate talent with both integrity and ability and vitality.

Induction training for new employees in Seazen

During the visit to the project under the theme of *Love Journey*, new employees gathered together in the Suzhou High-speed Rail Seazen Project to understand the feelings and missions of the Seazen Project in all aspects through the exchange and photo-taking with the families in the project and the exploration of the project's contribution to the promotion of urban evolution.

Suzhou site visit for new employees

Lecture on "investment opportunities in carbon neutrality and hydrogen energy industry"

Promotion incentive

Seazen has created a diversified, clear and smooth career development path for employees. During the Reporting Period, the Company further formed a new rank and career development system based on the value of the position based on the "dual channel" of the original management sequence and professional sequence. In order to deepen the emphasis on sustainable development of senior employees, Seazen established a compensation system in 2019 that linked the compensation of corporate executives to sustainable performance, and released the *2019 Stock Option and Restricted Stock Incentive Plan*, which clarified the future three Annual performance appraisal goals.

Seazen attaches great importance to the personal development wishes of employees. Through internal competitive recruitment methods such as the "Living Water Plan", Seazen gives employees more opportunities to realize internal cross organizational mobility, and builds a broad and inclusive value realization platform for employees.

Case: EMT Senior Key Talent Development Review Project

To support the implementation of Seazen's "Happiness x Growth" strategy and establish a talent pool for the core positions of the Company's management, Seazen provides 60 leaders of core positions with advanced personality assessment tools and methods to portray "all-inclusive" talent images from key experience, ability to potential, and provides customized special development projects.

Case: Evergreen Plan

The Evergreen Plan focuses on the cultivation of potential talents of the Group's senior management and is committed to cultivating compound talents with "layout, vision and good operation" to undertake the great responsibility for the future development of the Company. During the Reporting Period, a total of 17 senior management potential talents participated in the Evergreen Plan as the first batch of trainees. Through direct dialogue with the Chairman, listening to expert insights, visiting benchmarking enterprises and other methods, the ability of individuals to "think, shape and create" was improved.

Case: Middle-level Talent Evaluation Workshop

In order to further improve the talent pool, the Company has designed an assessment workshop for middle-level managers to identify high-potential employees, build a high-quality talent team, help excellent managers improve their self-awareness and carry out targeted capacity building. Since the commencement of the workshop in 2020, a total of 218 middle-level managers have participated in the workshop in two years, identifying 58 high-potential talents and providing them with a special enhancement of talent development.

CARING FOR EMPLOYEES' LIFE

Seazen adheres to people-oriented, widely carries out rich activities such as sports and skills, pays more attention to helping needy employees and caring for retired employees, and opens an employee bookstore to increase the reading experience. Continuously enhance employees' sense of acquisition, happiness and security, and the employee engagement index of Seazen reached 75% in the half year of 2021.

Colorful Seazen staff activities

Seazen staff Library

Women's day employee care

Employee seniority anniversary gift card

Family care on Mother's Day

Staff League Construction

Seazen condolences to the front-line staff of epidemic prevention

During the epidemic, epidemic prevention materials shall be distributed to employees isolated at home

Seazen "True Road Hiking" culture month

Case: Promoting the trekking culture and practicing the spirit of camel

Seazen's hiking culture of "moving forward with perseverance and building a long-term foundation" has been deeply rooted in people's hearts. The two hiking activities of "Seazen Hiking Challenge" and "True Road Hiking" are important carriers for the Company to practice corporate culture and inherit the spirit of Camel. The "Seazen Hiking Challenge" has been held for six seasons. The Company selected high-potential personnel to complete three to four days of walking challenges in a harsh environment such as Dunhuang and Alashan, to cultivate will, promote integration, and use footsteps to think of the tiny wall and understand the strength of Tuotuo. From September to October 2021, the sixth season of the challenge was successfully held in Wuwei, Gansu. More than 260 middle and senior managers, partners and media representatives firmly achieved their goals and completed a 100-kilometre walking journey, which greatly enhanced the cohesion of the Seazen team.

260

From September to October 2021, the sixth season of the challenge was successfully held in Wuwei, Gansu. More than 260 middle and senior managers, partners and media representatives firmly achieved their goals.

100

completed a 100-kilometer walking journey

"Seazen Hiking Challenge" embarking on a journey

"Seazen Hiking Challenge" successfully completed

Case: Seazen "True Road" large-scale hiking action

In 2021, Seazen launched the eighth "True Road Hiking" large-scale walking activity with the theme of "New 10 Years • New Journey", which linked nearly 600 projects in more than 120 cities across the country and took a step on the same day, to demonstrate the spirit of Seazen employees to overcome challenges and carry forward the spirit of down-to-earth.

"True Road Hiking" opens a new journey

Case: Seazen mid-autumn festival happiness market

At Mid-Autumn Festival in 2021, the Seazen Mid-Autumn Festival Happiness Market was opened in the first quarter. Partners from various companies within the Group gathered together to celebrate the occasion of the reunion. The market prepared a variety of traditional fun activities for employees in the Mid-Autumn Festival, allowing employees to relax after busy work, enjoy laughter together with their colleagues and partners, and experience simple happiness in interaction.

Mid-Autumn Festival Happiness Market

Case: Seazen held the online new year annual conference

The 2021 annual meeting started with a new year greeting on the cloud, which was a great leap forward for the upcoming Chinese New Year. Chairman Wang Xiao Song led Seazen colleagues to celebrate the Spring Festival together.

Colorful cultural performances

Case: Providing assistance in difficulties to bring warmth to employees

Seazen insists on doing good and practical work for employees attaches importance to helping employees in difficulties and effectively improves the happiness index of employees. The Company carried out activities of "sending cool in summer" and "sending warmth in winter" to front-line employees; Carried out warm-up activities for employees with major difficulties so that employees can truly feel the warmth of Seazen; The Bank provided targeted assistance to the needy groups, established files for employees in need, and wholeheartedly solved their living difficulties for employees. In 2021, the Company spent a total of RMB 1,656,800 on helping and sending warmth to employees in difficulty.

Providing assistance in difficulties

06

LOW CARBON OPERATION

Seazen upholds the concept of sustainable development and aspires to become a leading green real estate enterprise in China. Starting from the green office system, the green building certification of our residential projects, and the energy optimization action of our commercial projects in Wuyue Plaza, we have proper environmental paths for each business segment to relieve the burden on the planet and contribute to a sustainable future.

STANDARDIZING ENVIRONMENTAL MANAGEMENT

Strengthening management system

Seazen strictly abides by *the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Energy Conservation Law of the People's Republic of China*. The Group establishes and improves the energy and environmental management system, formulates the *Sustainable Development Policy* and *Environmental Management Policy*, which provides corresponding guidelines on environmental protection issues such as energy conservation, water conservation, pollution prevention, waste classification, and environmental greening, and actively undertakes the environmental responsibility of corporate citizens. In 2021, Seazen compiled and revised the *Emergency Disposal Guidelines* for responding to environmental emergencies to improve the efficiency of handling emergencies. We proactively launched the project environmental impact assessment (EIA) and seriously implemented the pollution prevention and control recommendations pointed out in the EIA report.

Implementing energy saving and emission reduction

New Cloud System Display

During the Reporting Period, the Group vigorously promoted energy saving and consumption reduction and formulated a commercial energy consumption optimization plan, with a total of 7 major items and 36 sub-optimization plans, of which 30 items have been implemented on a pilot basis and 2 items are being promoted. It will be further accelerated in the future with a view to achieving the Group's management objectives of energy saving, emission reduction and efficient operation. Seazen continuously innovates the management system and builds the informationized intelligent control platform "New Cloud Intelligent Management System". By establishing a centralized control platform, the control and management of 13 intelligent equipment systems, such as energy (energy consumption) management, Heating,Ventilation,Air-conditioning and Cooling (HVAC), water supply and drainage, and power distribution monitoring, are integrated on a management interface, thus realizing the goal of expanding the management scope and reducing management costs, which helps to lay a good foundation for subsequent energy saving and consumption reduction.

Seazen has invested in the establishment of Wusheng Energy Investment and Management Platform to focus on the development, investment, construction and operation and maintenance of renewable energy. The rooftop decentralized photovoltaic power stations in four Wuyue Plazas in Shengzhou, Haiyan, Nanxun and Cixi have been completed and connected to the grid, generating a total of 149 ten thousand kWh of electricity annually and reducing carbon emissions by 1,539.86 tonnes per year. The remaining 87 rooftop distributed photovoltaic power plants in construction at the remaining Wuyue Plazas, with a total capacity of 50.73MW, are expected to generate a total of 5,020 ten thousand kWh of electricity per year and reduce carbon emissions by 5.06 ten thousand tonnes per year after completion.

1,539.86

generated 1.49 million kWh electricity and reduced 1,539.86 tonnes of carbon emissions annually

87

distributed 87 rooftop photovoltaic power plants in construction at the remaining Wuyue Plazas, with a total capacity of 50.73MW

5.06

generating 50.2 million kWh electricity and reducing 5.06 ten thousand tonnes of carbon emissions annually after completion by estimation

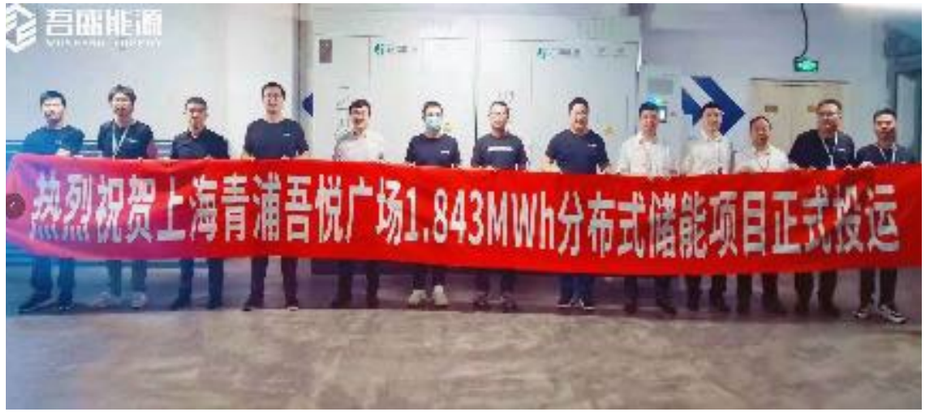
Case: 1.843MWh Decentralized Energy Storage Project in Shanghai Qingpu Wuyue Plaza

Shanghai Qingpu Wuyue Plaza adopts the innovative product of energy storage - Modular Energy Storage All-in-One. As the latest outdoor integrated design, it integrates all the subcomponents of the energy storage system. At the same time, it has built-in EMS energy management system and pre-set various operation control strategies. This achieves modular stacking to support MW-level applications and efficient operation while setting up independent fire protection system and air conditioning system in each vest. In addition, it is equipped with BYD batteries, which are currently the best in the industry, as special cells for energy storage, to improve the efficiency of fire fighting and realize "fire fighting in every place".

The project has been put into operation to reduce the cost of electricity consumption, balance peak load, reduce electricity demand, and serve as a backup power source to ensure the safety of electricity consumption of enterprises, and achieve an annual power generation of about 115 ten thousand kWh.

115

achieve an annual power generation of about 115 ten thousand kWh



Qingpu Wuyue Plaza Decentralized Energy Storage Project Launching Ceremony

Responding to climate change

Seazen actively explores the development opportunities and challenges that climate change may bring to enterprises. We formulate the *Green and Low Carbon Development Plan* to proactively respond to the national commitment to achieve carbon neutrality by 2060. We also integrate climate change measures into the entire life cycle of product design, material procurement, project construction and operation, seeking the proper economic model to cope with climate change risks. The Group further improves the identification of relevant risks and opportunities by referring to TCFD's recommendations on disclosure of climate change risks and opportunities, and analyzes and manages climate risks in four aspects: governance, risk management, strategies and targets.

Strengthening climate governance

The Seazen's Board of Directors is responsible for the development and review of the implementation of the sustainability strategy, which includes climate change issues. The ESG Management Committee is authorized by the Board of Directors to oversee the overall ESG management and convene ESG communication meetings to discuss issues related to climate change risks. Under the guidance of the Seazen ESG Management Committee, the Company's Sustainability Working Group works with all business lines, including operations and design, to assess and manage climate change issues on a daily basis.

Climate risk management

Seazen follows the assessment process of "Screening Risk Points - Conducting Risk Assessment - Analyzing Impact on Business - Risk Ranking" to identify climate risks and possible opportunities, incorporating climate risks as part of the Group's risk management, and will continue to conduct climate risk assessments.

Climate response strategy

Type of risk	Description of the risk	Potential financial impact
Transformation risk	Under China's "Dual Carbon Strategy", low-carbon technologies such as green building technologies will gradually increase in response to national carbon reduction targets and policy requirements, bringing technological transformation risks to Seazen.	Increase in operating costs, increase in capital investment, increase in R&D expenses and decrease in asset value
	Change of customer's green consumption behavior	Decrease in revenue
	Reputation	Decrease in revenue, decrease in financing, increase in operating costs and decrease in value
Physical risk	Acute: Extreme weather	Decrease in revenue, increase in operating costs and decrease in asset value
	Chronic: Sea-level rise	Increase in operating costs and decrease in asset value

Type of opportunity	Description of the opportunity	Potential financial impact
Energy sources	Adoption of renewable energy	Increase in carbon assets and decline in operating costs
Resource efficiency	Promoting green buildings	Increase in opportunities leads to increase in revenue and decrease in operating costs
Market	Green bond issuance	Increase in financing opportunities
Products and services	Promoting green construction and leading green life	Decrease in operating costs, increase in financing, increase in revenues
Weather resistance	Participating in renewable energy programs to improve energy efficiency	Decrease in operating costs and increase in revenues

- **Concerned about carbon sink:** launching New Green Action to offset certain carbon emission targets and form a good basis for carbon trading.
- **Leveraging on green finance:** issuing green bonds to open up diversified financing channels.
- **Promoting the green building:** actively seizing the development opportunities of green building, following and participating in domestic and international green building certification, and committing to fully cover green building certification to new projects and actively renovate existing buildings in 2025.
- **Upgraded technical system of prefabrication construction:** Relying on Wilson Building Company, we can realize the construction of ultra-high assembled rate projects and have a mature technical management system.
- **In-depth study of green development:** " Core Smart Construction " system technology specification, laying the foundation of residential green development.
- **Promoting green business operation:** The New Cloud Platform stores a large amount of data, laying a good foundation for subsequent energy saving and consumption reduction.
- **Increasing the application of renewable energy:** Relying on Wusheng Energy, all commercial projects have renewable energy applications.

Setting targets and goals

Seazen compiles annual energy resource usage and carbon performance and discloses it in ESG Report. In 2021, Seazen has set targets for carbon emissions, energy use, water use, and green building targets. By 2025, the Company will achieve a combined renewable energy utilization rate of 8%.

2021 Energy and Resources Consumption [8,9,10]

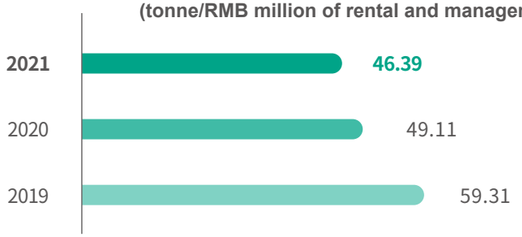
	Unit	2021	2020	2019	Increment rate in 2021[11]
Natural gas	ten thousand m^3	1,253	752	717	39.98%
Direct energy consumption	MWh	135,451	81,304	77,550	39.98%
Electricity	MWh	534,991	331,343	259,158	38.07%
Heat	GJ	457,017	273,111	151,037	40.24%
Indirect energy consumption	MWh	661,940	407,207	301,112	38.48%
Total energy consumption	MWh	797,391	488,511	378,662	38.74%
Intensity of energy consumption	MWh/RMB million of rental and management fee income from urban complexes	92	92	93	0.31%
Water consumption	tonne	6,540,220	3,778,036	3,162,117	42.23%
Water intensity	tonne/RMB million of rental and management fee income from urban complexes	757	712	777	6.00%

[8] The Group's operations do not involve the use of product packaging materials, so KPI A2.5 is not applicable.
[9] The energy consumption disclosed in this Report is presented in megawatt hours (thousands of kilowatt hours), and the calculation method and conversion factors come from the *Accounting Methodology and Reporting Guidelines for Other Greenhouse Gas Emissions from Public Building Operations* issued by the National Development and Reform Commission.
[10] In 2021, the Group updated the collection caliber of resource and energy data for the past three years. The updated caliber does not include the actual usage of Wuyue Plaza merchants. Therefore, the data in 2019 and 2020 are restated according to this caliber.
[11] The Board of Directors of Seazen attaches importance to the setting and daily tracking of ESG targets, and the 2021 incremental rate is the regular tracking and monitoring of the 2025 Green Commitment targets by the Board of Directors of Seazen.

2021 Waste Emissions[12,13]

	Unit	2021	2020	2019	Increment rate in 2021
Kitchen waste	tonne	156,415	85,173	70,673	45.55%
Domestic waste	tonne	209,956	149,977	148,762	28.57%
Construction waste	tonne	34,365	25,556	21,872	25.63%
Total discharge of non-hazardous waste	tonne	400,736	260,706	241,307	34.94%

Intensity of non-hazardous waste discharge
(tonne/RMB million of rental and management fee income from urban complexes)



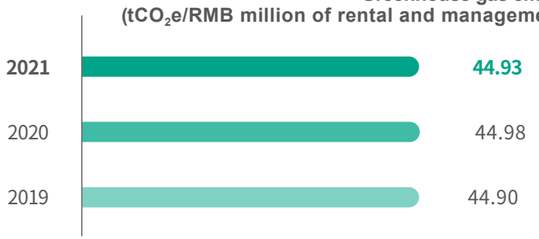
Increment rate in 2021

-5.86%

2021 Greenhouse Gas Emissions

	Unit	2021	2020	2019	Increment rate in 2021[14]
Scope I: Energy direct emissions	tCO_2e	27,082	16,256	15,505	39.98%
Scope II: Energy indirect emissions	tonnes CO_2	361,102	222,552	167,185	38.37%
Total greenhouse gas emission	tCO_2e	388,183	238,808	182,690	38.48%

Greenhouse gas emission density
(tCO_2e/RMB million of rental and management fee income from urban complexes)



Increment rate in 2021

-0.11%

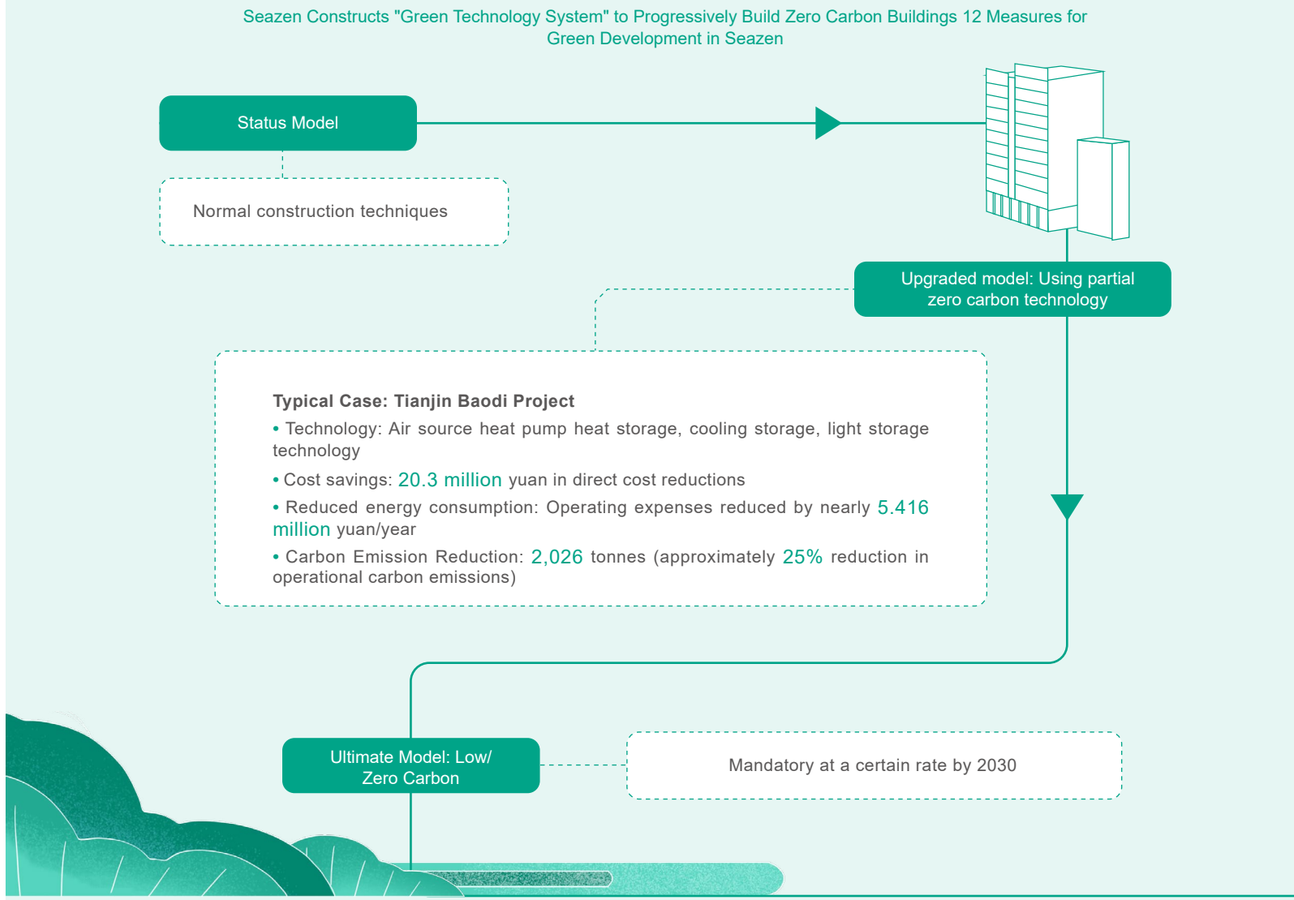
[12] The Group's hazardous waste is a small amount of waste toner cartridges and waste ink cartridges, which are disposed of by qualified recyclers and do not generate hazardous waste emissions. The impact on the environment is relatively small, so KPI A1.3 is not disclosed in this Report.
[13] Selected data restated for 2020.
[14] The Board of Seazen attaches great importance to the setting and daily tracking of ESG goals, and the 2021 incremental rate is the regular tracking and monitoring of the 2025 Green Commitment targets by the Board of Directors of Seazen.

PRACTICING GREEN DEVELOPMENT

According to the existing national and international standard green building design system, Seazen has developed a "green technology system". In 2021, Seazen has launched **12** initiatives for green development, striving to become a leader in green development and low-carbon operation and maintenance in the industry. At the same time, Seazen actively adopts technologies such as prefabrication construction, BIM technology, new material technology and the use of renewable energy to continuously promote low carbonization and informationization in the construction stage and deeply implement green development strategies. In 2021, Seazen has compiled **8** new materials to be applied on a pilot basis to further reduce operation and maintenance cost consumption.

In 2021, the Company has not made significant impacts on the environemental and natural resources. In addition, Seazen attaches importance to the protection of various ecological resources, such as land and biodiversity, and strictly complies with various laws and regulations such as the Regulations of the *People's Republic of China on Nature Reserves* and the *Land Administration Law of the People's Republic of China* in the construction of projects, We also identifies and manages the potential negative impacts of business activities on biodiversity and ecosystems, and ensures that the whole process of project implementation is in line with the principle of sustainable development.

Seazen Constructs "Green Technology System" to Progressively Build Zero Carbon Buildings 12 Measures for Green Development in Seazen



Developing a green development plan

Improve the organization and system system	1. Establish the EHS management organization and system of Seazen 2. Compile a green and low-carbon technology system in line with the characteristics of Seazen Group
Advocate green operation	3. Establish a green supply chain system to achieve green upgrading of raw material extraction, production and processing, and end-consumption of the industry chain 4. Enhance the proportion of green building materials application. Develop the Group's green building materials catalog and develop a green building materials certification program 5. Advance the implementation of green construction technology. Deepen the "Core Smart Construction" system and promote its implementation, and increase the research of green construction system for commercial projects 6. Renewable energy utilization rate will be enhanced and the combined utilization rate of renewable energy will reach 8% by 2025 7. Promote full electrification of buildings
Promote green and low carbon buildings	8. Achieved 100% green building coverage in new projects 9. Increase the proportion of higher-level green building certification and create start projects to meet the demand for domestic and international certification 10. Build a green and low-carbon standard project, the first domestic and foreign high-level multi-certification shopping center in China 11. Develop the coverage of the prefabrication construction area, the proportion of newly built assembled buildings in each sector is 40% 12. Piloting an ultra-low energy, low carbon community project before 2023

8%

Renewable energy utilization rate will be enhanced and the combined utilization rate of renewable energy will reach 8% by 2025

100%

Achieved 100% green building coverage in new projects

40%

the proportion of newly built assembled buildings in each sector is 40%

Deepening the prefabrication construction

Compared to traditional projects, the prefabrication construction can shorten the construction period by 3-4 months. And it is green, environmentally friendly, energy efficient and recyclable. In response to the national policy, Seazen actively promotes the development of prefabrication construction, actively develops prefabrication construction technology. In 2021, the proportion of prefabrication construction projects of Seazen reached 65%. To further increase the proportion, we developed an prefabrication construction work plan for 2022-2024 to gradually reduce energy, water consumption and noise pollution during the construction process from the source, while solving problems such as long construction cycle.

Seazen 2022-2024 Work plan for prefabrication construction

2022

- Evaluate and promote the use of finished wall panels in more than 10 commercial interior partitions in line with the current project progress
- Specify the application parts of commercial assembled building components, and form a standard file

2023

- All commercially available prefabricated parts are prefabricated
- Compilation of *Quality Control Manual for Prefabrication construction* (2023)

2024

- Continuous improvement and expansion of assembled applications

Case: Xuzhou Dalong Lake Project

Seazen Xuzhou Dalong Lake project adopted prefabrication construction process, which realized the high industrialization of building. The project benefited from a high percentage of finished components, modern construction techniques and management tools. It solved the problems of high pollution, high energy consumption and resource consumption that exist in traditional construction methods. This project, which was highly recognized by the local authorities, was awarded as a prefabrication construction project in Jiangsu Province.

Xuzhou Dalong Lake project prefabrication construction site

Sponge city

In September 2021, Seazen formulated the *Design Standards and Practical Technology Manual for Sponge Cities (2021 Edition) (the "Technical Manual")*. Based on the research on the policies of sponge cities across the country, and combined with the existing cases of sponge projects of Seazen, the *Technical Manual* compiles guidelines on the control and implementation points of sponge projects, formulates the principles of selecting sponge use technologies, proposes the preferred solutions of sponge measures, and guides the relevant professional engineers in the control of on-site construction materials and construction processes. It aims to improve the level of construction of the sponge city of Wuyue Plaza and to build a green, harmonious, ecological and safe living environment. It also aims to further promote the development of the sponge city and carry out the social responsibility of Seazen.

The Group continues to implement the "sponge city" concept in the development process, strictly controlling key indicators such as "total annual runoff control rate" and "annual runoff pollution control rate". We adopts technologies such as depressed green areas, rain gardens and rainwater recycling. By the end of 2021, a total of **36** Wuyue Plazas adopted the concept of sponge construction, and among them, **16** Wuyue Plazas achieved an annual runoff control rate above **75%**.

Case: Eco-design of Kunshan Wuyue Plaza

The main purpose of the Kunshan Wuyue Plaza is to control the vertical direction of the site and provide linear drainage ditches within the site. This is to prioritize the drainage of rainwater into ecological facilities such as artificial wetlands, bioretention devices, and recessed green areas for purification treatment. Therefore, it can achieve the construction goals of 70% annual runoff control rate and 60% surface source pollution control rate.

Kunshan Wuyue Plaza

Land intensification

Seazen actively responds to the national policy on the intensive use of land. The Group invites government departments to participate in the rational planning and layout adjustment of urban construction land during the preliminary project site selection and communication, and solves the problem of large demand for land for urban construction by combining or building on behalf of development projects with government public construction and community support projects, so as to realize the optimal solution of land value mining and land conservation use.

In order to promote the redevelopment of urban brownfields , Seazen conducts social assessments and environmental impact evaluations of pre-development sites, establishing diversified land development strategies and negative site lists and promoting greenfield development and brownfield redevelopment projects. The Group commits to reduce negative impacts on local communities, the natural environment and biodiversity, and enhance the overall appearance of the city.

Case: Intensive land use in Yancheng Binhai Project

Yancheng Binhai Project fully adheres the principle of intensive land use. On the one hand, the 80,000 sq.m commercial complex and 18,000 sq.m special commercial street are built through a mix of commercial and residential land. At the same time, the project also takes care of 7,000 sq.m of settlement houses, a nine-class kindergarten, and 1,500 sq.m of community housing in addition to the project's service facilities. Therefore, it is very economical in urban construction land and improves land use efficiency. On the other hand, by combining the functions and spaces between commercial and residential buildings, and coordinating the various indicators between the east and west blocks, the project provides the city with maximum plaza space, special space and centralized green space, while greatly reducing the construction cost and satisfying the investment standard of the development entity, and effectively promoting the implementation of the project.

Yancheng Binhai project plan

Case: Brownfield renovation - Xuchang Radio & TV Center Phase II Project

The original planning of the second phase of the Radio & TV Center occupied about 20 acres of land, which was used for the construction of the Radio & TV Center, office and staff restaurant. Due to the consideration of intensive land use, local government later combined the 20 acres of land with the 42 acres of land to the south of it into a commercial site and agreed to have the construction completed by the Group in accordance with the design requirements of the Radio & TV Center. This adjustment combined the commercial building with the public building originally planned by the government, and through the unified design and construction, the urban construction land was greatly saved and the land use efficiency was improved.

DEVELOPING GREEN BUILDINGS

Raising the standard of green building

Seazen actively seizes green building development opportunities, follows and refers to domestic and international green building certifications, formulates the *Green Building Policy*, and commits to fully cover green building certifications to new projects by 2025. The Group tends to increase the percentage of new buildings certified as green buildings by China's *Assessment Standard for Green Building* (GB/T) 2-star or above, *Leadership in Energy and Environmental Design* (LEED) Gold or above, and *WELL Building Standard*, and actively renovates existing projects and promotes *Leadership in Energy and Environmental Design O+M* (LEED O+M) certification for some existing projects.

Seazen Wuhan Caidian Wuyue Plaza was awarded American LEED gold award pre-certified e-Certificate in May 2022

During this Reporting Period, Seazen combined with the *Nearly Zero-energy Buildings Technology Standards and Passive Residential Building Technology Guidelines for Extreme Summer and Winter areas* and other domestic and international green building standards, industry standards for standardized design, and strive to seek a breakthrough in the field of low-carbon buildings. In addition, in the renovation of existing buildings, the Group will carry out feasibility analysis of relevant low-carbon technologies to meet the requirements of future corporate carbon emission targets and strive to become a leader in green development and low-carbon operation and maintenance in the industry, and plans to build a pilot ultra-low energy consumption, low-carbon community project in 2022.

Taizhou Phoenix City Walk has fulfilled the requirements of precertification under the WELL community standard

Expanding green certification

During the Reporting Period, there were 61 new residential development projects in Seazen, including 54 green-starred projects (24 one-starred and 30 two-starred) and 7 green building standard projects, with a total green building area of 11.03 million sq.m and a green building coverage rate of 100%.

During the Reporting Period, Seazen received **12** national green building marks shopping center projects, including **11** two-star and **1** one-star projects, and **3** two-star design certification projects, with a total green building operation certified building area of **1,768,500** sq.m. The Group has set a target commitment of **100%** green building coverage in new projects and all properties meeting the basic and above design requirements in the *Assessment Standard for Green Building* GB/T 50378-2019 for 2021. The Group has established a sound Group-wide low carbon management system, set up carbon emission reduction assessment indicators and a reward and punishment system in accordance with clear targets, and strengthened the implementation of responsibilities.

Projects of Seazen obtained green building certification in 2021

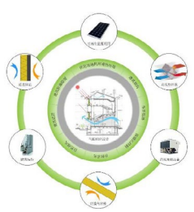
No.	Issuing authority	Certification star	Project name
1	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Two Stars	Suzhou Wujiang Seazen Linshuiwan Jingyuan
2	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Two Stars	Rugao Yuejun Garden
3	Tianjin Housing and Urban-Rural Development Committee	Two Stars	Jingwu Town Qianhuadao Nannanhe Residential Land Lot Project
4	Tianjin Housing and Urban-Rural Development Committee	One Star	Jinchen Dian (Zhu) No. 2006-032 ABCD Land Lot Project
5	Tianjin Housing and Urban-Rural Development Committee	Two Stars	Land Parcel H Project in Beichen District (Xiaohezhuang Transfer Area in Xiaodian Demonstration Town)
6	Beijing Municipal Commission of Planning and Natural Resources	Two Stars	R2 Type II Residential Land Project, Lot 1606-641, Xihuang Village, Shijingshan, Beijing
7	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Two Stars	Taizhou Taixing Seazen Riverbank Jiayuan Taizhou
8	Chinese Society for Urban Studies	Two Stars	Changzhou Wujin Seazen Jiuxi Taiyuan
9	Technology and Industry Development Center of the Ministry of Housing and Urban-Rural Development	Two Stars	Yancheng Yuejun Times Garden Commercial Building 32

Wuyue Plaza obtained green building certification in 2021

No.	Issuing authority	Project name	Star	Category
1	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Nanjing Yuhua Wuyue Plaza	Two Stars	Operation
2	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Yancheng Yandu Wuyue Plaza	Two Stars	Operation
3	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Yancheng Sheyang Wuyue Plaza	Two Stars	Operation
4	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Yancheng Dongtai Wuyue Plaza	Two Stars	Operation
5	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Yancheng Dafeng Wuyue Plaza	Two Stars	Operation
6	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Taizhou Xinghua Wuyue Plaza	Two Stars	Operation
7	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Xuzhou Jiawang Wuyue Plaza	Two Stars	Operation
8	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Nantong Rugao Wuyue Plaza	Two Stars	Operation
9	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Huai' an Lianshui Wuyue Plaza	Two Stars	Operation
10	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Huai' an Ecological City Wuyue Plaza	Two Stars	Operation
11	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Lianyungang Haizhou Wuyue Plaza	Two Stars	Operation
12	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Lianyungang Ganyu Wuyue Plaza	One Star	Operation
13	Chinese Society for Urban Studies	Tongling Tongguan Wuyue Plaza	Two Stars	Design
14	Qinghai Province Construction of Science and Technology Development Promotion Center	Xining Chengbei Wuyue Plaza	Two Stars	Design
15	Tianjin Housing and Urban-Rural Development Committee	Tianjin Binhai Wuyue Plaza	Two Stars	Design

Case: Seazen Cangzhou nearly zero-energy buildings

Seazen XiyueChunqiu has built "Cangzhou's First Nearly Zero-energy Buildings" with a total floor area of 171,679.02 m². Through the adoption of natural lighting and ventilation, high-performance enclosure structure, renewable energy utilization, building airtightness control, energy-saving lighting, energy-saving elevators and other measures, the community has developed ultra-low energy residential buildings with a total gross floor area of **13,736.1** m² for residents with Nearly Zero-energy Buildings. It has become a new representatives of Seazen in the field of green building and is also a result of Seazen's active exploration in the field of ultra-low energy residential buildings.



Green Building Model and Design of Seazen XiyueChunqiu Community

PROMOTING GREEN COMMERCIAL

Constructing green shopping malls

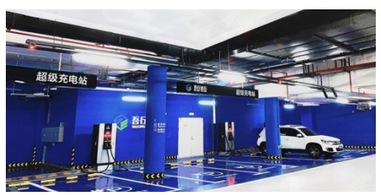
Seazen has actively launched the construction and declaration of green shopping malls, adopted various forms to promote the concept of green consumption and create an atmosphere of green consumption. At the same time, Seazen actively applies for green shopping malls, which can receive two government subsidies, namely "green shopping malls" and "green energy-saving renovation" after successful establishment and application. In 2021, 11 Wuyue Plazas of Seazen have passed the application of green shopping mall, including **2** national and **9** provincial ones.

Seazen Optimizes Commercial Energy Consumption Initiatives

- Installation of charging piles in basements and outlying areas.
- Parking lot and parking spaces are rented out under brand names.
- Transformation of outdoor ordinary streetlights into intelligent multimedia streetlights.
- Completion of **30** pilot retrofitting of energy-saving water pumps in 2021, with electricity savings of **49** ten thousand kWh , carbon emission reduction of **490** tonnes and electricity savings of RMB **100,000**.
- Construction of 49 solar photovoltaic power stations with an installed capacity of **31.23 MW** in 2021, with an estimated annual power generation of **30.66** million kWh and a reduction in carbon emissions of 30,600 tonnes.
- The parking lots are controlled by zones according to the characteristics of the traffic flow during holidays and weekdays, and the annual energy consumption of the commercial management is estimated to be about **1.5** million. Carbon dioxide emissions are reduced by about **2,490** tonnes.
- Adjusting the brightness of the plaza from **100%** to **50%** (on average) during all operating periods, the annual energy consumption of the "WUYUe" projects is about **2** million kWh, with an estimated electricity saving of about RMB **1.2** million and a reduction of carbon emissions of **2,000** tonnes.
- Developing the dome coating project to further promote the regulation of reflectivity thermal insulation glass film to reduce the indoor energy load.

Case: Actively promote the construction of charging piles

Seazen is committed to cooperating with the national new energy automobile policy. In terms of shopping malls, there are 48 Wuyue Plazas and 1,140 charging piles in use across the country.



Seazen Jianye Wuyue Plaza charging piles

Quzhou Wuyue Plaza was awarded the Green Shopping Mall of Zhejiang Province

Nan Xun Wuyue Plaza rooftop photovoltaic power station

Conducting green leases

In order to further promote green commercial, Seazen has formulated the *Green Leasing Policy* and signed *Green Leasing Agreement* with all tenants, committing to promote triple net worth leasing. It specifies the payment methods for commercial management fees such as water consumption, food waste production and energy usage during the tenancy and operation periods of the merchants, encouraging the merchants to set electricity and water consumption targets linked to their own operations, and firmly establishing the awareness of electricity and water conservation. In addition, Seazen has also established a green leasing evaluation system, which rates merchant behavior annually and gives incentives to those who have outstanding performance in green operation.

The Group has established a "three-take" responsibility system for the tenants of Wuyue Plaza. In the contracts, tenants are required to distinguish between dry and wet solid waste. We also ask restaurant tenants to separate garbage. Each Wuyue Plaza property has formulated environmental protection measures and implemented a strict garbage collection system. We are also exploring more possibilities for emission reduction and are constantly studying innovative solutions. We expect to apply these optimization measures to a wider range of areas in the future to further promote emission reduction.

ADVOCATING GREEN OFFICE

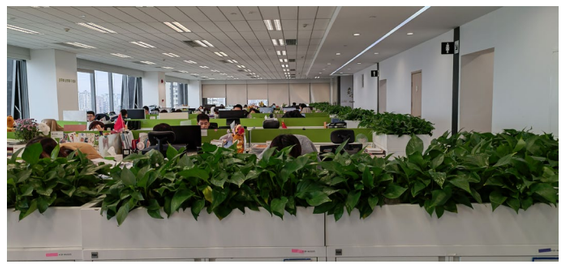
We integrate the concept of a green office into our daily work, creating a green and ecological office environment for employees, advocating low-carbon travel by employees, requiring saving paper, water and electricity, and helping build an energy-saving and environment-friendly enterprise with practical actions.

Seazen integrates the concept of the green office into the daily work, to help build an energy-saving and environment-friendly enterprise with practical actions. We stipulate the requirements for regulating paper, water, electricity and smoking in the administrative measures issued by the Company. And we install smoke detection alarms in public areas to strengthen control. We encourage everyone to use stairs instead of elevators. Also, we install induction lighting in the office area of the building to ensure that lights are turned off when not in use. We advocate low-carbon travel and the use of public transportation as well.

Encourage employees to use stairs

Lighting control Energy saving reminder

Paper saving reminder



Green plants in office areas

Place double-sided and black and white printing reminders in printing rooms

DEVELOPING GREEN FINANCE

The Company upholds the concept of sustainable development and fulfills its social role as a "service for a better life". In June 2021, the Company established a sustainable financing framework, which was certified as green and sustainable by Sustainalytics, an authoritative European certification body, and issued a second-party opinion. In addition, the Group was also awarded the "Pre-issuance Stage of Green Bond" certificate by the Hong Kong Quality Assurance Agency (HKQAA). On July 15, 2021, the Company completed the issuance of 0.3 USD billion 4.25-year Green Senior Notes with a final coupon rate of 4.625%. This is the first green bond issued by Seazen, marking a key step in green finance and another milestone for Seazen in promoting green commercial operations and achieving sustainable growth of the Company.

0.3

0.3 USD billion 4.25-year Green Senior Notes

4.625%

final coupon rate of 4.625%

"Pre-issuance Stage of Green Bond" certificate by the Hong Kong Quality Assurance Agency (HKQAA)

07

GIVING BACK TO SOCIETY

Adhering to the corporate mission of "making happiness simple", the Group upholds the belief of "taking from the society and giving back to the society". Through the "Colorful Light Project", a large-scale public welfare brand established by the Group, Seazen focuses on vulnerable care, caring for humanities and education, improving art and culture, and insists on creating a brand value that gives back to the society and creates a good brand value.

PROMOTING URBAN RENEWAL

The Group conducts research from the perspectives of national policies and national business development, seeks the correct direction and reference point of urban revitalization, integrates traditional and modern development, combines culture and trend, leads Changzhou Hanjiang Road Project and Guiyang urban revitalization project, and strives to explore a new sustainable development model of urban renewal and create a people-oriented and more dynamic public space.

Case: Hanjiang Road Japanese culture Street, Changzhou

The Changzhou Hanjiang Road project digs deep into the historical context of the inheritance and evolution of Chinese and Japanese cultures, and is committed to combining the Hanjiang Road and the wind characteristic block with the existing dinosaur paradise to create a dual urban business card in Changzhou. The function of the block is refined into three themes of urban style, fashionable rhythm and elegant food according to the three major themes. Quality improvement and public space transformation are carried out. The existing Japanese restaurant is retained, the elements of the neighborhood style are added, and well-known IP, Internet celebrity brands, and high-quality western food are introduced and other diversified business formats to meet the multi-functional needs of urban residents, business people and tourists for social functions, parent-child life, urban life and cultural experience.

Hanjiang Road themed elements Shop

Design patent for curtain wall (wind bell) obtained from renovation of Hanjiang Road, Changzhou

Hanjiang Road Fu Shi Drawing style and style elements

The curtain wall (wind bell) obtained from the renovation of Hanjiang Road, Changzhou Utility model patent

Visitors on the Hanjiang Road

Case: Guiyang city rejuvenation-pedestrian street upgrade

The Guiyang City Fuxing Project is located in the area of Fuchui Wenchang Ge, covering the old and new streets and ancient and modern buildings, which is the core of the city of Guiyang. Seazen supports the organic integration of regional tourism resources, continuously improves the capital value of regional tourism resources, and continues to create a city-featured commercial pedestrian street with refined management, co-existence of fireworks and gas, and co-development of national culture and innovative business. The transformation strategy of the project is based on the bank style of the Bund, the ART DECO style architecture, the southwest wind of the Chinese and western countries, the modern architectural square, the traditional stone road, the large LED screen, the building facade projection, and the internet celebrity card-playing space, etc., to carry out the overall layout. The project deeply integrates the modern and traditional style, makes full use of the cultural and historical values, actively introduces emerging industries, and contributes to the creation of urban vacation routes for the aggregation of cultural preservation units and the reshaping of regional economic vitality.

Cultural and historical area - architectural characteristics and Shiban road in Central Guizhou

The combination of Chinese and western southwest wind of the Republic of China, combined with modern LED light belt and architectural projection

SUPPORTING RURAL REVITALIZATION

In 2021, the Group timely responded to the national call for "full implementation of rural revitalization strategy". To consolidate and expand the achievements of poverty alleviation and effectively connect with rural revitalization, Seazen increased its leadership and efforts to help rural revitalization, and further clarified the focus and working mechanism of assistance. During the Reporting Period, based on the work ideas of "One Body with Two Wings", Seazen, with the help of "Happy Charity Bazaar", a key public welfare project under the humanitarian assistance section of Seazen's public welfare brand "Colorful Light Plan", and "Seazen Fortune Festival", clearly defined "Rural Revitalization" as the Group's key work direction from 2021 to 2023, and funded key groups. Seazen actively exerts the brand radiation effect of Wuyue Plaza, as of the end of the Reporting Period, the Group has opened and operated **5** Wuyue Plazas in counterpart areas and old red revolutionary base areas, creating **5,328** jobs.

2021 coincided with the 100 years of the founding of the Communist Party of China, the "Happy Charity Bazaar " decided to focus on the rural areas where the red roots are located to carry out public welfare and agricultural assistance activities. In September and November 2021, the two stations of "Yan' an Shaanxi" and "Zunyi, Guizhou" invited the Company's senior management to visit the live broadcast room to carry out interpretation and online sales of products, convey love and care, and contribute to the realization of common prosperity. By the end of 2021, the live broadcasts in Yan'an and Zunyi had a total of more than 1 million views, and more than 400,000 likes. The cumulative order volume of each public welfare platform for agricultural assistance exceeded 16,000, and the love assistance exceeded RMB 510,000.

Rural Revitalization Activities in Yan' an, Shaanxi

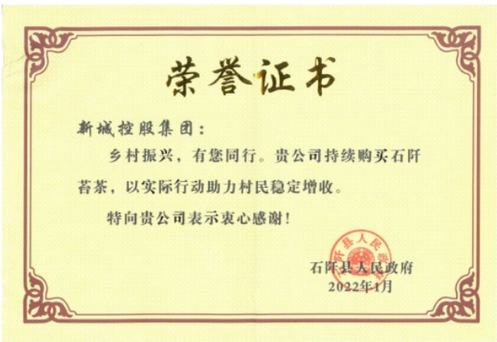
Guizhou Zunyi Rural Revitalization Activity

Seazen cooperated with Xinhua News Agency to carry out targeted assistance in Zunyi, Guizhou Province, Xinhe County, Hebei Province and other places, and cultivate local cured meat, yam, tea tree mushroom, Ganoderma fresh tea and other featured public welfare agricultural assistance products; The Group integrated its business to create a special agricultural assistance activity of "Seazen Fortune Festival" in the second quarter. It went to the county of Kuancheng Manchu Autonomous County, Hebei Province, and supported local farmers to expand the sales channels of special agricultural products such as chestnut through online live broadcasts. It also promoted the development among the Group's partners and property owners and fully explored potential customer groups. The direct procurement amount for the year was nearly RMB 1,200,000.

1,200,000

The direct procurement amount for the year was nearly RMB 1,200,000

In addition, Seazen Holdings and the Rural Revitalization Bureau of Hubei Province reached a targeted funding plan for the "Leading Project", and donated RMB 3,000,000 to the Hubei Provincial Foundation for Poverty Alleviation to support the "Leading Project" (branch secretary of the village) demonstration training project for rural revitalization in Hubei Province and help rural revitalization in Hubei Province.


荣誉证书

新城控股集团：

乡村振兴，有您同行。贵公司持续购买石阡苔茶，以实际行动助力村民稳定增收。

特向贵公司表示衷心感谢！

石阡县人民政府
2022年1月

Appreciation Certificate from Shiqian County Government to Seazen Holdings a subsidiary of the Group

荣誉证书

HONORARY CREDENTIAL

感谢：新城控股集团

扶贫帮困情系新河
大爱无疆尽献真情

中共新河县委
2022年01月

新河县人民政府
2022年01月

Certificate of Appreciation from Xinhe County Government to Seazen Holdings a subsidiary of the Group

LIGHTING UP HAPPINESS WITH HEART

Since 2013, Seazen has been adhering to the concept of "Lighting up Happiness with Heart" to continuously develop the Group's self-developed large-scale public welfare brand "Colorful Light Project". The plan hopes to build a public welfare platform with the corporate strength of Seazen, calling on people to participate in public welfare, gather greater social strength, convey the public welfare spirit of Seazen, and make people's life happier. In 2021, Seazen donated a total of over RMB 70,000,000, a total of 97 public welfare activities were held.

During the Reporting Period, the Group formulated and implemented the *Corporate Social Responsibility Management Measures (2021)* (the "Management Measures"). The Management Measures clarified the content and mechanism of the Group's management and control of social responsibility and ESG issues, including the regulations on the use of assets for public welfare activities, the regulations on the development of public welfare activities, and the contents of public welfare activities and cost support.

In recent years, the "Colorful Light Project", with "Glorious Library" as the core project, has developed into seven public welfare sectors, namely education balance, children's health, green community, environmental protection, humanitarian assistance, cultural engineering and sports, and carried out a series of public welfare activities such as "Happy Hand in Hand", "New Green Action", "Going Upstairs" and "Caring for the Visually Impaired". Through our actions, we have gathered greater social forces, conveyed the public welfare sentiment of Seazen, and made people's lives happier. In the 11th Charity Festival and the 2021 Corporate Social Responsibility Carnival, Seazen won the 2021 Responsible Brand Award of this Charity Festival.

"Colorful Light Project" Vision

To become a public welfare platform connecting the whole society, enabling everyone to participate and supporting the development and progress of China's public welfare undertakings

"Colorful Light Project" slogan

Lighting up Happiness with Heart

Seven public welfare sectors of "Colorful Light Project"

Education equal rights: promoting the development of education in remote and backward areas

Children's health: care for children's physical and mental health issues

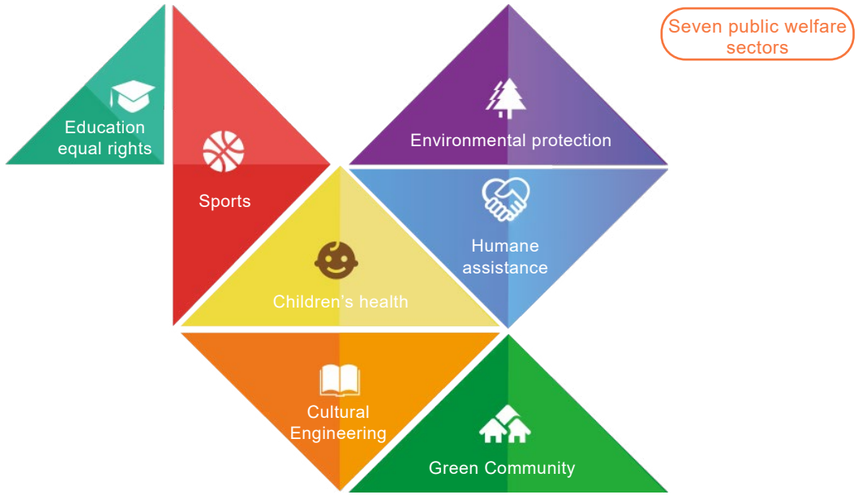
Green Community: Promoting the Green Construction of Living Environment

Environmental protection: Focus on environmental issues related to the survival of all mankind

Humane assistance: participation in financial assistance to disadvantaged social groups

Cultural Engineering: Participating in the preservation of Chinese cultural essence

Sports: Supporting undertakings that are conducive to promoting sports, health and competitive spirit



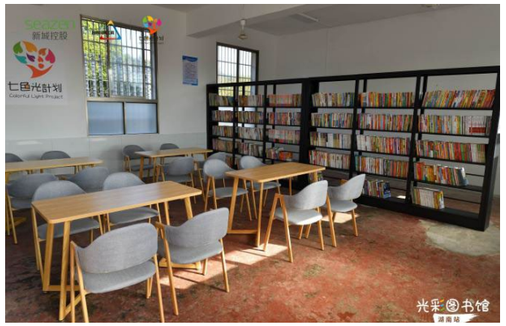
Seven public welfare sectors of "Colorful Light Project"

Promoting equal rights in education

In 2021, Seazen donated RMB 26,000,000 to the education development foundation of Shanghai Normal University to assist Shanghai Normal University in signing the *Cooperative School Running Agreement* with the Government of Anning City, Yunnan Province, the people's Government of Guiyang Economic and Technological Development Zone and Huaxi District, Guizhou Province, support the construction of local schools, and fund outstanding teachers and students to participate in international exchanges, the construction of basic disciplines and key topics, characteristic teaching and research and other projects of Shanghai Normal University, More than 2,300 teachers and students benefited. At the same time, the Group also signed a cooperation agreement with Tianjin Normal University Education Technology Development Co., Ltd. to donate RMB 3,000,000 for the construction of the school district.

As the founding project and the core project of the "Colorful Light Project", "Glorious Library" is affiliated with the education balance section, aiming to eliminate the knowledge gap between cities and villages, provide a benign reading environment for rural children, and cultivate their interests in reading and knowledge. From 2013 to the end of 2021, the"Glorious Library" has covered 56 rural primary schools in 14 provinces, 2 municipalities. More than 130,000 books were donated. More than 2,000 volunteers from all over the country participated and helped nearly 10,000 students.

Seazen holdings, a subsidiary of the Group, and Shanghai Normal University signed a *Cooperative School Running Agreement* with the Government of Anning City, Yunnan Province, the Government of Guiyang Economic and Technological Development Zone and Huaxi District, Guizhou Province



"Glorious Library" entered Lengshuitang Quanquan Primary School in Chuancang Village, Gaoping, Liuyang, Hunan Province

Paying attention to special children

In order to make the "children from stars" feel more caring and kindness, Seazen, together with the Zhejiang Provincial Department of Civil Affairs, the Zhejiang Conservatory of Music, the Disabled Persons' Federation Foundation and the Big Loudspeaker Public Welfare Fund, donated RMB 200,000 to the Zhejiang Disabled Persons Welfare Foundation , used for social practice investment for special children, and hosted the third online concert for special children in 2021, using the special power of stave to convey more warmth and happiness to this group of special children.

The 3rd online concert for special children

Committed to environmental protection

Seazen Holdings joined hands with the China Green Foundation's "Million Forest" Plan to call on people to improve the ecological environment in regions with harsh climates and curb global desertification through "one person donating one tree". The Company adopts the "ecology + poverty alleviation" model to protect the ecological environment and help rural revitalization. The "New Green Action" project was launched in the environmental protection sector in 2018, which was jointly developed by the "Colorful Light Project" and the China Green Foundation's "Million Forest" Plan. Under the model of "ecology + poverty alleviation", the project is committed to improving the ecological environment in the western region, curbing global desertification, and helping to increase the income of local farmers.

In 2021, through the "True Road Hiking" and "Seazen Hiking Challenge" walking activities of Seazen people in the first quarter of each year, as well as relevant public welfare activities actively participated by property owners across the country, the "New" wish of millions of green development, has been reached one year in advance in the first half of 2021, and a total of **100,000** saplings have been donated, and about **1,000,000** sq.m of desert greening have been completed. Based on this, the Seazen Upgrade Target proposed the next "five-year plan" to plan for "greening **5,000,000** sq.m of desert within five years".

Green Action Green Carbon Summary Data Table

Name of greening	Type of greening	Type of greening fixed annual CO_2 ($t/m^2.a$)	Green area (m^2)	Duration of cultivation (years)	Green carbon sink (tCO_2e)	Average CO_2 Emission Factor of Power Grid (tCO_2/kwh)	Waste saved (t)
Flower rods	Grout	0.0075	70,000	1	525.00	0.0006425	104.72
Saxaul trees	Grout	0.0075	30,000	1	225.00	0.0006425	44.88
total					750.00	0.0006425	149.60

Case: Spring Planting Project

The "Spring Planting Project" is a public welfare activity extended by "New Green Action" in 2019. Through the annual spring planting, donated saplings are planted in the desert to help improve the harsh ecological environment. In 2021, more than 30 volunteers will participate in the " Spring Planting Project ".

Spring Planting Project

Participation in humanitarian relief

On July 21, 2021, Seazen donated RMB 20,000,000 to the Henan Charity Federation to urgently slow down the rescue and disaster relief work in Henan Province. The donation would be mainly used to ensure the personal safety of the local people, purchase disaster relief materials and post-disaster recovery and reconstruction work and help local assistance.

2,000

Seazen donated RMB 20,000,000 to the Henan Charity Federation

捐赠证书
CERTIFICATE OF DONATION

新城控股集团股份有限公司:

感谢您对河南省慈善事业的关心和支持!您捐赠的贰仟万元人民币抗洪救灾款，我们将全部用于慈善事业的发展。对于您崇高的人道主义精神谨表示诚挚的敬意!

河南省慈善总会

二〇二一年七月十七日

Seazen received donation certificate

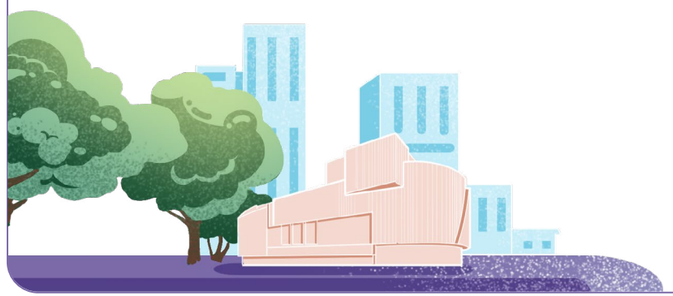
Advocate a healthy life and help the national movement

Seazen believes that a healthy and sunny lifestyle can also bring happiness. In 2022, under the upsurge of national fitness, Xuzhou Jiawang Wuyue Plaza took the lead in responding to the tide of national fitness, and launched Liu Zhenhong live broadcast on the evening of April 21, 2022, becoming the first shopping mall in China to use the outdoor large screen to interact with customers. Many customers participated offline, and Tiktok's short video was praised by Liu Genghong for the second time. A single video was praised by more than 26,000 with a viewing volume of more than 1.2 million, and was forwarded by multiple media accounts.

Case: the sixth season of "I love you · May" was launched. Seazen joined hands with keep app to awaken the tide of national fitness

Since its establishment in 2017, "I love you · May" has brought a variety of wonderful experiences to people through different activities for five consecutive years. In 2022, the sixth season "I love you · May" activity, together with keep app, will continue to take "Sharing Joy in May" as the theme, hoping to stimulate people's love for sports and fitness and shorten the distance between Seazen and consumers.

Seazen sports challenge recruitment



Corresponding national call for social epidemic prevention

As a company with a sense of social responsibility, Seazen has gone all out in the prevention and control of the epidemic, and has continuously contributed our love and public welfare. In 2021, the Group called on and organized Party members to donate a total of RMB **138,910** to support the national epidemic prevention and control donation.

During the epidemic, Seazen spared no efforts to fully support the stable operation of the brand tenants of Wuyue Plaza across the country. To ease the business pressure of merchants, Seazen offered a "rental reduction during the epidemic" policy to merchants whose business was delayed or closed due to epidemic control, such as retail, cinema, education and training, fitness, KTV, etc., and reduced rental income by over RMB 22,930,000.

During the epidemic in Shanghai in 2022, facing the shortage of anti-epidemic materials in the grassroots units in Putuo District, Shanghai under the severe epidemic situation, Seazen actively fulfilled its social responsibilities and responded to the government's call. Changfeng Xincun Street, Changzheng Town, Putuo District, and the Party Committee of the Public Security Bureau donated more than RMB 300,000 of prevention and control materials for the unified deployment of the district committee to help the epidemic prevention and control work; at the same time, looking at the whole country, from March to April 2022, Seazen had a total of About 4,500 employees from regional companies in Jiangsu, Shanghai, Shandong, North China (Changchun) and other regions have been involved in the front-line fight against the epidemic. With all the resources and manpower, Seazen has fully demonstrated the public welfare power of corporate citizens in the prevention and control of this epidemic.

Case: Helping Hubei to revive after the epidemic

Post-epidemic recovery is the key word for high-quality development in Hubei, and consumption recovery is an important part of post-epidemic economic development. As the first commercial project of Seazen entering Hubei, Jingzhou Wuyue Plaza has successfully completed a 100% investment rate despite being affected by the epidemic; as the first shopping mall to open in Hubei after the epidemic, it has achieved a passenger flow of 549,100 people within three days of opening and sales nationwide. The excellent results of the top 17 companies have helped the recovery of the commercial market and the economic revival of Hubei after the epidemic with a positive trend.

Jingzhou Wuyue Plaza Happiness Experience Project

While focusing on development and creating value, Seazen has always closely linked corporate development with social responsibility, actively responded to the national call for the "Dual Carbon Strategy" and "comprehensively promoting rural revitalization", integrated its business to carrying out different forms of public welfare activities from the aspects of promoting education, public welfare to help farmers, ecological civilization construction, and actively fulfilled its obligations and responsibilities as a corporate citizen, to protect our ecological civilization, contribute to common prosperity and contribute to Seazen.

APPENDIX Ⅰ: INDEX TABLE OF ESG REPORTING GUIDE OF HKEx

A.Environemnt			
Subject Areas, Aspects, General Disclosures, and KPIs			Section(s)
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 issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	STANDARDIZING ENVIRONMENTAL MANAGEMENT
KPI	A1.1	The types of emissions and respective emissions data.	PROMOTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS STANDARDIZING ENVIRONMENTAL MANAGEMENT
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	
Aspect A2: Use of Resources			
General Disclosure		Policies on the efficient use of resources, including energy, water and other raw materials.	STANDARDIZING ENVIRONMENTAL MANAGEMENT
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).	STANDARDIZING ENVIRONMENTAL MANAGEMENT
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	STANDARDIZING ENVIRONMENTAL MANAGEMENT
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	PROMOTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS STANDARDIZING ENVIRONMENTAL MANAGEMENT
	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	The Company does not have any problems with access to water sources PROMOTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS STANDARDIZING ENVIRONMENTAL MANAGEMENT
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	STANDARDIZING ENVIRONMENTAL MANAGEMENT
Aspect A3: The Environment and Natural Resources			
General Disclosure		Policies on minimising the issuer's significant impacts on the environment and natural resources	LOW CARBON OPERATION
KPI	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
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.	STANDARDIZING ENVIRONMENTAL MANAGEMENT
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.	

B.Social			
Subject Areas, Aspects, General Disclosures, and KPIs			Section(s)
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.	EMPLOYMENT SYSTEM
KPI	B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	
	B1.2	Employee turnover rate by gender, age group and geographical region.	
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 issuer relating to providing a safe working environment and protecting employees from occupational hazards.	PAYING ATTENTION TO OCCUPATIONAL 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.	
	B2.2	Lost days due to work injury.	
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	
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.	PROMOTING EMPLOYEE DEVELOPMENT
KPI	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	
	B3.2	The average training hours completed per employee by gender and employee category.	
Aspect B4: Labour Standards			
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 preventing child and forced labour.	EMPLOYMENT SYSTEM GUARANTEE LABOR RIGHTS
KPI	B4.1	Description of measures to review employment practices to avoid child and forced labour.	EMPLOYMENT SYSTEM GUARANTEE LABOR RIGHTS
	B4.2	Description of steps taken to eliminate such practices when discovered.	The Company is not involved in relevant violations, and this indicator does not apply
Aspect B5: Supply Chain Management			
General Disclosure		Policies on managing environmental and social risks of the supply chain.	PROMOTING SUPPLY CHAIN RESPONSIBILITY
KPI	B5.1	Number of suppliers by geographical region.	

B.Social			
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.	PROMOTING SUPPLY CHAIN RESPONSIBILITY
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	
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.	CUSTOMER SERVICE SYSTEM IMPROVING CUSTOMER EXPERIENCE ACTIVELY RESPONDING TO CUSTOMER NEEDS
KPI	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Due to business characteristics, the Company does not involve product health and safety issues
	B6.2	Number of products and service related complaints received and how they are dealt with.	ACTIVELY RESPONDING TO CUSTOMER NEEDS
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	PROTECTION OF INTELLECTUAL PROPERTY
	B6.4	Description of quality assurance process and recall procedures.	OPTIMIZING PRODUCT QUALITY The Company does not apply product recycling procedures due to business characteristics
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	PROTECTION OF CUSTOMER PRIVACY
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 issuer relating to bribery, extortion, fraud and money laundering.	ANTI-CORRUPTION SYSTEM
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.	
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	
	B7.3	Description of anti-corruption training provided to directors and staff	
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.	GIVING BACK TO SOCIETY
KPI	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	
	B8.2	Resources contributed (e.g. money or time) to the focus area	

APPENDIX II：FEEDBACK FROM READERS

Thank you for reading the *2021 Environmental, Social and Governance Report of Seazen Group Limited*. In order to provide stakeholders with valuable information and improve our ability and performance in fulfillment of social responsibility, we are sincerely expecting your valuable opinions and suggestions.

Please fill in the feedback form and send it to us via the following methods:

Mailing Address: 11 Floor Seazen Tower B, No.6, Lane 388, Zhongjiang Road, Putuo District, Shanghai, PRC

Email: ir@xincheng.com

1、Your overall rating for the Group's Environmental, Social and Governance Report:

○Very good ○Good ○Fair ○Poor ○Very poor

2、Your rating for the Group's fulfillment of social and environmental responsibility:

Social responsibility: ○Very good ○Good ○Fair ○Poor ○Very poor

Environmental responsibility: ○Very good ○Good ○Fair ○Poor ○Very poor

3、How the Report reflects the impact of the Group's social responsibility practice on economy, society and environment?

○Very good ○Good ○Fair ○Poor ○Very poor

4、What do you think about the clarity, accuracy and integrity of the information, data and indicators disclosed in the Report?

Clarity: ○Very good ○Good ○Fair ○Poor ○Very poor

Accuracy: ○Very good ○Good ○Fair ○Poor ○Very poor

Integrity: ○Very good ○Good ○Fair ○Poor ○Very poor

5、Are the content structure and layout design convenient for you to read?

○Yes ○Fair ○No

6、Other opinions or suggestions about the Group's work and the Report:

Thank you for your feedback and time!

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