



Report Type

Sustainable Finance
Framework Second-Party
Opinion

Analytical Standards

- » Green Bond Principles (GBP) (June 2021 Edition (with June 2022 Appendix 1))
- » Social Bond Principles (SBP) (June 2023 Edition)
- » Green Loan Principles (GLP) (March 2025 Edition)
- » Social Loan Principles (SLP) (March 2025 Edition)

Industry

Local Investment and
Development Companies

Country/Region

China

Report Date

27th June 2025

Contacts

Kathleen Liu
Associate Analyst
+852 3596 3052
kathleen.liu@lianhegreen.com

Sherry Li
Analyst
+852 3596 3037
sherry.li@lianhegreen.com

Mianyang Investment Holding (Group) Co., Ltd.

Second-Party Opinion | Sustainable Finance Framework

Summary

Not Aligned	Aligned	Good	Excellent
-------------	---------	------	-----------

Pillar	Alignment
Use of Proceeds	Good
Process for Project Evaluation and Selection	Excellent
Management of Proceeds	Good
Reporting	Excellent
External Reviews	Aligned

Lianhe Green Development Company Limited (hereafter referred to as “Lianhe Green”) has reviewed a series of documents including the “Sustainable Finance Framework” (hereafter referred to as “Framework”) issued by Mianyang Investment Holding (Group) Co., Ltd. (hereafter referred to as “the Company” or “the Group”), and assessed the company’s relevant work in respect of the Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, Reporting, and External Reviews. The Framework has received an assessment opinion of “Good” from Lianhe Green. Lianhe Green considers that the Framework are in compliance with *the Green Bond Principles (GBP) (June 2021 Edition (with June 2022 Appendix 1))*, *the Social Bond Principles (SBP) (June 2023 Edition)*, *the Green Loan Principles (GLP) (March 2025 Edition)*, and *the Social Loan Principles (SLP) (March 2025 Edition)*. In addition, the eligible green projects listed in this Framework are in line with *the Green Bond Principles (GBP) (June 2021 Edition (with June 2022 Appendix 1))* and *the Green Loan Principles (GLP) (March 2025 Edition)*; the eligible social projects listed in this Framework are in line with *the Social Bond Principles (SBP) (June 2023 Edition)* and *the Social Loan Principles (SLP) (March 2025 Edition)*. At the same time, Lianhe Green’s assessment includes the contributions of the project categories to the relevant United Nations Sustainable Development Goals¹.

¹ According to the definitions of (A/RES/70/1 - Transforming our world: the 2030 Agenda for Sustainable Development)



About the Company

Company Materials

The Group is a state-owned enterprise located in Mianyang City, Sichuan Province in China. The Group mainly operates in five industries, namely, (1) urban construction, (2) urban operations, (3) culture and tourism, (4) education and (5) modern services. The Group's business comprises nine principal segments including (i) infrastructure construction, (ii) primary land development, (iii) procurement and supply of goods, (iv) education, (v) public transportation, (vi) water supply (including replacement of water meters and redevelopment of water pipelines), (vii) procurement and supply of food and edible oil, (viii) real estate sales and (ix) hotel management.

Company Sustainability Strategy

Company Material

According to the National Environmental Plan for the 14th Five-Year Plan for Environmental Protection and Improvement, the Group is committed to ensuring that social and environmental development benefits from its economic performance. The Group takes sustainable development as the cornerstone of its business operations. Coupled with development strategies and operating models, the Group strives to promote social responsibilities and meet the expectations of stakeholders, including the government, industry, employees, business partners and the community. The Group also aims to accelerate structural reform of the city, clean up the environment and facilitate social civilisation.

Opinion of Lianhe Green

As a state-owned enterprise, the Group's core business is highly aligned with the local government's sustainable development policies. It actively implements the requirements of the local government, vigorously develops eligible green building and energy efficiency green projects, and actively contribute to the realization of the national 2030 carbon peak target.

Based on the media review and the evidence obtained, nothing has come to Lianhe Green's attention that causes us to believe that the Group has any significant negative ESG news or controversial issues as of May 2025.

It is common market practice for issuers of sustainable financing instruments to disclose issuer-level environmental or social information, in accordance with globally accepted reporting frameworks (e.g., GRI or ISSB). However, the Group has not disclosed relevant information yet.

A. Use of Proceeds



Company Materials

The Group will allocate the proceeds or an amount equivalent to the proceeds of the SFTs issued under this Framework to finance and/or refinance (with a maximum look-back period of 3 years) construction and/or operation of ESPs based on the criteria set out below (the "Eligibility Criteria"). Expenditures are mainly capital expenditures and operating expenses, and the Group expects the proceeds to be allocated in full within 2 years from the date of the relevant SFT.

i. Eligible Green Projects



The Eligible Green Project Categories that may be utilised under the Framework, together with associated selection criteria are set out below:

Eligible Green Projects Categories	Description/Condition of Eligible Green Projects
<p>Green Building and Energy Efficiency</p> <p>Applicable SDGs² 9.4³ and 11.c⁴:</p>  	<p>Development, construction, refurbishment, maintenance and operations of buildings that meet the following criteria</p> <ul style="list-style-type: none"> Regional, national or international certifications⁵ of environmental performance ("PRC Assessment Standard for Green Building (GB/T50378-2019): 1-star or above", or other similar recognised standards). <p>Remarks:</p> <ul style="list-style-type: none"> Location: Project location will be approved by the planning department authority in accordance with national laws and regulations to avoid construction in protected areas; In order to offset negative impacts on the environment, the Group will adopt the following measures including but not limited to: <ul style="list-style-type: none"> ➢ Use permeable ground to enhance water permeability of the ground and reduce heat island effect. ➢ Control light pollution and avoid large glass curtain walls. ➢ Adopt high-efficiency light sources and lighting intelligent systems to save energy. ➢ Adopt water-saving irrigation and water-saving appliances, along with minimalistic decorative components to conserve materials. ➢ Implement sound insulation and noise reduction measures for buildings adjacent to major traffic roads. <p>GBP2021 environmental objectives</p> <ul style="list-style-type: none"> Climate change mitigation Natural resource conservation <p>Alignment with GBEP⁶</p> <ul style="list-style-type: none"> 1.2.1.1⁷

ii. Eligible Social Project

² Sustainable Development Goals ("SDGs")

³ SDGs 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

⁴ SDGs 11.c: Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilising local material



⁵ If an eligible project falls into such sub-categories, the Group shall obtain the pre-rating certificate in due course, and after completion of the project, obtain third-party verification that it meets the design criteria. Depending on the requirements of different projects, the company may also manage to get an official green building certification by no later than 2 years since the completion of the building construction or other time frame requested by the law and regulations (if any)

⁶ Green Bond Endorsed Projects Catalogue (2021 Edition) ("GBEP") published by the China Securities Regulatory Commission

⁷ With reference to GBEP 1.2.1.1 Manufacturing of Green Building Materials



The Eligible Social Project Categories that may be utilised under the Framework, together with associated selection criteria are set out below:

Eligible Social Projects Categories	Description/Condition of Eligible Social Projects
<p>Access to essential services</p> <p>Applicable SDGs 1⁸ and 3⁹:</p>  	<p>Construction, renovation, maintenance and operation of public service facilities including hospitals, etc.</p> <p>Remarks:</p> <ul style="list-style-type: none"> Target population: General public Hospitals are non-profit institutions, operated by local government agencies, public hospitals, or enterprises, etc. with lower fees compared to private institutions. <p>SBP2023 objectives</p> <ul style="list-style-type: none"> Access to essential services

Opinion of Lianhe Green

Not Aligned	Aligned	Good	Excellent
-------------	---------	------	-----------

Lianhe Green, in accordance with the relevant assessment criteria, reviewed the Framework and other related documents, and the issuer's policies on Use of Proceeds.

After the assessment, Lianhe Green believes that the Group has clearly categorized the eligible projects into the listed categories of GBP, GLP, SBP and SLP. All the Group's projects are located in China. The eligible green project category aligns with *China's Green Bond Endorsed Projects Catalogue (2021 Edition)*.

The environmental and social benefits of all the eligible green and social categories are clear. The Group also referenced the GBP and clearly outlined the environmental objectives of the eligible green category. The eligible social category specifies the target population. Detailed analysis will be elaborated in the following paragraphs.

Through communication, the proportion of proceeds to be used for refinancing remain unclear. A maximum 3-year look-back period would be applied on refinanced projects, which is longer than the market best practice. The Framework clearly stated the exclusion list, including 11 activities, assets and technologies.

Lianhe Green's assessment of the Group's Use of Proceeds is "Good".

1) Eligible Green Projects: Green Building and Energy Efficiency

Eligible Green Project Categories Under Principles

Lianhe Green considers that this project category under the Framework is most relevant to the eligible Green Projects Category "Green buildings (that meet regional, national or internationally recognised

⁸ SDGs 1: End poverty in all its forms everywhere

⁹ SDGs 3: Ensure healthy lives and promote well-being for all at all ages



standards or certifications for environmental performance)" under both GBP and GLP.

Alignment with *Green Bond Endorsed Project Catalogue (2021 Edition)*, *Hong Kong Taxonomy for Sustainable Finance* and *EU Taxonomy*

Lianhe Green believes the Framework's description on "Development, construction, refurbishment, maintenance and operations of buildings that meet the following criteria: Regional, national or international certifications of environmental performance ("PRC Assessment Standard for Green Building (GB/T50378-2019): 1-star or above" is aligned with the description of "5.2.1.2 Green Building" under *Green Bond Endorsed Project Catalogue (2021 Edition)*, which states that "All civil and industrial buildings are designed and constructed in accordance with the national green building codes and standards to obtain national green building evaluation labels within the validity period. For example, the building should comply with indicators as listed in technical standards, such as the 'Green Building Evaluation Standard' (GB/T 50378), the 'Green Industrial Building Evaluation Standard' (GB/T 50878), the 'Green Ecological Area Evaluation Standard' (GB/T 51255), the 'Green Office Building Evaluation Standard' (GB/T 50903), the 'Green Store Building Evaluation Standard' (GB/T 51100), the 'Green Hospital Building Evaluation Standard' (GB/T 51153)".

Furthermore, the Framework's description on the materials used in the green building construction is aligned with the description of "1.2.1.1 Manufacturing of Green Building Materials", which states that "Manufacturing and consumption of green building materials/products including energy-saving wall materials, thermal insulation materials for exterior walls, energy-saving glass, prefabricated building components, ready-mixed concrete, ready-mixed mortar, etc. The properties of products and technical specifications should meet national and industrial relevant technical requirements for green building materials/products. Glass products for exterior walls shall reduce light pollution and urban heat island effect." After communicating with the Group, it has been confirmed that the properties of products and technical specifications involved in the Framework comply with the corresponding national and industrial technical requirements for the evaluation of green building materials products.

However, the market generally demands a 2-star and 3-star rating for green buildings. In contrast, the Framework sets a 1-star requirement for green buildings, which is lower than the common market practice. Lianhe Green suggests that the Group clearly explain the reasons for the current 1-star green building standard in project promotions and disclosed reports, enhancing transparency to gain the understanding and trust of stakeholders. Meanwhile, it is recommended that the Group develop a medium- to long-term improvement plan, with specific timeframes and measures, to gradually upgrade to a two-star or higher green building standard.

Lianhe Green considers the criteria set by the Hong Kong Taxonomy for the construction of new commercial and residential buildings in Mainland China to be more stringent compared to the framework requirements. According to the Hong Kong Taxonomy, projects should be rated to the three-star level of the Chinese Green Building Evaluation Standard, whereas the framework criteria only require one-star or above. Furthermore, in addition to obtaining BEAM Plus certification at the gold level or above, the Hong Kong Taxonomy's requirements for the construction of new buildings in Hong Kong includes additional specific carbon and energy performance improvements, such as a 20% energy savings compared to the Building Energy Code (BEC) 2021 baseline for projects certified under BEAM Plus 2.0.

The construction of new buildings and renovation of existing buildings are included in the EU Taxonomy. However, the EU taxonomy focuses on specific energy performance indicators rather than green building certification schemes, such as the Primary Energy Demand (PED), which defines the energy performance of the building resulting from the construction, is at least 10% lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council.

Relevant Key United Nations Sustainable Development Goals



Lianhe Green believes this eligible Green Project category contributes positively to the United Nations Sustainable Development Goals (UNSDGs), in particular, it makes significant contributions to Target 9.4 of Goal 9 (Industry, Innovation and Infrastructure) “By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities”.

Environmental Benefits

Compared with ordinary buildings, green buildings can use land resources more efficiently and provide relatively more centralized public service facilities, use a higher proportion of renewable and recyclable materials in the construction process, give fuller consideration to the natural conditions of the site, and set up air-cooling systems according to the principle of natural ventilation, so that the green building can effectively make use of the dominant wind direction in summer; reasonably design the building envelope, using energy-saving lighting and configure corresponding intelligent control systems during operation. Elevators are equipped with high-efficiency transformers, and energy-using equipment can be equipped with variable frequency functions. According to “[Tech New Era](#)”, green buildings can reduce energy consumption by 30% to 50% compared to traditional buildings.

The “[Special Action Plan for Carbon Peak in the Urban and Rural Construction Sector of Mianyang City](#),” issued by the Mianyang Municipal Housing and Urban-Rural Development Commission, has set a target for the year 2030: to achieve peak carbon emissions in the urban and rural construction sector, to make new breakthroughs in the scale of innovative technologies in the green and low-carbon building industry chain, and to ensure a continuous decline in energy consumption per unit and carbon dioxide emissions per unit. Additionally, by 2025, all newly constructed buildings in urban areas will fully comply with green building standards, with the proportion of star-rated green buildings reaching over 40%, and a full implementation of the 65% energy-saving design standard for new buildings. Moreover, the Plan emphasizes the continuous and standardized promotion of green building materials, and the research and application of low-carbon building materials such as new types of gel materials, low-carbon concrete, bamboo and wood building materials, and low-carbon cement.

As a local state-owned enterprise in Mianyang City, the Group’s green building projects strictly adhere to the local special action plan for green buildings and are aligned with the green building targets set by the government. These projects not only play a leading and exemplary role within Mianyang City but also provide a direction for the development of the local green building industry. In accordance with the “[Technical Guidelines for the Review of Construction Drawing Design Phase of Civil Green Buildings in Sichuan Province \(2024 Edition\)](#),” the Framework stipulates that one-star green buildings must achieve a minimum application ratio of 10% for green building materials. The clear requirements in the Framework for “one-star and above” green building standards, as well as the strong support for the “1.2.1.1 Manufacturing of Green Building Materials” in the *Green Bond Endorsed Project Catalogue (2021 Edition)*, highlights the positive role that the enterprise has played in promoting the green transformation of the local construction sector

Nevertheless, Lianhe Green continues to believe that the “1-star” requirement for green buildings in the Framework falls short of the common market standard. Moreover, green buildings are not synonymous with energy-efficient buildings, and a 1-star green building does not necessarily indicate good energy conservation performance. Therefore, Lianhe Green recommends that the Group provide detailed disclosure of the actual energy consumption after project implementation to enhance market transparency.

1) Eligible Social Projects: Access to Essential Services

Eligible Social Project Categories Under Principles

Lianhe Green considers that this project category under the Framework is most relevant to the eligible Social Projects Category “Access to essential services (e.g. health, education and vocational training, healthcare, financing and financial services)” under SBP, and “Access to essential services (e.g. education and vocational training, public health/healthcare, public health emergency response energy



(including electricity), financing and financial services, other governmental offices servicing select populations (and/or in low /low-middle income countries)).” under SLP.

Relevant Key United Nations Sustainable Development Goals

Lianhe Green believes this eligible Social Project category contributes positively to the United Nations Sustainable Development Goals (UNSDGs), in particular, there is significant contributions to Target 3.8 of Goal 3 (Good Health and Well-being) “Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all”.

Social Benefits

With the accelerated urbanization process in Mianyang City, new challenges have emerged. On the one hand, the scale of the elderly population is continuously expanding, with a pronounced trend towards higher ages. On the other hand, the number and proportion of children in the total population are also increasing. These changes have led to a sustained increase in the demand for health and medical services, bringing new pressures and challenges to the supply of local medical and health resources.

The CPC Mianyang Municipal Committee has put forward suggestions on the [14th Five-Year Plan for the National Economic and Social Development of Mianyang and the Long-range Objectives for the Year 2035](#). It has emphasized the need to improve the medical service system, continuously enhance the quality of medical services, perfect the public health emergency management system, strengthen the construction of a talent team in health and family planning, and establish a stable investment mechanism for the public health sector.

As a local investment company in Mianyang City, Sichuan Province, the company actively complies with and implements the local government's strategic plan. The investment and expenditure on projects related to providing, constructing, and operating affordable and accessible healthcare for the general public, including nursing homes and supporting medical facilities to improve living conditions, healthcare accessibility, and additional care and support for the elderly, are in line with the provincial development strategy. As a non-profit institution, the hospital charges less than private ones, which greatly enhances the accessibility of medical services and enables more low-income groups to afford basic health care services. Its non-profit nature also ensures that the hospital allocates more resources to improving the quality of medical services and conducting medical research, rather than simply pursuing economic profits, thereby promoting the rational distribution of medical resources.

Lianhe Green believes that the Group's healthcare projects significantly enhance sustainability by improving health services for vulnerable groups such as the elderly and those who cannot take care of themselves, especially those with mental disabilities, maternal and childcare. By building medical facilities, better health care can be provided to vulnerable groups, alleviating the lack of medical resources and increasing local life expectancy. This approach not only improves health outcomes, but also reduces inequalities by providing essential services to underserved communities, further supporting the sustainable development goals. Overall, these initiatives contribute to a more equitable and sustainable healthcare system, promoting well-being and inclusivity.

B. Process for Project Evaluation and Selection

Company Materials

When evaluating if a project is eligible for sustainable finance, the Group will follow the definition and categorisation in ICMA's GBP2021, SBP2023 and SBG2021 and APLMA, LMA and LSTA's GLP2025 and SLP2025 to ensure domestic and international compliance.



The Group has established a sustainability project work group (“SPWG”), which is dedicated to ensuring that the proceeds from each SFT or an equivalent amount will be allocated to ESPs under the Framework. The Group will also consider engaging external experts if necessary. The SPWG will also be responsible for managing any future updates of the Framework, including any expansion of requirements on the use of proceeds. The SPWG comprises members from various functions, including:

- Financial Management Centre
- Capital Operation Centre
- Discipline Inspection, Audit and Legal Department

SPWG will convene meetings at least once every 12 months to discuss and select ESPs according to the Eligibility Criteria defined in section 2.1 of the Framework. SPWG will select projects that comply with Environmental Protection Law of the People's Republic of China, Environmental Impact Assessment Law of the People's Republic of China, Green Bond Endorsed Projects Catalogue (2021 Edition), Regulations on Environmental Protection Management of Construction Projects, and other relevant policies and regulations enforcing sustainability considerations. Then, SPWG will evaluate each project based on its feasibility report. The shortlisted projects will be presented to the chairman for approval. After receiving the assessment and approval from the chairman, selected projects will become ESPs. The SPWG will keep relevant minutes meetings, internal, external reports, etc. for future follow-up.

SPWG will ensure that each ESP not only aligns with section 2.1 Use of Proceeds of the Framework but also adheres to the environmental guidelines that are applicable to the Group, as well as all applicable national and international environmental standards, local laws and regulations. The ESPs will also be selected with reference to the United Nations SDGs. SPWG will be responsible for managing any future updates of the Framework, including any additional requirements for the use of proceeds.

Additionally, during the design stage, environmental impact assessments will be conducted according to applicable regulations to identify each ESP's environmental and social impacts, and controls and mitigation measures will be made to minimise such impacts. During the construction stage, mitigation measures and protection of the ecosystem are strictly implemented and monitored.

The feasibility study for each ESP will include environmental impact assessment (“EIA”) and social impact assessment (“SIA”) that comply with local requirements. The EIA and SIA will be conducted by an accredited professional agency and a report will be issued, which includes the identification, analysis and management of various environmental and social factors and their impacts on the environment and community throughout project lifecycle.

Opinion of Lianhe Green

Not Aligned	Aligned	Good	Excellent
-------------	---------	------	-----------

Lianhe Green, in accordance with the relevant assessment criteria, reviewed the Framework and other related documents, and the issuer's policies on Project Evaluation and Selection.

The Group has established a sustainability project work group (“SPWG”) which is responsible for screening projects based on their feasibility reports. Projects that make the shortlist will be submitted to the Chairman for approval, thereby achieving a separation of responsibilities and effectively avoiding conflicts of interest. Moreover, the Group will also consider engaging external experts if necessary. These measures have significantly enhanced the transparency and scientific nature of project decision-making. Furthermore, the Group has implemented stringent environmental and social risk management procedures to govern its daily operations and project construction.



Lianhe Green's assessment of the Group's Process for Project Evaluation and Selection is "Excellent".

C. Management of Proceeds

Company Materials

The Group intends to allocate an amount at least equal to the net proceeds over time to finance or refinance the ESPs, which are selected according to the Eligibility Criteria with the evaluation and selection process outlined above.

The net proceeds from each SFT will be managed by the Group's finance team and will be deposited in the Group's general funding accounts earmarked for the ESPs. The Group will maintain a register to keep track of the use of proceeds for each SFT.

The register will contain the following information:

- (1) Type of Funding Transaction
 - Key information includes issuer/borrowing entity, transaction date, tranche(s) information, the principal amount of proceeds, repayment or amortisation profile, maturity date, and interest or coupon (and in the case of bonds, the ISIN number)
- (2) Allocation of Use of Proceeds
 - Name and description of the ESPs to which the proceeds of the SFT have been allocated in accordance with the Framework
 - Amount and date of the SFT proceeds allocated to each ESP
 - The remaining balance of unallocated proceeds yet to be earmarked for the ESPs
 - Other relevant information such as information in relation to temporary investment for unallocated proceeds (including the investment amount and investment type)

Before proceeds are allocated to the ESPs, departments in need of the proceeds must submit an application and plan for use for approval. The general manager or chairman of the board, as the case may be, will review and approve the application, after which the proceeds will be allocated by the Financial Management Department of the Group.

The Group will monitor the net proceeds of all outstanding SFTs (at least semi-annually), which includes appropriately tracking the proceeds and adjusting the balance of net proceeds to match allocations to the ESPs. Any remaining balance of issuance proceeds that are not yet allocated to the ESPs will be held in short-term deposits. The Group will disclose to investors the types of temporary placement they use for unallocated proceeds. The Group commits not to invest unallocated proceeds in any high-pollution activities or any projects that conflict with the Eligibility Criteria under the Framework.

During the term of the SFTs issued, the SPWG will monitor the continued compliance of the ESPs against the Eligibility Criteria and Exclusion Criteria (as defined below) (at least semi-annually), if the designated ESPs cease to fulfil the Eligibility Criteria and Exclusion Criteria, the net proceeds or an amount equal to these net proceeds will be re-allocated to the replacement ESPs that comply with the Eligibility Criteria, as soon as reasonably practicable. The Group strives to maintain a total investment amount to ESPs at least equal to the total net proceeds of all SFTs outstanding.

Additionally, if the investment of the proceeds or an amount equivalent to the proceeds changes, the changes must be reviewed and approved by the chairman. After that, the proceeds will still be used for the ESPs.



If there is any change in the use of proceeds, the Group will disclose such change in the interim report to the market on time through channels approved by the regulatory authorities. The interim report will include, but not be limited to, the progress of the fundraising projects, the reasons for changes and the adjusted investment plans of the proceeds.

(3) Exclusion Criteria

In any case, ESPs (including the temporary placement of unallocated proceeds) exclude the type of activities listed in the latest International Finance Corporation Exclusion List:

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone-depleting substances, polychlorinated biphenyls (PCBs), wildlife or products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
- Production or trade in weapons and munitions.
- Production or trade in alcoholic beverages (excluding beer and wine).
- Production or trade in tobacco.
- Gambling, casinos, and equivalent enterprises.
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where any international financial company considers the radioactive source to be trivial and/or adequately shielded.
- Production or trade in unbonded asbestos fibres. This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20 per cent.
- Drift net fishing in the marine environment using nets over 2.5 kilometres in length.
- Production or activities involving harmful or exploitative forms of forced labour/harmful child labour.
- Commercial logging operations for use in primary tropical forest.
- Production or trade in wood or other forestry products other than from sustainably managed forests.

Opinion of Lianhe Green

Not Aligned	Aligned	Good	Excellent
-------------	---------	------	-----------

Lianhe Green, in accordance with the relevant assessment criteria, reviewed the Framework and other related documents, and the issuer's policies on Management of Proceeds.

Before proceeds are allocated to the ESPs, departments in need of the proceeds must submit an application and plan for use for approval. The general manager or chairman of the board, as the case may be, will review and approve the application, after which the proceeds will be allocated by the Financial Management Department of the Group. The process ensures the compliance and effectiveness of fund utilization while clarifying the responsible parties.

Furthermore, the Group will monitor the net proceeds of all outstanding SFTs (at least semi-annually), and monitor the continued compliance of the ESPs against the Eligibility Criteria and Exclusion Criteria. If the designated ESPs cease to fulfil the Eligibility Criteria and Exclusion Criteria, the net proceeds or an amount equal to these net proceeds will be re-allocated to the replacement ESPs that comply with the Eligibility Criteria, as soon as reasonably practicable

Lianhe Green's assessment of the Group's Management of Proceeds is "Good".



D. Reporting

Company Materials

Allocation Reporting

The Group plans to report the allocation of net proceeds and the impact of financed projects at least once annually until full allocation. The Group will annually disclose the information and progress of the Group's committed projects through announcements, social media or sustainability reports, including but not limited to:

- the proportion of net proceeds allocated to financing and refinancing
- the proportion of net proceeds allocated to the sustainable project categories covered by the Framework (undisclosable if the use of proceeds is refinancing)
- brief description of the financed projects
- the balance of the unallocated proceeds from each SFT and temporary placement thereof
- any material developments/issues/controversies related to the financed projects

Furthermore, the Group will report on a timely basis if any material development.

Impact Reporting

The Group plans to report the allocation of net proceeds and the impact of financed projects at least once annually until full allocation. The Group will make available a report on the environmental and social impacts resulting from ESPs based on the availability of project data. The report may include the following impact indicators (including the expected and actual figures). In addition, calculation methodologies and assumptions will be disclosed.

Eligible Sustainable Project Category	Impact Indicators
Green Building and Energy Efficiency	<ul style="list-style-type: none"> • Level of certification by building • Approval of the green building construction plan issued by local authorities • The number of green building constructed • The area of water-saving irrigation and water-saving appliances (square metres) • The area of permeable ground (square metres) • Energy reduction % • Water saving %
Access to Essential Services	<ul style="list-style-type: none"> • The number of new institutions • Additional populations served

Opinion of Lianhe Green

Not Aligned	Aligned	Good	Excellent
-------------	---------	------	-----------

Lianhe Green has reviewed a series of documents, including the Sustainable Finance Framework and the company's policy based on the relevant assessment criteria.

The Group will report the allocation of net proceeds and the impact of financed projects at least once annually until the proceeds of the SFTs have been fully allocated, and disclose the information and



progress of the Group's committed projects through announcements, social media or sustainability reports. Besides, the Group will report on the environmental and social impacts resulting from ESPs. The report may include the impact indicators involving core indicators published by the ICMA, and calculation methodologies and assumptions will be disclosed.

Lianhe Green's assessment of the Group's Reporting is "Excellent".

E. External Reviews

Company Materials

The Group has engaged Lianhe Green Development Company Limited ("Lianhe Green") as external reviewers to evaluate the appropriateness of the Framework, and alignment with the GBP, SBP, SBG, GLP and SLP. The assessment result document(s) will be available on the Group's website or other social media platform if available.

Opinion of Lianhe Green

Not Aligned	Aligned	Good	Excellent
-------------	---------	------	-----------

The company has engaged Lianhe Green to assess the compliance of this Framework with relevant international and domestic standards and to issue a second-party opinion. Also, the assessment result document(s) will be available on the Group's website or other social media platform if available.

Considering that, post issuance, ICMA recommends that an issuer's management of proceeds be supplemented by the use of an external auditor, or other third party, to verify the internal tracking and the allocation of funds from the proceeds to Eligible Projects. Therefore, Lianhe Green's assessment of the Group's management system for External Reviews is "Aligned".



Appendix

About Lianhe Green

Lianhe Green Development Company Limited (hereafter referred to as “Lianhe Green”) was established in 2023 and is a subsidiary of Lianhe Equator Environmental Assessment Co., Ltd. (hereafter referred to as “Lianhe Equator”) and Lianhe Credit Management Co., Ltd. (hereafter referred to as “Lianhe Group”). Lianhe Equator is the largest green and sustainable bond/loan certification provider in mainland China. As an external reviewer recognised under the Hong Kong Monetary Authority’s Green and Sustainable Finance Grant Scheme, Lianhe Green is headquartered in Hong Kong, mainly responsible for green and sustainable finance certification business in international markets, ESG reporting and consulting, ESG training services, and assist in operating carbon market-related businesses within and outside China.

Lianhe Green aims to become an internationally recognized external verifier for sustainable finance through cooperation with Lianhe Equator’s professional and experienced team in this industry. With a goal of “shaping the origin of the earth and sky, and transmitting the civilization of mankind”, Lianhe Green is committed to helping Chinese and foreign enterprises demonstrate their determination in sustainable development, and providing investors with independent and objective third-party certification services. It is our mission to leave green and oceans to our future generations.

Scope of Analysis

Lianhe Green was engaged by the Group to provide an assessment of the company’s Sustainable Finance Framework. The assessment is to provide a professional second-party opinion of the compliance of the Sustainable Finance Framework and does not provide any financial indicators or judgement on the investment values of the company’s issuance.

Responsibilities

The Company

The Group’s responsibilities are to accept the interviews from Lianhe Green’s analytical team, to provide relevant data and institutional documents for the analysis, and to ensure that the data and institutional documents provided are true and effective.

External Reviewer

Lianhe Green’s responsibilities are to collect data and documents provided by the Group. Lianhe Green will review all important data and documents, and issue conclusions. In addition, Lianhe Green will disclose information collected from the Group and relevant parties to demonstrate whether its Sustainable Finance Framework meets the relevant requirements of the above standards.

In this Second-Party Opinion, Lianhe Green has specifically examined the Framework but has not reviewed any transaction-specific legal documents or marketing materials. Nevertheless, the framework does provide a description of the qualifying projects as described.

Analytical Process

The main aspects of this assessment include the following:

- » Performing a comprehensive review on the persons in charge of the relevant departments to understand the key matters related to the Group’s policies and processes;
- » Review the Sustainable Finance Framework developed by the Group;
- » Review relevant disclosure reports;
- » Obtain and review appropriate supporting documentation to support key findings.

Solicitation Status



The Second-Party Opinion was solicited and assigned or maintained by Lianhe Green at the request of the company.

Disclaimer

A Lianhe Green SPO is an assessment of the green and sustainable financing frameworks of entities. It is not a credit rating.

Please note that individuals identified in an SPO report are not responsible for the opinions stated therein and are named for contact purposes only. Our report is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of financial instruments and securities.

Lianhe Green receives compensation from entities and other market participants for conducting this service. None of the aforementioned entities nor its related parties participated in the review process aside from providing information requested by Lianhe Green.

Our assessments are not considered investment advice and they are not and should not be considered as a replacement of any person's own assessment of the ESG factors related to a financial instrument or an entity. Lianhe Green does not represent, warrant or guarantee that our report will fulfill any of your or any other person's particular purposes or needs. Lianhe Green does not recommend the purchase or sale of financial instruments or securities or give investment advice or provide any legal, auditing, accounting, appraisal or actuarial services.

Lianhe Green does not audit or verify the accuracy of the information provided to issuers by any third party for the purpose of issuing this opinion. Lianhe Green does not represent, warrant or guarantee the accuracy, correctness, integrity, completeness or timeliness of any part of our opinion.

All published press releases and reports are the intellectual property of Lianhe Green. Any reproduction, redistribution, or modification, in whole or part, in any form by any means is prohibited unless such user has obtained prior written consent from us.

Copyright © Lianhe Green Development Company Limited 2025.