聯合綠色發展
Lianhe Green Development

Fujian Zhanglong Group Co., Ltd.

Second-Party Opinion | Sustainable Finance Framework

Report Type
Sustainable Finance Framework Second-Party Opinion

Analytical Standards
- Green Bond Principles (GBP) (June 2025 Edition)
- Social Bond Principles (SBP) (June 2025 Edition)
- Green Loan Principles (GLP) (March 2025 Edition)
- Social Loan Principles (SLP) (March 2025 Edition)
- Blue Finance Guidelines (September 2025 Edition)

Industry
Local Investment and Development Companies

Country/Region
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Summary

Not Aligned	Aligned	Good	Excellent

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

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 Fujian Zhanglong Group Co., Ltd. (hereafter referred to as "Fujian Zhanglong", "the issuer" or "the Group"), and assessed the Group'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 is in compliance with *the Green Bond Principles (GBP) (June 2025 Edition), the Social Bond Principles (SBP) (June 2025 Edition), the Green Loan Principles (GLP) (March 2025 Edition)*, and the *Social Loan Principles (SLP) (March 2025 Edition)*. In addition, the eligible green and blue projects listed in this Framework is in line with *the Green Bond Principles (GBP) (June 2025 Edition)* and *the Green Loan Principles (GLP) (March 2025 Edition)*; the eligible blue projects are in line with the Blue Finance Guidelines (September 2025 Edition), the eligible social projects are in line with *the Social Bond Principles (SBP) (June 2025 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 Goals ("UNSDGs")[1].

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

About the Company

Company Information

Established in July 2001, Fujian Zhanglong is a state-owned company with 90% of its equity owned by the Zhangzhou SASAC and 10% owned by the Fujian Provincial Department of Finance. The Group is one of the key state-owned enterprises supported by the Zhangzhou Government's favorable policies. The Group provides some of the main public utility services such as infrastructure construction, water supply and sewage treatment. Situated in the coastal area of Fujian Province, the Group also undertakes to utilize marine resources sustainably.

In accordance with the State Council's overall guidance on green development and the national "15th Five-Year" Strategic Plan of "Environmental Protection and Development of Low-Carbon Economy", the Group is committed to ensuring that its economic performance is conducive to the green and sustainable development of the environment and society. The Group regards green and sustainable development as its business foundation. The Group adheres to a positive sense of environmental and social responsibility, and integrates the spirit of green and sustainability into its rules, regulations and business development plans. Based on its major business segments of infrastructure construction and water supply and sewage treatment, as well as other marine-related business activities, the Group actively integrates sustainability into the economic development of Zhangzhou. The Group is committed to making contribution in the fields of green building, green transportation, sustainable infrastructure, sustainable water management and offshore renewable energy, etc. Meanwhile, the Group also persists in reducing the negative impact on the environment during the engineering design and construction process, ensuring that it applies its principle of environmental protection to every work stage.

Company Sustainability Strategy

Company Information

Fujian Zhanglong adheres to high environmental standards with green and sustainable development at low carbon emissions and regards environmental protection and sustainable development as its core values. The Group is acutely aware of the need to control and mitigate the impact of its actions on the environment and the communities in order to fulfill its green commitment towards creating long-lasting values. Such commitments also include realization of both economic and environmental value of marine resources in a well-balanced way. The Group's Board of Directors (the "Board") is responsible for leading and guiding the formulation and updates of the Group's policies on green and sustainable development and works together with its management to identify, evaluate and address environmental issues on an ongoing basis. The Board also oversees environmental affairs and plans the Group's long-term environmentally-friendly green and sustainable development goals.

In order to engage Socially Responsible Investors, the Group established and implemented its *Sustainable Finance Framework* to emphasize its core strategies in terms of green and sustainable development. This could diversify the Group's investor base, keep the Group abreast of the State Council and national vision of green and sustainable development, and strive towards carbon peaking and carbon neutrality goals for the 15th Five-Year period and beyond.

Opinion of Lianhe Green

As a state-owned enterprise, Fujian Zhanglong has internal green and sustainable development policies, which is overseen by the Board. The Group's operations encompass infrastructure construction, water supply, sewage treatment and renewable energy, which serve as a testament to the Group's commitment to integrating sustainable growth into its business development.

Based on the media review and the evidence obtained, Lianhe Green has identified some news. However, they do not lead us to believe that the Group has any major controversial concerns as of July 2026.

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 Information

The Group will allocate an amount at least equivalent to the net proceeds of the Sustainable Finance Transactions ("SFTs") issued under this *Framework* to finance and/or re-finance, in whole or in part, new and/or existing projects which meet the eligibility criteria outlined in the table below.

A maximum 3-year look-back period would be applied on refinanced projects and the Group expects the net proceeds of each issuance under this *Framework* to be fully allocated while the bonds/notes remain outstanding.

i. Eligible Projects for Green Financing

Eligible Green Project Categories and mapped Sustainable Development Goals ("SDGs")	Eligibility Criteria
Green Buildings Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. Target 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with	Acquisition, construction, maintenance and renovation of buildings that have received, or expect to receive the below recognized green building certifications: - Chinese Green Building Evaluation Label – 3-Star (Design / Operations Label); or - Building Research Establishment Environmental Assessment Method (BREEAM) – Excellent or above; or - U.S. Leadership in Energy and Environmental Design (LEED) – Gold or above; or - Hong Kong BEAM Plus – Gold or above; or - Building and Construction Authority (BCA) Green Mark – Gold or above; or - Construction of Ultra-Low Energy Consumption Buildings: Construction of public and residential buildings adapted to climate characteristics and site-specific conditions that reduce the demand for heating, air conditioning and lighting through passive building designs, and adopt active technical measures to improve the efficiency of building energy equipment and systems in public and residential buildings as well as the acquisition of consumption building technical

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. Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable. Target 11.c Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials.	indicators needed to meet the requirements of the “Technical Standard for Near-Zero Energy Building” (GB/T 51350); or - Green Warehousing Logistics: Construction, operation and renovation of logistics warehouses in accordance with the national green building codes and standards, for which they have obtained national green building evaluation marks. For example, the technical indicators of green logistics warehouse building shall meet the requirements of the “Green Warehouse Requirements and Evaluation” (SB/T 11164) level 2 or above; or any other green building label that is an equivalent standard of the above. - Energy Conservation and Environmentally-friendly Renovation of Existing Buildings: Technical indicators of the building meet relevant national or local energy conservation standards for existing buildings and relevant requirements for energy-saving renovation activities of building energy systems after renovation. Renovation, operation and purchase of the existing buildings which have obtained relevant national green building star-level within the validity period; and the renovation, operation and purchase of existing buildings that have reached the national-relevant green building star-level within the validity period after renovation. For example, the building technology complies with technological standards such as the “Statistical Standard for Civil Buildings” (GB 50352), the “Standard for Energy-Saving Designs in Public Buildings” (GB 50189) and the “Standard for the Evaluation of Green Retrofit of Existing Buildings” (GBT 51141). According to the Group’s internal policy, all projects with finalized design plan are required to obtain Certificate of Green Building Design Label, and are required to obtain Certificate of Green Building Label within a year after construction is completed. **Environmental objectives:** ▪ Climate change mitigation ▪ Pollution prevention and control **Environmental benefits:** ▪ Reduce energy consumption ▪ Reduce air pollutants and waste
Renewable Energy  Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all. Target 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.	Procurement and/or installation of renewable energy systems and associated infrastructure, including but not limited to: - Manufacturing of wind turbines, wind turbine generators, wind turbine blades, bearings, cables, gearboxes, towers and other key components of 3MW and above wind turbines for deployment in offshore wind farm; - Solar energy, such as design, construction and application of renewable energy application systems for buildings that use solar photovoltaic devices installed on roofs and walls of buildings to supply electricity to buildings. *Hydropower is excluded. **Environmental objectives:** ▪ Climate change mitigation ▪ Pollution prevention and control **Environmental benefits:** ▪ Enhance cities’ resilience to climate change ▪ Reduce air pollutants

ii. Eligible Projects for Blue Financing

Eligible Blue Project Categories and mapped Sustainable Development Goals (“SDGs”)	Eligibility Criteria
Sustainable Water and Wastewater Management Goal 6. Ensure availability and sustainable management of water and sanitation for all. Target 6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all. Target 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	Sustainable water resources, wastewater management, and drinking water supply, including but not limited to: ▪ New construction and renovation of waterworks； ▪ Water supply infrastructure such as laying and renovation of water pipe network and installation and renovation of household meters; ▪ Constructing and installing sewage treatment works to reduce environmental pollution; ▪ Construction of supporting sewage collection pipes, construction and maintenance of sewage treatment stations and supporting facilities. The drinking water should meet the *Standards for Drinking Water Quality* (GB 5749-2202). The treated sewage will meet the relevant national discharge standards *Pollutant Discharge Standards for Urban Sewage Treatment Plants (GB18918-2002)*. **Environmental objectives:** ▪ Climate change mitigation ▪ Pollution prevention and control **Environmental benefits:** ▪ Enhance cities’ resilience to climate change ▪ Reduce air pollutants
Sustainable Fishery Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development. Target 14.4 By 2020, effectively regulate harvesting and end overfishing, illegal,	Investments related to sustainable aquaculture activities that promotes marine resource conservation, biodiversity and pollution prevention and control: ▪ Carbon sink fishery, deep-water anti-wind and wave non-bait cage aquaculture, ecological aquaculture, as well as development of fishery resource conservation facilities; ▪ Such investments shall meet the Aquaculture Stewardship Council certification standard or equivalent. *No involvement in the wild fishery activities. **Environmental objectives:** ▪ Biodiversity ▪ Natural resource conservation ▪ Pollution prevention and control **Environmental benefits:**

unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics.	▪ Conserve marine biodiversity ▪ Maintain resilient aquatic ecosystems

iii. Eligible Projects for Social Financing

Social Bond Principles Categories and mapped Sustainable Development Goals (“SDGs”)	Eligibility Criteria
Affordable Basic Infrastructure Goal 6. Ensure availability and sustainable management of water and sanitation for all. Target 6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all. Target 6.b Support and strengthen the participation of local communities in improving water and sanitation management.	Design, construction, operation and maintenance of water supply facilities. **Targeted Group** ▪ General public **Social objectives and benefits:** ▪ Improves community services ➢ Enhance public welfare accessibility for local residents
Access to Essential Service	Investment and expenditures of projects related to provide, construction and operation the affordable and access to healthcare for the public and vulnerable groups. These include nursing homes and supporting medical facilities to improve the living conditions, healthcare accessibility, additional care and support to elderly people. **Targeted Group**

Goal 3. Ensure healthy lives and promote well-being for all at all ages. Target 3.8 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.	▪ General public **Social objectives and benefits:** ▪ Deliver affordable, accessible public healthcare and elderly care facilities for vulnerable groups; ➢ Expand medical service coverage and improve living standards.
Affordable Housing Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable. Target 11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.	Investments and expenditures in projects that provide affordable housing and Shantytown redevelopment for the general public and low-income population. **Target Group** ▪ Low-income groups and general public. **Social objectives and benefits:** ▪ Provide stable housing for vulnerable groups ➢ Promote social equity in living conditions

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, *Blue Finance Guidelines* and SBP. The eligible green and blue project categories align with China's *Green Finance Endorsed Project Catalogue (2025 Edition)* and *Hong Kong Taxonomy for Sustainable Finance (Phase 2A) ("Hong Kong Taxonomy")*.

The environmental and social benefits of all the eligible green, blue and social categories are clear and their contribution to UNSDGs are clearly stated. The Group also referenced the GBP and clearly outlined the environmental objectives of the eligible green and blue categories. The three categories of social projects comply with SBP standards, with target beneficiary groups specified for each. Detailed analysis will be elaborated in the following paragraphs.

A maximum 3-year look-back period would be applied on refinanced projects, which is longer than the market best practice. Through communication, the raised proceeds will be allocated 100% toward refinance.

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

1) Eligible Green Projects: Green Building

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

Alignment with *Green Finance Endorsed Project Catalogue (2025 Edition), Hong Kong Taxonomy* and *EU Taxonomy*

Lianhe Green believes the *Framework* sets requirements for the acquisition, construction, maintenance and renovation of buildings, specifying that such projects shall obtain or be expected to obtain the Three-Star Chinese Green Building Label (Design / Operations Label). This criterion aligns with and is more stringent than Clause "6.1.1 Green Building Construction and Operation" in the *Green Finance Endorsed Project Catalogue (2025 Edition)*, which only mandates a minimum One-Star rating for green buildings. In addition, the provisions on "Energy Conservation and Environmentally-friendly Renovation of Existing Buildings" under the *Framework* match Clause "6.1.3 Green Renovation and Operation of Existing Buildings" from the *Green Finance Endorsed Project Catalogue (2025 Edition)*. Nevertheless, during project eligibility review, verification shall be conducted to confirm whether relevant projects comply with mandatory requirements laid out in technical documents such as Technical Specification for Energy-Saving Renovation of Public Buildings (JGJ 176).

For green warehousing and logistics, the *Framework* stipulates that logistics warehouses shall be constructed, operated and renovated in compliance with national green building codes and obtain the national green building label. It further requires warehouse technical indicators to meet the requirements of the *Green Warehouse Requirements and Evaluation* (SB/T 11164) level 2 or above, or equivalent green building certifications. The relevant provisions are consistent with Clause "6.3.2 Construction of Green Warehousing Facilities (Including Cold Storage)" in the *Green Finance Endorsed Project Catalogue (2025 Edition)*.

Lianhe Green believes that the specifications stipulated in the *Framework* is in line with the relevant requirements of Activity "C-002 Construction of New Buildings" under the Construction sector of the *Hong Kong Taxonomy*. The *Hong Kong Taxonomy* explicitly mandates that building projects in the Chinese Mainland shall obtain the China Green Building Evaluation Label (Three Star System) at the third-level to be eligible. Therefore, the eligibility criteria defined in the *Framework* fall within the recognized scope of the *Hong Kong Taxonomy*.

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 UNSDGs, in particular, there is 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". In addition, it makes significant contributions to Target 11.c of Goal 11 (Make cities and human settlements inclusive, safe, resilient and sustainable) "Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials".

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.

The *Special Plan for Green Buildings in Zhangzhou City (2024-2030)* sets targets for 2026–2030 to further raise the proportion of star-rated green building floor areas among new civil buildings within urban construction land in central Zhangzhou. The floor area of green buildings with One-Star rating or above shall account for 37% of the total floor area of new civil buildings. All public buildings funded mainly or wholly by the government, as well as public buildings with a floor area exceeding 20,000 square meters, shall comply with the One-Star green building standard or higher. Single new public buildings wholly funded by the government with a floor area over 50,000 square meters shall adopt the Two-Star green building standard or higher. Super high-rise buildings shall follow the Three-Star green building standard.

As a local state-owned investment company in Zhangzhou, Fujian Zhanglong's green building projects strictly adhere to the local special planning for green buildings, aligning closely with the green building objectives set by the government. This not only plays a leading and exemplary role within Zhangzhou, but also provides a clear direction for the advancement of the local green building industry. The environmental benefits of the eligible green building projects are evident, but additional disclosure, such as GHG emission and energy intensity, is still required to assess their significance fully.

2) Eligible Green Projects: Renewable Energy

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 "Renewable energy (including production, transmission, appliances and products)" under GBP and "Renewable energy (including production, storage systems, transmission, appliances and products)" under GLP.

Alignment with *Green Finance Endorsed Project Catalogue (2025 Edition), Hong Kong Taxonomy* and *EU Taxonomy*

Lianhe Green believes the *Framework*'s description on "Manufacturing of wind turbines, wind turbine generators, wind turbine blades, bearings, cables, gearboxes, towers and other key components of 3MW and above wind turbines for deployment in offshore wind farm" is aligned with the description of "4.1.1 Wind Power Equipment Manufacturing" under the *Green Finance Endorsed Project Catalogue (2025 Edition)*. The *Framework*'s description on "Solar energy, such as design, construction and application of renewable energy application systems for buildings that use solar photovoltaic devices installed on roofs and walls of buildings to supply electricity to buildings" is aligned with the description of "4.2.2 Construction and Operation of Solar Energy Utilization Facilities" under the *Green Finance Endorsed Project Catalogue (2025 Edition)*.

The provisions on photovoltaic solar energy set out in the *Framework* comply with the requirements of Activity "A-002 Electricity generation using solar photovoltaic technology" under the Energy sector of the *Hong Kong Taxonomy,* the provisions on offshore wind power comply with the requirements of

Activity "A-003 Electricity generation from wind power". Projects and relevant activities that meet the criteria that "the construction or operation of electricity generation facilities that produce electricity using solar photovoltaic technology and wind power" shall be deemed consistent with the standards of the *Hong Kong Taxonomy*. In conclusion, relevant contents of the *Framework* are in line with the *Hong Kong Taxonomy*.

Lianhe Green believes that these types of projects are partially eligible for the activity "Installation, maintenance and repair of renewable energy technologies" under the *EU Taxonomy* and meet the *EU Taxonomy*'s substantial contribution (or technical screening) criteria, contributing substantially to the climate change mitigation objectives.

Relevant Key United Nations Sustainable Development Goals

Lianhe Green believes this eligible Green Project category contributes positively to the UNSDGs, in particular, there is significant contributions to Target 7.2 of Goal 7 (Affordable and Clean Energy) "By 2030, increase substantially the share of renewable energy in the global energy mix".

Environmental Benefits

The United Nations has pointed out that energy is at the core of climate challenges and is also the key to solving climate issues. Fossil fuels, such as coal, oil, and natural gas, are by far the largest contributors to global climate change, accounting for more than 75% of global greenhouse gas emissions and nearly 90% of all carbon dioxide emissions.

Currently, China's energy structure is still dominated by conventional energy sources (coal, oil, and natural gas). In April 2026, the General Offices of the CPC Central Committee and the State Council issued *Guidelines on Advancing Energy Conservation and Carbon Reduction Work at a Higher Level and with Better Quality* to coordinate energy-saving, carbon-cutting efforts and green transition. The policies include strictly curbing fossil energy consumption, rationally regulating the installed capacity and power output of coal-fired power units, vigorously developing non-fossil energy and new energy storage, and accelerating the establishment of a new-type power system. These measures are designed to optimize the energy structure, lower reliance on traditional fossil fuels and drive the all-round green transition of economic and social development, thus laying a solid foundation for achieving the goals of peaking carbon dioxide emissions and carbon neutrality.

According to World Economic Forum, wind power is the most mature, most commercialized and promising renewable energy technology. Compared with onshore wind, offshore wind power has the advantages of zero occupation of land, high and stable wind speed, low turbulence intensity, minor visual and noise pollution, less environmental impact and large wind power production capacity. It is, therefore, the future direction of the wind power industry and an important way to reduce fossil fuel and carbon dioxide emissions, playing a key role in energy transition and the fight against climate change. Offshore wind energy resources alone would be sufficient to cover more than the world's electricity demand in 2050. The *Three-Year Action Plan for Promoting High-Quality Development of the Marine Economy in Zhangzhou City (2024-2026)* also proposes vigorously developing the marine new energy industry, including offshore wind power, and striving to build a nationally significant clean energy base. Lianhe Green believes that the Group's eligible projects on production of wind generators will have positive impact on Zhangzhou's marine new energy industry.

Lianhe Green views that these eligible projects are closely related to Fujian Zhanglong's key business activities, and have high relevance and significant benefits to the national and local contexts.

1) Eligible Blue Projects: Sustainable Water and Wastewater Management

Eligible Blue Project Categories Under Principles

Lianhe Green considers that this project category under the *Framework* is most relevant to the eligible Green Projects Category "Sustainable water and wastewater management (including sustainable infrastructure for clean and/or drinking water, wastewater treatment, sustainable urban drainage systems and river training and other forms of flooding mitigation)" under GBP, and "Sustainable water and wastewater management (including sustainable infrastructure for clean and/or drinking water, smart irrigation and wastewater treatment)" under GLP.

This category is also relevant to the eligible Blue Project category "Sustainable water and wastewater management" under the *Blue Finance Guidelines*.

Alignment with *Green Finance Endorsed Project Catalogue (2025 Edition), Hong Kong Taxonomy* and *EU Taxonomy*

Lianhe Green believes the *Framework*'s description on "construction of supporting sewage collection pipes, construction and maintenance of sewage treatment stations and supporting facilities." makes a positive contribution to "6.4.5 Investigation, Renovation, Construction and Restoration of Urban Sewage Collection Systems" and "6.4.7 Construction and Operation of Sewage and Sludge Treatment and Disposal Facilities" in the *Green Finance Endorsed Project Catalogue (2025 Edition)*.

Currently, wastewater collection and treatment initiatives have been incorporated into the water sector of the *Hong Kong Taxonomy*, and are designated as priority areas for climate change adaptation under the *Hong Kong Taxonomy*. Adopting stormwater separation works as a climate adaptation measure, relevant projects reduce physical infrastructure vulnerability due to separation of rainwater from wastewater systems. Water supply infrastructure projects, including pipeline laying and retrofitting, as well as installation and replacement of household water meters, help advance the water supply provisions under the *Hong Kong Taxonomy* and ease water supply strains. The *Framework* complies with all relevant specifications set out in the *Hong Kong Taxonomy*.

Lianhe Green believes that these types of projects are partially eligible for the activity "Urban Waste Water Treatment" of *EU Taxonomy*, which states that "Construction, extension, upgrade, operation and renewal of urban waste water infrastructure including treatment plants, sewer networks, storm water management structures". However, *EU Taxonomy* has more requirements on the capacity and treatment technology, which is not stated in the *Framework*.

Relevant Key United Nations Sustainable Development Goals

Lianhe Green believes this eligible Blue Project category contributes positively to the UNSDGs, in particular, there is significant contributions to Target 6.1 of Goal 6 (Clean Water and Sanitation) "By 2030, achieve universal and equitable access to safe and affordable drinking water for all". And Target 6.3 "By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally".

Environmental Benefits

Wastewater-Turning Problem to Solution estimated that the degradation of organic matter during wastewater treatment contributes ~1.57 per cent of global GHG emissions and 5 per cent of global non-carbon dioxide GHG emissions. The United Nations pointed out that 42% of household wastewater is not treated properly, which seriously damages ecosystems and human health. The importance of wastewater treatment in combating water pollution cannot be overstated. By removing contaminants, protecting ecosystems, safeguarding human health, mitigating eutrophication, and supporting sustainable water management, wastewater treatment serves as a crucial tool in addressing the global water crisis.

Therefore, the reduction, recycling, treatment, and reuse of wastewater are of vital importance. To guide the safe operation of urban drainage and sewage treatment facilities, the Department of Housing and Urban-Rural Development of Fujian Province has formulated the *Fujian Provincial Measures for the Administration of Urban Drainage and Sewage Treatment*, which standardizes the planning, construction, operation, maintenance of drainage and sewage treatment facilities as well as relevant administrative activities.

As a leading urban investment platform in Fujian Province, Fujian Zhanglong closely follows policy guidelines and implements government arrangements. It plays an exemplary and leading role as a municipal investment platform in the construction and operation of water projects including sustainable water and wastewater management. This provides strong support for building a water-saving society, contributes actively to fulfilling the government's urban sewage treatment targets, and advances the efficient utilization and sustainable management of water resources.

2) Eligible Blue Projects: Environmentally Sustainable Management of Living Natural Resources and Land Use - Sustainable Fishery

Eligible Blue Project Categories Under Principles

Lianhe Green considers that this project category under the *Framework* is most relevant to the eligible Green Projects Category "Environmentally sustainable management of living natural resources and land use - Sustainable Fishery" under both GBP and GLP.

This category is also relevant to the eligible Blue Project category "Fisheries and aquaculture" under the *Blue Finance Guidelines*.

Alignment with *Green Finance Endorsed Project Catalogue (2025 Edition), Hong Kong Taxonomy* and *EU Taxonomy*

Lianhe Green believes the *Framework*'s description on "Investments related to sustainable aquaculture activities that promotes marine resource conservation, biodiversity and pollution prevention and control" is aligned with "5.1.15 Green Fishery" under the Green Finance Endorsed Project Catalogue (2025 Edition). The provisions cover criteria for economic activities including mariculture, marine fishing and utilization of marine biological resources.

Currently, the *Hong Kong Taxonomy* and *EU Taxonomy* haven't designated a specific activity covering sustainable fishery.

Relevant Key United Nations Sustainable Development Goals

Lianhe Green believes this eligible Blue Project category contributes positively to the UNSDGs, in particular, there is significant contributions to Target 14.4 of Goal 14 (Life Below Water) "By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics".

Environmental Benefits

Marine Stewardship Council points out that unsustainable fishing practices, such as overfishing, unregulated fishing activities and excessive bycatch, are putting our oceans at risk. More than a third of global fisheries have been fished beyond sustainable limits and world demand for seafood continues to grow. Sustainable fishing can reverse this decline and ensure that there are enough fish left in the sea so that fishing can take place indefinitely into the future. The long-term health of fish stocks is also vital to secure a source of nutrient-rich food to feed a growing population. 16 million more tonnes of seafood could be produced every year if fisheries are managed sustainably, providing enough protein to meet the needs of 72 million people worldwide. Certified sustainable wild-capture fishing can also reduce the pressure on land-based agriculture as a source of protein. Seafood also has, on average, a lower carbon footprint than land-based animal proteins.

Zhangzhou has issued the *Three-Year Action Plan for Promoting High-Quality Development of Marine Economy in Zhangzhou (2024-2026)*. Centering on eight key areas, namely vigorously advancing marine scientific and technological innovation, accelerating the transformation and upgrading of marine fisheries, modernizing coastal industries, fostering and expanding emerging marine industries, developing modern marine service industries, carrying out marine ecological protection initiatives, advancing marine infrastructure construction initiatives, and launching marine opening-up and cooperation initiatives, the plan puts forward 23 specific work tasks. It aims to build a higher-level "Maritime Zhangzhou" and drive the high-quality development of the city's marine economy at a new starting point.

According to this *Framework*, the issuer committed that the proceeds allocated to this category will finance or refinance carbon sink fishery and sustainable fishery projects which will meet the Aquaculture Stewardship Council certification standard or equivalent. Lianhe Green believes that the eligible projects will contribute to local government's fishery development plan and decrease the negative impact of fishery activities on the ocean.

1) Eligible Social Project: Affordable Basic Infrastructure

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 "Affordable basic infrastructure (e.g. clean drinking water, sewers, sanitation, transport, energy" under both SBP and SLP.

Relevant Key United Nations Sustainable Development Goals

Lianhe Green believes this eligible Social Project category contributes positively to the UNSDGs, in particular, there is significant contributions to Target 6.1 of Goal 6 (Clean Water and Sanitation) "By 2030, achieve universal and equitable access to safe and affordable drinking water for all", and Target 6.b "Support and strengthen the participation of local communities in improving water and sanitation management".

Social Benefits

According to data from the World Resources Institute (WRI), China's overall water stress is at a medium-high level. The use of proceeds is allocated to design, construction, operation and maintenance of water supply facilities, which are closely linked to the social welfare of local population.

To strengthen the management of urban water supply and water conservation, ensure the safety of urban water supply, build a water-saving city, and promote the construction of ecological civilization, the *Zhangzhou City Urban Water Supply and Water Conservation Management Measures* ("*Measures*") came into effect in March 2023. The *Measures* require the government to enhance unified leadership over urban water supply and conservation efforts, incorporate these efforts into the national economic and social development plans, and establish a sound water supply and conservation guarantee system.

Lianhe Green believes that water supply facilities serve as critical infrastructure to meet the public's basic needs, therefore setting "the general public" as the target population is well-justified. By providing affordable drinking water and improving water quality, they directly contribute to public health and environmental protection. Such initiatives align with sustainable development goals by promoting inclusivity and resilience, making significant contributions to both environmental and social dimensions of sustainability.

2) Eligible Social Project: Access to Essential Service

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 Service (e.g. health, education and vocational training, healthcare, financing and financial services)" under both SBP and SLP.

Relevant Key United Nations Sustainable Development Goals

Lianhe Green believes this eligible Social Project category contributes positively to the UNSDGs, in particular making 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

After years of development, China's healthcare system has made significant progress, but the distribution of medical resources remains uneven. Research by Yuekai Securities reveals that Fujian Province faces a notable shortage of medical resources due to its large permanent population. The province ranks fourth from the bottom nationally in the number of hospitals per million people, and third from the bottom in hospital beds per capita. These two metrics directly reflect the capacity of the local healthcare system and represent fundamental infrastructure conditions.

The People's Government of Zhangzhou issued the Circular on Issuing the *Several Measures of Zhangzhou City to Accelerate the Development of a Happy Elderly Care Service System and Promote the Integrated Development of Cross-Strait Health and Pension Industries* in 2024. It defines tasks and targets to boost the supply of elderly care services, expand the health support system, and advance the integration of medical and elderly care. The Measures encourage elderly care institutions to establish medical institutions or medical branches; those that meet designated medical insurance standards may apply to become designated medical insurance service providers. Public medical institutions shall provide medical and health services for seniors residing in contracted elderly care institutions in accordance with signed agreements.

Lianhe Green believes that Fujian Zhanglong's medical facilities effectively safeguard the health and life needs of both the general public and vulnerable groups. In particular, the elderly care facilities significantly enhance local sustainable development capacity by improving medical services for seniors and individuals with limited self-care abilities. Therefore, we recommend designating "the general public and vulnerable groups" as the target beneficiaries. By building nursing homes and 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.

3) Eligible Social Projects: Affordable Housing

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 "Affordable housing" under both SBP and SLP.

Relevant Key United Nations Sustainable Development Goals

Lianhe Green believes this eligible Social Project category contributes positively to the UNSDGs, in particular, there is significant contributions to Target 11.1 of Goal 11 (Sustainable Cities and Communities) "By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums".

Social Benefits

The World Economic Forum has pointed out that currently, 1.1 billion people residing in informal settlements and urban slums is consistently exposed to the risks associated with extreme weather events, and a significant proportion of tenants are burdened with the financial strain of high rental costs. Therefore, providing affordable housing is a necessary measure to promote social equity and economic development. The provision of affordable housing serves as a catalyst for alleviating poverty among low-income households, mitigating homelessness, and extending support to vulnerable demographics, thereby fostering social cohesion. A secure and stable housing environment is instrumental in enhancing the work efficiency and productivity of residents, which in turn exerts a salutary influence on the broader economic landscape.

To accelerate the improvement of the housing security system, the *Key Points for Housing Security Work in 2024* released by the Zhangzhou Municipal Housing and Urban-Rural Development Bureau stated: advancing the renovation of shantytowns (urban dilapidated and old housing) with meticulous construction to promote prompt delivery and use. Efforts will be made to fully push forward the demolition and resettlement work for shantytown renovation projects, ensuring timely delivery and use upon project completion.

Lianhe Green believes that affordable housing projects in Zhangzhou can significantly improve the quality of life for low-income groups by providing affordable housing and shantytown redevelopment. These initiatives ensure safe, stable living conditions, foster social inclusion, and reduce homelessness, therefore setting "Low-income groups and general public." as the target population is well-justified.

B. Process for Project Evaluation and Selection

Company Information

In terms of the process for project evaluation and selection, the Group has established a relatively refined control system. The process for eligible project evaluation and selection consists of two parts, namely project screening and project review.

The Group's Sustainable Finance Working Group ("SFWG") collect compliance documents of the proposed green, blue and social projects and check whether the documents are complete, thereafter examining the compliance documents to assess the green, blue and social features of the projects against relevant green, blue and social guidelines. For the potentially qualified green, blue and social projects, a preliminary calculation on their environmental impact will be performed and submitted alongside the compliance documents to the SFWG for project review.

1) Accountability Mechanism for the Group's Green and Blue Finance

The SFWG is responsible for the management of this *Framework* and the compliance of all financing instruments issued under the *Framework*. The SFWG consists of representatives of senior management at the Group's level and senior representatives from the following departments, including:

- Chief Economist of the Group, responsible to lead the SFWG, and make final approval of the proposed eligible projects
- Finance Department, responsible for fund-raising, allocation and dispatch of funds, inspection of the use of loans, and disclosure of financial statements;
- Construction and Management Department, responsible for full life-cycle of the management of construction projects, establishment and improvement of the management system for the whole process of the construction, interpretation of the engineering project design specification, project screening and presenting eligible project to SFWG, and identifying and conducting environmental and social impact assessment;
- Work Safety Office, responsible for monitoring and implementation of the national and local laws and regulations regarding safe production, and conducting environmental and social impact assessment;
- Legal and Compliance Department, responsible for establishment of the legal system and policies, reviewing contracts, and management of litigation; and
- Audit Department, responsible for internal audit and filing.

The SFWG may be supplemented from time to time, or expanded, by the inclusion of representatives from other relevant teams. The SFWG will convene meetings at least once a year and will be jointly responsible for the following matters:

- Ratifying of Eligible Projects, which are initially proposed by the SFWG members, and it is at the SFWG members' discretion to reject any project;
- Undertaking of regular monitoring of the asset pool to ensure the eligibility of projects with the criteria set out in the Group's *Framework* Section 1, Use of Proceeds, whilst replacing any ineligible Projects with Eligible Projects;
- Ensuring that projects comply with the Group's risk management requirements as well as applicable local government regulations. In cases where funds are withdrawn from the projects, or the projects are no longer eligible for the eligibility criteria, ensuring that the funds will be re-allocated to other Eligible Projects as soon as possible.
- Facilitation of regular reporting on any green, blue and social issues in alignment with the Group's reporting commitments;
- Managing any future updates to the *Framework*;
- Ensuring that the approval of Eligible Projects will follow the Group's existing credit/loan/investment approval processes; and
- Discussing and reviewing the environmental and social risks of eligible projects.

2) Stakeholder Management

The Group has established a process for conducting stakeholder engagement at the corporate level. In addition, the SFWG would be responsible for conducting stakeholder engagement at the project level, which is a part of environmental and social assessment. Project level stakeholder engagement activities would be carried out subject to local regulatory requirements. Where applicable, stakeholder engagement exercises would be conducted by the Group along with the environmental and social impact assessment. The Group would obtain a copy of the environmental impact assessment report prepared either by itself or by professional agencies/consultancies, and the applicable local regulator's approval document for the Eligible Projects.

Stakeholder engagement activities would be carried out in the project design, operation, and construction stages throughout the project lifecycle. According to the analysis (e.g., materiality analysis) performed at corporate level, stakeholders include but are not limited to government, corporate clients, industry peers and industrial organizations, employees, partners, and communities. The SFWG would communicate with the stakeholders of the corresponding project through two-way communication channels, such as surveys, interviews, public disclosures and company hotlines and emails, to gather opinions and comments on environmental (e.g., environmental impact) and social (e.g., potential impact on people's lives) issues. The Group would categorize the stakeholders' comments and opinions collected and then assign relevant department(s) to address the issues (e.g., Human Resource Department will handle employee-related issues) and respond to stakeholder feedback. Opinions would be responded to through the company website, telephone feedback, etc.

The Group confirms that records on the results of stakeholder engagements, including a summary of the engagement, identified stakeholders, engagement method, and feedback collected, and relevant responses would be retained.

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 SFWG consists of representatives of senior management at the Group's level and senior representatives from 6 departments. For the potentially qualified green, blue and social projects, a preliminary calculation on their environmental impact will be performed and submitted alongside the compliance documents to the SFWG for project review. Fujian Zhanglong engages the stakeholders in the whole stages throughout the project life. In addition, the SFWG would be responsible for conducting stakeholder engagement at the project level, which is a part of environmental and social assessment. Through communication, Fujian Zhanglong stated that technical person will be involved in the environmental assessment.

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

C. Management of Proceeds

Company Information

The proceeds of each of the Group's SFT can be managed through using an earmarked account or keeping a SFT Register. Under the SFT Register method, the proceeds will be deposited in the general funding accounts and earmarked for allocation towards the Eligible Projects. The Group will maintain a SFT Register to track the use of proceeds for the SFT. Sustainability Finance Allocation Register will be established to ensure and monitor the allocation of sustainability finance proceeds.

The Register will contain, for each SFT launched, information including:

1. SFT Details: ISIN (if applicable), Pricing Date, Maturity Date and etc.;
2. Eligible Project Allocation List, Information including:
   - The Eligible Projects List, including for each Eligible Project, the Eligible Project Category, project description, project location, Group's ownership percentage, total project cost, amount allocated, settled currency, etc.; and
   - Amount of unallocated proceeds.

1) Management of the unallocated proceeds

During the time the instrument is outstanding, the Group plans to deploy proceeds of each of the Group's SFT to other eligible projects when such projects cease to be eligible. If part of the proceeds cannot be allocated to Eligible Projects at the moment, the Group can deposit the unallocated proceeds into the designated account for the sustainable bonds/notes, or invest the unallocated proceeds into qualified money market products or debt instruments. In the meanwhile, the Group declares that the proceeds will not be used for the following purposes:

- activities that violate national laws, regulations or international conventions and agreements, or are subject to international bans;
- production or trade in arms or ammunition;
- production or trade in alcoholic beverages (other than beer and wine);
- production or trade in tobacco;
- gambling, casinos or equivalent businesses;
- production or trade in radioactive materials (radioactive sources considered insignificant and/or adequately shielded, such as quality control equipment, are not covered); or
- production or activities involving harmful or exploitative forms of forced labor or harmful child labor.

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.

The proceeds of each of Fujian Zhanglong's SFT can be managed through using an earmarked account or keeping a SFT Register. For the unallocated proceeds, Fujian Zhanglong can deposit it into the designated account for the sustainable bonds/notes, or invest the unallocated proceeds into qualified money market products or debt instruments. The SFWG is responsible for the management of this *Framework* and the compliance of all financing instruments issued under the *Framework*. In cases where the projects are no longer eligible for the eligibility criteria, ensuring that the funds will be re-allocated to other Eligible Projects as soon as possible. Fujian Zhanglong has detailed exclusion criteria for the eligible categories.

Lianhe Green's assessment of Fujian Zhanglong's Management of Proceeds is "Good".

D. Reporting

Company Information

1) Allocation Reporting

The Group will consolidate information on the allocation of the net proceeds of its SFTs. Such information will be prepared on an annual basis until all the net proceeds have been allocated. The information will contain at least the following details:

a) List of Eligible Projects for the current year;
b) The amount of proceeds allocated to each Eligible Project category;
c) When possible, descriptions of the Eligible Projects financed, such as project locations, amount allocated, etc.;
d) Selected examples of projects financed;
e) Percentage of financing vs. refinancing; and
f) Amount of unallocated proceeds.

Furthermore, the Group will confirm that whether the use of proceeds of the SFT conforms to this *Framework* or not, and will report on a timely basis any material development until full allocation.

2) Impact Reporting

The Group will prepare to report on the environmental and social benefits of the Eligible Projects potentially with the following environmental and social impact indicators. In addition, calculation methodologies and key assumptions will be disclosed, subject to data availability. Such information will be prepared on an annual basis until all the net proceeds have been allocated and such information will be project portfolio-based. The Group commits to disclosing the expected and actual qualitative impact of projects financed and/or refinanced and quantitative impact when data is available.

Eligible Project Categories	Impact Indicators
Green Buildings	• Type and level of green building certifications obtained • Annual energy savings (in MW) • Annual greenhouse gas (GHG) emissions reduced / avoided (in t CO_2 eq p.a.) • Annual reduction in water consumption (in m^3)
Renewable Energy	• Estimated CO_2 emissions reduced annually from the solar heating system purchased/installed • Estimated CO_2 emissions reduced annually from the offshore wind farm in operation

Sustainable Water and Wastewater Management	• Annual amount of water / rainwater / wastewater collected / treated / recycled / reused (in m3/year)
Sustainable Fishery	• Production of sustainable aquaculture, algaculture, and/or mariculture (tons)
Affordable Basic Infrastructure	• Number of infrastructure projects built/upgraded
Access to Essential Service	▪ Number of patients benefitting from healthcare or medical treatment • Number of health-related R&D programs funded
Affordable Housing	▪ Number of people reached; number of affordable units/houses/dwellings improved ▪ Number or percent of affordable units meeting quality/sustainability standards ▪ Share of residents satisfied with the housing

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.

Fujian Zhanglong will provide eligible project category level disclosure reports annually until the proceeds of the SFTs have been fully allocated. Besides, Fujian Zhanglong will report on the environmental and/or social impacts associated with the Eligible Projects potentially with the listed impact indicators, some of which are core indicators published by the International Capital Market Association ("ICMA").

Lianhe Green's assessment of Fujian Zhanglong's Reporting is "Good".

E. External Reviews

Company Information

Pre-Issuance

The Group has engaged external reviewers to assess this *Framework* and its alignment with the GBP, GLP, SBP and SLP and issue a Second Party Opinion accordingly. The Second Party Opinion will be made publicly available on the Company's official website.

Post-Issuance

The issuer may consider post issuance certification to review and verify the internal tracking and allocation of funds from the SFTs to Eligible Projects, as well as the Eligible Projects expected and actual impact that is disclosed in the Annual Report.

Opinion of Lianhe Green

Not Aligned	Aligned	Good	Excellent

The Group has engaged Lianhe Green to assess the compliance of this *Framework* with relevant international and domestic standards and to issue a second-party assessment opinion. The issuer may consider post issuance certification.

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. Lianhe Green's assessment of Fujian Zhanglong's management system for External Reviews is "Good", which meets the requirements of the assessment standards.

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 Credit Information Service Co., Ltd. (hereafter referred to as "Lianhe Group") and Lianhe Equator Environmental Impact Assessment Co., Ltd. (hereafter referred to as "Lianhe Equator"). 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 Fujian Zhanglong to provide an assessment of the Group'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 Group's issuance.

Responsibilities

<u>Fujian Zhanglong</u>
Fujian Zhanglong'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.

<u>External Reviewer</u>
Lianhe Green's responsibilities are to collect data and documents provided by Fujian Zhanglong. Lianhe Green will review all important data and documents, and issue conclusions. In addition, Lianhe Green will disclose information collected from Fujian Zhanglong 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:

- Conduct interviews with the persons in charge of the relevant departments to understand the key matters related to Fujian Zhanglong's policies and processes;
- Review the *Sustainable Finance Framework* developed by Fujian Zhanglong;
- 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 Fujian Zhanglong.

Disclaimer

To avoid ambiguity, please refer to the English version published on the official website of Lianhe Green. The Chinese version is for reference only.

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.

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