



Nanjing Lishui Economic and Technological Development Group Company Limited

Second-Party Opinion | Sustainable Finance Framework

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

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Summary

Not Aligned	Aligned	Good	Excellent
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Pillar	Alignment
Use of Proceeds	Good
Process for Project Evaluation and Selection	Excellent
Management of Proceeds	Good
Reporting	Excellent
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 Nanjing Lishui Economic and Technological Development Group Company Limited (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 the primary and largest investment, financing and infrastructure construction platform in Lishui Economic Development Zone and is indirectly wholly owned by the Lishui District People's Government. It plays a crucial role in the development of Lishui District, one of districts in Nanjing, Jiangsu Province. The Group's strategic positioning and its state-owned background offer it advantages and resources to fulfil its business missions. Since its establishment, the Group has been engaged in many projects to increase the urbanisation and commercial attractiveness of Lishui District, involving urban infrastructure construction projects and affordable housing construction projects. Leveraging on strong governmental support, the Group has established itself as a well-known state-owned asset investment vehicle in Lishui District and plays a crucial role in the modernisation and development of Lishui District.

Since its establishment in 1993, the Group has played an important role in implementing the Lishui District People's Government's blueprint for infrastructure construction and regional development and has received strong support from the Lishui District People's Government. Over the years, the Group has developed a diversified business portfolio, and its operations primarily focus on four business segments, including: (i) urban infrastructure construction, (ii) affordable housing construction, (iii) economic zone management, and (iv) leasing. The Group also conducts other businesses, including property services, wastewater treatment, tap water sales businesses and other businesses.

Company Sustainability Strategy

Relevant Government Policies

The Development and Reform Commission of Lishui District has released the report on the [*Draft Plan for the National Economic and Social Development of Lishui District*](#) in 2025, and formulated the key tasks for the national economic and social development in 2025. These tasks include: continuously advancing the battle against pollution, and deeply implementing special actions for the Blue Sky, Clear Water, and Clean Land campaigns; accelerating green and low-carbon development, and expanding the pathways for the value conversion of ecological products. In addition, Lishui District will speed up the implementation of the Nanjing Agri-high-tech Zone (EOD) pilot project, promote the declaration of EOD projects in the development zone, and establish a platform for the value conversion of regional ecological carbon sink products.

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 qualified green projects such as sustainable water and wastewater management, and actively contributing to the 2025 climate change targets.

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 April 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 an amount at least equivalent to the net proceeds of the Sustainable Financing Instruments issued under the Framework to finance and/or re-finance, in whole or in part, projects which meet the eligibility criteria of the following Eligible Project categories ("Eligible Projects"), as defined as below.

A maximum 3-year look-back period would apply for refinanced projects and the Group is committed to fully allocate the net proceeds of each issuance under the Framework within 24 months from issuance/borrowing.

i. Eligible Green Projects Categories and Description/Condition of Eligible Green Projects

Eligible Green Projects Categories	Description/Condition of Eligible Green Projects
Sustainable Water and Wastewater Management	<p>Sustainable water resources and wastewater management, including but not limited to:</p> <ul style="list-style-type: none">- 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. <p>Environmental objectives</p> <ul style="list-style-type: none">• Climate change mitigation• Pollution prevention and control

ii. Eligible Social Projects Categories and Description/Condition of Eligible Social Projects

Eligible Social Projects Categories	Description/Condition of Eligible Social Projects
Access to Essential Services – Community-based Elderly Care	<p>Investments and expenditures in projects that enhance community-based elderly care, including the development of comprehensive senior care centers, home-based care services, and accessible facilities for the elderly. These projects aim to provide affordable and quality care for the aging population, ensuring their well-being and independence.</p> <p>Target population</p> <ul style="list-style-type: none">• The elderly
Affordable Housing	<p>Investments and expenditures in projects that provide affordable housing and resettlement fees for the general public and vulnerable groups, including indemnificatory public rental housing, economically affordable housing, construction projects and government-supported affordable housing construction projects.</p> <p>Target population</p> <ul style="list-style-type: none">• General public and vulnerable people



iii. Exclusion Criteria

The Group commits that any activities, assets and technologies related to the below will be excluded from Eligible Projects:

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

Opinion of Lianhe Green

Not Aligned	Aligned	Good	Excellent
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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. As a local investment company, all the Group's projects are located in China. The eligible green project categories align with *China's Green Bond Endorsed Projects Catalogue (2021 Edition)* and some of them are eligible for the *Hong Kong Taxonomy* and *EU Taxonomy*.

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 categories. 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 will be 100%. 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 7 activities, assets and technologies.

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

1) Eligible Green Projects: Sustainable Water and Wastewater Management

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 "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.

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 "Sustainable water resources and wastewater management, including but not limited to: 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” is aligned with the description of “5.3.1.3 Inspection, Upgrade, Construction and Renovation of Urban Sewage Collection System” under *Green Bond Endorsed Project Catalogue (2021 Edition)*, which states that “Inspection, dredge; repair and renovation of urban sewer network; construct and renovate sewage (rain) storage facilities; develop and operate geographic information system (GIS) for sewer network.”

Currently, sewage sludge treatment is included in *Hong Kong Taxonomy*, but it emphasizes “anaerobic digestion or co-digestion with the resulting production and utilisation of biogas or chemicals” of this activity, which is not stated in the framework.

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 Green Project category contributes positively to the United Nations Sustainable Development Goals (UNSDGs), in particular, it makes significant contributions to Target 6.3 of Goal 6 (Clean Water and Sanitation) “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

According to [data](#) released by the Ministry of Housing and Urban-Rural Development, from 2011 to 2022, the total volume of wastewater discharge in China continued to rise, increasing from 48.322 billion cubic meters to 75.390 billion cubic meters. In 2023, the total wastewater discharge was approximately 78.429 billion cubic meters. Additionally, the rural wastewater treatment rate remains at a relatively low level. Against the backdrop of the nationwide acceleration of rural revitalization, the demand for rural wastewater treatment is growing rapidly. To date, based on information provided by the Group, the wastewater treatment system in the Lishui Economic Development Zone is still not fully developed, and the construction of the pipeline network is in urgent need of improvement.

Therefore, the implementation of projects such as the construction and installation of wastewater treatment stations and supporting facilities by the Group will significantly contribute to the environmental objective of pollution prevention and control. In addition, projects such as construction of supporting sewage collection pipes not only help mitigate urban flooding during extreme weather events but also enhance the city’s resilience to climate change, playing an important role in the environmental objective of climate change mitigation. By adopting an integrated urban-rural approach to wastewater treatment for concentrated residential areas in towns surrounding urban areas and sharing resources between urban and rural areas, the low rural wastewater treatment rate can be effectively addressed, and the overall wastewater problem in the region can be alleviated.

Moreover, the [14th Five-Year Plan for Urban Wastewater Treatment and Resource Utilization](#) clearly states that by 2025, the direct discharge of domestic sewage in urban built-up areas and the blank spots in collection and treatment facilities will be basically eliminated, and the centralized collection rate of domestic sewage in cities across the country will strive to reach more than 70%. By 2035, the collection network for urban domestic sewage will be basically fully covered, the capacity for urban and rural wastewater treatment will be fully covered, the harmless treatment of sludge will be fully realized, the level of resource utilization of wastewater and sludge will be significantly improved, and urban and rural wastewater will be treated safely and efficiently.

Local governments should fully implement national development policies and improve the mechanisms for wastewater collection and treatment. As a state-owned enterprise in the Lishui Economic Development Zone, the Group has fully played the leading role of a local government



investment company. It is important to recognize its significant role in stimulating the economy, to strengthen the weak links in urban and rural wastewater treatment facilities, and to enhance treatment capacity. This provides strong support for building a water-saving society and makes a positive contribution to achieving the government's urban wastewater treatment goals.

1) Eligible Social Projects: Access to Essential Services — Community-based Elderly Care

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 10.2 of Goal 10 (Reduce Inequalities) "By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status".

Social Benefits

With the acceleration of China's population aging process, the pressure on the supply of elderly care services is increasing. According to the [Bulletin of the Seventh National Population Census](#), the proportion of the population aged 60 and above has reached 18.7%, an increase of 5.44 percentage points compared to the previous census; the proportion of the population aged 65 and above is 13.5%, up by 4.63 percentage points. This indicates that China is gradually entering a moderately aged society. Meanwhile, the improvement of the economy and medical standards has led to an increase in life expectancy, resulting in a growing number of elderly people and empty-nesters, which in turn has increased the burden of family-based elderly care.

In light of the national conditions and social development, the Chinese government places great emphasis on the construction of community-based elderly care service systems. It has issued the [14th Five-Year Plan for National Aging Development and Elderly Care Service System](#), which clearly sets the 2025 targets for aging development and elderly care service system: the total number of elderly care service beds will exceed 9 million, the monthly visitation rate for elderly people with special difficulties will reach 100%, and the compliance rate for elderly care service facilities in newly built urban areas and residential communities will reach 100%, among other goals.

As a state-owned enterprise in the Lishui Economic Development Zone, the company actively fulfills its social responsibilities and is committed to promoting the high-quality development of community-based home care services across the city. The Framework clearly states that the company is committed to investing in and expending resources to enhance community elderly care services. Specific measures include the development of comprehensive elderly care centers, home care services, and barrier-free facilities for the elderly. These initiatives are aimed at providing affordable and high-quality care services for the aging population, ensuring their well-being and ability to live independently. The company strictly adheres to local government policies, such as the [Interim Regulations on the Management of Community-Based Home Care Services in Nanjing City](#), and is dedicated to building a community-based home care service system that covers all areas, provides full-service functions, and is subject to comprehensive supervision. This effort is designed to create a more comfortable, convenient, and secure living environment for the elderly in their later years.



Therefore, the significance of the [community-based elderly care model](#) is self-evident. It not only provides the elderly with professional and convenient care services but also allows them to remain in their familiar living environments, enjoying the company and care of their families. This model integrates the warmth of family-based care with the professional services of traditional institutional care, creating a more secure and caring living space for the elderly in their later years. It has thus become an important approach to addressing the challenges of an aging population. Lianhe Green believes that the target groups for these eligible projects are clearly defined, and the associated social benefits are substantial.

2) 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 SBP, and “Affordable, social or supported housing” 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 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.

In 2023, the State Council issued the [Stabilization and Quality Improvement of Guaranteed Housing Construction](#), emphasizing that in the “14th Five-Year Plan” period, China focuses on developing guaranteed rental housing, further improving the housing security system, increasing the supply of guaranteed housing, and striving to achieve housing for all people. The [Lishui District government](#) actively follows national policies and steadily advances the construction of resettlement housing and the renovation of urban villages. It strictly regulates the scope and standards of renovation and continues the construction of resettlement housing projects. By the end of 2024, a total of 1.2507 million square meters of resettlement housing had been completed and delivered. With an investment of 1.8 billion yuan, two urban village renovation projects were completed, benefiting 850 households of villagers.

As a state-owned enterprise, the Group has aligned with the government's initiatives and formulated plans to construct and operate affordable housing projects, including but not limited to resettlement housing initiatives. This strategic approach underscores the Group's commitment to addressing social housing needs through tangible and measurable actions. Lianhe Green believes that the target groups for these eligible projects are well-defined, and the associated social benefits are significant.

B. Process for Project Evaluation and Selection

Company Materials



The Group has strict environmental and social risk management procedures in place for its daily operations and project construction. To evaluate and select projects, the Group has established a Sustainable Financing Working Group (the “SFWG”) that is responsible for ensuring that the proceeds from sustainable financing instruments or an equivalent amount are allocated to eligible projects under the Group’s framework. The SFWG is also tasked with managing any future updates to the framework, including expanding the requirements for the use of proceeds. For potential eligible green and social projects, the relevant project department will first pre-select and evaluate the projects based on feasibility studies, environmental impact assessments, preliminary designs, and other relevant documents. The department then submits these potential projects to the SFWG, which further assesses and evaluates whether the projects meet the eligibility and exclusion criteria of the framework. The SFWG also ensures that appropriate mitigation measures are in place to address any environmental and social risks. The projects that are endorsed by the SFWG are then shortlisted and presented to the company’s board of directors for final approval. Once approved by the board, the selected projects are added to the list of eligible green and social projects. The SFWG is responsible for managing and ensuring compliance with the framework.

The SFWG is composed of senior management members from various departments within the Group, including Investment and Financing Department, Engineering Management Department and Corporate Finance Department. The SFWG will convene at least annually, or on an as-needed basis, to discuss, evaluate, and select eligible green and social projects according to the criteria outlined in the framework.

The SFWG will regularly monitor the asset pool to ensure the selected projects align with the eligibility criteria specified in Section 1. If any projects become ineligible, the SFWG will replace them with new eligible green and social projects. In addition, the SFWG will facilitate regular reporting on any SFTs issued, ensuring alignment with the reporting commitments outlined in the framework.

Opinion of Lianhe Green

Not Aligned	Aligned	Good	Excellent
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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 implemented stringent environmental and social risk management procedures to govern its daily operations and project construction. The SFWG, comprising senior management members from three key departments, has developed comprehensive mitigation measures to effectively address these risks. The SFWG will conduct regular monitoring of the asset pool and ensure that ineligible projects are promptly replaced with new green and social projects.

Lianhe Green’s assessment of the Group’s Process for Project Evaluation and Selection is “Excellent”.

C. Management of Proceeds

Company Materials

The proceeds of each of the Group’s SFT can be managed through using a designated 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 Green and Social 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 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 Green and Social Project Allocation List: Information including:
 - The Eligible Projects List, including for each Eligible Project, the Eligible Green and Social Project category, project description, project location, Group's ownership percentage, total project cost, amount allocated, settled currency, etc.
 - Amount of unallocated Proceeds.

Management of the unallocated proceeds

It is the Group's intention to deploy proceeds of each of the Group's SFT to Eligible Green and Social Projects within a 2-year period. If part of the proceeds cannot be allocated to Eligible Green and Social Projects at the moment, the Group can deposit the unallocated proceeds into the designated account for the sustainable bond, or invest the unallocated proceeds into qualified money market products or debt instruments according to the relevant rules and regulations set out by the competent authorities.

Opinion of Lianhe Green

Not Aligned	Aligned	Good	Excellent
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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 net proceeds of each of the Group's SFT will be deposited into a designated account and earmarked for allocation towards the Eligible Green and Social Projects. Also, the Group has internal procedures to keep track of the use of proceeds, the unallocated proceeds will be held in temporary investment instruments according to the relevant rules and regulations set out by the competent authorities.

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

D. Reporting

Company Materials

The Group will provide information on the allocation of the net proceeds of its Sustainable Financing Instruments in a report. Such information will be provided on an annual basis until all the net proceeds have been allocated. According to the market needs, the information may contain the following details:

- 1) List of Eligible Green and Social projects
- 2) The amount of Proceeds allocated to each Eligible Green and Social Project category
- 3) When possible, descriptions of the Eligible Green and Social Projects financed, such as project locations, amount allocated, etc.
- 4) Selected examples of projects financed
- 5) Percentage of financing vs. refinancing
- 6) Amount of unallocated Proceeds

Furthermore, the Group will confirm that the use of proceeds of the SFT conforms to this SFF and that report on a timely basis if any material development until full allocation.

Impact Reporting



The Group will provide reporting on the environmental and social benefits of the Eligible Green and Social Projects potentially with the following environmental and social impact indicators. In addition, calculation methodologies and key assumptions will be disclosed.

Eligible Green Projects Categories	Impact Indicators
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> Annual absolute (gross) amount of wastewater treated, reused or avoided before and after the project in m³/a and p.e./a and as %

Eligible Social Projects Categories	Impact Indicators
Access to Essential Services – Community-based Elderly Care	<ul style="list-style-type: none"> Number of people received community elderly care service
Affordable Housing	<ul style="list-style-type: none"> Number of dwellings constructed Reduction in number of people experiencing poor housing and homelessness Number of individuals/families benefiting from subsidized housing

The allocation and impact reporting mentioned above will be disclosed to the Group's stakeholders.

Opinion of Lianhe Green

Not Aligned	Aligned	Good	Excellent
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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 provide eligible project category level disclosure reports annually until the proceeds of the SFTs have been fully allocated. When possible, amount of allocated proceed by Eligible Categories and the remaining balance of funds as well as share of financing vs. refinancing, would be reported. Besides, the Group will report on the environmental and/or social impacts associated with the Eligible Green and Social Projects potentially with the listed impact indicators, which includes some core indicators published by the ICMA.

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

E. External Reviews

Company Materials

Pre-issuance

The Group has engaged Lianhe Green Development Company Limited ("Lianhe Green") to provide a second party opinion on the Sustainable Finance Framework to review and confirm its alignment with the SBG, GBP, GLP, SBP and SLP. Lianhe Green has reviewed the Sustainable Finance Framework and provided its Second Party Opinion. The objective of the Second Party Opinion is to provide investors with an independent assessment. The Second Party Opinion is a statement of opinion, not a statement of fact. No representation or assurance is given by the Issuer and the Joint Lead Managers as to the suitability or reliability of the Second Party Opinion or any opinion or certification of any third party made available in connection with the Bonds issued as Sustainable Bonds. The Second-Party Opinion together with the Sustainable Finance Framework will be published on the Group's website.



Post-issuance

An independent third party may be engaged to review and verify the internal tracking and allocation of funds from the SFTs to Eligible Green and Social Projects, as well as the Eligible Projects expected and actual impact that is disclosed in the Annual Reporting.

Opinion of Lianhe Green

Not Aligned	Aligned	Good	Excellent
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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. An independent third party may be engaged to review and verify the internal tracking and allocation of funds from the SFTs to Eligible Green and Social Projects, as well as the Eligible Projects expected and actual impact that is disclosed in the Group's annual reporting.

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 the Group's management system for External Reviews is "Good".



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.

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