



聯合綠色發展
Lianhe Green Development

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)
- » Sustainability Bond Guidelines (SBG) (June 2021 Edition)

Industry

Local Investment and
Development Companies

Country/Region

China

Report Date

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Guangxi Communications Investment Group Corporation Ltd.

Second-Party Opinion | Sustainable Finance Framework

Summary

Not Aligned	Aligned	Good	Excellent
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Pillar	Alignment
Use of Proceeds	Excellent
Process for Project Evaluation and Selection	Excellent
Management of Proceeds	Excellent
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 Guangxi Communications Investment Group Corporation Ltd. (hereafter referred to as “the Company” or “the Group”), and assessed the company’s relevant work in respect of the Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, Reporting, and External Reviews. The Framework has received an assessment opinion of “Excellent” 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)*, the *Social Loan Principles (SLP) (March 2025 Edition)* and *Sustainability Bond Guidelines (SBG) (June 2021 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)



聯合綠色發展
Lianhe Green Development



About the Company

Company Materials

As the only provincial-level railway investment and financing platform in the Guangxi Zhuang Autonomous Region (hereinafter referred to as "Guangxi"), Guangxi Communications Investment Group Corporation Ltd. (hereinafter referred to as "the Group") is a key entity responsible for the investment, construction, and operational management of expressways and railways in Guangxi. The Group also engages in diversified business operations, including refined oil sales, bulk material supply and logistics, and real estate, demonstrating strong comprehensive competitiveness. Guangxi benefits from abundant resources, unique geographical advantages, and multiple layers of national policy support. With the region's steady economic development and significant demand for expressway and railway investment and construction, the Group enjoys favorable development opportunities.

Company Sustainability Strategy

Company Materials

The Group, while firmly rooted in transportation infrastructure development, has strengthened its commitment to sustainability by thoroughly implementing the concept that "lucid waters and lush mountains are invaluable assets". The group has seized opportunities through various initiatives including constructing green demonstration projects, developing smart and eco-friendly transportation systems, and promoting clean energy solutions. Through scientific planning and persistent efforts, it is accelerating the transition toward green and low-carbon development, leveraging high-quality ecological environments to underpin high-quality economic growth.

Opinion of Lianhe Green

As a state-owned enterprise, the Group strictly follows the central and local government's policy, thoroughly implements the concept of "lucid waters and lush mountains are invaluable assets". The Group's operations encompass investment, construction, and operational management of expressways and railways, and it developed various initiatives including constructing green demonstration projects, developing smart and eco-friendly transportation systems, and promoting clean energy solutions.

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 March 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 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
Renewable energy 	<p>Investment, acquisition and expenditures related to rebuilding, construction and operation of renewable energy systems, including photovoltaic solar.</p> <p>Environmental Objectives</p> <ul style="list-style-type: none"> Climate change mitigation Pollution prevention <p>Alignment with China's Green Bond Endorsed Projects Catalogue</p> <ul style="list-style-type: none"> 3.2.2.2 Construction and Operation of Solar Energy Utilization Facilities
Clean Transportation 	<p>Investment, acquisition and expenditures related to purchase, construction and operation of charging facilities.</p> <p>Construction and operation of railway facilities such as railway routes, yards and stations, and special power substations; construction and operation of existing railway electrification, yards and stations and relevant energy-saving and environmental protection renovation projects.</p> <p>Environmental Objectives</p> <ul style="list-style-type: none"> Climate change mitigation Pollution prevention <p>Alignment with China's Green Bond Endorsed Projects Catalogue</p> <ul style="list-style-type: none"> 5.5.2.1 Construction and Operation of Rail Freight Transport and the Environmental-Friendly Transformation of Railways 5.5.4.1 Construction and Operation of Charging, Battery Replacement, Hydrogen Refueling and Gas Refueling Facilities.

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

Social Bond Projects Categories	Description/Condition of Eligible Social Projects
Affordable Basic Infrastructure 	<p>Develop and construct large-scale infrastructure projects, such as but not limited to roads and railways.</p> <p>Target population</p> <ul style="list-style-type: none"> General public

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 or ammunition;



- 3) production or trade in alcoholic beverages (other than beer and wine);
- 4) production or trade in tobacco;
- 5) gambling, casinos or equivalent businesses;
- 6) production or trade in radioactive materials (radioactive sources considered insignificant and/or adequately shielded, such as quality control equipment, are not covered);
- 7) production or activities involving harmful or exploitative forms of forced labor or harmful child labor;
- 8) commercial logging operations for use in primary tropical forest;
- 9) production or trade in wood or other forestry products other than from sustainably managed forests;
- 10) projects related to fossil fuel production; or
- 11) projects related to coal mining.

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 and their contribution to UNSDGs are clearly stated. 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 financing will be 70% and the rest for refinancing. A maximum 3-year look-back period would be applied on refinanced projects, which is longer than the market best practice. The Framework clearly stated the exclusion list, including 11 activities, assets and technologies.

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

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

Lianhe Green believes the Framework's description on "Investment, acquisition and expenditures related to rebuild, construction and operation of renewable energy systems, including photovoltaic solar." is aligned with the description of "3.2.2.2 Construction and Operation of Solar Energy Utilization Facilities" under *Green Bond Endorsed Project Catalogue (2021 Edition)*, which states that "Construction and operation of facilities that generate electricity with solar energy, including facilities for solar photovoltaic power generation". After assessing relevant materials of the Group's PV project, Lianhe Green found that the project can meet the specific requirements about this activity.



Furthermore, Lianhe Green believes that this type of project aligns with “Electricity generation using solar photovoltaic technology” in *Hong Kong Taxonomy*.

Lianhe Green assesses that this type of projects is eligible for the activities and satisfy the substantial contribution criteria for both “Electricity generation using solar photovoltaic technology” under the *EU Taxonomy*, which both significantly contribute to climate change mitigation objectives.

Relevant Key United Nations Sustainable Development Goals

Lianhe Green believes this eligible Green Project category contributes positively to the United Nations Sustainable Development Goals, 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

Currently, China’s energy structure is still dominated by conventional energy sources (coal, oil, and natural gas). However, in recent years, the country has vigorously promoted the development of renewable energy and introduced a series of policies to support the achievement of this transformation goal, for example, the [2024-2025 Energy Conservation and Carbon Reduction Action Plan](#). The Plan has set the goals that, by the end of 2025, the proportion of non-fossil energy power generation in the country is expected to reach around 39%. In addition, for new high-energy-consuming projects launched in the last two years of the “14th Five-Year Plan” period, the proportion of non-fossil energy consumption must not be lower than 20%, and localities are encouraged to further increase this proportion based on their actual situations. These measures are aimed at optimizing the energy structure, reducing dependence on traditional fossil energy, and promoting a comprehensive green transformation of economic and social development, thus laying a solid foundation for achieving the goals of carbon peak and carbon neutrality.

[The 14th 5-Year Plan for the Development of Renewable Energy in Guangxi](#) pointed out that, the province’s energy profile is characterized by scarce coal reserves, limited oil resources, and insufficient natural gas supply, with high external dependence on these fossil fuels. The region’s self-sufficient energy supply primarily relies on renewable sources. In 2020, Guangxi’s energy self-sufficiency rate reached 32.2%, with renewables contributing up to 70% of this total. Accelerated development of renewable energy will strengthen Guangxi’s energy supply foundation, progressively enhance its self-sufficiency rate, and usher in a period of reinforced energy supply security. By 2025, Guangxi aims to achieve newly grid-connected distributed photovoltaic capacity of no less than 3000 MW.

In the Framework, the Group commits to use the proceeds into rebuild, construction and operation of renewable energy systems, including photovoltaic solar. Lianhe Green believes that this eligible green project will have a significant positive impact on the environment and contribute to local government’s target and local energy supply security. Additionally, Lianhe Green believes that this project category can effectively contribute to climate change mitigation and pollution prevention.

2) Eligible Green Projects: Clean Transportation

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 “Clean transportation (such as electric, hybrid, public, rail, non-motorised, multi-modal transportation, infrastructure for clean energy vehicles and reduction of harmful emissions)” under both GBP and GLP.

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

Lianhe Green believes the Framework’s description on “Investment, acquisition and expenditures



related to purchase, construction and operation of charging facilities.” is aligned with the description of “5.5.4.1 Construction and Operation of Charging, Battery Replacement, Hydrogen Refueling and Gas Refueling Facilities.” under *Green Bond Endorsed Project Catalogue (2021 Edition)*, which states that “Construction and operation of electric vehicle battery charging stations, hydrogen refueling facilities and gasification facilities and other relevant infrastructure and facilities for clean vehicles.”

Furthermore, the Framework’s description on “Construction and operation of railway facilities such as railway routes, yards and stations, and special power substations” is aligned with the description of “5.5.2.1 Construction and Operation of Rail Freight Transport and the Environmental-Friendly Transformation of Railways” for freight railways and “5.5.1.3 Construction and Operation of Smart Transportation” for passenger railways; the Framework’s description on “construction and operation of existing railway electrification, yards and stations and relevant energy-saving and environmental protection renovation projects” is aligned with the description of “5.5.2.1 Construction and Operation of Rail Freight Transport and the Environmental-Friendly Transformation of Railways”. However, the *Green Bond Endorsed Project Catalogue (2021 Edition)* requires the railway yards and stations meet the relevant provisions of the *Green Railway Passenger Station Evaluation Standard (TB/T10429)*. Lianhe Green urges the Group to disclose relevant information about the railway yards and stations in the post-issuance period.

Lianhe Green believes that, *Hong Kong Taxonomy* is applicable only for the construction and operation of urban public transportation system, and not applicable for this category.

The *EU Taxonomy* includes the “installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)”. Lianhe Green thinks the Framework’s description of “Investment, acquisition and expenditures related to purchase, construction and operation of charging facilities” is eligible with the criteria set by *EU Taxonomy*, and these types of projects positively contribute to the environment. Besides, the electrification of railway is also eligible for “Infrastructure for rail transport” and its substantial contribution criteria, which states that “electrified trackside infrastructure and associated subsystems”.

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 11.2 of Goal 11 (Sustainable Cities and Communities) “By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons”.

Environmental Benefits

According to [IEA](#), transportation is one of the major emission sources in China, accounting for 8% of total emission. According to the IEA’s roadmap for China’s energy sector carbon neutrality, in the committed goal scenario, transportation emissions are projected to continue rising in the short term, peaking at just over 1 billion tons in 2030. By 2060, these emissions are expected to plummet to around 100 million tons, a near 90% reduction from 2020 levels. IEA believes that electrification is the key to decarbonising transport. New investments in high-speed rail between cities lower the energy intensity of passenger trips.

[The 14th Five-Year Plan for Guangxi’s Comprehensive Transportation Development](#) states that despite notable achievements, the region’s integrated transport development still lags significantly behind the requirements for establishing Guangxi as a nationally advanced transport hub and achieving high-quality transport growth. Key gaps include: railway double-tracking and electrification rates below national averages, and an urgent need to enhance sustainable industry development. The plan sets 2025 targets to build Guangxi into a “top-tier transport province ranking nationally among the forefront and leading in western China”. Specific objectives comprise: raising railway electrification



rate to 74% (3.1% increase from 2020) and achieving 70% green travel share in major cities (75% growth from 2020).

The [Guangxi New Energy Vehicle Charging Infrastructure Plan \(2021-2025\)](#) outlines that by the end of 2025, the region aims to have cumulatively built 295,000 charging infrastructure units and no fewer than 600 integrated energy service stations to meet diversified transportation energy .

Lianhe Green believes that, the Group's eligible green projects, including construction and operation of charging facilities and railway electrification, directly contribute to the local government's targets and effectively contribute to climate change mitigation and pollution prevention. These eligible green projects are crucial for reducing transportation emissions and align with the broader goals of China's energy transition.

1) Eligible Social Projects: 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 green projects category "Affordable basic infrastructure (e.g. clean drinking water, sewers, sanitation, transport, energy)" under SBP and "Affordable basic infrastructure (e.g. clean drinking water, sewers, sanitation, transport, energy, basic telecommunications)" 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 11.2 of Goal 11 (Sustainable Cities and Communities) "By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons".

Social Benefits

The United Nations Environment Programme (UNEP)'s ["International Good Practice Principles for Sustainable Infrastructure"](#) indicates that Infrastructure supports human and economic development and is relevant to all 17 sustainable development goals, directly or indirectly affecting the achievement of 92% of the 169 sustainable development targets. Therefore, the infrastructure is an important support for economic and social development. It is necessary to build a modern infrastructure system to lay a solid foundation for the comprehensive construction of a socialist modern country, which also ensures the safety, well-being and prosperity of communities.

Guangxi is located at the southeastern edge of the Yunnan-Guizhou Plateau and the western part of the Lingnan Hills. Overall, it features a basin topography characterized by mountains and hills. The complex terrain has brought inconvenience to the local economic development and cultural exchanges among residents. The [14th Five-Year Plan for Guangxi's Comprehensive Transportation Development](#) points out that although many achievements have been made, there still exists a significant gap between Guangxi's comprehensive transportation development level and the requirements for accelerating the construction of a strong transportation region and promoting high-quality transportation development. The quality of northbound railway channels is low, and the highway network density ranks 25th nationwide and 7th in western regions, remaining at a middle-to-lower level. The *Plan* sets 2025 targets to build Guangxi into a "top-tier transport province ranking nationally among the forefront and leading in western China." Specific objectives comprise: expanding total railway operational mileage to 7,000 km, including 3,000 km of high-speed rail; and developing 140,000 km of highways, with expressways exceeding 12,000 km. Guangxi is the forefront window of China's opening up to the ASEAN countries and a key node of the New Western Land-Sea Corridor. The construction of roads and railways can bring more economic, cultural, and tourism opportunities to the local residents.



As a state-owned enterprise, the Group is committed to developing and constructing large-scale infrastructure projects, such as but not limited to roads and railways. These efforts have strongly supported the provincial government's plans and goals for infrastructure construction in 2025, played a significant leading role, and made important contributions to local community development.

Lianhe Green views that these eligible projects are closely related to the company's key business activities, and have high relevance and significant benefits to the national and local contexts. Lianhe Green believes these initiatives are beneficial for the general public to communicate with other areas and will facilitate trade between regions. By improving connectivity and accessibility, these efforts will also support the broader goals of urban-rural integration and sustainable development.

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. For potential eligible green and social projects, the relevant project departments 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 senior management members, who further assesses and evaluates whether the projects meet the eligibility and exclusion criteria of the framework and ensures that appropriate mitigation measures are in place to address any environmental and social risks. Once approved by the senior management members, the selected projects are added to the list of eligible green and social projects.

The staff from various departments, including Investment Development Department, Project Management Department and Financial Department 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.

They will regularly monitor the asset pool to ensure the selected projects align with the eligibility criteria. If any projects become ineligible, they will replace them with new eligible green and social projects. In addition, the senior management members 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 day-to-day operations and project construction. The eligible green and social projects will be evaluated and pre-selected by relevant project departments and then be submitted to senior management members from 3 key departments. The senior management members will monitor the asset pool and will replace any ineligible project with new eligible green and social projects. Through communication, Lianhe Green understands that the Group has involved technical person to assess the environmental risk and develop corresponding mitigation plans.



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 by 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. SFT 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 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 currently, 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 "Excellent".

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, or until the Sustainable Financing Instrument is no longer outstanding. 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 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
Renewable energy	<ul style="list-style-type: none"> Annual renewable energy generation (GWh for electricity and GJ for other energy) Annual GHG emissions reduced/avoided in tons of CO2 equivalent
Clean Transportation	<ul style="list-style-type: none"> Passenger-kilometres and/or passengers; or tonne-kilometres and/or tonnes. Number and type of clean transportation infrastructure built Annual GHG emissions reduced/avoided in tons of CO2 equivalent

Eligible Social Projects Categories	Impact Indicators
Affordable Basic Infrastructure	<ul style="list-style-type: none"> Number of large-scale infrastructure projects developed and constructed

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, or until the Sustainable Financing Instrument is no longer outstanding. 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.

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 are 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 assessment 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.

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