



聯合綠色發展
Lianhe Green Development

Report Type

Green Finance Framework
Second-Party Opinion

Analytical Standards

- » Green Bond Principles (GBP) (June 2025 Edition)
- » Green Loan Principles (GLP) (March 2025 Edition)

Industry

Local Investment and
Development Companies

Country/Region

China

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Xuzhou Industry Development Holding Group Co., Ltd.

Second-Party Opinion | Green Finance Framework

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	Good
External Reviews	Good

Lianhe Green Development Company Limited (hereafter referred to as “Lianhe Green”) has reviewed a series of documents including the “Green Finance Framework” (hereafter referred to as “Framework”) issued by Xuzhou Industry Development Holding Group Co., Ltd. (hereafter referred to as “XIDHG” or “the Group”), and assessed XIDHG’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 and the eligible green projects listed in this Framework are in compliance with the Green Bond Principles (GBP) (June 2025 Edition), and the Green Loan Principles (GLP) (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

XIDHG is a wholly state-owned enterprise and a major platform for industrial investment, construction and industry-city integration in Xuzhou. Upholding the corporate spirit of “Cohesion, Dedication, Innovation and Transcendence”, it focuses on three core businesses: industrial park investment and operation, financial investment and talent services, and urban development. The Group pursues market-oriented and entity-based operations, enhances the efficiency and competitiveness of state-owned capital, and strives to become a benchmark for high-quality development and a first-class industrial construction and service provider on the northern wing of the Yangtze River Delta.

Company Sustainability Strategy

Relevant Government Policies

In 2025, Xuzhou issued the [*Construction Plan for Xuzhou National Innovation Demonstration Zone for the Sustainable Development Goals \(2025-2027\)*](#). The Plan states that by 2027, Xuzhou will further improve its sustainable development model, build influential regional science and technology innovation hubs and innovative industrial clusters, and achieve marked improvements in ecological environment quality and people’s well-being. It will also further advance the construction of a beautiful Xuzhou, establish a fairer and more sustainable social security system, and foster a number of replicable exemplary practices.

Opinion of Lianhe Green

As a state-owned enterprise, XIDHG’s core businesses are highly aligned with the local government’s sustainable development policies. XIDHG actively implements the requirements of the local government, vigorously develops eligible green projects in sustainable water and wastewater management as well as renewable energy, making positive contributions to achieving the country’s 2030 carbon peaking goal.

Based on the media review and the evidence obtained, nothing has come to Lianhe Green’s attention that causes us to believe that XIDHG has any significant negative ESG news or controversial issues as of May 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, XIDHG 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 Green 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 and mapped Sustainable Development Goals (“SDGs”)	Description/Condition of Eligible Green Projects
Sustainable Water and Wastewater Management 	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; - Construction, operation and renovation of urban drainage and flood control facilities. Environmental objectives and benefits 1) Climate change mitigation • Enhance cities’ resilience to climate change 2) Pollution prevention and control • Reduce water pollutants • Improve water quality
Renewable Energy 	Investment, acquisition and expenditures related to design, manufacture, construction, installation, and operation of - renewable energy systems, including photovoltaic solar; - renewable electricity energy storage system (i.e. batteries, capacitor). Environmental objectives and benefits 1) Climate change mitigation • Enhance cities’ resilience to climate change 2) Pollution prevention and control • Reduce air pollutants • Improve air quality
Green Building  	Acquisition, construction, maintenance and renovation of building that have received, or expect to receive the recognized green building certifications such as: - Chinese Green Building Evaluation Label – Three Star; or - U.S. Leadership in Energy and Environmental Design (LEED) – Gold or above; or - Hong Kong BEAM Plus – Gold or above; or - Certification under NABERS Energy of at least five stars. Environmental objectives and benefits 1) Climate change adaptation • Reduce energy consumption • Reduce greenhouse gas emissions 2) Pollution prevention and control • Reduce air pollutants and waste



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 excluded from this restriction);
- 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 XIDHG has clearly categorized the eligible projects into the listed categories of GBP and GLP. All XIDHG's projects are located in China. The eligible green project category aligns with China's *Green Finance Endorsed Project Catalogue (2025 Edition)* and *Hong Kong Taxonomy for Sustainable Finance (Phase 2A)* (*Hong Kong Taxonomy*).

XIDHG's contribution to UNSDGs is clearly stated. In accordance with the requirements of the GLP, XIDHG clearly disclosed the environmental objectives of eligible green projects. Detailed analysis will be elaborated in the following paragraphs.

Through communication, the raised proceeds will be allocated 100% toward refinance. Lianhe Green recommends that XIDHG disclose the proportion of financing and refinancing to stakeholders prior to the bond issuance. A maximum 3-year look-back period would be applied on refinanced projects, which is longer than the market best practice period. The Framework clearly stated the exclusion list, including 7 activities, assets and technologies.

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

1) Eligible Green Project Category: 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 Finance Endorsed Project Catalogue (2025 Edition)*, *Hong Kong Taxonomy* 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." 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)*. In addition, the Framework's description on "Construction, operation and renovation of urban drainage and flood control facilities" contributes positively to the "River and Lake Governance and Flood Control Facility Engineering and Construction" industry under the field of "5.2.11 Prevention, Control and Response to Drought and Flood Disasters in Aquatic Ecosystems" 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. The Framework is consistent with the relevant standards stipulated 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 Green Project category contributes positively to the UNSDGs, in particular, it makes significant contributions to Target 6.b of Goal 6 (Clean Water and Sanitation) "Support and strengthen the participation of local communities in improving water and sanitation management".

Environmental Benefits

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.

In accordance with the [*Implementation Opinions on Comprehensively Advancing the Construction of a Beautiful Jiangsu issued by the CPC Jiangsu Provincial Committee and the People's Government of Jiangsu Province*](#), Jiangsu Province mandates the sound advancement of classified collection and graded treatment of industrial and domestic wastewater, as well as the improvement of centralized industrial wastewater treatment facilities in key water-related industrial parks. It also strengthens the balanced accounting and management of urban water pollutants, steadily improves the quality and efficiency of sewage treatment, and strives to achieve full collection and complete treatment of urban domestic sewage.

As a state-owned enterprise in Xuzhou City, XIDHG actively constructs and operates sewage treatment facilities and supporting facilities, while also optimizing the urban drainage system, which will largely achieve the environmental goal of pollution prevention and control. In addition, such projects not only help to alleviate urban flooding in extreme weather conditions, but also enhance the city's resilience to climate change and play an important role in achieving the environmental goal of climate change mitigation. Therefore, XIDHG provides strong support for the construction of a water-saving society and makes a positive contribution to the achievement of the urban sewage treatment goals set by the government.

2) Eligible Green Project Category: 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 “Investment, acquisition and expenditures related to design, manufacture, construction, installation, and operation of photovoltaic solar” 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)*.

In addition, Lianhe Green believes the Framework’s description on “Investment, acquisition and expenditures related to design, manufacture, construction, installation, and operation of ...renewable electricity energy storage system (i.e. batteries, capacitor)” is aligned with the description of “4.3.2 Construction and Operation of New Energy Storage 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*. Projects and relevant activities that meet the criteria that “the construction or operation of electricity generation facilities that produce electricity using solar photovoltaic technology” 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 assesses that this type of projects is relevant with the activities for “Electricity generation using solar photovoltaic technology” and “Storage of electricity” under the *EU Taxonomy*. However, *EU Taxonomy* has more stringent criteria.

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

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.

In March 2025, the [Several Policy Measures of Jiangsu Province to Accelerate the Comprehensive Green Transformation of Economic and Social Development](#) was issued, pointing out that a green, low-carbon, and circular economic system should be basically established ahead of schedule by 2035.



It emphasizes vigorously fostering green and low-carbon industries such as photovoltaic and wind power, and proactively planning future industries like new energy storage.

According to this Framework, the issuer committed that the proceeds allocated to this category will finance or refinance design, manufacture, construction, installation, and operation of solar energy and energy storage. Lianhe Green assesses that these projects can effectively contribute to climate change mitigation and pollution prevention, and provide strong support for a comprehensive green transition in Jiangsu Province and across the country.

3) Eligible Green Project Category: 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’s description on “Acquisition, construction, maintenance and renovation of building that have received, or expect to receive certified the below recognized green building certifications: Chinese Green Building Evaluation Label – Three Star” is aligned with and better than the description of “6.1.1 Construction and operation of green buildings” under *Green Finance Endorsed Project Catalogue (2025 Edition)*, which requires the green buildings to reach 1 Star or above.

Lianhe Green believes that the specifications stipulated in the Framework are in line with the relevant requirements of Activity “C-001 Renovation of Existing Buildings” and Activity “C-002 Construction of New Buildings” under the Construction sector of the *Hong Kong Taxonomy*. All green building certification bodies and corresponding certification grades specified in the Framework are officially recognized under 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 United Nations Sustainable Development Goals, in particular, there is significant contributions to Target 11.c of Goal 11 (Sustainable Cities and Communities) “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. According to “[Tech New Era](#)”, green buildings can reduce energy consumption by 30% to 50% compared to traditional buildings.



In accordance with the [Regulations of Jiangsu Province on the Development of Green Buildings](#), the planning, design and construction of new civil buildings shall adopt green building standards above the basic grade. Public buildings invested by the government shall be planned, designed and constructed in compliance with two-star and above green building standards. Other large public buildings funded by state-owned capital or national financing shall adopt green building standards higher than the basic grade for their planning, design and construction. The Group's eligible projects fully comply with local government requirements and actively support relevant government development goals.

Therefore, Lianhe Green holds that the provisions on green buildings specified in the Framework are in compliance with relevant government regulations and exceed the common one-star green building standards widely adopted in the market. Such project categories can make positive contributions to the environmental objectives of climate change adaptation and pollution prevention and control.

B. Process for Project Evaluation and Selection

Company Information

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 Green Financing Working Group (the "GFWG") that is responsible for ensuring that the proceeds from green financing instruments or an equivalent amount are allocated to eligible projects under the Group's framework. The GFWG is also tasked with managing any future updates to the Framework, including expanding the requirements for the use of proceeds. For potential eligible green 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 GFWG, which further assesses and evaluates whether the projects meet the eligibility and exclusion criteria of the framework. The GFWG also ensures that appropriate mitigation measures are in place to address any environmental and social risks. The projects that are endorsed by the GFWG 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 projects. The GFWG is responsible for managing and ensuring compliance with the framework.

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

The GFWG will regularly monitor the asset pool to ensure the selected projects align with the eligibility criteria specified in Use of Proceeds. If any projects become ineligible, the GFWG will replace them with new eligible green projects. In addition, the GFWG will facilitate regular reporting on any Green Finance Transitions ("GFTs") 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 potential eligible green projects will be first pre-selected and evaluated by the relevant project departments, and then be submitted to the GFWG, which further assesses and evaluates the projects. The staff from various departments, including Financing Management Department and Project Management Department, will convene at least annually, or on an as-needed basis, to discuss, evaluate, and select eligible green projects according to the criteria outlined in the Framework. Then the projects that are endorsed by the GFWG are then shortlisted and presented to XIDHG's board of directors for final approval. Also, the GFWG will regularly monitor the asset pool. If any projects become ineligible, the GFWG will replace them with new eligible green projects.

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

C. Management of Proceeds

Company Information

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

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

1. GFT Details: ISIN (if applicable), Pricing Date, Maturity Date etc.
2. Eligible Green Project Allocation List: Information including:
 - The Eligible Projects List, including for each Eligible Project, the Eligible Green 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 GFT to Eligible Green Projects within a 2-year period. If part of the proceeds cannot be allocated to Eligible Green Projects at the moment, the Group can deposit the unallocated proceeds into the designated account for the green 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.

Under the GFT Register method, the proceeds will be deposited in the general funding accounts, and earmarked for allocation towards the Eligible Green Projects. XIDHG will maintain a GFT Register to track the use of proceeds for the GFT. Green Finance Allocation Register will be established to ensure and monitor the allocation of proceeds. However, market best practice would allocate unallocated proceeds to other eligible projects and notify stakeholders of any significant changes in the allocation of proceeds.



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

D. Reporting

Company Information

The Group will provide information on the allocation of the net proceeds of its Green 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 projects
- 2) The amount of Proceeds allocated to each Eligible Green Project category
- 3) When possible, descriptions of the Eligible Green 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 GFT conforms to this Green Finance Framework ("GFF") and will report on a timely basis if any material development until full allocation.

Impact Reporting

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

Eligible Green Projects Categories	Impact Indicators
Sustainable Water and Wastewater Management	• Annual absolute (gross) amount of wastewater treated, reused or avoided before and after the project in m³/a and p.e./a and as %
Renewable energy	• Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy)
Green Building	• Level of certification by building • The amount of green building 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 Framework and issuer's policy based on the relevant assessment criteria.

XIDHG will provide information on the allocation of the net proceeds of its Green Financing Instruments in a report. Such information will be provided on an annual basis and will report on a timely basis if any material development until full allocation. Besides, XIDHG will report on the environmental impacts resulting from eligible projects. The report includes core indicators published by the International Capital Market Association (ICMA), and calculation methodologies and assumptions may be disclosed.



Lianhe Green's assessment of XIDHG's Reporting is "Good".

E. External Reviews

Company Information

Pre-issuance:

The Group has engaged Lianhe Green to provide a second party opinion on the Green Finance Framework to review and confirm its alignment with the GBP, GLP. Lianhe Green has reviewed the Green 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 GFTs to Eligible Green 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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XIDHG has engaged Lianhe Green to assess the compliance of this Framework with relevant international and domestic standards and to issue a second-party opinion.

Considering that, post issuance, ICMA recommends that an issuer's management of proceeds be supplemented by the use of an external auditor, or other third party, to verify the internal tracking and the allocation of funds from the proceeds to Eligible Projects. Therefore, Lianhe Green's assessment of XIDHG's 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 Credit Management Co., Ltd. (hereafter referred to as “Lianhe Credit”) and Lianhe Equator Environmental 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 assistance 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 XIDHG to provide an assessment of XIDHG’s Green Finance Framework. The assessment is to provide a professional second-party opinion of the compliance of the Green Finance Framework and does not constitute any financial indicators or judgement on the investment values of XIDHG’s issuance.

Responsibilities

XIDHG

XIDHG’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 XIDHG. Lianhe Green will review all important data and documents, and issue conclusions. In addition, Lianhe Green will disclose information collected from XIDHG and relevant parties to demonstrate whether its Green 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 XIDHG’s policies and processes;
- » Review the Green Finance Framework developed by XIDHG;
- » 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 XIDHG.

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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