

SECOND PARTY OPINION

Green Finance Framework of Knowledge City (Guangzhou) Investment Group Co., Ltd.

March 2022

Project Team

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Evaluation Summary

CECEP Environmental Consulting Group (“CECEPEC”) is of the opinion that the Green Finance Framework (the “GFF”) of Knowledge City (Guangzhou) Investment Group Co., Ltd. (the “Group”) is aligned with the Group’s sustainability strategy and performance, the four core components of the Green Bond Principles 2021 (“GBP”) released by International Capital Market Association (“ICMA”), and the Green Loan Principles 2021 (“GLP”) published by the Asia Pacific Loan Market Association (“APLMA”), the Loan Market Association (“LMA”) and the Loan Syndications and Trading Association (“LSTA”).

Use of Proceeds

The Group commits that the net proceeds or equivalent amount of the net proceeds of each Green Financing Transaction (“GFT”)¹ will exclusively finance and/or refinance new and/or existing projects falling into Eligible Green Project categories (“Eligible Green Projects”), including Green Building, Energy Efficiency, Pollution Prevention and Control, Sustainable Water and Wastewater Management, and Renewable Energy, which are aligned with those recognized by the GBP and GLP.

Process for Project Evaluation and Selection

The Group has established a Green Finance Working Group (the “GFWG”), comprised of senior representatives from the Financial Planning Department, Development Planning Department, Audit Office, Key Projects Department, and Legal Office. The Group has described the responsibilities of the GFWG in the GFF, including i) ratifying Eligible Green Projects; ii) undertaking regular monitoring of the asset pool; iii) ensuring the projects comply with the Group’s risk management requirements as well as applicable local government regulations; iv) facilitation of regular reporting on any green, social or sustainability issues in alignment with the Group’s reporting commitments; v) managing any future updates to the GFF; vi) ensuring that the approval of Eligible Green Projects will follow the Group’s existing credit/loan/investment approval processes. CECEPEC considers the project evaluation and selection process to be in line with market practice.

Management of Proceeds

The Group commits that the net proceeds or equivalent amount of the net proceeds of GFTs will be managed through i) an earmarked account or ii) general funding accounts that will be earmarked for allocation towards the Eligible Green Projects through a GFT Register, which will contain GFT details and Eligible Green Project Allocation List. The Group reports that the GFWG will track the allocation of net proceeds or equivalent amount of net proceeds from each GFT to Eligible Green Projects. The intended types of temporary placement for the balance of unallocated net proceeds are defined in the GFF. The Group has established exclusion criteria for the use of proceeds. CECEPEC considers the management of proceeds and the disclosure of temporary use of proceeds to be in line with market practice.

Reporting

The Group commits to reporting on the allocation of the net proceeds of its GFTs annually until full allocation in a Green Finance Report. The Green Finance Report will include the list of Eligible Green Projects for the current year, the amount of proceeds allocated to each Eligible Green Project category, descriptions of the Eligible Green Projects financed (when possible), selected examples of projects financed, the information on the proceeds split

¹ Green Financing Transaction includes green bond and green loan, where the proceeds will be exclusively applied to finance or refinance Eligible Green Projects.

between new financing and refinancing, and the amount of unallocated proceeds. In addition, the Group will report on the environmental benefits of the Eligible Green Projects potentially with the environmental impact indicators if possible. CECEPEC views the Group's allocation and impact reporting as aligned with market practice.

Introduction

Knowledge City (Guangzhou) Investment Group Co., Ltd. (the “Group”) is an important state-owned asset investment, construction, and operation enterprise in the Guangzhou Development District, Guangzhou, Guangdong, China, and an important development entity of Sino-Singapore Guangzhou Knowledge City, a bilateral State-level cooperation project. The business scope of the Group includes land transfer, materials trading, property leasing, infrastructure construction, and real estate development.

The Group has developed the Green Finance Framework (the “GFF”) to demonstrate how it will fund Eligible Green Projects with Green Financing Transactions (“GFTs”). CECEP Environmental Consulting Group (“CECEPEC”) was commissioned by the Group to provide an independent opinion (thereafter “Second Party Opinion” or “SPO”) on the environmental credentials of the GFF and its alignment with the Green Bond Principles 2021 (“GBP”) and the Green Loan Principles 2021 (“GLP”).

Scope of the Assessment Engagement

- The alignment of the GFF with the four components of the GBP and GLP;
- The coherence between the GFF and the Group’s green strategy and performance;
- The environmental factors of the type of projects intended for the use of proceeds;
- The potential environmental and social risk of the Eligible Green Projects and risk management of the Group.

Methodology

CECEPEC provided a briefing session for the Group to ensure that the Group clearly understood the objectives, purpose, independence, confidentiality, and assessment procedures before the assessment. After the briefing, CECEPEC made a list of assessment items based on GBP and GLP and assessed the transparency of the public information and information provided by the Group, the relevance to environmental and social objectives, and the consistency of the information CECEPEC obtained with GBP and GLP. CECEPEC also conducted interviews with the Group’s management to understand the Group’s green strategy, performance, and future planning. An assessment was conducted in which the conclusions were based on public information and information provided by the Group.

CECEPEC employs appropriate employees with the necessary experience and qualifications for the scope of the external review being provided and carries out the external review following its internal Sustainable Finance External Review Manual (“Manual”), which clarifies the overall working procedures and review requirements. CECEPEC’s external review is subject to internal quality control at four levels: the Lead External Reviewer, the External Reviewer who re-examines after the lead External Reviewer, the Project Manager who checks on the quality and monitors the progress of project engagement, and the Project Director who supervises the overall engagement and provides final review and validation.

Independence and Conflict of Interest

CECEPEC is independent of the Group, carrying out the assessment with independence and acting in a manner that is free from bias and conflict of interest. There is no relationship between CECEPEC and the Group beyond the contractual agreement for providing this assessment. CECEPEC maintained objectivity throughout the external review process to ensure that the conclusions of the external review are only based on the evidence obtained from the assessment engagement with the Group.

Analysis and Opinion

CECEPEC is of the opinion that the GFF is in alignment with the four components of the GBP and GLP and contributes to the Group's sustainability strategy and performance. CECEPEC also noticed that the Group incorporates environmental and social risk considerations into the management of relevant projects and has implemented some risk management measures to mitigate relevant risks.

Contribution of the Green Finance Framework to the Group's Green Strategy and Performance

As an important state-owned company in Guangzhou Development District and an important development entity of Sino-Singapore Guangzhou Knowledge City, the Group regards environmental protection and sustainable development as its core values. Low carbon development and combating climate change are also integrated into the Group's core strategy. The Group demonstrates its green commitment towards creating long-lasting value and embedding environmental and social considerations into its core business activities, including asset investment, construction and operation of properties.

The Group aims to establish an Eco-City integrating urban planning with energy efficiency, water efficiency, and other sustainability solutions. The Group develops green and smart infrastructure that emphasizes on eco-friendliness, therefore, enhancing high-quality development in the Guangdong-Hong Kong-Macau Greater Bay Area. The Group is acutely aware of the need to control and mitigate its business impacts on the environment and the communities, and implement low-carbon, eco-friendly and sustainable development strategies in all aspects of development. The Group strictly abides by relevant laws and regulations, such as *Environmental Protection Law of the People's Republic of China*, *Water Pollution Prevention and Control Law of the People's Republic of China*, *Construction Law of the People's Republic of China*, *Energy Conservation Law of the People's Republic of China*, and *Renewable Energy Law of the People's Republic of China*. The Group also strives to promote social responsibility while meeting the expectations of various stakeholders. Several projects initiated by the Group meet the 3-Star requirements of Assessment Standard for Green Building (GB/T50378-2014), and Assessment Standard for Green Building in Guangdong Province (DBJ/T15-83-2017).

The GFF established and approved by the Group is considered as a way to enhance the Group's development strategies while diversifying the Group's investor base. The Group's GFTs also align with the State Council of the PRC and national vision of sustainable development as well as national goals of reaching carbon emissions peak by 2030 and achieving carbon neutrality by 2060 under the 14th Five-Year Plan and beyond. By issuing bonds, loans and other GFT debt instruments under the GFF, the Group could implement Eligible Green projects that intend to have positive environmental impacts on the environment and the communities, contributing to its green strategy and performance.

Based on the Group's sustainability management and performance, CECEPEC is of the opinion that the GFF is aligned with the Group's ongoing sustainability strategy and performance.

Use of Proceeds

The Group commits that the net proceeds or the equivalent amount of the net proceeds of each GFT will exclusively finance and/or refinance with a look-back period of no longer than 36 months from the time of issuance of the GFT. CECEPEC views the look-back period to be in line with the market practice. The Eligible Green Project categories are listed below.

- Green Building
- Energy Efficiency

- Pollution Prevention and Control
- Sustainable Water and Wastewater Management
- Renewable Energy

The above five Eligible Green Project categories are recognized by GBP and GLP and are intended to contribute to four main environmental objectives identified in the GBP – climate change mitigation, climate change adaptation, natural resource conservation and pollution prevention and control. Some practices also align with the Green Bond Endorsed Projects Catalogue (2021 Edition) jointly issued by the People’s Bank of China (“PBoC”), the National Development and Reform Commission (“NDRC”), and the China Securities Regulatory Commission (“CSRC”). In addition, the Eligible Green Project categories intend to contribute to five of the United Nations Sustainable Development Goals (“UN SDGs”) and relevant SDG targets, including SDG 6 “Ensure availability and sustainable management of water and sanitation for all,” SDG 7 “Ensure access to affordable, reliable, sustainable and modern energy for all,” SDG 11 “Make cities and human settlements inclusive, safe, resilient and sustainable,” SDG 12 “Ensure sustainable consumption and production patterns,” and SDG 13 “Take urgent action to combat climate change and its impacts.”

CECEPEC reviewed public and non-public information provided by the Group. The detailed analysis and opinion of CECEPEC are as follows.

Eligible Green Project Categories	UN SDG Mapping	SDG Targets	CECEPEC’s Analysis and Opinion
Green Building	 	11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries 11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities 13.1 Strengthen	<p>The criteria of the category is defined in the GFF. According to the GFF, the Eligible Green Projects falling into the Green Building category are expected to meet the requirements of regional, national or internationally recognized standards and receive certifications accordingly, including but not limited to Chinese Green Building Evaluation Label (China 3-Star) 2-Star or above, BREEAM Excellent or above, LEED Gold or above, BEAM Plus Gold or above, BCA Green Mark Gold or above, Technical Standard for Nearly Zero Energy Building (GB/T 51350), and Green Warehouse Requirements and Evaluation (SB/T 11164) 2 Stars or above.</p> <p>The Eligible Green Projects falling into the category are expected to facilitate SDG 11 “Make cities and human settlements inclusive, safe, resilient and sustainable”, and SDG 13 “Take urgent action to combat climate change and its impacts” and</p>

Eligible Green Project Categories	UN SDG Mapping	SDG Targets	CECEPEC's Analysis and Opinion
		resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	<p>their relevant SDG targets – 11.3, 11.7, and 13.1.</p> <p>The Eligible Green Project category is intended to contribute to the two main environmental objectives of climate change mitigation and climate change adaptation.</p> <p>In view of the above, CECEPEC views the green building requirements and selected levels listed above are comprehensive and the category and criteria in line with market practice.</p>
Energy Efficiency		7.3 By 2030, double the global rate of improvement in energy efficiency	<p>Based on the GFF, the Eligible Green Projects falling into the Energy Efficiency category are expected to increase energy efficiency and reduce energy consumption by at least 15%. The criteria of the category is defined in the GFF.</p> <p>CECEPEC noticed that the Group conducts projects in compliance with relevant regional and national standards, including Intelligent Building Design Standards (GB/T50314-2015), Energy-saving Design Standards for Public Buildings (GB50189-2015), Energy-saving Domestic Water Appliances (CJ/T164-2014), Design Standard for Energy Efficiency of Residential Buildings in Hot Summer and Warm Winter Zone (JGJ75-2012), and other standards. Based on the information provided by the Group, the Group has adopted energy-efficient products and feasible intelligent technology to save energy and natural resources and optimize environmental management, such as Building Information Modeling (“BIM”) technology, LED lamps, T5 and T8 fluorescent lamps, and other energy-saving products, smart lighting system, combined cooling, heating, power systems, and prefabricated</p>

Eligible Green Project Categories	UN SDG Mapping	SDG Targets	CECEPEC's Analysis and Opinion
			<p>construction.</p> <p>The Eligible Green Projects falling into the category are expected to advance SDG 7 “Ensure access to affordable, reliable, sustainable and modern energy for all” and SDG target 7.3. The Eligible Green Projects are intended to contribute to the environmental objective of climate change mitigation and natural resource conservation.</p> <p>In view of the above, CECEPEC considers the Energy Efficiency category and criteria in line with market practice.</p>
Pollution Prevention and Control	 	<p>11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management</p> <p>12.2 By 2030, achieve the sustainable management and efficient use of natural resources</p> <p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>	<p>The criteria of Eligible Green Projects under the category is partially defined in the GFF. The Group presents the nature of investments and expenditures under this category, although CECEPEC encourages the Group to further develop the category and specify the equipment, technologies, and the targeted pollution types.</p> <p>According to the information provided by the Group, the Group may finance garbage recycling facilities. The Eligible Green Projects that fall into the category are expected to achieve efficient use of energy and natural resources, therefore advance SDG 11 “Make cities and human settlements inclusive, safe, resilient and sustainable” and SDG 12 “Ensure sustainable consumption and production patterns” and related SDG targets – 11.6, 12.2, and 12.5. The Eligible Green Projects are intended to contribute to the environmental objective of pollution prevention and control.</p> <p>Therefore, CECEPEC considers the Pollution Prevention and Control</p>

Eligible Green Project Categories	UN SDG Mapping	SDG Targets	CECEPEC's Analysis and Opinion
Sustainable Water and Wastewater Management		<p>6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</p> <p>6.5 By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate</p>	<p>category and criteria in line with market practice.</p> <p>The criteria of Eligible Green Projects is defined in the GFF. Under the Sustainable Water and Wastewater Management category, the Group may finance installation, construction, and implementation of water reclamation facilities, rainwater and sewage diversion systems, integrated rain water utilization systems, and pretreatment facilities to reduce environmental pollution, reuse reclaimed water and rainwater, and recycle water recourses.</p> <p>The Eligible Green Projects are expected to facilitate sustainable water and wastewater management, therefore advance SDG 6 “Ensure availability and sustainable management of water and sanitation for all” and SDG target 6.3 and 6.5. The Eligible Green Projects are also intended to contribute to the environmental objective of pollution prevention and control and natural resource conservation.</p> <p>CECEPEC considers the Sustainable Water and Wastewater Management category and criteria in line with market practice.</p>
Renewable Energy		<p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix</p>	<p>The criteria of the category is defined in the GFF. The Eligible Green Projects falling into the category are expected to promote renewable energy. CECEPEC encourages the Group to further develop the criteria of the category and set targets and plans related to renewable energy to strengthen its commitment to sustainability.</p> <p>Under the Renewable Energy category, the Group may finance the procurement and/or installation of renewable energy systems, including</p>

Eligible Green Project Categories	UN SDG Mapping	SDG Targets	CECEPEC's Analysis and Opinion
			<p>solar energy, bioenergy, and wind energy, and associate infrastructure. The Group also plans to increasingly adopt renewable energy solutions during the design and construction phases of the projects.</p> <p>CECEPC recognized the Eligible Green Projects falling into the category can contribute to SDG 7 “Ensure access to affordable, reliable, sustainable and modern energy for all” and SDG target 7.2. The Eligible Green Projects are also intended to contribute to the environmental objective of climate change mitigation. Therefore, CECEPEC considers the Renewable Energy category and related criteria in line with market practice.</p>

The environmental features of the types of Eligible Green Projects are described in the table above, while CECEPEC also recognizes that there are some environmental and social risks related to the project construction and operation, such as air pollution (construction dust), noise pollution, water pollution, and occupational health and safety.

The Group has identified the risks associated with the projects initiated and conducted by the Group and also The Group implemented some measures to avoid, minimize and mitigate the risks. The Group adopts and implements systems and measures as follows.

- Environmental Impact Assessment (EIA) System

The Group reports that an EIA is expected to be carried out by itself or by professional agencies/consultancies to help identify and mitigate environment and/or social impacts of the relevant projects, if applicable. The Group would also obtain approval document of the Eligible Green Projects from the applicable local regulator. The Group strictly implements environmental protection measures and enhances pollution prevention and control. The Group will prepare to report on the environmental benefits of the Eligible Green Projects when possible.

- “Three Simultaneousness” System

Under the system, pollution control facilities are required to be designed, constructed and operated simultaneously within the projects. Besides strictly implementing “Three Simultaneousness” system, the Group carries out multiple measures to minimize its environmental and social impacts. For air pollution, the Group sprays water on the surface of façade before and during grinding work, washes truck wheels regularly, encloses the construction materials, debris, and construction waste by impervious sheeting, avoids open burning of construction waste, and some other measures. For noise pollution, the Group promotes the use of quality powered mechanical equipment, avoids operating construction works during restricted hours, avoids the use of generators at the construction sites, carries

out sound insulation by installing sound silencers and sound absorption panels for noise sources, such as generators and air vents, and some other measures. For water pollution, The Group strictly abides by relevant laws and regulations, such as the *Interim Provisions on Civilized Construction and Environmental Management of Construction Sites*. The Group enhances the management of effluent from construction site, treat wastewater to meet the local standards and requirements prior to discharging, and conducts some other measures to avoid water pollution. For waste management, the Group has to apply for a mud disposal permit. The Group seals and encloses the waste to prevent any leakage or breakage during transportation. The household waste is also well managed by the Group.

- **Stakeholder Engagement**

The Group considers stakeholder engagement one of the efficient ways to identify and mitigate environmental and social risks for the Eligible Green Projects. The Group has established a process for stakeholder engagement at the corporate level and project level throughout the project design, operation, and construction stages in the project lifecycle. The Green Finance Working Group (“GFWG”) is responsible for conducting stakeholder engagement. The stakeholders of the Group include but not limited to government, corporate clients, industry peers and industrial organizations, employees, partners, and communities. Through communicating with stakeholders, the Group can gather opinions and comments regarding environmental and social issues, tackle those issues by assigning relevant departments, respond to stakeholders’ enquiries and comments, therefore build good relationship with stakeholders.

Based on the above analysis, CECEPEC considers that the Group incorporates the environmental and social risk consideration into the management of relevant projects and is committed to minimizing and mitigating relevant risks.

Process for Project Evaluation and Selection

The Group has established a control system regarding project evaluation and selection, which consists of project screening and project review. The Group also established accountability mechanism for the Group’s green finance related work. The GFWG is responsible for the management of the GFF, and the compliance of all financing instruments issued under the GFF. The GFWG is comprised of senior representatives from the departments below.

- Financial Planning Department
- Development Planning Department
- Audit Office
- Key Projects Department
- Legal Office

The GFWG will conduct meetings at least twice a year and will be responsible for:

- Ratifying of Eligible Green Projects, which are initially proposed by the GFWG members, and it is at the GFWG members’ discretion to reject any project.
- Undertaking of regular monitoring of the asset pool to ensure the eligibility of Green Projects with the criteria set out in the Group’s GFF Section 1, Use of Proceeds, whilst replacing any ineligible Green Projects with Eligible Green Projects.
- Ensuring that projects comply with the Group’s risk management requirements as well as applicable local government regulations. In cases where funds are withdrawn from the projects, or the projects are no longer eligible for the green project criteria, ensuring that the funds will be re-allocated to other Eligible Green Projects.
- Facilitation of regular reporting on any green, social or sustainability issues in alignment with the Group’s reporting commitments.
- Managing any future updates to the GFF.

- Ensuring that the approval of Eligible Green Projects will follow the Group's existing credit/loan/investment approval processes.

The governance and process for the project evaluation and selection are described clearly in the GFF. CECEPEC considers that the governance and process are structured, clear, and relevant.

Management of Proceeds

The management process of the net proceeds or equivalent amount of the net proceeds is defined in the GFF.

The Group is committed to managing the net proceeds or the equivalent amount by earmarked account or keeping a GFT Register. If the Group uses GFT Register, the proceeds will be deposited in the general funding accounts and earmarked for allocation towards Eligible Green Projects. The Group will track the use of proceeds. CECEPEC recommends verification of the internal tracking method and the allocation of proceeds once a year by an external auditor for a high level of transparency until the full allocation of proceeds.

The Group reports that it intends to deploy the net proceeds or equivalent amount of the net proceeds of each GFT to Eligible Green Projects while the GFT remains outstanding. If the proceeds cannot be fully allocated to Eligible Green Projects at the moment, the unallocated proceeds will be deposited into a designated account for GFT or be invested into qualified money market instruments or other debt instruments aligning with relevant rules and regulations established by the relevant regulatory authorities.

The Group also declares that the proceeds or the equivalent amount will not be allocated to the activities listed below.

- 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

CECEPEC considers the negative screening practice conducted by the Group a way to facilitate responsible investment and the management process is feasible and in line with market practice.

Reporting

The Group commits to disclose the allocation of the net proceeds of GFT in a Green Finance Report annually until the full allocation of the proceeds. The Green Finance Report will include the following details.

- List of Eligible Green Projects for the current year
- The amount of proceeds allocated to each Eligible Green Project category
- When possible, descriptions of the Eligible Green Projects financed, such as project locations, amount allocated, etc.
- Selected examples of projects financed
- Percentage of financing vs. refinancing

- Amount of unallocated proceeds

Where possible and subject to data availability, the Group will report on environmental impact of Eligible Green Projects with potentially applicable environmental impact indicators as below. The calculation methodologies and key assumptions will also be disclosed.

Eligible Green Project Categories	Environmental Impact Indicators
Green Building	<ul style="list-style-type: none"> ▪ Type and level of green building certifications obtained ▪ Annual energy savings (in MW) ▪ Annual greenhouse gas (“GHG”) emissions reduced / avoided (in t CO₂ eq p.a.) ▪ Annual reduction in water consumption (in m³)
Energy Efficiency	<ul style="list-style-type: none"> ▪ Amount of energy saved (in MWh) ▪ Annual energy efficiency improvement (in percentage)
Pollution Prevention and Control	<ul style="list-style-type: none"> ▪ Reduction in NO_x, PM10, PM2.5, and SO_x emissions (in tonnes) ▪ Waste that is prevented, minimized, reused or recycled before and after the project (in the percentage of total waste and/or in an absolute amount in tonnes p.a.); and ▪ Waste that is separated and/or collected, and treated (including composted) or disposed of in an environmentally sound manner before and after the project (in tonnes p.a. and in the percentage of total waste)
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> ▪ Annual amount of water / rainwater / wastewater collected / treated / recycled / reused (in m³/year)
Renewable Energy	<ul style="list-style-type: none"> ▪ Renewable energy installed capacity (in MW) and annual generation (in MWh)

The allocation and impact reporting mentioned above will be disclosed to the Group’s stakeholders upon request, and abstracts of which will be published on the Group’s website. CECEPEC views the allocation and impact reporting as aligned with market practice.

Green Bond / Green Bond Programme Independent External Review Form

Section 1. Basic Information

Issuer name: Knowledge City (Guangzhou) Investment Group Co., Ltd.

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:

Green Finance Framework of Knowledge City (Guangzhou) Investment Group Co., Ltd.

Independent External Review provider's name: CECEP Environmental Consulting Group

Completion date of this form: March 2022

Publication date of review publication: *[where appropriate, specify if it is an update and add reference to earlier relevant review]*

Section 2. Review Overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF INDEPENDENT EXTERNAL REVIEW PROVIDER

- | | |
|--|---|
| <input checked="" type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

CECEP Environmental Consulting Group (“CECEPEC”) is of the opinion that the Green Finance Framework (the “GFF”) of Knowledge City (Guangzhou) Investment Group Co., Ltd. (the “Group”) is aligned with the Group’s sustainability strategy and performance, the four core components of the Green Bond Principles 2021 (“GBP”) released by International Capital Market Association (“ICMA”), and the Green Loan Principles 2021 (“GLP”) published by the Asia Pacific Loan Market Association (“APLMA”), the Loan Market Association (“LMA”) and the Loan Syndications and Trading Association (“LSTA”).

Section 3. Detailed Review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The Group commits that the net proceeds or equivalent amount of the net proceeds of each Green Financing Transaction (“GFT”) will exclusively finance and/or refinance projects falling into Eligible Green Project categories which comprises five Green Project Categories (“Green Eligible Categories”), namely Green Buildings, Energy Efficiency, Pollution Prevention and Control, Sustainable Water and Wastewater Management, and Renewable Energy, which are aligned with the eligible Green Project categories listed in GBP and GLP, and would contribute to the four

main environmental objectives identified in the GBP – climate change mitigation, climate change adaptation, natural resource conservation and pollution prevention and control) and advance the UN Sustainable Development Goals (“SDGs”) 6,7,11,12 and 13.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input checked="" type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input checked="" type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies, and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input type="checkbox"/> Other (<i>please specify</i>): |

If applicable please specify the environmental taxonomy, if other than GBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (*if applicable*):

The Group has established a control system for project evaluation and selection. The Green Finance Working Group (“GFWG”) is responsible for the management of the GFF, and the compliance of all financing instruments issued under the GFF. The GFWG is composed of senior representatives from Financial Planning Department, Development Planning Department, Audit Office, Key Projects Department, and Legal Office. The GFWG will conduct meetings at least twice a year and will be responsible for: i) Ratifying of Eligible Green Projects, which are initially proposed by the GFWG members, and it is at the GFWG members’ discretion to reject any project; ii) Undertaking of regular monitoring of the asset pool to ensure the eligibility of Green Projects with the criteria set out in the Group’s GFF Section 1, Use of Proceeds, whilst replacing any ineligible Green Projects with Eligible Green Projects; iii) Ensuring that projects comply with the Group’s risk management requirements as well as applicable local government regulations. In cases where funds are withdrawn from the projects, or the projects are no longer eligible for the green project criteria, ensuring that the funds will be re-allocated to other Eligible Green Projects; iv) Facilitation of regular reporting on any green, social or sustainability issues in alignment with the Group’s reporting commitments; v) Managing any future updates to the GFF; vi) Ensuring that the approval of Eligible Green Projects will follow the Group’s existing credit/loan/investment approval processes. CECEPEC considers the process for project evaluation and selection in line with market practice.

Evaluation and selection

- | | |
|---|--|
| <input checked="" type="checkbox"/> Credentials on the issuer’s environmental sustainability objectives | <input type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Sustainability | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated |

- Bond proceeds with the project
- Summary criteria for project evaluation and selection publicly available Other (*please specify*):

Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification In-house assessment
- Other (*please specify*):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

The Group commits that the net proceeds or the equivalent amount will be managed by earmarked account or keeping a GFT Register to track the use of proceeds. The intended types of temporary placement of the unallocated are defined in the GFF. The Group also excludes a list of activities that most likely have high environmental and social risks. CECEPEC considers the management of proceeds in line with market practice.

Tracking of proceeds:

- Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (*please specify*):

Additional disclosure:

- Allocations to future investments only Allocations to both existing and future investments
- Allocation to individual disbursements Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds Other (*please specify*):

4. REPORTING

Overall comment on section (*if applicable*):

The Group commits to disclose the allocation of the net proceeds of GFT in a Green Finance Report annually until the full allocation of the proceeds. Where possible and subject to data availability, the Group will report on environmental impact of Eligible Green Projects with potentially applicable environmental impact indicators. The calculation methodologies and key assumptions will also be disclosed in the impact report. CECEPEC views the allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- Project-by-project On a project portfolio basis
- Linkage to individual bond(s) Other (*please specify*):
- Information reported:**
- Allocated amounts Green Bond financed share of total investment
- Other (*please specify*):
- 1) List of Eligible Green Projects for the current year
 - 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

Frequency:

- Annual
 Semi-annual
 Other (*please specify*):

Impact reporting:

- Project-by-project
 On a project portfolio basis
 Linkage to individual bond(s)
 Other (*please specify*):

Frequency:

- Annual
 Semi-annual
 Other (*please specify*):

Information reported (expected or ex-post):

- GHG Emissions / Savings
 Energy Savings
 Decrease in water use
 Other ESG indicators (*please specify*):

Eligible Green Project Categories	Environmental Impact Indicators
Green Building	<ul style="list-style-type: none"> ▪ Type and level of green building certifications obtained ▪ Annual energy savings (in MW) ▪ Annual greenhouse gas (“GHG”) emissions reduced / avoided (in t CO₂ eq p.a.) ▪ Annual reduction in water consumption (in m³)
Energy Efficiency	<ul style="list-style-type: none"> ▪ Amount of energy saved (in MWh) ▪ Annual energy efficiency improvement (in percentage)
Pollution Prevention and Control	<ul style="list-style-type: none"> ▪ Reduction in NO_x, PM10, PM2.5, and SO_x emissions (in tonnes) ▪ Waste that is prevented, minimized, reused or recycled before and after the project (in the percentage of total waste and/or in an absolute amount in tonnes p.a.); and ▪ Waste that is separated and/or collected, and treated (including composted) or disposed of in an environmentally sound manner before and after the project (in tonnes p.a. and in the percentage of total waste)
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> ▪ Annual amount of water / rainwater / wastewater collected / treated / recycled / reused (in m³/year)
Renewable Energy	<ul style="list-style-type: none"> ▪ Renewable energy installed capacity (in MW) and annual generation (in MWh)

Means of Disclosure

- | | |
|--|--|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input checked="" type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (<i>please specify</i>): <i>Green Finance Report</i> |
| <input type="checkbox"/> Reporting reviewed (<i>if yes, please specify which parts of the reporting are subject to external review</i>): | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (*e.g. to review provider methodology or credentials, to issuer's documentation, etc.*)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Review provider(s): CECEP Environmental Consulting Group

Date of publication: March 2022

About CECEPEC

CECEP Environmental Consulting Group (“CECEPEC”) is a leading Sustainability Consulting Service provider, established by China Energy Conservation and Environmental Protection Group.

CECEPEC offers a wide range of consulting services to help clients address their ESG challenges, which aim to unearth enterprises’ sustainability values and help tackle climate challenges.

CECEPEC is internationally recognized as a leading service provider in international capital markets. CECEPEC serves as the observer for the International Capital Market Association (“ICMA”) for the Green Bond Principles and Social Bond Principles. Furthermore, CECEPEC is one of the recognized external reviewers of “Green and Sustainable Finance Grant Scheme” launched by Hong Kong Monetary Authority (“HKMA”).

CECEPEC serves a wide range of international and domestic clients from different industry sectors and operates independently from the financial sector and other stakeholders to preserve the unbiased nature and high quality of second party opinions.

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The opinion assesses the anticipated impacts of Eligible Green Projects expected to be (re)financed with proceeds but does not measure the actual impacts. The opinion is given based on the potential allocation of proceeds but does not guarantee the realized allocation of the proceeds towards eligible categories or projects.

The opinion reflects on the alignment of the GFF with market standards, but CECEPEC shall exclude any liability concerning the guarantee of alignment with future versions of relevant market standards.

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