

## SECOND PARTY OPINION

Jiangmen Xinhui Yinhai Development Co., Ltd.

Green Finance Framework

September 2022

### Project Team

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## **Evaluation Summary**

CECEP Environmental Consulting Group Ltd. (“CECEPEC”) is of the opinion that the Green Finance Framework (the “Framework”) of Jiangmen Xinhui Yin Hai Development Co., Ltd. (the “Group”) is aligned with the Group’s sustainability vision and performance, the four core components of Green Bond Principles 2021 (“GBP”) published by the International Capital Market Association (“ICMA”) and Green Loan Principles 2021 (“GLP”) published by the Loan Market Association (“LMA”), the Asia Pacific Loan Market Association (“APLMA”) 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”)<sup>1</sup> will exclusively finance and/or refinance new and/or existing assets and projects falling into the Eligible Project Categories, including Clean Transportation, Energy Efficiency, and Sustainable Water and Wastewater Management, which are aligned with those recognized by GBP and GLP.

## **Process for Project Evaluation and Selection**

The Group has established a Green Financing Team (the “Team”), comprised of representatives and senior members from the Investment and Development Department and Financing Management Department. The Group has clarified the responsibilities of the Team in the Framework, which can be summarized as follows – i) evaluating compliance of projects with the Framework; ii) approving, monitoring and managing the Green Project List; iii) keeping track of the use of the net proceeds of the GFTs; iv) replacing projects or reallocating divestment proceeds if necessary; v) approving future updates to the Framework. 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 each GFT will be deposited in a general account, which will then be earmarked for allocation to the Eligible Projects. The Team will maintain a register to keep track of the use of proceeds. Each register will contain the information including issuer/borrower entity, transaction date, maturity date, principal amount, etc. The Group reports that the unallocated proceeds will be held in accordance with its normal liquidity management policy. The Group also commits not to invest unallocated proceeds in high pollution activities or ineligible projects, and provided an explicit exclusion list in the Framework. CECEPEC considers the management of proceeds to be in line with market practice.

## **Reporting**

The Group commits to disclosing the Allocation Report on an annual basis until the net proceeds of GFTs are fully allocated, and disclosing the Impact Report on a best-effort basis and subject to data availability. For Allocation Report, the Group will disclose i) the amount of proceeds allocated to each Eligible Category with a brief description of Eligible Projects; ii) the amount of unallocated proceeds; and iii) the share of financing and refinancing. The Impact Report may disclose the environmental benefits of the Eligible Projects with relevant impact indicators. CECEPEC considers the Allocation Reporting to be in line with market practice, while CECEPEC advises the Group to disclose the Impact Reports annually and disclose the calculation methodologies and key assumptions in Impact Reports.

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<sup>1</sup> Green Financing Transactions include green bonds, green loans, or any other forms of green debt financing instruments, where the proceeds will be exclusively applied to finance or refinance Eligible Projects.

## **Introduction**

Jiangmen Xinhui Yinhai Development Co., Ltd. (the “Group”) is a key entity undertaking public utilities provision, project construction and primary land development in Xinhui District, Jiangmen City in Guangdong Province, China. The Group has played an essential and active role in implementing the Xinhui government’s strategic initiatives for government investment, project construction and city infrastructure operation. The main business scope of the Group includes electricity, heat and steam generation, primary land development, water supply and water facilities construction, construction of affordable housing, and provision of various services which include security services and engineering quality inspection among other services.

The Group has developed its Framework to demonstrate how it will fund Eligible Projects with GFTs. CECEPEC was commissioned by the Group to provide an independent opinion (thereafter “Second Party Opinion” or “SPO”) on the environmental credentials of the Framework and its alignment with the relevant principles.

## **Scope of the Assessment Engagement**

- The alignment of the Framework with the four components of GBP and GLP;
- The coherence between the Framework and the Group sustainability commitment and performance;
- The environmental features of the types of projects intended for the use of proceeds;
- The potential environmental and/or social risks of the Eligible Projects and related risk management of the Group.

## **Methodology**

CECEPEC would provide a briefing session if necessary to ensure that the Group clearly understands the objectives, purpose, independence, confidentiality, and assessment procedures before the assessment. After the briefing, CECEPEC would make a list of assessment items based on GBP and GLP and assess the transparency of the public information and information provided by the Group, the relevance to environmental objectives, and the consistency of the information CECEPEC obtains with relevant principles. CECEPEC would conduct interviews with the Group’s management if necessary to understand the Group’s sustainability commitment, performance, and future planning. An assessment would be 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 Framework is in alignment with the four components of GBP and GLP, and contributes to the Group’s sustainability commitment and performance. CECEPEC also noticed that the Group incorporates environmental and social considerations into the management of relevant projects and has implemented some risk management measures to identify and mitigate relevant risks.

## **Contribution of the Green Finance Framework to the Group’s Sustainability Commitment and Performance**

China has pledged to reach peak carbon emissions by 2030 and achieve carbon neutrality by 2060. In support of the dual carbon goals of China, Jiangmen City actively pushes forward the developments of “dual carbon” industries and the transformation and upgrading of traditional industries, as well as advances the construction of a low-carbon city.

The Group, wholly owned by Xinhui State-owned Assets Supervision and Administration Commission (“Xinhui SASAC”), has played an essential role in implementing the Xinhui government’s strategies and supporting the sustainable development of Xinhui District. The Group also states that its development is in line with national sustainable targets.

In its daily operation, the Group is compliant with relevant laws and regulations regarding the environment, health and safety, etc. The Group is not aware of any environmental proceedings or investigations to which it is or might become a party.

Under the Framework, the Group will fund the Eligible Projects with GFTs that intend to have positive environmental impacts and support the sustainable development of the Xinhui District. CECEPEC is of the opinion that the Framework is aligned with the Group’s performance and vision to advance the sustainable development of Xinhui District.

## **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 Eligible Projects. The Group states that it will apply a look-back period of no longer than 36 months from the time of issuance of the GFT when refinancing Eligible Projects. CECEPEC views the look-back period to be in line with the market practice.

The Framework defines Eligible Project Categories in three areas below.


- Clean Transportation
- Energy Efficiency
- Sustainable Water and Wastewater Management


The three Eligible Project Categories are recognized by GBP and GLP and are intended to contribute to three main environmental objectives identified in the GBP – climate change mitigation, natural resource conservation and pollution prevention and control.

In addition, the Eligible Project Categories intend to contribute to three of the United Nations Sustainable Development Goals (“UN SDGs”), specifically 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” and SDG 13 “Take urgent action to combat climate change and its impacts”.

CECEPEC considers that the Eligible Project Categories may lead to positive environmental impacts and are in line with GBP and GLP.

CECEPEC reviewed the public and non-public information provided by the Group, and the following are CECEPEC’s detailed analysis and opinion of Eligible Project Categories.


Framework			UN SDG Targets	CECEPEC’s Analysis and Opinion
Eligible Project Categories	Description	UN SDG Mapping		
Clean Transportation	<ul style="list-style-type: none"> <li>Construction of manufacturing facilities dedicated to the production of automotive batteries for new energy vehicles</li> </ul>		Not Applicable	<p>The criteria of the category are clearly defined in the Framework. Within the category, the Group may finance the construction projects for manufacturing facilities dedicated to the production of automotive batteries for new energy vehicles.</p> <p>According to the documents provided by the Group, CECEPEC noted that the Group has been undertaking the aforementioned projects.</p> <p>The Eligible Project Category enables the manufacturing of automotive batteries that are essential to the production of new energy vehicles. As the majority of emissions over the lifetime of both electric and conventional vehicles come from vehicle operation – tailpipe and fuel cycle – rather than vehicle manufacture in most countries, new energy vehicles have substantial potential to reduce GHG emissions and air pollutants compared with internal combustion engine vehicles during vehicle operation.</p> <p>The Eligible Green Projects falling into this category are likely to contribute to SDG 13 “Take urgent action to combat climate change and its impacts”. The Eligible Projects falling into this category intend to contribute to</p>

Framework			UN SDG Targets	CECEPEC's Analysis and Opinion
Eligible Project Categories	Description	UN SDG Mapping		
				<p>the main environmental objectives of “climate change mitigation” and “pollution prevention and control”.</p> <p>In view of the above, CECEPEC is of the opinion that the category and the criteria are in line with relevant principles and the environmental benefits of the category are clear.</p>
Energy Efficiency	<ul style="list-style-type: none"> <li>▪ Construction of manufacturing facilities dedicated to the production of batteries for energy storage</li> <li>▪ Upgrade to facilities to improve the energy efficiency, including but not limited to:               <ul style="list-style-type: none"> <li>✓ Building combined heat and power infrastructures to increase the electricity supply</li> <li>✓ Reducing building energy consumption by adopting energy-efficient building materials and energy-saving equipment such as insulated glass for curtain wall, LED lamps and etc. Such projects shall result in at least 10% improvement</li> </ul> </li> </ul>		<p>7.3 By 2030, double the global rate of improvement in energy efficiency</p>	<p>The definition of this category is clear and detailed. Within the category, the Group may invest in projects that can increase energy efficiency.</p> <p>According to the documents provided by the Group, CECEPEC noted that the Group has been undertaking projects of construction of manufacturing facilities dedicated to the production of batteries for energy storage and projects of combined heat and power (CHP) infrastructures.</p> <p>Battery storage, or Batteries Energy Storage Systems (BESS), provides advantages including greater energy efficiency and flexibility, and faster response times compared with other energy storage or generation technologies, and are commonly used in electricity grids by storing excess generation and smoothing energy distribution, and especially in the storage of renewable energy, such as solar and wind power, which have a large variability in power generation.</p>

Framework			UN SDG Targets	CECEPEC's Analysis and Opinion
Eligible Project Categories	Description	UN SDG Mapping		
	against the original energy consumption.			<p>By capturing and using heat that would otherwise be wasted and by avoiding distribution losses, CHP can achieve efficiencies of over 80 percent, compared to 50 percent for typical technologies (e.g. conventional electricity generation and an on-site boiler).<sup>2</sup></p> <p>In addition to the above project types, CECEPEC also notes that the Group has adopted energy-efficient technologies and products, such as insulated glass for curtain wall and LED lamps.</p> <p>The Eligible Green Projects falling into this category are likely to contribute to SDG7 “Ensure access to affordable, reliable, sustainable and modern energy for all” and its relevant SDG target – SDG 7.3. The Eligible Projects intend to contribute to the main environmental objectives “pollution prevention and control” and “climate change mitigation”.</p> <p>In view of the above, CECEPEC is of the opinion that the category and the criteria are in line with relevant principles and the environmental benefits of the category are clear.</p>

<sup>2</sup> United States Environmental Protection Agency. <https://www.epa.gov/chp/what-chp>



Framework			UN SDG Targets	CECEPEC's Analysis and Opinion
Eligible Project Categories	Description	UN SDG Mapping		
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> <li>Construction, development, installation, operation and maintenance of infrastructure or equipment for collection, treatment, recycling or reuse of water, rainwater or wastewater</li> </ul>		<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>The criteria of the category are defined in the Framework. Within the category, the Group may finance projects related to infrastructure or equipment for collection, treatment, recycling or reuse of water, rainwater or wastewater.</p> <p>The Eligible Projects within this category are expected to facilitate sustainable water and wastewater management, therefore advancing SDG 6 “Ensure availability and sustainable management of water and sanitation for all” and SDG target 6.3. The category is also intended to contribute to the environmental objectives of “natural resource conservation” and “pollution prevention and control”.</p> <p>In view of the above, CECEPEC considers the category and criteria to be in line with relevant principles, while CECEPEC encourages the Group to further develop the project category to include examples of project types, and specify the relevant standards or requirements it intends to follow or meet in this category.</p>

The environmental features of Eligible 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 according to the documents provided by the Group.

Based on the information made available to us, the Group has implemented relevant measures to identify, assess and mitigate the environmental and social risks related to projects.

Feasibility studies have been carried out by professional agencies/consultancies to help assess the feasibility of projects. In the feasibility studies, the professional agencies/consultancies have helped identify and assess the main environmental and social risks related to projects and propose risk prevention and mitigation measures, which serve as important references for the Group to manage relevant risks.

Negative environmental impacts of projects have been identified, such as air pollutants, wastewater, solid waste, and noise generated during the construction and operation stages of the projects. The Group has taken environmental protection measures to mitigate the impacts identified, in accordance with the applicable regulations.

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

#### **Process for Project Evaluation and Selection**

The Group has established an accountability mechanism for the Group's green finance related work including project evaluation and selection. A Green Financing Team (the "Team") has been set up and is comprised of representatives and senior members from the Investment and Development Department and Financing Management Department.

The Team will meet on an annual basis and is responsible for:

- Evaluating the compliance of projects with the Eligibility Criteria outlined in the Use of Proceeds under the Framework;
- Approving the inclusion of pre-selected Eligible Projects in Green Project List (the Team has full discretion to object the inclusion of any project);
- Monitoring and managing the Green Project List. We will maintain a register to keep track of the use of net proceeds of the GFTs through the internal information system on an annual basis;
- Replacing projects that no longer meet the Eligibility Criteria or reallocating divestment proceeds to Eligible Projects;
- Observing developments in the green financing markets and approving updates to this Framework accordingly to reflect relevant changes in our corporate strategy or market developments.

The governance and process for the project evaluation and selection are described clearly in the Framework. 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 Framework.

The Group is committed to managing the net proceeds or the equivalent amount by depositing in the general account. The Group will maintain a register to keep track of the use of proceeds of each GFT. Each register will contain the following key information:

- Issuer/borrower entity
- Transaction date
- Principal amount
- Repayment or amortization profile
- Maturity date
- Interest or coupon
- ISIN number

The balance of the tracked net proceeds will be on a best-effort basis annually adjusted to match allocations to Eligible Projects while the GFT(s) remain outstanding. The unallocated proceeds will be held in accordance with the Group’s normal liquidity management policy. The Group also commits not to finance sectors and activities in accordance with the exclusion criteria defined in the Management of Proceeds section of the Framework.

In addition, the Group reports that if any of the Eligible Projects cease to fulfil the requirements of the Use of Proceeds section of the Framework, it will identify and reallocate net proceeds to other Eligible Projects as soon as practicable.

CECEPEC considers the above management process is feasible and in line with market practice, although CECEPEC advises the Group to engage an external auditor to verify the Group’s internal tracking method and the allocation of proceeds once a year until the full allocation of proceeds, so as to enhance the level of transparency.

### Reporting

The Group will disclose the Allocation Reports on an annual basis via the website, social media, or report until the net proceeds or an equivalent amount of the net proceeds of its GFTs have been fully allocated. The Allocation Reports will contain the following information:

- Amount of allocated proceeds by Eligible Projects Category, with a brief description of Eligible Projects;
- The remaining balance of funds which have not yet been allocated;
- Share of financing vs. refinancing

The Group reports that it will disclose the Impact Reports to report the environmental impacts of the Eligible Projects with the following impact indicators, on a best-effort basis and subject to data availability.

<b>Eligible Project Categories</b>	<b>Impact Indicators</b>
Clean Transportation	<ul style="list-style-type: none"> <li>▪ Estimated number of new energy vehicles manufactured with the automotive batteries supplied by the manufacturing facilities constructed</li> </ul>
Energy Efficiency	<ul style="list-style-type: none"> <li>▪ Energy storage capacity of batteries supplied by the manufacturing facilities constructed (MW/GW)</li> <li>▪ Annual greenhouse gas emissions reduced/avoided (tonne of CO<sub>2</sub> equivalent)</li> <li>▪ Annual energy savings (MWh/GWh)</li> </ul>
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> <li>▪ Annual absolute (gross) amount of wastewater treated (tonne)</li> <li>▪ Annual water reuse and/or water use avoided (tonne)</li> </ul>

CECEPEC views that the above information the Group intends to collect is relevant and clear, while CECEPEC advises the Group to i) disclose the Impact Reports annually; ii) disclose the calculation methodologies and key assumptions in Impact Reports and iii) verify the reported information of Allocation and Impact Reports by engaging an independent external reviewer.

## Green Bond / Green Bond Programme External Review Form

### Section 1. Basic Information

**Issuer name:** Jiangmen Xinhui Yinhai Development Co., Ltd.

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

Green Finance Framework of Jiangmen Xinhui Yinhai Development Co., Ltd.

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

**Completion date of this form:** August 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 and the SBPs:

- |  |  |
|--|--|
| <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 Ltd. ("CECEPEC") is of the opinion that the Green Finance Framework (the "Framework") of Jiangmen Xinhui Yinhai Development Co., Ltd. (the "Group") is aligned with the Group's sustainability commitment and performance, the four core components of Green Bond Principles 2021 ("GBP") published by the International Capital Market Association ("ICMA") and Green Loan Principles 2021 ("GLP") published by the Loan Market Association ("LMA"), the Asia Pacific Loan Market Association ("APLMA") 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")<sup>3</sup> will exclusively finance and/or refinance new and/or existing assets and projects falling into the Eligible Project Categories, including Clean Transportation, Energy Efficiency, and Sustainable Water and Wastewater Management, which are aligned with those recognized by GBP and GLP.

##### Use of proceeds categories as per GBP:

- |   |   |
|---|---|
| <input type="checkbox"/> Renewable energy                 | <input checked="" type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable  |

<sup>3</sup> Green Financing Transactions include green bonds, green loans, or any other forms of green debt financing instruments, where the proceeds will be exclusively applied to finance or refinance Eligible Projects.

management of living natural  
resources and land use

- |   |   |
|---|---|
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation  | <input checked="" 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 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 Green Financing Team (the “Team”), comprised of representatives and senior members from the Investment and Development Department and Financing Management Department. The Group has clarified the responsibilities of the Team in the Framework, which can be summarized as follows – i) evaluating compliance of projects with the Framework; ii) approving, monitoring and managing the Green Project List; iii) keeping track of the use of the net proceeds of the GFTs; iv) replacing projects or reallocating divestment proceeds if necessary; v) approving future updates to the Framework. CECEPEC considers the project evaluation and selection process to be 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 Green Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available       | <input type="checkbox"/> Other ( <i>please specify</i> ):  |

### Information on Responsibilities and Accountability

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other ( <i>please specify</i> ):  |  |

## 3. MANAGEMENT OF PROCEEDS

### Overall comment on section (*if applicable*):

The Group commits that the net proceeds or equivalent amount of the net proceeds of each GFT will be deposited in a general account, which will then be earmarked for allocation to the Eligible Projects. The Team will maintain a register to keep track of the use of proceeds. Each register will contain the information including issuer/borrower entity, transaction date, maturity date, principal

amount, etc. The Group reports that the unallocated proceeds will be held in accordance with its normal liquidity management policy. The Group also commits not to invest unallocated proceeds in high pollution activities or ineligible projects, and provided an explicit exclusion list in the Framework. CECEPEC considers the management of proceeds to be 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 disclosing the Allocation Report on an annual basis until the net proceeds of GFTs are fully allocated, and disclosing the Impact Report on a best-effort basis and subject to data availability. For Allocation Report, the Group will disclose i) the amount of proceeds allocated to each Eligible Category with a brief description of Eligible Projects; ii) the amount of unallocated proceeds; and iii) the share of financing and refinancing. CECEPEC considers the Allocation Reporting to be in line with market practice, while CECEPEC advises the Group to disclose the Impact Reports annually and disclose the calculation methodologies and key assumptions in Impact Reports.

**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*):
  - Amount of allocated proceeds by Eligible Project Category, with a brief description of Eligible Projects;
  - The remaining balance of funds which have not yet been allocated;
  - Share of financing vs. refinancing

**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*): Where possible, the Group will report on the environmental impacts associated with the Eligible Projects subject to data availability.

**Information reported (expected or ex-post):**

GHG Emissions / Savings

Energy Savings

Decrease in water use

Other ESG indicators (*please specify*):

Eligible Project Categories	Impact Indicators
Clean Transportation	<ul style="list-style-type: none"> <li>▪ Estimated number of new energy vehicles manufactured with the automotive batteries supplied by the manufacturing facilities constructed</li> </ul>
Energy Efficiency	<ul style="list-style-type: none"> <li>▪ Energy storage capacity of batteries supplied by the manufacturing facilities constructed (MW/GW)</li> <li>▪ Annual greenhouse gas emissions reduced/avoided (tonne of CO2 equivalent)</li> <li>▪ Annual energy savings (MWh/GWh)</li> </ul>
Sustainable water and wastewater management	<ul style="list-style-type: none"> <li>▪ Annual absolute (gross) amount of wastewater treated (tonne)</li> <li>▪ Annual water reuse and/or water use avoided (tonne)</li> </ul>

**Means of Disclosure**

Information published in financial report

Information published in sustainability report

Information published in ad hoc documents

Other (*please specify*): The will disclose Allocation Reports via the website, social media, or reports.

Reporting reviewed (*if yes, please specify which parts of the reporting are subject to external review*):

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:**

Second Party Opinion

Certification

Verification

Scoring/Rating

Other (*please specify*):

**Review provider(s):**  
**Date of publication:**



### **About CECEPEC**

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

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.

For more information: [www.cecepec.com](http://www.cecepec.com)

**Disclaimer**

The opinion given by CECEPEC shall not be regarded as recommendation to risk judgment or the decision to purchase, sell or hold any financial products.

The opinion refers solely to the relevant environmental and/or social criteria and does not assess the economic profitability and credit worthiness of the financial products and/or projects.

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 project categories or projects.

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

Information provided by CECEPEC shall not be regarded as a statement, representation, warrant or argument either in favour or against the merchantability, completeness, truthfulness, accuracy, credibility, up-to-datedness and/or fitness of any facts or statements and related surrounding circumstances that the Company has made available to CECEPEC for any particular purpose. CECEPEC shall not be responsible for any error, omission, or result of using such information and the Company is fully responsible for the information provided to CECEPEC. CECEPEC does not guarantee the compliance with the issues' commitments, for their implementation and monitoring. CECEPEC's opinion is only reflected at the date of their elaboration and publication.

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