

Huzhou Moganshan State-owned Capital Holding Group Co., Ltd.

湖州莫干山国有资本控股集团有限公司

Assessment Summary

China Chengxin Green Finance International Co., Ltd. (CCXGF) provided a Second Party Opinion (SPO) on Huzhou Moganshan State-owned Capital Holding Group Co., Ltd. Sustainable Finance Framework, assessing its alignment with benchmarked principles, relevance to the company's sustainable development strategy, feasibility of achieving environmental or social objectives, and effectiveness in managing environmental and social risks. Endorsed by the CCXGF Sustainability Assessment Committee, CCXGF regards the rating of Huzhou Moganshan State-owned Capital Holding Group Co., Ltd. Sustainable Finance

Framework Type

Sustainability Finance

Zhejiang, China

Oct 8, 2024

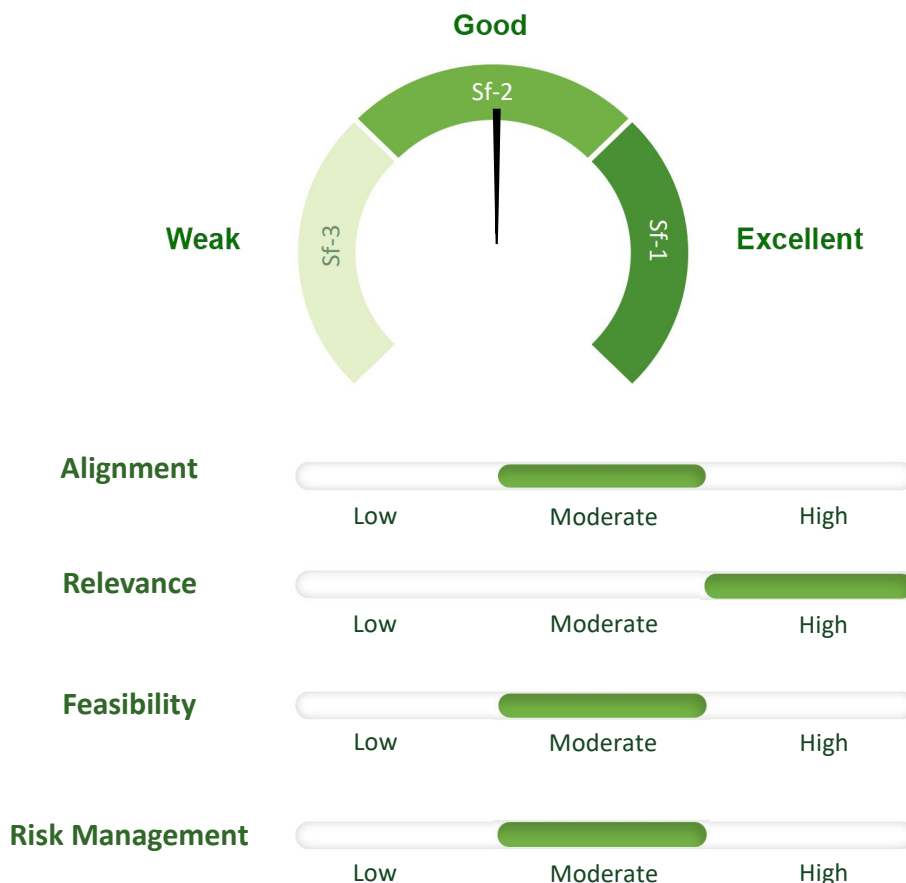


Overall Score

Green Bond Principles 2021
(with June 2022 Appendix I)
Green Loan Principles 2023
Social Bond Principles 2023
Social Loan Principles 2023
Sustainability Bond Guidelines
2021

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■ Scope of work

CCXGF has provided a SPO on Huzhou Moganshan State-owned Capital Holding Group Co., Ltd. Sustainable Finance Framework (the “Sustainable Finance Framework” or “Framework”) with reference to the following criteria:

- The alignment with the following principles (the “Principles”):
 - GBP2021: Green Bond Principles 2021 (with June 2022 Appendix I) by ICMA
 - SBP2023: Social Bond Principles 2023 by ICMA
 - SBG2021: Sustainability Bond Guidelines 2021 by ICMA
 - GLP2023: Green Loan Principles 2023 by LMA/APLMA/LSTA
 - SLP2023: Social Loan Principles 2023 by LMA/APLMA/LSTA
- The relevance to the Group’s sustainable development strategy
- The feasibility of environmental and/or social objectives
- The effectiveness of environmental and/or social risk management

■ Issuer’s Profile

As a regional investment and financing platform, Huzhou Moganshan State-owned Capital Holding Group Co., Ltd. (“Moganshan State-owned” or “the Group”)¹ was founded under the approval from the Huzhou City People’s Government. The Huzhou City People’s Government authorized Mogan Mountain of Huzhou Hi-tech Industry Development Zone (“ MHTZ ”) Management Committee to perform the contributor's functions. The Group is based at Deqing County, Huzhou City, Zhejiang Province. Its primary business includes land development, infrastructure construction, resettlement housing, industrial park development, materials trading, new energy and other business. And the Group extended its business segments to the production and sale of sewing machines, automotive products and intelligent controllers in March 2023.

Moganshan State-owned conscientiously implements the transformation to sustainable and low-carbon development strategy, adheres to the concept of "lucid waters and lush mountains are invaluable assets", practices the concept of sustainable development, and adheres to the path of environmentally friendly, resource-saving, quality and benefit-oriented development.

Framework Highlight

- For Use of Proceeds, the eligible Green Projects Categories include Energy Efficiency, Green Building, and the eligible Social Projects Categories include Affordable Housing.
- For Project Evaluation and Selection, the Group has set up a reasonable process and built a well-established control structure with different business departments. Working group members are required to have ESG-related knowledge and the Group will consider hiring external experts when necessary.
- For Management of Proceeds, the Group will maintain a register to keep track of the use of proceeds. The net proceeds will be re-allocated to the eligible replacement projects if the designated projects cease to fulfil the criteria. Also, the unallocated proceeds will be temporarily held on cash, cash equivalents or short-term deposits.
- For Reporting, the Group is committed to reporting the allocation of net proceeds at least annually until they are fully allocated or if there is a change of allocation during the outstanding period of the sustainable financing instruments (SFIs).

¹ Including its consolidated subsidiaries

Relevant UN Sustainable Development Goals (SDGs):



■ Alignment with the Principles

CCXGF is of the opinion that the Sustainable Finance Framework is credible and impactful and aligns with the four core components of the GBP2021 (with June 2022 Appendix I), SBP2023, SBG2021, GLP2023 & SLP2023.

■ Use of Proceeds

CCXGF's Opinion

- CCXGF has reviewed the Group's Framework and evaluated the proposed use of proceeds.
- The investments in eligible categories are anticipated to deliver significant environmental and social benefits while contributing to the achievement of several UN Sustainable Development Goals, specifically SDGs 1, 7, and 11. Additionally, the Group has identified a list of excluded project types based on the International Finance Corporation's exclusion list.
- CCXGF is of the opinion that the use of proceeds is clearly defined and in good alignment with the relevant requirement of the GBP2021 (with June 2022 Appendix I), GLP2023, SBP2023, SLP2023 and SBG2021.

The Framework sets out how the Group intends to issue SFIs. The Group will exclusively allocate an amount at least equivalent to the net proceeds of each SFI issued under this Framework to finance or refinance, in whole or in part, new or existing projects which meet the eligibility criteria of the following eligible green and social projects categories, as defined below.


The Group expects each issuance under this Framework to be fully allocated within 24 months from the date of issuance, and on a best-efforts basis. A maximum of 36 months look-back period would apply for refinanced projects. The proportion of financing and refinancing for the eligible green and social projects will be disclosed.

The following table summarizes the alignment of the Framework with the Principles' requirements, detailing the factual findings for each requirement and confirming their alignment.


Principles Requirements	Factual Findings	Alignment
All designated eligible green/social projects should provide clear environmental or social benefits, which should be assessed and quantified when possible.	Eligible projects listed in the Framework have clear benefits; quantitative data will be disclosed when available.	✓
If proceeds are used for refinancing, it is recommended that issuers/borrowers provide an estimate of the financing vs. refinancing	The net use of proceeds will exclusively finance and/or refinance, in part or in full, projects under the listed categories	✓

share and clarify which projects may be refinanced, including any look-back period.	with the look-back period of no longer than 3 years from the time of issuance, and the Group will provide an estimate of the share of financing vs. re-financing.	
Green Projects should contribute to environmental objectives recognised by GBP/GLP, and Social Projects should address or mitigate social issues and/or seek to achieve positive outcomes including for, but not limited to, a target population(s) recognised by SBP/SLP.	The eligible green projects listed in the Framework all contribute to environmental objectives in GBP/GLP; the eligible social projects listed in the Framework all contribute to address or mitigate a specific social issue and seek to achieve positive social outcomes.	✓

After CCXGF's assessment of the Framework, the following table outlines the technical screening criteria of the eligible projects under each project category, the identified project objectives, and alignment with relevant principles. To enhance robustness, CCXGF also assessed alignment with the Green Bond Endorsed Projects Catalogue (2021) (GBEPC) as part of the screening process. For details on the GBEPC catalogue and the Framework's eligible projects, please refer to Appendix II.

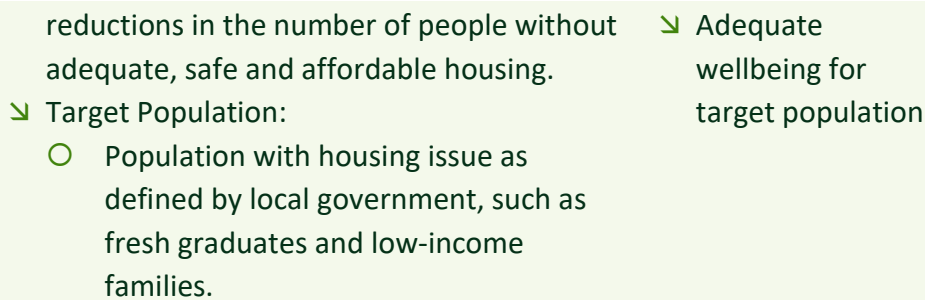
Green Project Categories	Eligible Projects Technical Screening Criteria	Identified Objectives	Alignment
Energy Efficiency 	<ul style="list-style-type: none"> Implementation of intelligent modifications in the construction process of land development and housing construction, including the use of solar panels for energy storage and advanced equipment to complete land development and housing construction to improve energy efficiency Implementation of energy saving at any stage of project construction Investment in clean energy vehicles manufacture or auto parts used in clean energy fuel vehicles 	<ul style="list-style-type: none"> Climate change mitigation 	<ul style="list-style-type: none"> ➤ GBP2021 ➤ GLP2023 ➤ Adopting solar panels for energy storage in housing construction will meet the requirements of GBEPC2021-5.2.1.3 ➤ Energy-saving renovation of the building meets the relevant energy-saving renovation and green building requirements will meet the requirements of GBEPC2021-5.2.1.5²

² For example, the building technology complies with technological standards such as GB 50352, GB 50189 and GBT 51141.

Green Building 	<ul style="list-style-type: none"> ➤ Reduce negative impact on the environment with the measures including but not limited to: <ul style="list-style-type: none"> ○ Improve the energy efficiency of lighting system by zoning, time setting, induction and etc. ○ The elevator shall adopt energy saving measures such as group control, frequency control or energy feedback, escalator shall adopt energy saving control measures such as frequency conversion induction start. ○ Use renewable, recycle and environmental friendly construction materials to reduce negative environmental impact ○ Buildings rated 2-star or above under the “Assessment Standard of Green Building” issued by the Ministry of Housing and Urban-Rural Development or by local Housing and Urban-Rural Development bureau 	<ul style="list-style-type: none"> ➤ Climate change mitigation ➤ Pollution prevention and control 	<ul style="list-style-type: none"> ➤ Investment in clean energy vehicles manufacture or auto parts used in clean energy fuel vehicles will meet the requirements of GBEP2021 -1.6.1.1³
			<ul style="list-style-type: none"> ➤ GBP2021 ➤ GLP2023 ➤ Adopting lighting following related energy efficiency standards such as GB 30255 and GB 37478 will meet the requirements of GBEP2021 - 1.1.3.1 ➤ The green buildings which receive, or expect to receive Chinese Green Building Evaluation Label 2-Star or above will meet the requirements of GBEP2021 - 5.2.1.2

Social Project Categories	Eligible Projects	Technical Screening Criteria	Identified Objectives	Alignment
Affordable Housing	➤ Projects related to construction and development of affordable housing, including subsidized housing, talent housing, public rental housing and low-rent housing in Huzhou City, which contribute to		➤ Improve housing conditions for low-income/homel ess families	<ul style="list-style-type: none"> ➤ SBP2023 ➤ SLP2023 ➤ SDGs 1.2 ➤ SDGs 1.5 ➤ SDGs 11.1

³ The relevant projects should meet the requirements of the *Administrative Provisions on the Admission of New Energy Vehicle Enterprises and Products* (Amendment No.54 of the Order of the Ministry of Industry and Information Technology, PRC).



- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife or products regulated under CITES.
- Production or trade in weapons and munitions.
- Production or trade in alcoholic beverages (excluding beer and wine).
- Production or trade in tobacco.
- Gambling, casinos, and equivalent enterprises.
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded.
- Production or trade in unbonded asbestos fibres. This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20 percent.
- Drift net fishing in the marine environment using nets over 2.5 kilometres in length.
- Production or activities involving harmful or exploitative forms of forced labour/harmful child labour.
- Commercial logging operations for use in primary tropical forest.
- Production or trade in wood or other forestry products other than from sustainably managed forests.
- Projects related to fossil fuel production.

CCXGF's Opinion

- Second Party Opinion | Sustainability Finance Framework
CCX GREEN FINANCE INTERNATIONAL LIMITED

SBP2023, SLP2023 and SBG2021.

The Sustainable Finance Working Group (the "SFWG") of the Group consists of senior representatives from various functions, including Financial Management Department, Engineering Department and Legal and Audit Department. The SFWG may be supplemented from time to time, or expanded, by the inclusion of representatives from other relevant teams. Members from the working group are required to have ESG-related knowledge and the Group will also consider hiring external experts when necessary.

The SFWG will meet on an annual basis and is responsible for ensuring that proceeds from SFIs or an equivalent amount will be allocated to the eligible projects under the Framework, and for managing any future updates of the Framework, including any expansion of requirements on the use of proceeds.

The Framework builds a reasonable process for project evaluation and selection, including:

1. Endeavored to distribute the proceeds from the SFIs evenly among the three categories defined in the framework
2. Conduct initial screening of potential Eligible Sustainable Projects which are initially proposed by other departments within the Group
3. Ensure that projects comply with Moganshan State-owned's internal environmental and social risk management policies as well as applicable local governmental regulations
4. Facilitate regular reporting on any SFI issuance in alignment with the Group's Reporting commitments
5. Ensure that the approval of Eligible Sustainable Projects will follow the Group's existing credit/loan/investment approval processes

■ Management of Proceeds

CCXGF's Opinion

- CCXGF has reviewed the Group's Sustainable Finance Framework and the Group's policies on management of proceeds.
- The Group has clearly defined the rules for the management of proceeds. CCXGF is of the opinion that they would make a traceable and transparent allocation process which matches the requirements of the GBP2021 (with June 2022 Appendix I), GLP2023, SBP2023, SLP2023 and SBG2021.
- It is recommended that if applicable, the Group may establish a special account for SFIs instead of depositing proceeds in the general funding accounts and consider engaging external agencies to oversee the management of these funds, thereby showing a stronger signal about the Group's commitment to sustainability.

The Group intends to allocate an amount equal to the net proceeds of the SFI(s) over time to finance or refinance the eligible green and social projects, with each transaction's proceeds deposited into general funding accounts and designated towards eligible projects.

The use of proceeds will be maintained in a SFI Register, containing following information:

- SFI details: ISIN (if applicable), Pricing Date, Maturity Date and etc.
- Allocation of Proceeds:
 - The Eligible Sustainable Projects List, including for each Eligible Sustainable Project, the Eligible Sustainable Project category, project description, project location, total loan amount, the Group's loan amount, amount disbursed, settled currency, etc.
 - Amount allocated to each Sustainable Project
 - Amount of unallocated Proceeds

Any balance of issuance proceeds which are not yet allocated to eligible green and social projects will be temporarily held in accordance with the Group's liquidity guidelines on cash, cash equivalents or short-term deposits, and the Group commits not to invest such unallocated net proceeds to the projects which are subject to exclusions criteria under this Framework.

During the life of the SFIs issued, if the designated projects cease to fulfil the eligibility criteria during the life of the SFIs issued, the net proceeds will be re-allocated to replacement projects that comply with the eligibility criteria as soon as reasonably practicable.

■ Reporting

CCXGF's Opinion

- CCXGF has reviewed the Group's Framework and examined the reporting mechanism.
- The Group is committed to reporting the allocation of net proceeds at least annually until full allocation of the net proceeds of any SFI issued, or if there is a change of allocation during the outstanding period of the SFI and disclose the impact of financed projects through quantitative indicators defined by ICMA's handbook where possible.
- CCXGF is of the opinion that the report disclosure under the Framework aligns with the GBP2021 (with June 2022 Appendix I), GLP2023, SBP2023, LP2023 and SBG2021. CCXGF recommends the Group keep reporting until maturity if it is possible.

The Group is committed to providing an allocation and an impact report on its eligible green and/or social projects annually until full allocation of the net proceeds of any SFI issued, or if there is a change of allocation during the outstanding period of the SFI. Furthermore, additional reports are intended to be provided on a timely basis in case of material developments.

The **Allocation Report** will include the following information where applicable:

- List of Eligible Sustainable Projects
- The amount of Proceeds allocated to each Eligible Sustainable Projects category
- Breakdown of the amount of Proceeds allocated to refinancing vs new financing
- When possible, descriptions of the Eligible Sustainable Projects financed, such as project locations, amount allocated, etc.
- Amount of unallocated Proceeds

The **Impact Report** will cover both expected and achieved impacts arising from the eligible green and social projects and provide the methodology and assumptions used for calculation of the impact indicators which is based on ICMA's "Handbook – Harmonized Framework for Impact Reporting (2023) and Harmonized Framework for Impact Reporting for Social Bonds (2023)". For the detail indicators to be disclosed in the impact report, please visit Appendix IV.

CCXGF is of the opinion that the Framework is moderately aligned with the four core components of the Principles.

■ Relevance to Group's Sustainable Development Strategy



Land development, project construction and resettlement housing are the key ways for the Group to complete its mission of industrial park development. The Group's Sustainable Finance Framework ("Framework") covers green building, energy efficiency and affordable housing, and the Group can finance eligible sustainable projects in accordance with the Framework. It is also an opportunity to emphasize the Group's strategy in terms of green and social development, and to diversify Group's investors base, thanks to a reinforced dialogue with Socially Responsible Investors. The Group's sustainable financing transactions will also help ensure the progress of the State Council and the Country's goal of environmental protection under the 14th Five-Year Plan, and beyond, is fulfilled.

The Framework has defined 3 eligible categories, targeting investments in Energy Efficiency, Green Building, and Affordable housing. Furthermore, the SFIs issued under the Sustainable Finance Framework contribute to the 3 SDGs, systematically advancing Moganshan State-owned. In particular, the eligible projects are closely related to the Group's major business activities, and at the same time, the Group's current development provides overall guidance for the establishment of the Framework. Hence, the outlined Framework is expected to consistent with Group's future development, indicating to long run sustainability.

CCXGF is of the opinion that the Framework is of high relevancy with the overall sustainability strategy and initiatives of the Group.



■ Feasibility of Environmental and/or Social Objective

Energy Efficiency

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 The construction and improvement of urban infrastructure is an important foundation for the sustainable development of the national economy, and the more attention should be paid to the strength and scientific nature of infrastructure construction. The Group applies "Energy Efficiency" to the procurement, installation, maintenance and upgrading of energy-saving equipment in buildings, such as energy-saving ventilation and lighting systems, to help reduce energy consumption in the operation of construction and promote the healthy development of the ecological environment.
- 
 The '14th Five-Year Plan' puts forward the development goal of "adhering to the policy of giving priority to energy conservation, and deepening energy conservation in the fields of industry, buildings, transportation and public institutions". The infrastructure construction of the group, which includes energy efficiency improvement projects (include but not limited to use of solar panels for energy storage) under the sustainable finance framework, including the projects supported by the above policy. Such projects have a significant role to play in realizing the reduction of energy consumption and the enhancement of resource utilization.



Green Building

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 Owning the largest scale of buildings globally, the Chinese building sector is regarded as one of the most determining factors for the national carbon neutrality target by 2060. According to the China Association of Building Energy Efficiency, the operation phase takes nearly 50% of the carbon footprints in the full life cycle of a building for years. During 2021, the entire building process in China consumed 2.35b tons of standard coal and released 5b tons of carbon emissions, at least half of which need to be offset to meet the neutrality target suggested by a latest research. To address such issues, green buildings are expected to help with climate change mitigation and natural resource conservation.
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 Investing the Green Building projects in the Framework can adopt energy-saving measures in terms of the structures of the buildings and enclosure, HVAC, water supply and drainage and power system to significantly reduce energy consumption during building operations. This category projects will reduce carbon emissions, mitigate the global greenhouse effect and contribute to the healthy development of the ecological environment based on rationally using energy, improving energy utilization and effectively reducing the use of fossil energy while meet the requirements of indoor comfort and hygiene quality. Therefore, CCXGF considers that investing in Green Building projects under the Framework can generate positive impacts in energy conservation and carbon reduction objectives.



- Besides, China has always paid attention to the development of green buildings and promulgated the ‘14th Five-Year Plan’ for Building Energy Saving and Green Building Development (“The Plan”) as a vital capstone to becoming carbon neutral. “The Plan” clearly states the complete transformation of green buildings from traditional ones till 2025. Hence, with compliance to the five-year plan, Moganshan State’s financing of green buildings would be a clear signal to demonstrate its commitment to embracing sustainability into inherent development, creating potential for gaining government support and reducing regulatory risks.

Affordable Housing

- Huzhou City, housing and urban and rural construction development “14th Five-Year Plan”, pointed out that the people's demand for a better life, focusing on solving the imbalance and inadequacy of development in the field of housing and urban and rural construction, and constantly enhance the people's sense of access, happiness and sense of security. By 2025, the housing market system and housing security system will be further improved, and the supply of public service facilities will be continuously strengthened, so as to promote the realization of a better home and a better life.
- Investing the Affordable Housing projects in the Framework can provide subsidized housing, talent housing, public rental housing and low-rent housing in Huzhou City, which contribute to reductions in the number of people without adequate, safe and affordable housing, significantly improving living conditions. The residences are equipped with necessary public facilities and infrastructure such as water, electricity, sewerage and transport connections, thereby enhancing the living convenience and comfort of the residents. This plays an important role in building a harmonious living environment and improving the appearance of the city.



CCXGF is of the opinion that the expected environmental and/or social objectives are moderately feasible.

■ Effectiveness of Environmental and/or Social Risk Management

Process for Environmental and/or Social Risk Management

The Group has adopted strict environmental and social measures and assessments to ensure compliance with national laws and regulations on sustainable development.

Feasibility study report as the basis for investment decision-making is a necessary requirement in project investment. Based on the feasibility reports, the Group will identify and manage the environmental risks related to eligible green projects.

Besides, the Group finds and assesses the environment and social risks of eligible projects by checking feasibility study report which is usually conducted by the third-party agent or professional consultant team in evaluation and selection process.

Environmental and/or Social Risk Identification

Environmental Risk

The eligible projects included in the Framework are mainly realized through the construction of real estate programs. Generally, the Group has identified potential negative environmental impacts during both the construction and operation process, including water pollution, solid wastes, dust and noise.

	Water	Wastes	Noise	Air
Construction Process	<ul style="list-style-type: none"> Drainage from dewatering wells and from concrete curing Vehicle wash water Production wastewater Domestic sewage 	<ul style="list-style-type: none"> Construction waste Excavation slag Workers' household waste Discarded food 	<ul style="list-style-type: none"> Construction Machine 	<ul style="list-style-type: none"> Dust from land levelling, excavation, road paving, transportation, loading, mixing
Operation Process	<ul style="list-style-type: none"> Production wastewater Domestic sewage 	<ul style="list-style-type: none"> Household waste Discarded food 	<ul style="list-style-type: none"> Machine Transportation 	<ul style="list-style-type: none"> Exhaust emissions Dust from transportation Odors from Sewage Treatment Facility

Besides, the Group will reduce environmental risks by doing environmental impact assessments and taking measures according to expert recommendations.

Social Risk

Social risks related to mentioned eligible projects are expected to remain at a low level. In particular, the eligible projects would neither have negative impacts on cultures, living habits, employment nor the

income of surrounding people. The eligible projects targeted towards Huzhou city are expected to enhance the quality of the living environment for residents and promote sustainable community development.

CCXGF is of the opinion that Group's environmental and/or social risk management is adequate.

■ Appendix

I – About CCXGF

China Chengxin Green Finance International Co., Ltd. (CCXGF) is a third-party service organization under China Chengxin Credit Rating Group (CCXI) that specializes in green and sustainable finance-related businesses and focuses on business development in Hong Kong and overseas regions. CCXGF has been deeply involved in the field of green finance since 2016. It is one of the earliest green finance third-party service organizations in China.

In June 2023, it was the first to obtain the external review qualification of the Hong Kong Monetary Authority's Green and Sustainable Finance Funding Program. The services currently provided by CCXGF include green bond and green loan assessment and certification services, green financial services for financial institutions, comprehensive green financial development services for local governments, ESG reports, ESG ratings and data services.

II – Associations and standards

The following outlines the associations and standards applied in the assessment process. To enhance robustness, CCXGF also incorporated the Green Bond Endorsed Projects Catalogue (2021) (GBEPC), listed below, as part of the screening process.

Associations		Standards	
↘ ICMA - International Capital Market Association		↘ Green Bond Principles (GBP) 2021 (with June 2022 Appendix I)	
		↘ Social Bond Principles (SBP) 2023	
		↘ Sustainability Bond Guidelines (SBG) 2021	
↘ LMA - Loan Market Association		↘ Social Loan Principles (SLP) 2023	
↘ LSTA - Loan Syndications and Trading Association		↘ Green Loan Principles (GLP) 2023	
↘ APLMA - Asia Pacific Loan Market Association			
↘ PBC - People's Bank of China		↘ Green Bond Endorsed Projects Catalogue (GBEPC) (2021)	
Catalogue		Program	
↘ GBEPC2021 – 1.1.3.1		↘ Renovation of Green Lighting	
↘ GBEPC2021 – 1.6.1.1		↘ Manufacturing of Key Components of New Energy Vehicles and its Industrialization	
↘ GBEPC2021– 5.2.1.2		↘ Green Buildings	
↘ GBEPC2021– 5.2.1.3		↘ Application of Renewable Energy in Buildings	
↘ GBEPC2021– 5.2.1.5		↘ Energy Conservation and Environmental-friendly Renovation of Existing Buildings	
↘ SDGs 1.2		↘ By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	
↘ SDGs 1.5		↘ By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters	
↘ SDGs 11.1		↘ By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums	

III – Methodology

CCXGF offers pertinent and forward-thinking environmental, social, and governance (ESG) data, performance assessments and the CCXGF Green Bond Evaluation Methodology.

The organization establishes a comprehensive indicator system using the Analytic Hierarchy Process (AHP), which encompasses 4 first-level indicators, 9 second-level indicators, 18 third-level indicators, and 33 fourth-level indicators. A judgment matrix is constructed using this method to compare and rank each indicator based on its importance. The single ranking weight is then calculated for each indicator at every level. Subsequently, the total ranking weight is determined by multiplying the single ranking weight by the weight of the previous factor. Finally, the sustainable finance framework's comprehensive score is obtained by scoring each indicator and multiplying it by the total ranking weight of each indicator.

Analysts employing the scoring methodology, assign an overall score to the sustainable finance Framework and, when compared with the criteria of the CCXGF Sustainability Assessment, furnish descriptions for one of the subsequent three rating levels.

Level	Standards
Sf-1 Excellent	<ul style="list-style-type: none"> ➤ The four core components of the Framework present high level of alignment with the Principles ➤ The relevance of the Framework to Group's sustainable development strategy is high ➤ The feasibility of environmental and/or social objectives is high ➤ The environmental and/or social risk management is robust
Sf-2 Good	<ul style="list-style-type: none"> ➤ The four core components of the Framework present moderate level of alignment with the Principles ➤ The relevance of the Framework to Group's sustainable development strategy is moderate ➤ The feasibility of environmental and/or social objectives is moderate ➤ The environmental and/or social risk management is adequate
Sf-3 Weak	<ul style="list-style-type: none"> ➤ The four core components of the Framework present low level of alignment with the Principles ➤ The relevance of the Framework to Group's sustainable development strategy is low ➤ The feasibility of environmental and/or social objectives is low ➤ The environmental and/or social risk management is ineffective

For more information, please visit: <http://ccxgf.com>.

IV – Summary of Eligible Categories’ Details

➤ Reporting indicators of impact report

Project Categories	Impact Indicators
Energy Efficiency	<ul style="list-style-type: none"> ➤ Amount of energy saved (including electricity and water) ➤ Percentage annual energy efficiency gain relative to comparable period ➤ The number of clean energy vehicles or auto parts used on clean energy vehicles manufactured ➤ Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent/annual ➤ Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy)
Green Building	<ul style="list-style-type: none"> ➤ Green building rating under the “Assessment Standard of Green Building” issued by the Ministry of Housing and Urban-Rural Development or any other well recognized authorities ➤ The number of Green buildings completed and under construction ➤ Energy efficiency gains in MWh or percentage vs baseline ➤ Annual absolute (gross) water saving in m3/a
Affordable Housing	<ul style="list-style-type: none"> ➤ Number and type of public affordable housing units constructed ➤ Number of individuals/households benefitted

Further to the above indicators, the Group will, to the extent where is appropriated, consider to align impact indicators with the recommendations in ICMA’s Harmonized Framework for Impact Reporting.

In preparing this Second Party Opinion, CCX Green Finance International Limited (CCXGF) has complied with applicable laws, relevant regulations, and internal rules. It has also observed internal workflows and operating standards, fulfilling its duties related to due diligence and integrity. As a result, CCXGF considers the Opinion to be independently produced, objective, and unbiased.

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The sustainable finance Framework SPO differs from corporate credit ratings, as it does not assess a Group's financial solvency. The assessment results are independent of corporate credit ratings.

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