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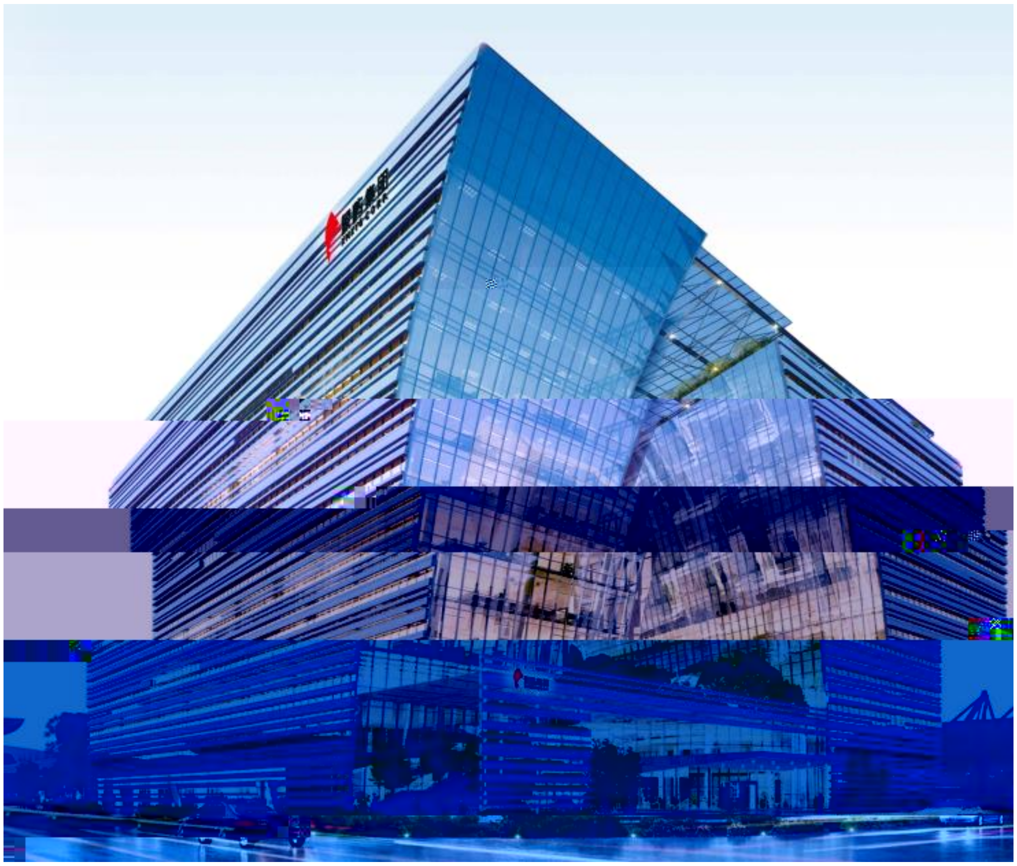

XMXYG CORPORATION

SUSTAINABILITY FINANCE FRAMEWORK

July 2025

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Overview of XMXYG Corporation

XMXYG Corporation **XMXYG** the **Group** -owned business group under Xiamen Municipal Government, which was founded on November 28, 1995. Committed to the mission of benefiting the world and achieving success together, we engage in industrial investment and specialized operation. Our businesses include Commodity Supply Chain, Urban Development and Operation, Integrated Financial Services, Port and Shipping, Innovation Incubation, etc. We aim to become a globally-competitive, comprehensive investment holding group focused on supply chains.

Committed to the corporate mission of benefiting the world and achieving success together , we have established five ESG principles and continuously promote the integration of corporate responsibility practice and management from the three dimensions of environment, society and corporate governance. Through industrial chains and value chains, XMXYG connects customers, partners, employees and shareholders to environment and society, building a symbiotic and win-win value ecosystem. With philosophy support, we aim to deliver sustainable corporate values by improving business management, addressing climate change, boosting industrial revolution, promoting social and economic development and contributing to better well-being.

Five ESG principles & corresponding management strategies of XMXYG:

Principle	Management Strategy
Sound Governance - Building Firm Foundations for Development	and strive to preserve and appreciate the values of our state-owned assets

	by means of science-based management and prudent operations to repay our shareholders. • Enhance cohesion by corporate culture • Manage the Corporation according to law and strengthen risk control • Reform corporate governance by digital transformation • Foster an orderly business environment by adhering to business ethics
Green Empowerment - Building a Sustainable Ecology	We firmly believe that lucid waters and lush mountains are invaluable assets, and put environmental protection before everything else. To this end, we work diligently to pursue green development and endeavor to be a forerunner of ecological conservation. • Improve environmental management system, and strive for notable progress in ecological conservation • Integrate the environmental idea into every aspect of our business including procurement, design and

	distribution, accelerate green transition, support emerging industries and provide green products and services • Conduct green operations, and contribute to major issues related to energy, water resources, waste management and atmospheric pollution control • Advocate low-carbon lifestyle, and foster a culture of environmental protection for all stakeholders
Win-win Cooperation - Contributing to the Industry Reform	forged with the right approach defies the XMXYG model of building platforms and promoting win-win cooperation, we aim to pursue a symbiotic and win-win value ecosystem for a sustainable future. • Base on supply chains, serve industry chains and create value chains, leverage XMXYG platforms to expand business network, boost digital and intelligent transformation and

	lead industrial innovation and upgrading • Follow a customer-oriented approach and continuously improve product and service quality • Enhance business exchanges, increase the depth and breadth of collaboration, and innovate in cooperation philosophy; share values with stakeholders to achieve win-win results and sustainable development
Responsibility Fulfillment - Sharing the Fruits of Corporate Development	We are resolved to keep in step with the national development, and serve the national strategies based on our primary responsibility thsingiess,

	• Vitalize urban and regional development, and advance rural revitalization with multiple approaches • Keep in touch with local communities, and dedicate to social charity and public welfare
People-oriented Approach - Embracing a Brighter Future with Employees	XMXYG regards its employees as the foundation for development. We make every effort to protect employee rights and interests, offer them a first-class platform for future development, and work to build a healthy, harmonious and pleasant working environment, so that they can fulfill their own values. • Respect human rights, foster open and inclusive environment, and protect interests • Attach importance to occupational health, and eliminate risks to workplace health • Offer competitive compensations, benefits and development channels to every employee

	• Care for employees, and advocate the balance between work and life

The Group has established this Sustainability **Framework** **SFF** **Sustainability Financing Transactions** **SFTs** onmental and social impacts and foster sustainable practices.

- With respect to bonds, bonds issued under this SFF will be aligned with the **GBP** 2025 **SBP** , and **SBG** 2021 by International Capital Markets Association[1] **ICMA**
- With respect to loans, loans issued under this SFF will be aligned with the **GLP** **SLP** Loan Market Association[2] **LMA** [3] **APLMA** [4] **LSTA** they may subsequently be updated.

Other SFT(s) may conform to other sustainable finance principles as may have been established at the time of such a financing transaction being undertaken.

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[1] https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks
[2] https://www.lma.eu.com/sustainable-lending/resources
[3] https://www.aplma.com
[4] https://www.lsta.org

Each SFT issued under this Framework, the Group is committed to aligning it with the following elements: (1) Use of Proceeds; (2) Project Evaluation and Selection; (3) Management of Proceeds; and (4) Reporting, as set out in this Framework.

SFTs do not have restrictions on tenor nor currency and can include other terms and conditions including covenants to reflect the financing strategy and plans of the Group as well as the outcome of commercial discussions between the Issuer/Borrower and Manager/Arranger/Lender.

current and future business needs.

1. Use of proceeds

The Group will exclusively allocate an amount at least equivalent to the net proceeds of an SFT 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 36 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.

1.1 Eligible Green Project Categories

Green Project Categories, Environmental	**Eligibility Criteria**	**Technical screening criteria [5] and/or actions prior the investment**

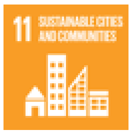
[5] For technical screening criteria, the Group is dedicated to align eligible green projects with China Green Bond Endorsed Projects Catalogue (2021 Version) or subsequent versions as it may be updated. For details of 2021 Version, please refer to: https://www.gov.cn/zhengce/zhengceku/2021-04/22/5601284/files/48dd95604d58442da1214c019b24228f.pdf.

Objectives & UNSDGs		
Clean Transportation Key Objectives: • Climate Change Mitigation   	***Green Shipping:*** Investment, acquisition and expenditures in the research, design, development, and manufacturing of 1) new energy shipping vessels, e.g., fully electric, LNG-blended and/or methanol-blended shipping vessels; 2) corresponding charging and/or storage facilities such as onshore charging stations and batteries; 3) renovation and optimization of ship yards specifically for manufacturing of new energy shipping vessels ***New Energy Vehicles:*** 4) Trading and purchasing of new and clean energy vehicles.	• The new electricity-powered shipping vessels will have zero downstream CO_2 emission • China Green Bond Endorsed Projects Catalogue 1.6.1.3, 5.5.3.1 for eligible criteria 1) and 2) • China Green Bond Endorsed Projects Catalogue 1.6.1.1 for eligible criterion 4) • For eligible criterion 3), feasibility studies should be obtained to confirm new energy ship modes are targeted, e.g., 63500BC, 63800DWT , 63500DWT, 82000DWT.
Renewable Energy Key Objectives:	Investment, acquisition and expenditures related to design, manufacture, construction, installation,	• China Green Bond Endorsed Projects Catalogue 3.2.1.2,

• Climate Change Mitigation	and operation of renewable energy systems, including 1) photovoltaic (solar) and wind power facilities; 2) solar system for rooftops of the property sites; 3) supply chain solutions for renewable energy system enablers, including but not limited to sourcing and procurement services for battery critical materials (e.g., lithium), components of photovoltaic (solar) power facilities.	3.2.1.1, 3.2.2.1 and 3.2.2.2 for eligible criteria 1) and 2) • For activities related to eligible criterion 3), business activities must be verified to be pure-play in or have significant revenues from renewable energy value chain, e.g., battery and storage facilities, solar PVs and electric vehicles.
Green Building[6] Key Objectives: • Climate Change Mitigation • Natural Resource Conservation	Investment, acquisition and expenditures related to construction, renovation, refurbishment[7] of existing owned and/or managed properties that will reduce the building s environmental impact in	• U.S. Leadership in Energy and Environmental Design (LEED) minimum certification of Gold; or • BREEAM minimum certification level of Excellent; or

[6] All eligible green building projects are required to obtain Green Building Certification Labels within 24 months after construction is completed.

[7] For avoidance of doubt, for renovation and refurbishment of existing properties projects, it should improve at least one level to reach the green building certification mentioned in the technical screening criteria.

 	accordance with any one of the certification systems.	• Chinese Green Building Evaluation Label[8] (GBL) minimum certification level of 2 stars; or • BEAM Plus minimum certification level of Gold; or • EDGE Green Building Certificate minimum certification level of level 1; or • China Green Bond Endorsed Projects Catalogue 5.2.1.2 and 5.2.1.5.
Environmental-friendly Industrial Practices Key Objectives: • Industrial pollution prevention and control • Industrial energy saving retrofitting	Investment and expenditures in 1) reduction, treatment, monitoring and/or recycling of industrial hazardous air emissions, solid wastes and/or wastewater, including but not limited to flue gas dedusting, desulfurization and denitrification, reduction and handling of	• China Green Bond Endorsed Projects Catalogue 2.1.1.1, 2.3.1.1, 2.1.2.2, 5.3.1.4, 1.1.2.3

[8] Assessment Standard for Green Building GB/T 50378-2019

	slag iron and chemical reduction at sewage treatment plants; 2) facility construction or technology upgrading for recycling energy resources such as low grade residual heat and pressure in industrial production for electricity generating, industrial heating, residential heating or for reusing processing technology by saturated steam power generation technology, flue gas waste heat recovery and other related technologies.	
Green Innovation and Incubation Key objectives: • Provision of finance for green innovation and	Provision of finance for 1) green industrial renovation in industrial parks e.g., waste heat power generation and other digital solutions to enable energy efficiency	• For additions to existing portfolios committed under this category, the project use of proceeds should align with China Green Bond Endorsed Projects Catalogue 1.1.2.3, 2.3.2.1 and 4.2.2.3.

alternative green assets 	and circular economy[9]; and/or 2) alternative green assets, e.g. forest (as potential carbon sinks)[10]	• For any expansion of portfolios under the industrial renovation in to be different from the current nature of the activities under financing, prior due diligence must be performed before initiation of any financing contracts to confirm the validity of technical specification of the renovation and the nature of the alternative green assets to be financed, which will include assessment of alignment of applicable national green taxonomies by the date practically close to and before the initiation of such financial contracts.

[9] The National Development and Reform Commission (NDRC) has set up the 14th five-year development plan for circular economy which requires market-driven approaches (i.e. to direct capital into) and promote circular economy development and energy efficient measures in industrial parks for key industries such as steel, nonferrous metals, metallurgy, petrochemicals, equipment manufacturing, light industry. 34f0a690e98643119774252f4f671720.pdf.

[10] The central government has set up Plan for deepening the reform of the collective forest rights system to encourage responsible investment in forest resources through structuring of innovative financing products based on forest rights. https://www.gov.cn/zhengce/202309/content_6906243.htm.

		• Unless otherwise specified, the above due diligence should include assessment of alignment against the China Green Bond Endorsed Projects Catalogue.

1.2 Eligible Social Project Categories

Social Project Categories, Social Objectives & UNSDGs	**Eligibility Criteria**	**Target Population**
Affordable Housing Long-term Rental Apartments Key objectives: • Improve housing conditions for low-income individuals  	Investment, acquisition and expenditures related to construction, operation and compensations of affordable houses (e.g. long-term rental apartments at a lower-than-market rate of rent) which contribute to reductions in the	• Low-income individuals according to local government announced standards[11].

[11] Xiamen provincial government has set up strict eligibility criteria for a housing project to be defined as rental protection house. The eligibility criteria usually include such housing to be rented at a stable, lower-than-market rate for a protected period of time and therefore developer is able to target low-income groups in deployment of such eligible housing. This is essentially a form of subsidized housing for targeted individuals and/or households. https://szjj.xm.gov.cn/zwgk/zfxxgk/gknr/zcwj/zcwj/202311/t20231120_2832097.htm.

medical facilities to improve the living conditions, healthcare

other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment   		

1.3 Exclusion Criteria

Based on the latest International Finance Corporation Exclusion List, the Group has added the following activities to the Exclusion List. In any case, Eligible Green and Social Projects under this SFF will exclude the following activities from consideration for eligibility:

- 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, polychlorinated biphenyls (**PCBs**), wildlife or products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (**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 any international financial company considers the radioactive source to be trivial and/or adequately shielded.
- Production or trade in unbonded asbestos fibers. This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20 per cent.
- Drift net fishing in the marine environment using nets over 2.5 kilometers in length.
- Production or activities involving harmful or exploitative forms of forced labor/harmful child labor.
- 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 nuclear production.
- Projects related to fossil fuel production.
- Projects related to coal mining.
- Projects related to hydropower which installed capacity > 25MW

2. Process for project evaluation and selection

The Group imposes strict environmental and social risk management during the daily operations and project construction. In terms of the process for project evaluation and selection, the Group has set up a sustainable financing working responsible for ensuring that proceeds from SFTs or an equivalent amount will be allocated to the eligible projects under the framework. The SFWG will also be responsible for managing any future updates of the framework, including any expansion of requirements of the use of proceeds. For the potential eligible green and social projects, the project related department will pre-select and evaluate green and social projects according to its feasibility study report, environment impact assessment report, project preliminary design documents etc. and will submit the potential eligible green and social projects to the SFWG to further assess and evaluate whether the project fulfils the eligibility and exclusion criteria of this framework and also to ensure that the mitigation measures against environmental and social risks are in place. The endorsed projects will be shortlisted and presented to the board of directors of the company for final approval. After receiving the assessment and approval from the board of directors, the selected projects will be included in the eligible green and social projects list.

The SFWG is responsible for the management and compliance of all the financings issued under this framework. The SFWG consists of senior management members from various departments of the Group, including the Corporate Finance and Financing Department, Corporate Investment Department and Planning and Development Department. The SFWG will meet at least every 12 months or whenever necessary to discuss, assess and select eligible green and social projects according to the eligibility and exclusion criteria under this framework.

The SFWG will undertake regular monitoring of the asset pool to ensure the eligibility of green and social projects with the criteria set out in section 1, whilst replacing any ineligible green and social projects with eligible new green and social projects and facilitate regular reporting on any SFTs issuance in alignment with the reporting commitments.

3. Management of proceeds

The Group intends to allocate an amount equal to the net proceeds of the SFT(s) over time to finance or refinance the eligible green and social projects, which are selected according to the eligibility criteria using the evaluation and selection process outlined above.

The net proceeds of each SFT will be deposited in the general funding accounts and earmarked for allocation towards the eligible green and social projects for the purposes of financing and refinancing. The Group will maintain a SFT Register to track the use of proceeds for the SFT. A sustainability finance allocation register will be established to record the allocation of proceeds.

The register will contain information including the following:

1. Type of funding transaction: ISIN (if applicable), pricing date, maturity date etc.; and
2. Eligible green and social projects allocation list, information including:
    - the eligible projects list, including for each eligible project, the eligible green and social project category, project description, project location, ownership percentage, total investment amount, amount allocated, settled currency, etc.;
    - the balance of unallocated proceeds; and
    - the information of temporary investment for unallocated proceeds.

Any balance of issuance proceeds which are not yet allocated to eligible green and uidity management 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. For each issuance under this Framework, the Group will review the register on an annual basis.

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

4. Reporting

For the SFT(s) issued under the Framework, the Group will make and keep readily them report. The Group will disclose the allocation and impact of the net proceeds raised under the Framework or an amount equal to these net proceeds, on an annual basis from the first year of issuance until the net proceeds are fully allocated to the eligible green and social projects, and thereafter in the event of any material changes.

Allocation Report

The allocation report will include the following information at SFT and eligible category levels where applicable:

- the net proceeds of each SFT outstanding;
- the list of eligible green and social projects with descriptions and the amount that has been allocated and earmarked;
- the proportion of the proceeds allocated to refinancing of existing eligible green and social projects, with clarification on which investment or project portfolios will be refinanced;
- the balance of unallocated proceeds held in cash, cash equivalents or short-term deposits and its temporary treatment (if any); and
- the types of temporary unallocated funds placements and uses.

Impact Report

The Group will report on 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.

The Group will commit to aligning the reporting with the project approach described Harmonised Framework for Impact Reporting (2024) and

Handbook - Harmonised Framework for Impact Reporting for Social Bonds (2025 subject to the availability of suitable information and data.

Examples of impact reporting indicators include:

Eligible Categories	Impact Indicators
Clean Transportation	- Number of shipping vessels deployed - Number of passengers transported for passenger ships - Annual freight volume transported for bulk carrier ships. (tonnes p.a.) - Number and type of charging and storage facilities built - Number and type of new and clean energy vehicles traded and/or purchased - Annual GHG emission reduced/avoided (tonnes of CO_2 equivalent/a)
Renewable Energy	- Annual renewable energy generation (GWh/a for electricity and GJ/a for other energy) - Annual GHG emission reduced/avoided (tonnes of CO_2 equivalent/a)
Green Building	- Type and level of green building certifications obtained
Environmental-friendly Industrial Practices	- Reduction of NOx or SOx or particulates (PM2.5 and PM10) (tonnes of CO_2 equivalent/a) - Reduction of industrial waste (tonnes p.a.) - Annual industrial waste treated (tonnes p.a.) - Annual industrial waste recycled (tonnes p.a.) - Annual wastewater treated (tonnes p.a.) - Number of industrial facilities upgraded

Green Innovation and Incubation	- Annual energy saving (MWh/a for electricity) and (GJ for other energy) - Maintenance/safeguarding/increase of forest area in m^2 and in % for increase
Affordable Housing Long-term Rental Apartments	- Number of long-term rental apartments targeted low-income individuals built - Number of individuals/families benefiting from subsidized housing
Access to Essential Services Inclusive Financing	- Number of loans to SMEs in low-income areas and/or microenterprises - Number of low-income people provided with access to affordable microcredit/microfinance
Access to Essential Services Healthcare	- Number of people received healthcare services or medical treatment
Food Security and Sustainable Food Systems	- Number of people provided with access to affordable, safe, nutritious and sufficient food - Reduced rates of poverty for farmers

External review

Pre-issuance:

The Group has engaged CCX Green Finance International Limited to provide Second-Party Opinions on this Framework to review and confirm its alignment with the GBP, SBP, SBG, GLP and SLP. The Second-Party Opinion reports together

Post-issuance:

An independent third party may be engaged to review and verify the internal tracking and allocation of funds from the SFTs to eligible green and social projects, as well as the eligible projects expected and actual impact that is disclosed in the