



Jingrui Holdings Limited

Green Finance Framework

September 2021

1. Introduction

1.1 About Jingrui

Jingrui Holdings Limited (stock code: 1862.HK) (“Jingrui” or the “Company”) is a leading residential property developer, an asset management operator and a professional service provider in the PRC. Its business segments range from real estate development, decoration, urban renewal, asset management, commercial operation and property management. The Company was established in Shanghai in 1993, with the mission of “Dedicated to Building a Wonderful Life” (用心建筑精彩生活), after years of development and accumulation, it was successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited in October 2013.

Jingrui has five major business platforms of Yan Capital Management (优钺资管), Jingrui Properties (景瑞地产), Jingrui Capital (景瑞不动产), Jingrui Service (景瑞服务) and Co-Fortune Capital (合福资本) under it. With real estate asset management as the core business, Jingrui focuses on residential development, apartment and offices in first- and second-tier core cities and metropolitan areas, contributing to an urban beautiful life and providing end-to-end value-added services to investors.

As of the end of 2020, the Company has made deploy in 22 cities across China and built and operated 109 projects. With outstanding performance, it has been presented awards including the “Top 50 Strong Real Estate Listed Companies in China”, “Top 5 Performance of Real Estate Listed Companies in China”, “Top 10 Investment Value of Mainland Real Estate Companies Listed in Hong Kong” and “Top 10 Wealth Creation Ability of Mainland Real Estate Companies Listed in Hong Kong”.

As an enterprise that strives to become the “pioneer in asset management with the best knowledge in both architecture and lifestyle” in China, Jingrui has explored a sustainable development model of the construction industry with an aim to promote the industry’s attention to green building and build an industry ecology with sustainable development capabilities, while expanding itself. During the year, Jingrui endeavored to increase the Group’s participation in green building, while continuing to optimize our business operations in a civilized and green way, in order to reduce the pressure from business

operations on the environment and to be a company that shoulders social corporate responsibilities. A large number of Jingrui's projects are qualified two stars or above on Chinese Green Building Evaluation Label. In the near future, Jingrui insists and perseveres to contribute to environmental development in China.

1.2 Green Commitment at Jingrui

Jingrui adheres to high environmental standards and regards environment protection as its core values. Jingrui is aware of control and mitigation of its impact on the environment and the communities to create long-lasting green commitment. The Group Board is responsible for leading and guiding the Group's environmental policies and works together with management to identify, evaluate and address environmental issues on an ongoing basis.

Strictly abiding by the Company Law of the People's Republic of China and the regulatory requirements of the Hong Kong Stock Exchange, Jingrui has established a robust governance structure and strict risk management and control processes, and continuously promote management transparency and responsibility traceability to improve company value to guarantee the interests of shareholders and other stakeholders.

Jingrui's Environmental Commitments:

- Design green building since research and development stage of projects
- Use environmental-saving materials
- Upgrade and utilize green processes
- Implemented energy and water-saving at any stage of the construction
- Reduce direct and indirect impacts on the environment

Jingrui is involved in the green supply chain in real estate, research on green housing, and constant innovation in green real estate. The Board of Jingrui oversees environmental affairs and plans the long-term environment-friendly development goals. Company does believe that, through its persistent efforts, Jingrui will achieve green development and become a green and lasting enterprise.

2 Green Finance Framework

The Green Finance Framework (“Framework”) sets out how Jingrui intends to issue Green bonds, loans or any other debt-like instruments to finance projects that have a positive environmental impact and synergize its business strategy and mission, and in doing so contribute to positive environmental impacts. The proceeds of Green financing will be applied exclusively to eligible green projects that will deliver environmental benefits to support Jingrui’s business strategy and green mission.

The framework aligns with International Capital Markets Association (“ICMA”) Green Bond Principles (2021).

Loans issued under the Framework will be aligned to Loan Market Association (“LMA”) Green Loan Principles (2021).

The Framework adopts the following key parts:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting
- External Review

2.1 Use of Proceeds

The net proceeds raised under this Framework or an amount equal to these net proceeds will be exclusively used to finance or refinance in whole or in part, new or existing eligible green projects that meet one or more of the following categories of eligibility criteria set out below. The eligible green projects will seek to achieve climate change mitigation, climate change adaption, natural resource conservation, biodiversity conservation, and/or pollution prevention and control. Refinancing of Eligible Projects will have a look-back period of no longer than 36 months from the time of issuance.

2.1.1 Eligible Green Projects

Eligible Project Categories	Eligibility Criteria & Examples	UN SDG Mapping and GBP Project Categories
<p>Green Buildings</p>	<ul style="list-style-type: none"> • Acquisition, construction or refurbishment of buildings which (i) meet one or more recognized standards, such as but not limited to: <ul style="list-style-type: none"> ➢ U.S. Leadership in Energy and Environmental Design (LEED): minimum ‘Gold’; or ➢ Chinese Green Building Evaluation Label: minimum ‘2-Star’; or ➢ Building Research Establishment Environmental Assessment Method (BREEAM): minimum ‘Excellent’; or ➢ Building Environmental Assessment Method (BEAM Plus): minimum ‘Gold’; or ➢ BCA Green Mark – minimum certification level of Gold; or ➢ Any other appropriate green building label, that is an equivalent standard as the above; Or (ii) are in the top 15% of buildings within the region based on absolute emissions performance or primary energy demand 	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>  <ul style="list-style-type: none"> • Energy Efficiency (Target 9.4) • Renewable Energy (Target 9.1) <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  <ul style="list-style-type: none"> • Green Buildings (Target 11c)
<p>Energy Efficiency</p>	<ul style="list-style-type: none"> • Investments and expenditures in projects that improve energy efficiency and reduce energy consumption in buildings and facilities by a minimum of 15%, such as but not limited to: 	<p>7 AFFORDABLE AND CLEAN ENERGY</p>  <ul style="list-style-type: none"> • Energy Efficiency (Targets 7.3, 7a)

	<ul style="list-style-type: none"> ➤ Renovations or refurbishment of existing buildings ➤ Installation/replacement of equipment in buildings such as photovoltaic solar panel systems on rooftop or infrastructure for clean energy vehicles contribute to conservation of natural resources, LED lighting, smart metering, heating ventilation and air conditioning systems 	<ul style="list-style-type: none"> • Renewable Energy (Targets 7.2, 7a)  <ul style="list-style-type: none"> • Energy Efficiency (Target 9.4) • Renewable Energy (Target 9.1)
Pollution Prevention and Control	<ul style="list-style-type: none"> • Investments and expenditures in projects that prevent and reduce waste and pollution, such as but not limited to: <ul style="list-style-type: none"> ➤ Equipment and technologies for reducing resource consumption and pollution emission ➤ Implementing waste sorting and recycling facilities ➤ Enforcement of dust control and noise reduction, during construction and/ or operation of buildings 	 <ul style="list-style-type: none"> • Pollution Prevention and Control (Target 3.9) • Renewable Energy (Target 3.9)  <ul style="list-style-type: none"> • Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes (Target 12.5)
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> • Sustainable water and wastewater management by installation of rainwater collection systems, water conservation systems, water recycling and treatment systems 	 <ul style="list-style-type: none"> • Sustainable Water and Waste Water Management (Targets 6.1,

	<ul style="list-style-type: none"> Such projects will result in achieving a minimum 15% reduction in water usage intensity for new and existing buildings compared to its baseline 	6.2, 6.3, 6.4, 6.5, 6a, 6b)
Renewable Energy	<ul style="list-style-type: none"> Installation of renewable energy systems and associated infrastructure, including but not limited to: <ul style="list-style-type: none"> ➤ Solar photovoltaic ➤ Solar hot water ➤ Wind 	 <ul style="list-style-type: none"> Energy Efficiency (Target 9.4) Renewable Energy (Target 9.1)
Clean Transportation	<ul style="list-style-type: none"> Installation of electric vehicle charging stations and construction of dedicated parking spaces for electric vehicles 	 <ul style="list-style-type: none"> Clean Transportation (Target 11.2)

2.1.2 Exclusion Criteria

In any case, eligible assets/projects exclude the type of activities listed in the International Finance Corporation (“IFC”) Exclusion List (2007)1:

- 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 fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length
- Production or trade in fossil fuel

2.2 Process for Project Evaluation and Selection

Jingrui imposes strict social and environmental risk management policy during its normal course of business. Jingrui actively responds to national standard, continues to explore the promotion and application of "Green Building Evaluation Standards", and continues to upgrade in ecological planning and design. The eligible categories relate to the company's sustainability objectives. All projects will undergo an environmental protection investigation to ensure there are effective pollution control and environmental protection measures. The investigation covers aspects such as effects on surrounding atmosphere, surface and groundwater, etc.

The Eligible Green Projects are identified and selected via a process that involves participants from various functional areas. An Environmental Working Group ("EWG") has been set up, composed of the senior members including various departments:

- Finance;
- Design and architecture;
- Building engineering; and
- Internal audit and risk management;

EWG will meet at least every 12 months to discuss and select eligible green projects according to the Eligible Green Projects defined in this Framework. EWG will prefer to selecting projects with U.S. Leadership in Energy and Environmental Design (LEED) minimum 'Gold', Chinese Green Building Evaluation Label minimum '2-Star', Building Research Establishment Environmental Assessment Method (BREEAM) minimum 'Excellent', Building Environmental Assessment Method (BEAM Plus) minimum 'Gold', BCA Green Mark minimum certification level of Gold, or any other appropriate green

building label, that is an equivalent standard as the above. Then, EWG will measure the score of each project by establishing a analytical matrix with components in recognized standards, project sizes, locations, and so on. The project with higher score will be shortlisted and the shortlisted projects will be presented to the board for approval. After receiving board's assessment and approval, the projects which are selected will become the Eligible Green Projects.

EWG will ensure that the selected Eligible Green Project to comply not only with the section Use of Proceeds section of this Framework but also the environmental guidelines which are applicable for Jingrui, as well as all national and international environmental standards and local laws and regulations. Projects will be selected with the United Nations Sustainable Development Goals in mind and guided by Jingrui's risk management and internal control systems and policies.

In addition, EWG will be responsible for managing any future updates of the Framework, including any expansion of requirements of use of proceeds. In case of divestments or if an Eligible Green Project no longer meets the eligibility criteria, the funds will be reallocated to other Eligible Green Projects.

2.3 Management of Proceeds

Jingrui intends to allocate, over time, an amount equal to the net proceeds to finance or refinance Eligible Green Projects, selected in accordance with the eligibility criteria, and using the evaluation and selection process outlined above.

The net proceeds from each Green financing will be managed by Jingrui's finance team and the proceeds from each Green financing will be deposited in general funding accounts and be earmarked to Eligible Green Projects. Jingrui will maintain a register to keep track of the use of proceeds for each Green financing.

The register will contain the following information:

(1) Type of Funding Transaction:

- Key information including, issuer/borrower entity, transaction date, tranche(s) information, principal amount of proceeds, repayment or amortization profile, maturity date, and interest or coupon (and in the case of bonds, the ISIN number)

(2) Allocation of Use of Proceeds:

- Name, description and green certification of Eligible Green Projects to which the proceeds of the Green financing have been allocated in accordance with this Framework
- Amount and date of Green financing proceeds allocated to each project
- The remaining balance of unallocated proceeds yet to be earmarked
- Other relevant information such as information of temporary investment for unallocated proceeds

Jingrui will monitor the net proceeds of all outstanding green bond transactions, which includes appropriately tracking the proceeds and adjusting the balance of net proceeds to match allocations to eligible green projects. Any balance of issuance proceeds which are not yet allocated to Eligible Green Projects will be held in accordance with Jingrui's liquidity guidelines for short term time deposits or investments. Jingrui will disclose to investors the types of temporary placement they use for unallocated proceeds. Jingrui commits not to invest unallocated proceeds to any high pollution activities or any projects that are in conflict with the eligibility criteria under the Framework.

During the life of the Green financing issued, if the designated Eligible Green Projects cease to fulfil the eligibility criteria, the net proceeds or an amount equal to these net proceeds will be re-allocated to replacement Eligible Green Projects that comply with the eligibility criteria, as soon as reasonably practicable. Jingrui strives to maintain an amount of Eligible Green Projects at least equal of the total net proceeds of all Green financing outstanding.

Additionally, if any material and critical controversies emerge in relation to a specific project, Jingrui commits to substitute that project with an alternative Eligible Green Project.

2.4 Reporting

Jingrui will provide information on the allocation of the net proceeds from each Green financing in the Group's Annual Report, ESG Report or website. Such information will be

provided on an annual basis until all the net proceeds or an amount equal to these net proceeds have been allocated and in the event of any material changes until the relevant maturity date. The EWG will review and approve the allocation and impact reports.

The information disclosed will include, but not limited to the following details:

2.4.1 Allocation Reporting

- Share of financing vs. refinancing
- Details of each Green financing that is outstanding
- Aggregate amount of proceeds from each Green financing that has been allocated to Eligible Projects and geographical distribution
- Balance of unallocated proceeds from each Green financing and its temporary treatment
- A list of Eligible Projects to which proceeds from each Green financing have been allocated, summary information on such projects, including information necessary to determine alignment with the Eligibility Criteria such as building certifications and energy performance data

2.4.2 Impact Reporting

Eligible Project Categories	Impact Indicators
Green Buildings	<ul style="list-style-type: none"> • Level of certification • Annual Greenhouse Gas (GHG) emissions reduced/avoided (t CO₂ eq p.a.) • Annual energy savings (MWh p.a.) • Annual reduction in water consumption (in m³)
Energy Efficiency	<ul style="list-style-type: none"> • Annual energy savings in MWh/GWh

Pollution Prevention and Control	<ul style="list-style-type: none"> • Annual Greenhouse Gas (GHG) emissions reduced/avoided in tones of CO₂ equivalent • Waste that is prevented, minimized, reused or recycled before and after the project in % of total waste and/or in absolute amount in tones p.a. • Waste that is separated and/or collected, and treated (including composted) or disposed of in an environmentally sound manner before and after the project
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> • Annual absolute (gross) water use before and after the project in m³ p.a., reduction in water saved use in % • Annual absolute (gross) amount of wastewater treated, reused or avoided before and after the project in m³ p.a. and as %
Renewable Energy	<ul style="list-style-type: none"> • Annual GHG emissions reduced/avoided in tones of CO₂ equivalent • Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy) • Capacity of renewable energy plant(s) constructed or rehabilitated in MW • Number of people with access to clean energy services
Clean Transportation	<ul style="list-style-type: none"> • Number of electric vehicle deployed • Number of electric vehicle charging points installed • Number of people with access to sustainable transport systems

Further to the above indicators, Jingrui will, to the extend where is appropriated, consider to align impact indicators with ICMA's Harmonized framework.

2.4.3 External Review

Jingrui engages HKQAA and S&P Global Ratings as external assessors to evaluate the appropriateness of Green Finance Framework, readiness of environmental credentials, and fulfilment with the Green Bond Principles and Green Loan Principles. The assessment result document(s) will be available on Jingrui's website.