



Poly Property Group Co., Limited

保利置業集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00119)

SUSTAINABLE FINANCE FRAMEWORK

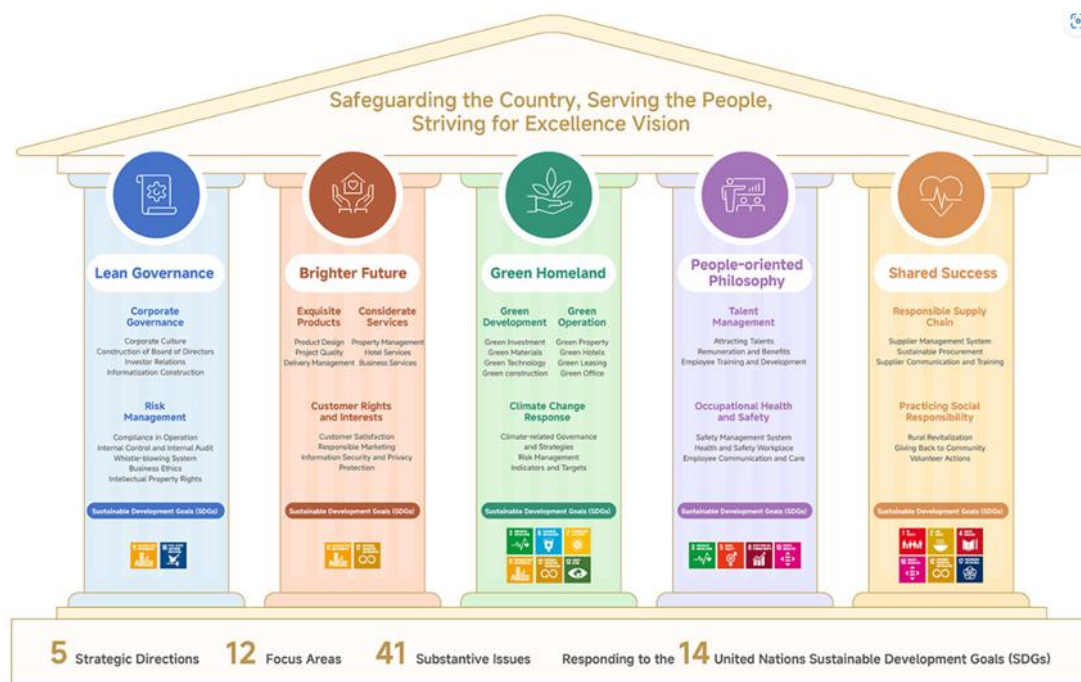
1. INTRODUCTION

1.1 Business Overview

Poly Property Group Co., Limited (“Poly Property”, the “Company” or “we”) is one of the foremost property developers in China, and is the real estate offshore listed flagship of China Poly Group Corporation Limited, a state-owned enterprise. Headquartered in Hong Kong and Shanghai, the Company is listed on the Main Board of the Hong Kong Stock Exchange (00119.HK). The Company positions itself as a "Leading Creator of a Brighter Future" and its main business includes property development, investment and management. It develops residential and commercial projects in the most dynamic economic regions of China, namely the Yangtze River Delta, Pearl River Delta, Southwestern region, other regions and Hong Kong.

1.2 Sustainable Development Strategy

Poly Property actively promotes the integration of sustainable development with the Company's strategy and operations. It has formulated and published a sustainable development strategy consisting of five strategic directions: Lean Governance, Brighter Future, Green Homeland, People-oriented Philosophy and Shared Success. The strategy focuses on 12 areas and 41 substantive issues, using property development, property management, and commercial and hotel operations as the main carriers to promote the design, construction, operation, management, and maintenance of green buildings, and to help individual projects and the real estate industry achieve carbon reduction throughout the entire life cycle and high-quality development.



1.3 Sustainable Development Governance Structure

To ensure effective implementation of ESG strategy and achievement of sustainable development goals, Poly Property has established a top-down, clearly-defined ESG governance structure to guarantee the implementation of corporate ESG management.



1.4 Poly Property's "Carbon Neutrality" Goals and Commitments

In its 2023 ESG Annual Report, Poly Property committed that 100% of newly acquired projects will be designed at least in accordance with the basic requirements of China's green buildings, and publicly disclosed "Dual Carbon Target of Poly Property": Taking 2023 as the base year, Poly Property Group strives to reduce the carbon emission intensity of its operating Property in Scope1 and 2 by more than 20% by 2030, and aims to achieve carbon neutrality by 2060.

2. SUSTAINABLE FINANCE FRAMEWORK

2.1 Framework Overview

To achieve the aforementioned sustainable development strategy and the "Dual Carbon" goals, Poly Property has been committed to continuously promoting green building practices, building eco-friendly and resource-efficient sustainable communities, and reducing negative environmental and social impacts of business development. We have also integrated the concept of sustainable development into our corporate operations and formulated this "**Sustainable Finance Framework**" (the "Framework").

Sustainable financing transactions ("SFTs") include green and social responsibility financing transactions. We classify them into two categories: "Sustainable Financing" and "Sustainable-Linked Financing".

(i) "Sustainable Financing" includes green bonds, green loans, social responsibility bonds, and social responsibility loans, etc. Poly Property will design based on the "Eligible Projects" defined in Section 3.2 of this Framework to ensure that the funds obtained are allocated specifically to new projects development and operational improvements of existing project assets with environmental or social benefits.

(ii) "Sustainable-Linked Financing" includes linked bonds, linked loans, linked interest rate derivatives, linked guarantees, etc. Poly Property will design based on the "Key Performance Indicators" defined in Section 4.2 of this Framework. It will lay out the Company's sustainable development plans and specific implementation path in advance according to these indicators, conduct annual KPI assessments and reviews, and convey clear information to the market and stakeholders that the Company is pursuing and achieving more ambitious comprehensive sustainable development goals, and is committed to generating more positive medium and long-term environmental and social impact.

3. SUSTAINABLE FINANCING TOOLS

For each type of sustainable financing (green bonds, social responsibility bonds, sustainable development bonds, green loans, social loans, etc.), Poly Property has committed to forming this Framework through the following four core components:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting



3.1 Use of Proceeds




The funds obtained from each financing transaction will be exclusively used for financing or refinancing of "Eligible Projects" of the Company or its subsidiaries, affiliated companies, and joint ventures, including but not limited to refinancing existing debt of such projects.






"Eligible Projects" refer to those that promote the economic sustainability, social inclusiveness of enterprises, bring positive environmental benefits, and meet the eligible criteria specified in Table 1 or Table 2.




Where possible, the Company will assess the environmental performance and social impact of the projects based on the eligible criteria described in this Framework.

Table 1: Categories of Eligible Green Projects of Poly Property

Eligible Projects Category	Eligibility Requirements
(1) Green Buildings   	<ul style="list-style-type: none">● Investment in, development, construction, renovation and retrofitting of new or existing buildings to meet the national requirements for green buildings, thereby reducing environmental impact of buildings and obtaining or expected to obtain one or more of the following third-party green building standard certifications, including residential and commercial buildings:<ul style="list-style-type: none">■ China-Green Building Evaluation Standard: not lower than Grade 2;■ Hong Kong-BEAM Plus: Gold Certification or above;■ USA-LEED: Gold Certification or above;■ UK-BREEAM: Excellent Certification or above;

	<ul style="list-style-type: none"> ■ Any other green building certification standards equivalent to the above. ● Acquire the required consulting services and related costs for obtaining the above certifications. ● Investment in tenant engagement programs supporting tenants in obtaining indoor sustainable operation certifications, such as BEAM Plus interior design certification, LEED operation and maintenance certification, and BREEAM renovation and layout certification. ● Investment in research, development or procurement of intelligent and environmentally-friendly building technologies to meet the requirements of the green building standard certifications listed above.
<p>(2) Energy Efficiency</p>  	<ul style="list-style-type: none"> ● Investment in projects adopting intelligent technology systems to optimize energy management of new and existing buildings, such as investments in Internet of Things Technology and smart platforms, energy-saving appliances controlled by smart energy management systems to enhance controllability of energy management and improve energy management efficiency. ● Design, installation, development and operation energy-saving equipment that helps reduce energy consumption or avoid greenhouse gas emissions during building construction, such as LED energy-saving lights, energy-saving water dispensers, high-efficient construction machinery, energy consumption automatic alarm devices and other energy-saving equipment. ● Expenditure related to upgrading, renovating or retrofitting of existing facilities, equipment, systems and technologies in existing buildings to achieve improved energy efficiency after upgrade or renovation completion.
<p>(3) Renewable Energy</p> 	<ul style="list-style-type: none"> ● Expenditure on directly adopting renewable energy to replace fossil fuel energy, such as signing clean electricity purchase agreements with renewable energy power plants. ● Work related to construction, design, installation and maintenance of systems capable of generating electricity using renewable energy sources such as solar and wind power, such as installing photovoltaic panels on building rooftops, installing

	<p>photovoltaic glass on exterior facades, power transmission pipelines, and storage base stations.</p> <ul style="list-style-type: none"> ● Renewable energy investments, such as purchasing Renewable Energy Certificates (RECs) recognized by international standards or organizations.
<p>(4) Pollution Prevention and Control</p>  	<ul style="list-style-type: none"> ● Adoption and installation of equipment, technologies and systems for monitoring and/or mitigating environmental pollution (such as air, noise, solid waste, etc.) during construction and/or operation of buildings. ● Adoption of modular and prefabricated construction schemes, develop and procurement of prefabricated components produced in factory environments in large quantities to reduce on-site construction time and minimize construction pollution. ● Adoption of digital office, office equipment recycling systems and related investments to reduce pollution generated during the Company's operation stage.
<p>(5) Sustainable Water Resources and Wastewater Management</p> 	<ul style="list-style-type: none"> ● Through sustainable design and system installation, optimize the wastewater management of buildings, reduce the consumption of clean drinking water during construction and operation phases, and improve water efficiency, such as: rainwater harvesting, reclaimed and treated grey water, drip irrigation, low-flow flushing equipment, and drainage management. ● Investment in management measures to improve water efficiency and subsequent equipment or technology upgrades, such as: smart water meters, tenant water audits, and installation of sub-meters to detect leaks.
<p>(6) Clean Transportation</p> 	<ul style="list-style-type: none"> ● Investment in projects related to the installation, operation and maintenance of clean transportation infrastructure, such as installing electric vehicle charging stations and bicycle parking facilities in residential projects.
<p>(7) Circular Economy and Waste Management</p>	<ul style="list-style-type: none"> ● Development, procurement and use of advanced equipment and technologies to recycle construction waste such as excavated soil, broken bricks, concrete and mortar generated during the construction process, improving resource utilization and reduce waste emissions.

	<ul style="list-style-type: none"> ● Procurement of recycled wood, recycled concrete and recycled metals as raw materials for real estate construction. ● Investment in projects in commercial and residential properties that reduce the amount of household and food waste, avoid landfilling, encourage on-site recycling and reuse, and composting, such as installation of food decomposers, waste compactors, and intelligent recycling systems. ● Promoting and encouraging tenants and owners to sort garbage to reduce negative impacts on the environment.
<p>(8) Climate Change Adaptation</p>  	<ul style="list-style-type: none"> ● Projects to enhance enterprises' ability to cope with climate change, such as: climate risk scenario analysis, climate risk financial information disclosure and stress testing, third-party risk assessment, and subsequent implementation of specialized engineering activities for adapting to climate change. ● Investment in projects that adapt to climate change through architectural design to enhance the resilience of buildings and communities to climate change and extreme weather events, such as: "sponge city" design concepts, adding insulation layers to building facades, large suspended courtyards design, etc. ● Research and development of topics related to coastal protection in near-shore projects, such as: preventing seawater erosion on building facades, dams and flood control embankments, waterfront protection measures, etc. ● Research, development, construction, renovation and operation of projects in urban centre area to mitigate urban heat island effects, such as: urban green parks, water bodies and facilities within communities, public tree-lined avenues, etc. ● Research, development, construction, renovation and operation aim to implement specific measures to alleviate the impact of drought, such as: rainwater collection systems, drought-resistant and heat-resistant landscape designs, native plant landscape arrangements, soil moisture retention, water-saving community projects, etc.









<p>(9) Environmental Sustainable Management of Living Natural Resources and Land Use</p>  	<ul style="list-style-type: none"> ● Investment in projects that enhance sustainability and liveability of urban environment, such as: urban green space projects, integrated pocket parks, afforestation, artificial gardens, biodiversity conservation, animal and plant awareness gardens, wildlife migration corridors, etc. ● Projects strengthening sustainable management of natural resources and land use, such as: conducting species diversity assessment before land acquisition, environmental impact reports, and technical consultations on designs incorporating natural elements.
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Table 2: Categories of Eligible Social Responsibility Projects of Poly Property

Eligible Projects Category	Eligibility Requirements
<p>(1) Affordable Housing</p>  	<ul style="list-style-type: none"> ● In response to the requirements of local government and regulatory authorities, investment and expenditure for construction of affordable housing projects for general public and vulnerable groups, such as public rental housing for low-income individuals (as defined by local government) and newly employed graduates, relocation housing for families from demolished shantytowns and dilapidated buildings, and affordable housing for residents in economically underdeveloped and infrastructure-lagging areas, etc.
<p>(2) Infrastructure and Essential Services</p>  	<ul style="list-style-type: none"> ● Expenditure on construction, development, renovation and improvement of infrastructure projects related to urban renewal, such as sports parks, green parks, sports centres, community recreational facilities and accessible facilities, etc., which should be open and provide services to all people regardless of their financial capacity. ● Expenditure on construction and development of projects that expand children's educational opportunities and residents' medical service opportunities, such as child-friendly communities, educational parks, libraries, maternal and child health hospitals, etc.

<p>(3) Preservation of Cultural and Historical Heritage</p>  	<ul style="list-style-type: none"> ● Investment in projects defined by the local government related to the protection of community culture, preservation of historical architectural features, and restoration of cultural heritage, protecting and appropriately renovating traditional historical components. ● Related fees for consulting services with experts in cultural heritage protection, ancient building restoration, and fire safety during the implementation of these projects.
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Poly Property commits that any funds raised from sustainable financing transactions will not be invested in financing or refinancing activities related to the following industries:

- Fossil fuels
- Mine construction and operation
- Nuclear-related projects
- Armaments/weapons
- Other activities listed in the latest International Finance Corporation Exclusion List (2007)

3.2 Process for Project Evaluation and Selection

The ESG Committee of Poly Property's Board of Directors oversees the Company's sustainable financing transactions on behalf of the Board. Under the guidance of the ESG Leading Group led by the Managing Director, the heads of various functional departments and major subsidiaries form the ESG Executing Group. The ESG Executing Group is responsible for the assessment and preliminary screening of projects, with the ESG Leading Group Leader making final approval on the list of eligible projects.

The Finance Department is responsible for monitoring the transaction fund pool throughout the financing period to ensure green and/or social responsibility projects are fully compliant with the eligible criteria specified in Section 3.2 of this Framework; while ensuring that the approval of eligible green and/or social responsibility projects follows the existing bond/credit/loan/investment approval processes of the Group.

3.3 Management of Proceeds

Poly Property will establish a transaction fund registration Register ("Sustainable Finance Register" or "Register") based on this Framework. The Finance Department will ensure funds are used for eligible projects and be responsible for the management, tracking, and recording of the fund usage.

The "Register" will contain the following information for each sustainable financing instrument, including:

a. Financing transaction terms:

- Issuer/Borrower entity
- Pricing, settlement, maturity date
- Interest or coupon rate
- Currency and outstanding amount
- Label (such as: green bond or green loan)
- International Securities Identification Number (if applicable)

b. Allocation of proceeds:

- Name of eligible projects, progress status
- Confirmation of eligibility certificate, confirmation date
- Allocation of net proceeds or equivalent funds for each project
- Unallocated net proceeds balance
- Other relevant information, such as information on temporary investment of unallocated net proceeds

If the eligible projects are refinanced, the Company commits that the look-back period will not exceed 36 months from the issuance date, and will prioritize selecting eligible projects with a look-back period is within 24 months from the date of the relevant sustainable financing transaction.

During the term of the sustainable financing transactions, the Finance Department should track and make regular adjustments to the allocation of net proceeds based on eligible project deployment during the period. Any funds not yet allocated to eligible projects will be managed by the Finance Department in accordance with the Company's normal fund or liquidity management policies, potentially temporarily invested in sustainable development bonds issued by non-financial enterprises and short-term money market instruments with good credit ratings and liquidity in domestic and international markets, or held as cash reserves, until allocated to eligible projects. The Company commits not to use unallocated proceeds for any high-pollution, carbon-intensive projects or any projects conflicting with the eligible criteria of this

Framework during this period. The Finance Department should inform investors of the temporary use and investment direction planning of the unallocated funds.

Poly Property commits to fully allocate raised funds within 24 months after the issuance of the sustainable financing transaction. The specific allocation details will be disclosed in annual report. In case of asset transfer or eligible projects no longer meeting eligible criteria, funds will be reallocated to other eligible projects.

3.4 Reporting

Poly Property will provide information on the allocation of proceeds raised from sustainable financing transactions in ESG annual reports and on official website (<https://www.polyhongkong.com/>). This information will be provided annually until all funds have been allocated to eligible projects, and updated thereafter when any significant changes occur to projects. If due to confidentiality agreements, commercial competition, or excessive number of projects making it inconvenient to disclose project details, Poly Property will disclose in general terms or aggregate form (e.g. total proportion of funds allocated to each category of project and overall benefits).

The disclosed information will at least include the following details:

a. Fund Allocation Report

The fund allocation report will include the following information at the level of sustainable financing transactions and projects:

- List of eligible projects and their geographical distribution, along with project information descriptions and respective allocated funds or equivalent amounts;
- Timing of fund allocation and any reallocation;
- Review report on whether the eligible projects still meet the eligibility criteria at time of disclosure;
- Proportion of funds raised for financing and refinancing, and which eligible projects have undergone refinancing. Including look-back period for refinancing of eligible projects (if any);
- Balance, placement and detailed information of unallocated funds, including temporary uses and investment direction planning (if any).

b. Performance Report

Poly Property will report the environmental and social responsibility performances of the eligible projects. These performances can be measured through the reporting

indicators in Table 3, depending on the nature of the project and the availability of information.

If eligible projects have other sources of funds besides sustainable financing transactions, Poly Property will, when reporting the total benefits of the eligible projects, provide the percentage of the funds raised from the sustainable financing transactions that constitute the total financing of the eligible projects.

Table 3 List of Performance Report Indicators

Eligible Projects Category	Example of Performance Report Indicators
Green Buildings	<ul style="list-style-type: none"> ● Green building certifications obtained ● Total area of green buildings certified (square meters)
Energy Efficiency	<ul style="list-style-type: none"> ● Annual energy savings (kWh) ● Annual reduction in greenhouse gas emissions (tons of carbon dioxide)
Pollution Prevention	<ul style="list-style-type: none"> ● Annual processing volume (tons) of waste that is sorted, treated or recycled in environmentally friendly manner
Sustainable Water Management	<ul style="list-style-type: none"> ● Water savings (cubic meters) ● Recycled water usage (cubic meters) ● Reduced/avoided wastewater discharge (cubic meters)
Clean Transportation	<ul style="list-style-type: none"> ● Number of newly installed electric vehicle charging stations
Affordable Housing	<ul style="list-style-type: none"> ● Number of newly built or renovated residential buildings ● Total area of affordable housing (square meters) ● Types and numbers of beneficiaries
Infrastructure and Essential Services	<ul style="list-style-type: none"> ● Number of people benefiting from projects related to educational and medical infrastructure and services

4. SUSTAINABLE-LINKED FINANCING TOOLS

For each sustainable-linked financing tool (sustainable-linked bonds, sustainable-linked loans, sustainable-linked foreign exchange derivatives, sustainable-linked interest rate derivatives, sustainable-linked guarantees, etc.), Poly Property commits to forming this Framework through the following five core components:

1. Selection of Key Performance Indicators (KPIs)
2. Calibration of Sustainability Performance Targets (SPTs)
3. Financial Characteristics
4. Reporting
5. Verification


4.1 Selection of Key Performance Indicators (KPIs)





According to market principles, KPIs should meet the following four criteria:



- Relevant to the Company's overall business, of high strategic significance to the Company's current and/or future operations;
- Measurable or quantifiable on a consistent methodological basis;
- Externally verifiable; And
- Able to be benchmarked using external reference or definitions where possible to facilitate SPT ambition assessment.

Poly Property determined the following selectable KPIs in Table 4 based on the above principles. In actual issuance of linked transaction financing, one or more of the following can be selected as KPIs.

Table 4 Selectable Key Performance Indicators

Key Performance Indicator Name	Definition	Rationale
(1) Scope 2 Greenhouse Gas Emissions 	Scope 2 emissions refer to indirect greenhouse gas emissions resulting from the use of purchased electricity, steam, heat energy or cooling energy. The unit is tons of carbon dioxide equivalent.	As a key indicator for achieving 2060 carbon neutrality goal, this KPI measures Poly Property' annual performance in achieving energy conservation and emission reduction.

<p>(2) Greenhouse Gas Emission Intensity</p> 	<p>The amount of greenhouse gas emissions generated per unit of income or area, measured in tons of carbon dioxide equivalent per 10,000 square meters.</p>	<p>Emission intensity effectively reflect the extent to which Poly Property utilizes clean energy and the level of application of green building technologies.</p>
<p>(3) Proportion of Clean Electricity Used in Property, Hotel and Commercial Building Projects</p> 	<p>Clean electricity refers to purchased electricity from renewable energy power plants through purchase agreements, or electricity generated by the property units themselves using renewable energy sources such as solar and wind power for self-use.</p>	<p>The proportion of clean energy usage can measure the energy performance of the project. Encouraging the use of clean electricity can effectively reduce corporate carbon emissions and create a more sustainable building environment.</p>
<p>(4) Water Usage Intensity</p> 	<p>The amount of water consumed per unit of income or area, measured in tons per 10,000 square meters.</p>	<p>Water usage intensity is an important indicator for assessing the efficiency of water resource utilization, reflecting the application level of conservation control and water recycling measures.</p>
<p>(5) GRESB Rating Performance</p> 	<p>GRESB, namely "Global Real Estate Sustainability Benchmark", is an organization driven by investors, dedicated to assessing and establishing ESG standards for global real estate assets. It is a scoring and rating system</p>	<p>This rating effectively validates the progress of enterprises in sustainable development, disclose ESG performance to major stakeholders, and enables peer comparisons.</p>

	for the overall sustainable development of enterprises.	
<p>(6) Employee ESG Training Hours</p> 	<p>Total hours of ESG-related knowledge and skills training completed by employees through online and offline platforms, measured in person-hours.</p>	<p>ESG training hours reflect the extent to which an enterprise invests in employee training. Through training, enterprises not only fulfil their due responsibilities to employees but also enhance employees' ability to fulfil their responsibilities for the enterprise's ESG development.</p>
<p>(7) Proportion of Newly Signed Leases with ESG Requirements</p> 	<p>Percentage of newly signed leases containing ESG requirements among all newly signed leases, measured in percentage.</p>	<p>Adhering to the basic national policy of conserving resources and protecting the environment, developing green leasing business as a distinctive feature of our own operations, and encouraging tenants to apply for green building operation and maintenance certifications.</p>

4.2 Calibration of Sustainability Performance Targets (SPTs)

Selecting one or more SPTs for each KPI is the key to the structure design of the "linked transaction" financing tool. It reflects Poly Property's ambition in sustainable development and its concrete determination to act.

Principles for setting SPT:

- Targets for each KPI should represent material improvements beyond "normal business operation" trajectory;
- Should be comparable with benchmarks;
- Consistent with Poly Property's overall ESG strategy. And
- Set target outcomes at the time of issuance and measure sustainable performance within preset timeframes.

Benchmark reference values include the following options:

- If feasible, it is recommended to use the measurement records of at least three years for the selected KPIs disclosed in the Company's ESG annual report as benchmark, and provide forward-looking guidance for KPIs;
- Use SPT positioning among peers (if applicable and comparable, e.g. average performance, best-in-class performance), or current mainstream industry standards as the benchmarks;
- Science-based scenario, absolute levels (e.g. carbon budget) or national/regional/international official targets as the benchmark. (e.g. Paris Agreement and net zero emission targets)

SPTs should clearly specify the following:

- Short-term, medium-term and long-term performance targets and timetables linked to KPIs, or directly refined into annual targets;
- Selected benchmarks for comparing performance targets, and rationale for selection;
- Circumstances under which baselines will be recalculated or adjusted (if any);
- Target performance assessment dates for calculating actual KPI values and evaluating achievement of preset SPTs (assessment dates should typically be set before sustainable-linked tool maturity to avoid last-minute action);
- Considering industry competition and confidentiality, Poly Property will disclose how to achieve pre-set SPTs where possible, describing ESG strategy, supporting ESG governance and investment, and operational strategies, using quantified

standards to clearly define the measures or actions required to improve sustainable performance;

- Describe the progress of this target in advancing the overall strategic goals and policies in the Company's ESG annual report.

4.3 Financial Characteristics

The issuance of "sustainable-linked financing" instruments will help Poly Property achieve the various KPIs it has set. However, on the day when the target performance evaluation date arrives, the predetermined SPTs may or may not be achieved, resulting in changes in the financial characteristics of the "sustainable-linked financing" tools. Therefore, the structure design of the sustainable-linked transaction financing instrument should include two scenarios: whether the actual results of its KPIs meet the pre-set standards, thereby causing variations in financial characteristics. The financial characteristics corresponding to both scenarios should be clearly distinguished in the pre-issuance transaction documents.

4.4 Reporting

Poly Property will annually publish its KPIs performance in ESG annual report and on official website (depending on the specific circumstances and as per the definitions and details specified in the relevant sustainable-linked transactions documents), at least annually. For each assessment date/stage, relevant reports will also be disclosed. The report content may include:

- Annual updates on the performance results of the selected KPIs;
- Any information helping demonstrate Poly Property' sustainable development strategy, such as revision of the sustainable development strategy, update of ESG governance policies, and information of relevant KPIs;
- Any other relevant information helping investors track SPTs progress.
- Qualitative or quantitative explanations (if any) of material business activities (e.g. mergers and acquisitions, transfers) impact on annual changes of KPIs;
- Examples of positive sustainable impacts from performance improvements leading to further cooperation with lenders (if any);
- Any operations such as re-evaluation of KPIs, re-validation of SPTs, and estimation adjustments of benchmark values (if any).

5. VERIFICATION AND REVISION

5.1 External Verification

1. Pre-Issuance Review

Poly Property will engage an independent third-party institution to conduct an external review of the financing activities to be carried out under this Framework. Review will cover whether "Eligibility Criteria" listed in 3.2 meet the requirements of sustainable financing, or whether KPIs selected in 4.2 meet the requirements of sustainable-linked financing, and whether the financing terms are consistent with the recognized sustainable financial principles in the market.

2. Post-Issuance Review

After the issuance of sustainable financing, Poly Property will engage an independent third-party institution to verify the fundraising allocation report and performance report until all the fundraising funds for the sustainable financing transaction have been fully allocated, or when the eligible projects occur material changes.

After the issuance of sustainable-linked financing, Poly Property will submit the target performance of the KPIs as of the pre-set assessment date to an independent third-party institution for verification to ensure targets are met, and direct the financing instrument towards the financial characteristics that are beneficial to the enterprise.

5.2 Framework Revision

This Framework will remain effective as long as sustainable finance instruments are outstanding. Poly Property Group Co., Ltd. Will periodically review this Framework and make corresponding adjustments to it according to the updated relevant sustainable finance principles in the market. The company commits that any new version will maintain or improve the current level of transparency and disclosure, and will communicate and report the changes of this Framework through Poly Property's official website with investors.

The "**Poly Property Sustainable Finance Framework**" and any subsequent versions will be publicly released on Poly Property's ESG annual report and official website:

<https://www.polyhongkong.com/>

APPENDIX 1. MARKET STANDARDS

This framework is in line with the following market-recognized standards and voluntary guidelines or standards that may be subsequently modified:

1. "Sustainable Financing" related standards

- International Capital Market Association (ICMA) Green Bond Principles (updated in June 2025)
- ICMA Social Bond Principles (updated in June 2025)
- ICMA Sustainable Development Bond Guidelines (updated in June 2021)
- China Green Bond Standard Committee (CGBSC) China Green Bond Principles (updated in July 2022)
- Loan Market Association (LMA), Syndicated Loan Trading Association (LSTA), and Asia-Pacific Loan Market Association (APLMA) Green Loan Principles (updated in March 2025)
- LMA, LSTA, and APLMA Social Loan Principles (updated in March 2025)

2. "Sustainable-Linked Financing" related standards:

- ICMA Sustainable Development Linked Bond Principles (updated in June 2024)
- LMA, LSTA, and APLMA Sustainable Development Linked Loan Principles (updated in March 2025)
- LMA and ICMA Sustainable Development Linked Loan Financing Bond Guidelines (updated in June 2025)

Other green financial instruments can follow other sustainable financial principles that have been established and recognized by the market when conducting such financing transactions.

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