

Second-Party Opinion

Road King Infrastructure Limited

Green Finance Framework

Evaluation Summary

Sustainalytics is of the opinion that Road King Infrastructure Limited Green Finance Framework is credible and impactful and aligns to the four core components of the Green Bond Principles 2018 and Green Loan Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Green Buildings, Energy Efficiency, Renewable Energy, Pollution Prevention and Control – are aligned with those recognized by the Green Bond Principles and Green Loan Principles. Sustainalytics considers that investments in the eligible categories will improve the environmental performance of the Company’s operations in China while advancing the UN Sustainable Development Goals, specifically SDG 7, 11, 12.



PROJECT EVALUATION / SELECTION Road King Infrastructure Limited’s internal process in evaluating and selecting projects is managed by an ESG Working Group (or the “EWG”) that is composed of senior officers from various functional teams such as Finance, Legal, Design, Operations, Investor Relations, and Internal Audit. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS Road King Infrastructure Limited’s process for management of proceeds is overseen by the Executive Director. The Company intends to track and monitor the allocation of proceeds via an internal register that contains bond and loan information such as issue date, principal amount, ISIN codes among others. Pending allocation, unallocated proceeds from bonds or loans may be invested in cash or cash equivalents according to Road King Infrastructure Limited’s treasury and cash management policies, or used to repay existing indebtedness of the Company. The Company has confirmed to Sustainalytics that refinancing of debt will not include carbon intense assets or activities. This is in line with market practice.



REPORTING Road King Infrastructure Limited intends to annually report on allocation and impact of proceeds within the “Environmental, Social and Governance” section of its Annual Report until full allocation. Road King Infrastructure Limited’s allocation report may include a list of eligible projects and corresponding proceeds, the balance of unallocated proceeds, and the share of financing vs refinancing. In addition, Road King Infrastructure is committed to annually reporting on relevant impact metrics. Sustainalytics views Road Kind Infrastructure Limited’s allocation and impact reporting as aligned with market practice.



Evaluation Date	June 14, 2021
Issuer Location	Hong Kong, China

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For inquiries, contact the Sustainable Finance Solutions project team:

Begum Gursoy (Amsterdam)
Project Manager
begum.gursoy@sustainalytics.com
(+31) 20 205 0082

Grace Paranjape (Amsterdam)
Project Support

Pauline Horng (Amsterdam)
Project Support

Cheryl Tay (Singapore)
Client Relations
susfinance.apac@sustainalytics.com
(+852) 3008 2391

Introduction

Road King Infrastructure Limited (“RKI”, or the “Company”) is a property developer in Mainland China and Hong Kong focused on developing residential buildings. The Company is also a toll road investor and operator. RKI employs around 5,000 people and is headquartered in Hong Kong.

RKI has developed the Road King Infrastructure Limited Green Finance Framework (the “Framework”) under which it intends to issue green bond, loans and use the proceeds to finance and refinance, in whole or in part, existing and future projects that reduce the carbon footprint and improve the environmental performance of the Company’s operations in China. The Framework defines eligibility criteria in four areas:

1. Green Buildings
2. Energy Efficiency
3. Renewable Energy
4. Pollution Prevention and Control

RKI engaged Sustainalytics to review the Road King Infrastructure Limited Green Finance Framework, dated June 2021, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP)¹ and the Green Loan Principles 2021 (GLP).² This Framework has been published in a separate document.³

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁴ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2018, as administered by ICMA, and the Green Loan Principles 2021, as administered by LMA, APLMA and LSTA⁵;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.9.1, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of RKI’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. RKI representatives have confirmed (1) they understand it is the sole responsibility of RKI to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

² The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association and are available at <https://www.lsta.org/content/green-loan-principles/>.

³ The Road King Infrastructure Green Finance Framework is available on Road King Infrastructure Limited’s website at: <https://www.roadking.com.hk/en/index/>.

⁴ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

⁵ In addition to the Loan Markets Association, the GLP are also administered by the Asia Pacific Loan Market Association and the Loan Syndications & Trading Association

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and RKI.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that RKI has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Road King Infrastructure Green Finance Framework

Sustainalytics is of the opinion that the Road King Infrastructure Limited Green Finance Framework is credible and impactful, and aligns to the four core components of the GBP and GLP. Sustainalytics highlights the following elements of RKI's Green Finance Framework:

- Use of Proceeds:
 - The eligible categories – Green Buildings, Energy Efficiency, Renewable Energy, and Pollution Prevention and Control – are aligned with those recognized by the GBP and GLP. RKI's investments in these areas are expected to reduce the carbon footprint and improve the environmental performance of the Company's operations in China.
 - RKI has established a three-year look-back period for its refinancing activities. Additionally, the Company intends to complete the full allocation of proceeds within three years after issuance, which Sustainalytics considers to be in line with market practice.
 - Under the Green Buildings category, the Company may invest in the acquisition, construction, redevelopment or renovation of residential and commercial buildings that have obtained or are expected to obtain third-party green building certification standards such as LEED (Gold and above) and the Chinese Green Building Evaluation Label (2 star and above). Sustainalytics views these certifications as credible, and the levels selected as impactful (see Appendix 1 for further information on the referenced building standards).
 - Within the Energy Efficiency category, RIK may invest in electric-powered or non-motorized energy efficient technology, equipment and systems such as building insulation systems, LED lights, and indoor temperature control. The technologies, systems and equipment are expected to result in a minimum of 10% increase in energy efficiency or a minimum of 10% decrease in energy consumption. Sustainalytics views positively the Framework's inclusion of a defined energy efficiency threshold on a portfolio basis for the installations of energy-efficient systems, equipment and technologies.
 - Under the Renewable Energy category, the Company may invest in solar panels and solar thermal systems such as solar water heaters. In case of solar thermal projects, Sustainalytics notes that RKI has communicated that the majority of the back-up relies on solar power. Sustainalytics considers reliance on non-renewable energy back-up limited at 15% of the facility's electricity production as market practice and recommends RKI to report on the limit of use of non-solar energy.
 - Within the category of Pollution Prevention and Control, RKI may invest in projects related to wastewater treatment, and the reduction, recycling, and reuse of solid waste. Project examples

in this category include reusing inert waste⁶ such as construction debris and recycling rubble for land formation. RKI has confirmed to Sustainalytics that construction waste will be re-used without any further pre-processing, which meets market practice. Furthermore, RKI has confirmed to Sustainalytics that the Company will exclude the use of wastewater from fossil fuel operations.

- The Company has committed to ensuring that no proceeds raised from the Green Financing Transaction will go towards financing or refinancing of fossil-fuel or coal related activities.
- Project Evaluation and Selection:
 - RKI's internal process in evaluating and selecting projects is managed by an ESG Working Group (or the "EWG") that is composed of senior officers from various functional teams such as Finance, Legal, Design, Operations, Investor Relations and Internal Audit. The EWG will identify and select potentially eligible projects based on the eligibility criteria outlined in the Framework and monitor the eligible Green Project Portfolio on an ongoing basis.
 - Sustainalytics considers the project selection process in line with market practice.
- Management of Proceeds:
 - RKI's processes for management of proceeds is overseen by the Executive Director. RKI intends to track and monitor the allocation of proceeds to eligible projects via an internal register. The register may contain bond and loan information such as issue date, principal amount, ISIN codes among others.
 - Pending allocation, unallocated proceeds from bonds or loans may be invested in cash or cash equivalents according to RKI's treasury and cash management policies, or used to repay existing indebtedness of the Company. RKI has confirmed to Sustainalytics that refinancing of debt will exclude debt associated with carbon intense assets of activities.
 - Based on the above, Sustainalytics considers the process for the management of proceeds as in line with market practice.
- Reporting:
 - RKI intends to annually report on the allocation and impact of proceeds within the "Environmental, Social and Governance" section of its Annual Report until full allocation and as long as any bonds or loans raised under the Framework remain outstanding. RKI's allocation report may include a list of eligible projects and corresponding proceeds, balance of unallocated proceeds, and the share of financing vs refinancing.
 - The Company is committed to reporting on relevant impact metrics such as energy usage reduction (in kWh/m² per annum), reduction of GHG per annum (in tCO₂e), amount of solid waste treated or recycled (in tonnes) among others. For a full list of impact metric, please refer to Appendix 2.
 - Based on the detailed and accessible allocation and impact report, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2018 and Green Loan Principles (2021)

Sustainalytics has determined that the Road King Infrastructure Limited Green Finance Framework aligns to the four core components of the GBP and GLP. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of RKI

Contribution of framework to Road King Infrastructure's sustainability strategy

In RKI's 2020 Annual Report, the Company outlines its ESG strategy, which focuses on three areas: Offering Quality Properties and Services, Establishing Constructive Workplace and Building Sustainable Community.⁷ As part of the commitment to Offering Quality Properties and Services, RKI demonstrates a commitment to sustainability with a focus on two key environmental pillars: (i) green building design (ii) pollution prevention and control.⁷

Regarding the first pillar, RKI incorporates energy and water management elements into its building design. Elements include the utilization of solar energy, installation of heat insulation material on exterior walls and the adoption of the "Sponge City"⁸ concept to conserve water resources.⁷ At the construction stage, work

⁶ Inert waste is waste that is neither chemically or biologically reactive and may decompose very slowly or not decompose at all.

⁷ Road King Infrastructure Limited, "2020 Annual Report", 2021, at: https://www.roadking.com.hk/en/investor_relations/financial/

⁸ Sponge city is a flood management concept that captures and reuses rainwater on an urban scale.

procedures are planned and designed to improve energy efficiency. Site supervisors are responsible for the recording and monitoring of electricity usage for the formulation of a corresponding energy conservation plan. Furthermore, RKI requires its contractors to implement water resource management measures on site such as installing rainwater harvesting systems to reuse rainwater to wash trucks and machinery and to reduce dust.⁷

Regarding pollution prevention and control, RKI commits to the reuse of construction materials to reduce waste generation, such as recycling construction debris and rubble for land formation. According to RKI's report, the Company recycled a total of 13,310 kg and at a resource recycling rate of 28% in 2020. Furthermore, the Company reported that all its property development projects in Hong Kong participated in the BEAM Plus program to reduce environmental impacts arising from construction work.⁷

Sustainalytics is of the opinion that the Road King Infrastructure Limited Green Finance Framework is aligned with the Company's overall sustainability strategy and initiatives and will further the Company's action on its key environmental priorities. Furthermore, Sustainalytics encourages Road King Infrastructure to communicate time-bound quantitative targets to report on the progress of sustainability-related priorities.

Well-positioned to address common environmental and social risks associated with the projects

While Sustainalytics recognizes that the net proceeds from the bonds and loans issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects, could include occupational health and safety, community relations/stakeholder participation, biodiversity change, emissions and effluents, and waste generated in construction.

Sustainalytics is of the opinion that RKI is able to manage and/or mitigate potential risks through implementation of the following:

- RKI's commitment to construction health and safety includes the requirement of its contractors to set up a construction safety management working group and deploy safety supervisors to construction sites. The Company also requests contractors to provide a construction health and safety manual and procedures for review and approval.⁷ Contractors of RKI's projects in China also conduct regular safety training and occupational health training for their staff. Furthermore, the Company enforces construction health and safety standards, and contractors who fail to meet the standards are subject to penalties.⁷
- According to China's Environmental Impact Assessment Act, companies must perform an environmental risk assessment for all construction, reconstruction, expansion or refurbishment projects during the initial phase of project design and feasibility analysis. Moreover, the Chinese Act mandates that companies undergo an independent and certified environmental impact assessment to consider the impact of projects on the ecosystems and to avoid a potential conflict of interest, including the interest of local communities.⁹ RKI's communication channel to communities include community events. Internal and external stakeholders are invited to participate in questionnaires to assess relative importance of ESG issues.⁷
- Under RKI's waste management policy, the Company requires its contractors to implement construction site waste management measures that consist of five areas –monitoring, reduction, handling, storage and disposal.⁷
- Regarding air pollution and emission, RKI requires its contractors to implement relevant control measures to ensure that the impact of dust is minimized. Furthermore, RKI requires its contractors to use electrical construction machinery and cleaner fuels to lessen air emissions. The Company also uses CCTV and air quality gauges to monitor air quality.⁷

Based on these policies, standards and assessments, Sustainalytics is of the opinion that RKI has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All four use of proceeds categories are aligned with those recognized by the GBP and GLP. Sustainalytics has focused on one below where the impact is specifically relevant in the local context.

⁹ Zhengzhou Vios Foreign Investment Service Center, "Law of the People's Republic of China on Environmental Impact Assessment", at: <https://www.waizi.org.cn/law/11686.html>

The role of green buildings and energy efficiency to achieve carbon neutrality in China

China is the world's largest emitter of CO₂. With 10.17 billion tons of CO₂ emitted in 2019, the Country generated approximately 28% of the world's total emissions. To follow the recommendation of IPPC to reduce CO₂ emissions and limit global warming to 1.5°C,¹⁰ China aims to reach peak emissions before 2030 and carbon neutrality by 2060.¹¹

China's building sector makes up a significant part of its total energy consumption. According to the China Construction Energy Saving Committee, the building sector accounted for 21.11% of China's aggregate energy use, and around 19.5% of energy-related CO₂ emissions in 2017.¹² In addition, emissions associated with the production of electricity and heat remain the biggest source of GHG emissions in the Country.¹³ At the end of 2020, the Government of China established its climate target of carbon neutrality by 2060.¹⁴ To align with this goal, the National People's Congress (NPC) has approved its 14th five-year plan (FYP) for economic and social development. The plan includes commitments to reducing the nation's energy consumption per unit of GDP by 13.5%, and its CO₂ emissions per unit of GDP by 18% – by 2025 relative to 2021.¹⁵

Based on the above context, Sustainalytics recognizes the importance of improving energy efficiency and promoting green buildings in the reduction of GHG emissions in China. Green buildings and energy efficiency projects funded through RKI's Green Finance Framework are expected to provide positive environmental impacts in China. As such, Sustainalytics is of the opinion that RKI's investments have the potential to contribute to China's carbon neutral goal by 2060.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bond(s) issued under the Road King Infrastructure Limited Green Finance Framework advances the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	11. Sustainable Cities and Communities	11.c Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials
Energy Efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Pollution Prevention and Control	12. Responsible consumption and production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

Conclusion

RKI has developed the Road King Infrastructure Limited Green Finance Framework under which it may issue green bonds and green loans and use the proceeds to finance green buildings, energy efficiency, renewable energy, and pollution prevention and control projects. Sustainalytics considers that the projects funded by the green bond and/or loan proceeds are expected to provide positive environmental impact.

¹⁰ IPPC, Special Report: Global Warming of 1.5 °C, available: <https://www.ipcc.ch/sr15/chapter/spm/>

¹¹ BBC, Climate change: China aims for 'carbon neutrality by 2060, 2020, available: <https://www.bbc.com/news/science-environment-54256826>

¹² China Construction Energy Saving Committee, China Construction Energy Consumption Report 2019, to be retrieved at: <http://www.cabee.org/site/content/23565.html>

¹³ <https://ourworldindata.org/co2/country/china?country=~CHN>

¹⁴ China Dialogue, "Climate and energy in China's 14th Five Year Plan – the signals so far", (2020), at: <https://chinadialogue.net/en/energy/chinas-14th-five-year-plan-climate-and-energy/>

¹⁵ The State Council of China, "14th five-year plan", (2021), at: <http://www.npc.gov.cn/npc/kgfb/202103/bf13037b5d2d4a398652ed253cea8eb1.shtml>



Road King Infrastructure Limited Green Finance Framework

The Road King Infrastructure Limited Green Finance Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Road King Infrastructure Limited Green Finance Framework is aligned with the overall sustainability strategy of the company and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 7, 11, 12. Additionally, Sustainalytics is of the opinion that RKI has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that Road King Infrastructure Ltd is well-positioned to issue green bonds and loans and that the Road King Infrastructure Limited Green Finance Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018 and Green Loan Principles 2021.

Appendices

Appendix 1: Sustainalytics Assessment of Certification Schemes

	LEED	CHINA THREE STAR
Background	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.	The Chinese 3-Star Green Building Standard is a Certification System used in China for residential and public buildings (including commercial, hotel and government-owned) that was introduced in 2006 by MOHURD (Ministry of Housing and Urban-Rural Development).
Certification levels	Certified Silver Gold Platinum	1-Star 2-Star 3-Star
Areas of Assessment: Environmental Performance of the Building	<ul style="list-style-type: none"> • Energy and atmosphere • Sustainable Sites • Location and Transportation • Materials and resources • Water efficiency • Indoor environmental quality • Innovation in Design • Regional Priority 	<ul style="list-style-type: none"> • Land savings and outdoor environment; • Energy savings and utilisation; • Water savings and utilisation; • Material savings and utilisation; • Indoor environment; • Operations and management.
Requirements	<p>Prerequisites (independent of level of certification) + Credits with associated points</p> <p>These points are then added together to obtain the LEED level of certification</p> <p>There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).</p>	<p>Prerequisites:</p> <p>The system functions on a checklist basis, with 1-Star buildings meeting 26 criteria, 2-Star an additional 43 items, and 3-Star on a further 14 items. Criteria and weighting differ for public and residential buildings. In public buildings, more weight is given to energy and material savings, while the standard for residential buildings places greater importance on urban land saving and outdoor environments.</p>
Performance display		

Appendix 2: Green Finance / Green Finance Programme - External Review Form

Section 1. Basic Information

Issuer name:	Road King Infrastructure Limited
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Road King Infrastructure Limited Green Finance Framework
Review provider's name:	Sustainalytics
Completion date of this form:	June 09, 2021
Publication date of review publication:	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The eligible categories for the use of proceeds Green Buildings, Energy Efficiency, Renewable Energy, Pollution Prevention and Control, are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7, 11, 12.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input checked="" type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input type="checkbox"/> Other <i>(please specify)</i> : |

If applicable please specify the environmental taxonomy, if other than GBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section *(if applicable)*:

Road King Infrastructure Ltd's internal process in evaluating and selecting projects is managed by an ESG Working Group (or the "EWG") that consists of senior level representatives from various functional teams such as Finance, Legal, Design, Operations, Investor Relations and Internal Audit. Sustainalytics considers the project selection process in line with market practice.

Evaluation and selection

- | | |
|--|--|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other <i>(please specify)</i> : |

Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification
 In-house assessment
- Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

Road King Infrastructure's process for management of proceeds is overseen by the Executive Director. The Company intends to track and monitor the allocation of proceeds via an internal register that contains bond and loan information such as issue date, principal amount, ISIN codes among others. Pending allocation, unallocated proceeds from bonds or loans may be invested in cash or cash equivalents according to RKI's treasury and cash management policies, or used to repay existing indebtedness of the Company. The Company has confirmed to Sustainalytics that refinancing of debt will not include carbon intense assets or activities. This is in line with market practice.

Tracking of proceeds:

- Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other *(please specify)*:

Additional disclosure:

- Allocations to future investments only
 Allocations to both existing and future investments
- Allocation to individual disbursements
 Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds
 Other *(please specify)*:

4. REPORTING

Overall comment on section *(if applicable)*:

Road King Infrastructure Ltd intends to annually report on allocation of proceeds within the "Environmental, Social and Governance" section of its Annual Report until full allocation. RKI's allocation report may include a list of eligible projects and corresponding proceeds, balance of unallocated proceeds, and the share of financing vs refinancing. In addition, Road King Infrastructure Ltd is committed to annually reporting on relevant impact metrics within the Annual report. Sustainalytics views RKI's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- Project-by-project
 On a project portfolio basis

Road King Infrastructure Limited Green Finance Framework

- Linkage to individual bond(s) Other (*please specify*):

Information reported:

- Allocated amounts Green Bond financed share of total investment
- Other (*please specify*): balance of unallocated proceeds, and the share of financing vs refinancing.

Frequency:

- Annual Semi-annual
- Other (*please specify*):

Impact reporting:

- Project-by-project On a project portfolio basis
- Linkage to individual bond(s) Other (*please specify*):

Information reported (expected or ex-post):

- GHG Emissions / Savings Energy Savings
- Decrease in water use Other ESG indicators (*please specify*): amount of solid waste treated or recycled (in tonnes)

Frequency

- Annual Semi-annual
- Other (*please specify*):

Means of Disclosure

- Information published in financial report Information published in sustainability report
- Information published in ad hoc documents Other (*please specify*):
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

<https://www.roadking.com.hk/en/index/>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**Type(s) of Review provided:**

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Review provider(s):**Date of publication:****ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP**

- i. **Second-Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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