

China Jinmao

Green Finance Framework



May 2018

1. Introduction

Established in 2004 and headquartered in Hong Kong, China Jinmao Holdings Group Limited (“China Jinmao”) is a subsidiary of state-owned Sinochem Corporation. It was listed on the Hong Kong Stock Exchange in August 2007. China Jinmao’s business activities comprises of:

- (1) Real estate development:** Focus on high-end exquisite project, and currently boasts several ones in development stages in the domestic cities including Beijing, Shanghai, Qingdao, Changsha, Lijiang etc. or in famous tourist resorts.
- (2) Property management:** Owns and manages high-end properties in Beijing and Shanghai, with a total building area of approximately 400,000 m²
- (3) Hotel operation:** Owns six super-luxury hotels including Westin Beijing Chaoyang, Wanfujing Grand Hotel, Grand Hyatt Shanghai, Ritz-Carlton Sanya Hotel, Hilton Sanya Resort & Spa, and JW Marriott & Hotel Shenzhen, with a total building area of about 410,000 m² and nearly 3,000 guest rooms

Green strategy

China Jinmao realizes the sustainable development of corporate benefits, environmental protection and social values. The company has a green strategy, that is based on the design concept of “*according to local conditions, passive priority, and high efficiency and health*”; relying on a complete industrial chain of green planning and design, green parts and components, green construction, and green property operations to create a green integrated business management innovation and lead the industry in green Low-carbon transformation.

Framework concept

This bespoke China Jinmao Green Finance Framework (“GFF”) has been developed to demonstrate how the Group and its other entities intend to enter into Green financing transactions to fund projects that will deliver environmental benefits to support China Jinmao’s business strategy and vision.

Fundraising will include bonds and loans with structures tailored to contribute to sustainable development by application of the proceeds to Eligible Projects as defined in this Framework.

Green Financing Transactions (“GFT”) will include bonds, loans and other debt or financing structures tailored to contribute to clean energy development by application of the proceeds to Eligible Projects as defined in this Framework.

- With respect to **bonds**, bonds issued under GFF will be in alignment with the Green Bond Principles (GBP 2017)¹ or as they may be subsequently amended.
- With respect to **loans**, loans issued under GFF will be in alignment with the Green Loan Principles (GLP)² or as they may be subsequently amended.
- **Other forms of financing** may conform to other sustainable or green finance principles as may have been established at the time of such financing transaction being undertaken.

GFT may be done in any currency or tenor and with other terms and conditions including covenants, to reflect the financing strategy and plan of China Jinmao as well as the outcome of the commercial discussions between the Issuer/Borrower and Manager/Arranger/Lender.

GFT may be done in any jurisdiction and market reflecting Jinmao's current and future business needs.

2. China Jinmao Green Finance Framework

For each GFT, China Jinmao management asserts that it will adopt the following principles:

- I. Use of Proceeds
- II. Project Evaluation and Selection
- III. Management of Proceeds, and
- IV. Reporting

I. Use of Proceeds

The proceeds of each GFT will be used exclusively for the financing or the re-financing of "Eligible Projects" in China that provide clear environmental sustainability and climate change benefits.

China Jinmao commits to only use proceeds of GFT to re-finance Eligible Projects which were completed no earlier than 2013.

The Eligible Projects means projects that comprise financing which fall within the categories below, which are or have been originated by the various business units of China Jinmao.

¹ <https://www.icmagroup.org/Regulatory-Policy-and-Market-Practice/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

² http://www.lma.eu.com/application/files/8415/2162/5092/LMA_Green_Loan_Principles_Bookletpdf.pdf

| Eligible Projects for China Jinmao | Alignment with GBP2017 and GLP | Description and Examples |
|------------------------------------|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Green Buildings | Green Buildings | <ul style="list-style-type: none"> • New construction or renovation of existing commercial and residential buildings certified in accordance with any one of the following selected certification systems: ('Environmental certification') <ul style="list-style-type: none"> - Chinese Green Building Evaluation Label(GBL)³ – 2 star or above - U.S. Leadership in Energy and Environmental Design (LEED) – Gold or above - BREEAM – Very Good or above |
| Energy Efficiency | Energy Efficiency | <ul style="list-style-type: none"> • Energy efficiency projects such as installing LED lighting and improve chiller performance which achieve the below targets <ul style="list-style-type: none"> - New construction of buildings: energy performance improvement of at least 15% or greater compared to market average - Renovation of existing of buildings: energy performance improvement of at least 20% or greater compared to baseline |
| Renewable Energy | Renewable Energy | <ul style="list-style-type: none"> • Development, deployment, and generation of energy from renewable sources (wind and solar) and the ancillary infrastructure including but not limited to development of land, transmission lines and sub-stations for each project |

BJCE considers that all of the above Eligible Project are in line with People's Bank of China (PBoC)'s Green Bond Catalogue 《中国人民银行绿色债券支持项目》

³ Chinese Green Building Evaluation Label" is reference to “绿色建筑评价标识管理办法（试行）(建科[2007]206号) Assessment standard for green building GB/T 50378".
http://www.mohurd.gov.cn/wjfb/200708/t20070827_158564.html

II. Project Evaluation and Selection

China Jinmao has established a Green Finance Working Group (“GFWG”) with responsibility for governing and implementing the GFF. The GFWG is made up of senior representatives from the below departments:

- Capital Markets Department (资本市场部)
- Financial Management Department (财务管理部)
- Product Administration Center (产品管理中心)
- Jinmao green building technology co.,ltd (北京金茂绿建科技有限公司)

Jinmao Green Building Technology Co.,Ltd, despite its name, is an internal department with Green building and other environmental expertise. Jinmao Green Building Technology Co.,Ltd ensures all projects are in compliance of environmental regulations as imposed by the PRC government, which includes environmental risk assessments and mitigation.

Respective Project Team will identify potential Eligible Projects based on the eligibility criteria outlined in the GFF’s Use of Proceeds section.

Potential Eligible Projects will be submitted to the GFWG for review and confirmation that they qualify as Eligible Projects based on consideration of:

- Description of the project and the engineering approach setting out the environmental benefits to be obtained versus alternative approaches
- Preliminary or final certificates received in respect of compliance with relevant standards

In terms for Energy Efficiency improvement projects, energy saving / performance data shall be anticipated by the management team before project completion and may be evidenced through 3rd party energy reports as soon as practicable following the completion of the relevant project.

If such project is considered as an Eligible Project by the GFWG in accordance with GFF, it may be earmarked as the use of proceeds.

The GFWG will review the allocation of the GFT proceeds to facilitate ongoing reporting.

III. Management of Proceeds

The proceeds of each GFT will be deposited in the general funding accounts (called “capital pool”) and to be earmarked to Eligible Green Projects.

China Jinmao will maintain a register to keep track of the use of proceeds for each GFT. The register will contain the following information including:

(1) Type of Funding Transaction: key information including, issuer/borrower entity, transaction date, tranche(s) information, principal amount of proceeds, repayment or amortisation profile, maturity date, and interest or coupon (and in the case of bonds, the ISIN number).

(2) Allocation of Use of Proceeds: Information including:

- Name and description of Eligible Projects to which the proceeds of the GFT have been allocated in accordance with this Framework.
- Amount of GFT 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

Any balance of issuance proceeds which are not yet allocated to Eligible Green Projects will be held in accordance with China Jinmao’s normal liquidity management policy. Jinmao commits not to invest unallocated proceeds to high pollution activities.

IV. Reporting

China Jinmao will publish a Green Finance Report on an annual basis. The Green Finance Report will contain information on allocation and impacts:

(1) Allocation Reporting

China Jinmao will provide below information for the net proceeds of the all GFTs during the period:

- The aggregate amount allocated to various Eligible Green Projects
- The remaining balance of funds which have not yet been allocated and type of temporary investment
- Examples of Eligible Green Projects (subject to confidentiality disclosures)

(2) Impact Reporting

Where possible, China Jinmao will report on the environmental and social (where relevant) impacts resulting from Eligible Projects.

Subject to the nature of Eligible Projects and availability of information, China Jinmao aims to include, but not limited to, the following Impact Indicators

| Eligible Green Project Categories | Impact Indicators |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Green Buildings | <ul style="list-style-type: none">• CO₂ (or other GHG) emissions avoided (tonnes of CO₂e)• Number and level of third-party certification(s) achieved |
| Energy Efficiency | <ul style="list-style-type: none">• Amount of energy saved (kWh)• CO₂ (or other GHG) emissions avoided (tonnes of CO₂e) |
| Renewable energy | <ul style="list-style-type: none">• Renewable energy generation (MWh) / capacity (MW)• CO₂ (or other GHG) emissions avoided / reduced (tonnes of CO₂e) |

The Green Finance Report will be publicly available via annual updates on China Jinmao's website <http://www.chinajinmao.cn/>

China Jinmao will also make disclosure through other channels where feasible, such as annual reports and corporate social responsibility reports, which will also be published on the China Jinmao's website <http://www.chinajinmao.cn/>

Assurance

China Jinmao has engaged with Sustainalytics to provide a Second Party Opinion ("SPO") on this Framework. The SPO be made available on China Jinmao's website <http://www.chinajinmao.cn>

Appendix I:

Indicate list of Green Buildings:

| Green certification / honor | Award-winning projects |
|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| National Green Ecological Demonstration City | Changsha Meixi Lake New City |
| East China Green Building Demonstration Base | Shanghai Star Bund |
| National Green Building Innovation Award | First Prize of Shanghai International Shipping Center, Second Prize of Beijing Guangqu Jinmaofu Primary School, Third Prize of Beijing Kaichen World Trade Center, Third Prize of Qingdao South Jinmao Bay, Third Prize of Changsha Green Center |
| National Green Building Certification | Beijing Guangqu Jinmaofu Elementary School Three-star, Beijing Kaichen World Trade Center Three-star, Suzhou Gusu Jinmaofu Three-star, Ningbo Nantang Jinmao House Project Three-star, Shanghai Star Bund Project East Block Three-star |
| British Green Building BREEAM Certification | Changsha Green Center Outstanding, Shanghai International Shipping Center Excellent (4 items), Shanghai International Shipping Center Outstanding, Shanghai Daning Jinmao Prefecture Excellent |
| US Green Building LEED Certification | Beijing Kaichen World Trade Center Platinum, Beijing Guangqu Jinmao Primary School Platinum, Shanghai International Shipping Center Gold (9), Shanghai Jinmao Tower Gold, Shanghai Xingang International Center Gold |