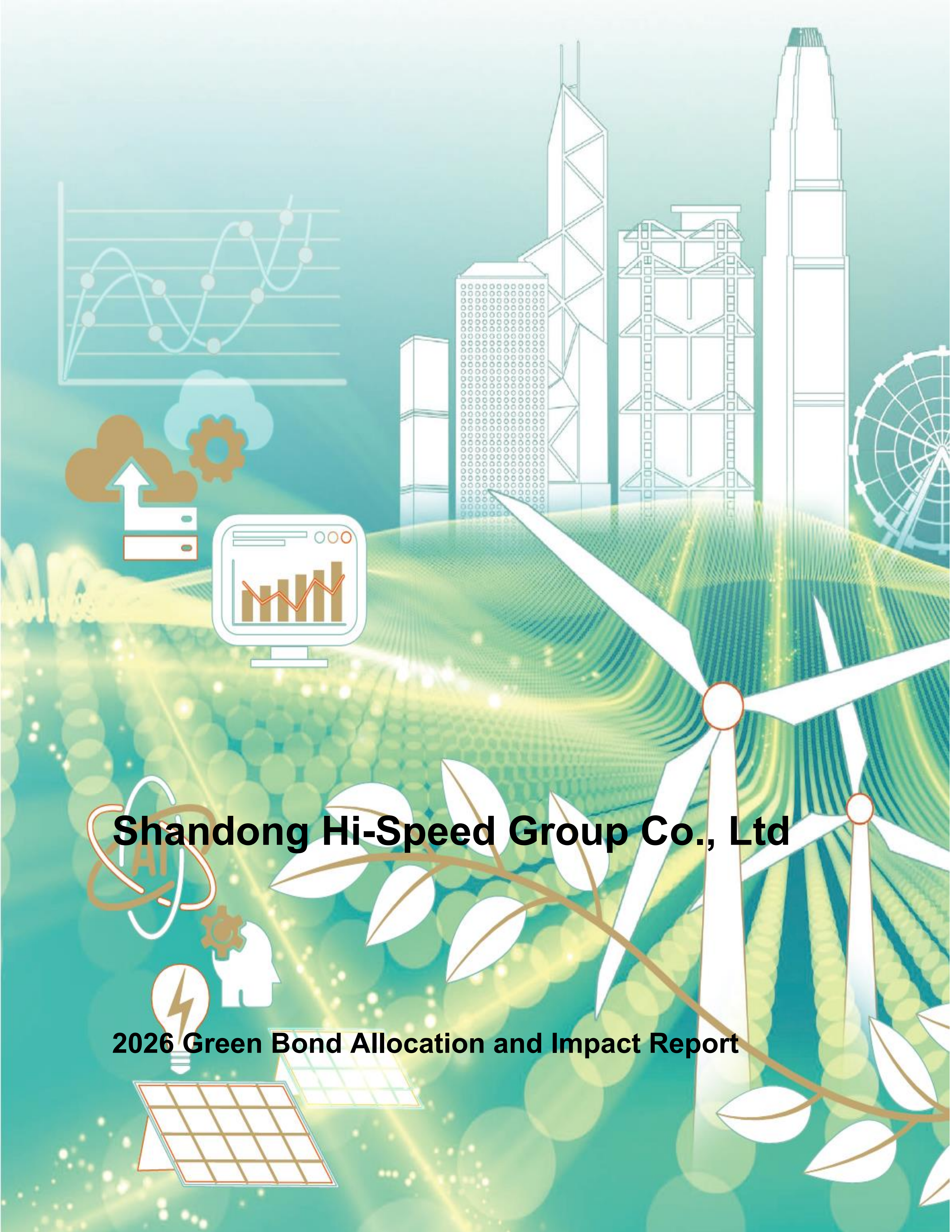
Shandong Hi-Speed Group Co., Ltd

2026 Green Bond Allocation and Impact Report



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1. Introduction

Shandong Hi-Speed Group Co., Ltd ("**Shandong Hi-Speed**", the "**Company**" or "**SDHG**") is committed to integrating sustainability into its financing programme. In 2022, SDHG established a Green Finance Framework (the "Framework") and update in 2025 to include more eligible green cateroties to align with the company's future development, under which SDHG and/or direct or indirect subsidiaries within the SDHG Group (the "Group") may raise bond, loan or related financing for specific assets, projects and investments that it believes will imporve positive environmental impact (such financing, a "Green Finance Transaction").

SDHG worked with both Sustainable Fitch and Moody's Ratings, an independent external reviewer with recognised expertise in environmental and social matters, to (i) assess the Framework for alignment with relevant green finance market guidelines; and (ii) obtain and make publicly available a second-party opinion review document with respect to such alignment (the "Second-Party Opinion").

In April 2025, SDHG issued an USD 500 million green bond due 2028, under these updated SDHG's green finance framework.

2. Overview of Shandong Hi-Speed Group

Shandong Hi-Speed was established by the People's Government of Shandong province (''**Shandong Government**'') as a wholly state-owned enterprise under the direct supervision of the State-owned Assets Supervision and Administration Commission of Shandong province (''**SSASAC''**). SSASAC on behalf of Shandong Government, acts as the Company's majority shareholder and holds the shares of the Company together with Shandong Guohui Investment Holding Group Co., Ltd.（山东发展投资控股集团有限公司）(''**Shandong Development & Investment**'') and Shandong Caixin Asset Operation Co., Ltd (山东省财欣资产运营有限公司) **("Shandong Caixin")** .

Leveraging its advantages in its core expressway and railway businesses, the Group has grown into a modernised, international and efficient transportation and infrastructure conglomerate. The Company, through its subsidiaries and affiliates, is principally engaged in the investment in, and construction, operation and management of various transportation and infrastructure facilities. The Group's businesses can be divided into the following segments:

- expressway;
- railway;
- construction;
- logistics and trading;
- financial investment; and
- others.

The Group is the largest provincially supervised state-owned enterprise in Shandong province and the largest infrastructure developer in Shandong province in terms of total assets as at 31 December 2025. It is also an industry leader in terms of total assets as at 31 December 2025. As at and for the years ended 31 December 2023, 2024 and 2025, the Group's total assets ranked first and profits ranked among the top, respectively, among all state-owned enterprises directly supervised by Shandong Government.

The Company was originally established in 1997 and was converted into a wholly state-owned enterprise by the Shandong Government under the direct supervision of SSASAC in 1999. The Company officially commenced its business in 2001 under the name of Shandong Province Hi-Speed Expressways Limited Liability Company（山东省高速公路有限责任公司）(“SPHEL”) and subsequently in 2002, the Company was recognised as a large wholly state-owned enterprise by the Shandong Province Economic and Trade Commission（山东省经贸委）and the Shandong Province Statistics Bureau（山东省统计局）.

In 2005, SSASAC became the sole shareholder of the Company, and the Company's name was changed to Shandong Province Expressways Group Co., Ltd（山东省高速公路集团有限公司）. In 2008, with the approval of SSASAC, the Company's name was further changed to its current name, Shandong Hi-Speed Group Co., Ltd（山东高速集团有限公司）. In 2018, pursuant to the Notice of SSASAC and Shandong Social Security Fund regarding Amendment to the Articles of Association of Shandong Hi-Speed Group （《省人民政府国有资产监督管理委员会、山东社保基金理事会关于修订《高速集团有限公司章程》的通知》）published by Shandong Government, Shandong Guohui and Shandong Social Security Fund became minority shareholders of the Company, holding 20 per cent. and 10 per cent. of the equity interest in the Company, respectively.

The Group has, since its inception in 1997, firmly established its position as an industry leader in the investment in, and construction, operation and management of roads, expressways, bridges and tunnels in Shandong province. The Group has built up a strong and stable asset portfolio of quality expressway and railway and an established operational track record. As at 31 December 2025, the Group had operated expressways with a total length of approximately 9,240 kilometres, of which 7,504 kilometres are in Shandong province.

The Group is also a main railway operator in Shandong province. As at 31 December 2025, the Group operates and manages railways in a total length of approximately 651 kilometres.. The Dajiawa-Laizhou-Longkou Railway is an important part of the building of the “four vertical and four horizontal” hi-speed passenger access network in Shandong province.

Expressway Business Segment

The Group is primarily engaged in the investment in, and operation and management of, roads, expressways, bridges, tunnels in Shandong, Sichuan, Henan, Yunnan, Hunan and Hubei provinces. The Group has, since its inception in 1997, firmly established its position as an industry leader in the investment in, and construction, operation and management of roads, expressways, bridges and tunnels in Shandong province.

Railway Business

In terms of railways, the Group is primarily engaged in the investment in, and construction and operation of railways and rail transit infrastructure in Shandong province and other regions of the PRC. The railway business serves as a complement to the Group's expressway business and is an important part of the Group's integrated transport infrastructure network. The Group's railway business originated from Shandong Local Railway Bureau. Hence, the Group has received substantial governmental support over the years in undertaking construction projects. It is actively participating in the investment in, and construction and management of railway projects in the PRC on behalf of Shandong Government.

The Group's railway business is conducted through SDHS Rail Transit, one of its key subsidiaries, which engages in the investment in, and construction and operation of, regional and urban light and inter-city rail transit infrastructure in Shandong province. Besides, Shandong Railway Investment, a subsidiary of the Company, also engaged in the development, management and operation of railways in Shandong province and other regions that are part of the PRC railway network.

Through SDHS Rail Transit, the Group engages in the investment in, and construction and operation of regional railways, repairing of cargo facilities, maintenance and sales of spare parts of shipping facilities. It is also involved in the construction of regional railroads and operation of railway lines, operation of storage facilities for non-hazardous materials and provision of freight solutions.

Contribution to Sustainability

As a major state-owned enterprise of the Shandong Government, Shandong Hi-Speed Group plays an important role in implementing the mission of infrastructure construction in Shandong province.

Through the development of railways and rail transit infrastructure in Shandong province and other regions of the PRC, the Company is able to contribute to the development of diversified and multi-modal transportation for the public. In particular, low-carbon transport has a key role to play in facilitating a modal transportation shift, enabling the transition to a low carbon economy and to support future climate change mitigation efforts.

Shandong Hi-Speed Group adopts proactive environmental protection policies which establishes sound polices to minimize negative environmental impacts brought by expressway, road, bridges and railway construction and operation. At the same time, the Company actively promotes energy conservation and emission reduction to put forth the concept of environmental protection to every work detail.

A prominent example is that the Company has gone beyond Business-as-Usual activities to install solar panel-powered lighting on its expressways.

3. The Green Finance Framework ("GFF")

SDHG published its Green Finance Framework (the "Framework") in June 2022 and further update in March 2025 as the basis to raise bond, loan or related financing for specific assets, projects and investments ("Green Financing Instruments"). The Green Financing Instruments will finance projects that are aligned with:

- respect to bonds, bonds issued under GFF will be in alignment with the International Capital Market Association **("ICMA")** Green Bond Principles **("GBP")** 2021(within June 2022

Appendix 1)[1]; and *Green Bond Guidance, National Development and Reform Commission (NDRC)*; With respect to loans, loans issued under GFF will be in alignment with the Loan Market Association **("LMA")** Green Loan Principles **("GLP")** 2025 [2] (together "the Principles").

Instruments issued under this Framework may take the form of Green Bonds, or Green Loans, which will be used to finance and/or refinance eligible assets.

In aligning with the above principles and guidelines, the SDHG's GFF is presented through the four core components of the Principles.

Use of Proceeds: Shandong Hi-Speed Group and its subsidiaries will allocate an amount at least equivalent to the net proceeds of the Green Financing Instruments issued under this Framework to finance and/or re-finance, in whole or in part, eligible green projects. The eligible green projects may include assets, capital expenditures, operational expenditures, research & development expenses, and/or equity investments into pure-play entities.

- These include equity participations in entities where at least 90% of the revenues can be attributed to one or more of the Eligible Green Project Categories described in Use of Proceeds section of this Framework ("pure-play companies"). Investment in pure-play companies, where the equity investment is not traceable to underlying projects in the use of proceeds, will be limited to 5% of the proceeds allocation.

Green Assets which meet the eligibility criteria of the following Eligible Green Project categories ("**Eligible Green Projects**"), as defined as below.

Process for Project Evaluation and Selection: The Project Evaluation and Selection Process will ensure that the proceeds of any SDHG Green Financing Instrument are allocated to finance or refinance eligible green assets that meet the criteria and objectives set out in the Framework.

SDHG's Green Finance Working Group (the "GFWG") will be responsible for governing and implementing the initiatives set out in the Framework.

Management of Proceeds: SDHG has established a Green Finance Register (the "Register") to track the use of proceeds for the Green Financing Instrument.

The Register will contain information on the Green Bond issuance, such as the issuance amount, pricing date and maturity date, along with other necessary information, and the allocation to eligible green assets.

Any proceeds temporarily unallocated will be invested according to the SDHG's standard liquidity policy in cash or cash equivalents.

Reporting: Until full allocation of the Green Financing Instrument, the SDHG shall report the information on the allocation of proceeds on an annual basis. The allocation reporting shall include the following information:

- Allocation amount by eligible green asset categories
- Amount of unallocated Proceeds
- Selected examples of projcets financed, subject to confidentiality

[1] https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/
[2] https://www.lma.eu.com/application/files/1917/4298/0817/Green_Loan_Principles_-_26_March_2025.pdf

Eligible Green Categories

GBP Category	Eligibility Criteria
Renewable Energy	Development, investment, acquisition, production, installation, operation, transmission and storage of existing, or new projects related to the energy from the following renewable sources (including manufacture of dedicated components for renewable energy): • Solar (PV and Concentrated Solar Power with a minimum 85% of power generation derived from solar sources) • Wind energy (including onshore and offshore) • Hydropower, including pumped storage, with either a power density above 5W/m2 or life-cycle GHG emissions intensity below 100gCO2e/kWh • Geothermal, with life-cycle emissions intensity threshold below 100gCO2e/kWh • Green hydrogen and green ammonia (from electrolysis powered by 100% renewable energy including wind and solar), or with a life-cycle GHG emissions intensity lower than 3tCO2e/tH2 • Ocean energy (Tidal, wave) • Transmission and distribution projects located on a system for which at least 67% of its added generation capacity over a rolling five-year period fall below the low carbon power threshold of 100gCO2e/kWh measured on a life-cycle basis that aim to connect renewable energy sources or reduce GHG emissions
Clean Transportation	Investment, acquisition, operation, maintenance, and expenditure of projects related to the zero-direct emission vehicles for passenger and freight transportation, including road and rail transportation that is fully electrified. Investments, acquisition, operation and expenditure into construction, maintenance and renovation of dedicated hydrogen filling stations, charging infrastructure and battery swapping stations for electric vehicles. For the avoidance of doubt, infrastructure dedicated to the transportation of fossil fuel will be excluded
Energy Efficiency	Investment, manufacture and installation of energy-efficient systems, products and technology that reduce energy consumption or improve operational energy efficiency by at least 20% compared to the average of national energy consumption of an equivalent project or technology, including: • Modernization of lighting systems including LED lighting and HVAC infrastructure, building management systems • Investment in smart meters, sensors, and measurement tools on smart grids, as well as energy meters and energy management systems components For the avoidance of doubt, improvement activities that result in the lock in of fossil fuel technologies will be excluded

Green Buildings	Projects related to investment, acquisition, development, construction and refurbishment of new or existing commercial or residential buildings[3] that have received, or expect to receive based on its design, construction and operational plans, certification according to third-party verified green building standards, such as: o U.S. Leadership in Energy and Environmental Design (LEED) – minimum certification of Gold; or o BEAM Plus – minimum certification level of Gold; or o Chinese Green Building Evaluation Standard – level of 3 stars; or o BREEAM – minimum certification level of Excellent; or o EDGE – minimum certification level of EDGE Certified; or o BCA Green Mark – minimum certification level of Gold Expenditures related to the development, investment, acquisition, construction, installation, operation, maintenance, and refurbishment of eco-efficient data centres with an annualised average Power Usage Effectiveness ("PUE")[4]. The PUE threshold used for eligibility will depends on the different scenarios and due to climate conditions (i.e. temperature and humidity)[5]: a) For expenditures related to construction of new data centres with a PUE $\leqslant$ 1.25 in cool climates and PUE $\leqslant$ 1.30 in warm climates respectively, at 100% load for data centres. b) For expenditures related to major refurbishments of existing data centres that would lead to data centres with a PUE $\leqslant$ 1.40 at 100% load for data centres. c) For acquisitions of data centres with a PUE $\leqslant$ 1.30 in cool climates and PUE $\leqslant$ 1.40 in warm climates respectively, at 100% load for data centres.

3 The technical criteria and thresholds of Hong Kong Taxonomy for sustainable finance under sector 3.4: construction and renovation of buildings apply here. https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2024/20240503e1.pdf.

[4] *According to the Uptime Institute Global Data Centre Survey 2024, the global average PUE of respondents' largest data centres was 1.56. Uptime Institute Global Data Centre Survey Results 2024 - Uptime Institute*

[5] *There are wide range of factors that impact PUE, including external climatic conditions, air humidity, the availability of local resources, and the specific requirements of customers deployments. Therefore, the different scenarios and climatic conditions apply for annualized PUE of cool climates and warm climates.* ***Cool climates region*** *are those regions that are at or below cooling degree days from temperature corrected by humidity, measurement of 1500°C days based on for the IEA Weather, Climate and Energy Tracker. Cool climates region include but not limited to Northern China (i.e. Inner Mongolia, Beijing, Hebei etc.), Canada, and Japan and South Korea.* ***Warm climates region*** *are those that are at or above cooling degree day from temperature corrected by humidity, measurement of 1501°C days based on for the IEA Weather, Climate and Energy Tracker. Warm climates region include but not limited to Southern China (i.e. Greater Bay Area, Hainan etc.), ASEAN, and India.*

4. SDHG's Green Bonds

Issuer[6]	Coastal Emerald Limited	
Issue Date	15 June 2022	16 April 2025
Issue Rating	Moody's: A3 Fitch: A	Moody's: A3 Fitch: A-
Type	Regulation S	Regulation S
Listing	SGX-ST	SGX-ST
Tenor	3 years	3 years
ISIN	XS2480876254	XS3047822427
Issue Size	USD 500 mn	USD 500 mn
Maturity Date	15 Jun 2025	16 Apr 2028
Coupon	4.1%	4.6%

5. Allocation of Proceeds[7]

Allocation by instrument

ISIN	Issued Amount (USD million)	Issued Amount (HKD million)
XS3047822427	500	3,880.95
Total		**3,880.95**

Conversion rates used as per bond's respective issuance date, from Bloomberg.

Allocation by projects

Project Category	Allocated Amount[8] (HKD million)	% of Allocated Funds
Renewable Energy	3,880.95	100%
Total	**3,880.95**	**100%**

[6] Guaranteed Medium Term Note Programme unconditionally and irrevocably guaranteed by China Shandong Hi-Speed Financial Group Limited with the benefit of a Keepwell Deed and a Deed of Equity Interest Purchase Undertaking or unconditionally and irrevocably guaranteed by Shandong Hi-Speed Group Co., Ltd.
[7] As of 30th June 2026.
[8] The entire allocated proceeds have been allocated to refinancing projects that meet the 36 months look-back period.

<table>
<tr><th></th><th>Total Amount (HKD million)</th><th>Green Financing Instrument Proceeds Allocated (%)</th></tr>
<tr><td>Total Green Proceeds</td><td>3,880.95</td><td rowspan="2">100%</td></tr>
<tr><td>Total Allocated Green Assets</td><td>3,880.95</td></tr>
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6. The Green Finance Working Group

Shandong Hi-Speed Group's Green Finance Working Group (the "GFWG") will be responsible for governing and implementing the initiatives set out in the Framework.

The GFWG is comprised of senior representatives from the following departments for the selection and evaluation of the Eligible Green Projects: Finance Department, Management Department and Investment.

The GFWG may be supplemented from time to time, or expanded, by the inclusion of representatives from other relevant teams.

The GFWG will:

- Meet at least two times each year, endeavoured to be distributed evenly throughout the year
- Ratify Eligible Green Projects, which are initially proposed by the constituent team members
- Ensure that projects comply with Shandong Hi-Speed Group's internal environmental and risk management policies as well as applicable local governmental regulations
- Undertake regular monitoring of the asset pool to ensure the eligibility of Green Projects with the criteria set out in Shandong Hi-Speed Group's GFF, Use of Proceeds, whilst replacing any ineligible Green Projects with eligible new Green Projects
- Facilitate regular reporting on any Green issuance in alignment with our Reporting commitments
- Manage any future updates to this Framework
- Ensure that the approval of Eligible Green Projects will follow the Company's existing credit/loan/investment approval processes

The Group's operations are subject to various laws and regulations in the jurisdictions in which it operates. The Group's properties are subject to routine inspections by government officials with regard to various safety and environmental issues. The Company believes that the Group is in compliance in all material respects with government regulations currently in effect in the jurisdictions in which it operates.

7. Summary of Asset Impacts[9]

Eligible Green Asset Categories	Project Locations	Description and Expected Impact
Renewable Energy		• The total renewable energy generation of which SDHG's attributed share is 4,453,431 MWh, of which the solar energy represents 2,059,473 MWh and the wind energy represents 2,393,957 MWh.

Note: Unless otherwise stated, the impact figures calculated are reflective of the portion of total impact from bond pricing date that is attributable to the green bond issuances.

[9] As of 30th June 2026.

Shandong Hi-Speed Group Co., Ltd.

Shandong, China