



越秀房地產投資信託基金

YUEXIU REAL ESTATE INVESTMENT TRUST

Yuexiu Real Estate Investment Trust

Sustainable Finance Framework

February 2026

Sustainable Finance Framework Overview

This Sustainable Finance Framework (“SFF” or the “Framework”) demonstrates how Yuexiu Real Estate Investment Trust (the “Group”) and/or its entities intend to enter into Sustainable Financing Transactions (“SFT”) to fund projects, assets and developments that will deliver environmental and social benefits and support the Group’s sustainability vision, as well as its business strategy.

Bonds issued under this Framework will be aligned with voluntary guidelines in Green Bond Principles (“GBP”) (Jun 2025), Social Bond Principles (“SBP”) (Jun 2025) and Sustainability Bond Guidelines (“SBG”) (2021) by the International Capital Markets Association (“ICMA”).

Loans made under this Framework will be aligned to Green Loan Principles (“GLP”) (Mar 2025) and Social Loan Principles (“SLP”) (Mar 2025) by the Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA) and Loan Syndications and Trading Association (LSTA).

For each SFT, the Group’s management will adopt the following principles:





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










1. Use of Proceeds

The Group commits to earmarking the proceeds or an equivalent amount of proceeds of each SFT exclusively for the financing and/or refinancing of eligible green projects (the “Eligible Green Projects”) and/or eligible social projects (the “Eligible Social Projects”, and together with the Eligible Green Projects, the “Eligible Projects”) at the Group, in whole or in part, including the investment, acquisition, construction, development or re-development of such projects that provide clear environmental and/or social benefits. Refinancing of Eligible Projects will have a look-back period of not longer than 60 months from the time of issuance. The Group is committed to fully allocate the net proceeds or an equivalent amount of the net proceeds of each SFT on a best effort basis within 36 months of issuance. Projects and assets eligible for sustainable financing must fulfill the relevant eligibility criteria set forth below.

1.1. Green Projects Categories



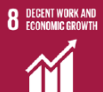

A. Eligible Green Projects categories and examples of the Eligible Green Projects

Eligible Green Project Categories	Eligibility Criteria	Contribution to SDGs
Green Building	Investment, acquisition, ownership, development, and refurbishment of new or existing green buildings which have received or expected to receive the following recognized certifications: <ul style="list-style-type: none"> • China Green Building Evaluation Label: 2 Star or above; or • BEAM Plus: Gold or above; or • LEED: Gold or above; or • BREEAM: Excellent or above. 	  
Climate change adaptation	Design, development, maintenance and upgrade of landscape and infrastructure including:	

Eligible Green Project Categories	Eligibility Criteria	Contribution to SDGs
	<ul style="list-style-type: none"> Optimise and upgrade the drainage system, and add waterproofing measures in vulnerable areas 	
Energy Efficiency	<p>Investments and expenditure on construction and operation of projects that will achieve at least a 20% improvement in energy efficiency against historic average. According to the features of the project, the following new technologies conducive to improving energy efficiency are reasonably selected and applied:</p> <p>Efficient chilled-water plant system, intelligent lighting system, intelligent machine control system, and energy management system; energy-saving elevator, variable-frequency motor, heat recovery system, etc.</p>	 
Pollution prevention and control	Investments and expenditure for developing and operating infrastructure and equipment for air pollutant emissions reduction, waste classification, recycling and treatment, air and noise pollution control, and segregation of recyclables prior to energy conversion.	  
Renewable Energy	<p>Investments and expenditure on construction and operation of renewable energy projects to address the energy crisis, including solar photovoltaic, solar thermal energy, air source heat pump, water source heat pump, energy storage system for renewable energy, etc.</p> <p>Projects that retrofit, replace or upgrade existing facilities, system and equipment to bolster the capacity for producing renewable energy.</p> <p>Renewable energy investments, including but not limited to Power Purchase Agreements (PPAs) and Renewable Energy Certificates (RECs).</p>	 
Clean Transportation	Installing, operating and/or repairing infrastructure supporting clean energy vehicles, such as charging ports for electric vehicles (EV).	 

1.2. Social Projects Categories

Eligible Social Projects categories and examples of Eligible Social Projects

Eligible Social Project Categories	Eligibility Criteria	Contribution to SDGs
Socioeconomic Advancement and Empowerment	<p>Projects or programmes that provide elderly care services and facilitate intergenerational harmony in the community.</p> <p>Pilot or implementation of innovative facilities, design features or equipment that provide assistance and convenience for the elderly and enhance the physical, mental, and social well-being to ensure their equitable access to services, resources, and opportunities, and their participation and integration into the market and society. Support research and investment to catalyse the development of the such innovative facilities, design features or equipment.</p> <p>Projects or programmes that can create greater community engagement, connection and collaboration and enhance quality of life and well-being benefitting the general public, such as community cultural and sports, education, medical and health care facilities.</p> <p>Projects or programmes that support socio-economic advancement, employment and social inclusion benefitting youth, women and students and/or people with disabilities, including but not limited to:</p> <p>(1) Youth education programmes; and (2) Youth/Student hostels, etc</p> <p>Target population: Aging population and/or vulnerable youths, people with disabilities.</p>	   

1.3. Exclusion Criteria

Exclusion: in any case, Eligible Projects exclude the types of activities listed in the International Finance Corporation Exclusion List (2007)¹:

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife or products regulated under CITES.
- Production or trade in weapons and munitions.
- Production or trade in alcoholic beverages (excluding beer and wine).
- Production or trade in tobacco.
- Gambling, casinos and equivalent enterprises.
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded.
- Production or trade in unbonded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.

¹ https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/company-resources/ifcexclusionlist

- Production or trade in fossil fuel.
- Construction and operation of fossil fuel, nuclear and coal-fired power plants, and coal mines.

2. Process for Project Evaluation and Selection

The Group has established a thorough sustainable development governance framework. The ESG workstreams are prepared by the sustainability working group (the "Sustainability Working Group"), reviewed by the sustainability steering group (the "Sustainability Steering Group") and approved by the Board.

The Board comprises 2 Executive Directors, 2 Non-executive Directors (including the Chairman) and 4 Independent Non-executive Directors to perform the following responsibilities, including:

- Lead ESG strategy and reporting and supervise ESG work progress
- Approve Eligible Projects and ensure that the approval of Eligible Projects will follow the Group's existing credit/loan/investment approval processes

The Sustainability Steering Group formed by Chief Executive Officer (Group Leader), Chief Finance Officer and the General Manager of the Project Management Department of the Group to perform the following responsibilities, including:

- Formulate overall concepts, strategies and objectives for sustainable development
- Deploy various resources to support sustainable development
- Submit work reports to the Board and Board Committees
- Follow up on/Implement other matters decided by the Board
- Review the projects based on the criteria of compliance, financial viability, technical feasibility, environmental impact, social impact, risk management, sustainability, transparency and accountability, as well as stakeholder engagement

The Sustainability Working Group led by the Chief Executive Officer and composed of main business leaders is formed to perform the following responsibilities, including:

- Study and implement sustainable development management policies
- Assess and report the status of sustainable development
- Work out short-, medium- and long-term sustainable development work plans
- Supervise the progress of sustainable development work
- Submit work reports to the Sustainability Steering Group
- Follow up on/implement other matters decided by the Sustainability Steering Group
- Examine Eligible Projects, which will be proposed by the Group's subsidiaries based on their investment plans and initial screening against the eligibility criteria set out in the Use of Proceeds section of this Framework
- Monitor the asset pool during the entire funding period to ensure Eligible Projects are compliant with eligibility criteria set out in the Use of Proceeds section of this Framework. Meanwhile, any ineligible projects will be substituted by eligible new Eligible Projects
- Manage any future updates to this Framework
- Invite a third-party independent institution to ensure that each Eligible Project also complies with the environmental guidelines applicable to the Group, as well as all applicable national and local environmental standards, laws and regulations

3. Management of Proceeds

The proceeds of each of the Group's SFT will be managed by the treasury team under the oversight of Sustainability Steering Group. An internal record containing below information will be maintained:

Terms of the SFT:

- Issuer/Borrower entity
- Pricing, settlement, and maturity dates
- Currency of denomination and amount then outstanding
- Labelling (e.g. Sustainable/Green/Social Bond, or Sustainable/Green/Social Loan)
- ISIN number (if applicable)

Use of Proceeds:

- Name and description of Eligible Projects
- Amount of SFT proceeds or an equivalent amount of SFT proceeds earmarked/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

During the life of the SFT, Sustainability Working Group regularly monitor the use of funds to ensure that they are spent in accordance with the established purposes and budgets. If the designated project(s) ceases to fulfil the criteria necessary for it to be deemed an Eligible Project, the net proceeds will be reallocated to an alternative Eligible Project(s) that comply with the green and/or social financing eligibility criteria outlined above, as soon as reasonably practicable.

It is intended that the aggregate amount of net proceeds from the SFTs will not exceed the total value of the Group's Eligible Projects. Eligible Projects will be quantified by the capital employed at the most recent reporting date (for development assets) or book value (for stabilized assets).

Any balance of issuance proceeds which is not yet allocated to Eligible Projects will be held in accordance with Group's liquidity guidelines for short term deposits or investments. The Group commits not to invest unallocated proceeds to any high pollution activities or any projects that are in conflict with the eligibility criteria under this Framework.

4. Reporting

The Group will provide information on the allocation of the net proceeds of its SFTs to bond investors/loan lenders on an annual basis, in its annual sustainability report available on the Group's dedicated sustainability website which is updated regularly for the most current developments (<http://www.yuexiureit.com/en/sustainability/ESG-report.html>) until all the net proceeds have been allocated. The information will contain at least the following details:

Allocation Reporting:

- A list of Eligible Projects earmarked to be funded by the proceeds of the SFT
- Description of major Eligible Projects
- Aggregate amount of proceeds of SFTs earmarked to Eligible Projects
- The remaining balance of unallocated proceeds yet to be earmarked

Impact Reporting: Where possible and applicable, the Group will report on the environmental impacts/benefits (where relevant) resulting from Eligible Projects, having collected relevant data or conducted risk analysis to validate the effectiveness of implemented projects, assessed its responsible investment standing to identify improvement opportunities, and reviewed current projects to pinpoint areas

for enhancement. Subject to the nature of the Eligible Projects and the availability and readiness of information, the Company will consider the following impact indicators:

Categories	Examples of Impact Indicators
Green Buildings	<ul style="list-style-type: none"> • The type of scheme, certification level and total floor area of certified green building in m² • Building energy saving rates • Utilization rate of non-traditional water sources • Utilization rate of reusable and recyclable materials • Annual GHG emissions reduced/avoided in tons of CO₂ equiv. vs local baseline certification level
Climate change adaptation	<ul style="list-style-type: none"> • Annual runoff volume control rate (%) • The amount of storm-water collected in m³
Energy Efficiency	<ul style="list-style-type: none"> • Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings) • Annual GHG emissions reduced/avoided in tonnes of CO₂ equivalent • Utilization rate of renewable energy in % of total electricity consumption
Pollution Prevention and Treatment	<ul style="list-style-type: none"> • Waste that is prevented or minimized before and after the project in % of total waste and/or in absolute amount in tonnes p.a. • GHG emissions from waste management before and after the project in tonnes of CO₂ equiv. p.a.
Renewable Energy	<ul style="list-style-type: none"> • Capacity of renewable energy plant(s) constructed or rehabilitated in MW • Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy)
Clean Transportation	<ul style="list-style-type: none"> • Number of electric vehicles charging stations installed
Socioeconomic Advancement and Empowerment	<ul style="list-style-type: none"> • Description of age-friendly residential properties • Number of elderly homes units / health facilities provided • Number of occupants served • Number and type of health care facilities applied • Description and schematic design of solutions or technologies supported • Description and roadmap of the project (including information on objectives and target population) • Projected social impact (verified by a third-party whenever possible) • Number of beneficiaries in the targeted population • Number of Barrier-Free Access (BFA) facilities provided

5. External Review

The Group has engaged Sustainable Fitch to provide external review to assess this Framework's alignment with relevant ICMA and LMA principles and guidelines.