



# CHINA MINSHENG BANKING CORP., LTD. HONG KONG BRANCH

## Green Bond Allocation and Impact Report

2025

## CONTENTS

1. INTRODUCTION .....	2
2. THE GREEN FINANCE FRAMEWORK (“GFF”) .....	3
3. CMBCHK’S GREEN BONDS .....	8
4. ALLOCATION OF PROCEEDS .....	9
5. THE GREEN FINANCE WORKING GROUP .....	10
6. SUMMARY OF ASSET IMPACTS .....	10

## 1. INTRODUCTION

**China Minsheng Banking Corp., Ltd.** (“**China Minsheng Bank**” or the “**Bank**”), formally established in Beijing in 1996, is China’s first national joint-stock commercial bank that was initiated and established mainly by non-state-owned enterprises (NSOEs). It is a modern financial institution established strictly in accordance with the Company Law and the Commercial Bank Law of the People’s Republic of China.

Since its establishment, along with the rapid development of China’s economy, China Minsheng Bank has been adhering to the mission of “Serving the public, caring about people’s livelihood”, forged ahead with the spirit of pioneering and innovation, and developed into a banking group with commercial bank, financial leasing, fund management, overseas investment bank and other financial licenses.

China Minsheng Bank is listed on the Shanghai Stock Exchange (A shares stock code: 600016) since 2000 and Hong Kong Stock Exchange (H shares stock code: 01988) since 2009. Since its listing, China Minsheng Bank has continuously improved its corporate governance, returned to the service origin and strengthened basic services, expanded basic customer groups, focused on key areas, and optimised its business structure while innovating business models and products and services. It has maintained a steady and positive development momentum.

**China Minsheng Banking Corp., Ltd. Hong Kong Branch** (“**China Minsheng Bank, Hong Kong Branch**”, or “**Hong Kong Branch**” or “**CMBCHK**”) was set up in Hong Kong in March 2012. The Hong Kong Branch is positioned to be the offshore investment and financing platform for the Group<sup>1</sup>, with a strategic goal to become the Group’s offshore platform to provide comprehensive global financial market services to the Group’s overseas customers. The Hong Kong Branch has three key business segments, including corporate banking, financial markets, and wealth management and private banking.

---

<sup>1</sup> Group refers to the Bank and its subsidiaries

## 2. THE GREEN FINANCE FRAMEWORK (“GFF”)

China Minsheng Bank, Hong Kong Branch published its Green Finance Framework (the “Framework”) in March 2024 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 (“GBPs”) 2021 (with June 2022 Appendix 1)<sup>2</sup> and *Green Bond Endorsed Projects Catalogue (2021 Edition)* issued jointly by the People’s Bank of China (“PBoC”), the National Development and Reform Commission (“NDRC”) and the China Securities Regulatory Commission (“CSRC”), as well as the *Common Ground Taxonomy - Climate Change Mitigation (Updated)*, published by the International Platform on Sustainable Finance in June 2022 (“Common Ground Taxonomy” or “CGT”); With respect to loans, loans issued under GFF will be in alignment with the Loan Market Association (“LMA”) Green Loan Principles (“GLP”) 2021<sup>3</sup> (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 CMBCHK’s GFF is presented through the four core components of the Principles.

**Use of Proceeds:** China Minsheng Bank, Hong Kong Branch 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.

- Projects which meet the eligibility criteria of the following Eligible Green Project categories (“Eligible Green Projects”), as defined as below.

---

<sup>2</sup> In alignment with ICMA Green Bond Principles, June 2021 (with June 2022 Appendix), <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

<sup>3</sup> In alignment with LMA Green Loan Principles, February 2021, <https://www.lsta.org/content/green-loan-principles/#>

- General corporate purpose loans to “Pure Play Companies”, which are defined as companies that derive over 90% of their revenues from the green eligibility criteria defined below.

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

CMBCHK’s Green Finance Working Group (the “GFWG”) will be responsible for governing and implementing the initiatives set out in the Framework.

**Management of Proceeds:** CMBCHK 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 CMBCHK’s standard liquidity policy in cash or cash equivalents.

**Reporting:** Until full allocation of the Green Financing Instrument, the CMBCHK 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 projects financed, subject to confidentiality etc.

## Eligible Green Categories

GBP Category	Eligibility Criteria
<b>Renewable Energy</b> 	<p>Projects related to the generation, dedicated transmission and storage of energy from the following renewable sources (including maintenance and upgrade of such infrastructure and manufacture of dedicated components for renewable energy):</p> <ul style="list-style-type: none"> <li>• Solar (PV and Concentrated Solar Power with a minimum 85% of power generation derived from solar sources)</li> <li>• Wind energy (onshore and offshore)</li> <li>• Hydropower, including run-of-river and pumped storage equipment, with either a power density above 10W/m<sup>2</sup> or GHG emissions below 50gCO<sub>2</sub>e/kWh</li> </ul>
<b>Energy Efficiency</b> 	<p>Projects related to improved efficiency in the delivery of bulk energy services, including smart grids, energy storage systems that manage the intermittency of renewables and district heating/cooling systems that result in 30% energy savings</p> <p>Projects related to development and implementation of products or technologies that reduce the energy consumption by 30% or more of underlying assets, projects, appliances, products or systems i.e. improved lighting, improved chillers, or reduced power usage in manufacturing operations</p> <p>Projects related to development and manufacture of energy efficiency technologies including LED lights and smart grid meters</p> <p><i>For the avoidance of doubt, improvement activities that result in the lock in of fossil fuel technologies will be excluded</i></p>
<b>Green Buildings</b> 	<p>Projects related to acquisition, development, construction and refurbishment of new or existing commercial or residential buildings 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:</p>

GBP Category	Eligibility Criteria
<b>Sustainable Water and Wastewater Management</b>	<ul style="list-style-type: none"> <li>Chinese Green Building Evaluation Standard – minimum certification level of 2 stars; or</li> <li>U.S. Leadership in Energy and Environmental Design (LEED) – minimum certification of Gold; or</li> <li>BEAM Plus – minimum certification level of Gold; or</li> <li>BREEAM – minimum certification level of Excellent; or</li> <li>BCA Green Mark – minimum certification level of Gold<sup>PLUS 4</sup></li> </ul> <p>Projects related to construction, operation, maintenance or upgrades, of water collection, treatment, transportation, recycling technologies and related infrastructure, including:</p> <ul style="list-style-type: none"> <li>Water/rainwater collection pipes and facilities</li> <li>Water and wastewater treatment plants (WWTP) including sewage and sludge treatment facilities and reuse of treated wastewater as cooling water or irrigation water</li> <li>Sewer systems and pumping stations</li> <li>Urban drainage systems and other forms of flood mitigation</li> <li>Recirculating cooling and irrigation water systems</li> </ul>
<b>Pollution Prevention and Control</b>	<p>Projects related to design, construction, operation and maintenance of facilities, systems or equipment for waste management and recycling, with the aim of reuse and recovery of secondary raw materials and to minimize the amount of waste going to landfills. This includes:</p> <ul style="list-style-type: none"> <li>Waste collection, storage and transfer (including waste management vehicles)</li> <li>Waste sorting, separation and material recovery</li> <li>Recycling and reuse</li> </ul>



<sup>4</sup> For building stock already in operation and specifically aiming for re-certification (Green Mark In-Operation), Green Mark Gold will be the minimum requirement.

## GBP Category

## Eligibility Criteria

- Waste-to-energy projects where there is bottom ash recovery

## Clean Transportation



Projects related to acquisition, operation and maintenance of fully electrified new energy vehicles for passenger, public rail and freight transportation

Investments and expenditure into construction, maintenance and renovation of dedicated charging infrastructure for electric vehicles

Projects related to investment, construction, development and operation of fully electrified rail transit facilities, as well as expansions, maintenance and upgrades of these infrastructures that result in improved service levels or extended asset lifespan with preserved carrying capacity. This includes:

- Manufacture, purchase and maintenance of electrified rolling stock (including locomotives, wagons, coaches and all other attachments propelled through such electrified rolling stock, as well as associated equipment) meeting the below criteria
- Construction of the related rail transport infrastructure (networks and lines), including lines, tracks and tunnels

Construction of infrastructure that directly supports low carbon transportation (as defined above), such as ground preparation, stations, signalling equipment, network interfaces including passenger access, ancillary passenger services, facilities required for the safe, clean and efficient operation of the network, utilities and other enabling infrastructure

*For avoidance of doubt, infrastructure related to transportation of fossil fuel will be excluded*

For clarification purposes, asset dedicated for the following activities shall be excluded from financing by any Green Bond: In any case, eligible assets/projects exclude the types of activities listed in the International Finance Corporation Exclusion List (2007)<sup>5</sup>:

<sup>5</sup> [https://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/sustainability-at-ifc/company-resources/ifcexclusionlist](https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/company-resources/ifcexclusionlist)

- 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, generation or trade in fossil fuel
- Production or activities involving harmful or exploitative forms of forced labor/harmful child labor

### 3. CMBCHK'S GREEN BONDS

<b>Issuer</b>	China Minsheng Banking Corp., Ltd. Hong Kong Branch
<b>Issuer Rating<sup>6</sup></b>	Moody's: Baa3 / Fitch: BBB- / S&P: BBB-
<b>Issue Date</b>	05 March 2024
<b>Issue Rating</b>	S&P: BBB-
<b>Type</b>	Regulation S
<b>Listing</b>	HKEx
<b>Tenor</b>	2 years
<b>ISIN</b>	HK0000998317
<b>Issue Size</b>	CNH 3,000 mn

---

<sup>6</sup> These ratings are only correct as at the date of this issuance.

**Maturity Date** 12 March 2026

**Coupon** 3.0800%

#### 4. ALLOCATION OF PROCEEDS<sup>7</sup>

ISIN	Issued Amount	Issued Amount (HKD million)
HK0000998317	CNH 3,000 million	3,255.75
<b>Total</b>		<b>3,255.75</b>

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

Project Category	Allocated Amount <sup>8</sup> (HKD million)	% of Allocated Funds
Renewable Energy	663.90	20.39%
Energy Efficiency	762.09	23.41%
Green Buildings	1,178.61	36.20%
Sustainable Water and Wastewater Management	296.78	9.12%
Pollution Prevention and Control	354.37	10.88%
<b>Total</b>	<b>3,255.75</b>	<b>100%</b>

	Total Amount (HKD million)	% of Proceeds
Amount Outstanding	3,255.75	
Allocated Proceeds	3,255.75	100%

<sup>7</sup> As of 05 March 2024.

<sup>8</sup> There is 20% of total green bond issued amount allocated to the pure-play projects.

## 5. THE GREEN FINANCE WORKING GROUP

China Minsheng Bank, Hong Kong Branch'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 certain Bank management personnel, including but not limited to representatives from the following departments for the selection and evaluation of the Eligible Green Projects: General Administration Department, Asset & Liability and Financial Management Department, Risk Management Department, Corporate Business Management Department, Financial Markets Department, Legal and Compliance Department.

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 all Eligible Green Projects have been assessed in line with China Minsheng Bank, Hong Kong Branch's ESG risk management system and internal green finance recognition standards
- Undertake regular monitoring of the asset pool to ensure the eligibility of Green Projects with the criteria set out above in section 2.1, Use of Proceeds, whilst replacing any ineligible Green Projects with new Eligible 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 Bank's existing loan approval processes

## 6. SUMMARY OF ASSET IMPACTS

Eligible Green Asset Categories	Project Locations	Description and Expected Impact
Renewable Energy	China and UK	• This includes financing onshore wind power plants

		with a total annual renewable energy generation of 1,962.90GWh.
<b>Energy Efficiency</b>	China	<ul style="list-style-type: none"> <li>This includes projects financing in China which achieved the energy savings rate of 51%</li> </ul>
<b>Green Buildings</b>	China and HKSAR	<ul style="list-style-type: none"> <li>This includes buildings in China and HKSAR which buildings in China received China Green Building 3-star Certification and building in HKSAR received BEAM PLUS Platinum Certification respectively.</li> </ul>
<b>Sustainable Water and Wastewater Management</b>	China	<ul style="list-style-type: none"> <li>The attributable wastewater treated from the pure-play company is 20.16 million m<sup>3</sup></li> </ul>
<b>Pollution Prevention and Control</b>	China, Germany and Poland	<ul style="list-style-type: none"> <li>The attributable waste treated from the pure-play company is 121,738.85 tonnes</li> </ul>

**Note:** Unless otherwise stated, the impact figures calculated are reflective of the total impact of projects and should not be interpreted as the portion of impact that is attributable to our green bond issuances.

The environmental impact of the pureplay company that is attributable to China Minsheng Bank, Hong Kong Branch's green financing instruments is estimated as follow:

$$\text{Attributable Environmental Impact} = \text{Environmental Impact of Pureple} \times \frac{\text{Allocated Green Financing Instrument Proceeds}}{\text{Client Enterprise Value Including Cash (EVIC)}}$$

Client's EVIC is calculated based on the most recent publicly available financial statements.

