



Second Party Opinion

SECOND PARTY OPINION

AGILE GROUP HOLDINGS LIMITED SUSTAINABILITY BOND 2021

Prepared by: DNV Business Assurance Australia Pty. Ltd.

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Disclaimer

Our assessment relies on the premise that the data and information provided by Agile Group Holdings Limited to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct¹ during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

¹ DNV Code of Conduct is available from DNV website (www.dnvgl.com)

DNV'S INDEPENDENT ASSESSMENT

SCOPE AND OBJECTIVES

Agile Group Holdings Limited ("AGILE") are principally engaged in large-scale integrated property development, as well as a diversified range of businesses including property management, environmental protection, construction, real estate construction management, urban renewal and commercial. AGILE has been listed on the Main Board of the Hong Kong Stock Exchange since 2005.

AGILE has business model of "focusing on property development, supported by a synergy of diversified businesses" to drive the steady development of its various business segments..

AGILE has prepared a Sustainable Finance Framework dated June 2021 ("SFF") to issue or enter into Use of Proceeds Instruments under the International Capital Markets Association ("ICMA") Social Bond Principles 2020 ("SBP"), the ICMA Green Bond Principles 2021 ("GBP"), the ICMA Sustainability Bond Guidelines ("SBG") 2018 or, LMA Green Loan Principles 2021 ("GLP") or the LMA Social Loan Principles 2021 ("SLP"). Agile is preparing to issue an initial Sustainability Bond (the "BOND") under the Framework.

DNV Business Assurance Australia Pty. Ltd. ("DNV") has been commissioned by AGILE to review the SFF and BOND and provide a Second Party Opinion on the alignment of the SFF and BOND with the GBP, SBP and SBG. DNV has provided a separate SPO for the Agile Framework and will opine on the Alignment of the BOND to the relevant principles in this SPO. Our methodology to achieve this is described under 'Work Undertaken' below. We were not commissioned to provide independent assurance or other audit activities.

No assurance is provided regarding the financial performance of instruments entered into or issued via the SFF, the value of any investments, or the long term environmental & social benefits of the transaction. Our objective has been to provide an assessment that the BOND has met the criteria established on the basis set out below.

RESPONSIBILITIES OF THE MANAGEMENT OF AGILE AND DNV

The management of AGILE has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform AGILE management and other interested stakeholders in the BOND as to whether the BOND is aligned with the GBP, SBP and SBG. In our work we have relied on the information and the facts presented to us by AGILE. DNV is not responsible for any aspect of the Framework referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by AGILE's management and used as a basis for this assessment were not correct or complete.

BASIS OF DNV'S OPINION

We have adapted our assessment methodology to create the AGILE Green/Social/Sustainability Bond/Loan Assessment Protocol ("Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the BOND has been reviewed are grouped under the four GBP, SBP and SBG components as below:

1. Principle One: Use of Proceeds.

The Use of Proceeds criteria are guided by the requirement that an issuer of a sustainable bond or loan must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental and/or social benefits.

2. Principle Two: Process for Project Evaluation and Selection.

The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a sustainable bond or loan should outline the process it follows when determining eligibility of an investment using proceeds from the issuance of a sustainable bond or loan, and outline any impact objectives it will consider.

3. Principle Three: Management of Proceeds.

The Management of Proceeds criteria are guided by the requirements that the proceeds from the issuance of each sustainable bond or loan should be tracked within the issuing organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.

4. Principle Four: Reporting.

The Reporting criteria are guided by the recommendation that at least Sustainability Reporting to the investors in the sustainable bond or loan should be made of the use of proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

WORK UNDERTAKEN

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by AGILE in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of a AGILE-specific Protocol, adapted to the purpose of the BOND, as described above and in Schedule 2 to this Assessment;
- Assessment of documentary evidence provided by AGILE on the BOND and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Review of AGILE's published materials and websites;
- Discussions with AGILE management, and review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria.

Our opinion as detailed below is a summary of these findings.

FINDINGS AND DNV'S OPINION

DNV's findings for the Sustainable Finance Framework are listed below:

- 1. Principle One: Use of Proceeds.** AGILE intends to use the proceeds of green, social or sustainability instruments under the Framework to finance and refinance projects and assets including: Green Buildings, Sustainable Water and Wastewater Management, Affordable Housing and Affordable Basic Infrastructure. DNV concludes that AGILE's nominated projects and assets are aligned with one or more of eligible Green or Social project categories specified in the GBP, SBP, GLP and SLP.
- 2. Principle Two: Process for Project Evaluation and Selection.** The raised proceeds will be allocated to finance and refinance the assets as set out under Use of Proceeds. DNV has reviewed evidence that demonstrates that AGILE regularly assesses opportunities for improvement and devises action plans and initiatives to mitigate negative environmental and social impacts from its operations and has Exclusion Criteria to avoid Environmentally and Socially harmful activities.
- 3. Principle Three: Management of Proceeds** DNV has reviewed evidence showing how AGILE plans to track the receipt and use of proceeds from the sustainable bonds or loans, from the time of issuance to the time of disbursement. The full amount of the proceeds will be allocated to the eligible Green and Social Projects and tracked using AGILE's internal financial reporting system and recorded on the Sustainable Finance Register. As stated above, DNV provides no assurance regarding the financial performance of the sustainable bonds or loans, the value of any investments in the sustainable bonds or loans , or the effects of the issuance of the sustainable bonds or loans.
- 4. Principle Four: Reporting.** AGILE has confirmed that it will report in its Environmental, Social and Governance (ESG) Report, Annual Report and/or website the following:
 - List of Eligible Green and/or Social projects
 - The amount of Proceeds allocated to each Eligible Green and/or Social Project category
 - When possible, descriptions of the Eligible Green and/or Social Projects financed, such as project locations, amount allocated, etc.
 - Selected examples of projects financed
 - Percentage of financing vs. refinancing
 - Amount of unallocated Proceeds

On the basis of the information provided by AGILE and the work undertaken, it is DNV's opinion that the AGILE Sustainable Finance Framework meets the criteria established in the Protocol and are aligned with the stated definition of green/social/sustainability instruments under the GBP, SBP and SBG.

for DNV Business Assurance Australia Pty. Ltd.

Sydney, Australia / 23 June 2021



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SCHEDULE 1: USE OF PROCEEDS SUMMARY

As provided by Agile for period up to 31 December 2020

Project Category	Scale	Number of Projects
Green Buildings	1,960,658 m ²	15
Urban Renewal Projects	2018-2020	18
Affordable Housing	To 2024	20
Water and Wastewater Treatment	589,950 m ³	18
Total		51

SCHEDULE 2: GBP, SBP AND SBG SUSTAINABILITY FINANCE FRAMEWORK ELIGIBILITY ASSESSMENT PROTOCOL**1. Use of proceeds**

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Type of bond	The bond or loan must fall in one of the following categories, as defined by the SBP, GBP, SLP or GLP.	Review of: <ul style="list-style-type: none"> AGILE Sustainable Finance Framework Correspondence with AGILE representatives	The reviewed evidence confirms that the SFF would fall in the categories set out in the SBP, GBP, SBG.
1b	Project Categories	The cornerstone of a Green/Social/Sustainability Bond/Loan is the utilization of the proceeds of the bond or loan which should be appropriately described in the legal documentation for the bond or loan.	Review of: <ul style="list-style-type: none"> AGILE Sustainable Finance Framework Correspondence with AGILE representatives	As identified by the Framework, the purpose of the BOND is to use the proceeds for the financing or refinancing for Green Projects including Green Buildings, Sustainable Water and Wastewater Management. DNV's assessment concluded that these are aligned with the categories set out under the GBP. The Issuer also intends to use the proceeds to refinance Social Projects including Affordable Basic Infrastructure. DNV's assessment concluded that these project categories would qualify for inclusion under the Principles within the Affordable Basic Infrastructure as the Urban Renewal Projects provide additional utility and basic services and access to cultural resources for the target populations at each project location.
1c	Environmental and Social benefits	All designated Green and Social Project categories should provide clear environmentally sustainable and/or social benefits, which, where	Review of: <ul style="list-style-type: none"> AGILE Sustainability Finance Framework AGILE Asset Specifications 	DNV's assessment concluded that these project types would present significant Environmental and Social benefits and qualify for inclusion GBP and SBP.

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Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		feasible, will be quantified or assessed by the Issuer.	Correspondence with AGILE representatives	<p>The Green Projects were evaluated as follows:</p> <p>The Green Buildings were confirmed to be Certified to 2 Star Green Star level of Certification at 2020. This is considered to be a level of performance that provides environmental benefits associated with energy efficiency and reduced building emissions resulting from occupation and operation. The locations of the 15 projects were noted to include the cities of:</p> <ul style="list-style-type: none"> - Zhuhai - Tianjin - Jiangdu - Nantong - Chengdu - Wuxi - Xuzhou - Xi'an - Beijing <p>It is DNV's conclusion that the investment in Green Buildings at a 2 Star rating in these locations would provide tangible environmental benefits and are eligible for inclusion under the GBP.</p> <p>The Water and Wastewater Investment Projects were reviewed by DNV and confirmed to include both:</p> <p>Domestic Water Supply including:</p> <ul style="list-style-type: none"> - Water Treatment - Reticulation assets <p>Domestic and Industrial Wastewater Treatment including:</p> <ul style="list-style-type: none"> - Wastewater treatments plants - Wastewater system infrastructure

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Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>DNV Confirmed that these assets present environmental benefits associated with climate change adaptation and resilience and improved availability of water resources for both consumption and environmental end uses. DNV concludes that the selected projects are eligible under the GBP.</p> <p>The selected Social Projects all fall under the Issuer category of Urban Renewal. DNV considers the projects which include:</p> <ul style="list-style-type: none"> - Historical Village and City area restorations - Historical Shantytown Restoration - Acquisitions and Land Reservation to support urban renewal - Provision of Affordable housing to the local populations <p>To provide Affordable Basic Infrastructure in the form of cultural resources, access to basic social and historic infrastructure and Affordable Housing for the target populations of:</p> <ul style="list-style-type: none"> - Guangzhou - Zhengzhou - Taiyuan - Shijiazhuang - Xi'an - Qingyuan - Zhongshan <p>DNV concludes that these Urban Renewal Projects are eligible under the SBP category of Affordable Basic Infrastructure and Affordable Housing.</p>
1d	Refinancing share	In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify	<p>Review of:</p> <ul style="list-style-type: none"> • Sustainability Finance Framework <p>Correspondence with AGILE representatives</p>	The pool of funding is to be earmarked to existing investments.

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Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		which investments or project portfolios may be refinanced.		

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	<p>The Issuer of a Sustainability Bond should outline the decision-making process it follows to determine the eligibility of projects using Sustainable Bond proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> • A process to determine how the projects fit within the eligible Green and Social Projects categories identified in the Green and Social Bond Principles; • The criteria making the projects eligible for using the Sustainable Bond proceeds; and • The environmental and social sustainability objectives 	<p>Review of:</p> <ul style="list-style-type: none"> • AGILE Sustainability Finance Framework 	<p>As per the AGILE Sustainability Finance Framework, AGILE has set out the following for project selection:</p> <p>Agile's Sustainable Finance Working Group ("SFWG") is responsible for the management of this Framework and the compliance of all financing instruments issued under the Framework. The SFWG consists of senior representatives from the following departments including:</p> <ul style="list-style-type: none"> • Internal audit and risk management • Finance • Human resources • Project management • Legal & compliance • Capital markets department <p>The SFWG will:</p> <ul style="list-style-type: none"> • Meet at least every 12 months • Ratify Eligible Green and/or Social Projects, which are initially proposed by the constituent team members • Undertake regular monitoring of the asset pool to ensure the eligibility of Green and/or Social Projects with the criteria set out above in section 2.1, Use of Proceeds, whilst replacing any ineligible Green and/or Social Projects with eligible new Green and/or Social Projects

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Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<ul style="list-style-type: none"> Facilitate regular reporting on any Green, Social or Sustainability issuance in alignment with our Reporting commitments Manage any future updates to this Framework Ensure that the approval of Eligible Green and/or Social Projects will follow the Company's existing credit/loan/investment approval processes. <p>DNV has reviewed the structure and function of the Project Selection criteria and confirmed it is in line with the criteria set out in the SBP and GBP.</p>
2b	Issuer's environmental and social and governance framework	In addition to information disclosed by an issuer on its Sustainability Bond process, criteria and assurances, Sustainability Bond investors may also take into consideration the quality of the issuer's overall framework and performance regarding environmental and social sustainability.	Review of: <ul style="list-style-type: none"> AGILE E&S Framework AGILE Sustainability Finance Framework Correspondence with AGILE representatives	<p>From the materials and information provided DNV confirmed that AGILE has in place policies related to ESG and stakeholder care in line with the key impacts of their business. Information provided by Agile indicates that they have in place systems and procedures to mitigate environmental and social risks associated with their operations.</p> <p>We have also carried out a high-level media review of AGILE. We have found no evidence to suggest that AGILE or any of its assets are or have been operating in breach of national or local environmental regulations or good practice.</p> <p>Based on the evidence reviewed and the discussion we had with senior managers, we found nothing to suggest that AGILE's E&S Framework is not in line with good practice of the industry for the nominated projects and assets within the proposed issuance of green, social or sustainability instruments.</p>

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3. Management of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	The net proceeds of Sustainability Bonds should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the Issuer in an appropriate manner and attested to by a formal internal process that will be linked to the Issuer's operations for Green and Social Projects.	<p>Review of:</p> <ul style="list-style-type: none"> BOND Proceeds and reporting framework <p>Correspondence with AGILE representatives</p>	<p>The evidence reviewed shows how AGILE plans to manage the issuance proceeds, from the time of issuance to the time of disbursement.</p> <p>The details of the disbursement and the outstanding value will be tracked in AGILE's internal accounting and financial reporting system. On an annual basis, the outstanding balance of the instruments will be reviewed.</p> <p>AGILE will establish a Sustainable Finance Register to assist in tracking projects and proceeds.</p> <p>The Sustainable Finance Register will contain the following information:</p> <ol style="list-style-type: none"> I. Sustainable Financing Instrument (Bond/Loan etc.) details: pricing date, maturity date, principal amount of proceeds, coupon, ISIN number, etc. II. Allocation of Proceeds: <ol style="list-style-type: none"> a. The Eligible Projects List, including for each Eligible Project, the Eligible Green and/or Social Project category, project description, project location, Group's ownership percentage, total project cost, amount allocated, settled currency, etc. b. Amount of unallocated Proceeds <p>Any proceeds temporarily unallocated will be invested according to the Group's standard liquidity policy for short</p>

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Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>term time deposits or investments, subject to the Exclusion Criteria for up to 24 months.</p> <p>DNV concludes that the process set out in the AGILE's Sustainability Finance Framework is aligned with the Management of Proceeds as set out in the GBP, SBP, GLP and SLP.</p>
3b	Tracking procedure	So long as the Sustainability Bonds are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green or social investments made during that period.	<p>Review of:</p> <ul style="list-style-type: none"> AGILE Sustainable Finance Framework <p>Correspondence with AGILE representatives</p>	The evidence reviewed shows that AGILE plans to manage the proceeds from the issued instruments, from the time of issuance to the time of disbursement and reduce the net balance of proceeds by amounts in line with the assets financing and refinancing requirements. On an annual basis, the outstanding balance of the Sustainability Bonds issued will be reviewed. Tracking is to be recorded in the Sustainable Finance Register.
3c	Temporary holdings	Pending such investments or disbursements to eligible Green and Social Projects, the Issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	<p>Review of:</p> <ul style="list-style-type: none"> AGILE Sustainable Finance Framework <p>Correspondence with AGILE representatives</p>	The net proceeds of the Sustainability Bonds will be held in temporary investment instruments such as cash, or cash equivalent instruments in accordance with AGILE Group's standard liquidity policy for short term time deposits or investments, subject to the Exclusion Criteria. AGILE will aim to be fully allocated to Green and Social Projects within 24 months of Issue date.

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4. Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, Issuers should provide at least annually a list of projects to which Sustainability Bond proceeds have been allocated including - when possible with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact.	Review of: <ul style="list-style-type: none"> AGILE Sustainable Finance Framework Correspondence with AGILE representatives	AGILE has confirmed that it will report in its Sustainability Report the following: <ul style="list-style-type: none"> List of Eligible Green and/or Social projects The amount of Proceeds allocated to each Eligible Green and/or Social Project category When possible, descriptions of the Eligible Green and/or Social Projects financed, such as project locations, amount allocated, etc. Selected examples of projects financed Percentage of financing vs. refinancing Amount of unallocated Proceeds AGILE also proposes to report against a range of potential impact metrics as set out in section 2.4.2 of the Framework. DNV has reviewed these metrics and considers them to represent a comprehensive and appropriate range of indicators for Environmental and Social performance. DNV considers the proposed allocation and impact reporting proposed and the means of communication to be aligned with the criteria set out in the GBP, SBP, SBG, SLP and GLP.

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About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

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