

HONG KONG GREEN DESIGNATION LIMITED

HKEX GREEN EQUITY DESIGNATION

FRAMEWORK

October 2026

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SECTION 1: PURPOSE AND NATURE OF THE DESIGNATION

- 1.1 The HKEX Green Equity Designation (the "Green Designation") is a voluntary designation framework ("Framework") established by Hong Kong Green Designation Limited as a trusted way to identify companies making a meaningful contribution to the transition to a low-carbon future. The Green Designation enhances transparency, strengthens investor confidence, and facilitates the mobilisation of capital towards the green economy.
- 1.2 The Green Designation is intended to complement HKEX's existing sustainable finance infrastructure, including the ESG disclosure requirements.
- 1.3 The objectives of the Green Designation are to:
 - a) enhance the visibility and transparency of Green Designated Companies whose activities and investments are substantially aligned with green and environmental sustainability objectives;
 - b) support the development of Hong Kong as an international centre for sustainable finance;
 - c) facilitate investor identification of companies engaged in environmentally sustainable economic activities; and
 - d) promote the adoption and integration of the Hong Kong Taxonomy for Sustainable Finance into capital markets practices.
- 1.4 The Green Designation is developed with reference to the World Federation of Exchanges ("WFE") Green Equity Principles.

SECTION 2: SCOPE

2.1 The following categories of companies may apply for the Green Designation:

- a) Companies: any company which is incorporated or otherwise validly established under the laws of its place of incorporation or establishment, other than:
 - i. real estate investment trusts, collective investment schemes, investment funds and business trusts, and any other entity whose principal activity is the holding or management of investments for or on behalf of its investors rather than the conduct of its own operating business; and
 - ii. such other categories of companies as HKGDL may designate from time to time.

SECTION 3: DEFINITIONS

- 3.1 In this Framework, unless the context otherwise requires, the following terms shall have the meanings set out below; capitalised terms used but not defined in this Framework have the meanings given to them in the Hong Kong Green Designation Limited Green Equity Designation Terms and Conditions (“Terms and Conditions”):

“EU Taxonomy” means the latest EU Taxonomy for Sustainable Activities, as amended, supplemented, or updated from time to time.

“Fossil-fuel Activities” means the exploration, extraction, production, refining, processing, storage, transport, distribution, trading or combustion of coal, crude oil, natural gas (including liquefied natural gas (LNG)) and other hydrocarbon fuels, together with fossil-fuel-fired power generation and the manufacture of equipment dedicated to such activities.

“Fossil-fuel Investment” means capital expenditure (“CAPEX”) and operating expenditure (“OPEX”) allocated to Fossil-fuel Activities, measured on the applicant's consolidated financial reporting boundary in accordance with IFRS or HKFRS, including the applicant's proportionate share of investments attributable to joint ventures and associates on a look-through basis. De minimis exposures may be excluded in accordance with such rules or guidance as prescribed by this Framework. For the purposes of this Framework, “Fossil-fuel Investment” is defined by the formulae in Appendix I, and does not bear the ordinary meaning of “investment”.

“Fossil-fuel Revenue” means revenue derived directly from Fossil-fuel Activities, measured on the applicant's consolidated financial reporting boundary in accordance with IFRS or HKFRS, including the applicant's proportionate share of revenues attributable to joint ventures and associates on a look-through basis. De minimis exposures may be excluded in accordance with such rules or guidance as prescribed by this Framework.

“Green Activities” means economic activities that are Taxonomy-Aligned under the Hong Kong Taxonomy, PRC Taxonomy, EU Taxonomy or a Recognised International Taxonomy, as assessed by the Recognised Reviewer in accordance with the taxonomy waterfall prescribed in Section 4 of this Framework.

“Green Investment” means the aggregate of capital expenditure (“CAPEX”) and operating expenditure (“OPEX”) allocated to Green Activities, measured on the applicant's consolidated financial reporting boundary in accordance with IFRS or HKFRS, including the applicant's proportionate share of investments attributable to joint ventures and associates on a look-through basis. For the purposes of this Framework, “Green Investment” is defined by

the formulae in Appendix I, and does not bear the ordinary meaning of "investment".

"Green Revenue" means revenue derived from Green Activities, measured on the applicant's consolidated financial reporting boundary in accordance with IFRS or HKFRS, including the applicant's proportionate share of revenue attributable to joint ventures and associates on a look-through basis.

"HKGDL" means Hong Kong Green Designation Limited.

"Hong Kong Taxonomy" means the latest Hong Kong Taxonomy for Sustainable Finance published by the Hong Kong Monetary Authority ("HKMA"), as amended, supplemented, or updated from time to time.

"PRC Taxonomy" means the latest Green Finance Endorsed Project Catalogue issued by the People's Bank of China, the National Financial Regulatory Administration and the China Securities Regulatory Commission, as amended, supplemented, or updated from time to time.

"Recognised International Taxonomy" means a sustainable finance taxonomy or classification framework of recognised international standing.

"SEHK" means The Stock Exchange of Hong Kong Limited.

"Taxonomy-Aligned" or "Taxonomy-Alignment" means, in respect of an economic activity, that the activity: (a) falls within the description of an activity listed under the applicable taxonomy; and (b) satisfies the technical screening or equivalent criteria prescribed for that activity under the applicable taxonomy. For this purpose, the applicable taxonomy is the taxonomy against which the activity is assessed under the taxonomy waterfall prescribed in Section 4.

SECTION 4: ELIGIBILITY REQUIREMENTS

- 4.1 To qualify for the Green Designation, an applicant must satisfy the operational requirements prescribed in Section 4.3 and the financial requirements prescribed in Section 4.5.
- 4.2 The Recognised Reviewer shall assess, and confirm in the Assessment Report, whether the applicant satisfies the requirements referred to in Section 4.1.

Core Eligibility Requirements: Operational (Compliance with Laws and Regulations, Social Safeguards and Governance)

- 4.3 The applicant must demonstrate compliance, in all material respects, with the following requirements:
 - a) Environmental – the applicant: (i) complies with the environmental laws, regulations and permit conditions applicable in the jurisdictions in which it conducts its business activities; (ii) is not subject to any outstanding material environmental enforcement action, penalty or unremedied breach; (iii) has disclosed any material environmental controversy relevant to the activities assessed; and (iv) has in place processes to consider, and has considered, the environmental sustainability of its operations. Relevant considerations may include, among others, greenhouse gas emissions trends, climate-related transition plans, decarbonisation targets and progress, and the use of environmental attribute certificates.
 - b) Social – the applicant: (i) complies with the applicable social, labour, employment, health and safety laws, and regulations of the jurisdictions in which it conducts its business activities; and (ii) is not subject to any material breach, enforcement action, sanction, order, prosecution or unresolved regulatory finding that may reasonably call into question such compliance.
 - c) Governance – the applicant’s board of directors, or an appropriate committee of the board, exercises oversight of and engagement with the applicant’s sustainability strategy and monitors its implementation.
- 4.4 Where the Recognised Reviewer is unable to confirm compliance with Section 4.3, the applicant shall be deemed ineligible for the Green Designation, and the application shall not proceed to further assessment.

Core Eligibility Requirements: Financials

- 4.5 The applicant must satisfy all of the following thresholds, as assessed on the basis of the applicant’s most recently available audited financial statements covering a period of not less than 12 months, together with such other

applicable information as provided to the Recognised Reviewer, having a reporting period end date falling within 18 months prior to the date of application:

- a) Green Revenue: at least 50% or more of the applicant's total revenue must be derived from Green Activities;
- b) Green Investment: at least 50% or more of the applicant's total investments (being the aggregate of CAPEX and OPEX) must be allocated to Green Activities;
- c) Fossil-fuel Revenue: revenue derived from Fossil-fuel Activities must constitute less than 5% of the applicant's total revenue;
- d) Fossil-fuel Investment: investments allocated to Fossil-fuel Activities must constitute less than 5% of the applicant's total investments; and
- e) HKGDL may exercise discretion over the applicability of any of the thresholds above in respect of any applicant, having regard to the objectives of this Framework.

4.6 The Green Revenue, Green Investment, Fossil-fuel Revenue and Fossil-fuel Investment percentages shall be calculated in accordance with the formulae as set out in Appendix I.

Taxonomy Basis and Activity Classification

4.7 The classification of an applicant's activities as Green Activities shall be determined in accordance with the following taxonomy waterfall as set out in Appendix II, which shall be applied strictly and in sequence:

- a) **Tier 1 — Hong Kong Taxonomy:** an activity shall first be assessed against the prevailing Hong Kong Taxonomy. Where the activity falls within the scope of the Hong Kong Taxonomy, the Recognised Reviewer shall confirm whether the activity is Taxonomy-Aligned.
- b) **Tier 2 — PRC Taxonomy or EU Taxonomy:** an activity shall next be assessed against the prevailing PRC Taxonomy or EU Taxonomy where it (i) falls outside the scope of the Hong Kong Taxonomy; or (ii) falls within the scope of the Hong Kong Taxonomy but is not Taxonomy-Aligned under Tier 1. Where the activity falls within the scope of the PRC Taxonomy or the EU Taxonomy, the Recognised Reviewer shall confirm whether it is Taxonomy-Aligned.
- c) **Tier 3 — Recognised International Taxonomy:** an activity shall finally be assessed against a Recognised International Taxonomy only where it falls outside the scope of both (i) the Hong Kong Taxonomy; and (ii) the PRC Taxonomy and the EU Taxonomy. Where the activity falls within the scope of at least one Recognised International Taxonomy,

the Recognised Reviewer shall confirm whether it is Taxonomy-Aligned under that taxonomy.

- d) For the avoidance of doubt, an activity that falls within the scope of the Hong Kong Taxonomy, the PRC Taxonomy or the EU Taxonomy but is not Taxonomy-Aligned under Tier 1 or Tier 2 shall not be assessed under Tier 3 and shall not qualify as a Green Activity.

- 4.8 For the avoidance of doubt, Taxonomy-Alignment under the EU Taxonomy shall be determined only by reference to the technical screening criteria for substantial contribution prescribed for the relevant activity. The Do No Significant Harm criteria and the Minimum Social Safeguards under the EU Taxonomy shall not apply for the purposes of this Framework, and the Recognised Reviewer shall not be required to assess them.
- 4.9 The Assessment Report shall identify, for each Green Activity, the taxonomy tier applied, the taxonomy against which the activity was assessed, and the basis upon which Taxonomy-Alignment was determined.
- 4.10 An applicant may apply different taxonomy tiers to different business activities, subject to Section 4.7. The Green Activities as classified across the applicable tiers shall be aggregated for the purpose of determining the applicant's compliance with the thresholds prescribed in Section 4.5.

Taxonomy Evolution

- 4.11 The Hong Kong Taxonomy, PRC Taxonomy, EU Taxonomy and Recognised International Taxonomies are subject to periodic review and amendment from time to time.
- 4.12 Where the Hong Kong Taxonomy, PRC Taxonomy, EU Taxonomy or a Recognised International Taxonomy is amended, supplemented or otherwise updated after the date of a Green Designated Company's most recent Green Designation or renewal, the Recognised Reviewer shall assess the classification of the Green Designated Company's activities against the updated taxonomy as part of the Green Designated Company's next annual renewal.
- 4.13 For the avoidance of doubt, a taxonomy amendment, supplement or update shall not, of itself, require a reassessment outside the Green Designated Company's annual renewal cycle or affect the validity of an existing Green Designation prior to completion of the Green Designated Company's next annual renewal.
- 4.14 HKGDL reserves the right to amend this Framework to reflect developments in the Hong Kong Taxonomy, PRC Taxonomy, EU Taxonomy or Recognised International Taxonomies.

SECTION 5: RECOGNISED REVIEWERS

Recognised Reviewer List

- 5.1 HKGDL shall establish and maintain a list of Recognised Reviewers (the “Recognised Reviewer List”). Applicants shall appoint a Recognised Reviewer from the Recognised Reviewer List to conduct an assessment under this Framework. The Recognised Reviewer List shall be published on the Resource Hub.
- 5.2 In determining whether to recognise, renew or continue to recognise a reviewer firm as a Recognised Reviewer, HKGDL may have regard to the following factors, together with any other matters it considers relevant. Satisfaction of any or all of the following factors does not oblige HKGDL to recognise, renew or continue to recognise any reviewer firm:
- a) demonstrated expertise and a credible track record in conducting sustainability-related reviews, or verification exercises, including accounting and financial-analysis capabilities, sustainability assessment, green taxonomy application and entity-level ESG evaluation;
 - b) an established methodology for green equity assessment that is aligned with the requirements of this Framework, which will be publicly accessible upon successful admission and acknowledged by HKGDL;
 - c) documented policies and procedures governing the information required for Green Designation assessments, including the collection, use, storage, protection and confidentiality of applicant information;
 - d) robust independence and conflict management procedures, including mechanisms to identify, eliminate, manage, and disclose conflicts of interest, and appropriate organisational separation and information barriers between personnel engaged in Green Designation assessments and personnel engaged in ESG ratings, rankings, scoring, benchmarking or other commercial evaluation activities;
 - e) adequate governance and quality control arrangements, including appropriate human and technology resources to conduct assessments of the nature and complexity required under this Framework;
 - f) a sound professional reputation and standing relevant to the reviewer's ability to conduct the relevant external review, and no matter of record that would, in HKGDL's determination, undermine confidence in its integrity or objectivity; and

- g) a prohibition on contingent or success-based fee arrangements linked to the outcome of any Green Designation application.

Recognised Reviewer Renewal Processes & Procedures

- 5.3 To maintain its status, a Recognised Reviewer will be subject to review by HKGDL every two years, in such form and manner as HKGDL prescribes, by demonstrating its continued suitability to be a Recognised Reviewer.
- 5.4 Where HKGDL approves the continuation of recognition, it shall notify the Recognised Reviewer in writing, and the recognition period shall be extended for a further two years.
- 5.5 The two-yearly review cycle of a Recognised Reviewer is independent of, and shall not reset, the validity period of any Green Designated Company assessed by that Recognised Reviewer.
- 5.6 Where a Recognised Reviewer fails to pass the review before the expiry of its recognition period, or where HKGDL declines to renew its status as a Recognised Reviewer, the Recognised Reviewer shall be removed from the Recognised Reviewer List.

Other Matters in relation to Recognised Reviewer

- 5.7 The Recognised Reviewer should maintain a complete and auditable record of the assessment, including all information, documents and supporting evidence relied upon in reaching its conclusions, and retain such records for a period of not less than seven years from the date of the Assessment Report.

SECTION 6: COMPANY APPLICATION PROCESS, REVIEW AND PUBLICATION

Application Workflow

- 6.1 The application process for the Green Designation shall comprise the following steps:
- a) the applicant selects a Recognised Reviewer from the Recognised Reviewer List and submits an application to HKGDL, and the Recognised Reviewer notifies HKGDL in writing of its engagement by the applicant;
 - b) the Recognised Reviewer conducts an assessment, in accordance with this Framework, of whether the applicant satisfies the applicable eligibility requirements prescribed in Section 4;
 - c) the Recognised Reviewer submits an Assessment Report directly to HKGDL and the applicant simultaneously through email, setting out its conclusion as to whether the applicant satisfies the eligibility requirements prescribed in Section 4;
 - d) HKGDL processes the application by conducting, including but not limited to, checks of the applicant's background and listing status and reviewing the Assessment Report against this Framework;
 - e) HKGDL notifies the applicant in writing of its decision;
 - f) where the applicant is not listed on SEHK at the time of approval, HKGDL may instead grant the applicant a provisional Green Designation; and
 - g) the Green Designation may be published on the Resource Hub upon official grant. For the avoidance of doubt, a provisional Green Designation shall not be published on the Resource Hub.

HKGDL Processing

- 6.2 HKGDL's review is limited to determining whether the assessment satisfies the procedural and substantive requirements of this Framework and that the application is complete and internally consistent.
- 6.3 HKGDL may request clarification or supplementary information from the applicant or the Recognised Reviewer at any stage of the process. Where such a request is made, the processing period referred to in Section 6.4 shall recommence from the date on which the complete supplementary information is received by HKGDL. Where the requested information is not provided within such period as HKGDL may specify, HKGDL may treat the application as withdrawn.

- 6.4 HKGDL shall endeavour to complete its review within 20 Business Days of receiving a submission. This timeframe is an indicative target only and shall not constitute a binding obligation on the part of HKGDL.

Information to Publish following Grant

- 6.5 Upon granting the official Green Designation, HKGDL may publish the following information on the Resource Hub:
- a) the Green Designated Company's name, stock code, expiry date, and sector classification;
 - b) the name of the Recognised Reviewer that conducted the assessment and a link to the reviewer's published methodology as provided by the Recognised Reviewer;
 - c) the Assessment Report; and
 - d) the status of the Green Designation.

SECTION 7: APPLICANT'S RENEWAL PROCESS

Applicant's Annual Renewal Processes & Procedures

- 7.1 Each Green Designation shall bear an expiry date, being the date falling one year after the date of the Assessment Report on which the designation or most recent renewal was granted.
- 7.2 To maintain the Green Designation, the Green Designated Company must complete an annual renewal, comprising a full reassessment by a Recognised Reviewer (which may be the same or a different Recognised Reviewer) confirming that the Green Designated Company continues to satisfy the eligibility requirements prescribed in Section 4. The renewal shall follow the same process as prescribed in Section 6.1. If the Green Designated Company does not complete the annual renewal before the expiry date, the Green Designation shall lapse automatically on the expiry date unless otherwise notified by HKGDL.
- 7.3 The Recognised Reviewer shall submit an updated Assessment Report to HKGDL and the Green Designated Company and HKGDL shall review the submission in accordance with Sections 6.2 to 6.4.
- 7.4 Where HKGDL approves the annual renewal, it shall notify the Green Designated Company in writing, and shall update the information published on the Resource Hub.

SECTION 8: USE OF GREEN DESIGNATION

Permitted Use

- 8.1 The Green Designated Company may use the Green Designation on the following materials while the Green Designation remains valid:
- a) the Green Designated Company's corporate website;
 - b) its annual reports, interim reports and sustainability reports;
 - c) its marketing materials and investor presentations; and
 - d) such other materials as HKGDL may approve in writing in advance.

Provisional Green Designation and Further Requirements

- 8.2 For the avoidance of doubt, an applicant that has been granted a provisional Green Designation shall not use the Green Designation, unless and until it has received written confirmation from HKGDL that the Green Designation has been granted.
- 8.3 Such an applicant may refer to its provisional Green Designation only on the materials listed in Section 8.1, and any such reference must be limited to a factual statement that it has been granted a provisional Green Designation.
- 8.4 The use of the Green Designation and further requirements, including prohibited uses and the cessation of use, are governed by and set out in the Terms and Conditions, which shall prevail.

SECTION 9: FEES

- 9.1 No fees shall be charged to any party by HKGDL in connection with the Green Designation.
- 9.2 All fees and costs payable by the applicant to the Recognised Reviewer in connection with the conduct of an assessment under this Framework shall be a matter between the applicant and the Recognised Reviewer, and shall not be regulated by or subject to this Framework.

SECTION 10: MISCELLANEOUS

Amendments

- 10.1 HKGDL reserves the right to amend, supplement, or replace this Framework from time to time. Any material amendment or supplement to, or replacement of, this Framework will be announced on the HKEX website and/or the Resource Hub, as HKGDL considers appropriate.

Order of Precedence with the Terms and Conditions

- 10.2 In the event of any inconsistency between this Framework and the Terms and Conditions, the Terms and Conditions shall prevail to the extent of such inconsistency.

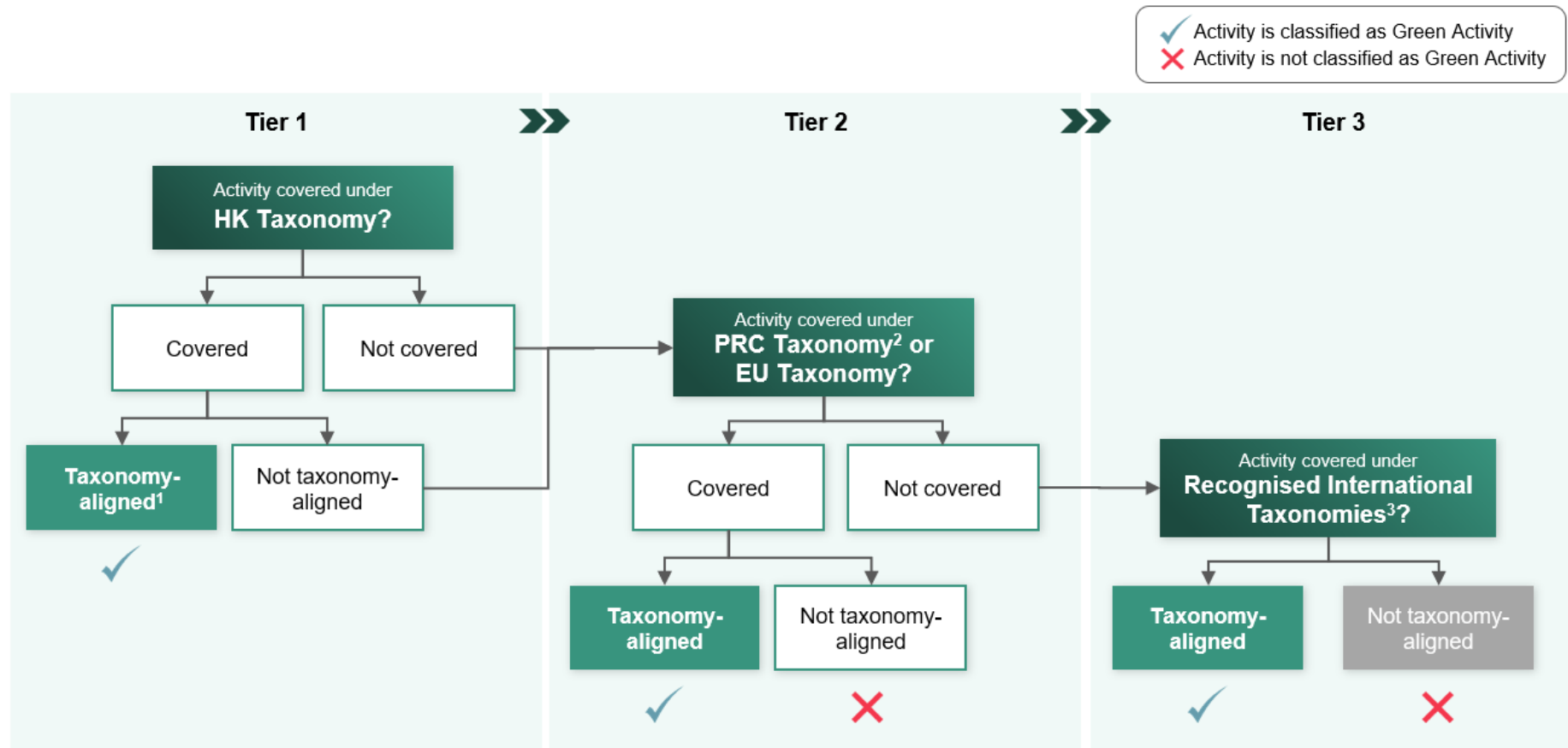
Effective Date

- 10.3 This Framework shall take effect on 16 October 2026.

Appendix I: Formulae of Core Eligibility Requirements (Financials)

Core Eligibility Requirement: Financials	Formulae
Green Revenue Percentage	$\frac{\text{Revenue derived from Green Activities}}{\text{Total Revenue}}$
Green Investment Percentage	$\frac{(\text{CAPEX allocated to Green Activities} + \text{OPEX allocated to Green Activities})}{\text{Total CAPEX} + \text{OPEX}}$
Fossil-fuel Revenue Percentage	$\frac{\text{Revenue derived directly from Fossil Fuel Activities}}{\text{Total Revenue}}$
Fossil-fuel Investment Percentage	$\frac{(\text{CAPEX allocated to Fossil Fuel Activities} + \text{OPEX allocated to Fossil Fuel Activities})}{\text{Total CAPEX} + \text{OPEX}}$

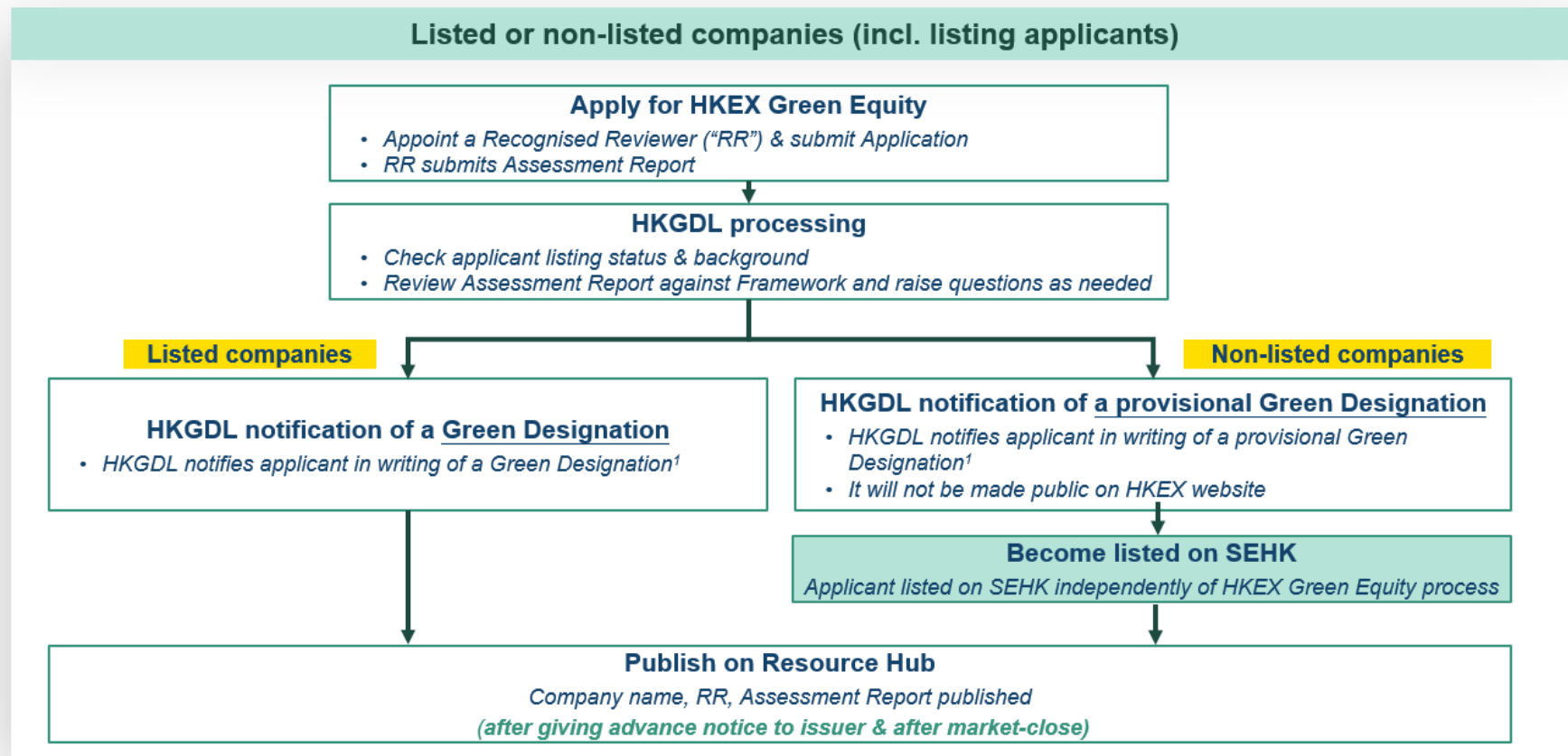
Appendix II: Illustration of Taxonomy Waterfall



1. Taxonomy-aligned means the activity satisfies the technical screening criteria and quantitative thresholds prescribed for that activity under the respective Taxonomy
2. PRC Taxonomy refers to the latest edition of the China Green Finance Project Catalogue
3. Recognised International Taxonomy means a sustainable finance taxonomy or classification framework of recognised international standing

Appendix III: Green Equity Designation Application Process

Application process and ongoing requirements



1. Companies with a Green Designation, companies with a provisional Green Designation, and RR must promptly notify HKGD of any circumstance that may affect the companies' continued eligibility for the HKEX Green Equity