

Appendix I

China Development Bank Description of China Development Bank's 2017 Green Bond

In accordance with the *Green Bond Principles* (2017) published by The Executive Committee of the Green Bond Principles (GBP) (the International Capital Market Association (ICMA) serves as its secretariat), and *Climate Bonds Standard* (V2.1) published by Climate Bonds Initiative (CBI), the China Development Bank ("CDB") established the *Interim Measures for the Administration of China Development Bank's Offshore Green Bonds* (the "Guideline") and *Green Bond Framework of China Development Bank* (the "Framework"), defined the use and management of proceeds, project evaluation and screening, as well as information disclosure and reporting.

Use and Management of Proceeds

In accordance with the Guideline, CDB defined the responsibility of Treasury and Financial Market Department, Business Development Department, Finance and Accounting Department and Operations Department on the use and management of proceeds. CDB will employ a separate ledger to manage the transfer, allocation and payback of proceeds, making sure that all of the proceeds will be invested in green projects during bond duration.

In accordance with the Framework, CDB shall allocate the proceeds to the green projects within 24 months after the issuance of the bond. If part of the net proceeds is used for refinancing, CDB shall disclose the ratio of the proceeds which is used for financing and refinancing to the total proceeds. In most cases, the green projects will not be linked to other climate bonds, unless the proportion split of the green projects to be funded by proceeds of other climate bonds will be disclosed, or the current climate bond is to be refinanced by other climate bonds. So long as its 2017 Green Bond is outstanding, CDB can invest unallocated proceeds either in green bonds issued by non-financial corporates or in the money market instruments with good credit rating and market liquidity which the proceeds shall be held in the form of temporary investment instruments such as cash or cash equivalents to serve its financial functions, however they are not allowed to invest in carbon-intensive projects that do not meet the requirements of low-carbon and climate-adaptive economies, and in greenhouse gas (GHG) intensive, highly polluting nor energy-intensive projects.

Project Evaluation and Selection

In accordance with the Guideline, CDB defined the responsibility of Treasury and Financial Market Department, Business Development Department, and Project Appraisal Department on project evaluation and selection, making sure that the selection of green projects in accordance with national policies and requirements, international standards and practices, and CDB's related systems. Besides, in accordance with the Framework, the green projects selected shall meet the