



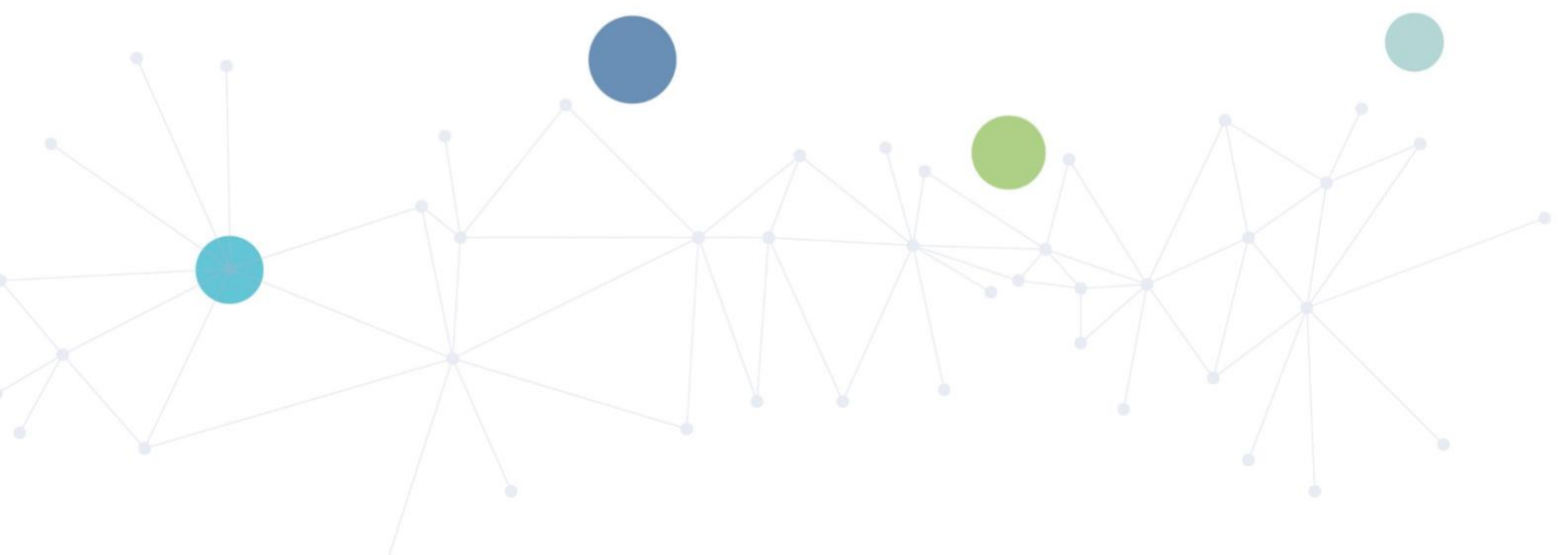
**GD Power Development CO., Ltd**

**Climate Bond Pre-Issuance Verification  
Statement**



iGreenBank (Beijing) Investment Service Co.,Ltd

April 2, 2021



## **1. Scope and Objectives**

GD Power Development CO., Ltd (“the Issuer” or “GD POWER”) is considering the issuance of a bond (the Bond) and has submitted the Bond for verification and certification against the Climate Bonds Standard (CBS).

iGreenBank (Beijing) Investment Service Co.,Ltd. (“iGreenbank”) has been commissioned by GD POWER to provide the pre-issuance verification of the Bond as an independent and approved verifier under the CBS. The verification is performed in accordance with the CBS Version 3 and the assurance approach is in line with the International Standard on Assurance Engagements 3000 (ISAE 3000): Assurance Engagements other than Audits or Reviews of Historical Financial Information.

The verification statement is based on information provided by the Issuer and the Issuer is responsible for the integrity, accuracy and timeliness of the information. The verification opinions shall not be interpreted as any indication or guarantee for relevant bond investment decisions. In no case may the opinions hereof operate as the interpretation or guarantee for economic performance of bonds, credit rating and actual utilization of the raised fund.

## **2. Work Undertaken**

The verification team has conducted documents review, interviews with the management team of the Issuer and communications with relevant people to verify the consistency with CBS Version 3.

## **3. The Issuer’s Responsibility**

The management of GD POWER has provided the information and data used by iGreenbank during the delivery of this verification. iGreenbank’s statement represents an independent opinion and is intended to inform GD POWER management and other interested stakeholders in the Finance as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by GD POWER.

iGreenbank is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, iGreenbank shall not be held liable if any of the information or data provided by GD POWER's management and used as a basis for this assessment were not correct or complete.

#### **4. Verification Opinion**

iGreenbank has performed the Pre-issuance verification of the Bond in accordance with the Climate Bonds Standard Version 3 and the International Standard on Assurance Engagements 3000 (ISAE 3000): Assurance Engagements other than Audits Reviews of Historical Financial Information.

The assurance procedures include documents review, interviews with the management team of the Issuer and communications with relevant people. Based on the limited assurance procedures conducted, nothing has come to our attention that the Bond is not in line with the requirements of the Climate Bonds Standard and the *Wind Sector Eligibility Criteria of the Climate Bonds Standard*.

##### **4.1. Description on the Bond**

In accordance with the Green Bond Principles 2018 published by the International Capital Market Association and Climate Bonds Standard (Version 3) published by Climate Bonds Initiative, the Issuer established the Green Bond Framework for GD POWER (the "Framework"), which defined the Use of Proceeds, Project Evaluation and Selection, Management of Proceeds as well as Reporting.

##### **4.2. Use of Proceeds.**

In accordance with the Framework, the eligible green assets under the Green Bond Framework comprise financing within the eligible green asset categories of Renewable Energy, Energy Efficiency, which are or have been originated by the various business units of GD POWER.

According to the Prospectus of the GD Power Development CO., Ltd Phase I Green Medium-Term Notes (Carbon Neutral Debt) of 2021, the proceeds will be used in repaying the loans for the construction and operation of the following 8 Wind energy generation projects.

- GD Power Xinning Fengyudian Wind Farm in Shaoyang City, Hunan Province
- GD Power Chengbu fengcheao Wind Farm in Shaoyang City, Hunan Province
- GD power Hunan Xinning Zhaizibei Wind Farm in Shaoyang City, Hunan Province
- GD Power Hunan Chengbu Jinzishan Wind Farm in Shaoyang City, Hunan Province
- GD Power Hunan Suxian Xianliang Wind Farm in Chenzhou City, Hunan Province
- GD Power Hunan Suxian Yangliutang Wind Farm in Chenzhou City, Hunan Province
- GD Power Ningxia Mahuangshan Phase II 49.5MW Wind Power Project in Yanchi City
- Gaojiapu Phase I 49.5MW wind power generation project in Youyu City

#### **4.3. Selection of Projects & Assets**

In accordance with the Framework eligible green assets will firstly be identified and proposed by business units of GD POWER, including its subsidiaries and branches. The proposed projects will then be reviewed by Finance and Financing Department of GD POWER. The Finance and Financing Department will review all proposed eligible green assets to determine their compliance with the GD POWER Green Bond Framework for approval as “Eligible Green Asset” and form an eligible green asset list.

The 8 Wind energy generation projects were selected and determined by the GD POWER following the Selection of projects & assets stated in the Framework. The project are compliance with the *Wind Sector Eligibility Criteria of the Climate Bonds Standard (version 1.2)* published by Climate Bonds Initiative, and the compliance were demonstrated as follows:

The Nominated Projects & Assets are 8 Wind energy generation projects located in Hunan Province, Shanxi Province, Ningxia Province, China.

- Mitigation: All the 8 wind energy generation projects are onshore wind projects that are in operation or are under construction.

- Adaptation and Resilience: N/A

As claimed in the Framework that in any case, the Eligible Green Assets of GD POWER shall exclude Fossil fuel related assets, Large scale hydropower plants, and Nuclear and nuclear-related assets.

#### **4.4. Management of Proceeds**

Prior to the issuance of a Green Bond, GD POWER will set a plan of the use of the Proceeds and a specific Green Bond account (the Account) and will be established to record the allocation of Green Bond proceeds.

The unallocated proceeds could be temporarily used domestically and/or internationally in money market instruments with good credit rating and market liquidity until they are allocated to eligible green assets.

#### **4.5. Disclosure and Reporting**

In accordance with the Framework, the Finance and Financing Department is responsible for Disclosure and Reporting of GD POWER. During the bond tenor, an annual green bond report (the "Green Bond Report") will be published on GD POWER's official website and/or other channels where feasible, which will provide information on the introduction of the project, the allocation of the proceeds and the environmental and impacts of the eligible green assets, the remaining balance and the type of temporary investment of unallocated proceeds etc.

## 5. Verification Team

The verification team of iGreenBank (Beijing) Investment Service Co.,Ltd

**Verification Team:** Yumei TONG, Xingting CHEN

**Technical Review Team :** Han ZHANG