

Eco-Tourism and Agricultural Industrial Park (Hong Kong) Limited

Information Memorandum for Development of

- **Smart Community**
- **Biological Science Platform +
Ecological Theme Park**
- **Green Life Community Real Estate
Development**

In Luoyang City, Henan Province, China

Information Memorandum Dated 24 May 2018

PREFACE

In 2016 G20 summit in China, both U.S. and China which are the world's two biggest greenhouse gas emitters gave green light to green plans and came together to battle climate changes. Subsequently, G20 countries have established a study group to clarify the definition, mandate and scope of green finance etc. With increasing awareness and appetite for green bonds (June 2016 Finance Asia survey findings), investors started looking for investment income and at the same time, also for sustainable, environmental and social responsible investments.

Everybody has a role to play in our world to tame the climate deterioration for our current and future generations' sake. Thus, China renders first priority to support the development of **green economies** and will **make it the fastest wealth growth industry**.

The green environment project in China, with land area 72 million square feet, was initiated by the company in which its founder had invested uncountable resources to support green economy and will be developed in two phases.

Phase I, It consists of

1. **Smart Community** - Consolidate the most advanced 5G network technologies and facilities the creation of a new concept of green economy.
2. **Biological Science Platform** which includes
 - a. **Green Economic Innovation Center** that facilitates and promotes green development and technological innovation for “**Belt and Road Initiative (一帶一路)**”;
 - b. **Anti-Cancer Plant Cultivation Centre** that establishes a world-class scale and advanced scientific TAXUS CHINENSIS plantation and anti-cancer drug research and experiment center. (TAXUS CHINENSIS is a precious species for refining PACLITAXEL used for anti-cancer drugs)
 - c. **Peony Plantations and Rare Plant Cultivation Center**
 - d. **Agricultural Future Technology Centre**

3. Ecological Theme Park: Han-Wei Style Garden (漢魏風情園) - A
theme park integrating eco-friendly environment and
entertainment.

Founder of the project will invest US\$30 million start-up capital, additional funding for Phase I development is launched in the form of **assets backed promissory notes** with **convertible options** for those interested corporate entrepreneurs. This gives the promissory notes purchaser(s) higher fixed income with options to convert if they so desired.

While the above Phase I development is in progress, the Chinese Financial Institutions in principle have agreed to issue **GREEN BOND** for the company of not less than US\$200 million according to **China Green Bond Issuance Guidelines** to provide further funding for the entire development plan.

Phase II, it consists of

1. **Ecological Education College**, which would invite overseas university to manage and operate and provide environmental protection, ecological research and professionals training courses for both domestic and international students.
2. **Green Lifestyle Community Real Estate Development**, which would construct five thousand green residential flat of average 160 square meters each, a full function commercial mall and green recreational and leisure site with area not less than one million square meters.

Project is highly appreciated and affirmed by the local government. The concerned land development had obtained full state support with preferential policies. Furthermore, local institutions are also very supportive in this green project with the central government recently introducing green economy policies.

Contents: -

| | Page: |
|---|-------|
| Introduction of Luoyang City..... | 6 |
| Eco-Tourism & Agricultural Industrial Park..... | 7 |
| Location..... | 8 |
| Two Phases of Development | |
| Phase I..... | 11 |
| Phase II..... | 20 |
| Budget and Green Bond..... | 22 |
| Cash Flow Forecast..... | 23 |
| Project Milestones Schedule..... | 25 |

Appendixes: -

| | |
|---|----|
| Appendix I - Questions and Answers..... | 27 |
| Appendix II - Green Bond Issuance Guidelines..... | 35 |
| Appendix III - China Securities Regulatory Commission..... | 41 |
| Appendix IV - CFA Institute President's Survey Report..... | 44 |
| Appendix V - European Investment Bank expand Green Project Investments in China..... | 48 |
| Appendix VI - Chairman Xi's Speech on Green Environment Development..... | 51 |
| Appendix VII - Green Bond: Cannot be ignored next decade..... | 55 |

| | |
|---|----|
| Appendix VIII - Xi Jinping's 19 th Communist Party Congress speech on October 18, 2017 relating to Ecological and Environmental Protection | 59 |
| Appendix IX - The Future of Sustainable Urban Development | 64 |
| Appendix X - Location Map | 69 |
| Appendix XI - Aerial Photo of Eco-Tourism Land | 70 |
| Contact Information | 71 |

Luoyang City (洛陽市)

Henan Province

People's Republic of China

Luoyang, is a city located in the confluence area of Luo River and Yellow River in Central China. It is a prefecture-level city in western Henan province. It borders the provincial capital of Zhengzhou to the east, Pingdingshan to the southeast, Nanyang to the south, Sanmenxia to the west, Jiyuan to the north, and Jiaozuo to the northeast. As of the final 2010 census, Luoyang had a population of 6,549,941 inhabitants with 1,857,003 people living in the built-up area made of the city's five urban districts, all of which except the Jili District are not urbanized yet.

Situated on the central plain of China, Luoyang is one of the cradles of Chinese civilization, and is one of the Four Great Ancient Capitals of China...

Please ref.

<https://en.wikipedia.org/wiki/Luoyang>

<http://goingawesomeplaces.com/luoyang-peony-temples-and-grottoes/>

Luoyang Eco-Tourism and Agricultural Industrial Park

1. Environmental protection is daily problem facing by mankind in this planet. G20 international conference held in Hangzhou, China in 2016, established that green environment as one of the most important topics (Appendix IV & Appendix V).
2. The future of sustainable urban development is no longer a choice... it has become a necessity (Appendix IX).
3. Now with China's economy growing, the people are demanding healthy environment and food especially organic agricultural products for which people are thirstily seeking.
4. The pilot team of Eco-Tourism had been gone over 10 years of effort, numerous hardships beginning from man-made-forestry plantation Theme Park, Nanjing, Jiangsu Province, to the formation of Luoyang Eco-Tourism Luoyang, Henan Province. They had demonstrated extreme spirit and insistent creativity.
5. The project has been affirmed by the local government, the concerned land eco-tourism development had obtained full state support with preferential policies.
6. Founder had donated **20% stake of the Company as the local Environmental Protection Development Fund**, thus enjoy many government policies supports and privileges.

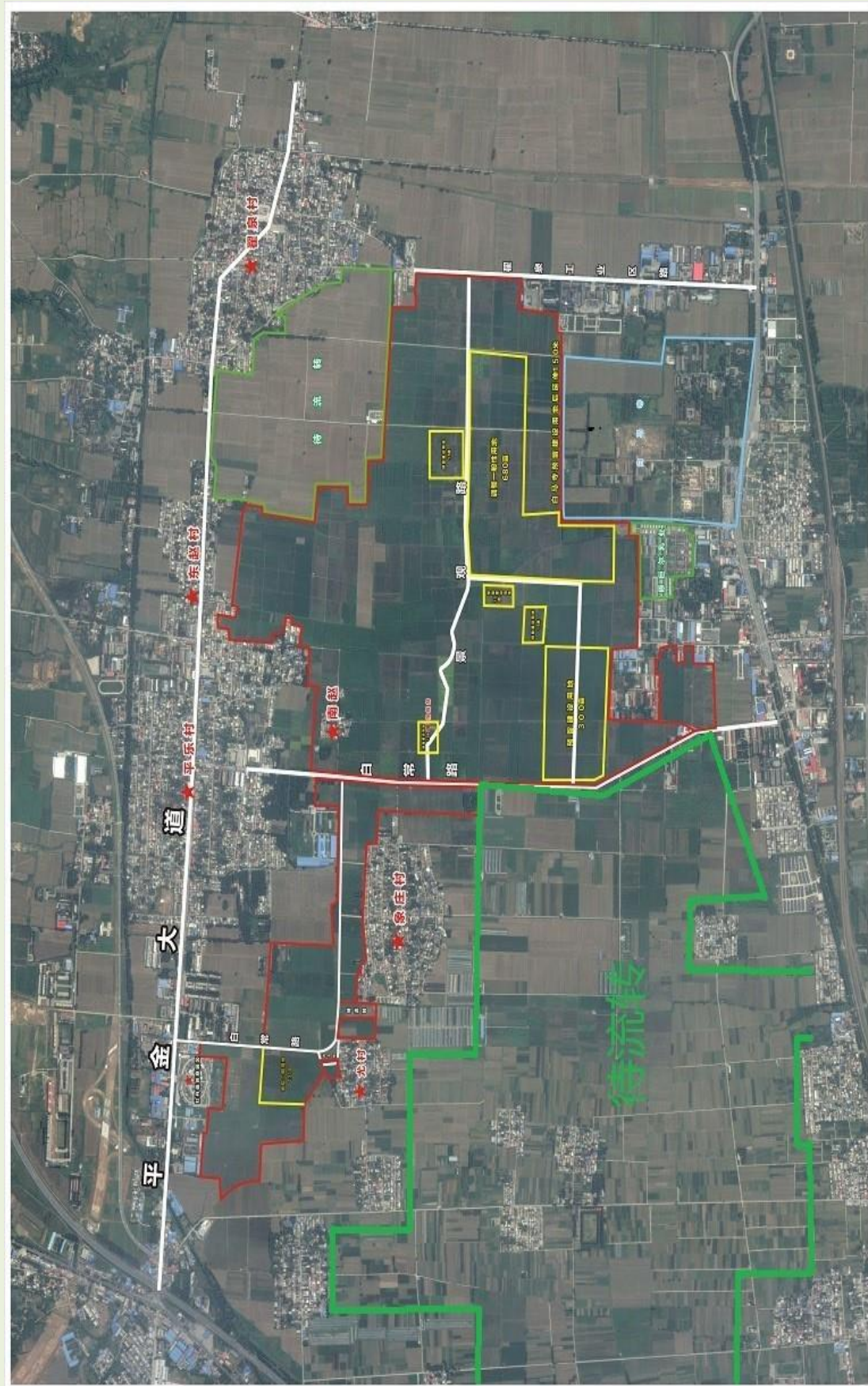
Location

Luoyang City, Henan Province, China (Close to the China first official Buddhist Temple, the “White Horse Temple”)

Total Area: 6,666,700 square meters (71,723,000 square feet).



Aerial Photo of Eco-Tourism Land (inside red/green line)



Two Phases of Development

Phase I

1. Smart Community:

Design and infrastructure of the Smart Community will be entirely incorporate the most advanced China Fifth Generation (5G) mobile networks system in year 2020 that connects people with the information and technology to drive improved quality of life, innovation, and will be the model for all countries in “The Belt and Road Initiatives”.

SMART COMMUNITY is a social system of the next generation that technology innovation and collaboration can improve the quality of life and the well-being of businesses.

Eco-Tourism and Agricultural Industrial Park’s Smart Community is utilizing the cloud and the Internet of Everything. It is not about a single technology but an aggregate of systems where various stakeholders make active efforts for the development of Smart Community.

The ever-increasing prevalence of the Internet of Everything in community operations is taking many Smart Community ideas from dream to reality. Everyone wants his or her community to be a Smart Community — but it is only possible when organizations embrace technology and find the right-fit solution for their applications.

The most commonly tied communities are using sensors, machine to machine technology, wireless connectivity, and data to heighten efficiencies, protect the environment, and better serve individuals, families and organizations. These communities are capitalizing on the ways by which innovation and collaboration can improve quality of life and economic well-being.

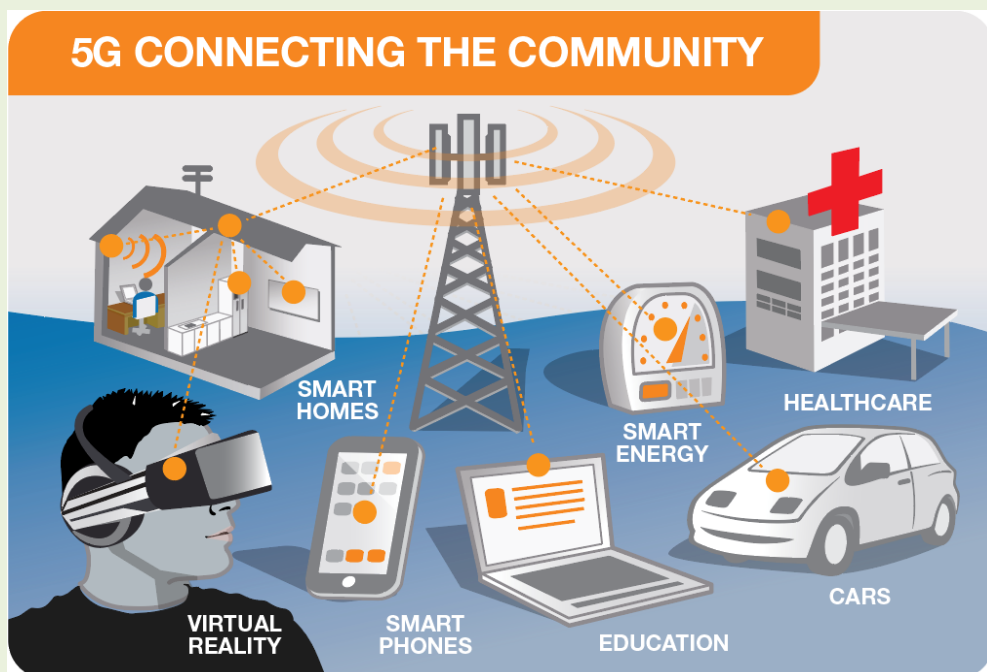
The concept of Smart Community is evolving day after day and will be adding new solutions developed through innovation such as

- a. Platform for providing the community with energy and environmental services as well as the means to integrate the next wave of Smart Grid features and efficiencies. By allowing many unconnected, energy-consuming devices to be integrated into a smart grid, demand-side management will be further enhanced to support load balancing, helping to reduce electricity peaks and ultimately reduce energy costs. All are the element technologies to build a Smart Community. It obtains data required for an environmental city (e.g. CO₂ emissions, traffic, meteorological data including weather & temperature), visualizes them, provides the intended social system with such visualized data along with the energy programs (e.g. demand response, energy-saving program, etc.), and further, operates for the optimization of the entire system.
- b. Healthcare Service, the healthcare industry is moving fast towards a complete digital environment and breakthrough innovations. Healthcare is essential for sustenance, and a formation of a smart village presupposes healthy individuals in the Smart Community. Smart Healthcare is eminently feasible, cost effective and must be integrated with other Smart Facilities.
- c. Public Safety in a Smart Community enables the integration of video surveillance, with access to specific locations, pole by pole, in ultrahigh definition. This capability would allow responders to use facial recognition to identify known criminals or spot missing persons before arriving on the scene.
- d. In Smart Community, an advanced transportation system and the social system will be harmonized by utilizing information technology, providing integrated transportation management system and interconnecting with other systems.
- e. A Smart Community cannot be built by a single organization, but should be built through the collaboration of stakeholders in accordance with the diverse needs. The service platform for the functions shared by the services offered in the Smart Community and the consulting service for the promotion of Smart Community are therefore provided.



Eco-Tourism and Agricultural Industrial Park's Smart Community will move right along with 5G, Huawei Technologies, the largest telecommunications equipment manufacturer in the world, has agreed to be the technical consultant to build 5G smart community and to supply for all necessary equipment for the construction of smart community.

5G era – everything connected!



The smart community of the near-future is underpinned by the uninterrupted and reliable flow of data from

interconnected wired and wireless networks. When data needs to be real-time, it absolutely cannot be interrupted or bogged down by latency problems.

Although the 5G standards have not been finalized yet, there are a number of expected improvements we can expect around increase in bandwidth (up to 1,000 times per unit area), number of connected devices (up to 100 times more), and network energy utilization (up to 90 percent reduction), along with up to 10 Gbps connection rates to mobile devices in the field—a staggering number.

The coming age of 5G mobile networks brings with it a new capability to combat disruption and makes sure that the various requirements for latency, bandwidth, and reliability for different services can be met on the same physical network. It is called *network slicing*.

5G allows for significant performance enhancements and the ability for mobile network operators to virtually partition—or *slice*—the network to guarantee the required performance for various applications. The process will allow networks to be broken up into numerous portions that can be managed independently, customized, and, most importantly, not affect one another if any one portion is overloaded or down. This technique allows for various uses—and their varied requirements for performance, security, latency, and more—to coexist on a common physical network. It also creates flexibility that will allow network operators to meet the needs for services in the future, including those not even invented yet.

2. Biological Science Platform:

(a) GREEN ECONOMIC INNOVATION CENTRE*:**

Facilitate and promote green development and technological innovation for "**Belt and Road Initiative**". This Center's main scopes of works include:

- Collect "Belt and Road Initiative" and global ecological construction information to foster the information sharing among the countries along "Belt and Road Initiative" and the regions;
- Promote fundamental research and scientific innovation of ecological restoration along the "Belt and Road Initiative"; carry out ecological rehabilitation and environmental management professional personnel training;
- Organize ecological and environmental protection training for the youth to enhance their awareness as well as outreach activities;
- Support the countries along "Belt and Road Initiative" on multilateral and bilateral cooperation in ecological restoration and green development; promote production of ecological restoration and combined research as well as scientific and technological achievements industrialization to the countries along the "Belt and Road Initiative";
- Advise international organizations and governments on eco-building advisory services and rationalization;
- Establish an exchange platform to promote the development of eco-industry in the regions along the "Belt and Road Initiative" to foster international cooperation on ecological governance and combating desertification of the countries along the "Belt and Road Initiative".

(b) Anti-Cancer Plant Cultivation Centre

An area of 1.35 million sq. meters (It can extract 200-250 kg of "PACLITAXEL" per year) will be used for creating a world class scale and scientific TAXUS CHINENSIS plantation as well as international Anti-Cancer research and development laboratory centre with annual income over US\$200 million. Taxus Chinensis is the precious tree species of "PACLITAXEL" used for anti-cancer drugs;

(c) Peony flower and Rare Flower Cultivation Centre

Peony flower, also known as Luoyang flowers, the king of flowers, the highest crown of the world. The peony industrial park would be managed by Peony cultivation expert with in-depth knowledge in species improvement in order to strive for excellence;

(d) Agricultural Future Technology Centre

3. Ecological Theme Park - Han-Wei Style Garden (漢魏風情園):**

Luoyang is the starting point of the Eastern Silk Road in the Han Dynasty. The main theme displays Han-Wei history, culture, Buddhist culture, farming culture with the most advanced technology integrating eco-agricultural industrial park to provide visitors who enter the garden area fully aware of the recreational activities of environmental protection. The estimated annual visitor volume could be around 20 million and gross annual income would be around US\$300 million;

- (a) Mainly offering garden visitors environmentally-themed park entertainments manned by trained guides and responsible persons;
- (b) The Garden will periodically organize various environmental education learning camps which all courses are designed by the experts for primary and secondary students to implement environmental awareness and approved by the Chinese Ministry of Education;
- (c) Garden will periodically invite relevant international environmental groups to organize various environmental and ecological conferences, seminars and exchange activities.



(Han-Wei Style Garden Plan)



** Han (漢朝) Dynasty (202 B.C. – 220 B.C.)

Wei (曹魏) Dynasty (220 B.C. – 265 B.C.)

*** **Green Ecological Enterprise and “Belt and Road Initiative (一帶一路)” Development**

Since China put forward the "Belt and Road Initiative", the countries along “Belt and Road Initiative” and the world caused widespread resonance. At present, there are already more than 100 countries and international organizations participating. During

the two sessions this year, the CPPCC members are very concerned about the major strategies of "Belt and Road Initiative". Among them is on how to enhance by using China's green concept of "Belt and Road Initiative" international influence becomes a hot topic.

In 2015, data showed that China's foreign direct investment had increased to a new level setting a record high of 145.57 billion US dollars which accounted for 9.9% of global traffic share. Among them was China's investment in the countries along "Belt and Road Initiative" accounted for 13% of the total flow which reached 18.93 billion US dollars, on yearly basis an increase of 38.6% and twice the global investment growth.

"We also notice that the distribution of China's foreign investment industry was not balanced as it mainly concentrated in the mining, construction, timber and infrastructure construction industries etc." CPPCC National Committee members, the Ministry of Environmental Protection Nanjing Central Branch Gao Jixi pointed out that in recent years, the mining industry and other resources to seek the proportion of investment was showing an increasing trend and from structural effect analysis, investment in the environment-intensive industries would easily bring more serious environmental problems.

Viewing the relating countries and region of "Belt and Road Initiative", its natural ecosystems are fragile, arid, its semi-arid areas are widespread, its desertification and desertification are serious, and its forestry cover is lower than the world average. Along the national level of development, the ecological environment is complex and fragile, the relevant environmental laws, regulations and standards system are not established. Because of this, there are many international community misunderstandings with regards to China's "Belt and Road Initiative" development strategies and consider China's industrial development will bring new local pollution and environmental degradation and other issues.

To implement the above operation, hopefully the international community would see that the Chinese government and enterprises in “Belt and Road Initiative” construction would not sacrifice the natural ecological environment. "Ecology leads to achieve win-win cooperation. "Belt and Road Initiative" cooperation is to transform the world opportunity into China's opportunity and in return transform China's opportunities into the world's opportunities. Among these is how to make use of leading role of green ideas, but also how to determine the cooperation between countries and regions can achieve a win-win situation. “Promoting the construction of the Silk Road economic zone and the 21st century Maritime Silk Road vision and action” released by China attaches great importance to ecological civilization and environmental protection, and clearly suggests intentions for "co-constructing of a green silk road".

Depth analysis of green silk road construction in the ecological and environmental protection connotation as understood by Gao Ji Xi is three levels:

- a. To let the concept of ecological civilization running through and penetrating overall design and process of the whole "Belt and Road Initiative" development strategy;
- b. To proactively prevent and control of ecological environment risks;
- c. To cooperate with the countries along “Belt and Road Initiative” in the environment and development territories. To adhere to the ecological leadership and to achieve a green win-win situation to make green investment flows into the countries and regions along the “Belt and Road Initiative”, as well as to drive more green enterprises to participate in the "Belt and Road Initiative" development strategy.

Phase II

1. Ecological Education College:

Conduct environmental protection, ecological research and professionals training courses (overseas university will be invited to manage and operate). Except relevant experts and students, the Institute is not open to the public.

- (a) Experts and professors of the college are hired from around the world including China;
- (b) As far as possible its first priority is to nurture China's domestic students. About one-third of degree enrollment would be overseas students.
- (c) All scientific research results will first be submitted to the relevant departments of the local college, and then to the international publication to directly enhance professional status of the local college.
- (d) Initially the college will offer 10,000 degree enrollment, then will increase up to 30,000 degree enrollment.



2. Green Lifestyle Community...

Creating healthy places that inspire people to live a healthier lifestyle (Appendix IX)

Would construct five thousand green lifestyle residential flat of average 160 square meters each, a full function commercial mall and green recreational and leisure site with area not less than one million square meters

The whole community will provide a green living environment and be divided into two parts:

1. One-third is provided **for wealthy retired people** dwellings in China. The area includes a comfortable living environment, advanced medical/health care services, luxury clubhouses and facilities;
2. The other two-third is provided **for general residents'** use. The area includes luxurious living environment, complete automation and security system, advanced scientific and technological network and convenient transportation facilities.



Budget and Green Bond

1. Phase I development of the Eco-tourism and Agricultural Industrial Park will cover a budget of US\$80 million.

Budget classification are as follows:

| | |
|---|-------------------|
| Land use rights (Note) and miscellaneous | US\$38,500,000.00 |
| Preparation period mobility expenses | US\$1,500,000.00 |
| Construction cost of the first phase of the project | US\$20,000,000.00 |
| Cash flow preparation | US\$20,000,000.00 |

Note: Land use rights expenses include land acquisition compensation, pre-development and so on; founding shareholder of the project had paid US\$15 million to the relevant department and provided preparation period mobility expenses of US\$1.5 million.

It is expected that Phase I facilities will be completed within two years (see Page 41 – 13.Q);

2. Eighteen months after the construction work commenced of phase I, US\$200 million of GREEN BONDS (Appendix II & Appendix VII) for 3 years will be issued to Chinese domestic financial institutions at a rate of five to six per cent per annum;
(Green Bond: Cannot be ignored next decade, please see Appendix VII)
3. Twenty months after the construction work commenced of Phase II, arrangements will be made for issuance of not less than US\$400 million five-year GREEN BONDS to China and International investment institutions at a rate of approximately three and a half percent per annum (based on the current market interest rate), of which US\$200 million will be used for the repayment of green bonds issued before, the balance would be for the further development and operation.
(see Page 40 - **Green Bond issuance schedule**)
4. After one year of operational of Eco-Tourism and Agri-Industrial Park, arrangement will be made for fund raising in China, USA or Hong Kong stock markets in preparation for similar developments in other provinces in China (Appendix III).

| Cash Flow Forecast | | | | | |
|---|----------------------|-----------------------|-----------------------|-----------------------|-------------------------|
| | Year I | Year II | Year III | Year IV | Year V |
| Particulars (US\$) | '000 | '000 | '000 | '000 | '000 |
| Balance brought forward | | 20,000 | 141,700 | 170,800 | 325,800 |
| Net Cash Inflows - Share Capital | 30,000 | | | | |
| Net Cash Inflows - Loan/Bond | 50,000 | 150,000 | 0 | 0 | 200,000 |
| Income - Anti-cancer Plant | 0 | 5,000 | 100,000 | 200,000 | 200,000 |
| Income - Agricultural Park | 0 | 500 | 2,000 | 5,000 | 15,000 |
| Income - College | 0 | 0 | 0 | 200,000 | 500,000 |
| Income - Garden | 0 | 20,000 | 50,000 | 100,000 | 100,000 |
| Income - Innovation Centre | 0 | 10,000 | 25,000 | 70,000 | 150,000 |
| Income - Smart Service | 0 | 10,000 | 10,000 | 30,000 | 100,000 |
| Total Cash Inflows | 80,000 | 215,500 | 328,700 | 775,800 | 1,590,800 |
| Establishment Finance Provided | | | | | |
| To Land | 38,500 | 0 | 0 | 0 | 0 |
| To Construction | 10,000 | 10,000 | 30,000 | 30,000 | 60,000 |
| To Miscellaneous | 6,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| Total Establishment Finance Provided | 54,500 | 13,000 | 33,000 | 33,000 | 63,000 |
| Administration and Operations | | | | | |
| General | 1,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Anti-cancer Plant | 0 | 7,000 | 50,000 | 60,000 | 60,000 |
| Agricultural Park | 0 | 300 | 900 | 1,000 | 1,500 |
| College | 0 | 0 | 5,000 | 300,000 | 250,000 |
| Garden | 0 | 30,000 | 40,000 | 30,000 | 30,000 |
| Innovation Centre | 0 | 2,000 | 4,000 | 5,000 | 20,000 |
| Smart Service | 0 | 15,000 | 10,000 | 6,000 | 8,000 |
| Loan/Bond Interest | 4,500 | 4,500 | 13,000 | 13,000 | 13,000 |
| Total Cash Outflows | 5,500 | 60,800 | 124,900 | 417,000 | 384,500 |
| Net Cash Flows** | <u>20,000</u> | <u>141,700</u> | <u>170,800</u> | <u>325,800</u> | <u>1,143,300</u> |
| Outstanding Loan/Bond | 50,000 | 200,000 | 200,000 | 200,000 | 400,000 |

- ** Cash reserve after the year III is mainly for the need of Green Life Community Real Estate Development which includes the payment for extra land costs and construction costs. Total income could reach US\$6 billion upon completion of the Green Life Community Real Estate Development and the most conservative gross profit forecast could be US\$2.5 billion.

Project Milestones Schedule

- a. February 2017 - Allied Holdings Limited (the founder and major shareholder of Eco-Tourism) paid US\$15 million deposit on behalf of Eco-Tourism and Agricultural Industrial Park (Hong Kong) Limited at 22 February with the Luoyang Government and signed an agreement with Eco-Tourism and Agricultural Industrial Park (Hong Kong) Limited to transfer the purchase rights;
- b. February 2017/March 2018 - Preliminary works for the Project;
- c. April/June 2018 - Selling First Stage of Promissory Notes;**
- d. June 2018 - Complete with the Luoyang government all legal procedures;
- e. June 2018 - Complete the theme park and all supporting design blueprints for approval by the relevant government departments;
- f. June/July 2018 - Selling Second Stage of Promissory Notes;**
- g. July 2018 - to start the comprehensive project;
- h. August 2018 - Eco-Tourism internet web site for different platforms started;
- i. August 2018 - Promissory Notes Purchasers will be invited to have a site visit;**
- j. August 2018 - a reception to invite China and overseas guests;**
- k. December 2018 - First Stage Promissory Notes first interest payment;**
- l. January 2019 - Second Stage Promissory Notes first interest payment;**
- m. February 2019 - Phase II Development preparation commences;
- n. March 2019 - US\$200 million Green Bond preparatory work begins;

- o. April 2019 - Global Invitation to invite International Universities to participate in the “Ecological Education College” in Phase II development;
- p. **June 2019 - First Stage Promissory Notes Second Interest payment;**
- q. **July 2019 - Second Stage Promissory Notes Second Interest payment;**
- r. **December 2019 - First Stage Promissory Notes third interest payment;**
- s. **January 2020 - Second Stage Promissory Notes third interest payment;**
- t. January 2020 - Selling US\$200 million Green Bond begins;
- u. **June 2020 – First Stage Promissory Notes fourth interest payment and payment of principal amount of US\$30 million;**
- v. June 2020 - Phase I Development completed;
- w. **July 2020 – Second Stage Promissory Notes fourth interest payment and payment of principal amount of US\$20 million;**
- x. August 2020 - A grand party banquet, entertaining special guests in China and Overseas will be held...

Appendix I

Q: Question – A: Answer

1. **Q:** What is the VALUE of the Guarantee provided by Promissory Notes?

A: Eco-Tourism will provide the land of the theme park and supporting facilities before the operation with total area of 71,723,000 sq. ft. for 30 years, renewable for another 30 years. The most conservative estimate at US\$2.00 per sq. ft, its value is over US\$140 million.

2. **Q:** What are the benefits of the Promissory Notes purchasers in addition to the higher return on interest earned from the average financial product?

A: Please refer to page 32 - “Convertible Options”.

The **VALUE of Promissory Notes** is not restricted to its face value plus interest received, its convertible shares options are of additional benefit. Upon the Completion of Eco-Tourism Phase I and Phase II, in accordance with the financial adviser, its valuation could be US\$400 million. Accordingly:

(Please note: The below forecasts are predictive and forward looking, please consult independent advisor for any questions.)

- a. If the Promissory Notes holder chooses to convert it six months prior to the expiry date, its US\$10 millions Promissory Notes could convert into five million shares (5,000,000). And upon the completion of Phase I, the converted shares value will be worth US\$20 million, an increase by 100%, OR
- b. If the Promissory Notes holder chooses to execute the convertible option within twelve months after the expiry of the Promissory Notes (the Promissory Notes had been redeemed at the expiry day), according to the predicted value of the financial adviser, the estimated valuation after

completion of Phase I and Phase II, each share would worth US\$4.00. Based 80% conversion rate it would US\$3.20 per share and would have book profit of US\$0.80 per share, an increase by 25%;

- c. According to the plan, one year after operational, Eco-Tourism and Agricultural Industrial (Hong Kong) Limited would be planning to be listed in Hong Kong, China or USA stock market to raise funds for further developments in other cities in China or other countries, it is unable to have an IPO pricing now, but assume that will not be lower than US\$7.00 per share.

3. **Q:** When does Stage 2 Promissory Notes sale begin? The assumption would be when Stage 1 is sold but need to clarify?

A: According to the present progress, if there is no problem in financing, Eco-Tourism will complete all legal procedures within 30 days after the first stage promissory notes sales. At the same time, the blueprint for engineering design will be basically completed. Although our budget time is ninety days, within sixty days the second stage of Promissory Notes could be on sale.

4. **Q:** In Phase 1 of the development we need to give a start date. (Is it when Stage 1 of Promissory Notes is all sold?)

A: After the sales of at least US\$20 million Promissory Notes in Stage I, we will estimate to start Phase I without having to wait for the total sell out of the first stage Promissory Notes issues.

5. **Q:** The document hints that the US\$50 million will be repaid with Green Bonds in two years but probably need a definitive statement

A: Pursuant to the guidelines (Appendix II) issued by the PRC government, two major banks in Beijing agreed to acquire the Green Bond issued by this Project.

6. **Q:** A statement on having all government approvals and permits?

A: China Environmental Protection Bureau and Luoyang government indicated that after the project started, they would

agree to issue a Green Project Certificate in the name of the government as a proof.

7. **Q:** Need a current capital structure of the project prior to the notes. One item that will help is that the corporation already owns the land rights which may be capitalized at.

A: Allied Holdings Limited (the founder and major shareholder of Eco-Tourism) paid US\$15 million deposit on behalf of Eco-Tourism at 22 February, 2017 with the Luoyang Government and signed an agreement with Eco-Tourism to transfer the purchase rights to Eco-Tourism. Eco-Tourism needs to pay a total of US\$38.5 million (of which US\$15 million will be refunded to Allied Holdings Limited and US\$23.5 million will be paid to the Luoyang Government). Upon completion, Allied Holdings Limited will reallocate to Eco-Tourism US\$30 million as a paid-up share capital.

8. **Q:** Current ownership structure

A: Upon completion of the issue of Promissory Notes, Eco-Tourism and Agricultural Industrial Park (Hong Kong) Limited shareholder structures are follow:

| | |
|-------------------------------------|-----|
| Allied Holdings Limited holds | 70% |
| China Partners hold | 10% |
| Luoyang Government | |
| Environmental Protection Fund holds | 20% |

9. **Q:** How is the board organized after Eco-Tourism starts?

A: Five members of the Board of Directors of Eco-Tourism will be organized as follows:

Agricultural Theme Garden Expert
Taxus Chinensis/Yew Cultivation Expert
Financial Management Specialist
Luoyang government appoints personnel
The first two years of Promissory Notes appointed person

And

Rodney Sze, CEO of Allied Holdings Limited - Board Advisor

Jeff Seal, Smart City Expert - Board Consultant

10. **Q:** Need to have a piece showing the track record of the developer. (Nanjing development of RNJC Holdings Limited (associate with Allied Holdings Limited) and success):

A: Although the RNJC Nanjing and Eco-Tourism Luoyang are two completely incomparable projects, we would like to make a statement so that Promissory Notes buyers would learn more about our operating experience.

- a. **RNJC in Nanjing** was wasteland at the beginning. In year 2005, RNJC signed the land lease agreement with Nanjing City Government for development of forestry plantation and eco-tourism Park. Due to soil quality of the concerned land was rather poor compare to the other areas, it could get a good price. During that time RNJC had good relationship with the Nanjing City Government, and, more importantly as FOREIGN INVESTMENT, Nanjing City Government mobilized many resources to assist the development. Finally, a man-made cultivation land size of total six million square meters (6,000,000 sq. meters) was completed within two years. Also through the help of the experts of Beijing Agricultural College, they recommended a cross bred of Euro and America Pine which was suitable for the soil quality was planted. The result was excellent and gained the recognition from the United Nations Botany specialists. In five years our garden experts successfully planted 300,000 poplar trees, and successfully developed into a natural ecological park. In year 2007, new round funding was injected to complete the basic structures of the eco-tourism club house. It included a Chinese Style design Four Court Yards Club Building, a 2-kilometers long x 80 meters width of man-made river and evenly distribution of pine tree forest.

Eco-Tourism in Luoyang is not wasteland like the land of RNJC in Nanjing at the beginning, in fact, this land has been planted with various types of flowers, including peony, and we have prepared 1.5 million Taxus seedlings for large scale Taxus plantation.

- b. Another main development of RNJC Nanjing is a horse breeding and training. Phase II of Eco-Tourism development is the **Environmental and Ecological Academy** which is an entirely different nature and cannot be compared. At the same time, we will invite overseas universities to cooperate and operate which would have no barriers to our development.
- c. In year 2015, due to Central Government decision adopted Shanghai Model (Shanghai that year divided into Pudong and Puxi) to divide Nanjing City into Southern ChangJiang (Yangtze River) and Northern ChangJiang Administration Regions. As RNJC was situated at the Northern ChangJiang Development Region and because of our successful development, the government of Northern ChangJiang Administration Region is willing to pay many times higher than our actual investment to support its urban development acquisition.

11. **Q:** Need a general budget for the development projects to show Promissory Notes Purchasers- the Gardens, the Industrial park, the Health park etc. for years 1-4+ of its expense and income. Need to show the timeline for the Promissory notes and then specifically when the Green Bonds will be sold. It looks like 200 million and then 400 million of the Green Bonds will be sold.

A: Based on the advice provided by experts in China, the total budget for Phase I construction will not exceed US\$20 million and take about 18 months to complete (therefore our budget time is 24 months) on the basis of Chinese cost standard.

Twelve (12) months after the commencement of Phase I construction, some of the facilities would be operational and provide fixed income, and eighteen (18) months after the commencement of Phase I construction, a 3-year US\$200 million

GREEN BOND with an annual interest rate of 5% to 6% will be issued to China's domestic financial institutions (see page 20), part of which will be used for settling Promissory Note, the balance will be put into as required funds for the second phase development.

Green Bond issuance schedule:

- a. 12 months after the commencement of the Phase I project, the Industrial and Commercial Bank of China (ICBC) will be authorized to conduct the Green Bond issuance process on behalf of Eco-Tourism.
 - b. 18 months after the commencement of the Phase I project, the Industrial and Commercial Bank of China will be authorized to conduct Green Bond sales (at least two banks in China agree to acquire up to US\$150 million. Of course, all agreements would not be official documents as we have not carried out yet).
 - c. Estimated twenty months after the commencement of the Phase I project, US\$200 million Green Bond sale will be completed of which partially will be provided for Promissory Notes settlement and the balance is for the Phase II development.
 - d. Twenty months after the commencement of the Phase II project, US\$400 million Green Bond will be ready and available for sale.
12. **Q:** Need some more specifics of the development itself. Specifically, what will be built, when, the cost of each, the cash flow of each, and the return on investment of each etc.?
- A:** As Ecological Theme Park, Green Economic Innovation Center, Anti-cancer Plant Cultivation Centre, Peony Plantations and Rare Plant Cultivation Centre, Agricultural Future Technology Centre is a whole project development, there would be no possibility of separate construction which the total construction cost is US\$20 million.

Eco-Tourism Income:

- (1) Anti-cancer Plant Cultivation Centre requires an area of 1.35 million sq. meters (20% of the total area). It can extract 200-250 kg of "PACLITAXEL" per year, with annual revenue of US\$200 million.
- (2) Theme Park visitors and various educational activities, the annual budget revenue is US\$300 million.
- (3) Peony Plantations and Rare Plant Cultivation Centre, Agricultural Future Technology Centre detailed statistics is processing and not yet available.

13. **Q:** Can we really build all infrastructures in 18-24 months?

A: All infrastructures can be built in 18-24 months:

- a. Luoyang Government attaches great importance to the development of our eco-theme park in the local development plan, and also **very grateful to us to donate 20% stake as the local Environmental Protection Development Fund**. Thus, the Luoyang Government accepts to appoint a person to join the Eco-Tourism Board. Thus, Luoyang Government is willing to construct at below cost for eco-theme park construction, all public facilities as well as a "Man-Made" Lake which is really cost saving and **makes EXEMPTION from government inspection** which requires a lot of time and costs.
- b. According to expert opinion in China, the above services provided by the government have been sufficient to avoid many obstacles to our land projects. Thus, the construction period of 18-24 months is definitely a very conservative estimate.

14. **Q:** The budget for Eco-Tourism and Industrial Park in the first two years is US\$80 million but the Promissory notes are only US\$50 million. Where does the extra US\$30 million come from? The first Green Bond sales begin at month 20 so there may be questions as to selling all within six months to fulfill the timeline.

A: Please refer to question 7 and question 11 above; we are not purely depending on Promissory Notes issue to complete the project. We have our capital investment, of course, if there are no external funds in place, it may be a bit tough on us.

15. **Q:** Can Eco-Tourism provide audited financial statements for reference?

A: Eco-Tourism is a new organization. To facilitate the management, protection of all new investors and the interests of new financial providers, at this stage is completely without any booked or hidden liabilities.

16. **Q:** What is the purpose of the Cash Flow Forecast which indicates that the cash flow in Year V could reach US\$1.1 billion?

A: Phase II Development includes: -

- a. Ecological Education College - Eco-Tourism has adequate budget to cover the development cost of Ecological College without additional external financing.
- b. Green Life Community Real Estate Development - Cash reserve after the year III is mainly for the need of Green Life Community Real Estate Development which includes the payment for extra land costs and construction costs. Total income could reach US\$6 billion upon completion of the Green Life Community Real Estate Development and the most conservative gross profit forecast could be US\$2.5 billion.

17. **Q:** An overall combined timeline for all actions.

A: Please ref. Page 22 - Project Milestones Schedule.

Appendix II

Green Bond Issuance Guidelines

(Source: http://www.ndrc.gov.cn/gzdt/201601/t20160108_770926.html)

In order to implement the spirit of the Party's 18th and its 2nd, 3rd, 4th and 5th plenary session according to the "CPC Central Committee and State Council on accelerating the construction of ecological civilization views" and "the CPC Central Committee and State Council on the issuance of ecological civilization reform of the overall program notice" requirements, its committee members who fully supported the corporate bond financing for promoting green development, promoting energy conservation and emission reduction, addressing outstanding environmental problems, coping with climate change, developing energy-saving and environmental protection industries, guiding and encouraging the societal involvement, optimizing economic structure and accelerating development, formulated these guidelines

1. Scope and focus of support

【Green Bonds】 means funds raised are mainly used to support energy-saving emission reduction technology transformation, green urbanization, energy efficient use of clean, new energy development and utilization, recycling economy development, water conservation and unconventional water resources development and utilization, pollution prevention and control, ecological agriculture and forestry, energy saving and environmental protection industry, low-carbon industry, ecological civilization pilot demonstration experiments, low-carbon pilot demonstration and other green cycle low carbon development projects. The focus of this phase is:

- a. Energy-saving technological transformation projects. It includes coal-fired power plants ultra-low emissions and energy-saving transformation as well as use of waste heat and other waste heat and pressure, coal-fired boilers energy saving and environmental protection upgrade transformation, energy

efficiency of electrical systems improvement, enterprise energy efficiency integrated upgrade, green lighting etc...

- b. Green urbanization projects. It includes green building development, construction industry, the existing building energy-saving, sponge urban construction, smart city construction, smart grid construction, and new energy vehicle charging facilities.
- c. Efficient use of clean energy projects. It includes efficient use of green coal, oil and other energy.
- d. New energy development and utilization projects. It includes hydro, wind, nuclear, solar, biomass, geothermal, shallow geothermal energy, ocean energy, air energy etc. development and utilization.
- e. Recycling Economy Development Projects. It includes industrial park recycling, waste recycling, agricultural recycling economy, remanufacturing industry etc...
- f. Water conservation and unconventional water resources development and utilization projects. It includes water-saving transformation, seawater (brackish water) desalination, and water use.
- g. Pollution prevention and control projects. It includes sewage and other environmental infrastructure constructions, the atmosphere, water, soil and other prominent environmental problems control, hazardous waste, medical waste, industrial residue treatment and disposal.
- h. Ecological agriculture and forestry projects. It includes the development of organic agriculture, ecological agriculture, special characteristics economic forest, forestry economy, forestry tourism, other forestry industries etc...
- i. Energy-saving environmental protection industry projects. It includes major equipment for energy-saving and environmental protection, technology industrialization,

contract energy management, energy saving and environmental protection industry base (park) construction.

- j. Low-carbon industry projects. It includes the promotion of industrialization of low-carbon technologies and related equipment, low-carbon product production projects, low-carbon service-related construction projects.
- k. Ecological civilization demonstration experimentation projects. It includes pilot resource conservation, recycling economy development, environmental protection, ecological construction etc projects within the ecological civilization demonstration district.
- l. Low-carbon development pilot demonstration projects. It includes low-carbon provinces and cities pilot, low-carbon city (town) pilot, low-carbon community pilot, low-carbon industries such as low-carbon energy, low-carbon industry, low-carbon transportation, and low-carbon construction and carbon management platform construction projects.

In accordance with the actual situation, the committee will adjust the range of green bonds financings that make it more market-oriented within its supporting scope and continue to innovate and launch new varieties of bonds in green development areas.

2. Audit Requirements

- a. With complete relevant procedures and on sound debt-protection measures basis, the committee in contrast will "expedite and simplify the auditing" of the green bond procedures to improve audit efficiency.
- b. Enterprises apply for issuance of corporate green bonds may appropriately adjust its corporate current audit policy according to the allowable provision as in (Number of opinions relating to strengthening the corporate bond risk prevention) guidelines:

- (1) The proceeds raised from bonds were relaxed to 80% of the total project investment (unless otherwise required by the relevant provisions on the minimum capital limit).
 - (2) Corporate green bonds issuer is not subject to bonds issuing restrictions.
 - (3) Under the premise of asset-liability ratio of less than 75%, approving bonds size would not examine the size of credit products of other companies.
 - (4) Encourage listed companies and their subsidiaries to issue corporate green bonds.
- c. Support major green bond issuer utilizes prioritized green bond debt structure. Under the circumstances of improving debt service measures, enterprises are allowed to use not more than 50% of the raised bond funds for the repayment of bank loans and supplementary working capital. Major issuer with rating of AA+ issued by main agency and good operation records can use the raised funds to replace the high-cost debt incurred by green projects under construction.
 - d. Issuing enterprises may, according to the scientific design of green bond issuance program and the specific circumstances of the reflux of project funds, stand by to set it's reasonable and flexibility bond tenure, have the right to choose its debt repayment methods.
 - e. For the third party environmental pollution control enterprises which deal with developing river basin, regional or similar pollution control projects, energy-saving as well as water-saving services to provide the corresponding services to obtain the energy saving, water saving contract management model for energy saving and water saving projects of target customers, are encouraged to form a main collective project body to issue green bonds.
 - f. Allow non-public offering green bonds for institutional investors. Non-public offering for institutional investors shall

not be more than 200 people and a single subscription shall not be less than 5 million Yuan. Advertising, public persuasion and disguised form of publicity are not allowed.

3. Relevant Policies

- a. Local governments should actively guide societal capital to participate in the construction of green projects, encourage local governments to support the issuance of green bonds and the implementation of green projects through investment subsidies, guarantee subsidies, bond discounts and fund injection, and steadily increase the proportion of direct financing.
- b. Expand guarantee credit enhancement channel. Allow issuer whose income from its project cannot cover its total investment within the duration of the bond to provide guarantee only on the difference between its income and principal plus interest of the bonds. Encourage municipal level and above including local governments to set up local green bond guarantee funds which are specifically used to provide guarantee for the issuance of green bonds. Encourage exploration of adopting carbon emission rights, emission rights, using rights, water use rights, other income rights, intellectual property rights as well as pledging the expected green proceeds etc. to enhance the credit mode.
- c. Promote green projects to adopt "Debt loan Portfolio" to enhance credit mode and encourage commercial banks to conduct bonds and loans integrated management. "Debt loan Portfolio" is in accordance with the "unified financing plan, unified credit and credit, dynamic long-term monitoring, full risk management" model. It is a systematic financing system designed by the bank for enterprises according to the project financing needs to unify corporate bonds and loans into a comprehensive credit management system to implement throughout corporate debt financing management system.

- d. Active bond products innovation. For a green project with stable sinking fund sources, project yield bonds can be issued accordance with recovery of closed funds operation mode of construction investment financing: Projects with a long payback period can stand by issuance of renewable or ultra-long-term bonds.
- e. Support eligible equity investment enterprises and green investment fund to issue green bonds specifically for investment in green project constructions; Support eligible shareholders or limited partners of the green investment fund to issue green bonds to expand the scale of green investment fund capital.
- f. Promote green project construction funds fully in place and encourage green projects using a special combination of both construction fund and green bonds financing. Priority will be given to support Green projects that have been approved for green bonds and in line with the central budget investment as well as with special construction fund supporting conditions.

Appendix III

CHINA SECURITIES REGULATORY COMMISSION

Support energy-saving environmental financing

8th February, 2017

(Source: <http://finance.caixin.com/2017-02-08/101053251.html>)

Environmental protection etc. strategic emerging industries are importance to economic transformation and upgrading of China's economy. At the same time, more energy-saving environmental protection projects which require large capital are with long recovery cycle and slow cash flow characteristics. Energy-saving environmental protection enterprises are mostly light-asset and technology-intensive small businesses, thus have a lot of difficulties to access bank credit funds. On February 8, the Commission's reply to the Fourth Session of the 12th National People's Congress on "Proposal to promote the development of increase energy-saving environmental protection industry" replied that the Commission would continue to support the national industrial policy and listing conditions of energy-saving environmental protection companies and fund raising, encourage energy-saving environmental protection enterprises utilising the capital market to make it bigger and stronger.

Commission said that in recent years it had taken a variety of measures to vigorously promote multi-level capital markets, fully support the role of capital market for emerging industries, actively support the issuance and listing of emerging industrial enterprises (including energy-saving and environmental protection enterprises) in line with the state industrial policies and the issuance and listing conditions, and use the capital market to raise development funds. Particularly, in 2004 and 2009, the Shenzhen Stock Exchange set up small and medium-sized enterprises board and the GEM especially for small and medium growth and innovative enterprises.

In May 2014, the Commission revised and implemented the Measures for the "Administration of Initial Public Offering and Listing on the

Growth Enterprise Market (GEM)” which appropriately lowered the financial access threshold for the GEM, simplified the conditions for issuance, and further enhanced the development of innovative and growth-oriented enterprise development support, expand the coverage of service enterprise as well as introducing more capital investment including energy-saving environmental protection industries plus all kinds of new industries.

As of June 2016, the number of energy-saving and environmental protection enterprises listed on the Small and Medium Enterprise Board and the Growth Enterprise Market reached 70 and 59 respectively.

In the bond market, the Commission indicated that it was necessary to actively promote the reform and development of the bond market, increase institutional innovation, and constantly enrich the variety of bonds and tools to support qualified energy-saving environmental protection enterprises to issue corporate bond financings. Statistically, in 2015, energy-saving environmental protection enterprises issued a total of 13 corporate bonds raising total of 11.1 billion Yuan. In 2016, Shanghai and Shenzhen Stock Exchange as well as privately equity product pricing system had successively carried out pilot corporate green bond business helping the green industry.

In addition, the commission indicated that the private equity markets were always supporting private equity funds to participate in energy-saving environmental protection industry investment. And through the establishment of energy-saving environmental protection industry investment funds and government guidance funds, social capitals were attracted to invest in energy-saving environmental protection enterprises to promote energy-saving environmental protection technology industry development and transforming achievement.

According to “The Securities Investment Fund Act” and announcement of “Central Organization Office on the private equity fund management responsibilities and division of work”, the Commission is responsible for the supervision of private equity funds. In August 2014, the Commission issued the Interim Measures on the Supervision and Management of Private Investment Funds to clarify the supervisory ideas such as proper

supervision, functional supervision and differential supervision. With respect to was no provisions for market access to the private equity fund industry, the China Securities Investment Fund Association would take the registration records after the events while promoting the introduction of relevant policies to promote the development of the industry norm.

"Next, the Commission will take measures to further promote private equity funds to better support the start-up, small and medium-sized micro-enterprise development." The Commission said that it had always attached great importance to the financing of SME and taken various measures to broaden the financing channels to reduce financing costs. Small and medium enterprises which are technology-based energy-saving environmental protection can take full advantage of the capital market for development and growth.

Appendix IV

China Green Finance - Next Great Development Opportunity

By: Paul Smith, President CFA Institute
7th February, 2017

(Source: <http://opinion.caixin.com/2017-02-07/101050831.html>)

In September 2016, China and the United States have submitted the "Paris climate agreement" approval instruments, committed to reducing environmental pollution. This is a decisive moment to promote the Agreement enters into force. But promoting green development in China, the world's second-largest economy, is a formidable task requiring private capital to make changes together.

The Chinese government expects to need as much as US\$600 billion a year in green investment over the next five years as a result of rapid economic growth over the past two decades and the consequent pollution of air, water and land. Public ratification of the Paris climate agreement will help to promote public support for environmental governance, but more difficult task is to promote capital flows to new green projects.

Considering the difficulty of this challenge and the required scale of solutions, some analysts have pointed out that China will lead the development of global green finance.

Support the development of green bonds is the top priority of the Chinese government's pollution planning policy and regulatory agenda.

In 2014, the People's Bank of China (PBC) and the United Nations Environment Program (UNEP) set up a working group, and in 2015 proposed the establishment of the Green Finance Committee.

China has since consolidated its leading position as a green bond issuer in the world. As of December 2016, China issued a green bond size of 220 billion Yuan which was over 40 percent of the world's total issued

green bonds and surpassed the US as the largest green bond issuing countries.

Meanwhile, the Green Professional Committee under the Financial Task Force carried out a study to define green projects, policy incentives and the green bond rating and certification aspects. These studies have helped the People's Bank of China (PBOC) to establish guidelines for the management and application of green bond yields as well as related disclosure requirements. In addition, the National Development and Reform Commission issued a "green bond issuance guidelines", including key support for the list of green projects and policy incentives.

Other regulators, including the China Securities Regulatory Commission and the China Interbank Market Dealers Association, are also in the process of issuing guidelines for other types of green bonds. The decision of the People's Bank of China to open the domestic inter-bank market to foreign institutional investors in 2016 has brought new impetus to the entry of foreign capital into the Chinese bond market.

The Chinese government has clearly defined the need to open domestic bond markets to global investors to facilitate the transformation of the economy into services and high-tech industries away from high-polluting industries. Correspondingly, China has announced the launch of the national carbon emissions trading market involving six heavily polluting industries, such as coal-fired power generation has been included in the pilot.

Carbon trading markets are expected to limit the amount of pollution they generate and require them to pay for carbon credits. While enterprises can sell unused quotas, enterprises with insufficient quotas can buy carbon emissions. While it may take years for China to build a market with a certain scale and effective control of carbon emissions, this initiative has broader prospects.

China has made great progress in green finance, but still faces challenges. At present, there are imperfect mechanisms and lack of liquidity problems to be solved in the green bond market. National and local planning authorities also need to work together to ensure that green projects are implemented effectively and efficiently. In addition,

the market also needs a legal and institutional basis to promote green project financing and the sustainability development of green industry.

The requirements of investors' enhancements of environmental risk disclosure and concerns are dealt with accordingly. The use of sophisticated rating systems and standardized performance measures will help the green industry attract more investors. International credit rating agencies such as Moody's and Standard & Poor's have issued a green bond rating system and plan to introduce other tools to assess their environmental, social and governance performance. China has also made significant progress in this regard - in December 2016, China Debt Credit Rating Company, Limited launched China's first green bond rating system which constructs the quantitative evaluation standard and operation method of the environmental benefits of green bond investment projects.

With maturing of green industry development, governments are also using financial leverage to regulate the green financial markets. For example, the US government provides duty-free concessions for certain sustainable infrastructure projects; in Europe, the European Asset-Backed Bond Council has been lobbying regulators, including the Basel Committee, to reduce the risk weight of green mortgages.

In China, the government who is aware of the current demand for local talent with the green finance expertise is committed to working in close cooperation with various sectors of the financial industry to develop all aspects of personnel needed in this area, including environmental and climate risk assessment, green financial product design.

Global investors have increasingly focused on emerging ESG (environmental, social and governance) guidelines over the past few years to drive investment decisions. In Asia, this new perspective on the value of investment is becoming increasingly important, and corporate stakeholders and the investment community are in-depth study of ESG issues.

The CFA Institute's annual survey of 2,000 global investment managers is a testament to this trend. When asked about ESG factors in investment analysis decisions, 57% of respondents said they would consider ESG

factors throughout the investment analysis decision process, and 38% said they were using the best way to make vigorous adjustments, 36% of the respondents use ESG analysis to do filtering. These results reflect the growing understanding amongst the investment community that the emerging ESG standard is likely to be a barometer of corporate governance and shareholder value.

Appendix V

European Investment Bank: Expand Investment In China Green Projects

27th March, 2017

(Source: <http://international.caixin.com/2017-03-27/101070950.html?cxw=Android&Sfrom=more%EF%BC%88%E6%9D%A5%E8%87%AA%E8%B4%A2%E6%96%B0%E7%BD%91%E5%AE%A2%E6%88%B7%E7%AB%AF%E7%BC%89>)

In 2016, The European Investment Bank (EIB) invested 298 million Euros (RMB2.2 billion) in China including forestry, energy efficiency, environmental protection and other projects and in 2017 would expect to invest about 500 million Euros in China, EIB vice president Taylor (Jonathan Taylor) recently indicated during a press conference held in Beijing.

Taylor said, in 2017, EIB plans to invest in a series of climate-related projects in China, covering most of China's territorial areas, including transportation, forestry, energy and other fields. The final financing plan will be finalized over the next few months.

Taylor said at the press conference that EIB's climate-related projects in China were fulfilling the responsibilities of the Paris Agreement signed in 2015 to integrate climate policy with the financial system to address climate change. At the same time, EIB also realized that, in addition to capital, EIB could also be providing technical expertise support to China.

On 22 March, the People's Bank of China and the European Investment Bank announced a new collaborative project aiming at providing an analytical and decision-making framework for green finance. The two banks would work together to establish a common standard for green bonds and issue a white paper in the second half of this year. "The establishment of common standards can enhance China and international investors in a more coherent definition and support for green finance," Taylor said.

On September 2016, in the eve of G20 leaders summit, PBOC, China Banking Regulatory Commission, China Securities Regulatory Commission, China Insurance Regulatory Commission, Ministry of Finance, Ministry of Environmental Protection, and National Development and Reform Commission seven ministries jointly issued "on the construction of green financial system guidance" and proposed 35 specific measures to promote the development of green finance in China, covering the development of green credit, green bonds, green stock index products, carbon finance and other financial instruments road map, as well as financial discount and market guarantee mechanism could be used to reduce the cost of green financing mechanism of governance being regarded as a milestone in the construction of China's green financial system. Yin Gang, deputy governor of the Central Bank, said that the "guiding opinion" was an important policy signal which "the guiding principles clearly indicate that to establish a national green development fund in China and will become very important policy signal to guide the social capital into the green industry".

Taylor said that EIB investment projects in China generally take a joint financing and EIB investment will not exceed 50% with the remaining funds from other investors, and welcomed the private capital injection.

Asked whether the EIB investment project would avoid the coal industry, Taylor said, "according to EIB green project emissions standards for 550 grams of carbon dioxide/kWh, it will rule out the coal industry."

Theoretically, if a project is associated with Carbon Capture and Storage (CCS), it may pass the standard; otherwise, it will not be possible to support coal projects."

The investment of the European Investment Bank in the framework of "One Belt One Road" is mainly through the European Investment Fund (EIF) based on joint funding with the Asian Infrastructure Investment Bank (AIIB), Silk Road Fund and other cooperation, Taylor said. Specific cooperation with AIIB, including but not limited to the "One Belt One Road" initiative infrastructure cooperation.

From 14 to 15 May, the "One Belt One Road" Summit will be held in Beijing. Asked whether Brexit would affect the European Investment Bank's overall investment budget, Taylor said that UK accounts for about 16% of the EU's overall budget, which is indeed a matter worth discussing, depending on the outcome of the next two years. "But EIB financing is very diversified and strong, will continue to adhere to a wide range of financing channel.

Taylor led European Investment Bank high-level delegation in March 21 to 25 for a five-day official visit to China to meet with the Ministry of Finance, Development and Reform Commission, BRIC New Development Bank (New Development Bank), the People's Bank of China senior officials and Representatives from Hainan and Shenzhen to discuss the progress of existing and new projects to strengthen the support for climate-related projects.

According to Taylor, EIB has been investing in China since 1995. In 2016, the European Investment Bank Group (EIB and EIF) invested a total of €84 billion in investment projects around the world, including a climate-related project of €19.6 billion.

Appendix VI

Promote the formation of green development and lifestyle

Create a good production and living environment for the people

Xi Jinping stressed at the forty-first collective study of the Political Bureau of the CPC Central Committee

May 26 2017

(Source: http://news.xinhuanet.com/politics/2017-05/27/c_1121050509.htm)

Xinhua News Agency, Beijing, May 27 (Xinhua). The CPC Central Committee Political Bureau on May 26 afternoons promoted the formation of green development and lifestyle for the forty-first collective learning. Xi Jinping, General Secretary of the CPC Central Committee, stressed that the promotion of the formation of green development and lifestyle was the inevitable requirement of carrying out the new development concept. It must put the ecological civilization construction in the prominent position of the overall work, insist on the basic national policy of saving resources and environment protection, adhere to the principle of conservation and protection priority, natural recovery-oriented approach, the formation of conservation of resources, the protection of environmental spatial configuration, industrial structure, production mode as well as lifestyle, and strive for achieving economic, social development, ecological and environmental protection together so as to create a good production and living environment for the people.

At the beginning of the study session, a feature film on eco-environmental protection was broadcasted. Subsequently, He Lifeng, Jiang Daming, Chen Jining, Chen Zhenggao and Comrade Chen Lei had made speeches, and they had talked about the work of this department relating to the promotion of ecological civilization, promotion of green

development, strengthening environmental protection etc. and other aspects of experiences and opinions.

The comrades of the Political Bureau of the CPC Central Committee listened attentively to their speeches and the discussed on the relevant issues.

Xi Jinping delivered a speech during his presided over study. He stressed that human development activities must respect nature, conform to nature, protect nature; otherwise it would be revenged by Mother Nature. Nobody could resist this law. Human born for nature. Human and nature is a co-exist relationship and the damage to nature will eventually hurt the human himself. Only respect the laws of nature that would effectively prevent development of natural using crooked roads. Since the reform and opening, China's economic and social development has made historic achievements. This worth our while to be pride and proud of it. At the same time, we have also accumulated a large number of ecological and environmental problems during rapid development which become clear shortcomings which turns into strong reflection and outstanding problems of the people. We must make great efforts to reverse such a situation.

Xi Jinping pointed out that promoting the formation of green development and lifestyle was a profound revolution development. It must adhere to implement the new development concept, to correctly handle the relationship between economic development and ecological and environmental protection, to protect the ecological environment like protecting our eyes, to treat the ecological environment like life, to resolutely abandon damage and destroying ecological environment development models, to resolutely abandon the sacrifice of the ecological environment for a moment of economic growth practices so that a good ecological environment would become the growth point of people's lives, a sustainable supporting point for healthy economic and social development and good development point for the image of China which would make the Chinese land bluer, mountains greener, water cleaner and more beautiful environment.

Xi Jinping stressed the need to fully understand the formation of green development and lifestyle and the importance of urgency and arduous nature, to put promoting the formation of green development and lifestyle in a more prominent position, to speed up moderate and

orderly scientific construction of land space layout system and development of green cycle of low-carbon industrial system, to constraint and encourage the ecological civilization system as well as government enterprises public governance of the green action system, to speed up the construction of ecological functions to protect the baseline, the quality of environmental security bottom line and natural resources on the three red lines which include all-round, all the region and the whole process carrying out ecological and environmental protection construction.

Xi Jinping referring to promoting the formation of green development and lifestyle put forward six key tasks.

FIRST, we must accelerate the transformation of economic development. Fundamentally improving the ecological environment must be changed from heavily rely on increase the consumption of material resources, the scale of extensive expansion, high energy consumption and high emission industry development model. The basic development point was on innovation to create more rely on innovation-driven and make use of leading-edge development advantages. This was an important task for the structural reform of the supply side.

SECOND, we must enlarge the comprehensive environmental pollution integrated treatment, strengthen the prevention and control of environmental pollution, continuously implement the action plan for air pollution prevention and control, strengthen water pollution prevention and control, carry out soil pollution control and restoration, strengthen agricultural non-point source pollution control and increase the pollution prevention and control of agriculture as well as comprehensive improvement of urban and rural environment.

THIRD, we must speed up the ecological protection and repair, adhere to priority protection mainly on natural recovery, in-depth implement integrated forest ecological integration and restoration, carry out large-scale land greenery action and accelerate the comprehensive management of soil erosion and desertification and rocky desertification.

FOURTH, we must comprehensively promote intensive use of resource conservation. Ecological and environmental problems, in the final analysis, were caused by excessive exploitation of resources, extensive use and luxury consumption. Resource development and utilization are necessary for supporting the contemporary people live in a happy life,

but also the survival foundation for future generations. To establish an intensive conservation recycling of resources, least resources and environmental costs to achieve the greatest economic and social benefits would be used.

FIFTH, it must advocate and promote green consumption. Ecological civilization construction is closely related to everyone who should be practitioners and promoters. It must strengthen the ecological civilization propaganda and education, strengthen the citizen's environmental awareness, and promote the formation of moderate conservation, green low-carbon, civilized and healthy lifestyle and consumption patterns which establish the good habits of the whole participating society.

SIXTH, it must improve the system of ecological civilization system. Promoting the green development and building ecological civilization were heavily focusing on building rules and regulations which used the most stringent system and the most stringent rule of law to protect the ecological environment, improve the natural resources and asset management system, strengthen natural resources and ecological environmental supervision, promote inspection of environmental protection and ecological environment damage compensation system as well as improve the public participation in the environmental protection system.

Xi Jinping stressed that whether the ecological and environmental protection could be implemented depending on the leading cadres. We should implement the construction of ecological civilization responsibility system in the cadre leadership office terms, implement the audit of natural resources assets when cadres vacating office, implement the rules according to law conscientiously, objectively, impartially with scientific identification and consistent authority under the principle of lifetime investigation which defined clearly the responsibility of cadres at all levels of their investigating situations. With respect to the responsible leading cadres who caused the ecological environment damage, it must be dealt with seriously. Party committees and governments at all levels should pay close attention to strengthen the leadership, discipline inspection and supervision organization, departmental organization and the relevant government departments to do their duties forming a concerted effort.

Appendix VII

Green Bond: Cannot be ignored next decade

12th July, 2017

(Source: http://opinion.caixin.com/2017-07-12/101114430.html?utm_source=CXEDM&utm_medium=EDM&utm_campaign=EDM)

While interest in the "climate-friendly" project funding continues to increase.

Green bonds will help to transform these funds into projects that are environmentally sustainable. In next decade, green bonds will become an important financial sector which both the issuer and investors cannot ignored.

Over the past decade, the development of green bonds was not smooth.

Since the first green bond was launched in July 2007 and raised 600 million Euros, the market experienced quiet years until 2013 which broke the annual issue of 10 billion US Dollars in size. Last year, global green bonds raised more than 90 billion US Dollars which was almost twice as much as 2015. Even so, green bonds market shares in terms of global bond market shares are still less than 1%.

However, with climate change threatening to the Earth imminently, funding needs for the development of low-carbon technologies and infrastructure become more urgent. Correspondingly, the supply of intending funds to the "climate-friendly" project also continues to increase. And green bonds just help these funds transforming into environmentally friendly and sustainable development projects.

The author predicts that the next decade, green bonds will become an important financial domain which both issuer and investors cannot ignore.

From specific analytical views, there are three factors which will promote the rapid development of green bonds. First, the gradual implementation of the Paris Agreement will stimulate global green

technology investment and financing activities. Second, technological progress will reduce the cost of low-carbon alternatives to make green investment not only in line with ethical standards but also in line with the economic benefits of choice. Moreover, China and India, the effort of the two emerging economies in promoting green economy not only changes the European and American-led green bond market situation but also continues to have a profound impact on the global green bond market structure.

In China, for example, the construction of green economy sectors plays an increasingly important pivotal role in working with other partners to address global climate change.

Just last month, in the State Council executive meeting, it was decided to choose some areas in Zhejiang, Jiangxi, Guangdong, Guizhou, Xinjiang, 5 provinces (regions), for the construction of distinctive green financial reform and innovation pilot areas. Immediately, the overall program of eight pilot areas to build green financial reform innovation experimental area were officially released. It had planned and passed a 5 years duration or so to initially build a complete green financial service organizational system which was rich in products and services, perfect infrastructure, stable and safe operation and to explore the formation of green financial development with strong service and distinctive characteristics which could be duplicated and its experiences could be promoted.

After multi-ministries jointly announced the "On The Construction Of Green Financial System Guidance" in August last year, China was making another major initiatives move on the green finance sector which showed China's accelerating pace in green finance and its steadily growing global influence in this field.

China is already the largest green bond market in the world. Relevant statistics show that its green bond issuance had increased from about \$ 1.3 billion in 2015 to more than \$ 33 billion in 2016 accounting for more than one-third of the world's total. The author believes that the rapid growth of the market size and huge market potential will attract more investors at home and abroad in the future.

Of course, from a global perspective, the development of green bonds is not without challenge. It is undeniable, just only by the definition of the word "green", that the market seems not yet reaching a consensus. Does the money raise from the debt whether or not it actually invests in climate-related or environmental projects? Whose responsibility shall be to assess whether the relevant bonds are "green" or not etc.? These issues, which so far still remain lack of consistency and transparency, become indecisive key factors for many investors. Moreover, from the issuer's point of view, they may not be willing for the sake of disclosing, reporting and proving the identity of "green" project financing to pay extra effort or financial costs.

Even so, the common vision of sustainable development is still driving the market participants to actively seek solutions to the challenges of the program. For example, recently there were some positive progresses in the market standardization and monitoring: Standard & Poor launched a set of tools in April not only to assess whether the bonds were green bonds but also to assess its green ratings.

In addition, there is an optimistic outlook for capital supply. Pension funds, sovereign wealth funds and other investors usually do not want the portfolio involved in issuers and businesses with high carbon emissions and non-sustainability. Latest HSBC's survey also showed that two-third of institutional investors around the world would hope to invest more money in low-carbon and climate-related investments. Therefore, through the issuance of green bonds, corporate could match the growing green investment demand of such investors.

Finally, the issuance of green bonds is often seen as an active initiative by the issuer to address and respond to the global warming challenges. However, in the implementation of daily monitoring, identifying and reducing the impact of climate conditions, it will help the issuers to incorporate low-carbon thinking into their corporate culture and business strategy. Thus, in the long run, the issuance of green bonds will also help to raise the issuer's own market valuation.

To sum up, with the growing concern of human society for its own sustainable development, the development of green economy and the

issue of green bonds with respect to the supply of funds will form a sustainable driving force. Over the next decade, the global green bond market will grow further while emerging economies such as China will play a leading role in providing financial support for the domestic green economy and contribute to achieving global carbon reduction targets.

Appendix VIII

Xi Jinping's 19th Communist Party Congress speech on October 18, 2017 relating to Ecological and Environmental Protection

(Full text of Xi Jinping's report at 19th CPC National Congress)

I. The Past Five Years: Our Work and Historic Change

.....

We have devoted serious energy to ecological conservation. As a result, the entire Party and the whole country have become more purposeful and active in pursuing green development, and there has been a clear shift away from the tendency to neglect ecological and environmental protection. Efforts to develop a system for building an ecological civilization have been accelerated; the system of functional zoning has been steadily improved; and progress has been made in piloting the national park system. Across-the-board efforts to conserve resources have seen encouraging progress; the intensity of energy and resource consumption has been significantly reduced. Smooth progress has been made in major ecological conservation and restoration projects; and forest coverage has been increased. Ecological and environmental governance has been significantly strengthened, leading to marked improvements in the environment. Taking a driving seat in international cooperation to respond to climate change, China has become an important participant, contributor, and torchbearer in the global endeavor for ecological civilization.

II.

III. The Thought on Socialism with Chinese Characteristics for a New Era and the Basic Policy

.....

9. Ensuring harmony between human and nature

Building an ecological civilization is vital to sustain the Chinese nation's development. We must realize that lucid waters and lush

mountains are invaluable assets and act on this understanding, implement our fundamental national policy of conserving resources and protecting the environment, and cherish the environment as we cherish our own lives. We will adopt a holistic approach to conserving our mountains, rivers, forests, farmlands, lakes, and grasslands, implement the strictest possible systems for environmental protection, and develop eco-friendly growth models and ways of life.

We must pursue a model of sustainable development featuring increased production, higher living standards, and healthy ecosystems. We must continue the Beautiful China initiative to create good working and living environments for our people and play our part in ensuring global ecological security.

.....

IX. Speeding up Reform of the System for Developing an Ecological Civilization, and Building a Beautiful China

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Man and nature form a community of life; we, as human beings, must respect nature, follow its ways, and protect it. Only by observing the laws of nature can mankind avoid costly blunders in its exploitation. Any harm we inflict on nature will eventually return to haunt us. This is a reality we have to face.

The modernization that we pursue is one characterized by harmonious coexistence between man and nature. In addition to creating more material and cultural wealth to meet people's ever-increasing needs for a better life, we need also to provide more quality ecological goods to meet people's ever-growing demands for a beautiful environment. We should, acting on the principles of prioritizing resource conservation and environmental protection and letting nature restore itself, develop spatial layouts, industrial structures, and ways of work and life that help conserve resources and protect the environment. With this, we can restore the serenity, harmony, and beauty of nature.

1. Promoting green development

We will step up efforts to establish a legal and policy framework that promotes green production and consumption, and promote a sound economic structure that facilitates green,

low-carbon, and circular development. We will create a market-based system for green technology innovation, develop green finance, and spur the development of energy-saving and environmental protection industries as well as clean production and clean energy industries. We will promote a revolution in energy production and consumption, and build an energy sector that is clean, low-carbon, safe, and efficient.

We will encourage conservation across the board and promote recycling, take action to get everyone conserving water, cut consumption of energy and materials, and establish linkages between the circular use of resources and materials in industrial production and in everyday life. We encourage simple, moderate, green, and low-carbon ways of life, and oppose extravagance and excessive consumption. We will launch initiatives to make Party and government offices do better when it comes to conservation, and develop eco-friendly families, schools, communities, and transport services.

2. Solving prominent environmental problems

We will get everyone involved in improving the environment and address environmental issues at the root. We will continue our campaign to prevent and control air pollution to make our skies blue again. We will speed up prevention and control of water pollution, and take comprehensive measures to improve river basins and offshore areas. We will strengthen the control of soil pollution and the restoration of polluted soil, intensify the prevention and control of agricultural pollution from non-point sources, and take measures to improve rural living environments. We will improve the treatment of solid waste and garbage.

We will enforce stricter pollutants discharge standards and see to it that polluters are held accountable. We will improve our systems for credibility assessment based on environmental protection performance, for mandatory release of environmental information, and for imposing severe punishment for environmental violations. We will establish an environmental governance system in which government takes the lead, enterprises assume main responsibility, and social organizations and the public also participate. We will get actively involved in global environmental governance and fulfill

our commitments on emissions reduction.

3. Intensifying the protection of ecosystems

We will carry out major projects to protect and restore key ecosystems, improve the system of shields for ecological security, and develop ecological corridors and biodiversity protection networks, so as to strengthen the quality and stability of our ecosystems. We will complete work on drawing redlines for protecting the ecosystems, designating permanent basic cropland, and delineating boundaries for urban development.

We will promote afforestation, take comprehensive steps to control desertification, stony deserts, and soil erosion, strengthen wetland conservation and restoration, and better prevent and control geological disasters. We will improve the system for protecting natural forests, and turn more marginal farmland into forests and grasslands. We will rigorously protect farmland and expand trials in crop rotation and keeping land fallow. We will improve systems for regeneration of croplands, grasslands, forests, rivers, and lakes, and set up diversified market-based mechanisms for ecological compensation.

4. Reforming the environmental regulation system

We will strengthen overall planning, organization, and leadership for building an ecological civilization. We will establish regulatory agencies to manage state-owned natural resource assets and monitor natural ecosystems, and improve environmental management systems. These agencies will, in a unified way, perform the duties of the owner of public-owned natural resource assets, the duties of regulating the use of all territorial space and protecting and restoring ecosystems, and the duties of monitoring the discharge of all pollutants in urban and rural areas and conducting administrative law enforcement. We will establish systems for developing and protecting territorial space, improve supporting policies on functional zones, and develop a nature reserves system composed mainly of national parks. We will take tough steps to stop and punish all activities that damage the environment.

Comrades,

What we are doing today to build an ecological civilization will benefit generations to come. We should have a strong commitment to socialist ecological civilization and work to develop a new model of modernization with humans developing in harmony with nature. We must do our generation's share to protect the environment.

Appendix IX

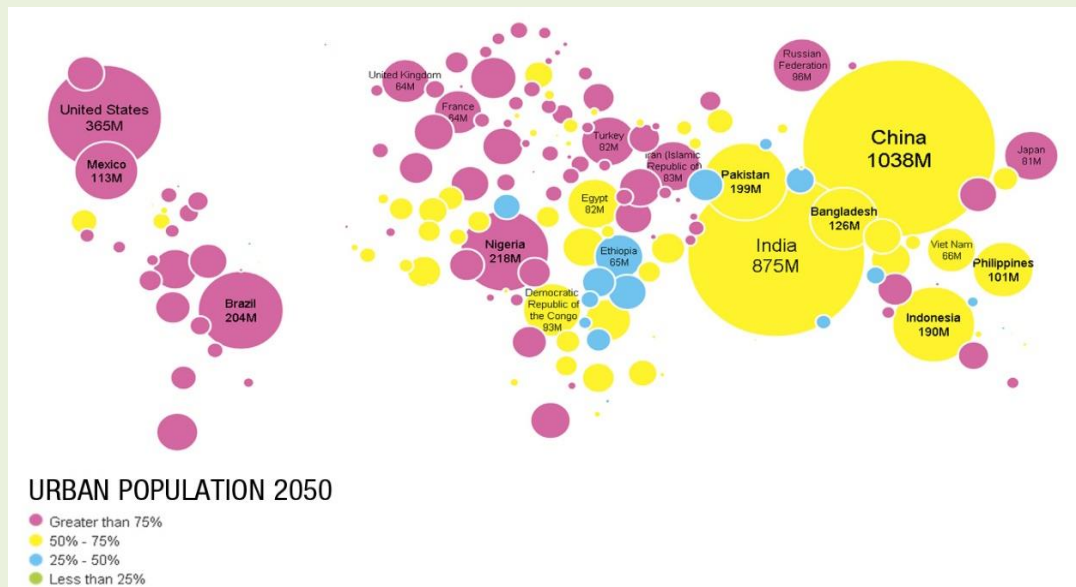
The Future of Sustainable Urban Development



The future of sustainable urban development is no longer a choice... it has become a necessity.

During the last century, the world's population has increased significantly, and more people are living in cities today than ever before. Mega-cities with more than 10 million people are also on the rise. In 1950 there were only 2 Mega-cities, 40 years later there were 10 Mega-cities which when combined were home to 153 million inhabitants. By 2014, there were 28 Mega-cities, home to 453 million inhabitants. The United Nations projects that there will be 41 Mega-cities by 2030, of which Tokyo will have the largest amount of inhabitants with a population of 37 million people.

Today, over half of the world's population are living in an urban area, that's just over 3.9 billion people. By 2050, it is expected that almost 70% of the world's population will be living in urban areas. This is an increase of approximately 2.5 billion people, of which nearly 90% will be concentrated in Asia and Africa. (Source: *United Nations*)



Source: UNICEF

The rise in population & urbanization will have severe impacts on our cities' infrastructures and resources, as well as the health and wellbeing of its inhabitants. This dramatic rise in urbanization coupled with climate change will also require a significant shift in the way we design our built environments. We need to focus our attention to rethinking the design of future Sustainable Cities to ensure they are more Liveable, Resilient and Inclusive.

Designing for a Liveable City

Since most of the world's population are expected to live in cities, research on liveable cities has been growing significantly, as more cities compete globally to become the world's most liveable.

The well-known rankings of liveable cities carried out by the Economist, Forbes, and Monocle have consistently put Melbourne, Vienna & Vancouver in the top rankings. What makes these three cities liveable is intrinsically tied to their built environment. These are "people-focused" cities, who understand that the health and well-being of people are influenced by the built environment.

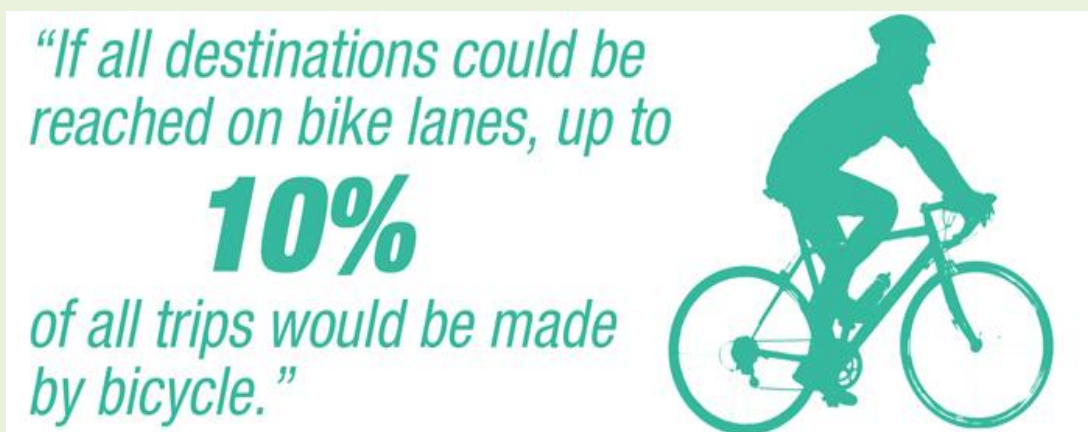
Although the rankings of liveable cities are driven by various aspects that influence the quality of life, such as crime rates, health statistics, unemployment, income growth, cost of living etc, the built environment,

and the way a city is designed, has a great influence on the “quality of life”. To provide examples of this, let’s look at some of the densest cities, which have already begun laying the foundations and preparations for transforming themselves into healthy & liveable places.

San Francisco

In 2002, San Francisco’s Liveable City published a 40-year plan “The path to a liveable city”, which primarily looks at shifting the mode of transportation in the city away from private cars to walking, cycling and public transport. This shift will create more than just an “alternative transport”. Livable City describe their mission as creating “a San Francisco of great streets and complete neighborhoods, where walking, bicycling, and transit are the best choices for most trips, where public spaces are beautiful, well-designed, and well-maintained, and where housing is more plentiful and more affordable.” (*source: Livablecity.org*)

One of its boldest goals is to create a cycling plan for the city. This bike network built of safe lanes and paths will link every neighborhood and major destinations in the city. It claims that 10% of all trips will be made by cycling if all destinations could be reached by bicycle.



Melbourne 2030

Melbourne boasts the highest ratio of street furniture per person in the world. Since 1990, it has increased its outdoor cafes from 50 to over 600, and, has doubled the number of pedestrians in the city on weekday

evenings. These improvements came from Jan Gehl's [Danish Architect & Urban Designer] recommendations for creating opportunities for outdoor dining in his "Public Spaces and Public Life" survey in 1993 (updated in 2004). Gehl describes a good city like a good party, he says "people stays for much longer than really necessary, because they are enjoying themselves."



For many years, Melbourne has ranked high in the top liveable cities according to the Economist Intelligence Unit's (EIU) rankings, and since 2011 the city has consecutively ranked at the No. 1 spot, beating competition from Vancouver & Vienna.

"Melbourne 2030: Planning for sustainable growth" published in 2002 is a 30-year plan by Melbourne's Department of Infrastructure. The plan focuses on how land use and transport can best support social, economic and environmental needs of the city until 2030. During this period the population of Melbourne is expected to grow to over 5 million people and this plan will help Melbourne to maintain its top position amongst the world's most liveable cities.

Singapore

In 2008, the Centre for Liveable Cities (CLC) was set up in Singapore [the world's third densest city which has consistently ranked as one the most liveable cities in Asia] to share knowledge on Liveable and Sustainable Cities. According to CLC's "10 principles for Liveable High-Density Cities: Lessons from Singapore", innovative planning which focuses on a

“people-first” approach can help ensure that rapid urbanization does not compromise liveability and sustainability.

Designing for a Resilient City

The challenges of increasing population and climate change will require cities to develop strategies that help absorb future shocks and stresses to its social, economic, built environment & infrastructures. By absorbing these shocks and stresses, a resilient city should have the capacity to maintain the same level of “quality of life”.

Most of our cities however, are far from resilient. For example, the UK has some of the worst NO₂ levels in Europe, and 1 in 6 homes are at risk of flooding. Passive Urban Design strategies which incorporate Green Infrastructure & Water Sensitive Urban Design will help in reducing these risks. Yet despite the various resources available on the benefits and applications of Green Infrastructure & Water Sensitive Urban Design, the majority of developments today are not incorporating them and so it’s just “business as usual”.

One of the reasons for this could be that they have been designed from top-down by the people leading these projects. A ground-up approach to master planning with landscape design as a driving force will reduce flooding risk & pollution and increase land/ property values, as well as improve people’s health & wellbeing. Ultimately the benefits of a ground-up approach to developments will create a more sustainable, liveable, and healthier city.

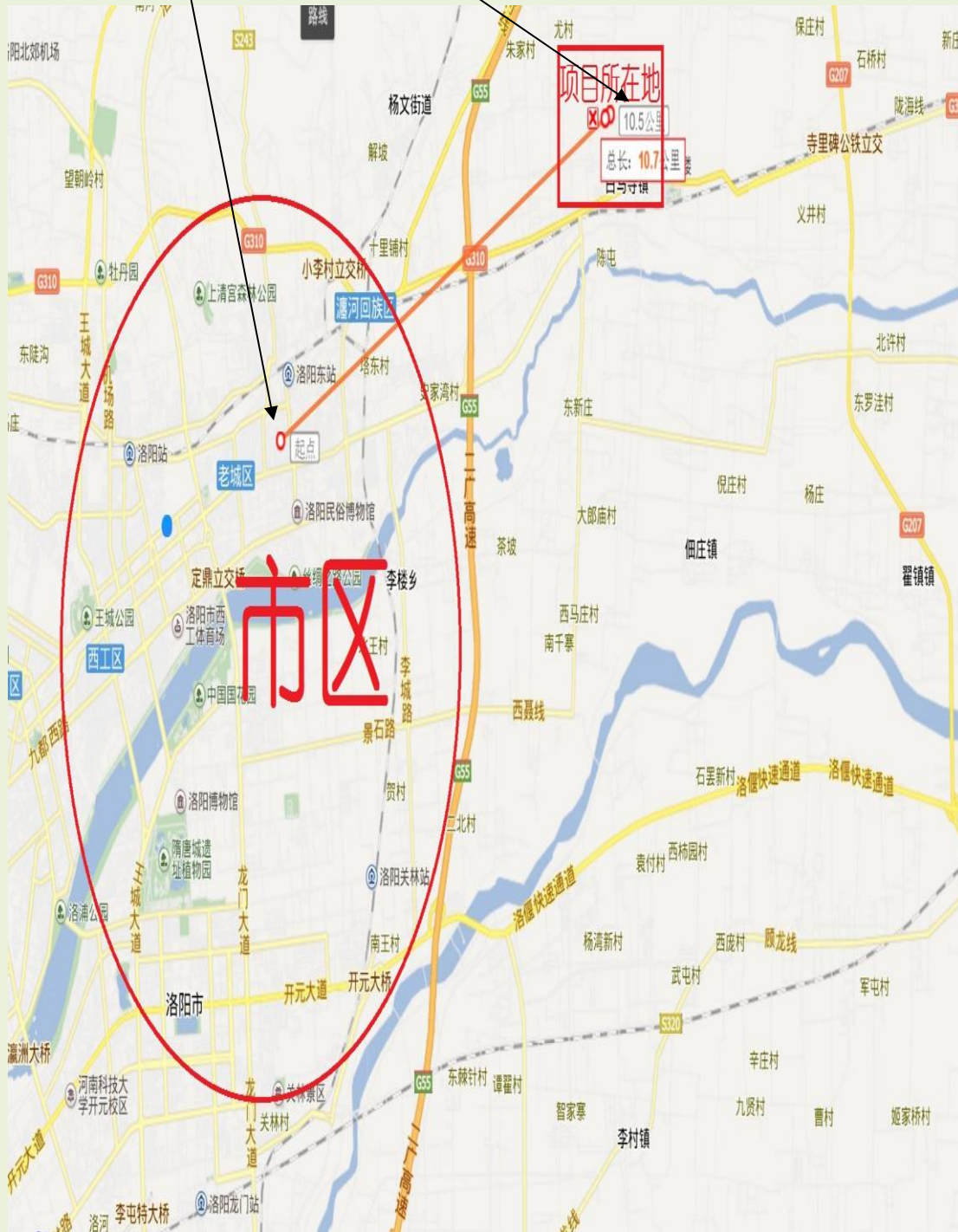
Come 2030 will it be “Business As Usual”?

It is often said that in business, some of the most dangerous attitudes are “we have always done it this way”, or “we are too busy right now to make changes”. The same can also be applied to cities. The most successful cities are those which understand the need to think all over again on the future of Sustainable Urban Development by incorporating resilient passive urban design strategies, since these provide the biggest gains rather than active solutions.

Appendix X

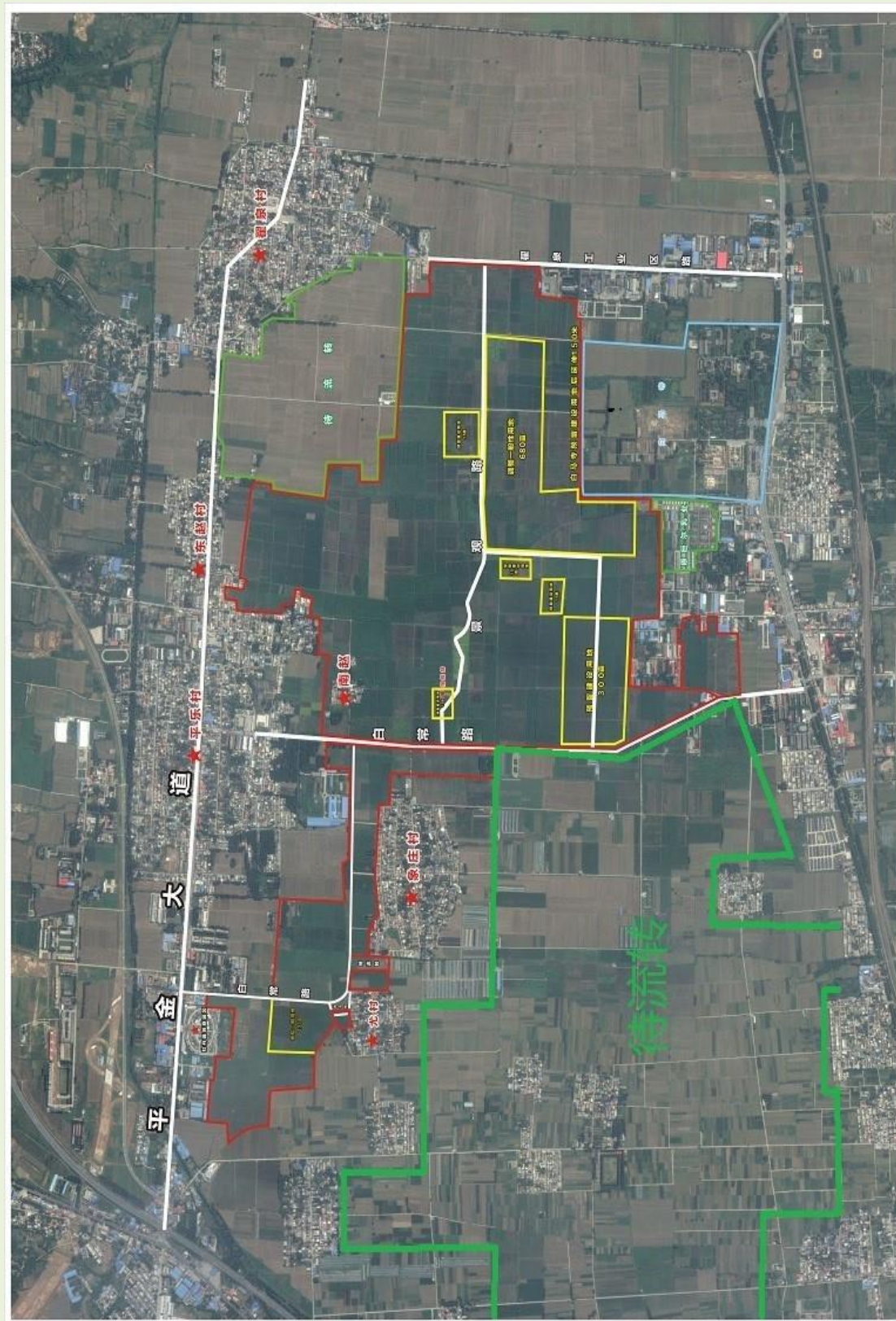
Luoyang Town Centre

Luoyang Eco-Tourism and Agricultural
Industrial Park (10.5 kilometers from Town
Centre)



Appendix XI

Aerial Photo of Eco-Tourism Land (inside red/green line)



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