

Second Party Opinion

Green Finance Framework

K-Solar (Private) Limited and KS Regen Limited

Assessment Summary

VIS Credit Rating Company along with CCX Green Finance International Limited (VIS-CCXGFI) assessed the alignment of the K-Solar (Private) Limited and KS Regen (Private) Limited (“K-Solar/KS Regen” or “the Companies”) Green Finance Framework (the “GFF” or the “Framework”) with the International Capital Market Association (ICMA) Green Bond Principles (GBP) 2025 and the Securities & Exchange Commission of Pakistan (SECP) guidelines for issuance of Green Bond.

Overall Summary

GBP Core Components	VIS-CCXGFI Assessment	Indicative VIS-CCXGFI Descriptor
Use of Proceeds	<i>Strong</i>	<i>Aligned</i>
Process for Project Evaluation and Selection	<i>Strong</i>	<i>Aligned</i>
Management of Proceeds	<i>Strong</i>	<i>Aligned</i>
Reporting	<i>Strong</i>	<i>Aligned</i>

Approved by the VIS-CCXGFI Green Bond Evaluation Committee, VIS-CCXGFI are of the opinion that the Green Finance Framework is credible and impactful and aligns to the four core components of the GBP 2025 as well as with the SECP guidelines for issuance of Green Bond. This assessment is based on the following:

Framework Type

Green Finance

Company Location

Karachi, Pakistan

Date

September 16, 2025

Alignment

Green Bond Principles 2025

SECP Guidelines for Issuance of Green Bond

Contribution to UNSDGs



UNSDG 7



UNSDG 13

Alignment with ICMA GBP 2025

Use of Proceeds

The eligible category for the use of proceeds – Renewable Energy – is aligned with the eligible Green Projects categories recognized by the GBP 2025. The Framework also provides for refinancing of the solar power projects, which have been completed utilizing K-Solar's other resources, with a lookback period of not more than 24 months. Whilst the net proceeds will be allocated to the eligible projects within 12 months from receipt of net proceeds. VIS-CCXGFI consider that the eligible category will lead to positive environmental impact and contribute to the achievement of the UN Sustainable Development Goals, specifically SDG 7 and SDG 13.

VIS-CCXGFI are of the opinion that the use of proceeds defined in the GFF is in line with the requirements of GBP 2025.

Process for Project Evaluation and Selection

The Companies have pre-defined eligible projects for utilization funds raised against their Framework. The eligible projects under the Framework exclusively are renewable energy projects including (a) Solar Power Projects and (b) Wind Energy Power Projects. Selection of these projects are made considering their;

- Positive environmental impact
- Substantial contribution towards reduction in carbon dioxide and other GHGs emission

Also, the Companies have constituted a Team, comprising senior management members for evaluating and selecting the projects, to be financed from proceeds of the green sukuk/bond, based on their environmental impact assessment and ensuring their compliance with local regulations and global sustainability standards.

VIS-CCXGFI are of the opinion that the process put in place for project evaluation and selection is in line with GBP 2025 and the best market practice.

Management of Proceeds

The GFF provides for maintaining separate accounts to trace utilization of the proceeds of the green sukuk/bond issued under the GFF. The unallocated proceeds, if any, will be held in temporary investment instruments, which are assets with high liquidity and safety such as cash or cash equivalent instruments; or held in temporary placements that do not include projects, assets or activities that are inconsistent with the nature of green and/or social debt instruments.

VIS-CCXGFI are of the opinion that the mechanism of the management of proceeds is in line with GBP 2025.

Reporting

Similarly, the GFF provides for separate reporting disclosure in financial statement of the Company for tracing utilization of the funds raised against the Framework and assessing the impact of such utilization on environment.

VIS-CCXGFI are of the opinion that reporting details outlined in the GFF meet the recommendations of GBP 2025.

Facilitation in Investors Assessment

GBP 2025 recommends that the Green Bond Framework should be available in a readily accessible format to investors for assessing eligibility of the projects as green to facilitate making informed investment decisions. The Companies intend to publish the GFF together with the Second Party Opinion (SPO) on its website. Also, both of these documents will be part of all the offering documents for issuance of any sukuk/bond under the GFF.



External Review

The Companies have engaged VIS Credit Rating Company along with CCX Green Finance International Limited for offering a SPO on their Green Finance Framework. Additionally, K-Solar shall be seeking SPO on use of proceeds of each tranche of sukuk/bond issued under its GFF.

VIS-CCXGFI are of the opinion that this engagement is in line with the ICMA recommendations for external review to enhance credibility of the framework to the potential investors of green sukuk/bond.

Contribution of the Green Finance Framework to UNSDGs





The UNSDGs were adopted in 2015 by the United Nations as part of the sustainable development agenda 2030. The green sukuk/bond to be issued under the GFF contributes to the UNSDGs and its targets as follows:

SDGs	SDG Target
	<p>To ensure access to affordable, reliable, sustainable and modern energy to all</p> <p>7.2: By 2030, increase substantially the share of renewable energy in the global energy mix</p>
	<p>Taking urgent action to tackle climate change and impacts</p> <p>13.2: Integrate climate change measures into national policies, strategies and planning</p>

Contribution of the of the Green Finance Framework to Maqasid Al-Shariah

Maqasid Al-Shariah represents a well-established Islamic framework aimed at fostering human welfare and holistic development. These Maqasid, articulates five core objectives of Shariah namely, protection of religion (Hifz ad-Din), life (Hifz an-Nafs), intellect (Hifz al-Aql), progeny (Hifz an-Nasl), and wealth (Hifz al-Mal). Together, these objectives provide a comprehensive framework for sustainable and inclusive development. In parallel, the United Nations in 2015 adopted seventeen sustainable development goals representing a global consensus on development priorities. Considering the inherent alignment between these two frameworks, VIS, in collaboration with International Islamic Rating Agency (IIRA), Bahrain has developed a methodology for mapping of the Maqasid Al-Shariah with the 17 UNSDGs. Detailed methodology for mapping of Maqasid Al-Shariah with UNSDGs is available at the VIS web site. This mapping exercise illustrates the convergence between Islamic jurisprudential imperatives and contemporary global development goals, highlighting areas of mutual reinforcement and shared priorities.

Based on the VIS' mapping, the GFF contribute to the Maqasid Al-Shariah by way of reducing harmful emissions which helps in protection of Life, Lineage and Wealth as follows:

SDGs	Contribution to Maqasid Al-Shariah	
	To ensure access to affordable, reliable, sustainable and modern energy to all	 <p>Hifz Al-Mal (Protection of Wealth)</p>
	Taking urgent action to tackle climate change and impacts	 <p>Hifz An-Nafs (Protection of Life)</p>
		 <p>Hifz An-Nasl (Protection of Lineage)</p>

Profiles of Participating Rating Agencies

VIS Credit Rating Company Limited - Pakistan

VIS Credit Rating Company Limited (VIS) has been operating in Pakistan since 1997. VIS is licensed by the Securities & Exchange Commission of Pakistan (SECP) and recognized as an External Credit Assessment Institution (ECAI). Promoters of VIS include Vital Information Services Pvt. Ltd. (VISPL), Pakistan Stock Exchange and ISE Towers REIT Management Company Ltd.

VISPL was incorporated in 1994 and commenced publishing financial and capital market data of all the listed companies. The unique publication, F&J Almanacs, also introduced Financial Strength Rankings based on its indigenously developed models. VISPL has been developing, testing, and validating credit assessment models for over 30 years. These models determine probability of default for large, medium, and small entities across various industrial sectors.

VIS is the founder shareholder of the Islamic International Rating Agency, Bahrain (IIRA) which is an Islamic Finance infrastructure institution founded by Islamic Development Bank, with a view to develop Islamic Financial capital markets in OIC countries. IIRA is recognized by the regulatory authorities in multiple jurisdictions including Pakistan, Turkey, Bahrain etc. VIS has also played a pivotal role in the development of credit rating industry in Bangladesh by establishing the first credit rating company, Credit Rating Information and Services Limited (CRISL).

VIS is also the only rating agency in Pakistan enjoying international collaborations. Japan Credit Rating Agency, Japan (JCR), is a technical partner of VIS. China Chengxin Credit Rating Agency (CCXI) and China Chengxin Credit Rating Asia Pacific (CCXAP) are also collaborating partners of VIS. VIS has also entered into collaboration with CCX Green Finance International Limited (CCXGFI) to introduce sustainable finance related assessments in Pakistan.

CCX Green Finance International Limited -Hong Kong

CCX Green Finance International Limited (CCXGFI) is a third-party service organization under China Chengxin International Credit Rating Co., Ltd. (CCXI) that specializes in green and sustainable finance-related businesses and focuses on business development in Hong Kong and overseas regions.

In June 2023, CCXGFI was the first to obtain the external review qualification of the Hong Kong Monetary Authority's Green and Sustainable Finance Funding Program. The services currently provided by CCXGFI include green bond and green loan assessment and certification services, green financial services for financial institutions, comprehensive green financial development services for local governments, ESG reports, ESG ratings and data services.

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