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**HSBC ARRANGES GREEN TRADE LOAN IN HONG KONG**

*\* Support Paul Y. Engineering Group to construct HKU's Student Residence, a MiC Pilot Project at Wong Chuk Hang \**

HSBC announced today that a HKD150 million green trade loan was arranged for Paul Y. Engineering Group ("PYE"). The facility will support the construction of a 1224-place student residence at Wong Chuk Hang for the University of Hong Kong ("HKU"), a Modular Integrated Construction ("MiC") pilot project under the Development Bureau of the Hong Kong SAR Government.

The HKU MiC Project meets the requirements under the green building certification – the Hong Kong Building Environmental Assessment Method – Gold Rating, which fully reflects the criteria laid down in HSBC's green finance framework. PYE was awarded the main contract for the HKU MiC Project because of its thorough understanding of MiC and dedication to drive smart construction in Hong Kong. The building is scheduled to be completed by June 2023.

Unlike traditional loans for construction projects, this green facility is innovatively structured as a service trade loan\* to meet PYE's specific sourcing needs. The facility enables PYE to fund the HKU MiC Project flexibly as and when costs are incurred, while enhancing the project's quality, safety and environmental performance.

**Terence Chiu, Head of Commercial Banking, Hong Kong, HSBC**, said: "We are pleased to arrange HSBC Group's very first green trade loan out of Hong Kong for PYE. Using our expertise and market leadership in both sustainable finance and trade finance, we came up with an innovative financing solution that catered to PYE's unique needs. Our customers are increasingly prioritising sustainability as a top criterion when making business decisions, and we expect this trend to accelerate – especially in the construction and real estate space."

**James Lee, Chief Executive Officer of PYE**, said: "We are pleased to have garnered staunch support and secured this green facility from HSBC. As one of the largest main contractors in Hong Kong, we are dedicated to promoting sustainable construction with our rich construction experience and expertise. The HKU MiC Project is one of the first pilot projects in fully implementing MiC in Hong Kong and this serves as solid proof of our capability in sustainable construction. This inaugural green trade loan arrangement is of significance to

us, as it is a testament to our commitment and effort in moving the green initiatives forward with HSBC, under our close cooperation and partnership.”

HSBC has pledged to provide and facilitate USD100 billion of sustainable financing and investment globally by 2025. By the end of 2019, the Bank has delivered USD52.4 billion.

To meet the green financing needs of different types of customers, HSBC provides a suite of sustainable finance solutions:

- Sustainable financing programme that offers carbon saving (in the form of cash rebate) and free environmental awareness training
- Sustainable supply chain finance programme that pegs a supplier’s financing rate to its sustainability standards
- Sustainability-linked loans, the interest paid by the borrower is linked to selected sustainability key performance indicators
- Green bonds, the proceeds of which are earmarked for investment in environmentally friendly projects

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**Notes to editor:**

\*The facility is structured as a service trade loan for PYE to provide construction services to HKU. Loan proceeds are certified to be used for the HKU MiC Project.

**Photo:** The construction of the HKU student residence at Wong Chuk Hang for a Pilot MiC Project under the Development Bureau of the Hong Kong SAR Government.



**The Hongkong and Shanghai Banking Corporation Limited**

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,918bn at 31 March 2020, HSBC is one of the world's largest banking and financial services organisations.

**About Paul Y. Engineering Group**

Headquartered in Hong Kong, Paul Y. Engineering Group Limited is dedicated to providing full-fledged engineering and property services, with operations in Hong Kong, Beijing, Shanghai, Hangzhou, Guangzhou, Nantong, Shenzhen, Zhuhai, Macau, Singapore and Malaysia. For over 70 years, PYE has been at the heart of some of the most challenging and impactful construction projects that have shaped the iconic skylines of Hong Kong and many other cities. Its projects include commercial and residential buildings, institutional facilities, highways, railways, airport runways, tunnels, port works, water and sewage treatment facilities, etc. For more information, please refer to [www.pyengineering.com](http://www.pyengineering.com).

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