



News Release

8 December 2021

HSBC AND CHINACHEM GROUP SIGN BILATERAL SUSTAINABILITY-LINKED LOAN OF HKD1 BILLION

HSBC and Chinachem Group (the “Group” or “Chinachem”) announced today the arrangement of a three-year sustainability-linked loan facility of HKD1 billion to support the Group’s general working capital and capital expenditure in accordance with its sustainability objectives. The transaction reinforces the ongoing commitment of both corporations in promoting green developments in Hong Kong’s real estate sector.

As the sole lender and sustainability structuring bank, HSBC has innovatively structured the facility to meet the specific operation needs of Chinachem and incentivise the Group to fulfil a set of sustainability metrics, including reduction in energy consumption and water consumption in both its hotels and properties under management.

Recognising sustainability as one of its core values, Chinachem has been developing environmentally friendly properties and advocating green practices throughout its operations. In support of sustainable development, the Group has built green properties and promoted green construction technologies, implemented energy-saving measures throughout its buildings, as well as organised community activities to foster environmental awareness.

Frank Fang, Head of Commercial Banking, Hong Kong, HSBC, said: “Sustainability is an increasingly critical business agenda across different sectors. We are delighted to arrange the first sustainability-linked loan for Chinachem Group, extending our long-term relationship to support their dedication to contributing to the low-carbon economy. As a leading bank in the sustainable finance market, HSBC will leverage our expertise and comprehensive solutions to help clients navigate the net-zero transition.”

Donald Choi, Executive Director and Chief Executive Officer, Chinachem Group, said: “As a developer of ‘Places with Heart’, we strive to create vibrant, liveable, sustainable and socially inclusive communities, guided by our Triple Bottom Line of People, Prosperity and Planet. With this first sustainability-linked loan, we aim to promote and support environmentally and socially sustainable projects and minimise our carbon footprint. We look forward to working together with other like-minded partners to help Hong Kong transition to a brighter, zero-carbon future.”

HSBC has been embedding sustainability into its products and services, including access to capital markets, lending, transaction banking, advisory services and investments. In addition to participating in Chinachem's first green development club loan for its project in Ho Man Tin, HSBC has also arranged and taken part in numerous sustainable financing solutions tailored for companies of different sectors and sizes.

In June 2021, Chinachem launched its Green Finance Framework to demonstrate how the Group intends to enter into Green Financing Transactions to fund projects that will deliver environmental benefits. To explore further opportunities to contribute to sustainable development, the Group is also formulating a Sustainability Development Framework that works towards realising the United Nations' 17 wide-ranging Sustainable Development Goals by 2030, which epitomises the balance between financial return and community responsibility.

As part of these sustainability efforts and to respond to increasing customer demand for sustainable and responsible business practices, Chinachem has committed to meeting a series of Science-Based Targets (SBT) to support the long-term viability of its businesses and create enduring value for sustainable development. A review of the SBT in 2021 led to the "Chinachem Group Carbon Reduction Roadmap – CCG 3050+" with a new, more aggressive carbon reduction target to cut the Group's carbon emissions by 51.8% in 2030 as compared with the base year of 2020.

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Photo:



HSBC and Chinachem Group announced today the arrangement of a three-year bilateral sustainability-linked loan facility of HKD1 billion. Photo includes Frank Fang, Head of Commercial Banking, Hong Kong, HSBC (second left); Donald Choi, Executive Director and Chief Executive Officer, Chinachem Group (second right); Sunny Poon, Head of Corporate (Commercial Real Estate & Infrastructure), Commercial Banking, Hong Kong, HSBC (first left); and Kam Por Chan, Chief Financial Officer, Chinachem Group (first right).

Reminder: "To borrow or not to borrow? Borrow only if you can repay!"

Note to editors:

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 \$2,969bn at 30 September 2021, HSBC is one of the world's largest banking and financial services organisations.

Chinachem Group

Since 1960, Chinachem Group has been a leading property developer in Hong Kong, with a portfolio covering residential, commercial, retail and industrial buildings for sale and investment, in addition to operating hotels and property management services. The Group actively seeks to make a positive contribution to society through its adherence to the "Triple Bottom Line", a commitment that its activities will benefit People, bring Prosperity to the community and preserve the Planet.

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