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**HSBC DOUBLES DOWN ON SUPPORT TO INNOVATION  
ECONOMY IN HONG KONG AND MAINLAND CHINA****DEDICATED LENDING FUND INCREASES TO USD3 BILLION**

*\*\*Expanding lending to climate tech, industrials, consumer, technology, and healthcare and life sciences through new “HSBC New Economy Fund”\*\**

*\*\*Rolling out venture debt in Hong Kong\*\**

HSBC announced today several new initiatives to strengthen its dedicated support to the innovation economy in Hong Kong and mainland China. It will upsize the Bank’s specialist lending scheme to start-ups and tech-led businesses to USD3 billion. The Bank will also add its first venture debt capability in Asia, bolstering its suite of offshore financing solutions in Hong Kong for early-stage, high-growth companies with venture capital backing.

HSBC is committed to supporting entrepreneurs and innovative companies. Since 2019, HSBC has set up two dedicated debt financing schemes totalling USD1.8 billion to support technology and healthcare ventures in the Guangdong-Hong Kong-Macao Greater Bay Area.

Driven by strong customer demand, the two existing financing schemes will be combined to form an upsized USD3 billion fund called the HSBC New Economy Fund (“the Fund”). The enlarged fund will now support start-ups and tech-led businesses in climate tech, industrials, and consumer sectors in Hong Kong and mainland China, while retaining its existing focus in technology, as well as healthcare and life sciences.

**Frank Fang, General Manager and Head of Commercial Banking, Hong Kong and Macau, HSBC**, said, “Structural shifts driven by imperatives such as the transition to net zero, the fourth industrial revolution and Web 3.0 are redefining businesses, regardless of their industry and size. New economy companies are set to play a more pivotal role in stimulating economic growth. With ever growing links with mainland China, Hong Kong will continue to be the preferred gateway bridging global capital to China’s growth story.”

From Series A stage and beyond, HSBC will continue to offer working capital, capital expenditure facilities, treasury management, and corporate finance solutions to meet the needs of innovation economy companies at different stages of their lifecycle.

Under the Fund, the Bank is also introducing venture debt to provide early-stage businesses with bespoke debt financing solutions, with the capability to include equity warrant instruments within the lending structures.

“This is yet another demonstration of HSBC’s support for the innovation economy in Hong Kong and beyond. These enhanced capabilities, coupled with our unrivalled international network, will place the Bank in a strong position to support emerging entrepreneurs of today who will shape the business world of tomorrow,” added **Fang**.

Apart from financing solutions, HSBC is continuing to grow and invest in specialist support for the innovation economy ecosystem through dedicated client coverage teams, including private equity and venture capital funds and their portfolio companies. This is in addition to the offering of beyond banking solutions via digital platform HSBC Business Go. HSBC also supports the development of start-ups through partnerships with different industrial parties, with recent examples of sponsoring JUMPSTARTER 2023 Global Pitch competition organised by Alibaba Entrepreneur Fund, and the inaugural Hong Kong Innopreneur awards by The Federation of Hong Kong Industries.

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

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#### **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 62 countries and territories. With assets of US\$2,990bn on 31 March 2023, HSBC is one of the world’s largest banking and financial services organisations.

*ends/all*