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## **HSBC INCREASES GBA SUSTAINABILITY FUND TO USD9 BILLION**

**\*\*Arranged first green and social loan in Hong Kong for Chevalier Group to develop co-living housing for young people\*\***

The HSBC GBA Sustainability Fund (the Fund) has been upsized to USD9 billion – from its initial size of USD5 billion – after receiving positive market response, says the Bank. The Fund is a debt finance scheme dedicated to supporting sustainable activities and net zero transition initiatives of companies in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA).

Green and sustainable debt market in the GBA continues to grow apace. In the Guangdong Province, the green loan balance reached RMB2.2 trillion in 2022, representing a year-on-year growth of 53.3 per cent.<sup>1</sup> Across the border in Hong Kong, which aims to become a regional centre for green and sustainable finance, green and sustainable loan issuance recorded an increase of more than 100 per cent in 2022, amounting to USD52.7 billion.<sup>2</sup>

Since its launch in May 2022, the Fund has been catering to the growing demand for green and sustainable finance in the GBA. Through the Fund, HSBC has recently made a HKD100 million green and social loan to Chevalier Group, the first of its kind arranged by the Bank in Hong Kong to support a project that meets both the Green Loan Principles and Social Loan Principles.

The loan proceeds will be used to build the superstructure of the “Jockey Club Key House”, the first local co-living project that provides one-stop accommodation and support for out-of-home youths and people in recovery. The building, located at Shau Kei Wan, is expected to attain BEAM Plus Platinum rating for its sustainability performance upon completion.

**Frank Fang, General Manager, Head of Commercial Banking, Hong Kong and Macau, HSBC**, said, “The GBA is taking the lead in exploring green technology innovation and piloting decarbonisation projects. The green transformation of the GBA is going to require massive capital investment, as well as financial innovations that encourage sustainable development. Customer response to the HSBC GBA Sustainability Fund has far exceeded our expectation. We are pleased to double the fund size and step up our beyond banking support to help businesses meet their net zero goals and future proof their business models.”

**H S KUOK, Chairman and Managing Director of the Chevalier Group**, said, “The Chevalier Group is committed to sustainable development across

its diverse business operations. With a robust financial status and promising growth prospects, we are honoured to collaborate with HSBC in this meaningful green and social loan. We are honoured to contribute our part for a sustainable future."

Proceeds for green and social loans should be utilised for financing projects that directly contribute to environmental objectives and achieve positive social outcomes in line with the Green Loan Principles and Social Loan Principles (Use of Proceeds pillar) of the Asia Pacific Loan Market Association. The Fund also covers other sustainable finance solutions, such as sustainability-linked loans.

The Fund is available to GBA-based companies of different sizes and sectors. Under the Fund, HSBC provided a green loan for a climate technology firm for the first time in Hong Kong. The company focuses on reducing carbon emission from the construction industry through innovative power solutions.

For SME customers, HSBC also provides a wide range of beyond banking support, including free ESG training and assessment tools, to help them plan their sustainability roadmap.

HSBC was named Asia's Best Bank for Sustainable Finance at Euromoney Awards for Excellence 2023 for the sixth consecutive year.

1 Source : <http://guangzhou.pbc.gov.cn/guangzhou/129136/4786685/index.html>

2 Source : [https://www.climatebonds.net/files/reports/cbi\\_hk\\_briefing\\_2022\\_final.pdf](https://www.climatebonds.net/files/reports/cbi_hk_briefing_2022_final.pdf)

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**Note to editor:**

#### Photo caption



The HSBC GBA Sustainability Fund has been upsized to USD9 billion. Through the Fund, HSBC has made a HKD100 million green and social loan to Chevalier Group. Pictured here are Kuok Hoi Sang, Chairman and Managing Director of

Chevalier International Holdings (third from right); Tam Kwok Wing, Deputy Managing Director of Chevalier International Holdings (second from right); Connie Cheung, Group Treasurer of Chevalier International Holdings (first from right); Frank Fang, General Manager, Head of Commercial Banking, Hong Kong and Macau, HSBC (third from left); Sunny Poon, Head of Corporate (Commercial Real Estate and Infrastructure), Commercial

Banking, Hong Kong, HSBC (first from left); and Thomas Elliott, Head of Client Coverage, Commercial Banking, Hong Kong, HSBC (second from left).

Terms and conditions apply. For details, please refer to [business.hsbc.com.hk/gba-financing](https://business.hsbc.com.hk/gba-financing)

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

**The Hongkong and Shanghai Banking Corporation Limited**

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