

HKSAR Government's Green Bonds Offering

The following is issued on behalf of the Hong Kong Monetary Authority:

The Government of the Hong Kong Special Administrative Region of the People's Republic of China (the HKSAR Government) today (November 24) announced the successful offering of RMB5 billion offshore renminbi green bonds (the Green Bonds) under the Government Green Bond Programme.

The offering comprises two tranches of RMB2.5 billion 3-year and RMB2.5 billion 5-year. This is the HKSAR Government's inaugural offering of renminbi-denominated bonds, setting an important new benchmark for the offshore renminbi market.

The Green Bonds were priced on November 23 at 2.80 per cent for the 3-year tranche and 3.00 per cent for the 5-year tranche. The Green Bonds saw strong demand from diversified group of investors despite recent market volatility, with the two RMB tranches attracting over RMB14.2 billion in orders. 54 per cent of the Green Bonds was distributed to banks, 35 per cent to fund managers, private banks and insurance companies, and 11 per cent to supranationals, official institutions and corporates.

"This landmark offering by the HKSAR Government further enriches the range of offshore renminbi financial products available in Hong Kong, consolidates our role as the premier offshore renminbi centre, and contributes to promoting the internationalisation of the renminbi. It also strengthens the Hong Kong platform to better serve renminbi issuers who raise green financing in support of low-carbon transition efforts. Together with the US dollar and euro-denominated green bond offerings last week, it demonstrates our continued commitment to further develop the green bond market through piloting issuances with different parameters," the Financial Secretary, Mr Paul Chan, said.

The Green Bonds are being issued under the Global Medium Term Note Programme dedicated to green bond issuances established earlier this year. The Green Bonds will be cleared through the Central Moneymarkets Unit of the Hong Kong Monetary Authority (HKMA), and are expected to be settled on November 30, 2021 and listed on the Hong Kong Stock Exchange and the London Stock Exchange. The Green Bonds have been assigned credit ratings of AA+ by S&P Global Ratings and AA- by Fitch.

The HKMA acts as the HKSAR Government's representative in the green bond offerings under the Government Green Bond Programme. Proceeds raised under the Programme will be credited to the Capital Works Reserve Fund to finance or refinance government projects that provide environmental benefits and support the sustainable development of Hong Kong.

The HKSAR Government published its Green Bond Framework in 2019, which

sets out how green bond proceeds will be used to fund projects that will improve the environment and facilitate the transition to a low carbon economy. Vigeo Eiris has provided a Second Party Opinion for the Green Bond Framework. The Green Bonds have also received the Green Finance Certificate (Pre-issuance Stage) from the Hong Kong Quality Assurance Agency. The HKSAR Government has since published two annual reports on the allocation of the proceeds from previous green bond issuances and the expected environmental benefits.

Crédit Agricole CIB and HSBC acted as Joint Global Coordinators, Joint Lead Managers, Joint Bookrunners and Joint Green Structuring Banks. ICBC (Asia) acted as Joint Global Coordinator, and together with Bank of China (Hong Kong) Limited, Bank of Communications, Mizuho Securities and Standard Chartered Bank as Joint Lead Managers and Joint Bookrunners.

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