



## **Towngas issues its First 10-year Green Bond to Fund Environmentally-Friendly Waste-to-Energy Investments**

**First Green Bond from a Hong Kong energy utility, in line with Green Bond Principles and covered by Second Party Opinion**

(14 November 2017) The Hong Kong and China Gas Company Limited (Towngas) announced today that it has issued its inaugural Green Bond through a HKD 600 million and a JPY 2 billion transaction. The two transactions attracted significant green investor interest. Whilst Towngas' original intention had only been to issue HKD 500 million in financing, the exercise was upsized due to a strong investor response. The Green Bond was issued under Towngas' USD 2 billion Medium Term Note Programme and its new Green Bond Framework, which is in line with the Green Bond Principles 2017. The proceeds from the bond are earmarked to invest in Towngas' waste-to-energy projects including our landfill gas utilization project at South East New Territories Landfill and other eligible Green investments that demonstrate Towngas' strong dedication to sustainable development and the fight against climate change.

Sustainability is central to Towngas' identity and is critical to all aspects of its operations. Towngas has a strong commitment to preserve, protect and improve the environment, particularly through the development and operation of waste-to-energy projects. The issuance by Towngas of its first Green Bond marks a milestone for Towngas' financial and environmental strategies. Towngas is especially proud to be the first energy utility in Hong Kong to issue any Green Bond.

John Ho Hon Ming, Chief Financial Officer and Company Secretary of Towngas, said, “We are pleased with the issuance of our first Green Bond and encouraged by the keen support from green investors. We are also happy to play a part in developing green finance in Hong Kong, as highlighted in the recent Policy Address delivered by the Chief Executive of the Government of the Hong Kong Special Administrative Region.”

Towngas’ Green Bond Framework is prepared according to the international standards promulgated under the Green Bond Principles 2017 and has been reviewed by a global ESG and corporate governance research and rating provider, Sustainalytics. Both the Green Bond Framework and the Second Party Opinion from Sustainalytics are publicly available on Towngas’ website.

(<http://www.towngas.com/en/Social-Responsibility/Health,-Safety-and-Environmental-Management/Green-Financing>)

The Green Bond is expected to be rated A1 by Moody’s Investor Services. Credit Agricole CIB acted as the Green Structuring Advisor in relation to the green structuring, preparation and distribution, as well as Sole Placement Agent for the issuance of the mentioned Green Bond.

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