

Towngas Smart Energy leads the industry in issuing its first Sustainability-Linked Bond

(14 April 2022) Towngas Smart Energy Company Limited (“Towngas Smart Energy”, Stock Code: 1083.HK) announced today that it has issued its inaugural Sustainability-Linked Bond and raised a total of US\$200 million amid choppy market conditions. The bond tenor is 5 years with a coupon rate of 4% per annum.

The aforesaid Bond is issued with reference to the Sustainability-Linked Financing Framework of the Group, and the Framework aligns with the Sustainability-Linked Bond Principles and Sustainability-Linked Loan Principles. Within the Framework, two Sustainability Performance Targets were set, including the total photovoltaic installed capacity and the solar energy sales to total energy sales ratio.

The Company aims at investment in renewable energy business and carbon reduction, and commits to achieving the Sustainability Performance Targets. Should Towngas Smart Energy not able to fulfil any of the pre-agreed Sustainability Performance Targets, the Company will pay an extra 0.25% of interest. This is to show the Company’s commitment on sustainability. The Company will continue to contribute to global climate change as well as the target to achieve carbon neutrality by 2060 of China.

Mr John Ho Hon-ming, Executive Director and Company Secretary of Towngas Smart Energy, remarked, “We are pleased with the issuance of our first Sustainability-Linked Bond and be the first energy company to issue Sustainability Linked Bond in Hong Kong with keen support from various sustainability and green investors. This has proven investor’s recognition to our sustainability business and also promote the development of sustainability and green financing in Hong Kong and upholds its status as an international and Asian financial hub. Sustainability and green finance initiatives also align with the global investment trend.”

Mr Ho added, “By linking its sustainability, particularly climate-related, commitments to its financing, Towngas Smart Energy, as a leading market player in the natural gas sector on the Chinese mainland, aims to demonstrate its contribution in the much-needed energy transition in China and its dedication to proactively address the business risks and opportunities brought by climate change.”

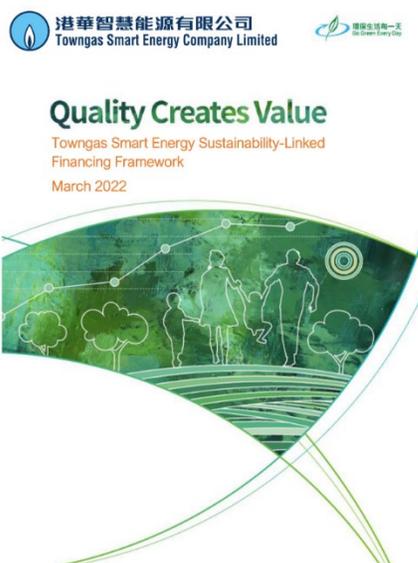
Towngas Smart Energy announced its new business development blueprint at the end of last year to expand its business into the renewable energy sector alongside its current gas business. In the meantime, the Group aims to achieve an integrated sustainable and tangible smart energy business based on three core pillars, namely integration, digitalisation and decarbonisation. These three pillars allow the Group to expand into the photovoltaic energy market rapidly while continuing to explore new opportunities in digital cloud computing, smart energy management systems, carbon auditing, and carbon trading capabilities for our commercial and industrial customers.

For details of the Sustainability-Linked Financing Framework published by the Group, please visit:

<https://www.towngassmartenergy.com/en/Social-Responsibility/Sustainability-linked-Financing-Framework>

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Photo 1:



Towngas Smart Energy issued its inaugural Sustainability-Linked Bond and raised a total of HK\$1.6 billion to support its business operation and project investment.