

Towngas Smart Energy becomes first Hong Kong Company to issue sustainability-linked Panda Bond

(12 June 2023) Towngas Smart Energy Company Limited (“Towngas Smart Energy”, stock code: 1083.HK) has successfully issued its first 1-year and 3-year Panda Bonds on the Chinese mainland, raising a total of RMB 1.5 billion with an average annual interest rate of 3.27%. Among them is the first sustainability-linked Panda Bond issued by a Hong Kong enterprise on the Chinese mainland. Market response was enthusiastic with an oversubscription of 1.6 times.

Mr John Ho Hon-ming, Executive Director and the Company Secretary of Towngas Smart Energy, said, “The maturing Panda Bond market on the Chinese mainland offers attractive funding rates, making it an advantage for Towngas Smart Energy to issue the Panda Bonds at this time. With the Country’s ‘30-60’ dual carbon goals and its commitment to energy transition, there is a huge demand for green financial products. Towngas Smart Energy issued its first USD200 million sustainability-linked bond in Hong Kong early last year to supplement with green loan for the development of its renewable energy business. Not only are we actively developing our green business in line with the national policy, but also capitalising on the opportunities of sustainable finance to facilitate the low-carbon transition of our business.”

One of the major milestones of Towngas Smart Energy is to convert 200 high-emission industrial parks into zero carbon smart industrial parks on the Chinese mainland by 2025. By the end of 2022, Towngas Smart Energy and its parent company, The Hong Kong and China Gas Company Limited (“HKCG”, stock code: 0003.HK), had carried out more than 500 renewable energy projects in 22 provinces, autonomous regions and municipalities, together with the development of 80 zero carbon smart industrial parks. The business scope in these projects spans multi-energy supply (cooling, heating, electricity), photovoltaics, energy storage, charging and swapping stations, as well as integrated energy services for industrial and commercial customers.

The issuance was led by China Construction Bank Corporation and HSBC Bank (China) Company Limited as the Principal Underwriters. Credit Agricole Corporate and Investment Bank (China) Limited acted as the Sustainability Advisor, and iGreenBank (Beijing) Investment Service Co., Ltd. served as the Assessment and Verification Agency.

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Press photo:



Mr John Ho Hon-ming, Executive Director and Company Secretary of Towngas Smart Energy, states that as the first Hong Kong enterprise to issue a sustainability-linked Panda Bond on the Chinese mainland, the Group not only aligns with national policies at the business development level, but also seizes the opportunity of sustainable finance in financing channels, promoting low-carbon transition in its business.

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