



## Financing in a more sustainable manner

### Sustainable finance framework

Chinachem Group recognises that sustainable financing plays a key role in our broader efforts transitioning to a low-carbon economy and liveable city. And to achieve meaningful results, a policy driven approach is required. Therefore in 2021 we created the Chinachem Group Green Finance Framework (CCGFF) to guide our efforts.

In September 2024, the Group expanded its CCGFF into a more comprehensive Chinachem Group Sustainable Finance Framework (CCG SF Framework) to strengthen its commitment to sustainable development. This enhanced framework incorporates the latest international standards and best practices, including the Green Bond Principles 2021, Green Loan Principles 2023, Social Bond Principles 2023, and Social Loan Principles 2023. It also sets a precedent in Hong Kong by becoming the first framework aligned with relevant categories of the Hong Kong Monetary Authority (HKMA)'s "Hong Kong Taxonomy for Sustainable Finance." Furthermore, it also aligns with relevant categories of the International Platform on Sustainable Finance (IPSF)'s "Common Ground Taxonomy" (CGT), making it the first to achieve dual compliance. A Second-Party Opinion was obtained from ISS Corporate Solutions.

Expanding from the CCGFF's initial focus, the CCG SF Framework now encompasses 13 categories, covering a wider spectrum of environmental and social projects contributing to the United Nations Sustainable Development Goals (UN SDGs):

Environmental Aspect	Social Aspect
<ul style="list-style-type: none"> <li>• Green Buildings</li> <li>• Renewable Energy</li> </ul>	<ul style="list-style-type: none"> <li>• Community Investment &amp; Engagement</li> </ul>

<ul style="list-style-type: none"> <li>• Energy Efficiency</li> <li>• Circular Economy</li> <li>• Sustainable Water &amp; Wastewater Management</li> <li>• Pollution Prevention &amp; Control</li> <li>• Clean Transportation</li> <li>• Green Technologies</li> <li>• Climate Change Adaptation</li> </ul>	<ul style="list-style-type: none"> <li>• Affordable Housing</li> <li>• Development of Age-friendly &amp; Inclusive Buildings</li> <li>• Cultural &amp; Heritage Preservation</li> </ul>
---	---

### Overview of green/ social loans & sustainability-linked loans



In October 2024, the Group secured its first-ever social loan, a HKD150 million facility provided by Standard Chartered Bank. The proceeds will finance social projects aligned with four key areas defined within the Chinachem Group Sustainable Finance Framework: (1) Community Investment and Engagement, (2) Culture and Heritage Preservation, (3) Affordable Housing, and (4) Development of Age-friendly and Inclusive Buildings.



In December 2023, the Group secured an £80 million, two-year financing facility, with a one-year extension option, from the London Branch of a Bank. The proceeds refinanced the acquisition of the environmentally exemplary Green Property - One New Street Square, which has achieved both BREEAM Outstanding rating from the Building Research Establishment (BRE) and WELL Gold certification from the International WELL Building Institute (IWBI).



In November 2023, the Group and ESR Group Limited secured Hong Kong's first-ever Green Loan for the development of a logistics centre. The HKD8.8 billion Green Loan is one of the biggest in Hong Kong in 2023 and it will be used to finance the construction of Kwai Chung Cold Storage Logistics Centre, Hong Kong's largest cold storage facility ever to be built in the last 20 years.



In January 2023, the Group successfully arranged an HKD4.8 billion, 5-year secured term loan facility with three major banks. Proceeds from the Facility will be used to refinance land premium payment and finance construction costs for the Group's non-industrial development project at Tung Chung Town Lot No. 45. This Project aims to obtain a Gold rating or above under the Hong Kong Green Building Council's BEAM Plus certification for this Project.



In May 2022, the Group and Hang Seng Bank signed an HKD1 billion sustainability-linked loan facility to support advancing the Group's sustainability goals. This sustainability-linked loan arrangement demonstrates the shared commitment of the Bank and the Group to creating a greener future and fostering sustainable development in Hong Kong.



In January 2022, the Group partnered with Hysan Development Company Limited to arrange an HKD12.95 billion, 5-year secured term loan facility with six major banks. The facility was the largest green loan in Hong Kong. Proceeds from the Facility will refinance land premium payment and cover construction costs for the Group's new joint venture green commercial development project in Caroline Hill Road, Causeway Bay, Hong Kong. The Project aims to obtain the highest ratings of green and wellness certificates internationally and locally, including China Green Building Label, Leadership in Energy and Environmental Design (LEED) certification from the United States Green Building Council (USGBC) and BEAM Plus certification from the Hong Kong Green Building Council (HKGBC).



In December 2021, the Group partnered with HSBC to arrange an HKD1 billion, 3-year sustainability-linked loan facility to support general working capital needs and capital expenditures aligned with the Group's sustainability objectives. The loan facility demonstrates the shared commitment of the Bank and the Group to promote greener developments within Hong Kong's real estate sector.



In November 2019, the Group successfully arranged an HKD5.3 billion, 4-year secured term loan facility with six major banks and further extended for 18-month in November 2023. Proceeds from the facility refinanced land premium payments and financed construction costs for the Group's residential development project at Ho Man Tin Package Two in partnership with MTR Corporation. This residential development aims to achieve a Gold rating or above under the Hong Kong Green Building Council's BEAM Plus certification.