



**The Government of the Hong Kong Special Administrative
Region of the People's Republic of China**

**Government Green Bond Programme
Retail Green Bond Issuances**

ISSUER'S REPRESENTATIVE

Monetary Authority

CO-ARRANGERS

**Bank of China (Hong Kong) Limited The Hongkong and Shanghai Banking
Corporation Limited**

Programme Circular dated 26 April 2022

The Government of the Hong Kong Special Administrative Region of the People’s Republic of China (**HKSAR Government**) has set up its Government Green Bond Programme (the **GGBP**) to issue green bonds to demonstrate HKSAR Government’s support for sustainable development and determination to combat climate change, and to promote the development of green finance.

As a core component of the GGBP, HKSAR Government published a green bond framework (the **Green Bond Framework**) in March 2019, which was updated in February 2022, setting out how HKSAR Government intends to issue green bonds under the GGBP to fund projects that will improve the environment and facilitate the transition to a low carbon economy.

This programme circular describes the features of and the terms and conditions which in general apply to the retail green bonds to be issued under the GGBP (**retail green bonds**). HKSAR Government may update or supplement this programme circular. You should read this programme circular together with all updates and supplements which HKSAR Government has published. HKSAR Government will publish an issue circular to specify the terms for each series of retail green bonds. The issue circular for a particular series of retail green bonds may vary and/or supplement the terms described in this programme circular for those retail green bonds. In that case, the variations and/or supplements described in the relevant issue circular apply, but only to that series of retail green bonds.

No action has been or will be taken in any jurisdiction by HKSAR Government that would permit the offering of the retail green bonds, or possession or distribution of this programme circular or any issue circular (in proof or final form), any application form or any other offering or publicity material relating to the retail green bonds, in any country or jurisdiction other than Hong Kong. Each of the initial placing banks has represented and agreed in the programme agreement that it has not offered or sold, and will not offer or sell, any retail green bonds, and that it has not distributed, and will not distribute, this programme circular and any issue circular, any application form or any offering or publicity material relating to the retail green bonds, outside Hong Kong.

ATTENTION

HKSAR Government has only published an electronic version of this programme circular. HKSAR Government will not provide printed copies of this programme circular to any person in relation to an offering of retail green bonds. During the subscription period for any retail green bonds and while any retail green bond is still outstanding, you can view this programme circular by visiting the HKSAR Government Bonds website at www.hkgb.gov.hk/en/greenbond.

In this programme circular, certain words and expressions have a specific meaning. These meanings are set out on pages 17 to 19 of this programme circular.

KEY FACTS	
<p>This table only provides a quick summary of the key benefits and risks of investing in retail green bonds. It does not contain all the information that may be important to you as an investor in retail green bonds.</p> <p>You should read all of this programme circular and the relevant issue circular carefully before making any investment decision concerning any retail green bonds.</p>	
KEY BENEFITS OF INVESTING IN RETAIL GREEN BONDS	KEY RISKS OF INVESTING IN RETAIL GREEN BONDS
<ul style="list-style-type: none"> Strong credit: HKSAR Government has a strong “investment grade” credit rating. 	<ul style="list-style-type: none"> Interest rate risk: The market value of retail green bonds with a fixed rate of interest, or with a rate of interest that includes a fixed rate component, may decrease if the prevailing Hong Kong dollar interest rates increase during the term of those retail green bonds.
<ul style="list-style-type: none"> Regular returns: Retail green bonds offer regular payments of interest for the entire term of your investment. 	<ul style="list-style-type: none"> Index risk: The market value of retail green bonds with an interest rate linked to an index may be affected by movements in that index.

KEY BENEFITS OF INVESTING IN RETAIL GREEN BONDS	KEY RISKS OF INVESTING IN RETAIL GREEN BONDS
<ul style="list-style-type: none"> • <u>Interest rate</u>: Retail green bonds may offer higher interest rates than Hong Kong dollar time deposits of similar maturities. 	<ul style="list-style-type: none"> • <u>Exchange rate risk</u>: The Hong Kong dollar value of retail green bonds denominated in a currency other than Hong Kong dollars will decrease if that currency depreciates against the Hong Kong dollar.
<ul style="list-style-type: none"> • <u>Range of maturities</u>: Retail green bonds may be available in a number of different maturities. 	<ul style="list-style-type: none"> • <u>Liquidity risk</u>: There may not be an active secondary market or any secondary market at all for your retail green bonds and it may not be possible to sell your retail green bonds prior to maturity or the sale price may be lower than the amount you invested.
	<ul style="list-style-type: none"> • <u>Credit risk</u>: The retail green bonds are not secured. When you buy retail green bonds, you will be relying on the creditworthiness of HKSAR Government. Adverse changes in the wider economic conditions in Hong Kong and the world and/or the creditworthiness of HKSAR Government may reduce the market value of your retail green bonds and may affect HKSAR Government's ability to make payments of principal of and interest on your retail green bonds. In the worst case scenario, you could lose all of your investment.
	<ul style="list-style-type: none"> • <u>Intermediary risk</u>: You can only hold retail green bonds indirectly through certain institutions whom you will have to rely on to perform a number of functions, including passing on payments of principal of and interest on your retail green bonds to you and proving your interest in your retail green bonds.
	<ul style="list-style-type: none"> • <u>Green investment risk</u>: The retail green bonds may not necessarily be a suitable investment if you seek exposure to specific types of green assets. Although the proceeds of retail green bonds will be used to fund projects that fall under one or more of the "Eligible Categories" as set out in the Green Bond Framework, there is currently no market consensus on what precise attributes make a project "green". Adverse environmental and/or social impacts may also occur during the design, construction, commission and/or operation of such green projects.

YOU SHOULD NOTE THE FOLLOWING IMPORTANT INFORMATION

If you are in any doubt about the contents of this programme circular or any issue circular, you should obtain independent professional advice.

Retail green bonds will be issued under the GGBP. You should read the relevant issue circular as well as this programme circular (as amended or supplemented from time to time) and ensure you fully understand the risks associated with investing in retail green bonds before deciding whether to apply for any retail green bonds.

None of HKSAR Government, the Monetary Authority or the co-arrangers will give you investment advice. You must decide for yourself whether the retail green bonds meet your investment needs, taking professional advice if appropriate.

Any application for HKSAR Government's retail green bonds will be made solely on the basis of the information contained in this programme circular and the relevant issue circular. No person has been authorised to give any information or to make any representation not contained in or not consistent with this programme circular and the relevant issue circular or any other information supplied by HKSAR Government in connection with the retail green bonds. If someone has given you any such information or made any such representation, you must disregard it and must not rely on it as having been authorised by HKSAR Government.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited (the **Hong Kong Stock Exchange**), Hong Kong Securities Clearing Company Limited (**HKSCC**) and the co-arrangers take no responsibility for the contents of this document, make no representation as to its accuracy, completeness or sufficiency and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

This programme circular relates only to retail green bonds issued by HKSAR Government under the GGBP. It does not relate to any institutional green bonds issued by HKSAR Government under the GGBP or other retail or institutional bonds issued by HKSAR Government under any other bond or note issuance programme or otherwise.

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SUMMARY OF RETAIL GREEN BOND ISSUANCES UNDER THE GOVERNMENT GREEN BOND PROGRAMME

This is a summary of the retail green bond issuances under the GGBP. More detailed descriptions of the matters set out here are provided elsewhere in this programme circular. Where there is any difference between the description of a matter here and the more detailed description elsewhere in this programme circular, you should treat the more detailed description as correct. The terms and conditions which will generally apply to each series of retail green bonds are described on pages 10 to 12 of this programme circular although these terms and conditions may be varied and/or supplemented for a particular series of retail green bonds in the issue circular which HKSAR Government will publish for that series of retail green bonds.

Issuer:	The Government of the Hong Kong Special Administrative Region of the People's Republic of China.			
HKSAR Government's credit ratings as at 31 March 2022:	Local currency long-term credit ratings	Local currency short-term credit ratings	Outlook	
	Fitch:	AA-	F1+	Stable
	Moody's:	Aa3	N/A	Stable
	S&P:	AA+	A-1+	Stable
	See further the section entitled "Important Investment Considerations" below.			
Maximum principal amount outstanding under GGBP:	Up to HK\$200,000,000,000 in principal amount may be outstanding in total at any time. No separate maximum amounts have been set for the issuance of retail or institutional green bonds on a standalone basis.			
How retail green bonds will be offered:	Retail green bonds will be offered in one or more series under an issue circular.			
Currency:	Retail green bonds are issued in the currency specified in the relevant issue circular.			
Ranking of retail green bonds:	Retail green bonds rank as HKSAR Government's direct, unsecured, unconditional and general obligations.			
Price of retail green bonds:	You can apply to buy retail green bonds at the application price specified in the relevant issue circular. Note that certain fees may apply in addition to this price.			
Maturity:	Principal on retail green bonds will be repaid in full on the maturity date specified in the relevant issue circular.			
Redemption price:	Retail green bonds will be repaid at maturity at 100% of their principal amount.			
Interest rate:	Retail green bonds bear interest at the rate, or calculated in the manner, specified in the relevant issue circular.			
Principal application amounts:	The minimum principal amount of retail green bonds you can apply for is specified in the relevant issue circular. The principal amount of retail green bonds you apply for must be an integral multiple of the minimum denomination. Applications for a principal amount of retail green bonds which is less than the minimum denomination or for a principal amount of retail green bonds which is not an integral multiple of the minimum denomination are liable to be rejected.			

Form of retail green bonds:	Retail green bonds are issued in the form of computerised book entries in securities accounts maintained by recognized dealers with the Monetary Authority and title is held by the holder of the securities account to which the retail green bonds are credited.
Governing law:	Hong Kong law governs the retail green bonds.
Listing:	Application has been made to the Hong Kong Stock Exchange for the listing of the GGBP in relation to retail green bonds. Retail green bonds issued under the GGBP may be listed or unlisted. The relevant issue circular will specify whether or not a particular series of retail green bonds will be listed on the Hong Kong Stock Exchange.
Use of proceeds:	Proceeds received from the issue of retail green bonds will be used to fund projects that fall under one or more of the “Eligible Categories” as set out in the Green Bond Framework.

IMPORTANT INVESTMENT CONSIDERATIONS

An investment in retail green bonds is not equivalent to a time deposit and involves investment risks.

Your investment in retail green bonds is subject to interest rate risk. The market value of retail green bonds with a fixed rate of interest, or with a rate of interest that includes a fixed rate component, may decrease if the prevailing Hong Kong dollar interest rates increase during the term of those retail green bonds.

Your investment in retail green bonds may also be subject to index risk. A series of retail green bonds may have an interest rate linked to an index. If this is the case, you should refer to the issue circular of that particular series to find out more about the linked index and the calculation of interest. The market value of retail green bonds with an interest rate linked to an index may be affected by movements in that index.

Your investment in retail green bonds may also be subject to exchange rate risk. A series of retail green bonds may be denominated in a currency other than Hong Kong dollars. The Hong Kong dollar value of retail green bonds denominated in a currency other than Hong Kong dollars will decrease if that currency depreciates against the Hong Kong dollar.

Your investment in retail green bonds may also be subject to liquidity risk. There may not be an active secondary market or any secondary market at all. If you try to sell your retail green bonds before maturity, you may not be able to find a buyer for your retail green bonds or the market value of your retail green bonds could be lower than the amount you invested. Although a series of retail green bonds may be listed and traded on the Hong Kong Stock Exchange, you should be aware that this does not guarantee an active secondary trading market for those retail green bonds or that you will have access to a firm bid or offer price for those retail green bonds, nor does it guarantee the ready availability of pricing information in relation to those retail green bonds. If this information is not available, your ability to make an informed decision about whether to sell your retail green bonds may be affected.

Your investment in retail green bonds may also be subject to green investment risk. The retail green bonds may not necessarily be a suitable investment if you seek exposure to specific types of green assets. Although the proceeds of retail green bonds will be used to fund projects that fall under one or more of the “Eligible Categories” as set out in the Green Bond Framework, there is currently no market consensus on what precise attributes make a project “green”. Adverse environmental and/or social impacts may also occur during the design, construction, commission and/or operation of such green projects.

A second party opinion has been obtained from Vigeo Eiris for the Green Bond Framework. HKSAR Government may also arrange for external certification of certain issues of retail green bonds, such as under the Green and Sustainable Finance Certification Scheme operated by the Hong Kong Quality Assurance Agency. See further the section entitled “The Green Bond Framework” in this programme circular. You should be aware that the results of any such external review, and the parties providing the relevant external review, may be updated or amended from time to time. You should not rely solely on the results of such external review which may not reflect the potential impact of all risks related to the retail green bonds, their marketability, trading price or liquidity. The results of such external review are not recommendations to buy, sell or hold securities and are only current as of their date of issue. You should also be aware that it would not be an event of default under the retail green bonds if HKSAR Government were to fail to use the proceeds in the manner specified in this programme circular or the relevant issue circular, or if any certification or opinion obtained from an external review of the Green Bond Framework or certain issues of retail green bonds were to be withdrawn. These, and other factors, may affect the value and/or trading price of the retail green bonds.

Like investments in any other fixed income instruments, your investment in retail green bonds is also subject to credit risk of default on any repayment of principal or any payment of interest. This credit risk can be assessed by referring, among other things, to the credit rating of the issuer of the fixed income instruments or to the credit rating of such instruments themselves if available, but you should not rely solely on such credit ratings. As at 31 March 2022, Fitch Ratings Ltd. (Fitch), Moody’s Investors Service, Inc. (Moody’s) and S&P Global Ratings (S&P) have assigned the following local currency credit ratings to HKSAR Government, which should be read together with the information presented in the section entitled “The Hong Kong Special Administrative Region” in this programme circular:

	Long-term	Short-term	Outlook
Fitch:	AA-	F1+	Stable
Moody’s:	Aa3	N/A	Stable
S&P:	AA+	A-1+	Stable

Such credit ratings may change from time to time. You should refer to the latest credit rating information published on the HKSAR Government Bonds website at www.hkgb.gov.hk. HKSAR Government does not intend to obtain a specific credit rating for any series of retail green bonds, but reserves the right to do so. Any such specific credit rating will be stated in the relevant issue circular.

The retail green bonds are not secured. When you buy retail green bonds, you will be relying on the creditworthiness of HKSAR Government. Changes in the creditworthiness of HKSAR Government and in market conditions such as the economic and political environment in Hong Kong and other parts of the world may reduce the market value of your retail green bonds and may affect HKSAR Government’s ability to make payments of principal of and interest on your retail green bonds. In the worst case scenario, you could lose all of your investment.

Prices of retail green bonds are also influenced by a combination of factors such as time to maturity, overall market conditions and supply and demand of similar instruments. In general, risk increases with the length of maturity of bonds as the prices of longer-term retail green bonds tend to be more sensitive to interest rate movements than those of shorter-term retail green bonds.

Your retail green bonds may not have the same terms and conditions as other bonds or notes issued by HKSAR Government or other issuers. In particular, the retail green bonds do not restrict HKSAR Government’s power to grant security for any of its indebtedness and do not include any rights of holders of retail green bonds to require payments of principal on any date earlier than the maturity date, even in circumstances where HKSAR Government is in breach of its obligations under the retail green bonds. Your attention is drawn to the terms and conditions of the retail green bonds on pages 10 to 12 of this programme circular. These terms and conditions may be varied and/or supplemented for a particular series of retail green bonds by the relevant issue circular.

Retail green bonds are issued in the form of computerised book entries in securities accounts maintained with the Monetary Authority by recognized dealers. They do not exist in physical form and HKSAR Government will not issue certificates for any retail green bonds. Title to retail green bonds is held by the recognized dealers. You cannot hold retail green bonds directly, but must instead hold an interest in retail green bonds indirectly through a recognized dealer or through an institution (such as a securities broker) holding an interest in retail green bonds through a recognized dealer on your behalf. You will have to depend on your recognized dealer (and if applicable, the institution through which you hold an interest in retail green bonds) to make and receive payments on your retail green bonds, give and receive notices in relation to them, prove your interest in retail green bonds and make claims for any sums which are due under the retail green bonds which have not been paid. HKSAR Government does not endorse or guarantee the solvency of any recognized dealer or institution.

RETAIL GREEN BOND ISSUANCES UNDER THE GOVERNMENT GREEN BOND PROGRAMME

WHAT IS THE BACKGROUND TO THE RETAIL GREEN BONDS?

The Chief Executive announced in the 2017 Policy Address that HKSAR Government would take the lead in arranging the issuance of a green bond to demonstrate its support for sustainable development and determination to combat climate change, and to promote the development of green finance. The Financial Secretary further announced in the 2018-19 Budget that HKSAR Government would launch the GGBP for the issuance of green bonds. Such bonds would be issued under the Loans Ordinance (Chapter 61 of the Laws of Hong Kong). The proceeds of such issues would be credited to the Capital Works Reserve Fund set up under the Public Finance Ordinance (Chapter 2 of the Laws of Hong Kong) (the **Capital Works Reserve Fund**) to provide funding for green projects. The overall maximum principal amount that may be outstanding under the GGBP was initially HK\$100,000,000,000 and has been increased to HK\$200,000,000,000. The increase was approved by a resolution passed by the Legislative Council of Hong Kong on 21 July 2021.

In certain documentation and approvals, the retail green bonds have been grouped together with the institutional green bonds under the GGBP. However, different documentation is involved in the issuance of the retail green bonds and the institutional green bonds under the GGBP. To ensure the clear distinction between retail green bonds and the institutional green bonds once they have been issued, and to reflect the different documentation involved in their issuance, this programme circular, each issue circular and the programme agreement treat the retail green bonds as separate securities from the institutional green bonds.

HOW WILL PROCEEDS RAISED FROM THE RETAIL GREEN BONDS BE USED?

The proceeds from the retail green bonds issued under the GGBP will be used exclusively to finance and/or refinance projects that fall under one or more of the “Eligible Categories” as set out in the Green Bond Framework, as amended or supplemented from time to time on the HKSAR Government Bonds website at www.hkgb.gov.hk/en/greenbond. Such projects are defined as “Eligible Projects” under the Green Bond

Framework and will provide environmental benefits to and support the sustainable development of Hong Kong.

Your return on your investment in retail green bonds is not linked to the performance of the funded projects, unless otherwise specified in the relevant issue circular.

WHAT IS THE MAXIMUM AMOUNT OF RETAIL GREEN BONDS THAT CAN BE ISSUED UNDER THE GGBP?

The Legislative Council of Hong Kong has authorised HKSAR Government to issue green bonds under the GGBP up to an overall maximum principal amount outstanding at any time of HK\$200,000,000,000. This means that the amount of retail green bonds which HKSAR Government can issue at any time under the GGBP is affected by the outstanding amount of institutional green bonds and other bonds which HKSAR Government has issued under the GGBP. It also means that whenever bonds under the GGBP are repaid or are purchased by HKSAR Government and cancelled, the available capacity within the overall maximum amount for HKSAR Government to issue bonds under the GGBP will be increased by the amount of bonds that have been repaid or are purchased by HKSAR Government and cancelled.

WHAT IS THE ROLE OF THE MONETARY AUTHORITY?

The Financial Secretary has instructed the Monetary Authority to act as representative for HKSAR Government to implement green bond issuances under the GGBP. The Monetary Authority also operates the CMU and in this capacity is the issuing and paying representative of HKSAR Government for the retail green bonds.

WHAT IS THE ROLE OF THE CO-ARRANGERS?

HKSAR Government has appointed Bank of China (Hong Kong) Limited and The Hongkong and Shanghai Banking Corporation Limited to act as co-arrangers of the retail green bond issuances under the GGBP (the **co-arrangers**). The co-arrangers will provide professional advice to HKSAR Government on various aspects of the

offering of retail green bonds, including timing, structure and appropriate application channels, and will assist HKSAR Government in putting in place distribution and market making arrangements. The co-arrangers will not advise HKSAR Government on, and have no responsibility for, the adequacy, accuracy, completeness or reasonableness of any statement or information in this programme circular or any issue circular, or any legal, tax or accounting matters in relation to the retail green bond issuances under the GGBP. The co-arrangers will not give you any investment advice.

HOW DO I APPLY FOR RETAIL GREEN BONDS?

The relevant issue circular will specify the application channels through which you may apply for retail green bonds. It will also describe how you would hold your retail green bonds and, if applicable, how you may sell your retail green bonds.

THE GREEN BOND FRAMEWORK

INTRODUCTION

As a core component of the GGBP, HKSAR Government published the Green Bond Framework in March 2019, which sets out how HKSAR Government intends to issue green bonds under the GGBP to fund green projects that are consistent with its vision to improve the environment, combat climate change and transition to a low carbon economy. The Green Bond Framework was subsequently updated in February 2022, reflecting HKSAR's latest climate commitments and strategy and aligning with the latest international standards and practices in the green bond market.

Green bonds issued under the Green Bond Framework will be aligned with the Green Bond Principles as published by the International Capital Market Association.

This section entitled "The Green Bond Framework" is only a summary of, and does not purport to be a complete description of, the Green Bond Framework. HKSAR Government may from time to time issue and publish supplements or amendments to the Green Bond Framework. You should refer to the latest version of the Green Bond Framework, together with all supplements or amendments thereto, published on the HKSAR Government Bonds website at www.hkgeb.gov.hk/en/greenbond.

BACKGROUND ON HKSAR'S COMMITMENTS AND/OR ENVIRONMENTAL POLICIES

Hong Kong has been responding positively to the goal of the Paris Agreement to limit the increase of the global average temperature, and published in January 2017 the Hong Kong's Climate Action Plan 2030+ to set out Hong Kong's carbon intensity reduction target. With the implementation of various decarbonisation measures, Hong Kong is moving steadily towards the 2030 carbon reduction target.

The Chief Executive announced in the 2020 Policy Address that Hong Kong would strive to achieve carbon neutrality before 2050. A new inter-departmental "Steering Committee on Climate Change and Carbon Neutrality" was formed to formulate the overall strategy and oversee work progress. Four major decarbonisation strategies were announced in the 2021 Policy Address to help Hong Kong achieve carbon neutrality before 2050, namely

"net-zero electricity generation", "energy saving and green buildings", "green transport" and "waste reduction", as well as the interim target to reduce Hong Kong's total carbon emissions from the 2005 levels by half before 2035. The Environment Bureau announced the Hong Kong's Climate Action Plan 2050 on 8 October 2021 to set out the above mitigation strategies and targets in detail. In the next 15 to 20 years, HKSAR Government will devote about HK\$240 billion to take forward various measures on climate change mitigation and adaptation.

HKSAR Government has also carried out a number of measures and published policy documents to address major environmental issues in Hong Kong and to map out blueprints for low carbon and sustainable development. These measures, blueprints and policies cover multiple aspects including the following:

- Clean Air Plan for Hong Kong 2035, aiming to further improve Hong Kong's air quality and make Hong Kong a more liveable city with air quality on par with major international cities by 2035;
- Hong Kong Roadmap on Popularisation of Electric Vehicles, setting out long-term policy objectives and plans to promote the adoption of electric vehicles and their associated supporting facilities;
- Harbour Area Treatment Scheme and Sewerage Master Plans, providing a blueprint of the sewerage infrastructure required for environmentally acceptable sewage disposal;
- Waste Blueprint for Hong Kong 2035, outlining the strategies, goals and measures to tackle waste management challenges up to 2035;
- Biodiversity Strategy and Action Plan, outlining the strategy and actions for conserving biodiversity and supporting sustainable development;
- Updated joint circular entitled "Green Government Buildings", promoting green buildings and stating that Government bureaux and departments should aim to obtain green building certifications for new and existing Government buildings;

- Energy Saving Plan for Hong Kong's Built Environment 2015~2025+, setting out the strategy and policy measures to promote green buildings and energy efficiency;
- HKSAR Government earmarking funds for the provision of small-scale renewable energy installations in government buildings, venues and community facilities, as well as actively exploring the development of large-scale renewable energy projects and supporting private development of renewable energy projects by introducing the Feed-in Tariff Scheme; and
- Promoting green transport through various measures including the development of green transport network, adoption of environmentally friendly transport modes in new development areas and promotion of the use of new energy ferries.

HKSAR'S SUPPORT FOR GREEN AND SUSTAINABLE FINANCE MARKET

Over the years, HKSAR Government, together with the financial regulators, has continued to develop green and sustainable finance to boost investments conducive to reducing carbon emissions and building a low-carbon economy. HKSAR Government is enhancing its efforts to promote market development, align Hong Kong's regulatory standards with international best practice, encourage more entities to make use of Hong Kong's capital markets as well as financial and professional services for green and sustainable investment, financing and certification, and capitalise on the enormous green finance opportunities presented by the Guangdong-Hong Kong-Macao Greater Bay Area development and the Belt and Road Initiative.

Various concrete initiatives have been launched, including the GGBP, the Green and Sustainable Finance Cross-Agency Steering Group comprising relevant government bureaux and financial regulators to coordinate the management of climate and environmental risks to the financial sector, and the Green and Sustainable Finance Grant Scheme to provide subsidy for eligible bond issuers and loan borrowers to cover their expenses on bond issuance and external review services.

FRAMEWORK OVERVIEW

For each green bond transaction, HKSAR Government will comply with the following four principles: (i) Use of Proceeds, (ii) Project

Evaluation and Selection, (iii) Management of Proceeds and (iv) Reporting, as set out in the Green Bond Framework.

(i) Use of Proceeds

The proceeds of green bonds issued under the GGBP will be used exclusively to finance or refinance projects that fall under one or more of the nine "Eligible Categories" in the Green Bond Framework (**Eligible Projects**), which will provide environmental benefits and support the sustainable development of Hong Kong. Eligible Projects should be within the territory of HKSAR.

The nine "Eligible Categories" are: (i) renewable energy, (ii) energy efficiency and conservation, (iii) pollution prevention and control, (iv) waste management and resource recovery, (v) water and wastewater management, (vi) nature conservation/biodiversity, (vii) clean transportation, (viii) green buildings and (ix) climate change adaptation.

(ii) Project Evaluation and Selection

The implementation of the GGBP is overseen by the Steering Committee on the Government Green Bond Programme (the **Steering Committee**). It is responsible for reviewing and approving each green bond transaction under the Green Bond Framework, including considering whether potential Eligible Projects submitted by various Government bureaux and departments meet the eligibility criteria and how the proceeds of each green bond transaction is allocated. The Steering Committee will consider the following:

- Description of the project and the technical/scientific approach setting out the environmental benefits to be obtained;
- Preliminary, provisional or final certificates received in respect of compliance with relevant standards;
- Where applicable, review of energy, water, waste management review data, against relevant standards or benchmarks.

Following the approval by the Steering Committee of a project as an Eligible Project in accordance with the Green Bond Framework, such project may be earmarked for the use of proceeds under this Green Bond Framework. The Steering Committee is also responsible for approving green bond reports and reviewing whether Eligible Projects continue to meet the eligibility criteria during the life of the green bonds issued.

(iii) Management of Proceeds

The proceeds of each green bond will be credited to the Capital Works Reserve Fund administered by the Financial Services and the Treasury Bureau (FSTB).

The proceeds of each green bond transaction will only be allocated to expenditures within the last two and next two financial years from the green bond transaction issuance date, with more than half of the proceeds expected to be allocated to future expenditures. Proceeds pending allocation will remain at the Capital Works Reserve Fund which is placed with the Exchange Fund at a fixed rate of return determined every year.

(iv) Reporting

FSTB will provide information on the allocation of the proceeds of green bond transaction(s) via a green bond report on an annual basis.

Key information in the green bond report includes:

- a list of all green bond transactions executed in the reporting period and outstanding at the reporting date and summary terms of each transaction;
- allocation reporting for each green bond transaction, including the amount of proceeds allocated to the various Eligible Project categories; and
- the environmental impacts (and social impacts where relevant) resulting from Eligible Projects.

The green bond reports will be available on the HKSAR Government Bonds website. FSTB will engage an independent, qualified third party to assure the contents of the green bond reports.

EXTERNAL REVIEW

A second party opinion (the **Second Party Opinion**) has been obtained for the Green Bond Framework (February 2022 version) from Vigeo Eiris, an independent international provider of Environmental, Social and Governance research and services. The Second Party Opinion is available on the HKSAR Government Bonds website.

For each green bond issued under the Green Bond Framework, HKSAR Government will obtain an issuance level (pre-issuance) external review from an independent, qualified third party.

TERMS AND CONDITIONS OF THE RETAIL GREEN BONDS

Retail green bonds are issued under the GGBP with the following terms and conditions, as supplemented from time to time by an issue circular and any other supplemental programme and/or issue circular. The issue circular for a particular series of retail green bonds may vary and/or supplement the terms and conditions for that series of retail green bonds. In that case, the variations and/or supplements described in the relevant issue circular apply, but only to that series of retail green bonds. Headings used in these terms and conditions are for reference purposes only. Defined terms used elsewhere in this programme circular have the same meanings in the terms and conditions.

1. Form and title

(a) Form

Retail green bonds are issued in computerised book entry form only through securities accounts maintained with the CMU by recognized dealers.

(b) Title

Legal title to retail green bonds is vested in the holder of the CMU account to which the retail green bonds are credited. All obligations (including payment obligations) of HKSAR Government under the retail green bonds are owed to the holders of the CMU accounts to which the retail green bonds are credited and to no one else.

The records of the CMU shall be conclusive as to the identity of the holders of CMU accounts and the respective amounts credited to their CMU accounts.

A statement of the CMU setting out:

- (i) the identity of the holder of a CMU account in respect of which the statement is issued; and
- (ii) the principal amount of any book entry in respect of retail green bonds credited to that CMU account on any date,

shall be conclusive evidence for all purposes of the retail green bonds.

(c) Currency

Retail green bonds are issued in the currency specified in the relevant issue circular. Payments of principal of and interest on each retail green bond will be made in the currency specified in the relevant issue circular.

(d) Minimum denominations

Retail green bonds are issued with a minimum denomination per retail green bond as specified in the relevant issue circular.

(e) Transfer

Retail green bonds may be subject to restrictions on transfer. Any such restrictions will be specified in the relevant issue circular.

2. Ranking of payments

Amounts of principal, interest and any other amounts payable on the retail green bonds are payable first out of the Capital Works Reserve Fund and, if need be, then out of the general revenues and assets of HKSAR Government. Retail green bonds are direct, unsecured, unconditional and general obligations of HKSAR Government and rank *pari passu* with all other unsecured indebtedness of HKSAR Government incurred for the general revenue from time to time outstanding and without preference for one over the other by reason of priority of date of issue or otherwise.

3. Interest

(a) Interest rate

Each retail green bond bears interest at the rate, or calculated in the manner, specified in the relevant issue circular.

(b) Interest payment dates and interest periods

Interest on each retail green bond is payable in arrear on the interest payment dates specified in the relevant issue circular (including on the retail green bond's maturity date).

The amount of interest payable on each interest payment date is calculated by reference to the interest period ending on that date as follows:

- (i) the first interest period for a retail green bond begins on and includes its issue date and ends on, but does not include, its first interest payment date;
- (ii) the final interest period for a retail green bond begins on and includes the interest payment date immediately preceding its maturity date and ends on, but does not include, its maturity date; and
- (iii) between the first interest period and the final interest period, an interest period for a retail green bond begins on and includes each interest payment date and ends on, but does not include, the following interest payment date.

(c) *Calculation of interest for an interest period*

For retail green bonds denominated in Hong Kong dollars, the amount of interest payable for an interest period is calculated on the actual number of days in the interest period, on the basis of a 365-day year, and is rounded to the nearest cent. Half a cent is rounded upwards. The method of calculating interest payable for an interest period of retail green bonds denominated in a currency other than Hong Kong dollars will be specified in the relevant issue circular.

4. Repayment

Principal on each retail green bond will be repaid by HKSAR Government in full on the maturity date specified in the relevant issue circular.

5. Business days

If the due date for any action on the part of HKSAR Government in relation to a retail green bond, including any payment of interest or principal, is not a business day in Hong Kong, then HKSAR Government will perform such action on the next day which is a business day in Hong Kong unless that day falls in the next calendar month, in which case HKSAR Government will perform such action on the day immediately preceding the due date which is a business day in Hong Kong.

If the due date for any action on the part of HKSAR Government in relation to a retail green bond ceases to be a business day in Hong Kong, for example, if there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong, then HKSAR Government will perform such action on the next day which is a business day in Hong Kong not affected by the cessation.

A **business day** in Hong Kong is any day (other than Saturdays, Sundays and general holidays) on which both the CMU is operating and banks in Hong Kong are open for business.

For the avoidance of doubt, where a payment date is changed under this paragraph 5, interest shall accrue to the new payment date and any additional interest or, where the new payment date is a date falling before the original payment date, reduction in interest, shall be taken into account for the purposes of calculating any amounts of interest payable in respect of the applicable interest period under paragraph 3.

6. Repurchase and sale

HKSAR Government may at any time buy retail green bonds whether in the open market or by private arrangement, at any price. If purchases of retail green bonds of a series are made by tender, HKSAR Government will allow all holders of retail green bonds of that series to take part.

If HKSAR Government buys back any retail green bonds, it may hold them, resell them or cancel them as it sees fit.

For the purposes of this paragraph 6, **HKSAR Government** means The Government of the Hong Kong Special Administrative Region of the People’s Republic of China, whether acting directly, through the Monetary Authority or through any other person.

7. Taxation

Receipts of any payments by HKSAR Government of principal of or interest on the retail green bonds are exempt from profits tax in Hong Kong.

Any issue or transfer of the retail green bonds is exempt from stamp duty in Hong Kong.

8. Notices

All notices to holders of retail green bonds will be made through the CMU to the holders of the securities accounts maintained with the CMU to which the retail green bonds are credited.

9. Supplements and amendments

HKSAR Government may supplement or amend the terms and conditions of any series of retail green bonds in issue by notice to the holders of the retail green bonds of that series to make any amendment which:

- (i) corrects a manifest or proven error;
- (ii) formal, minor or technical in nature; or
- (iii) could not reasonably be expected to be prejudicial to the holders of retail green bonds of that series.

10. Redemption of retail green bonds from unqualified applicant(s) and holder(s)

HKSAR Government may at any time, by giving no less than 5 days' notice, redeem any retail green bonds:

- (i) which are allocated to an applicant who did not satisfy the eligibility criteria specified in the relevant issue circular at the time of application for the retail green bonds; or
- (ii) which have been transferred in contravention of the restrictions on transfer specified in the relevant issue circular,

at an amount equal to their principal amount multiplied by the subscription price, on the date specified in the notice without any accrued and unpaid interest.

11. Prescription

Any claim against HKSAR Government for any payment on any retail green bond (whether of principal, interest or otherwise) shall be void if that claim is made on or after the date falling ten years, in respect of principal, or five years, in respect of interest or any other amount, from the date on which that payment is first due.

12. Further issues

HKSAR Government may issue additional retail green bonds of any series after the closing of the initial offering for that series. The terms and conditions of any additional retail green bonds of a series will be identical to those of the retail green bonds of that series initially issued, except for the following terms, which may be different:

- (i) issue date; and
- (ii) subscription price.

13. Contracts (Rights of Third Parties) Ordinance

No person shall have any right to enforce any term or condition of the retail green bonds under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong).

14. Governing law and jurisdiction

The retail green bonds are governed by Hong Kong law. The courts of Hong Kong have exclusive jurisdiction to settle any dispute in connection with the retail green bonds.

THE HONG KONG SPECIAL ADMINISTRATIVE REGION

IS HKSAR GOVERNMENT RATED?

As at 31 March 2022, Fitch, Moody's and S&P have assigned the following local currency credit ratings to HKSAR Government:

	Long-term	Short-term	Outlook
Fitch:	AA-	F1+	Stable
Moody's:	Aa3	N/A	Stable
S&P:	AA+	A-1+	Stable

See further the section entitled "Important Investment Considerations" above.

HKSAR Government reserves the right to issue retail green bonds with the maturities that it chooses. HKSAR Government does not intend to obtain a specific credit rating for any series of retail green bonds, but reserves the right to do so. Any such specific credit rating will be stated in the relevant issue circular.

THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA

Constitution and Legal System

On 1 July 1997 Hong Kong became a Special Administrative Region of the People's Republic of China in accordance with Article 31 of the Constitution of the People's Republic of China. The reunification of Hong Kong with the People's Republic of China (the **PRC**) is a consequence of an agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the PRC, as embodied in the Sino-British Joint Declaration on the Question of Hong Kong (the **Joint Declaration**) signed on 19 December 1984 and subsequently ratified by both governments.

The Government of the PRC declares in the Joint Declaration that Hong Kong shall be directly under its authority and shall enjoy a high degree of autonomy except in relation to foreign and defence affairs, and that it shall be vested with executive, legislative and independent judicial power including that of final adjudication. It also

declares that the basic policies of the PRC regarding Hong Kong and the elaboration of these policies in the Joint Declaration will be stipulated by the National People's Congress of the PRC in the Basic Law of Hong Kong (the **Basic Law**).

The Basic Law was adopted by the National People's Congress of the PRC on 4 April 1990 in accordance with Article 31 of the Constitution of the PRC. It is a constitutional document for Hong Kong. Although the power of interpretation of the Basic Law is vested in the Standing Committee of the National People's Congress of the PRC, the Standing Committee shall authorise the courts of Hong Kong to interpret the Basic Law in adjudicating cases, in accordance with the provisions of Article 158 of the Basic Law. The power of amendment of the Basic Law is vested in the National People's Congress of the PRC.

The Basic Law provides, among other things, that the Hong Kong dollar will continue to circulate as legal tender in Hong Kong, no foreign exchange control policies will be applied in Hong Kong, the Hong Kong dollar will be freely convertible into other currencies, and Hong Kong will retain autonomy over monetary and financial policy and enact its own laws regarding taxation.

Hong Kong Economy

Hong Kong maintains one of the world's most open economies and a business-friendly environment, characterised by a relatively high degree of free trade and free flow of information, an established financial regulatory regime and legal system, as well as a developed transportation and telecommunications infrastructure. Hong Kong was ranked the world's sixth largest trading economy by the World Trade Organization in terms of value of total merchandise trade in 2020, and its container ports and airport were amongst the world's busiest in terms of container and air freight throughput.

Over the past two decades, the Hong Kong economy, as measured by real GDP, expanded notably in size, growing at an average annual rate of 3.1%. In 2021, Hong Kong's GDP at current market prices reached HK\$2,861.6 billion and its per capita GDP of US\$49,656 was amongst the highest in Asia.

Hong Kong's real GDP growth picked up to 3.8% in 2017 riding on the back of a global economic upturn. However, alongside moderating global economic growth and increasing external uncertainties, the pace of Hong Kong's economic growth decelerated in the second half of 2018, averaging out at 2.8% for the year as a whole. Weighed by a further softening of global economic growth amid elevated Mainland-US trade tensions, and later affected by social incidents locally, the Hong Kong economy contracted by 1.7% in 2019. In 2020, amid the onslaught of the coronavirus disease-2019 (COVID-19) pandemic, the Hong Kong economy contracted by 6.5%. In 2021, alongside the visible revival in external demand and largely stable local epidemic situation, the Hong Kong economy expanded by 6.4% (based on data as at 25 March 2022).

From 2016-17 to 2018-19, HKSAR Government has recorded a consolidated surplus each year, ranging between HK\$68 billion and HK\$148.9 billion. There was a consolidated deficit of HK\$10.6 billion in 2019-20, followed by a consolidated deficit of HK\$232.5 billion in 2020-21 primarily due to HKSAR Government rolling out various relief measures to assist affected industries and the public in Hong Kong with tackling the challenges brought about by the COVID-19 pandemic. The fiscal reserves rose from HK\$954 billion in 2016-17 to HK\$1,160.3 billion in 2019-20. As at 28 February 2022, the fiscal reserves of HKSAR Government stood at HK\$1,000 billion.

HKSAR Government's revenues, which are generated from taxes and land premium, and its credit rating may be affected by economic, political, constitutional and other circumstances from time to time in Hong Kong, the mainland of the PRC, Asia and the world. Future political or economic instability may adversely affect HKSAR Government's revenues and credit rating.

In July 2004, HKSAR Government issued HKSAR Government retail bonds and institutional notes totalling HK\$20 billion to retail and institutional investors, which have been fully redeemed. In September 2009, HKSAR Government introduced the Government Bond Programme (the **GBP**) to promote the further and sustainable development of the bond market in Hong Kong. The proceeds raised from bonds issued under the GBP are credited to the Bond Fund. At present, the borrowing ceiling of the GBP is HK\$300 billion. As at 31 March 2022, the outstanding amount of Hong Kong dollar retail and institutional bonds issued under the GBP, with tenors ranging from

one to 15 years, reached HK\$171.4 billion (including HK\$88.8 billion of institutional bonds and HK\$82.6 billion of retail iBonds and Silver Bonds). In addition, one series of government sukuk, issued in 2017 and with an issuance size of US\$1 billion and tenor of 10 years, was outstanding under the GBP as at 31 March 2022. As at 31 March 2022, the outstanding amount of government green bonds issued under the GGBP with tenors ranging from three to 30 years was some US\$7.25 billion equivalent.

The table below sets out certain economic indicators with respect to Hong Kong from 2017 to 2021 (based on data as at 25 March 2022):

Economic Indicators	2017	2018	2019	2020	2021
GDP at current market prices (HK\$ billion)	2,659.6	2,835.4	2,844.8	2,675.3	2,861.6
Year-on-year rate of change in the Composite Consumer Price Index (%) [▲]	+1.5	+2.4	+2.9	+0.3	+1.6
Unemployment rate (%)	3.1	2.8	2.9	5.8	5.2

▲ The year-on-year rates of change of the Composite Consumer Price Indices from the fourth quarter of 2020 onwards are computed from the new 2019/20-based series, and those before are from the old 2014/15-based series. Splicing has been applied to the two sets of CPI series in order to obtain better estimates of the rates of change for the year 2020.

The table below sets out certain fiscal indicators with respect to HKSAR Government from 2016-17 to 2020-21 (all figures in HK\$ billion):

Fiscal Indicators	2016-17	2017-18	2018-19	2019-20	2020-21
Consolidated Government surplus/(deficit) [^]	111.1	148.9	68.0	(10.6)	(232.5)
Government debt [*]	1.5	1.5	1.5	7.8	27.2
Fiscal Reserves [#] (as at 31 March)	954.0	1,102.9	1,170.9	1,160.3	927.8

[^] After repayment of bonds and notes issued in July 2004 and issuance of green bonds under the GGBP.

^{*} Excluding Exchange Fund Bills and Notes. Also excluding bonds issued under the GBP with proceeds credited to the Bond Fund.

[#] Excluding Bond Fund balance of HK\$141.4 billion as at 31 March 2017, HK\$138.2 billion as at 31 March 2018, HK\$138.4 billion as at 31 March 2019, HK\$121.1 billion as at 31 March 2020 and HK\$152.8 billion as at 31 March 2021.

OTHER INFORMATION

HKSAR GOVERNMENT CAN RE-OPEN A SERIES OF RETAIL GREEN BONDS TO ISSUE MORE RETAIL GREEN BONDS OF THE SAME SERIES LATER

HKSAR Government reserves the right to create and issue additional retail green bonds of a particular series in a follow-on offering or placement after the initial offering has closed. The additional retail green bonds will be issued so that they are interchangeable with the originally issued retail green bonds. The only differences will be the issue date and the subscription price.

YOU SHOULD CONSIDER THE TAX CONSEQUENCES OF INVESTING IN RETAIL GREEN BONDS

This is a summary of current Hong Kong tax law and practice as at the date of this programme circular. It is not complete and does not constitute tax advice. You should consult your own tax adviser about the tax consequences of investing in retail green bonds, particularly if you are subject to special tax rules.

- No profits tax or withholding tax is payable in Hong Kong on any payments made by HKSAR Government on any retail green bonds.
- No stamp duty is payable in Hong Kong on the issue or transfer of any retail green bonds.
- No capital gains tax is payable in Hong Kong on any capital gains arising from the resale of any retail green bonds.

HKSAR GOVERNMENT IS RESPONSIBLE FOR THIS PROGRAMME CIRCULAR

HKSAR Government accepts responsibility for the information contained in this programme circular and confirms, having made all reasonable enquiries, that this programme circular contains no untrue statement (including any statement which is misleading in the form and context in which it is included and including any material omission).

The statements in this programme circular as to the policies, intentions, preferences, views or opinions of HKSAR Government reflect its prevailing policies, intentions, preferences, views or opinions as at the date of this programme circular. However, HKSAR Government reserves

the right at any time to update, amend or replace any of its policies, intentions, preferences, views or opinions as it sees fit.

Save for the Green Bond Framework (as amended or supplemented from time to time and made available on the HKSAR Government Bonds website at www.hkgeb.gov.hk/en/greenbond) which is incorporated by reference into this programme circular but does not form part of the terms and conditions of the retail green bonds, information included in any websites referred to in this programme circular, including the HKSAR Government Bonds website at www.hkgeb.gov.hk, does not form part of this programme circular or the terms and conditions of the retail green bonds.

HKSAR GOVERNMENT MAY UPDATE THIS PROGRAMME CIRCULAR FROM TIME TO TIME

This programme circular is accurate as at the date stated on its cover. You must not assume that information in this programme circular is accurate at any time after the date of this programme circular. HKSAR Government may from time to time publish supplements to this programme circular to update the information contained in this programme circular. If the information in this programme circular needs to be updated at the time HKSAR Government publishes an issue circular, HKSAR Government will either include the updated information in the relevant issue circular or, if it prefers, HKSAR Government may update the information by a supplement to this programme circular. The most recent issue circular will tell you whether any supplements to this programme circular have been published.

HKSAR Government will update this programme circular from time to time. The terms and conditions of retail green bonds issued under the GGBP are the terms and conditions described in the most recently published programme circular at the time of issue of those retail green bonds, as varied or supplemented by any supplements in force at that time and by the relevant issue circular, except to the extent that the terms and conditions of any retail green bonds have been supplemented or amended by notice to the holders of those retail green bonds under paragraph 9 of the section entitled “Terms and conditions of the retail green bonds” above.

HKSAR Government will also through the CMU give notice to the holders of the CMU account to which the retail green bonds are credited of any information about HKSAR Government which is

necessary to avoid the establishment of a false market in retail green bonds, or which may significantly affect HKSAR Government's ability to make payments on retail green bonds.

WHERE YOU CAN READ COPIES OF THE RETAIL GREEN BOND DOCUMENTATION

During the subscription period for any retail green bonds and while any retail green bond is still outstanding, you can view the following documents by visiting the HKSAR Government Bonds website at www.hkgeb.gov.hk/en/greenbond:

- the current programme circular, and any supplements to it;
- the issue circular(s) for each series of retail green bonds which is outstanding; and
- all notices given by HKSAR Government under the terms and conditions of each series of retail green bonds which is outstanding.

HKSAR Government has only published an electronic version of this programme circular. HKSAR Government will not provide printed copies of this programme circular in relation to an offering of retail green bonds.

RIGHTS AGAINST HKSAR GOVERNMENT IN THE COURTS OF HONG KONG ARE LIMITED

In legal proceedings against HKSAR Government in a court of Hong Kong, the court has no power to grant an injunction or to make an order for specific performance, but may instead make an order declaratory of the rights of the parties. No process of execution or attachment can be carried out to enforce satisfaction by HKSAR Government of any judgment.

TEXT OF THIS PROGRAMME CIRCULAR

This programme circular is available in English and Chinese.

DEFINED TERMS USED IN THIS PROGRAMME CIRCULAR

Many of the words and expressions used in this programme circular have a specific meaning in the context of the retail green bond issuances under the GGBP. Words and expressions used in this programme circular have the meanings given in the following table unless the particular context in which a word or expression is used requires that it must have a different meaning. The issue circular for a particular series of retail green bonds may specify different meanings for certain words or expressions from those specified in this programme circular. In that case, the meanings described in the relevant issue circular will apply, but only to that series of retail green bonds. References in this programme circular to an individual investor or any institution “holding” retail green bonds mean the holding by that individual investor or institution of an indirect interest in retail green bonds held by a recognized dealer.

application price	in relation to any series of retail green bonds, the application price, expressed as a percentage of the principal amount of the retail green bonds, specified in the relevant issue circular or, if no application price is so specified, 100%
Basic Law	the Basic Law of Hong Kong adopted by the National People’s Congress of the PRC on 4 April 1990 in accordance with Article 31 of the Constitution of the PRC
Bond Fund	the bond fund set up under the Public Finance Ordinance (Chapter 2 of the Laws of Hong Kong) for the purposes of the GBP
Capital Works Reserve Fund	the capital works reserve fund set up under the Public Finance Ordinance (Chapter 2 of the Laws of Hong Kong)
CCASS	the Central Clearing and Settlement System operated by HKSCC
Chief Executive	The Chief Executive of HKSAR Government
CMU	the Central Moneymarkets Unit, a debt securities custodian, clearing and settlement system operated by the Monetary Authority
CMU account	a securities account maintained with the CMU by a recognized dealer
co-arrangers	Bank of China (Hong Kong) Limited and The Hongkong and Shanghai Banking Corporation Limited
COVID-19	Coronavirus Disease-2019
Eligible Project(s)	project(s) that fall(s) under one or more of the “Eligible Categories” in the Green Bond Framework
Exchange Fund	the exchange fund established under section 3(1) of the Exchange Fund Ordinance (Chapter 66 of the Laws of Hong Kong)
Exchange Fund Bills and Notes	bills and notes issued by HKSAR Government for the account of the Exchange Fund
Financial Secretary	the Financial Secretary of HKSAR Government
Fitch	Fitch Ratings Ltd.
FSTB	Financial Services and the Treasury Bureau
GBP	Government Bond Programme
GGBP	Government Green Bond Programme
Green Bond Framework	the green bond framework of HKSAR Government, including all supplements or amendments thereto, which are available on the HKSAR Government Bonds website at www.hkgb.gov.hk/en/greenbond

Green and Sustainable Finance Certification Scheme	the Green and Sustainable Finance Certification Scheme established and operated by the Hong Kong Quality Assurance Agency, which provides third-party conformity assessment on green and sustainable financial instruments
HK\$	Hong Kong dollars
HKSAR or Hong Kong	The Hong Kong Special Administrative Region of the People's Republic of China
HKSAR Government	The Government of the Hong Kong Special Administrative Region of the People's Republic of China
HKSCC	Hong Kong Securities Clearing Company Limited
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
institutional green bond(s)	institutional green bonds issued by HKSAR Government under the GGBP
issue circular	an issue circular specifying the particular terms and conditions of one or more series of retail green bonds
Joint Declaration	The Sino-British Joint Declaration on the Question of Hong Kong signed on 19 December 1984
Monetary Authority	the Monetary Authority appointed by HKSAR Government under section 5A(1) of the Exchange Fund Ordinance (Chapter 66 of the Laws of Hong Kong)
Moody's	Moody's Investors Service, Inc.
placing bank	in relation to any series of retail green bonds, a bank specified as a placing bank in the relevant issue circular
principal application amount	in relation to any series of retail green bonds, the principal amount of retail green bonds of that series applied for by an applicant for retail green bonds
programme agreement	the programme agreement entered into between HKSAR Government and the initial placing banks, market makers and nominees in connection with the issuance of retail green bonds under the GGBP, as amended or supplemented from time to time
PRC	the People's Republic of China
recognized dealers	the institutions appointed by the Monetary Authority as recognized dealers to hold and deal in government bonds through the CMU
relevant issue circular	for any series of retail green bonds, the issue circular for that series of retail green bonds
retail green bond(s)	retail green bonds issued by HKSAR Government under the GGBP
S&P	S&P Global Ratings
Second Party Opinion	the second party opinion obtained from Vigeo Eiris in February 2022 on the Green Bond Framework
securities broker	a person admitted to participate in CCASS as a clearing participant or a custodian participant

series	any retail green bonds which are stated in the relevant issue circular to form a single series and are identical in all respects (except that any additional issues of retail green bonds which are issued on different dates and have different subscription prices but which are otherwise identical may still form a single series)
Steering Committee	the Steering Committee on the GGBP, chaired by the Financial Secretary and comprising the Secretary for Financial Services and the Treasury, the Secretary for the Environment and the Deputy Chief Executive of the Hong Kong Monetary Authority among others
subscription price	in relation to any series of retail green bonds, the subscription price, expressed as a percentage of the principal amount of the retail green bonds, specified in, or notified or determined in accordance with arrangements specified in, the relevant issue circular or, if no subscription price and no such notification arrangements are so specified, the application price
US\$	United States dollars

**PARTIES INVOLVED IN RETAIL GREEN BOND ISSUANCES UNDER THE
GOVERNMENT GREEN BOND PROGRAMME**

ISSUER

The Government of the Hong Kong Special Administrative Region of the People's Republic of China

ISSUER'S REPRESENTATIVE AND ISSUING AND PAYING REPRESENTATIVE

Monetary Authority

55th Floor Two International Finance Centre
8 Finance Street
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Hong Kong

CO-ARRANGERS

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Central
Hong Kong

**The Hongkong and Shanghai Banking
Corporation Limited**

Level 17
HSBC Main Building
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**COUNSEL TO THE ISSUER AND THE
ISSUER'S REPRESENTATIVE**

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COUNSEL TO THE CO-ARRANGERS

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