

19 July 2007

HSBC LAUNCHES FIRST ECO-FRIENDLY FINANCING PRODUCT IN HONG KONG

HSBC today announced the launch of Green Equipment Financing, the first financing product that supports eco-friendly business in Hong Kong, to encourage business customers invest in equipment which is environmentally friendly.

With Green Equipment Financing, HSBC customers can enjoy interest rebates and a principal repayment moratorium when taking out a new loan for purchasing equipment that complies with environmental protection regulations.

Meanwhile, for every HK\$2,000 of the loan amount, HSBC will donate HK\$1 to WWF Hong Kong, the environmental conservation organisation.

Margaret Leung, HSBC's Group General Manager, Global Co-head Commercial Banking, said: "We see huge potential in equipment financing with China's rapidly developing economy. For the first half of 2007, the total loan amount for machinery was HK\$6.7 billion, of which 90 per cent was used in the Mainland.

"With Green Equipment Financing, the first product of its kind in Hong Kong, we encourage customers to manage their businesses responsibly and in a sustainable manner, as well as help them save on operational costs and loan interest."

Under the Green Equipment Financing scheme, customers can apply for loans to purchase machines to be used in either Hong Kong or the Mainland. The Business Environment Council will review the applications to ensure the loans will be approved only for machines that fulfill at least one of the following environmental protection criteria:

- Reduction of energy consumption
- Reduction of water consumption
- Increased efficiency of production materials consumption
- Reduction of fuel consumption
- Elimination or reduction of noise production
- Reduction of waste production
- Elimination or reduction of air, land or water pollution

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HSBC launches first eco-friendly financing product in Hong Kong /2

Dr Andrew Thomson, CEO of Business Environment Council, said: “Cleaner production is a growing imperative for running a sustainable business. I am delighted to see HSBC launch this Green Equipment Financing scheme, which will serve as a tremendous incentive for business decision makers to purchase equipment that can help ensure their market survival and improve our environment. BEC is proud to support HSBC in assessing the eligibility of applications for this new sustainable development initiative and we look forward to seeing various creative ways in which businesses will approach this sustainability challenge.”

From now until 18 July 2008, customers who apply for Green Equipment Financing and complete the drawdown on or before 31 October 2008 will enjoy up to a two-month interest rebate and an initial six-month loan principal repayment moratorium. The advance ratio can be up to 100 per cent of the asset cost or market value and customers can choose between a flat interest rate and a floating interest rate for repayment. In addition, businesses who issue documentary credits to equipment suppliers through HSBC will get 50 per cent off the commissions.

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Media enquiries to Yvonne Chuang on 2822 4919.

Notes to editors:

1. Photo caption

Margaret Leung, HSBC's Group General Manager, Global Co-head Commercial Banking and Dr Andrew Thomson, CEO of Business Environment Council officiating at the launch ceremony of Green Equipment Financing, the first eco-friendly financing product in Hong Kong.

2. Business Environmental Council (BEC)

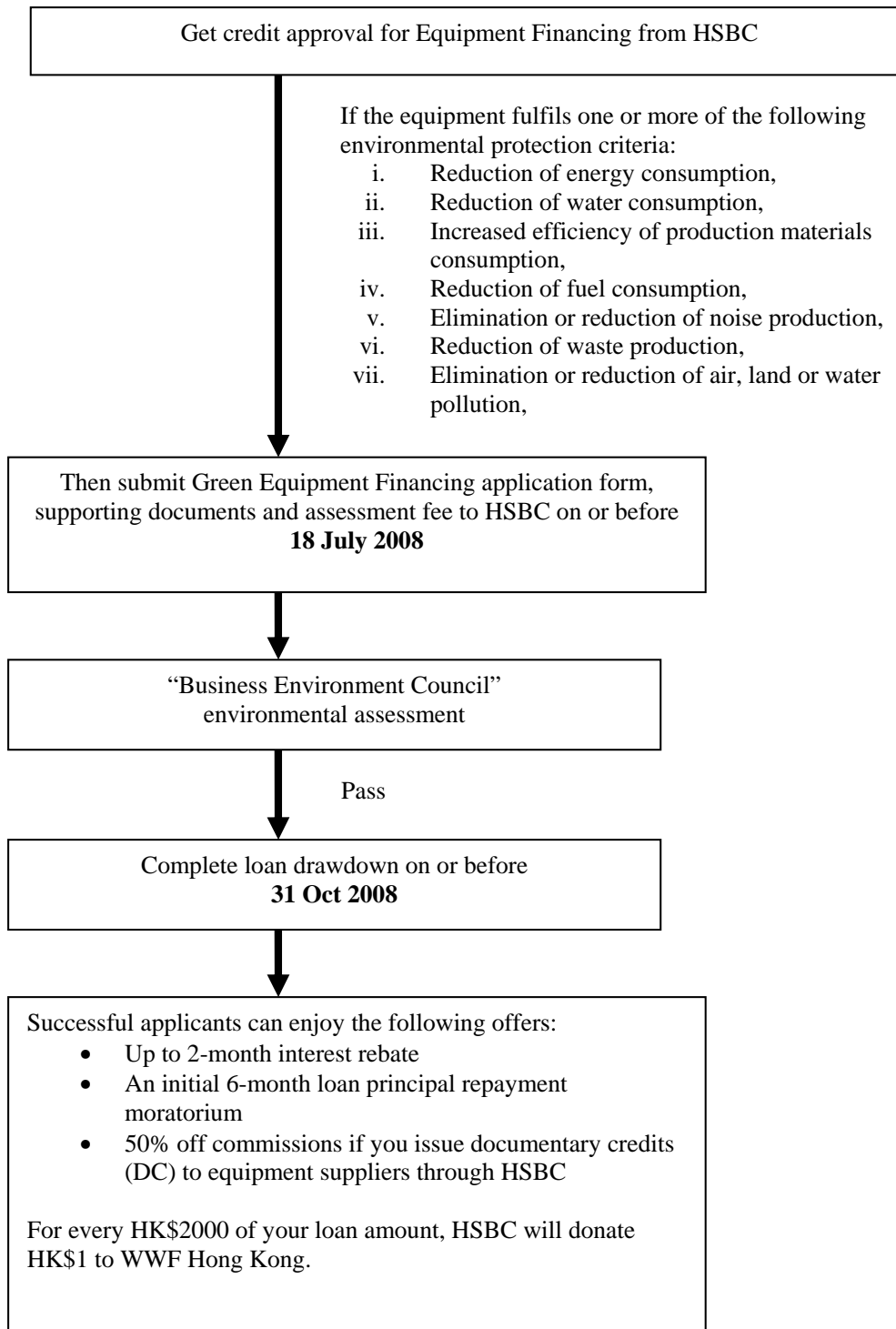
The Business Environment Council was set up by business for business in 1989, and helps companies across all sectors to balance economic, social and environmental interests and in doing so increase their competitiveness and sustainability. BEC is a regional network partner of the World Business Council for Sustainable Development.

3. The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding and a principal member of the HSBC Group which, with over 10,000 offices in 82 countries and territories and assets of US\$1,861 billion at 31 December 2006, is one of the world's largest banking and financial services organisations.

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HSBC GREEN EQUIPMENT FINANCING



For detailed terms and conditions of the program, please visit HSBC SME Centre, contact our Relationship Managers or call our hotline at **2748 8238**.