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HSBC supports HNG Capital's ASEAN expansion in sustainable power generation business

HSBC financed the Malaysian investment holdings company's acquisition of a stake in a solar project in Vietnam

HSBC Malaysia acted as the sole lender for a USD 44.0 million 5-year Committed Term Loan to HNG Capital Group (HNG Capital) to finance the acquisition of a stake in a 330MW solar project in Vietnam.

As part of the Malaysian investment holdings company's vision to grow as a regional power player, HNG Capital acquired the stake from a company listed on the Ho Chi Minh City Stock Exchange (HoSE).

The success of this transaction is attributed to HSBC's strong ASEAN network whereby HNG Capital enjoys a robust relationship with HSBC Malaysia and HSBC Vietnam respectively. The close collaboration between HSBC Malaysia and HSBC Vietnam provided a holistic solution for HNG Capital's acquisition of the solar project.

HNG Capital's foray into power generation started off more than 25 years ago when it secured the first Independent Power Producer (IPP) project in Cambodia in 1994. Since then, the power division of HNG Capital has evolved, expanded and grown its business through its internal expertise and the setting up of subsidiary companies.

In line with its vision to pave the way towards sustainable power generation, HNG Capital acquired a majority and controlling stake in a hydropower project comprising five hydropower plants in Vietnam in 2016. It then continues to expand its portfolio in renewable energy in the ASEAN region.

Karel Avni Doshi, Country Head of Corporate, Commercial Banking, HSBC Malaysia said: "HSBC is proud to support a Malaysian company such as HNG Capital in its regional expansion journey within ASEAN, particularly in sustainable energy initiatives. This bodes well with HSBC's net zero ambition where we aim to support our valued customers on their journey to a net zero carbon future while ensuring their ongoing resilience and growth."

In November 2020, HSBC Group announced its net zero ambition comprising a new set of climate commitments in addressing climate change. The Bank aims to work with its business customers to reduce carbon emissions from its overall portfolio of customers to net zero by 2050 or sooner, in line with the Paris Agreement goal.

"HSBC takes the threat of a climate crisis very seriously. We believe that we can contribute in tackling the climate change significantly by working hand in hand with our business customers to find a suitable transition pathway to sustainability for them. In Malaysia, HSBC is concentrating efforts to deliver HSBC Group's first sustainable banking entity with our Islamic banking subsidiary HSBC Amanah. This new plan by HSBC will accelerate our efforts with the HSBC Amanah transformation and more broadly support Malaysia's own climate ambitions," added Karel.

For more than 130 years, HSBC has played an important role in Malaysia's growth and development. Throughout the years, HSBC continues to support Malaysian companies such as HNG Capital connecting them to business opportunities and enabling them to thrive in the domestic market as well as the wider ASEAN region. Given the Bank's extensive global presence and ability to successfully tap into local growth prospects, we are ideally positioned as a financial partner to our customers as they expand their presence further.

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Note to editors:

HSBC Bank Malaysia Berhad

HSBC's presence in Malaysia dates back to 1884 when the Hongkong and Shanghai Banking Corporation Limited established its first office in the country on the island of Penang, with the permission to issue currency notes. HSBC Bank Malaysia Berhad was locally incorporated in 1984 and is a wholly-owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited, founding member of the HSBC Group. In 2007, HSBC Bank Malaysia was the first foreign bank to be awarded an Islamic banking subsidiary licence in Malaysia, namely HSBC Amanah Malaysia Berhad. Today, HSBC Malaysia has a network of 67 branches nationwide, of which 26 are HSBC Amanah Malaysia Berhad branches. HSBC Malaysia offers a comprehensive range of banking and financial services including Islamic financial solutions. HSBC Malaysia has also led innovation in Malaysia by introducing Malaysia's first ATM and Electronic Touch Banking in the early 1980s. Today, HSBC Malaysia has launched innovative solutions such as HSBCnet for secure banking for businesses, Trade Transaction Tracker and Facial Recognition on supported mobile phones.

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,984bn at 31 December 2020, HSBC is one of the world's largest banking and financial services organisations.

HNG Capital Sdn Bhd

HNG Capital Sdn Bhd was incorporated in the year 2011 to undertake the privatisation of Leader Universal Holdings Berhad, a Group with an enduring history of approximately 40 years founded by Tan Sri Dato' Seri H'ng Bok San. Leader Universal Holdings Berhad's history dated back to 1976 when its founders established Leader Cable Industry Berhad, a leading cable manufacturing company in Malaysia. Today, HNG is a family-owned investment holdings company that is principally involved in power, metal, hospitality and F&B segments. The Group is principally involved in the power sector, mainly through owning and operating power plants in ASEAN. The Group is now focused on renewable energy projects in Malaysia and Vietnam.

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