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HSBC Vietnam backs sustainable development in Vietnam through financing of major rooftop solar energy project

*** This is the first time HSBC Vietnam has arranged green financing for renewable energy of a Vietnamese corporate client***

The dual green financing includes a term loan to REE Solar Energy to finance their investment into rooftop solar energy solutions, and a trade finance facility to REEPRO for importing rooftop solar equipment

HSBC Vietnam is the sole bank for this project which aligns with Vietnam government's national strategy on green growth

(Ho Chi Minh City) – Today, HSBC Bank (Vietnam) Ltd. (HSBC Vietnam), REE Solar Energy Joint Stock Company (REE SE) and REEPRO Co., Ltd (REEPRO), wholly-owned subsidiaries of REE Corporation enter into green credit agreements to provide REE SE with a term loan facility and REEPRO with trade finance facilities for their rooftop solar energy project. The ground-breaking green credit agreements are under HSBC's ambitious climate plan announced in October 2020 to provide between USD750 billion and USD1 trillion in financing and investment until 2030 for clients in all sectors to support them to progressively decarbonise. This is also the first green finance in renewable energy that HSBC arranges in Vietnam for supporting REE as a long-standing corporate client of HSBC who aims to be the leading renewable energy and environmental business group in Vietnam with strong focus on solar and wind energy and water sector.

The seven-year term loan will provide the funding of approximately VND660 billion for REE SE to invest in a VND1-trillion valued rooftop solar project, for which the corporation is setting up rooftop solar systems at factories across the provinces to produce at least 80MW of solar electricity till the end of 2020. The trade facilities amounted VND150 billion were granted to REEPRO to finance the import of solar equipment and other working capital requirements under REEPRO's capacity as EPC-contractor for REE SE. The renewable power output will be sold to Electricity of Vietnam (EVN) and the rooftop lessors.

In order to achieve a green credit by HSBC, REE SE's project had gone through HSBC's stringent credit approval and management process of sustainable financing controlled by HSBC Asia Pacific Sustainable Loans Committee, the dedicated body of the Bank with rich experience in successfully arranging green financing in different fields around the world. At the same time, the both green facilities are required to meet the high standards of the international Green Loan Principles jointly issued by Loan Market Association and Asia Pacific Loan Market Association. It includes four core components: use of proceeds, project selection and evaluation, management of proceeds and reporting.

“Operating in Vietnam for more than 40 years, REE Corporation continues to go from strength to strength as a result of their in-depth market knowledge, strong strategic execution and leveraging their undoubted experience. With our close strategic relationship, that dates back over 30 years, HSBC is privileged to support many of REE's projects which usually aim at providing additional value to their customers and also more broadly, Vietnamese society and

ultimately the economic growth of the country. As the bank that has accompanied REE SE in their debut solar energy project, we are very proud to continue our cooperation so that through our combined contributions, Vietnam can develop 'clean and green' renewable energy solutions", said Tim Evans, CEO of HSBC Vietnam

"REE Solar Energy is among REE Group's pivots to sustainable renewable energy development going forward. Aside from the attractive economics, embracing rooftop solar energy will allow us to contribute to energy savings by the commercial and industrial sectors while help improving the environment and reducing the impact of climate change. HSBC's financings for our green renewable energy initiative is another milestone in the lasting partnership between REE and HSBC, and we are delighted that the Bank continues to extend its strongest support in our mission to not only do good for the economic growth but for societal benefit as well", said Huynh Thanh Hai, CEO of REE Corporation.

Aligning with Vietnam government's national strategy on green growth, Prime Minister's Decision 13/2020 to promote the development of solar energy projects in Vietnam, and the State Bank of Vietnam's development scheme of green banking, HSBC's dual green financing for REE SE and REEPRO shows the long-term vision of both organisations in building Vietnam's sustainable energy capabilities.

"HSBC and REE both share a vision of growing our business while also ensuring we positively contribute to the country's sustainable development. This is why we have come together and worked in tandem on this meaningful and exciting project. As a leading global bank, HSBC sees it as our own duty to support the global transition to a net zero carbon economy through financing projects that are associated with this objective. On signing this green financing with REE, we are together fulfilling a commitment to play our part in leading the way for the national development of renewable energies", added Tim Evans.

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Media enquiries to:

Mach Nguyen Phuong Uyen

+028 35206205

uyen.n.p.mach@hsbc.com.vn

Notes to Editors:

HSBC Bank (Vietnam) Ltd.

HSBC has been in Vietnam for 150 years – the bank first opened an office in Saigon (now Ho Chi Minh City) in 1870. HSBC was the first foreign bank to launch its locally incorporated entity on 1 January 2009 as HSBC Bank (Vietnam) Ltd. The bank's current network includes two branches and five transaction offices in Ho Chi Minh City, one branch and four transaction offices in Hanoi, and two full-service branches in Binh Duong and Da Nang. HSBC is one of the largest foreign banks in the country in terms of investment capital, product range, and customer base.

REE Solar Energy Joint Stock Company

REE Solar Energy Joint Stock Company (REE SE) is a member of Refrigeration Electrical Engineering Corporation (REE). Focused on rooftop solar projects by ESCO model, REE SE invests 100 percent of the project costs and provides the design, engineering, equipment, government approvals, installation, and long-term maintenance of solar systems.

Established since 1998, the original name was Vinh Thinh Joint Stock Company and share capital was VND 5 billion. In July 2019, the company changed its name to REE Solar Energy Joint Stock Company (REE SE) with its main business line of Electricity installation investment and retail. Currently REE SE's charter capital is VND230 billion.

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