

 Early Warning System

ADB-56188-001

Huaneng Tiancheng Distributed Wind Energy Climate Finance Project



Quick Facts

Countries	China
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	C
Voting Date	2023-10-30
Borrower	Huaneng Tiancheng Financial Leasing Co., Ltd.
Sectors	Energy, Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 75.00 million
Loan Amount (USD)	\$ 75.00 million
Project Cost (USD)	\$ 150.00 million



Project Description

As stated by the ADB, the project consists of longer-tenor funding to HTFL for lease financing of distributed wind energy (DWE) subprojects in the PRC, which will promote wind energy financing and sector development, reduce greenhouse gas (GHG) emissions, and accelerate the PRC's clean energy transition.



Early Warning System Project Analysis

The ADB categorized the project risks as follows:

Environment - FI

Involuntary Resettlement - FI-C

Indigenous Peoples - FI-C



Investment Description

- Asian Development Bank (ADB)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Huaneng Tiancheng Financial Leasing Co., Ltd.](#) (Financial Intermediary) **is owned by** [China Huaneng Group Co., Ltd.](#) (Parent Company)



Private Actors Description

As stated by Bloomberg, Huaneng Tiancheng Financial Leasing Co., Ltd. offers leasing services. The Company provides financial leasing, leasing property purchase, leasing property processing, leasing transaction consultation, and other services. Huaneng Tiancheng Financial Leasing provides its services throughout China.

China Huaneng Group Co., Ltd. generates and distributes power products. The Company produces coal fired power, hydropower, wind power, solar power, and other other products. China Huaneng Group also operates investment management, transportation, and other businesses.

According to the ADB, HTFL was established in 2014 as a controlled subsidiary of China Huaneng Group Co., Ltd. (CHNG), one of the leading state-owned power producers in the PRC. As of 2021, CHNG's consolidated installed power capacity reached 205.9 GW, accounting for about 9% of national installed capacity. Renewable energy increased from 23% of CHNG's total capacity in 2015 to 32% in 2021. CHNG aims to achieve 56% of clean energy in its total generation capacity by 2025. HTFL is CHNG's sole leasing platform, offering financial leasing and advisory services across the PRC.

HTFL has six direct shareholders, all subsidiaries of CHNG: Huaneng Capital Services Co., Ltd. (39.00%); China Hua Neng Group Hong Kong Limited (21.00%); Huaneng Power International Inc. (20.00%); Huaneng Lancang River Upstream Hydropower Inc. (10.00%); Huaneng Renewable Corporation Limited (5.56%); and Huaneng Renewables (Hong Kong) Limited (4.44%). Huaneng Capital Services is CHNG's platform for financial services, comprising mainly trust, financial leasing, and securities businesses. The main businesses of the other five shareholders involve the investment, development, construction, operation, and management of power plants and other energy-related projects. Most of HTFL's shareholders are majority-owned by CHNG. The exception is Huaneng Power International Inc., which is listed in Shanghai; Hong Kong, China; and New York with CNHG being the largest shareholder at 34.12%. Overall, CHNG holds a 66.55% indirect equity stake in HTFL.



Contact Information

ADB Team Leader:

Biao Huang - Principal Investment Specialist

No contacts provided at the time of disclosure.

ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.



Bank Documents

- [Huaneng Tiancheng Distributed Wind Energy Climate Finance Project: Report and Recommendation of the](#)