

Mizuho Bank arranges first project finance deal in Cambodia

Mizuho Bank, Ltd. (President & CEO: Koji Fujiwara) has arranged the first project finance deal in the Kingdom of Cambodia, refinancing a project for power transmission line operator Cambodian Transmission Limited (CTL).¹

Cambodia's economic development has led to a rise in demand for stable power supply, and the energy sector is now a key area in economic policy. Against this backdrop, in August 2013, CTL, a wholly owned subsidiary of HNG Capital Sdn Bhd², commenced commercial operation of a power transmission line based on a 25-year power transmission agreement with Electricité du Cambodge (EDC), a state-owned utility company serving as the electricity purchaser. This project links two substations located in North Phnom Penh and Kampong Cham through an approximately 100 km double circuit 230 kV overhead transmission line, ensuring a reliable supply of electricity to the capital region.

Our new loan refinancing the project is co-financed with ING Bank N.V. and is backed by a 10-year extended political risk guarantee from the World Bank Group's Multilateral Investment Guarantee Agency (MIGA), in addition to a guarantee from the Government of Cambodia over the life of the project. This is also MIGA's first guarantee in Cambodia. With this project finance deal, we aim to promote future diversification of capital raising from international finance markets for Cambodia's energy sector.

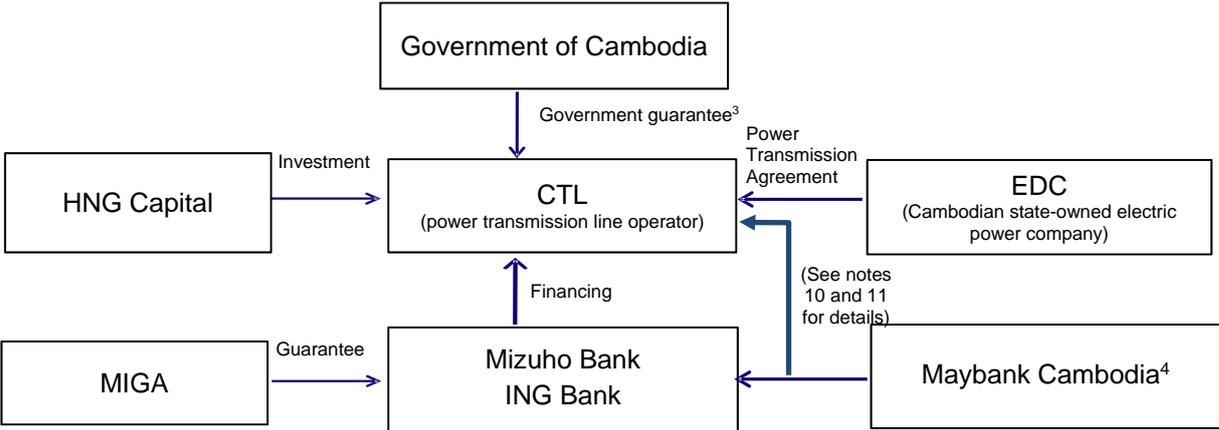
Mizuho Bank will continue to support power generation and transmission in Cambodia and contribute to Cambodia's further social and economic development by arranging sophisticated financial solutions, leveraging our extensive knowledge of the electric power industry and our strong track record in project financing.

1. With this deal, Mizuho Bank has also become the first Japanese bank to arrange a loan in Cambodia.
2. HNG Capital Sdn Bhd is the investment holding and management company of HNG Capital Group. The HNG Capital Group is a Malaysian conglomerate incorporated in 2011 with diversified business interests in investments, power generation, power transmission, metal and hospitality.

1. Overview

Project name	Power transmission line and substations project in Cambodia
Project operator	Cambodian Transmission Limited
Project description	Operation of a power transmission line and substations in Cambodia, in the area north of Phnom Penh
Project term	25 years from commencement of commercial operation in August 2013
Total loan amount	USD 55 million
Loan term	10 years
Guarantee provider	MIGA
Agreement date	March 12, 2020

2. Deal structure



- 3. The Government of Cambodia guarantees EDC's obligation to pay power transmission fees to CTL.
- 4. Maybank Group's wholly-owned local subsidiary in Cambodia. Became a wholly-owned local subsidiary in 2012. Concluded memorandum of understanding with Mizuho Bank in 2013, covering a wide range of fields including commercial and investment banking.

3. Financial institutions participating in the loan and their roles

Mizuho Bank	Mandated lead arranger ⁵ Facility agent ⁶ Offshore account bank ⁷ Offshore security agent ⁸ MIGA agent ⁹
ING Bank	Mandated lead arranger ⁵
Maybank Cambodia	Onshore account bank ¹⁰ Onshore security agent ¹¹

- 5. The main managing bank leading the arrangement of the financing.
- 6. The bank serving as the coordinator for the syndicate of banks.
- 7. The bank responsible for account opening and settlement outside Cambodia.
- 8. The bank responsible for managing collateral and supporting communication and negotiation outside Cambodia.
- 9. The bank responsible for negotiation and coordination with MIGA.
- 10. The bank responsible for account opening and settlement in Cambodia.
- 11. The bank responsible for managing collateral and supporting communication and negotiation in Cambodia.