
BOC lends CNY 680 million to Huaneng Group for acquisitions

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Xinhua reported that Bank of China has lent CNY 680 million to China Huaneng Group the country's largest power producer to help it carry out acquisitions.

The bank said it is BOC's first acquisition-oriented loan in the domestic market, a type of loan given to support industry leaders to purchase specific assets.

CHNG, also the largest independent power producer in Asia, saw its installed power capacity rise 20% YoY in 2008 to hit 85.86 million kilowatt. Its domestic installed power capacity, now accounting for more than 10 percent of the country's total, is expected to exceed 100 million kilowatt by 2010. But BOC did not reveal details of CHNG's acquisition plan.

Acquisition loans were not allowed in China's domestic market until the end of December last year, when the China Banking Regulatory Commission released a new guideline on risk management of commercial banks in offering acquisition loans.

(Sourced from Xinhua)

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