

**Proposed Project Summary for Public Disclosure**  
**(concept review stage)**

Project Name	BoCom Financial Leasing LNG Transportation Project
Country	The People's Republic of China
Type	Non-Sovereign
Area of Operation	Transport Infrastructure
Concept Approval Date	17 October 2023
Total Project Cost	USD 527 million equivalent in RMB
Proposed Limit of NDB Financing	USD 150 million equivalent in RMB
Borrower	Bank of Communications Financial Leasing Co. Ltd. (BCFL)
Project Entity(ies)	BCFL
Project Context	China has taken a proactive approach in reducing carbon emissions and diversifying away from coal-based energy sources, including this in the national strategy. Natural gas, which generates significantly less CO <sub>2</sub> and other greenhouse gas (GHG) emissions than coal, plays a significant role in facilitating the low-emission energy transition and diversifying the energy sources. Liquefied natural gas (LNG) is one of the main sources of the gas supply on the Chinese market. Rapidly increased demand for LNG leads to the need to order new LNG carriers for its transportation.
Project Description	NDB is going to provide a loan to financial intermediary, BCFL, for at least three large scale LNG carriers powered by low-pressure dual-fuel propulsion system with capacity to transport 174 thousand m <sup>3</sup> of LNG each. They will meet all necessary environmental and safety standards of International Maritime Organization. It is envisaged that they will be built at one of the world leading shipyards involved in LNG carriers' construction. BCFL was founded as a wholly owned subsidiary of Bank of Communications in 2007 with its registered office in Shanghai, China. It is one of the leading companies in aircraft and shipping leasing in the country.
Project Objective	The Project will address the urgent need for increase in LNG transportation capacity for import of LNG to China. This will indirectly contribute to GHG emissions reduction which will be achieved via supply of LNG for domestic consumption in the country and substitution of coal.