

28 February 2020

HSBC Amanah highlights commitment to reducing Malaysia's carbon footprint with leading edge Sustainability-Linked Financing for Yinson

MYR200million financing to support Yinson Holdings Berhad's long term vision for building a sustainable business

HSBC Amanah Malaysia Berhad (HSBC Amanah) will act as the sole sustainability structuring bank for a market leading Sustainability-Linked Financing (SLF), reinforcing the bank's commitment to support the shift to a low carbon economy. HSBC Amanah is working with Yinson Holdings Berhad (Yinson) on this landmark transaction.

Yinson, which is a leading energy solutions provider with business activities in offshore production and more recently, renewables, has a long term vision of building a sustainable business that will positively impact the world's energy landscape and the communities where it operates. The MYR200million financing will be a major milestone in supporting this vision.

An SLF allows customers to benefit from improved pricing upon achieving agreed sustainability performance targets. By introducing this tiered pricing product feature, customers will be eligible for a discount on the financing rate of the facility if they are able to meet ambitious targets that have been agreed upon related to their Environmental, Social and Governance (ESG) rating. This is achieved by, amongst other things, a decrease in the carbon intensity of the business operations, a reduction in the waste produced, increased diversity and improvements in the overall ESG performance ratings.

The transaction highlights the ability of sustainable finance products to create a positive impact on local communities and the environment.

Stuart Milne, CEO, HSBC Malaysia said, "The transition to sustainable operations is a path that organisations across all sectors can and need to increasingly follow to achieve their growth ambitions. To enable this shift, in 2017, HSBC issued the world's first United Nations (UN) Sustainable Development Goals (SDGs) bond followed by the world's first UN SDG sukuk by HSBC Amanah in Malaysia. Throughout the course of 2019, HSBC continued to develop industry leading sustainable product offerings. The transaction with Yinson is a key example of how HSBC can extend support to our customers in enabling them to achieve their sustainability goals."

Oz Ahmed, CEO, HSBC Amanah said, "The financial services sector has a critical role to play in supporting sustainable business activities. There is an impetus on the industry to change the nature of capital and increasingly direct it in more sustainable ways. Islamic banking is well placed to assist in this area. Within Malaysia, this is further supported by BNM's Value-Based Intermediation initiative which aims to have Islamic financial institutions create greater value and impact."

"HSBC Amanah is committed to transforming into a sustainable banking entity and this transaction exhibits part of the work that is being done to achieve this goal.

HSBC Bank Malaysia Berhad

(Company No. 127776-V)

Significantly, the new financing option will be pivotal to developing the landscape of sustainable banking products available in Malaysia”, Oz added.

Mr Lim Chern Yuan, Group CEO, Yinson said, “We believe that sustainability-linked financing will play a major part in encouraging businesses to strengthen their environmental, social and governance practices, thereby creating a more sustainable future for everyone. Sustainability is one of Yinson’s core values and a key focus for Yinson. We are honoured to have been selected by HSBC Amanah to be an early adopter of this sustainability-linked financing arrangement.”

HSBC Group aspires to be a leader in sustainable financing, managing and shaping the shift to a low-carbon world. The bank has set out a series of commitments globally in support of this goal, including a pledge to provide USD100 billion to sustainable financing and investments by 2025. In 2019, HSBC was named by Euromoney as the World’s Best Bank for Sustainable Finance. In 2019, HSBC Amanah’s UN SDG sukuk was also awarded the Islamic Deal of the Year as part of The Asset Triple A Islamic Finance Awards.

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Note to editors:

HSBC Bank Malaysia Berhad

HSBC's presence in Malaysia dates back to 1884 when the Hongkong and Shanghai Banking Corporation Limited established its first office in the country on the island of Penang, with the permission to issue currency notes. HSBC Bank Malaysia Berhad was locally incorporated in 1984 and is a wholly-owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited, founding member of the HSBC Group. In 2007, HSBC Bank Malaysia was the first foreign bank to be awarded an Islamic banking subsidiary licence in Malaysia, namely HSBC Amanah Malaysia Berhad. Today, HSBC Bank Malaysia has a network of 67 branches nationwide, of which 26 are HSBC Amanah Malaysia Berhad branches. HSBC Bank Malaysia offers a comprehensive range of banking and financial services including Islamic financial solutions. HSBC Bank Malaysia has also led innovation in Malaysia by introducing Malaysia’s first ATM and Electronic Touch Banking in the early 1980s. Today, HSBC Bank Malaysia has launched innovative solutions such as HSBCnet for secure banking for businesses, Trade Transaction Tracker and Facial Recognition.

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 64 countries and territories in our geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,715bn at 31 December 2019, HSBC is one of the world’s largest banking and financial services organisations.

Yinson Holdings Berhad

Yinson Holdings Berhad is one of the world’s leading Floating, Production, Storage and Offloading (“FPSO”) facilities and services providers, listed on the Main Market of Bursa Malaysia Securities Berhad. Yinson was established in 1983 as a transport agency in Johor Bahru which eventually grew to become one of Malaysia’s biggest

transport companies. In 2011, the Group began its venture into the oil and gas industry by winning its first Floating, Storage and Offloading (“FSO”) contract through its joint venture company with PetroVietnam Technical Services Corporation. In 2014, Yinson strengthened its core business through the acquisition of Fred. Olsen Production ASA. With the acquisition, Yinson inherited a strong and experienced team as well as a further 3 FPSOs and 1 mobile offshore production unit management contract. In 2016, the Group streamlined the business transformed into a full-fledged FPSO operator through the divestment of its non-oil & gas business segments. Growing from strength to strength, Yinson is currently the 6th largest independent FPSO leasing company in the global FPSO market, with a wide geographical presence in 10 countries. In 2019 Yinson established its renewables division.

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