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Tropicana raises debut MYR200 million rated senior secured sukuk issuance, led by HSBC Amanah during CMCO

HSBC Amanah acted as the Sole Principal Adviser, Lead Arranger
And Lead Manager on this landmark rated issuance

Tropicana Corporation Bhd (“Tropicana”) has successfully issued the first tranche of RM200 million, 7-year Islamic Medium Terms Notes (IMTN) on a private placement basis solely led by HSBC Amanah Malaysia Berhad (HSBC Amanah). The issuance which was made under Tropicana’s newly established MYR1.5 billion A+ rated senior secured Sukuk Wakalah programme marks Tropicana’s debut rated sukuk issuance in the MYR market, which was successfully completed and launched in unprecedented times.

This landmark issuance provides investors with a unique and rare opportunity to tap into a rated and senior secured offering from a leading property development company in Malaysia, wherein most property issuances in the MYR debt capital markets to date have been based on an unrated and perpetual basis. For this inaugural rated secured issuance, HSBC Amanah acted as the Sole Principal Adviser, Lead Arranger and Lead Manager.

“We would like to congratulate Tropicana on this successful issuance. HSBC Malaysia and HSBC Amanah have been providing financial support to Tropicana for more than a decade and we are honoured to continue to be a part of Tropicana’s journey,” said Stuart Milne, Chief Executive Officer, HSBC Malaysia. “This rated and senior secured offering was completed in the midst of unprecedented challenges; ranging from the spiraling effects of the Covid-19 pandemic, the slump in oil prices, and the prolonged economic uncertainties arising from extended global lockdown and social distancing, further showcasing to investors the uniqueness of this debut issuance.”

“What is most commendable about this issuance was that it was completed during the Conditional Movement Control Order (CMCO) exhibiting the strong collaboration between Tropicana and HSBC, supported by HSBC’s digital capabilities and commitment towards supporting clients,” said Lim Lai Seng, Managing Director, Group Finance, Tropicana Corporation Berhad. “HSBC Amanah’s understanding of our business needs coupled with their knowledge on the real estate sector, enabled them to develop our debut rated sukuk programme and issuance in the MYR market and this has enabled us to further our expansion plans and meet our funding needs.”

“As a pioneer in the sukuk market, we continue to innovate and ensure we offer customers the best Shariah-compliant products and solutions. We continue to develop products and solutions that ensure businesses like Tropicana can continue running smoothly especially during these challenging times,” added Oz Ahmed, Chief Executive Officer, HSBC Amanah. “We look forward to working closely with Tropicana again on many other successful transactions in the future.”

HSBC Bank Malaysia Berhad

(Company No. 127776-V)

Pursuant to this mandate, HSBC Malaysia extended an interim financing to further support the Group's corporate requirement initiatives with a short-term bridging loan of MYR200 million. This facility bridged the timing gap in establishing the Sukuk Wakalah programme as well as to leverage the opportunity to provide funding pending the launch of the said programme.

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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 Malaysia has a network of 67 branches nationwide, of which 26 are HSBC Amanah Malaysia Berhad branches. HSBC Malaysia offers a comprehensive range of banking and financial services including Islamic financial solutions. HSBC Malaysia has also led innovation in Malaysia by introducing Malaysia's first ATM and Electronic Touch Banking in the early 1980s. Today, HSBC 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 its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,918bn at 31 March 2020, HSBC is one of the world's largest banking and financial services organisations.

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