

17 July 2020

## **Proton accelerates payments to suppliers via HSBC Malaysia's digital Supply Chain Finance Programme**

*HSBC and Proton have partnered to provide support to  
Proton's suppliers, mainly local SMEs*

HSBC Malaysia is proud to announce that HSBC Malaysia and Proton Holdings Berhad (Proton) have partnered to provide support to Proton's suppliers, mainly local Small to Medium Enterprises (SME), via the HSBC Supply Chain Finance (SCF) programme.

The HSBC SCF programme allows Proton's suppliers to obtain early payment of the proceeds from their sales to Proton. It not only helps suppliers accelerate cash flow, but also provides them with access to working capital at a cost typically lower than their traditional source of financing by leveraging on Proton's stronger credit profile. This, in particular, is getting increasingly more important for SME suppliers in Malaysia under the current environment.

The programme is fully digitalised, with Proton being able to access the programme via the HSBC SCF platform, upload invoices and authorise payments. In addition, HSBC has put together a simplified supplier onboarding process to extend support to more suppliers within a short period of time.

This would result in increased sustainability, and lowered cost along the supply chain.

**Stuart Milne, Chief Executive Officer, HSBC Malaysia** said: "HSBC and Proton have successfully collaborated on several initiatives for the past few years. This customised Supply Chain Finance programme represents yet another milestone for the HSBC-Proton partnership as it also involves Proton's suppliers who would benefit from it too; particularly the local SMEs. With this solution, we are indeed pleased to be able to help improve the efficiency of the supply chain in the Malaysian automotive industry."

"This initiative also reinforces HSBC's continuous support for local businesses especially the SMEs, particularly during the Covid-19 pandemic where access to working capital is vital for businesses to operate. The Supply Chain Finance arrangement began during the Movement Control Order (MCO) period; with multiple virtual briefings and online training sessions organised by HSBC for Proton and its suppliers. Our business model allows us to support a broad spectrum of customers from SMEs, to corporates and MNCs during these challenging times," added Stuart.

### **HSBC Bank Malaysia Berhad**

*(Company No 198401015221) (127776-V) 2020*

According to Dato' Radzaif Mohamed, Deputy Chief Executive Officer of Proton, "PROTON was set up not just to be a car manufacturer but as a catalyst for Malaysia's industrialization as well as to build a robust automotive industry. For this to happen, a strong vendor community was and is the prime fundamental. They are the backbone of the industry. Since 1985, Proton has spent nearly RM 150 billion on our various parts suppliers and has helped drive a once nascent sub-industry to where it is today. Not only have we been creating business but we are also actively involved in developing vendor competency so that they can grow and compete beyond Proton. This initiative is one example of how we assist the vendor ecosystem. By leveraging our strength, we allow vendors access to more liquidity so that they can continue to have good cashflow and focus on their core business. This facility is also a recognition by a strong global financial partner of their confidence in Proton and our future."

Being a leading provider of international trade and supply chain finance for businesses of all sizes, trade has been the cornerstone of HSBC's strategy for more than 150 years. HSBC has been awarded industry awards namely the Best Service Provider-Trade Finance, Malaysia and Best Service Provider-Structured Trade Finance, Malaysia by The Asset Triple A Treasury, Trade, Supply Chain and Risk Management Awards 2019; Best Trade and Supply Chain House by Corporate Treasurer Awards 2018, Top Global Trade Finance Bank by Euromoney Trade Finance Survey 2018 and the Best Bank in Trade Finance by The Banker Transaction Banking Awards 2018.

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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 on supported mobile phones.

**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.

**PROTON Holdings Berhad**

PROTON Holdings Berhad began as Malaysia's first national car project, founded with the aim to accelerate Malaysia's economic development and lay the foundations for the local automotive industry. In 2017, PROTON entered its next phase to be a modern and global automotive brand; through a partnership between its two principals, DRB-HICOM and Zhejiang Geely Holding Group. Today, PROTON continues to delight its customers with cars anchored on its brand promise of Inspiring Connections, and founded on its core values of always delivering Innovative Technology, Reliability and International standards.

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