



6 July 2022

HSBC Amanah provides new green financing to Ikano Centres to boost sustainable development of its retail hub in Malaysia

HSBC Amanah and Ikano Centres have arranged a new line of sustainable financing in Malaysia. The green facility will help Ikano Centres sustainably develop its regional retail hub in Johor comprising Toppen Shopping Centre and IKEA Tebrau.

Ikano Centres is part of Ikano Retail, which operates IKEA stores in five countries as well as shopping centres that are anchored by IKEA. The proceeds from the refinancing facility will contribute to ongoing projects that will support Ikano Centres as it accelerates its sustainability progress. The company is focused on enabling healthy and sustainable living by tackling its climate footprint together with tenants and customers, while creating a positive impact for people in its communities.

Ikano Centres is currently operating and managing 3.76 million sq ft in gross leasable area in its four Malaysian centres. Toppen, which opened in Johor in 2019, is an open-concept meeting place that attracts people from across South Malaysia and Singapore to four levels of retail and a one-of-a-kind rooftop with gardens, sports courts, a splash park and cinemas. Later this year, Toppen will extend its 'retailtainment' concept with an additional multi-storey carpark featuring a rooftop with 50,000 sq ft of new retail space.

The green facility from HSBC will support Toppen's ongoing development plans to create great customer experiences and secure its position as the heart and hub of the Johor Bahru community.

Christina Cheah, Head of Global Banking, HSBC Malaysia said, "HSBC's partnership with Ikano Centres on this new green financing facility in Malaysia, is continued demonstration of the bank's commitment to support the transition to a low carbon economy. Our clients are increasingly prioritising sustainability to achieve their transition and growth ambitions, and we expect it to remain a crucial factor when making business decisions, particularly as the country accelerates its focus on becoming carbon neutral by 2050. Through the adoption of a sustainable business approach, we believe that Ikano will create long-term value for itself and in society at large."

Shreyas Krishna, Head of Multinationals, Global Banking, HSBC Malaysia said, "The retail industry is increasingly embracing green practices to minimise its environmental impact. In Malaysia, HSBC has been partnering with Ikano Centres from 2017 when we first provided financial support to construct its shopping centre in Johor. The move towards a new line of green financing is a natural extension of our relationship and reinforces how we can support clients in the retail sector to thrive during their transition. Through our continued collaboration with Ikano Centres in Malaysia, we are focused on supporting their path to a green future."



Christian Roejkjaer, CEO, Ikano Retail, Southeast Asia & Mexico said, “We are thankful that HSBC Amanah made this green financing facility possible. We are well underway on our sustainability journey but have an ambition to do much more. That’s why we are really pleased to be working with a bank that shares our commitment to build a resilient business and society. We look forward to more collaborations going forward.”

Adrian Mirea, Ikano Centres’ Shopping Centre & Mixed-Use Director, Malaysia said, “We need to learn fast and develop new ways to reduce our carbon footprint. By 2030, we aim to power our properties entirely with renewable energy. We are working hard to tackle waste, and we want to inspire and enable our tenants and customers to reduce their impact on the planet as well.”

Toppen was the first shopping centre in Malaysia to achieve a LEED Platinum (Leadership in Energy and Environmental Design) certification for its core and shell, while IKEA Tebrau is certified as a LEED Gold property. Toppen was developed with a focus on renewable energy with solar PV panels in place and a rainwater harvesting system to reduce potable water consumption. The centre is currently constructing a new carpark using green concrete – a mix of used cement, aluminium can fibres and other recycled materials that can help reduce the carbon footprint by as much as 30%. Ikano Centres’ construction team is also measuring the Co2 emissions related to delivery of materials to its site, and procuring locally to reduce its impact.

Buildings represent 39% of global greenhouse gas emissions - reducing carbon emissions in buildings will be critical to achieving the Paris climate goals and achieving net zero emissions by 2050.¹ Financial institutions have a crucial role to play in encouraging the change required to reduce this type of impact. This includes changing the nature of capital and increasingly directing it in more sustainable ways.

Globally, HSBC is intensifying its support for customers in their transition to net zero. To help its customers get there, HSBC’s target by 2030 is to provide between USD750 billion and USD1 trillion of finance and investment towards the transition. In 2022, HSBC Malaysia (comprising both HSBC Bank Malaysia Berhad and HSBC Amanah Malaysia Berhad) itself has earmarked RM2.8 billion towards green and sustainable financing to enable businesses to embark on their sustainability journey and switch to more sustainable ways of doing business - this transaction exhibits some of the work that is being done in tandem with this capital allocation.

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HSBC Malaysia

¹ <https://www.weforum.org/agenda/2021/09/how-to-build-zero-carbon-buildings/>



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. 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.

About Ikano Centres

Ikano Retail is one of 12 IKEA franchisees. We are committed to creating a better everyday life for the many people. Ikano Centres is part of Ikano Retail and we create retail destinations together with our IKEA stores. We develop land and invest in residential, office and other types of real estate to create vibrant destinations where people can live, work and play. Our shopping centres anchored by IKEA create meeting places that are the heart and hub of the community. We are destinations in itself, which offer an all-inclusive experience for every generation. To date, Ikano Centres operates five meeting places under different brand names spread across Malaysia and Thailand. To learn more, visit [Ikano Centres](#).