

For Immediate Release

MUFG Taiwan to provide its first sustainability-linked loan to Hotai Finance

Facility is one of the largest of its kind in local market and underscores joint commitment towards Taiwan's sustainability agenda

Taipei, 29 June 2021 – MUFG Bank (Taiwan) announced that it will provide a NTD3 billion sustainability-linked facility to Hotai Finance Corporation (HFC) in support of its business development efforts. The loan was evaluated based on its positive environmental, social and governance (ESG) impact. The loan is MUFG Taiwan's first sustainability-linked facility and is also one of the largest in the domestic market, marking a new level of commitment for the sustainable development of Taiwan's economy.

HFC is a financial services company providing a comprehensive suite of products including auto loans, SME financing and equipment leasing solutions. It is a subsidiary of Hotai Motor Co. Ltd., Taiwan's largest automobile distribution and manufacturing conglomerate.

The three-year, bilateral financing solution is aligned with HFC's ambitious sustainability-linked targets designed to make a positive environmental impact. The agreement establishes annual loan amounts for new solar projects and energy vehicles, and applies and accords favourable financing conditions depending on HFC's fulfilment of such sustainability performance targets.

MUFG's agreement with HFC not only underscores its strategic commitment towards developing a sustainable future together with its clients, but represents another milestone in support of Taiwan's climate change agenda¹.

Mr. Randy Hung, Head of Global Corporate Banking for MUFG Taiwan, said: "It has indeed been a privilege for MUFG to embark on this latest collaboration with Hotai Finance, whereby we jointly pledge our commitment towards promoting sustainable growth for our organisations as well as for the community. This partnership has also further demonstrated MUFG's market-leading ESG financing capabilities, which we will no doubt put to greater use on behalf of our clients and for Taiwan's long-term development."

Mr. Tony Lin, CEO of HFC, said: "Deploying new energy businesses and related finance projects are one of our strategic goals this year. Our NTD 3 billion sustainability linked financing arrangement with MUFG Taiwan is complimentary with our New Energy businesses, greatly enhances our financial capacity to promote them and will also support us in carrying out our long-term sustainable development goals."

¹ President Tsai Ing-wen (蔡英文) has publicly spoken of Taiwan's intentions of achieving carbon neutrality by 2050: <https://focustaiwan.tw/politics/202104220018>

Over the past 30 years of presence in Taiwan, MUFG has steadfastly nurtured and honed its expertise to better serve the needs of clients in Taiwan. MUFG serves a single market segment: large corporate banking, with three main sub-segments: major Japanese companies operating and investing in Taiwan, large-scale Taiwanese companies and MNCs operating in Taiwan.

MUFG has also financed some of Taiwan's strategic infrastructure projects. It has leveraged its vast experience in financing renewable energy projects, especially in offshore wind farms in Europe, in support of Taiwan's fulfilment of its green energy policy.

The bank played major roles in the NTD18.7 billion syndication loan in support of Formosa 1, the first offshore wind project in Taiwan. In March 2020, MUFG announced the successful financial close of a NTD90 billion (USD3 billion) project financing for the Changfang and Xidao Offshore Wind Farm in Changhua, Taiwan (CFXD). CFXD remains one of the largest offshore wind project financings in Asia Pacific and the fourth offshore wind farm which MUFG has supported in Taiwan to date.

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About MUFG

Mitsubishi UFJ Financial Group, Inc. (MUFG) is one of the world's leading financial groups. Headquartered in Tokyo and with over 360 years of history, MUFG has a global network with around 2,500 locations in more than 50 markets. The Group has over 180,000 employees and offers services including commercial banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing.

The Group aims to "be the world's most trusted financial group" through close collaboration among our operating companies and flexibly respond to all of the financial needs of our customers, serving society, and fostering shared and sustainable growth for a better world. MUFG's shares trade on the Tokyo, Nagoya, and New York stock exchanges.

MUFG Bank, Ltd. is Japan's premier bank, with a global network spanning more than 50 markets. Outside of Japan, the bank offers an extensive scope of commercial and investment banking products and services to businesses, governments and individuals worldwide.

In Asia, MUFG has a presence across 20 markets – Australia, Bangladesh, Cambodia, China, Hong Kong, Indonesia, India, South Korea, Laos, Malaysia, Mongolia, Myanmar, New Zealand, Pakistan, Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam.

It has also formed strategic partnerships with some of the most prominent banks in Southeast Asia, further augmenting its unrivalled network across the region – VietinBank in Vietnam, Krungsri in Thailand, Security Bank in the Philippines and Bank Danamon in Indonesia.

For more information, visit www.mufg.jp/english

About HFC

As one of the subsidiaries of Hotai Motor (distributor of TOYOTA/LEXUS in Taiwan), HFC is a comprehensive finance service company.

To expand its international presence and serve Taiwanese companies in Taiwan and China, HFC established Hoyun International Lease Co., Ltd. in Shanghai, China in 2007, providing vehicle, machine and equipment leasing services which has allowed local Chinese and Taiwanese companies to better use its funding and get better support in operation development.

HFC advocates the management philosophy of "Customer First, Profession Based", hoping to convey the message of the "management philosophy of customer first and continuous improvement" and "management resolution of thorough execution" besides the existing customer awareness of TOYOTA brand and market leader idea. HFC also pursues best performance and applies to several aspects of customer service, supporting every customer to achieve outstanding quality of life. For social responsibility, HFC creates reasonable industry order and principle and cares people and environment. For the future, HFC will head toward sustainable development and create more diversified and higher quality products and services to enrich customers' life.

For more information, visit <https://www.hfcfinance.com.tw/en/index.html>

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