



## MEDIA RELEASE

### **OCBC AL-AMIN PARTNERS EDRA SOLAR IN BREAKING NEW GROUND WITH MALAYSIA'S FIRST ASEAN SUSTAINABILITY SRI SUKUK**

Kuala Lumpur, 3 October 2019 – OCBC Al-Amin Bank Berhad (OCBC Al-Amin), acting as Edra Solar Sdn Bhd's (Edra Solar) *Sukuk* Sustainability Framework Adviser and Lead Arranger, created new benchmarks in the *Sukuk* market by successfully pricing Malaysia's *First ASEAN Sustainability Sustainable and Responsible ("SRI") Sukuk* of RM245 million on 30 September 2019.



Solar Kuala Ketil

OCBC Group recognizes the important role a financial institution plays in taking action on climate change and to promote sustainable development. Fundamental to this agenda is a responsible approach towards financing by supporting solutions that contribute to the sustainable development of society.

With this agenda in mind, OCBC Al-Amin partnered with Edra Solar as the *Sukuk* Sustainability Framework Adviser to deliver for investors a long-term sustainable and viable investment opportunity with Malaysia's first Solar Socio-Agricultural *Sukuk*.

Edra Solar, the owner and operator of a 50MWac solar power plant in Kedah, is a subsidiary of China General Nuclear Power Corporation (CGN). CGN as a group boasts a sizeable portfolio of renewable energy projects encompassing wind, solar and biomass power in China, Singapore, France, Australia, South Korea, the US, the UK and Namibia.



OCBC Bank (Malaysia) Berhad Managing Director/Senior Banker, Client Coverage & Head of Investment Banking, Ms Tan Ai Chin

As part of Edra Group's CSR commitment towards the social and economic development of the communities where the Group operates, Edra Solar allocated to the local community 40 acres (more than 15% of the Plant) of the buffer zone surrounding the Plant for farming of pineapple and other crops.

The agriculture project will be managed by Pertubuhan Peladang Kuala Ketil together with local farmers in terms of capital, risks and rewards. Edra Solar will not be deriving any economic benefit from this agriculture project.

Combining the Plant's design to conform to Malaysia's renewable energy commitments and the social benefits of the agriculture project, the Project is anticipated to create both positive environmental and social effects that are also consistent with the United Nations Sustainable Development Goals.

OCBC Al-Amin, as the lead arranger and joint bookrunners of the *Sukuk*, joined by Standard Chartered Saadiq Berhad as lead manager/joint bookrunners, announced the launch of the *Sukuk* on 10 September, following which a series of meetings was arranged with *Sukuk* investors. Investors' feedback was positive and they were very keen from the outset to invest in the first project financing *Sukuk* for a completed solar plant and in an AA2 rated solar power plant *Sukuk*, the first in the category.

With the successful roadshow, the book building for all 8 tranches of the *Sukuk* with tenors ranging between 1-18 years commenced on 30 September 2019. At the inception of the book opening on the morning of 30 September, demand from high quality investors ranging from insurance companies, asset management companies and high net worth investors (representing their maiden investment into the sector) was overwhelming with a bid to cover ratio of more than 11 times. Interest from investors never wavered throughout the day, which allowed the *Sukuk* to tighten overall yields and yet maintain a final bid to cover ratio of more than 11 times at the close of business day.

OCBC Bank (Malaysia) Berhad Managing Director/Senior Banker, Client Coverage & Head of Investment Banking, Ms Tan Ai Chin said:

“OCBC’s pioneering role in sustainable and responsible financing has allowed us to work with clients to bring high quality and socially responsible *Sukuk* to investors. It is a testament of our pledge to drive towards a low carbon and self-reliant society.

“The success of Edra Solar’s Sustainability SRI *Sukuk* is a good example of how focusing on the sustainability agenda, which combines the social and environment factors as pillars to a project, allows project sponsors to derive the most optimal financing for their projects.

“It is also worth highlighting that this is the first Solar *Sukuk* to undertake a transparent price discovery process via a book building mode of issuance which ultimately allows the Project to achieve an optimal cost of funding and efficient distribution to a wide range of investor base.”

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## **About OCBC Bank**

OCBC Bank is the longest established Singapore bank, formed in 1932 from the merger of three local banks, the oldest of which was founded in 1912. It is now the second largest financial services group in Southeast Asia by assets and one of the world’s most highly-rated banks, with an Aa1 rating from Moody’s. Recognised for its financial strength and stability, OCBC Bank is consistently ranked among the World’s Top 50 Safest Banks by Global Finance and has been named Best Managed Bank in Singapore by The Asian Banker.

OCBC Bank and its subsidiaries offer a broad array of commercial banking, specialist financial and wealth management services, ranging from consumer, corporate, investment, private and transaction banking to treasury, insurance, asset management and stockbroking services.

OCBC Bank's key markets are Singapore, Malaysia, Indonesia and Greater China. It has more than 570 branches and representative offices in 19 countries and regions. These include about 300 branches and offices in Indonesia under subsidiary Bank OCBC NISP, and over 90 branches and offices in Mainland China, Hong Kong SAR and Macau SAR under OCBC Wing Hang.

OCBC Bank's private banking services are provided by its wholly-owned subsidiary Bank of Singapore, which operates on a unique open-architecture product platform to source for the best-in-class products to meet its clients' goals.

OCBC Bank's insurance subsidiary, Great Eastern Holdings, is the oldest and most established life insurance group in Singapore and Malaysia. Its asset management subsidiary, Lion Global Investors, is one of the largest private sector asset management companies in Southeast Asia.

OCBC Bank offers Islamic banking products and services in Malaysia through its wholly-owned subsidiary, OCBC Al-Amin Bank Berhad.

For more information, please visit [www.ocbc.com](http://www.ocbc.com).