

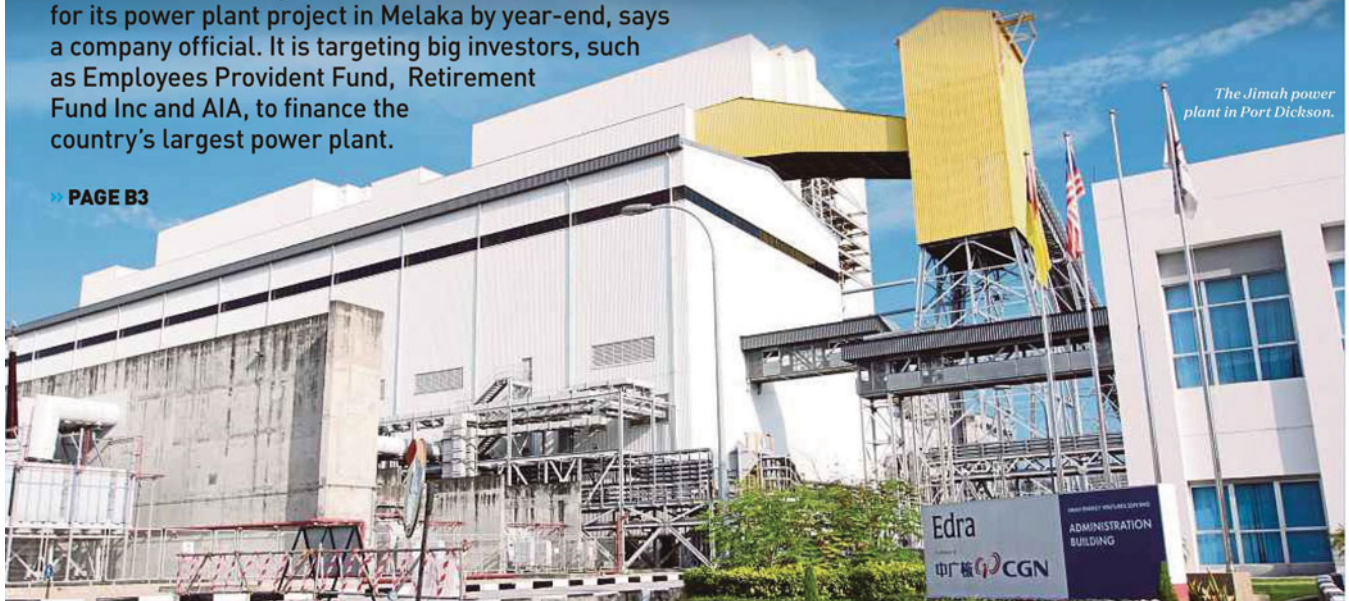
Headline	EDRA'S RM5.28B SUKUK BY YEAR-END		
MediaTitle	New Straits Times		
Date	27 Nov 2017	Language	English
Circulation	74,711	Readership	240,000
Section	Business Times	Page No	B1,B3
ArticleSize	784 cm²	Journalist	N/A
PR Value	RM 81,075		



POWER FINANCING

EDRA Power Holdings Sdn Bhd is set to raise RM5.28 billion sukuk for its power plant project in Melaka by year-end, says a company official. It is targeting big investors, such as Employees Provident Fund, Retirement Fund Inc and AIA, to finance the country's largest power plant.

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MELAKA POWER PLANT FINANCING

EDRA'S RM5.28B SUKUK BY YEAR-END

Company has launched information memorandum with Securities Commission, made investors' presentation

KUALA LUMPUR

EDR A Power Holdings Sdn Bhd is poised to raise RM5.28 billion financing via sukuk for Malaysia's largest power plant project by year-end, having already completed the due diligence ahead of time, said a senior company executive.

Fion Chan, vice-president II of corporate finance and special officer, said Edra was working towards a financial close by year-end to meet the deadline set under its power purchase agreement with Tenaga Nasional Bhd (TNB).

TNB is the sole customer of the

gas-powered plant to be built in Alor Gajah, Melaka, and due for commercial operations in 2021.

"We have already launched our information memorandum with the Securities Commission and made our investors' presentation. The investors that we are targeting are big names like the Employees Provident Fund, Retirement Fund Inc, insurance companies like AIA, and some fund management companies. We are confident that we will be able to achieve the target set," she said.

Asked if Edra was looking only for local investors in the financing exercise, she said: "Because Malaysia's ringgit market is very liquid, we have enough ringgit to

support the full project so we will mainly focus on the local market. But of course, whoever is interested can come in and invest."

Edra has appointed CIMB Investment Bank Bhd as its principal adviser as well as lead manager along with Maybank and RHB Bank.

The RM5.28 billion from the sukuk or Islamic financing structure represents 80 per cent of the total project cost, with the remaining 20 per cent, or about RM1.4 billion, coming from Edra as the equity.

"The reason why the company chose sukuk is because Malaysia wants to become the Islamic investment hub and sukuk has a

very long tenure compared with the commercial loan arrangement," said Chan.

She said under sukuk, the draw-down time was between four and 20 years and this would be very good for power plant development that would also enable Edra to provide cheaper power to consumers.

"We have a 'AA3' rating for the sukuk which is the highest rating. That means the company's cash flow is very healthy."

FION CHAN

Edra Power Holdings vice-president II of corporate finance and special officer

"We have a 'AA3' rating for the sukuk which is the highest rating. That means the company's cash flow is very healthy. Having such a rating puts

Edra on par with other peers in the market like the Jimah East Power plant and YTL," she added.

Meanwhile, Edra vice-presi-

dent I for strategic investment, Chong Chooi Wan, said with the Melaka project securing a financial close, the company, Malaysia's second largest independent power producer was on track on achieving its growth targets.

The next step is for Edra to embark on a new corporate exercise to provide more shares for the company to penetrate further in Malaysia and globally.

"We anticipate this corporate exercise, which we expect to complete before the middle of next year, will garner support from the local and foreign investors who can then participate in the expansion of Edra across Asia, the Middle East, as well as Africa," said Chong.

Edra, wholly-owned by China General Nuclear Power Corp, already operates power plants in Bangladesh, Pakistan, Egypt and the United Arab Emirates.

Bernama

VALUATOR

Company(Brand)	Mention	Tone	ROI
ABM-Bank Loans (ABM-Bank Loans)	1	0	0
AIA (AIA)	1	0	0
CIMB Group (CIMB Group)	1	0	0
Economy News (Sukuk)	9	0	0
Independent Power Producer (IPP) (Independent Power	1	0	0
Insurance News - PIAM (Insurance News - PIAM)	1	0	0
Islamic Finance News (Islamic Finance News)	10	0	0
Jimah Energy Ventures Holdings Sdn Bhd (Jimah Energy	6	0	0
Kumpulan Wang Simpanan Pekerja (KWSP) (Kumpulan Wang	2	0	0
Pertubuhan Berita Nasional Malaysia (Bernama)	1	0	0
RAM Securities Commission (RAM Securities Commission)	2	0	0
Securities Commission (SC) (Securities Commission (SC))	2	0	0
Securities Commission Malaysia (Fund Management)	1	0	0
Securities Commission Malaysia (Islamic Capital Market)	9	0	0
Securities Commission Malaysia (Securities)	2	0	0
Tenaga Nasional Berhad (TNB) (Tenaga Nasional)	3	0	0