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28 FEBRUARY 2022

OVERSUBSCRIPTION OF KPJ HEALTHCARE'S MAIDEN SUKUK WAKALAH ISSUANCE UNDER ITS SUKUK WAKALAH PROGRAMME OF RM3.0 BILLION WITH SUSTAINABILITY FEATURE

KUALA LUMPUR, 28 February – KPJ Healthcare Berhad (“**KPJ Healthcare**”) has made a successful return to the Sukuk market with its maiden offering of Sukuk Wakalah of RM650.0 million (“**Offering**”) under its RM3.0 billion Sukuk Wakalah Programme (“**Sukuk Wakalah Programme**”). The Sukuk Wakalah Programme also provides flexibility for KPJ Healthcare to issue sustainability Sukuk which underscores KPJ Group’s commitment towards the sustainability agenda.

The Offering, recently established via KPJ Healthcare’s wholly owned subsidiary, Point Zone (M) Sdn Bhd, is the first by a healthcare industry player and was upsized to RM650 million from the initial size of RM500 million after overwhelming response from high quality investors.

Proceeds from the issuance shall be utilised by KPJ Healthcare to fund, among others, Shariah-compliant financing activities comprising the expansion, working capital requirements and general corporate purposes of the KPJ Group’s healthcare and healthcare related businesses.

The Sukuk Wakalah Programme has been assigned a final rating of AA-IS(CG) (stable) by Malaysian Rating Corporation Berhad.

Maybank Investment Bank and OCBC Al-Amin Bank Berhad (“**OCBC Al-Amin**”) are the Joint Principal Advisers, Joint Lead Arrangers and the Joint Sustainability Advisers for the Sukuk Wakalah Programme while the Joint Lead Managers are Affin Hwang Investment Bank Berhad, HSBC Amanah Malaysia Berhad, Maybank Investment Bank and OCBC Al-Amin.

Commenting on the transaction, Ahmad Shahizam Mohd Shariff, the President & Managing Director of KPJ Healthcare, said “The Offering marks KPJ Healthcare’s successful return to the capital markets after a hiatus of more than a decade and we are indeed pleased with investors’ strong response and the outcome of the transaction. The overwhelming demand is an indication of market confidence in our business strategies moving forward while we endeavour to create sustainable long-term value for our stakeholders, built upon the foundation of our 40 years’ track record in the Malaysian private healthcare industry.”



Dato' Fad'l Mohamed, Chief Executive Officer, Maybank Investment Bank said: "Maybank Investment Bank is pleased to play joint lead roles in this maiden Sukuk Wakalah Programme by a leading healthcare group. While there is scarcity of supply for credit within the healthcare industry, the pricing of the Offering also reflects investors' confidence in KPJ Healthcare's strong financial and credit position. We look forward to continue supporting issuers with our award-winning ideation and solid track record in the sustainable finance space."

Ms Tan Ai Chin, Managing Director, Senior Banker and Head of Investment Banking, OCBC Bank, said: "OCBC is delighted to continue our strategic collaboration with KPJ Group, having played key roles in arranging this landmark Offering which has set a new milestone in the capital markets. The success of the book-building exercise, which translates into optimal cost of funding for KPJ Healthcare, is not only attributable to the well-executed distribution strategies by the joint arrangers, but stands also as a testament to KPJ Healthcare's strong position as the country's leading private healthcare service provider. The sustainability feature embedded into the Sukuk Wakalah Programme also augurs well for KPJ Healthcare's ongoing sustainability journey and further demonstrates OCBC's pioneering effort in accelerating ESG adoption by corporates through the provision of comprehensive sustainable financial solutions."

At the inception of the book-building exercise on the morning of 23 February, the Offering received robust demand from diversified investors ranging from institutional investors, insurance companies, fund and asset management companies, financial institutions, and high net worth investors with an order book at a high of RM6.7 billion or 10.3 times bid to cover ratio. Interest from investors remained elevated throughout the day, which allowed the Sukuk to tighten the overall yields by 20 to 30 bps and finally priced the 5-year, 7-year and 10-year Sukuk Wakalah at a profit rate of 4.29%, 4.58% and 4.66% respectively with a bid to cover ratio of 10 times at the close of business day.

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