

PRESS RELEASE

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MRL'S SDG SUKUK FRAMEWORK ACHIEVES "GOLD" IMPACT ASSESSMENT BY MARC RATINGS BERHAD

First Within Transport Industry

Kuala Lumpur, 11 March: Malaysia Rail Link Sdn Bhd (MRL) successfully establishes Islamic Commercial Papers and Islamic Medium Term Notes Programme of up to RM10.21 billion in nominal value (with an option to issue Sustainable and Development Goals (SDG) Sukuk) ("**Sukuk Murabahah Programme**"), marking the first for a Government Guaranteed Sukuk and another first for the transport industry.

This signals MRL's commitment to driving infrastructural development and economic growth in the region, and represents a major milestone for the financial landscape as it offers the opportunity for investors to participate in a groundbreaking initiative aimed at part financing for the construction of the 665-km East Coast Rail Link (ECRL) alignment that stretches from Kota Bharu to Port Klang.

The option to issue SDG Sukuk reflects MRL's steadfast dedication to creating positive social and environmental impact through its financial endeavours. This commitment to sustainability further distinguishes the programme as a trailblazer in ethical investment initiatives which aligns with MRL's broader initiative to use green energy for the project upon operation in January 2027.

The SDG Sukuk Framework has been assigned a "Gold" Impact Assessment by MARC Ratings Berhad. The SDG Sukuk Framework has been established to set the guiding principles for MRL's issuance of SDG Sukuk for specific eligible projects that contribute towards environmental and social benefits.

Dato' Sri Darwis Abdul Razak, Chief Executive Officer of MRL, emphasizes that the Sukuk Murabahah Programme signifies the ongoing effort to incorporate Islamic finance into substantial infrastructure projects. This initiative aligns with the Sustainable Development Goals endorsed by the United Nations as part of the 2030 Agenda for Sustainable Development.

"We are pleased that MRL's SDG Sukuk also synergistically advances eco-conscious practices within the realm of finance and infrastructure development as well as cater to the distinct needs of both government and private stakeholders as well as across various sectors," he added.

On behalf of MRL, Dato' Sri Darwis expresses gratitude for the exceptional support of its legal counsel (Messrs Shook Lin & Bok) and transaction counsel (Messrs Adnan Sundra & Low) in the successful establishment of the Sukuk Murabahah Programme, noting that the legal firms also won the prestigious Finance Deal of the Year award for MRL's Sukuk Murabahah Programme at the esteemed 11th ALB Malaysia Law Awards 2024 recently.

Dato' Sri Darwis elaborates further on the intricacies of the Sukuk Murabahah Programme, encompasses 3 revolving credit facilities designed in compliance with both conventional and Islamic finance principles from various local financial institution, supported by the participation of 10 financial institutions, blending the expertise and resources of both conventional and Islamic finance players. The complexity of liaising with 10 financial institutions arises from the need to orchestrate a seamless



collaboration among diverse stakeholders. Each institution brings its unique perspective, expertise, and risk appetite to the table, necessitating careful coordination and alignment of interests.

The RM50.27 billion ECRL Project is financed by a combination of soft loan by the Export–Import Bank of China and Sukuk issuance by local financial institutions. The ECRL Project is scheduled for completion in December 2026 and expected to link Kota Bharu to ITT Gombak in 4 hours as compared to 7 hours by road transport or more than 12 hours during festive season.

MRL, a wholly-owned subsidiary of the Minister of Finance (Incorporated) [MOF (Inc.)], is the project owner of the ECRL while China Communications Construction Company Ltd (CCCC) and China Communications Construction Company (M) Sdn Bhd are the engineering, procurement, construction, and commissioning (EPCC) contractors for the ECRL Project.

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Released by the Corporate Communications Department of Malaysia Rail Link Sdn Bhd. For further information, please contact: Yong Min Wei (03-6411 5800 ext. 5835 / mwyong@mrl.com.my) or Puteri Hadeeja Sofea Hasbullah (03-6411 5800 ext. 6084 / hadeeja.sofea@mrl.com.my).