



PRESS RELEASE

RGE closes inaugural US\$550 million Sustainability-Linked Derivative with MUFG

- ***Sustainability-Linked Derivative (SLD) supports RGE’s strategy of pivoting its financing towards SLLs, a total of US\$1.6 billion secured in 2022***
- ***Besides hedging the interest rate risk of its latest SLLs, the SLD shows RGE’s confidence in delivering on its SLL’s sustainability KPIs***

Singapore, 2 February 2023 – Royal Golden Eagle (“**RGE**”), a global group of resource-based manufacturing companies, has announced that its member company Apical Group (“**Apical**”), a global leading processor of vegetable oil, has closed a two-year US\$550 million Sustainability-Linked Derivative (“**SLD**”), its first SLD, with MUFG Bank, Ltd (“**MUFG**”).

In November 2022, Apical successfully secured a total of US\$787 million in SLLs from a consortium of banks, with MUFG, First Abu Dhabi Bank, National Bank of Kuwait and Chang Hwa Bank among the Mandate Lead Arrangers and Bookrunners. The SLD will be used to partially hedge (US\$550 million of the US\$787 million) the interest rate risk of Apical’s latest round of sustainability-linked loans (“**SLLs**”).

The SLD allows Apical to fix its interest rate for US\$550 million of its latest round of SLLs for a period of two years. This agreement is tied to the same set of key performance indicators (“**KPIs**”) under the SLLs and penalties will be incurred under the SLD in the event the KPIs are not attained. These KPIs include raising the level of verified traceability

to its plantations, increasing engagement of suppliers to promote sustainable practices and traceability, increasing the number of Roundtable on Sustainable Palm Oil (RSPO) certifications among smallholder farmers, and reducing greenhouse gas emissions through methane capture facilities.

Tey Wei Lin, President, RGE, said:

“Sustainability is at the core of our business model and sustainable financing is the way forward for RGE. We have the support and interest from our banking partners and secured a total of US\$1.6 billion in SLLs in 2022. We are now going one step further with the sustainability-linked derivative which imposes a second penalty on us if we do not meet the same set of KPIs for the SLLs. Acting on a belief that ‘well done is better than well said’, we have opted for this tool that facilitates an even greater level of accountability from us and we are confident that we will continue to deliver on our commitments.”

In 2021, RGE was among the first non-property players in Singapore to secure an SLL and the second largest borrower of SLLs in Singapore. In 2022, it raised approximately US\$1.6 billion in SLLs including US\$700 million under its pulp and paper business in China, Asia Symbol; US\$120 million under Apical, and another US\$787 million under Apical’s latest SLL to which the SLD is tied.

Nick Yee, Managing Director and Head of Global Client Solutions Sales for ASEAN, India and Oceania, MUFG, commented:

“MUFG is proud to have partnered RGE in structuring our inaugural Sustainability-Linked Derivative that linked the Interest Rate Swap to RGE's sustainability commitments. With our market-leading Solutions and ESG Financing expertise, we have created a bespoke structure for RGE to achieve its sustainability targets and hedge its interest rate exposure concurrently. This collaboration demonstrates our collective sustainability commitments towards decarbonisation and tackling climate change, while managing financial risks.”

About RGE

Headquartered in Singapore, RGE is a group of resource-based manufacturing companies with global operations. We produce sustainable natural fibres, edible oils, green packaging and clean natural gas used to create products that feed, clothe and energise the world. We help improve billions of peoples' lives through sustainable products they use every day. With more than US\$30 billion in assets and 60,000 employees, we are creating a more recyclable, biodegradable and lower carbon future.

Committed to sustainable development, conservation and community development, we strive towards what is good for the community, good for the country, good for the climate, good for the customer, and good for the company. With current operations spanning across Indonesia, China, Brazil, Spain and Canada, we continue to expand and engage new markets.

www.rgei.com

About Apical Group

Apical Group is a leading vegetable oils processor with an expanding global footprint. Apical's vertically integrated mid-stream refining, downstream processing capabilities and capacity makes Apical an integral supplier that supports the food, feed and fuel needs across industries. Its business includes downstream processing into functional and specialty fats, oleochemicals and biodiesel among others, for domestic use and international export. Its operations are located in Indonesia, China and Spain, and include eight refineries, four biodiesel plants, four oleochemical plants and three kernel crushing plants. Through its joint ventures, Apical also has processing and distribution operations in India, Pakistan, Philippines, Vietnam, Myanmar, Brazil, Dubai and USA.

www.apicalgroup.com

Media Contact

Lim Siow Joo
Corporate Communications
RGE
Tel: +65 9847 0817
Email: siowjoo_lim@rgei.com

Sean Baker
Ruder Finn Asia
Tel: +65 8875 2950
Email: bakers@ruderfinnasia.com

Jadon Teo
Ruder Finn Asia
Tel: +65 9760 0772
Email: teoj@ruderfinnasia.com