

PRESS RELEASE

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CGIF Supports Indonesia's First IDR Sustainability-linked Bond Issued by SPINDO

Manila, 10 July 2024 – The Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank ("**CGIF**") is pleased to announce its first Sustainability-Linked Bond ("**SLB**") guarantee in Indonesia for PT Steel Pipe Industry of Indonesia ("**SPINDO**") amounting to IDR1.0 trillion issued on 9 July 2024. Listed in Indonesia Stock Exchange (IDX) today, the transaction marks a remarkable landmark for sustainable financing in Indonesia.

The oversubscribed SLB, rated $idAAA_{(CG)}$ by PEFINDO, was issued at a coupon rate of 7.0% p.a. for the 3-year tranche and 7.35% p.a. for both the 5-year tranche and 7-year tranche with stronger investors' demands for the longer tenors. The proceeds will be used for the development of SPINDO's new warehouse, working capital, and refinancing of existing debt facilities.

PT Indo Premier Sekuritas, PT BCA Sekuritas, PT Korea Investment and Sekuritas Indonesia and PT Sucor Sekuritas acted as the Joint Lead Underwriters (JLUs).

Hongwei Wang, Chief Executive Officer of CGIF stated, "We are excited to announce our inaugural Sustainability Linked Bond guarantee in Indonesia which shows our commitment in supporting the development of Indonesia's thematic bond market. This transaction will diversify SPINDO's funding sources and improve their overall debt duration as well as overall cost of funding as part of their company strategy."

Johanes W. Edward, Chief Strategy Officer of SPINDO stated, "It is an honor and excitement for us to issue our first CGIF-guaranteed bonds, which greatly expand our investor universe, and enhance our financial structure by extending the funding duration. In short, we will enjoy qualitative and quantitative benefits due to the support by CGIF. Moreover, it is also Indonesia's first IDR Sustainability-Linked Bond issuance, which demonstrate our company commitment towards sustainability development goals."

Rayendra L. Tobing, Director – Head of Investment Banking of PT Indo Premier Sekuritas, stated, "We are proud to announce our involvement in the inaugural issuance of the Sustainability-Linked Bond (SLB) in the Indonesian Capital Market. This milestone underscores our commitment to promoting sustainable finance and fostering innovation within the industry. We hope that this initiative will inspire other prospective issuers to consider sustainable

financing products, thereby cultivating a more resilient and environmentally responsible bond market in Indonesia.”

Mardy Sutanto, President Director, PT BCA Sekuritas, stated, “BCA Sekuritas is honored to be able to participate in this debut SLB issuance by SPINDO. We have been involved since the first domestic bonds issuance by SPINDO and are committed to continue to support them in their fundraising exercises.”

Luthfi Andhika, Group Head Capital Market of, PT Korea Investment and Sekuritas Indonesia, stated, “We are very proud and honored to participate in Indonesia's inaugural CGIF-guaranteed Sustainability-Linked Bond issuance by SPINDO. We hope this initiative will catalyze future thematic bond issuances in Indonesia, making such bonds a compelling financing option for companies and providing diversification for investors' portfolios. We eagerly anticipate a rise in thematic bond issuances and the continued presence of CGIF in the Indonesian bond market.”

Achdiarini Siwiwardhani, Director, PT Sucor Sekuritas, stated, “Sucor Sekuritas is pleased to be involved as JLU in the issuance of SPINDO's first SLB guaranteed by CGIF. We have previously supported SPINDO as JLU in past bond issuances, but this issuance marks a milestone for both the issuer and the JLUs. The bond is not only the first IDR SLB issued by a corporate in Indonesia, but also supported with CGIF's guarantee which enhances the bond rating to AAA and attracts investors and boosts their confidence levels to invest in longer tenor bonds as evidenced by strong demand and participation from quality investors.

Our hope is that SPINDO will continue to benefit from the SLB until maturity, and there will be many more domestic IDR bonds supported by CGIF, providing even more attractive and lower-risk investment options for investors in the Indonesian capital market.”

About CGIF

CGIF is a multilateral facility established by the Association of Southeast Asian Nations (“ASEAN”) members, China, Japan, Korea (“ASEAN+3”) and Asian Development Bank (“ADB”). It is established as a trust fund of ADB with paid-in capital of USD1,158 million from its Contributors. As a key component of the Asian Bond Markets Initiative (“ABMI”), CGIF was established to develop and strengthen local currency and regional bond markets in the ASEAN+3 region. CGIF commenced its guarantee operations on 1 May 2012 and seeks to provide credit enhancements, mainly in local currencies, issued by credit worthy ASEAN+3-domiciled bond issuers.

About SPINDO

PT Steel Pipe Industry of Indonesia Tbk ("SPINDO") is the largest welded steel pipe manufacturer in Indonesia, established in 1971 with a production capacity of around 600,000 tons per year. SPINDO operates 6 units located in East Java and West Java. More than 60% of ISSP's products are used in infrastructure, telecommunications, mining, petrochemicals, construction, and utilities, while the remainder is used in the oil and gas sector, automotive industry, and furniture. Products manufactured by SPINDO have obtained SNI, ASTM, and JIS certifications and have been certified by UL, FM, and API 5L. ISSP is classified as a "BLUE" company in terms of environmental aspects, meaning it complies with environmental regulations in Indonesia.

SPINDO is a public company listed on the Indonesia Stock Exchange (BEI) since February 22, 2013 with the stock code "ISSP".

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