



MEDIA RELEASE

OCBC BANK PARTNERS TONG ENG GROUP ON SINGAPORE'S FIRST SORA-BASED GREEN LOAN

Singapore, 18 November 2020 – Singapore property developer, Tong Eng Group (“Tong Eng”), has secured Singapore’s first green loan referencing the Singapore Overnight Rate Average (SORA) with OCBC Bank. The proceeds from the green SORA-based loan will be used for the refinancing of Tong Eng Building, which received the Building and Construction Authority (BCA) Green Mark Platinum re-certification last month.

This is also OCBC Bank’s third SORA-based corporate loan, with the first two extended to CapitaLand and Sembcorp Industries in June and October respectively. It had introduced the first SORA-based retail home loan in July.

To date, OCBC Bank has extended more than S\$1.3 billion in corporate and retail loans referencing SORA, which includes close to S\$1 billion in SORA-based home loans.

The interest rate of this S\$71 million revolving loan facility will be calculated based on the 3-month Compounded SORA published by the Monetary Authority of Singapore (MAS), as well as an applicable margin. Tong Eng will be informed on the first day of the loan, and thereafter, on each rollover of the loan, of the amount of interest due on their outstanding loan at the end of an interest period. This “compounding in-advance” methodology provides better visibility and therefore facilitates cashflow planning with regard to interest payment.

This green SORA-based loan was raised under Tong Eng's newly established Green Loan Framework ("Framework"), which was developed together with OCBC Bank as Green Loan Advisor. The Framework was prepared in accordance with the Green Loan Principles.

In obtaining the Building and Construction Authority Green Mark Platinum Award for Tong Eng Building, Tong Eng has incorporated several green features that has resulted in energy savings including the replacement of the original water cooled packaged units with chillers and air handling units coupled with smart control strategies which resulted in tremendous energy savings. The air handling units at each floor were also installed with controls to monitor carbon dioxide levels to regulate fresh outdoor air intake, in order to achieve a high level of indoor air quality.

Other sustainable features included installation of motion sensors fitted to the common area lighting as well as retrofitting tenant units with LED energy saving light fixtures.

Separately, Tong Eng undertook an extensive lift upgrading exercise, where all the lifts were fitted out with new technology motors, drives and controllers for optimum operation of the lifts.

Said Mr. Teo Tong Lim, Managing Director of Tong Eng Group, "We are pleased to have the support of OCBC on this SORA-based green loan, which is the first of its kind. Besides furthering our sustainability strategy, this loan is also an important step for us in transitioning our loan book to backwards looking rates – an inevitable shift that many businesses will have to undertake. Beginning this process early has given us a better understanding of the pricing of such loans, and the operational changes that have to be made, to prepare for the period after the cessation of SOR."

Said Mr Linus Goh, Head of Global Commercial Banking, OCBC Bank, "We are delighted to support our long-standing customer Tong Eng in their first green loan. Choosing to launch this loan with the refinancing for the Tong Eng Building, which has been a fixture in the Central Business District since the 1980s, is an important signal of intent and a timely reminder that

mature buildings can and should strive towards meeting today's sustainability standards.

“This is also the first SORA-based green loan, and Tong Eng takes the lead as one of the early adopters of the new industry interest rate benchmark. This is consistent with their forward-thinking mentality which we hope will encourage other businesses to begin this transition to the new rate sooner rather than later.”

About OCBC Bank

OCBC Bank is the longest established Singapore bank, formed in 1932 from the merger of three local banks, the oldest of which was founded in 1912. It is now the second largest financial services group in Southeast Asia by assets and one of the world's most highly-rated banks, with an Aa1 rating from Moody's. Recognised for its financial strength and stability, OCBC Bank is consistently ranked among the World's Top 50 Safest Banks by Global Finance and has been named Best Managed Bank in Singapore by The Asian Banker.

OCBC Bank and its subsidiaries offer a broad array of commercial banking, specialist financial and wealth management services, ranging from consumer, corporate, investment, private and transaction banking to treasury, insurance, asset management and stockbroking services.

OCBC Bank's key markets are Singapore, Malaysia, Indonesia and Greater China. It has more than 500 branches and representative offices in 19 countries and regions. These include over 250 branches and offices in Indonesia under subsidiary Bank OCBC NISP, and over 80 branches and offices in Mainland China, Hong Kong SAR and Macau SAR under OCBC Wing Hang.

OCBC Bank's private banking services are provided by its wholly-owned subsidiary Bank of Singapore, which operates on a unique open-architecture product platform to source for the best-in-class products to meet its clients' goals.

OCBC Bank's insurance subsidiary, Great Eastern Holdings, is the oldest and most established life insurance group in Singapore and Malaysia. Its asset management subsidiary, Lion Global Investors, is one of the largest private sector asset management companies in Southeast Asia.

For more information, please visit www.ocbc.com.

About Tong Eng Group

The Tong Eng Group ('Tong Eng') is a privately held Singapore based real estate developer and investment company with over 70 years of legacy since the 1950s.

Tong Eng takes pride in developing distinctive buildings that are a harmonious blend of form and functionality. From its inception, the Group has owned and developed close to two hundred acres of land, encompassing high-quality offices, retail shops, landed housing and apartments.

Tong Eng strives to blend creative planning and understated elegance while adopting new concepts and technology in developing buildings with enduring value. With each project, careful attention is paid to every detail, from redefining spaces to ensure the optimum layout, to providing only the most impeccable finishes and quality.

For more information, please visit www.tongeng.com.sg

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