

PRESS RELEASE

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CGIF successfully supported Siamgas and Petrochemicals Public Company Limited to issue THB bonds again with a smaller guarantee cover

Siamgas and Petrochemicals Public Company Limited ("SGP")'s recent issuance of THB 2 billion A rated 5-year bonds gained market acceptance with a smaller guarantee coverage of 70% compared to the 85% cover required for their 1st CGIF guaranteed bonds in February 2018

11 December 2018, Manila

The Credit Guarantee and Investment Facility ("CGIF") is pleased to announce its follow-on support for SGP in the Thai Baht bond market. CGIF's 70% guarantee, a lower percentage compared to the 85% guarantee in SGP's February 2018 issuance helped SGP to raise long term funds again from conservative institutional investors via the bond market following the upgrade of its stand-alone rating on 17 May 2018. SGP's first guaranteed bonds were similarly upgraded from A to A+.

The concept of partial guarantees is an area not yet well tested in the ASEAN bond markets. Applied to the same issuer, this transaction helps develop benchmarks for CGIF and the region's bond markets with respect to investors' acceptance of partial guarantees – a 2-notch enhancement for a 70% cover, following the 85% coverage needed for a 3-notch uplift in the first bonds. This follow-on issuance from the same issuer needing additional funding is an excellent opportunity for CGIF to create different enhancement benchmarks on the back of improved performance by SGP since its inaugural bond issuance.

"The upgraded in company's rating helped SGP to raise long term funds from institutional investors at a lower guarantee percentage. This helped SGP obtain optimal cost of fund and strengthen our financial position. With consecutive CGIF guarantee, SGP can access to institutional investors and raise fund at a suitable time. SGP hopes that our transaction could encourage other Thai companies to consider as an alternative fund-raising," said **Mr. Supachai Weeraborwornpong, Managing Director of SGP.**

"CGIF's guarantee will contribute to the expansion of the Thai partial guarantee bond market which will also help improve the liquidity or tradability of the partial guarantee bond. This will enable more Thai corporates with different stand-alone ratings below A- to tap institutional investors' funds with the use of different levels of partial guarantees to reach investors, thus enabling more efficient use of CGIF's guarantee support." said **Kiyoshi Nishimura, CEO of CGIF.**

United Overseas Bank (Thai) Public Company Limited acted as *Sole Lead Manager* and *Sole Bookrunner* for this transaction.

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 an initial paid-in capital of USD859.2 million from its contributors. As a key component of the Asian Bond Markets Initiative, 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.

CGIF’s Credit Ratings

Rating Agency	Scale	Ratings	Outlook	Date Reviewed
Standard & Poor's	Global (Long Term & Short Term)	AA / A-1+	Stable	22 June 2018
RAM Ratings	Global / ASEAN / National	gAAA / seaAAA / AAA	Stable	18 December 2017
MARC	National	AAA	Stable	18 January 2018
TRIS Ratings	National	AAA	Stable	10 October 2018
Fitch Ratings Indonesia	National	AAA	Stable	15 November 2018

About Siamgas and Petrochemicals Public Company Limited

Established in 2001, SGP is a Thailand based company engaged in the trading business of liquefied petroleum gas (LPG) and related petroleum products. It operates LPG storage, terminal, and filling plants, as well as operating with dealers for LPG filling plants and LPG stations throughout Thailand. SGP is also engaged in the transportation services of LPG and other petrochemical products. In addition, it manufactures and sells LPG cylinder, as well as generating power through its subsidiary. SGP also has overseas operations in China, Vietnam, Singapore, Malaysia, and Myanmar.

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