

PRESS RELEASE

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CGIF guarantees Refrigeration Electrical Engineering Corporation's inaugural VND2.318 trillion fixed rate bonds, arranged by Standard Chartered Vietnam.

Manila, 28 January 2019 – Credit Guarantee and Investment Facility ("**CGIF**"), a trust fund of Asian Development Bank rated AA internationally by S&P, has today guaranteed Refrigeration Electrical Engineering Corporation's ("**REE**") inaugural VND2.318 trillion (equivalent to USD100 million) fixed rate bonds. The issuance was arranged by Standard Chartered Bank (Vietnam) Limited ("**SCB Vietnam**").

REE is a listed and diversified business group in Vietnam operating in the primary fields of real estate development and management; mechanical and electrical engineering services; manufacturing, assembling and sales of Reetech air-conditioner systems; and power and water utility infrastructures. The company is one of the first to list on Ho Chi Minh City Stock Exchange and among the 30 largest companies in term of market capitalisation on the exchange.

With active issuances of guarantees in the local currency bond markets in the region, CGIF has realised a key aspiration of its stakeholders, to help companies raise long-term fixed-rate funding in matching currencies. CGIF believes in the importance of the deepening of the VND capital markets and its vital role in helping the country build a more resilient financial market. The rapid development of the VND corporate bond market since CGIF's inaugural guarantee for VND bonds in 2014 is extremely encouraging. This transaction marks the eighth such bonds CGIF has guaranteed in the VND corporate bond market totaling USD 532 million equivalent, and solidified its role as the catalyst for strong bond market development in the country.

"CGIF is delighted to guarantee REE's first fixed rate 10-year bullet bonds targeting institutional investors. While REE's previous bonds were placed with banks in traditional bank terms such as floating rates and amortising repayments, this 10-year guaranteed bond enables REE to tap institutional investors' funds with more suitable funding terms to the company. By bringing new and credible issuers like REE to the Vietnamese Dong bond market, we hope to encourage more institutional investors to provide long-term funding to firms whose nature of business need such funding. Moreover, it signifies CGIF's commitment to promote longer term corporate bonds to the Vietnam market which has been largely dominated by Government and Financial Institutions," said **Kiyoshi Nishimura, Chief Executive Officer of CGIF**.

"We are delighted to have CGIF onboard with us on our first bond issuance as we tap the capital markets for fixed-rate long-term funding. We see it as an important milestone as we continue to widen our funding options and sources in line with our business development and expansion needs," said **Mr Nguyen Ngoc Thai Binh, Chief Financial Officer of REE**.

"We are pleased support REE in this landmark transaction, which is a meaningful achievement for us to celebrate our 115th year anniversary of driving commerce and prosperity and serving our clients in Vietnam. Success of the issue has contributed to deepening and developing Vietnam's local capital markets, as it encourages more corporate issuers to consider the bond market as a viable financing option. As we continue our journey with Vietnam, we are committed to leveraging our local insights and international network and expertise to support more of our clients as they seek to meet their growth ambitions," **said Mr. Nirukt Sapru, CEO Vietnam and ASEAN & South Asia Cluster Markets, Standard Chartered Bank**

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 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.

About REE

Established since 1977, Refrigeration Electrical Engineering Corporation ("REE") today is a publicly-traded diversified business group operating in the primary fields of mechanical and electrical engineering services (M&E); manufacturing, assembling and sales of Reetech air-conditioner systems; real estate development and management; and power & water utility infrastructures.

The Group businesses include:

- REE M&E - a leading mechanical and electrical engineering contractor in Vietnam;
- REE Electrical Appliances which manufactures, assembles and markets air conditioners under the Reetech brand;
- REE Property - a management services company for lease office properties of REE;
- REE Land, VIID and SaigonRes - real estate developers; and
- Power and Water Utility Infrastructures with ownership stakes in power utilities and clean water treatment plants.

As one of the first companies to list its shares on the Ho Chi Minh City Stock Exchange, REE is among the 30 largest companies in term of market capitalisation on Ho Chi Minh Stock Exchange.

For more information, please visit: <https://www.reecorp.com/>

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