

PRESS RELEASE

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CGIF backs Vietnam's First AAA-rated Corporate Bond, issued by BIWASE-Long An JSC

Manila, 27 November 2024 – The Credit Guarantee and Investment Facility ("CGIF"), a trust fund of the Asian Development Bank ("ADB") has guaranteed BIWASE- Long An Water Joint Stock Company's ("BIWASE Long An" or "Issuer") debut bond issuance, a ten-year VND700 billion 5.50% fixed-rate amortizing bond ("Bond").

The Issuer is a subsidiary of Binh Duong Water Environment Corporation ("BIWASE"), the third largest clean water supply company in Vietnam by capacity, generating approximately 822,000 cubic meters ("cbm") per day. The proceeds of the Bond will finance the Issuer's growth plans to increase its capacity by up to an additional 60,000 cbm per day at its existing water treatment plant in Long An.

The Bond is a breakthrough for Vietnam's bond market and CGIF. Rated AAA by FiiRatings Joint Stock Company, it is Vietnam's first ever AAA-rated corporate bond. At ten-year tenor, it is CGIF's first long-dated transaction and first infrastructure funding in Vietnam in the post-pandemic era, further entrenching CGIF's position as a catalyst of long-term bonds in Vietnam and ASEAN. Ultimately, the Bond underscores the viability of local currency bonds in funding ASEAN infrastructure projects, one of CGIF's core mandates.

Maybank Securities Limited (Vietnam) ("Maybank") was Sole Arranger, while FiiRatings was the local credit rating agency for the Bond.

Mr. Hongwei Wang, Chief Executive Officer of CGIF, stated, "We are proud to support Vietnam's first AAA-rated corporate bond and thrilled to work with BIWASE to develop water supply infrastructure and increase public access to clean water. The Bond demonstrates the optimum combination of highly-rated credit enhancement and the depth of the Vietnam Dong bond market to crowd-in long-term institutional capital for infrastructure project financing."

Mr. Nguyen Van Thien, Chairman of BIWASE, stated, "We are immensely proud to announce the successful issuance of our first AAA-rated bond. This achievement marks a significant milestone for BIWASE Long An and Vietnam's bond market. BIWASE Long An plays a pivotal role in BIWASE's strategic development in Long An province, and this success will serve as a strong foundation for BIWASE to execute its future investment and growth plans. The support

from CGIF and Maybank has been instrumental in this process, and we deeply appreciate their partnership as well as the trust from our investors. BIWASE believes that this bond issuance will pave the way for future financing opportunities in the water sector and attract more investments into critical infrastructure projects, both for the industry and for BIWASE specifically. The proceeds from this bond issuance will enable BIWASE Long An to expand its water treatment capacity by an additional 60,000 cubic meters per day at its Long An facility. This expansion is a crucial component of BIWASE's strategy to meet the growing demand for clean water in the region. Our mission is to continue innovating and leading in the water supply industry, ensuring we meet community needs while contributing to the sustainable development of Vietnam's water infrastructure. Above all, our purpose is to serve the people and the community by providing high-quality clean water, ensuring public health, and supporting production needs."

Mr. Michael Oh-Lau, Chief Executive Officer of Maybank Investment Banking Group, stated, "We are honoured to support BIWASE-Long An for its inaugural bond transaction, which marks a significant milestone not only for the Issuer but also for Vietnam's capital markets. As the Sole Arranger for the first AAA-rated bond in the country, we are proud to continue our collaboration with CGIF in supporting issuers to access diversified funding sources while contributing to the continued development of the domestic bond market. As ASEAN's leading investment bank, we are committed to delivering innovative financial solutions that drive sustainable growth in the region."

Mr. Nguyen Quang Thuan, Chief Executive Officer of FiiRatings, stated, "We are pleased to assign a AAA rating to the bond issued by BIWASE-Long An and guaranteed by CGIF. This is the highest rating on our domestic rating scale and represents a groundbreaking milestone, as it is the first time a bond has received such a rating in Vietnam. We firmly believe that this will enhance transparency and strengthen the attractiveness of Vietnam's corporate bond market, paving the way for unlocking long-term capital for the country's infrastructure development."

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.

Also, as a contributor to CGIF, ADB acts as the Secretariat to ABMI, and has long worked with ASEAN+3 policymakers to establish the ASEAN+3 Multi-Currency Bond Issuance Framework ("AMBIF"). The ABMI, CGIF, and AMBIF were established to support development of active long-term local currency bond markets so borrowers can avoid the currency and maturity bond mismatches that caused the 1997-1998 Asian Financial Crisis.

More about Binh Duong Water Environment Corporation Joint Stock Company

Binh Duong Water – Environment Corporation Joint Stock Company (BIWASE) is a leading enterprise in Vietnam specializing in water supply and environmental services. Established before 1975 under the name Binh Duong Water Supply Center, BIWASE has grown to become a key player in the water supply sector. The company transitioned into a joint-stock company in 2016 and has been listed on the Ho Chi Minh City Stock Exchange (HOSE) since July 2017. BIWASE operates an extensive and integrated water supply network across Binh Duong Province, with a current capacity of 822,000 cubic meters per day. In addition to water supply, the company offers services in waste collection, wastewater treatment, and recycling. BIWASE is committed to employing advanced and environmentally friendly technologies in its operations to ensure sustainable development while delivering high-quality water services to urban and industrial areas.

BIWASE Long An, a subsidiary of BIWASE, focuses on providing water supply services in Long An Province. The company currently operates the Nhi Thanh Water Plant, with a combined capacity of 60,000 cubic meters per day across its first and second phases. This facility ranks among the largest surface water treatment plants in Long An Province. BIWASE Long An is dedicated to delivering high-quality water solutions to meet the growing demand in the region. Proceeds from the current bond issuance will be utilized to expand the water treatment capacity at its existing facility in Long An by an additional 60,000 cubic meters per day. This expansion aligns with BIWASE Long An's strategic plan to enhance its service capacity and support the sustainable development of the region's water infrastructure.

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