CGIF Credit Guarantee & Investment Facility
An Asian Bond Markets Initiative

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PRESS RELEASE

CGIF Guarantees ASEAN Shipping Sector's First Sustainability-Linked Bond

Manila, 18 October 2024 – The Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank ("CGIF") has guaranteed the sustainability-linked bonds ("SLBs") issued by Precious Shipping Public Company Limited ("PSL"). The issuance comprised two (2) bond tranches with maturities of five (5) and ten (10) years, each issued with a size of THB680.0 million, totaling THB1,360.0 million.

Leveraging on CGIF's financial strength and AAA-rating by TRIS Rating, PSL secured the long-tenor funding to effectively lengthen its debt maturity profile, diversify its funding sources, and reduce reliance on bank loans. The SLBs were privately placed with institutional investors and high net worth individuals and issued under the ASEAN+3 Multi-Currency Bond Issuance Framework ("AMBIF").

This transaction marks a significant milestone as the first-ever SLB issued by a shipping company from the ASEAN region, with the goal of reducing its CO_2 emissions per transport work by at least 38.54% by 2034. Such initiative supports ongoing global efforts to combat climate change. By focusing on per transport work efficiency, PSL is demonstrating its commitment to sustainable operations while maintaining productivity, which extends beyond the objectives set by the International Maritime Organization ("IMO") aimed at promoting environmentally responsible shipping practices.

The Asian Development Bank ("ADB") supported PSL in the development of its Sustainability-linked Finance Framework, which aligns with ASEAN Capital Markets Forum's ASEAN Sustainability-linked Bond Standards as well as the International Capital Market Association's Sustainability-linked Bond Principles, as verified by a Second Party Opinion from Lloyd's Register. The United Overseas Bank (Thai) Public Company Limited ("UOB Thailand") acted as the lead underwriter.

Mr. Hongwei Wang, Chief Executive Officer of CGIF said, "*We are delighted to support PSL's commitment to operational efficiency and sustainable practices in the global dry bulk*

shipping sector through its issuance of the SLBs aimed at carbon emission reduction. This transaction aligns with CGIF's mandate to promote local currency bond issuances across ASEAN and underscores our commitment to sustainable financing."

Mr. Khalid M. Hashim, Managing Director of PSL said *"Through our sustainability-linked bond issuance, we commit not only to raising capital but also to achieving measurable Carbon emission reduction and social impacts that align with our long-term sustainability strategy."*

Mr. Pisal Kattiyothaivong, Executive Director, Country Head of Investment Banking of UOB (Thailand) said *"We are very pleased to be an integral part of this landmark sustainability-linked bond issuance in accordance with our ESG commitment. We believe that this transaction can help motivate other Thai Corporate to issue more ESG bonds to support sustainable business growth."*

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.

About PSL

PSL was founded in 1989 and listed on the Stock Exchange of Thailand in 1993. PSL is a dry cargo ship-owner in the tramp freight market, operating on the Handysize, Supramax, and Ultramax sectors, transporting commodities like grains, cement, fertilizers, ores, coal, logs, and steel globally. As of 31 December 2023, PSL operates a fleet of 38 dry bulk vessels, including four (4) cement carriers, totaling over 1.6 million deadweight tonnage (DWT).

To date, PSL ranks among the world's largest pure dry cargo ship-owning companies that operate in the Geared sector (i.e., 10,000 to 69,000 DWT) of the tramp freight market. It is rated BBB by TRIS Rating as of 10 October 2024.

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