

## PRESS RELEASE

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### CGIF Guarantees Cambodia's First-Ever Project Bond

**Manila, 11 April 2025** – The Credit Guarantee and Investment Facility ("CGIF"), a trust fund of the Asian Development Bank ("ADB"), has successfully guaranteed Cambodia's first-ever project bond, issued by SchneiTec Dynamic Co., Ltd. ("SchneiTec"). This landmark KHR 196.64 billion (~USD 49.16 million) issuance features a 15-year tenor, making it the largest CGIF-guaranteed bond and longest-tenor bond transaction in Cambodia to date.

The issuance comprises three tranches: two CGIF-guaranteed green bonds—KHR 60 billion (~USD 15 million) with a floating rate coupon and KHR 80 billion (~USD 20 million) with a floating rate coupon featuring a floor and cap—as well as an unguaranteed green bond of KHR 56.64 billion (~USD 14.16 million).

The proceeds from this bond issuance will finance a 60MWac solar photovoltaic (PV) plant with an integrated battery energy storage system (BESS) in Kampong Chhnang province, Cambodia. Developed under a Build-Own-Operate (BOO) model, the project achieved commercial operation on October 31, 2024, and operates under a 20-year fixed-price, pay-as-produced Power Purchase Agreement (PPA) with Electricité Du Cambodge (EDC), backed by the Royal Government of Cambodia.

The bonds align with SchneiTec's Green Bond Framework, which has been verified by Standard & Poor's (S&P) as compliant with ICMA's Green Bond Principles (2021) and the ASEAN Capital Markets Forum Green Bond Standards.

Yuanta Securities (Cambodia) Plc. acted as the Lead Manager and Underwriter for this transaction.

**Mr. Hongwei Wang, Chief Executive Officer of CGIF**, stated "This isn't just another bond issuance—it's a landmark moment for Cambodia. With CGIF's support, it demonstrates that well-structured bonds can mobilize both domestic and foreign long-term capital for Cambodia's critical infrastructure and sustainable development." Mr. Wang further adds, "The innovative multi-tranche structure expanded the investor base by catering to different risk appetites, attracting local and foreign banks as well as life insurance companies. CGIF's role extended

beyond credit enhancement; we acted as the anchor creditor, leading due diligence, structuring, and documentation to align the transaction with international project finance standards. This approach instilled confidence among offshore and onshore investors, enabling their participation in the unguaranteed tranche despite perceived country risks in Cambodia. With this success, we believe this structure can be replicated in other frontier markets across ASEAN.

**Dr. Heng Socheat, Chairman of the SchneiTec Group**, said “It was tough. The bar was very high, and there are many strict requirements. But, we finally did it, thanks to the kind support and commitment from CGIF, SERC, CSX and all parties. We are proud to be a part of this first green project bond, and we believe it's just the beginning of our journey with capital market toward our goal to bring the Kingdom to the 70% of renewable energy by 2030 and carbon neutrality by 2050.”

**Mr. Han Kyung Tae, Managing Director of Yuanta Securities (Cambodia)**, stated “It is a great honor to be part of this significant milestone – the listing of Cambodia’s first green infrastructure and project bonds. This achievement is not only a success for our capital market, but also a crucial step toward fostering sustainable investments in Cambodia. With this issuance, we are setting a new benchmark for green financing in the country. I hope it will inspire more companies to explore sustainable funding options and, in turn, attract further investments into Cambodia’s growing capital market.”

#### **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 billion 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 SchneiTec**

SchneiTec is one of the prominent energy infrastructure companies in Cambodia. SchneiTec aims to lead the future of renewable energy development including solar, wind and battery energy storage to support economic growth in Cambodia and beyond in ways that are harmonious to the environment and the people through our ingenuity and commitment to innovation in energy generation and energy service solutions.

## **CGIF Media & Guarantee Enquiries**

Guarantee Enquiries: [guarantee\\_enquiries@cgif-abmi.org](mailto:guarantee_enquiries@cgif-abmi.org)

Media Enquiries: [media@cgif-abmi.org](mailto:media@cgif-abmi.org)

+63 2 8580 7944, +63 919 087 1159

CGIF Website: [www.cgif-abmi.org](http://www.cgif-abmi.org)