CGIF supports Thaifoods Group Public Company Limited’s issuance of THB1 billion Social Bond

Manila, 11 November 2021 – The Credit Guarantee and Investment Facility (“CGIF”) is pleased to announce its support for Thaifoods Group Public Company Limited’s (“TFG”) 5-year THB 1 billion Guaranteed Social Bond issued on 11 November 2021.

The transaction is the first social bond guaranteed by CGIF and is also the first social bond issuance under ASEAN Social Bond Standards by a non-financial corporate issuer. TFG will use the social bond proceed for the sustainable growth of animal feed mill business in line with its Sustainable Finance Framework. An external reviewer, DNV Business Assurance Australia Pty Ltd, has issued a second party opinion to confirm alignment of the proposed bond with Social Bond Principles 2021 and ASEAN Social Bond Standards 2018.

A 100% credit-wrapped 5-year social bond rated AAA by TRIS Rating was successfully placed with domestic institutional investors with competitive coupon rate of 2.15%. The bond was issued under ASEAN+3 Multi-Currency Bond Issuance Framework, a policy initiative under the Asian Bond Markets Initiative (ABMI) to standardize the bond and note issuance processes with the goal of strengthening bond market linkages between the ASEAN+3 countries. Through its technical assistance under the ABMI, the Asian Development Bank assisted TFG in identifying eligible assets, projects, and expenditures, developing a sustainable finance framework, and facilitating discussions with an external reviewer.

United Overseas Bank (Thai) Public Company Limited (“UOB (Thai)”) acted as the Sole Lead Arranger for this transaction.

Ms. Guiying Sun, CEO of CGIF, stated, “We are privileged to support Thaifoods Group PCL in its social bond issuance which will certainly benefit them in diversifying funding sources to support its sustainable growth. The transaction is the first social bond guaranteed by CGIF, another achievement after two green bond issuances this year. We will continue to play a critical role in promoting the ASEAN Social/Green/Sustainability Bond Standards and support more such thematic bonds to be issued by ASEAN+3 companies for the sustainable economic growth and social development of the region.”
Mr. Winai Teawsomboonkij, Chief Executive Officer of Thaifoods Group Public Company Limited stated, “With continuing support from CGIF’s guarantee, TFG can access to Thai leading institutional investors with optimal cost. This benchmark issue is also the first step for TFG to demonstrate our commitment to sustainable growth with ESG focus in our operations. We also plan to do more ESG financing in the future to fulfill our sustainability strategies under our Sustainable Finance Framework.”

Mr. Pisal Kattiyothaivong, Executive Director, Country Head of Debt Capital Markets of UOB (Thai) stated, “Corresponding to the guarantee structure of the bond and TFG’s business profile, this initiative transaction is warmly welcomed by strong demands from Thai leading institutional investors. UOB (Thai) is very pleased to be an integral part of this landmark bond issuance for the first social bond issued by non-financial corporate under ASEAN Social Bond Standards which could lead to more social bond issues to come. This achievement also demonstrates UOB Group’s commitment to ESG focus on achieving the Bank’s sustainability objectives of helping businesses to advance responsibly, steering consumer wealth to sustainable investments and fostering social inclusiveness and environmental well-being and UOB Group’s strong regional Debt Capital Markets platform and expertise.”

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 USD1,129 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 Thaifoods Group Public Company Limited

TFG is a vertically integrated food producer specializing in the production of chicken, swine and feed mill with operations in Thailand and Vietnam. TFG’s business focuses primarily on the production of chicken (whole chickens, chicken parts and processed chicken) and live pigs for sale to retailers, slaughterhouses, industrial and modern trade companies, export/re-export agents and the export market. TFG also operate several feed mills that produce feed for animals, which is primarily used in the raising of our chickens and pigs and is also sold to external customers.
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