

Press Release

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TRIS Rating Assigns "AAA/Stable" Rating to Guaranteed Debt Worth Up to Bt3,500 Million of "TSS", Replacing Recent Debt Due Within 2021

TRIS Rating has assigned the rating of "AAA" to the proposed issue of up to Bt3,500 million in guaranteed debentures of Trina Solar (Singapore) Science & Technology Pte. Ltd. (TSS), which is guaranteed by Credit Guarantee and Investment Facility (CGIF), a trust fund of the Asian Development Bank (ADB). The outlook remains "stable". The assigned issue rating replaces the rating of the proposed issue of up to Bt3,500 million announced on 13 December 2016 as the company decided to change the year in which the debentures would be due, from 2021 to 2022. The issue rating reflects the credit worthiness of CGIF as the guarantor of the debentures. CGIF is rated "AAA" by TRIS Rating.

TSS was incorporated in Singapore in October 2014 and commenced its operation in March 2015 to manufacture solar modules aiming mainly at North American market. TSS is a wholly-owned and indirect subsidiary of Trina Solar Ltd. (TSL), a large-scale integrated solar-power products manufacturer from China with a global distribution network. In April 2015, TSS set up Trina Solar Science & Technology (Thailand) Ltd. (TTL), which is located in Rayong province and launched its operation in March 2016. TTL has annualised production capacity for modules and cell at 700 megawatts (MW) and 800 MW, respectively. The proceeds from the guaranteed debentures will be used for developing, supporting, or funding to TTL.

The rating of TSS's guaranteed debentures is equalized with the rating of its guarantor, CGIF. Under the guarantee's terms, CGIF provides an irrevocable and unconditional guarantee to cover 100% of the principal and the interest payments for the guaranteed debentures, and its guarantee obligations rank at least pari passu with all other present and future unsecured and unsubordinated indebtedness of CGIF. The rating of the guaranteed debentures also takes into account the following conditions, which TRIS Rating views the likelihood of such events is very low.

- Payment acceleration risk by the bondholders' representative: The bondholders' representative has the right to accelerate the guaranteed bond payments against the issuer upon an occurrence of any event of default other than the issuer's non-payment. However, CGIF will no longer have obligations to make payments under the guarantee if the bondholders' representative exercises this right.

- Foreign exchange rate risks: the bondholders might not receive the payment in Thai baht if CGIF determines that it is impossible or impracticable on commercially reasonable efforts and in accordance with its policy to obtain the baht. In such an event, CGIF may make the payment with an equivalent amount in US dollars or such other currency as it may determine.

CGIF's credit rating reflects its status as a supranational institution owned by the governments of the ASEAN+3 countries and ADB, together called "contributors". Its rating also reflects CGIF's strong business platform and conservative risk management framework. The rating takes into consideration CGIF's short operational track record and the challenges it faces in expanding its business.

The "stable" outlook reflects the creditworthiness of CGIF and the expectation that CGIF will continue to expand in line with its mission and risk management framework. The rating could face downward pressure if losses in the guarantee portfolio cause CGIF's financial profile to deteriorate significantly, or if there is evidence of weakening support from the contributors.

CGIF was founded in 2010 under the initiative of 10 ASEAN countries, together with China, Japan, Korea, and the ADB. CGIF's main objectives are to provide credit guarantees which allow eligible issuers to access regional local currency bond markets. Issuers can thus avoid currency and maturity mismatches by issuing bonds within the region. ADB is the trustee of CGIF. It holds in trust all of CGIF's capital and is responsible for managing the capital. CGIF finances its operations solely from capital contributions. It is not allowed to borrow from any source, except for cash management purposes.

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Trina Solar (Singapore) Science & Technology Pte. Ltd. (TSS)

Issue Rating:

Up to Bt3,500 million guaranteed debentures due within 2022

Rating Outlook:

AAA

Stable

TRIS Rating Co., Ltd./www.trisrating.com

Contact: santaya@trisrating.com, Tel: 0-2231-3011 ext 500/Silom Complex Building, 24th Floor, 191 Silom Road, Bangkok 10500, Thailand

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