

Press Release

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TRIS Rating Expects CGIF to Honor Guarantee Obligations on HEG269A II Debentures

XJ International Holdings Co., Ltd. (XJ INTL), previously known as Hope Education Group Co., Ltd. (HOPE), is the guarantor of the USD350 million Convertible Bonds issued by Tequ Mayflower Limited (Convertible Bonds). On 2 March 2024, Tequ Mayflower Limited and XJ INTL did not make payments pursuant to Redemption Options of the Convertible Bonds, amounting to USD315 million. This resulted in a cross-default under the terms and conditions of the guaranteed debentures of THB1.3 billion (HEG269A II) issued by XJ INTL (Debentures).

However, the issue rating of the Debentures remains unchanged at “AAA/Stable” since they are fully guaranteed by Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank (CGIF), rated “AAA/Stable” by TRIS Rating. The issue rating assigned by TRIS Rating to the Debentures reflects the credit worthiness of CGIF as the guarantor.

CGIF unconditionally and irrevocably guarantees the full and punctual payment of the principal and any scheduled interest amounts under the Debentures which are overdue and unpaid. CGIF’s payment obligations under the guarantee agreement rank pari passu with the claims of all of its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law (if any).

According to the guarantee agreement, CGIF may, at its absolute discretion, deliver a CGIF Acceleration Notice and declare the Debentures to be immediately due and payable no later than 15 business days from the date the CGIF Acceleration Notice is delivered.

In the case that a “Non-Payment Event” occurs, the Debentureholders’ representative may make a demand for payment of the guaranteed amount to CGIF within the demand period following a Non-Payment Event which is continuing. The demand period in respect of non-payment of the interest and principal amount due on the Debenture maturity date is 15 business days starting on the date of the Non-Payment Event. CGIF will have 15 business days from receipt of the demand to make payment to the Debentureholders. A Non-Payment Event means the non-payment (after giving effect to any applicable grace period) of any guaranteed amount by XJ INTL.

In any cases, we expect CGIF to honor its guarantee obligations for the guaranteed Debentures.

TRIS Rating Co., Ltd.

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