

YOMA STRATEGIC HOLDINGS LTD.

No. 192/2021
28 October 2021

CORPORATES

Issue Rating:

Guaranteed AAA

Outlook:

Stable

Last Review Date: 30/10/20

Issue Rating History:

Date	Rating	Outlook/Alert
09/01/19	AAA	Stable

Contacts:

Annop Supachayanont, CFA

annop@trisrating.com

Preeyaporn Kosakam

preeyaporn@trisrating.com

Narumol Charnchanavivat

narumol@trisrating.com



WWW.TRISRATING.COM

RATIONALE

TRIS Rating affirms the rating of “AAA” on guaranteed bonds of Yoma Strategic Holdings Ltd. (YSH). The bonds are guaranteed by Credit Guarantee and Investment Facility (CGIF: rated “AAA/Stable” by TRIS Rating), a trust fund of the Asian Development Bank (ADB). The issue rating reflects the credit worthiness of CGIF as the guarantor of the guaranteed bonds.

KEY RATING CONSIDERATIONS

The rating on YSH’s guaranteed bonds reflects the rating on CGIF. Under the terms of the guarantee, CGIF provides an irrevocable and unconditional guarantee to cover 100% of the principal and interest payments for the guaranteed bonds. The guarantee obligations rank at least pari passu with all other present and future unsecured and unsubordinated indebtedness of the guarantor.

The rating on the guaranteed bonds also takes into account the following conditions:

- CGIF is entitled to determine whether to make the payment in full (accelerated basis) after the occurrence of an Issuer Event of Default (as defined in the Guarantee Agreement) or the receipt of a Demand (as defined in the Guarantee Agreement). However, CGIF will not have obligations to make payments, amongst other terms and conditions of the bonds, under the following conditions: 1) the bondholders’ representative, at its discretion, so decides to accelerate the bonds other than pursuant to a CGIF Non-Payment Event; or 2) the bondholders’ representative does not deliver the demand for payment within a pre-specified period.
- The bondholders might not receive the payment in Thai baht if CGIF determines that it is impossible or impracticable and that reasonable efforts have been made to obtain Thai baht. In such an event, CGIF may make an equivalent payment in US dollars or such other currencies as it may determine. However, TRIS Rating views the likelihood of such risk as very low.

RATING OUTLOOK

The rating and outlook on YSH’s guaranteed bonds solely reflect the creditworthiness of its guarantor, CGIF.

RATING SENSITIVITIES

The rating on YSH’s guaranteed bonds may change if the rating on its guarantor, CGIF, changes.

COMPANY OVERVIEW

YSH was listed on the Mainboard of the Singapore Exchange in 2006. Initially a real-estate developer, the company has expanded through organic growth, joint ventures, and strategic partnerships into a diversified conglomerate in Myanmar. Non-real estate businesses include consumer, automotive and heavy equipment, and financial service businesses. Since 2014, YSH has set its new strategic focus on consolidating its position in these sectors and will continue to build dominant nationwide platforms in each of its core business units.

CGIF was founded in 2010 under the initiative of 10 ASEAN countries, together with China, Japan, Korea, and the ADB. CGIF's main objective is 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 that capital. CGIF finances its operations solely from capital contributions. It is not allowed to borrow from any source, except for cash management purposes.

FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS

The Guarantor
Credit Guarantee and Investment Facility (CGIF),
a trust fund of the Asian Development Bank (ADB)

Unit: Mil. USD

	Jan-Jun * 2021	-----Year Ended 31 December -----			
		2020	2019	2018	2017
Interest income	13.9	28.9	26.2	19.7	12.5
Guarantee income	9.4	17.4	12.9	8.7	8.4
Other revenue**	1.7	3.4	2.8	1.1	0.1
Total revenue	24.9	49.6	41.9	29.5	21.0
Net income from operations	22.6	23.7	22.6	17.5	10.7
Total assets	1,374.5	1,351.7	1,255.1	957.8	779.1
Total liabilities	80.9	87.1	76.6	46.8	39.9
Shareholders' equity	1,293.6	1,264.5	1,178.4	911.0	739.2

* Unaudited and not annualised

** Including realised gain (loss) from securities, fair value changes from derivatives, commission from reinsurance, and miscellaneous income

RELATED CRITERIA

- Issue Rating Criteria, 15 June 2021
- Rating Methodology – Corporate, 26 July 2019

Yoma Strategic Holdings Ltd. (YSH)

Issue Rating:

YSH241A: THB2,220 million guaranteed bonds due 2024

AAA

Rating Outlook:

Stable

TRIS Rating Co., Ltd.

Silom Complex Building, 24th Floor, 191 Silom Road, Bangkok 10500, Thailand Tel: 0-2098-3000

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