

Press Release

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TRIS Rating Assigns Guaranteed Debt Rating Worth Up to Bt11,500 Million of "ABPSPV" at "A-" with "Stable" Outlook

TRIS Rating has assigned the rating of "A-" to the proposed issue of up to Bt11,500 million in guaranteed debentures of Amata B.Grimm Power SPV1 Ltd. (ABPSPV) with "stable" outlook. The debentures are jointly and severally guaranteed by Amata B.Grimm Power 3 Ltd. (ABP3), Amata B.Grimm Power (Rayong) 1 Ltd. (ABPR1) and Amata B.Grimm Power (Rayong) 2 Ltd. (ABPR2). ABP3, ABPR1, and ABPR2 are rated "A-" by TRIS Rating. The issue rating reflects the credit worthiness of ABP3, ABPR1, and ABPR2.

The "stable" outlook reflects the creditworthiness of ABP3, ABPR1, and ABPR2 as well as the expectation that these three companies will maintain smooth operations, which will generate a stable stream of cash flows of Bt600-Bt700 million in EBITDA (earnings before interest, tax, depreciation, and amortization) per year, from each company. The issue rating of ABPSPV could be changed should the ratings of ABP3, ABPR1, or ABPR2 change.

ABPSPV was incorporated in 2011 with paid-up capital of Bt2 million. As a conduit to issue debt securities for the three power generation companies under the B.Grimm Power Group, its equity shares are held equally at 33.33% by ABP3, ABPR1, and ABPR2. With no business operation since its incorporation, the company has a specific company objective to issue the guaranteed debentures of up to Bt11,500 million. The proceeds from the debentures will be lent to ABP3, ABPR1, and ABPR2 for refinancing their existing project loans and working capital purposes. As ABPSPV has no business operation, the sources of interest and principal repayments to the debenture holders will come from the interest and principal repayments received from ABP3, ABPR1, and ABPR2 under the inter-company loan agreements between ABPSPV and the three power generation companies. The repayment schedules of the inter-company loans will match the repayments to the debenture holders.

To back up ABPSPV's debt servicing obligations, ABP3, ABPR1, and ABPR2 will jointly and severally provide unconditional and irrevocable guarantee on all amounts due under the debentures, including the principal amount of up to Bt11,500 million and any interest accrued thereon and other related expenses.

The ratings of the guarantors (ABP3, ABPR1, and ABPR2) reflect their stable cash flows received under the long-term power purchase agreements (PPAs) with the Electricity Generating Authority of Thailand (EGAT) under the Small Power Producer (SPP) scheme, proven technology of combined-cycle gas turbine used by their cogeneration power plants, and B.Grimm Group's experience in power business. The ratings are however constrained by the single asset risk and their highly-leveraged balance sheets.

ABP3 was established in 2010 to own and operate a cogeneration power plant under the SPP scheme. The plant is located in the Amata Nakorn Industrial Estate (ANE), Chonburi province. The power plant has an installed capacity of 132.5 megawatts (MW) plus 30 tonnes per hour of steam. ABP3 holds a 25-year PPA with EGAT for 90 MW, and long-term off-take agreements with industrial customers to sell 46 MW of electricity and 13 tonnes per hour of steam.

ABPR1 was established in 2011 to own and operate a cogeneration power plant under the SPP scheme. The plant is located in the Amata City Industrial Estate (ACIE), Rayong province. The power plant has an installed capacity of 123.3 MW plus 30 tonnes per hour of steam. ABPR1 holds a 25-year PPA with EGAT for 90 MW, and long-term off-take agreements with industrial customers to sell 17 MW of electricity and 14 tonnes per hour of steam.

ABPR2 was established in 2011 to own and operate a cogeneration power plant under the SPP scheme. The plant is located in the Amata City Industrial Estate (ACIE), Rayong province. The power plant has an installed capacity of 124.4 MW plus 30 tonnes per hour of steam. ABPR2 holds a 25-year PPA with EGAT for 90 MW, and long-term off-take agreements with industrial customers to sell 24 MW of electricity and 14 tonnes per hour of steam.

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Amata B.Grimm Power SPV1 Ltd. (ABPSPV)

Issue Rating:

Up to Bt11,500 million guaranteed debentures due within 15 years

A-

Rating Outlook:

Stable

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