

## Press Release

**No. 93/2017**  
**23 May 2017**

### **TRIS Rating Places a “Developing” CreditAlert on Company Rating of “ORI”**

TRIS Rating has placed the “BBB-” company rating of Origin Property PLC (ORI) on CreditAlert, with a “developing” implication. The rating action follows the company’s announcement on 17 May 2017 that its board of directors has approved the acquisition of Proud Residence Co., Ltd. (PROUD). ORI will acquire the shares held by the existing shareholders of PROUD, including Proud Beach Club Hua Hin Co., Ltd., (70% of the outstanding shares), PN Capital Co., Ltd., (30%), and Mr. Thongchai Bussarapan (1 share). The cost of the acquisition includes a cash payment of Bt4,000 million to PROUD’s existing shareholders and the assumption of around Bt5,000 million in outstanding debt of PROUD. At the same time, the board of directors also approved the capital increase via a private placement to PROUD’s shareholders. ORI will receive Bt1,000 million in cash from the capital increase, in exchange for selling a 5% stake in ORI to the new shareholder. ORI will finance the cash payment of Bt4,000 million made to PROUD’s existing shareholders with the funds from operations (FFO) of Bt1,000 million and from the issuance of promissory notes of Bt3,000 million.

The “developing” nature of the CreditAlert reflects the uncertainty over the ultimate-success of the transactions, which are subject to approval by ORI’s shareholders. In addition, the rating and/or outlook of ORI will depend on its business profile and capital structure after the acquisition.

PROUD is the owner of Park 24, a condominium project, located between Sukhumvit Soi 22 and Soi 24. The project comprises two phases. Phase 1 is worth Bt5,900 million while Phase 2 is worth Bt11,100 million. Presales are currently around Bt10,900 million. Units in Phase 1 will be ready to be transferred to buyers by the end of this year; while Phase 2 is expected to be complete in late 2018.

The acquisition and the capital increase are expected to be completed in the fourth quarter of 2017. However, these transactions are subject to the shareholders’ approval at an extraordinary general meeting (EGM) of ORI’s shareholders scheduled for 12 July 2017. It is still uncertain if the acquisition will be completed as planned. TRIS Rating will closely monitor the transactions and resolve the CreditAlert once the transactions have been finalized and a thorough analysis has been conducted.

#### **Origin Property PLC (ORI)**

**Company Rating:**

BBB-

**Issue Rating:**

Up to Bt500 million subordinated capital debentures

BB

**CREDIT ALERT DESIGNATION:**

Developing

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