

Press Release

No. 5/2017
6 January 2017

TRIS Rating Places a “Developing” CreditAlert on Company Rating of “SAWAD”

TRIS Rating has placed the company rating of Srisawad Power 1979 PLC (SAWAD) on CreditAlert with a “developing” implication. The rating action follows the 28 December 2016 announcement by SAWAD that it will acquire Bangkok First Investment & Trust PLC (BFIT), a finance company regulated by the Bank of Thailand (BOT). SAWAD will make a conditional voluntary tender offer for shares of BFIT at a price not exceeding Bt11.42 per share. The CreditAlert also addresses the uncertainties surrounding a restructuring plan SAWAD plans to implement after the acquisition.

SAWAD is currently one of BFIT’s major shareholders, holding 9.84% of BFIT’s outstanding shares. After the tender offer, SAWAD will become the parent company of BFIT. SAWAD will then establish a financial business group, and the group will come under the consolidated supervision criteria of the BOT. In turn, SAWAD will be regulated by the BOT and its operating policies and risk management policies will be monitored and regulated by the BOT. In the financial business group, SAWAD will restructure by transferring a line of business, secured loans, plus the related assets and liabilities to a newly-established subsidiary, Srisawad Power 2014 Co., Ltd. SAWAD will become a non-operating holding company. After transforming into a non-operating holding company, SAWAD’s credit rating may be affected by the structural subordination, depending on the final structure of the newly-created financial business group.

SAWAD’s tender offer and restructuring plan are subject to certain requirements. For example, the transaction must be approved by SAWAD’s shareholders at the upcoming shareholders’ meeting on 8 March 2017. In addition, the company must make the successful purchase of 53,011,000 shares of BFIT (26.51% of the total paid-up shares) from a specific group of BFIT’s shareholders, at a price not exceeding Bt10.50.

TRIS Rating will closely monitor this transaction and resolve the CreditAlert once the transaction and new business structure have been finalized and a thorough analysis has been conducted.

Srisawad Power 1979 PLC (SAWAD)

Company Rating:

BBB

CREDIT ALERT DESIGNATION:

Developing

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

© Copyright 2017, TRIS Rating Co., Ltd. All rights reserved. Any unauthorized use, disclosure, copying, republication, further transmission, dissemination, redistribution, or storing for subsequent use for any purpose, in whole or in part, in any form or manner or by any means whatsoever, by any person, of the credit rating reports or information is prohibited, without the prior written permission of TRIS Rating Co., Ltd. The credit rating is not a statement of fact or a recommendation to buy, sell or hold any debt instruments. It is an expression of opinion regarding credit risks for that instrument or particular company. The opinion expressed in the credit rating does not represent investment or other advice and should therefore not be construed as such. Any rating and information contained in any report written or published by TRIS Rating has been prepared without taking into account any recipient’s particular financial needs, circumstances, knowledge and objectives. Therefore, a recipient should assess the appropriateness of such information before making an investment decision based on this information. Information used for the rating has been obtained by TRIS Rating from the company and other sources believed to be reliable. Therefore, TRIS Rating does not guarantee the accuracy, adequacy, or completeness of any such information and will accept no liability for any loss or damage arising from any inaccuracy, inadequacy or incompleteness. Also, TRIS Rating is not responsible for any errors or omissions, the result obtained from, or any actions taken in reliance upon such information. All methodologies used can be found at http://www.trisrating.com/en/rating_information/rating_criteria.html.