

Press Release

No. 214/2018
19 September 2018

TRIS Rating Sees No Impact on the Rating of "SAWAD" from Offering 57 Million New Shares to "CFH"

TRIS Rating sees no impact on the credit rating of Srisawad Corporation PLC (SAWAD) from offering 57 million new ordinary shares to Cathay Financial Holding Co., Ltd. (CFH), a financial holding company headquartered in Taiwan.

On 17 September 2018, SAWAD reported that the company's board of directors passed a resolution to propose to the extraordinary general meeting of shareholders (to be held on 16 November 2018) to approve the allotment of 57 million ordinary shares at Bt1 per value at the price of Bt45 per share, totaling Bt2,565 million in value, to CFH or its associates.

CFH currently holds 4.99% of SAWAD's shares. Subsequent to the allotment of the capital increase shares and registration of the capital increase, CFH will hold 9.49% of the registered capital, giving it the right to propose a member of SAWAD's board of directors.

TRIS Rating holds the view that this prospective deal will have no impact on SAWAD's credit profile, because the new equity injection from CFH will have no significant impact on SAWAD's financial profile. On the business side, the deal may benefit SAWAD in terms of the business alliance and future operating efficiency.

Currently, SAWAD is rated "BBB" with "stable" outlook by TRIS Rating.

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