

GROUP LEASE PLC

No. 1/2018
25 April 2018

FINANCIAL INSTITUTIONS

Issue Rating:

Partially guaranteed BB+

CreditAlertDesignation: Alert Negative

Issue Rating History:

Date	Rating	Outlook/Alert
18/10/17	BB+	Alert Negative
05/04/17	A-	Negative
05/02/14	A-	Stable

Contacts:

Saowanit Woradit
saowanit@trisrating.com

Siriwan Weeramethachai
siriwan@trisrating.com

Taweechok Jiamsakunthum
taweechok@trisrating.com

Raithiwa Naruemol
raithiwa@trisrating.com



WWW.TRISRATING.COM

RATIONALE

TRIS Rating maintains CreditAlert with a “negative” implication on the outstanding partially guaranteed debentures, rated at “BB+”, issued by Group Lease PLC (GL). GL has suspended interest payments on the convertible debentures issued to J Trust Asia Pte. Ltd. (JTA), based on the legal opinion from GL’s external counsel. The interest payment suspensions have occurred after JTA filed the lawsuit at the Civil Court on 9 January 2018, nullifying the transaction of those convertible debentures.

GL has withheld two interest payments on the convertible debentures held by JTA. The first payment, worth US3.25 million, was due on 1 February 2018 while the second payment of US1.25 million was due on 20 March 2018. GL informed TRIS Rating that the company has accrued such withheld interest in the financial statement for the first quarter 2018.

GL continues to service its other debt obligations. For example, on 29 March 2018, GL made a semi-annual interest payment of approximately Bt21 million on its outstanding partially guaranteed debentures.

The rating of the outstanding partially guaranteed debentures is based on the credit profiles of both the issuer (GL) and the guarantor. Sixty-five percent (65%) of the outstanding principal and interest of the debentures is guaranteed by KASIKORNBANK PLC (KBANK), rated “BBB+” (international scale) by S&P Global Ratings, with a “stable” outlook.

The “negative” alert implication reflects the uncertainties regarding the outcome of JTA’s lawsuit, and other uncertainties that might cause a further deterioration in the business position and financial position of GL.

Group Lease PLC (GL)

Issue Rating:

GL199A: Bt1,500 million partially guaranteed debentures due 2019

BB+

CREDITALERT DESIGNATION:

Alert Negative

TRIS Rating Co., Ltd.

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

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