

CENTRAL PATTANA PLC

No. 4/2021

12 July 2021

CORPORATES

Company Rating:	AA
Issue Ratings:	
Senior unsecured	AA
CreditAlert:	Negative

Last Review Date: 03/03/21

Company Rating History:

Date	Rating	Outlook/Alert
16/01/19	AA	Stable
18/09/18	AA	Alert Developing
22/09/17	AA	Stable
12/05/14	AA-	Stable
05/02/13	A+	Positive
23/05/07	A+	Stable
22/02/05	A	Stable
12/07/04	A-	Positive
04/10/02	A-	-
17/05/01	BBB+	-

Contacts:

Jutamas Bunyanichkul

jutamas@trisrating.com

Pramuansap Phonprasert

pramuansap@trisrating.com

Wajee Pitakpaibulkij

wajee@trisrating.com

Wiyada Pratoomsuwan, CFA

wiyada@trisrating.com



WWW.TRISRATING.COM

RATIONALE

TRIS Rating places CreditAlert with a “negative” implication on the company and issue ratings on Central Pattana PLC (CPN). The CreditAlert follows CPN’s announcement on 5 July 2021 for its intention to purchase 30.36% stake in Siam Future Development PLC (SF) from Major Cineplex Group PLC (MAJOR). The transaction is worth THB7.8 billion. After the completion of the transaction, CPN will be required to make a tender offer for the remaining shares in SF. In the event of CPN acquiring the entire outstanding shares of SF, the transaction could amount to THB25.6 billion. CPN plans to fund this acquisition by debt.

SF is a leading community mall developer in Thailand. Currently, SF owns and operates 18 shopping centers, including its 49% stake in super regional mall: “Mega Bangna”. SF reported rental and service income of THB1.1-THB1.5 billion per annum during the past five years with an annual shared profit from its joint ventures of THB1.2-THB1.8 billion. The transaction is subject to the results of due diligence and the approval of MAJOR’s shareholders, in the extraordinary meeting scheduled in late August 2021.

We assess that the acquisition will strengthen CPN’s retail property portfolio, especially in the Bangna area. However, given the acquisition will likely to be funded by debt, the acquisition raises our concern over a potential deterioration in CPN’s financial profile.

We will resolve the CreditAlert once the tender offer has been finalized and we have thoroughly assessed CPN’s deleverage plan and the full impact of the SF acquisition on CPN’s credit profile.

RELATED CRITERIA

- Issue Rating Criteria, 15 June 2021
- Rating Methodology – Corporate, 26 July 2019
- Key Financial Ratios and Adjustments, 5 September 2018

Central Pattana PLC (CPN)

Company Rating:	AA
Issue Ratings:	
CPN218A: THB1,900 million senior unsecured debentures due 2021	AA
CPN210A: THB300 million senior unsecured debentures due 2021	AA
CPN221A: THB1,000 million senior unsecured debentures due 2022	AA
CPN225A: THB1,500 million senior unsecured debentures due 2022	AA
CPN235A: THB2,000 million senior unsecured debentures due 2023	AA
CPN241A: THB2,000 million senior unsecured debentures due 2024	AA
CPN242A: THB3,000 million senior unsecured debentures due 2024	AA
CPN258A: THB1,000 million senior unsecured debentures due 2025	AA
CPN261A: THB1,250 million senior unsecured debentures due 2026	AA
CPN261B: THB750 million senior unsecured debentures due 2026	AA
Up to THB3,000 million senior unsecured debentures due within 15 years	AA
CreditAlert:	Negative

TRIS Rating Co., Ltd.

Silom Complex Building, 24th Floor, 191 Silom Road, Bangkok 10500, Thailand Tel: 02-098-3000

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