

## Press Release

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### **TRIS Rating Sees Amalgamation with "INTUCH" have No Impact on the Ratings on "GULF"**

TRIS Rating views the agreed amalgamation between Gulf Energy Development PLC (GULF) and Intouch Holdings PLC (INTUCH) as having no impact on the ratings on GULF.

GULF and INTUCH have agreed to merge into a new business entity (NewCo). NewCo will assume all assets and liabilities of the merged parties. Prior to that, both companies, together with major shareholders, will carry out two voluntary tender offers for the shares of Advanced Info Service PLC (ADVANC) and Thaicom PLC (THCOM). The amalgamation is intended to streamline the group structure for more efficient execution of business strategies.

We expect NewCo to carry on the group's existing operations in the power generating and telecommunications businesses while its potential investments covering power portfolio enlargement and digital expansion should remain intact. Hence, we do not expect material changes in the group's business profile under NewCo post-amalgamation.

However, we view NewCo as benefiting from the strengthened financial profile. The amalgamation will enable NewCo to directly realize returns from ADVANC, doubling the cash dividends GULF has received from INTUCH, without additional debt loads. At this stage, we do not expect a significant number of existing shareholders of ADVANC and THCOM to sell their stakes. Therefore, the tender offers should not cause acute debt pressure on GULF and NewCo. Also, we expect NewCo will not consolidate ADVANC into its consolidated financial statements. Despite the potential improvement in the credit metrics of NewCo, we expect the credit metrics to remain commensurate with the current ratings on GULF. We anticipate additional potential investments under NewCo.

GULF intends to proceed with the amalgamation after obtaining approval from the shareholders' meeting scheduled for 3 October 2024. The transaction is estimated to be fully completed in the second quarter of 2025. Around the closing of transaction, we aim to arrive at a thorough assessment of the full impact on the ratings, which is currently pending detailed information including the corporate structure, post-merger business direction, future investment outlays, as well as the amount of debt to be incurred with respect to the tender offers.

For now, we maintain our assessment on the company rating on GULF at "A+" and the ratings on its senior unsecured debentures at "A". The rating outlook is "stable".

#### **TRIS Rating Co., Ltd.**

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