

Ayudhya Development Leasing Company Limited

Company Rating:

BBB+

Rating Outlook:

Stable

Rating History:

Company Rating

Issue Rating

Secured

Unsecured

29 Sep 2005

BBB+

-

-

Rating Rationale

TRIS Rating affirms the company rating of Ayudhya Development Leasing Co., Ltd. (ADLC) at “BBB+”. The rating reflects ADLC’s strong market position in the industrial machinery and equipment leasing industry, a capable and experienced management team that has continuously been able to expand the company’s portfolio, and its ability to maintain low operating costs. The rating also takes into consideration the business and financial support from its major shareholder, Bank of Ayudhya PLC (BAY). However, these strengths are partially offset by customer concentration risk and the higher risk profiles of its target customers than those of commercial banks, and an unfavorable economic environment in the short term.

ADLC’s loan portfolio (including net operating lease assets) increased by 17.8% to Bt4,819 million in 2006 from Bt4,092 million in 2005. ADLC reported net income of Bt82 million in 2006, down from Bt105 million in 2005, partly due to an increase in provisions for loan losses from Bt31 million in 2005 to Bt53 million in 2006. However, net interest and dividend income (after depreciation for operating lease assets) improved to Bt183 million in 2006, from Bt162 million and Bt113 million in 2005 and 2004, respectively. The improvement was mainly driven by income from new performing accounts originated since 2004, which have been quite profitable. Leasing industry continues to have low penetration rate because the leasing industry in Thailand has remained in a nascent stage, especially when compared with advanced economies such as the US, Germany and Japan. The result has been that ADLC has experienced customer concentration risk though the company has benefited in terms of operating cost efficiency. During 1999-2006, the ratio of operating expenses to total income was approximately 15%, less than the 20%-30% recorded by its peers.

ADLC’s non-performing loans (NPL) to average loan ratio weakened in 2006, after improving in 2005 due to huge write-offs. The ratio of NPLs (net from cash deposits) to average loans (net from cash deposits) increased from 4.2% in 2005 to 5.4% in 2006, and to 7.5% at the end of June 2007. Moreover, loans classified as special mention (31-90 days delinquent loans), rose from 2.8% of total loans in 2006 to 5.8% as of June 2007. The weakening of ADLC’s asset quality was mainly due to the slowdown of the Thai economy.

To mitigate customer credit risk, ADLC has implemented and structured conservative credit policies, including deposit requirements, securing buy-back guarantees from suppliers, and assigning payments from lessees’ customers. However, the company’s target customers are small and medium enterprises (SMEs), which are vulnerable to the changing economic and business environment, which exposes ADLC to credit quality deterioration during an economic slowdown. TRIS Rating will monitor and reassess ADLC’s asset quality closely.

ADLC is one of the market leaders in the leasing industry with a concentration on industrial machinery and equipment leases. The company was established in 1991 as a joint venture between three

financial institutions: BAY, International Finance Corporation (IFC), and Korea Development Financial Corporation (KDFC), formerly known as Korea Development Leasing Corporation (KDLC), the largest leasing company in South Korea. As BAY has implemented the universal banking policy and planned to use ADLC as a strategic entity to provide machinery and equipment leasing services, in 2004, BAY injected Bt145.4 million in new capital in ADLC, both by exercising its own rights and taking up for the unexercised portions of other shareholders. From 2004-2007, BAY continuously purchased ADLC shares from other shareholders and at the end of April 2007, BAY's shareholdings in ADLC increased to 90% after it purchased a 3.3% stake from a foreign shareholder. As the leasing business requires specific knowledge and expertise that are different from normal banking operation, the success of the business synergies with BAY has yet to be proved.

Rating Outlook

The "stable" outlook reflects TRIS Rating's expectation that ADLC's experienced management team will be able to maintain both its leading market position and its low operating costs. The outlook also takes into account the expectation that the capable management team will be able to control its asset quality and prevent it from becoming weaker than TRIS Rating's expectation, while also strengthening its leasing structure and credit policies to mitigate against losses from NPLs. Moreover, the rating outlook is also based on the assumption that BAY will continue to provide both business and financial support to ADLC.

Key Rating Considerations

Strengths/Opportunities

- One of the market leaders in industrial machinery and equipment leasing
- Business and financial support from BAY
- Adequate capitalization

Weaknesses/Threats

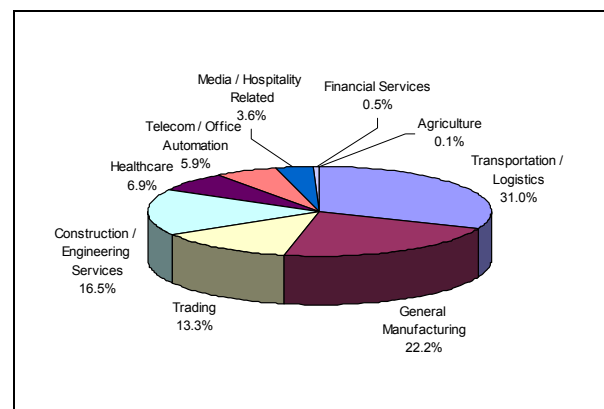
- Customer concentration risk
- Deteriorating asset quality

Corporate Overview

ADLC, established in 1991 through collaboration between BAY, IFC, and KDFC, is now one of the leading industrial machinery and equipment leasing operators in Thailand. The company mainly provides financial leases to various industries, including manufacturing, construction, transportation, trading, and healthcare. During its first six years of operation, ADLC's overall portfolio had continuously increased, from Bt65 million at the end of 1992 to a peak of Bt3,469 million at the end of 1997. The company's financial profile deteriorated sharply during the 1997 financial crisis due to the impact of the crisis on companies in various industries and ADLC's exposure to foreign-denominated debt. However, support from its shareholders helped ADLC refinance short-term loans with long-term loans, and this, along with a new capital injection, strengthened ADLC's capital base, enabling the company to move ahead.

After the crisis, ADLC's outstanding loans (financial lease loans plus net operating lease assets) grew by 174%, from Bt1,760 million at the end of 1999 to Bt4,819 million at the end of 2006. The composition of its portfolio changed after the crisis. The proportion of general manufacturing loans, which previously constituted the largest portion, fell from 43% at the end of 1999 to 22% at the end of 2006, while the proportion of transportation equipment loans rose from 10% to 31% over the same period. The number of clients increased from 125 at the end of 2000 to 275 at the end of 2006.

Chart 1: Breakdown of Loan Portfolio as of 31 December 2006



Source: ADLC

Recent Developments

▪ **BAY acquired more shares in ADLC**

After IFC and KDFC divested their holdings in ADLC in July 2005, the shareholdings of BAY and its subsidiaries increased from 57% to 77%. As BAY has implemented the universal banking platform, with ADLC as its subsidiary in the industrial machinery and equipment leasing business, BAY acquired more shares from its subsidiaries and other shareholders between late 2005 and early 2007. At the end of April 2007, BAY held a 90% stake in ADLC.

INDUSTRY ANALYSIS

▪ **Alternative funding source for SMEs**

Generally, borrowing through leasing provides unique benefits (e.g. tax savings, off-balance sheet financing and cash flow improvement) compared with funding through traditional commercial bank loans. In addition, lease financing is an alternative funding source for some small- and medium-sized enterprises (SME) that may not be able to obtain enough credit from commercial banks due to short operating track records and/or lack of sufficiently reliable audited financial statements, or which have few fixed assets to pledge as collateral. SMEs can borrow from leasing firms because these lenders will normally consider cash flow generated from leased assets when evaluating the ability of the lessee to service debt. Rather than having to invest entirely in machinery or equipment when starting a business, SMEs would then be able to use their limited funds as working capital.

▪ **Limited direct competitors**

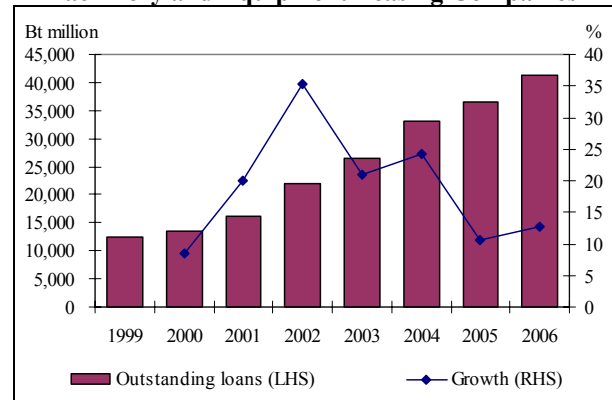
Though the industrial machinery and equipment leasing businesses have been operating in Thailand for more than 20 years, the volume is considered low. Only a few companies concentrate on industrial machinery and equipment leasing. Many leasing firms that use the word “leasing” in their names focus on hire purchase loans, which are automobile hire purchases. Machinery and equipment leases can be granted to a variety of products and require a different credit risk analysis. For machinery and equipment leases, the lessees are usually corporations, while automobile hire purchase lessees are mostly individuals. Moreover, commercial bank lenders rely on mortgage securities and standard procedures to grant loans, whereas equipment leasing has the flexibility of being assessed and

structured based on the lessee’s cash flows and the liquidity of the leased assets.

▪ **Slower growth of outstanding loans since 2005 but still recording double digit growth**

Since 2005, the growth rate for leasing loans from the 13 major leasing companies in TRIS Rating’s database has slowed, due to overall market conditions and delays in private and government projects caused by the uncertain political situation. Outstanding leasing loans grew by 10.6% to Bt37 million in 2005 and by 12.8% to Bt41 million in 2006. The 2007 growth rate is expected to be approximately 10%. It is expected that the political situation will stabilize and that business sentiment and investor confidence will improve in the medium term following national elections. It is further anticipated that demand for leasing will continue to show two-digit growth in 2008.

Chart 2: Outstanding Loans of 13 Industrial Machinery and Equipment Leasing Companies



Source: TRIS Rating’s database

BUSINESS ANALYSIS

▪ **Leading market position in equipment leasing**

ADLC is a major operator in the Thai industrial machinery and equipment leasing industry. As of December 2006, in terms of total loans and net operating lease assets, the company ranked first from 13 major machinery and equipment leasing operators in TRIS Rating’s database. ADLC’s market share, measured by the total loans of the 13 operators, slightly increased from 10.2% in 2005 to 10.7% in 2006. With its long track record, capable management team, the ability to tailor services to meet customer needs, and limited direct competition in the marketplace, ADLC should be able to maintain its strong market position in the medium term.

▪ **Capable management team with efficient operating system**

ADLC's current chief executive officer gained extensive experience working at KDFC for 20 years. Moreover, the founding shareholders also helped set up the operating system, risk management system, and operational guidelines to assess the credit risks of the lessees. The company's management learned to customize leasing programs to meet customers' needs, thus providing ADLC with a meaningful point of differentiation. After ADLC became a strategic subsidiary of BAY and a consolidated supervision policy was implemented by the Bank of Thailand (BOT), the credit approval policy and operational guidelines were tightened in an effort to achieve banking standards. Although the BOT has yet to supervise or audit ADLC directly, ADLC has been monitored according to consolidated supervision guidelines by BAY, which has a policy to audit ADLC twice a year.

▪ **High customer concentration continues to be a risk**

ADLC has tried to provide loans to larger enterprises and higher credit profile customers to improve, or at least maintain its overall asset quality while saving operating costs from economy of scale. However, large enterprises mostly require larger size loans, which means the average contract size will increase. The percentage of ADLC's top-ten lessees' loans to total loans had continuously increased, from 28% in 2004 to 32% in 2006, while the average contract size had increased from Bt6.7 million in 2004 to Bt6.8 million in 2006 and Bt7.9 million at the end of June 2007. In the event that a large lessee's loan becomes a non-performing loan, ADLC's asset quality will be substantially deteriorated; whether profitability will be impacted depending on the estimated value of leased assets and provisioning policy at that time. However, many risk mitigation tools that have been implemented are expected to protect ADLC from possible losses. High customer concentration means ADLC's revenue sources are less diverse compared with traditional commercial banks.

▪ **Strong support from major shareholders**

Major shareholders have provided financial and non-financial support to ADLC since its inception. Though the major foreign shareholders have divested their shares, the company has gained experience and enhanced its expertise over

the first 14 years of business supported and efficiently run by the current management team. As a strategic subsidiary of BAY, ADLC is expected to be able to leverage BAY's extensive branch network and large customer base to expand its loan portfolio. Customer reference is the first areas of business synergy to be implemented between BAY and ADLC. However, the leasing business requires specialized knowledge; time is needed to train bank staff to be able to generate substantial business for ADLC. The success of this business synergy with BAY's strong franchise, therefore, remains to be seen.

ASSET QUALITY

▪ **Leases structured to minimize losses from high risk customers**

Although the overall credit risk of ADLC's customers is relatively higher than commercial banks due to weaker customer credit profiles, the structure of a leasing deal and the management's expertise to mitigate customer credit risk through various tools, such as assignment of payment, buy-back guarantee, pooling of asset ownership and post-dated checks, will help mitigate the probable losses.

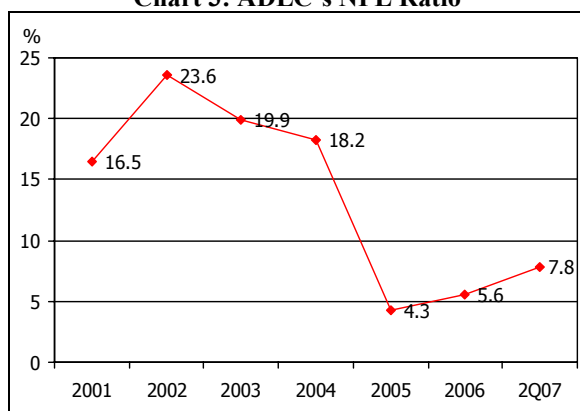
ADLC benefits from the legal ownership of the leased assets, a benefit unavailable in conventional mortgaged financing by commercial banks, where the title to the leased assets belongs to the lessor. ADLC will be able to expeditiously enforce its ownership of the leased assets by immediately changing the lessee from the existing problem account to another prospective lessee. In practice, the company uses this legal right to force the lessee to pay over the contract term as the lessee's business often depends on the leased assets.

▪ **NPLs decreased significantly due to write-offs**

As of December 2004, the percentage of ADLC's non-performing loans (NPLs - loans overdue by more than three months - net from cash deposits) was 17% of average loans (net from cash deposits). ADLC's NPL ratio is quite high when compared with automobile hire purchase companies due to ADLC's small and concentrated customer base and different write-off policy. Most of ADLC's NPLs were classified as doubtful losses, which included suspended accounts under rescheduling and restructuring. These doubtful losses accounted for 78%, 66%, and 59% of NPLs during 2002-2004, res-

pectively. In 2005, the management decided to write off most of the doubtful loss accounts from its balance sheet, slashing its NPL ratio to 4.2% at the end of 2005. As ADLC had previously set aside allowances for the full amounts of doubtful loans, profitability was not affected. The percentage of allowance for possible loan losses to total loans immediately declined from 7.3% in 2004 to 1.6% in 2005. In 2006, management set a policy to increase general provisioning to 1% of total outstanding loans, which resulted in the percentage of allowance for possible loan losses to total loans increasing to 2.4% at the end of 2006.

Chart 3: ADLC's NPL Ratio



Source: ADLC

▪ ***Deteriorating asset quality during economic slowdown since 2006***

Due to the slowdown of the economy in 2006, signs of deteriorating asset quality have been evidenced by the increasing level of NPLs and a deterioration in overall loan classification. A prolonged slowdown will impact the cash flow of ADLC's customers and affect their ability to pay monthly lease rentals on time, thus, negatively impacting ADLC's cash flow.

At the end of June 2007, NPLs had increased to 7.5%, from 5.4% in 2006 and 4.2% in 2005. Moreover, loans classified as special mention had significantly increased, from 3.5% of total loans at the end of 2005 to 5.8% at the end of June 2007. Although special mention loans are not classified as NPLs and the estimated recovery value of leased assets covers all principal outstanding balance, TRIS Rating remains concerned that if such loans worsen and the actual market value of leased assets at the time of repossession are lower than the estimated value, profitability will suffer.

However, ADLC's expertise in structuring sets of risk mitigation tools when it grants loans

will be expected to mitigate probably negative impacts from asset deterioration. The requirement for a deposit in the range of 20%-50% of the value of leased assets is a standard tool the company applies to all accounts to ensure that there is adequate cushion against depreciation of the value of the leased assets being higher than estimated. At the end of June 2007, the ratio of lease deposits to outstanding loans was 25%, higher than in 2006 (24%) and 2005 (20%). Moreover, with the legal right of ownership of the leased assets, ADLC has the right to repossess the leased assets and re-lease them to other lessees or sell them back to the suppliers according to the buy-back guarantee (if applicable).

PROFITABILITY

ADLC recorded losses during its first two years of operation (1991-1992). Since then, even during the 1997 financial crisis, ADLC has continuously recorded profits, except for a loss in 2003 that was due to a special Bt90 million provisions.

▪ ***Improved profitability after huge write-off in 2005 and new loans expand***

ADLC concentrates on machinery and equipment leases, which require knowledge and experience to underwrite or to structure the deals to serve lessees' needs. Especially for structured deals, ADLC is able to charge a premium over normal lease contracts. However, prior to 2005, profitability remained low, due to the fact that the company had not written off a high portion of its NPLs. The return on average assets ratio (ROA) stayed in the range of 0.9%-1.6% during 1999-2004, except for a loss of -1.5% in 2003. In 2005, when a large amount of ADLC's NPLs were written off and new performing loans (made since 2004) began to generate income, the ROA ratio increased to 2.6% from 0.9% in 2004.

▪ ***Additional provisioning policy in 2006 impacted profitability***

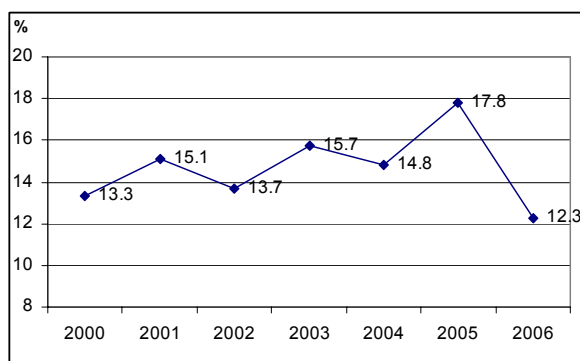
As a subsidiary of BAY, in 2006, the company set a policy to increase the general provision to the full 1% of total outstanding loans in order to prepare for the implementation of International Accounting Standard No. 39 (IAS 39). As a result of the new policy, the company set aside an additional Bt18 million in general provisions in 2006, causing the value of general provisions to increase from Bt27 million in 2005 to Bt45 million in 2006. The ROA, thus, decreased from 2.6% in 2005 to 1.7% in 2006.

As the asset quality has deteriorated and there is a likelihood the company will need to set aside additional provisions to comply with IAS 39 within 2008, profitability is expected to be weaker.

▪ **Low operating costs and big-ticket structured deals enhanced profitability**

With an efficient operating system and larger average contract size, ADLC is able to keep operating costs relatively low. The ratio of operating expenses to total income has stayed at an average of 15% during 2001-2006.

Chart 4: ADLC's Operating Expenses to Total Income Ratio



Source: ADLC

ADLC introduced two big-ticket structured deals that requires professional experience to satisfy all related parties including suppliers, financial providers, customers and the company itself. A structured deal requires some operating costs at the originating point, but will generate continuing revenue with limited operating expenses if the deal is as successful as planned. ADLC introduced two major structured deals in 2005, which provided recurring revenue for the company in the medium term, although not as much as planned.

LIQUIDITY/FUNDING

ADLC's portfolio expanded during the economic recovery period following the financial crisis. As a result, the ratio of total loans (financial lease loans plus net operating lease assets) to total assets continuously increased from 78.3% at the end of 1999 to 91.9% at the end of 2006.

▪ **More diversified funding sources**

Since its inception, ADLC has balanced its financing needs by borrowing and by raising equity through shareholders' support and growth

of retained earnings. During the crisis, the company's foreign shareholders helped the company solve its liquidity problem by granting long-term loans to refinance short-term foreign borrowings. When BAY became its major shareholder in 2004, ADLC no longer had any foreign debt and borrowed a larger amount from BAY. Although BAY is considered to be a reliable funding source, ADLC is still trying to diversify its funding sources, including seeking credit lines from other commercial banks, and raising funds from asset management and insurance companies through a medium-term Bill of Exchange (B/E), in order to make its costs of borrowing more competitive. At the end of June 2007, only Bt775 million (24%) of ADLC's total borrowings of Bt3,182 million, came from BAY.

▪ **Limited financial risk due to strict criteria**

After its bad experiences during the 1997 crisis, ADLC has set strict criteria to mitigate interest, currency and liquidity risks. Since 2005, ADLC has implemented floating rate lease contracts and has financed these contracts with floating rate funding to limit interest rate risk. Moreover, ADLC set a minimum liquidity level by maintaining liquidity in the form of cash and short-term investments, and limits its exposure to foreign exchange rates. The company carefully manages its asset-liability mix by trying to maintain a longer duration for its liabilities than for its assets. However, in case there is the gap from the duration mismatch in assets over liabilities, it will be covered by unutilized credit facilities. As of June 2007, the company had Bt1,192 million in unused credit facilities as a cushion for its cumulative liability gap of Bt309 million for less than a six-month period.

CAPITALIZATION

▪ **Higher leverage, but adequate for portfolio expansion**

ADLC has consistently increased its capital base through new capital injections from shareholders and its internal earnings generation. Paid-up capital has increased from Bt40 million in 1991 to its current level of Bt705 million. Shareholders have provided support, both during the financial crisis period in 1997-1999 and in the expansion period in 2004.

The ratio of shareholder's equity to total assets jumped from 9.0% in 1997 to 18.5% in 1998, 26.1% in 1999 and to 26.6% in 2000, as a result of both a shrinking loan portfolio during the financial crisis and increased equity through new

capital injected and internal revenue generated. After the crisis, ADLC mainly expanded its portfolio through borrowings. Though the equity base consistently grew from retained earnings, the growth was not rapid enough to fund the rapid loan expansion. This caused the ratio of shareholders' equity to total assets to fall

continuously from 26.6% in 2000 to 19.2% in 2003. In 2004, a new capital injection strengthened the ratio to 24.8%. Though the ratio decreased to 23.3% in 2005 and 20.1% in 2006, it is considered sufficient for business expansion in the medium term.

Financial Statistics and Key Financial Ratios

Unit: Bt million

	-----Year ended 31 December -----				
	2006	2005	2004	2003	2002
Total assets	5,242	4,317	3,738	3,121	3,034
Total loans (included net operating lease assets)	4,819	4,092	3,599	3,083	2,870
Allowance for loan losses	114	63	264	302	214
Short-term borrowings	1,379	1,103	1,371	756	571
Long-term borrowings	1,523	1,314	703	1,031	1,230
Shareholders' equity	1,054	1,008	926	597	668
Net interest income	252	182	113	84	75
Non-interest income	25	26	14	7	23
Operating expenses	113	70	33	31	28
Net income	82	105	30	(47)	32

Key Financial Ratios

Unit: %

	-----Year ended 31 December -----				
	2006	2005	2004	2003	2002
Profitability					
Net-interest income/average assets	5.28	4.52	3.28	2.72	2.73
Net-interest income/total income	59.39	59.82	50.67	42.25	36.39
Operating expenses/total income	12.27	17.77	14.81	15.72	13.69
Operating profit/average assets	2.32	2.65	0.88	(0.97)	1.22
Return on average assets	1.71	2.61	0.88	(1.53)	1.15
Return on average equity	7.94	10.85	3.97	(7.45)	4.83
Asset Quality					
Non-accrual loans/average loans	5.61	4.31	18.20	19.92	23.60
Loan loss provision/average loans	1.18	0.81	1.89	3.13	1.46
Allowance for loan losses/total loans	2.38	1.55	7.33	9.78	7.47
Leverage					
Shareholders' equity/total assets	20.11	23.34	24.78	19.15	22.02
Shareholders' equity/total loans	21.88	24.62	25.74	19.38	23.28
Total liabilities/total liabilities+shareholders' equity	79.89	76.66	75.22	80.85	77.98
Liquidity					
Short-term borrowings/total liabilities	32.93	33.31	48.75	29.97	24.14
Total loans/total assets	91.93	91.52	96.27	98.80	94.60
Total loans/total borrowings	166.05	163.35	173.55	172.48	159.34

Rating Symbols and Definitions

TRIS Rating uses eight letter rating symbols for announcing medium- and long-term credit ratings. The ratings range from AAA, the highest rating, to D, the lowest rating. The medium- and long-term debt instrument covers the period of time from one year up. The definitions are:

- AAA** The highest rating, indicating a company or a debt instrument with smallest degree of credit risk. The company has extremely strong capacity to pay interest and repay principal on time, and is unlikely to be affected by adverse changes in business, economic or other external conditions.
- AA** The rating indicates a company or a debt instrument with a very low degree of credit risk. The company has very strong capacity to pay interest and repay principal on time, but is somewhat more susceptible to the adverse changes in business, economic, or other external conditions than AAA rating.
- A** The rating indicates a company or a debt instrument with a low credit risk. The company has strong capacity to pay interest and repay principal on time, but is more susceptible to adverse changes in business, economic or other external conditions than debt in higher-rated categories.
- BBB** The rating indicates a company or a debt instrument with moderate credit risk. The company has adequate capacity to pay interest and repay principal on time, but is more vulnerable to adverse changes in business, economic or other external conditions and is more likely to have a weakened capacity to pay interest and repay principal than debt in higher-rated categories.
- BB** The rating indicates a company or a debt instrument with a high credit risk. The company has less than moderate capacity to pay interest and repay principal on time, and can be significantly affected by adverse changes in business, economic or other external conditions, leading to inadequate capacity to pay interest and repay principal.
- B** The rating indicates a company or a debt instrument with a very high credit risk. The company has low capacity to pay interest and repay principal on time. Adverse changes in business, economic or other external conditions could lead to inability or unwillingness to pay interest and repay principal.
- C** The rating indicates a company or a debt instrument with the highest risk of default. The company has a significant inability to pay interest and repay principal on time, and is dependent upon favourable business, economic or other external conditions to meet its obligations.
- D** The rating for a company or a debt instrument for which payment is in default.

The ratings from AA to C may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within a rating category.

TRIS Rating's short-term ratings focus entirely on the likelihood of default and do not focus on recovery in the event of default. The symbols and definitions for short-term ratings are as follows:

- T1** Issuer has strong market position, wide margin of financial protection, appropriate liquidity and other measures of superior investor protection. Issuer designated with a "+" has a higher degrees of these protections.
- T2** Issuer has secure market position, sound financial fundamentals and satisfactory ability to repay short-term obligations.
- T3** Issuer has acceptable capacity for meeting its short-term obligations.
- T4** Issuer has weak capacity for meeting its short-term obligations.
- D** The rating for an issuer for which payment is in default.

All ratings assigned by TRIS Rating are local currency ratings; they reflect the Thai issuers' ability to service their debt obligations, excluding the risk of convertibility of the Thai baht payments into foreign currencies.

TRIS Rating also assigns a "Rating Outlook" that reflects the potential direction of a credit rating over the medium to long term. In formulating the outlook, TRIS Rating will consider the prospects for the rated company's industry, as well as business conditions that might have an impact on its fundamental creditworthiness. The rating outlook will be announced in conjunction with the credit rating. In all cases, the outlook assigned to a company will apply to all debt obligations issued by the company. The categories for "Rating Outlook" are as follows:

- Positive** The rating may be raised.
- Stable** The rating is not likely to change.
- Negative** The rating may be lowered.
- Developing** The rating may be raised, lowered or remain unchanged.

For subscription information, contact

TRIS Rating Co., Ltd., Office of the President, Tel: 0-2231-3011 ext 500

Silom Complex Building, 24th Floor, 191 Silom Road, Bangkok 10500, Thailand, www.trisrating.com

© Copyright 2007, 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. 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.