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News for Investors

Announcement No. 588

20 November 2008

DAD SPV Company Limited

Issue Ratings:

DAD12NA: Bt1,500 million debentures due 2012	AAA
DAD15NA: Bt2,000 million debentures due 2015	AAA
DAD20NA: Bt1,800 million debentures due 2020	AAA
DAD20NB: Bt2,200 million debentures due 2020	AAA
DAD25NA: Bt5,000 million debentures due 2025	AAA
DAD25NB: Bt6,000 million debentures due 2025	AAA
DAD25NC: Bt5,499.90 million debentures due 2025	AAA

Rating History:

22 Nov 2005

Issue Rating

AAA

Rating Rationale

TRIS Rating affirms the “AAA” ratings for DAD SPV Co., Ltd.’s (SPV or Issuer) existing debentures. The ratings reflect the creditworthiness of the Treasury Department (TD or Tenant), which is a department of the Thai government, as the sole tenant of the Bangkok Metropolitan Government Office Center (the Government Office Center). The ratings also reflect the certainty of the cash flow streams from the TD’s lease and service payments and the sufficiency of the cash flows from the TD and Dhanarak Asset Development Co., Ltd. (DAD or Originator), a state enterprise wholly owned by the Ministry of Finance, to fulfill all obligations in a timely manner.

These debentures are issued under SPV’s securitization program of up to Bt24,000 million. SPV is a limited liability company established under the laws of Thailand and was granted special purpose vehicle status by the Securities and Exchange Commission (SEC). The Issuer is 49% owned by DAD. Approximately Bt20,430 million of the proceeds from the debentures issuance and Bt19,570 million of the subordinated promissory notes (sub P/N) issued by the SPV to DAD have been used to purchase the rights to receive lease and service payments from the TD under a 30-year Building Space Lease Agreement, a 30-year Service Agreement, and a 5-year Furniture Procurement Agreement, collectively referred to as the “Underlying Agreements,” that TD has engaged in with DAD. The sub P/N is ranked lower than the rated debentures and is served as a credit enhancement for the debenture holders. The proceeds from this securitization program are used by DAD to fund the construction of the Government Office Center on Chaeng Wattana road, which has been leased to the TD for 30 years (starting from 2008 to 2038). The Tenant is not allowed to terminate the lease as long as the debentures issued under this securitization program, or any new debentures issued to replace the existing debentures, have not been fully redeemed.

At the end of October 2008, the construction progress of the Government Office Center was 87.37%. DAD expects to complete the overall construction within 2009, extended from the original target of August 2008. Though the construction is not completed as planned, the TD is still obliged to pay in advance the 12-month lease payments under the Underlying Agreements to the SPV, starting from July 2008. However, due to the timing mismatch between the 12-month advance lease payment period (July-June) and the Government fiscal year (October-September), the TD was able to pay only a 3-month lease payment to the SPV in July 2008, and the commitment for the remaining 9-month lease payment was fulfilled by DAD. The timing mismatch problem was resolved after the issuer received an approval from the debenture holders in September 2008 to change the lease payments schedule of the TD from the 1st of July to within October of each year. Thus, in October 2008, the TD made an addition of lease payment to the SPV, which brought the advance lease payments to cover all obligations of the SPV in the next 12-month period. In addition, DAD has pledged, under the Assignment of Assets Agreement between DAD and the SPV, to cover any possible future shortfalls or delayed payments by the TD.

For subscription information, contact

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