

DAD SPV COMPANY LIMITED

Announcement no. 837

23 November 2011

Issue Ratings: AAA

Outlook: -

Rating History:

Date	Company	Issue (Secured/ Unsecured)
22/11/05	-	AAA/-

Rating Rationale

TRIS Rating affirms the “AAA” ratings for the debentures of DAD SPV Co., Ltd. (SPV or Issuer). 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 lease and service payments made by the TD 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 (MOF), to fulfill all obligations in a timely manner.

These debentures are issued under the Bt24,000 million securitization program of SPV. SPV is a limited liability company established under the laws of Thailand, which 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 debenture issuance and Bt19,570 million of the subordinated promissory notes (sub P/Ns) issued by 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,” as the TD has contracted with DAD. The sub P/Ns are ranked lower than the rated debentures and serve as a credit enhancement for the debenture holders. The proceeds from this securitization program were 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 in 2008. 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. In addition, DAD has pledged, under the assignment of assets agreement between DAD and SPV, to cover any possible future shortfalls or delayed payments by the TD.

The construction of the Government Office Center was completed in late 2010. At present, most of the government office units have moved in, accounting for 441,645 square meters (sq.m.) or 91.25% of the total rental space. Although the construction was slower than projected, the TD is still obliged to pay in advance the 12-month lease payments to SPV, starting from the beginning of July 2008. In September 2008, the debenture holders approved a change of the lease and service payments schedule from the first of July to within October of each year. The change resolved a timing mismatch between the 12-month advance lease payment period (July-June) and the government fiscal year (October-September).

The total budget for the entire 30-year lease period is Bt82,114 million. This budget was classified as a multi-year commitment budget and will be allocated on an annual basis, according to the contractual obligations, without the need for any further approval from the Cabinet. However, the budget amount must be approved by the Parliament every year. Generally, the budget appropriation process will be finished within September of each year. This year, the parliamentary approval process for the 2012 budget was delayed. Since the 2012 budget appropriation process is not finished, TD had to disburse the budget to pay

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the lease and service payments using the budget received last year as a reference. Since the rental rates remain the same, therefore, TD could make the 12-month lease and service payments required by the underlying agreements in full and within the time schedule. After receiving the lease and service payments, the transaction administrator has allocated the money to the reserve accounts accordingly. Although the Government Office Center was impacted by the flooding crisis, the TD is still obliged to make the payments to the SPV.

DAD SPV Co., Ltd. (SPV)**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

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