

No. PROUD-LC 2020/002

Date 30 January 2020
Re Entering into Connected Transaction on Land Rental
To President
The Stock Exchange of Thailand

Proud Real Estate Public Company Limited (the “Company”) would like to inform that Hua Hin Alpha 71 Company Limited (“Alpha 71”), a subsidiary of the Company, entered into land rental agreement with Proud Resort Hua Hin Company Limited (“Proud Resort”). Proud Resort is considered a connected person to the Company as Proud Resort is circumstantially under the material influence of director and major shareholder of the Company in management and operation.

Thus, entering into the land rental agreement is considered to be connected transaction concerning rental of real estate with duration less than 3 years in accordance with Notification of Capital Market Supervisory Board No. Tor. Chor. 21/2008 Re: Rules on Connected Transactions dated 31 August 2008 (including additional revision), and Notification of the Board of Governors of SET Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions dated 19 November 2003 (including additional revision). The transaction size is 1.68% of Net Tangible Assets (NTA) of the Company (NTA of the Company is approximately THB 750 million) calculated from the latest financial statements of the Company for the period ended 30 September 2019 reviewed by external auditor. In the past 6 months prior to this transaction date, the Company has no other connected transaction with the same connected person or related person of the connected person. Hence, this transaction is a medium-size transaction with value higher than 0.03% but below 3% of the Company’s NTA. Accordingly, the Company does not need approval from the Board of Directors or Shareholders meetings; however, the Company has the responsibility to disclose the information to the Stock Exchange of Thailand with the following details;

1. Transaction Date

The Board of Directors meeting No. 9/2019 approved the transaction on 14 August 2019. The Company expected to sign the real estate rental agreement not longer than 3 years on 3 February 2020.

2. Related Parties

Lessee : Hua Hin Alpha 71 Company Limited
Lessor : Proud Resort Hua Hin Company Limited

3. General Information of the Connected Transaction

Alpha 71 will enter into land rental agreement with Proud Resort for the purpose of business operation of the Company’s to support marketing campaigns of the Intercontinental Residences Hua Hin project.

- 3.1 Title deed no. 3035, parcel no. 568, Hua Hin sub-district, Hua Hin district, Prachuap Khiri Khan province for total area of 41.5 square wah
- 3.2 Title deed no. 6173, parcel no. 567, Hua Hin sub-district, Hua Hin district, Prachuap Khiri Khan province for total area of 3 ngan and 90.3 square wah

Combining the two title deeds, the total area is approximately 1 rai and 31.8 square wah at monthly rental rate of THB 350,000.00 (three hundred and fifty thousand baht) with rental duration of 3 years starting from 1 October 2019 to 30 September 2022. Alpha 71 can start utilizing the land prior to the signing of land rental agreement since 1 October 2019 due to business necessity in land management and operation.

4. Total Transaction Value, Valuation Criteria of the Transaction, and Payment Term

- 4.1 Monthly rental rate of THB 350,000 (three hundred and fifty thousand baht) for the total period of rental agreement has total value of THB 12,600,000 (twelve million six hundred thousand baht) (excluding water, electricity, taxes, and other related expenses)
- 4.2 Rental rate agreed between lessee and lessor is referred from appraised value by independent valuer in the list of valuer approved by the Office of the SEC and the market rental rate of nearby lands.
- 4.3 The lessor will receive monthly rental payment from the lessee for the entire period of the agreement.

5. Details of Connected Person and Relationship Type

Proud Resort is a connected person to the Company as Proud Resort is circumstantially under the material influence in management and operation of Ms. Proudpuh Liptapanlop and Mr. Pasu Liptapanlop whom are director and major shareholder of the Company.

6. Characteristics and Scope of Interests of Connected Person in the Transaction

Ms. Proudpuh Liptapanlop and Mr. Pasu Liptapanlop, directors of Proud Resort (from total directors of 5 people), have material influence in the management and operation of Proud Resort with shareholding stake of 0.14% in Proud Resort.

Please be informed accordingly.

Yours sincerely,

- Paisit Kaenchan -

Mr. Paisit Kaenchan
Managing Director