

Sor Gor 73 /62

27 November 2019

To the Attention of the Manager and Director of the **Securities Exchange of Thailand**
Subject Information summary for Related Party Transaction concerning the entity's
 borrowing (Edit)

Attachment Information for Related Party Transaction concerning ECL's borrowing under
 the B/E instrument, from Mr. Preecha Veerapong, who is the Chairman of the
 Board, and also the major shareholders

The Board at its 4/2562 meeting held on 13 November 2019 resolved to approve ECL's borrowing through issuance of bill of exchange (B/E) instrument, from Mr. Preecha Veerapong, who is the Chairman of the Board, and also the major shareholder. The amount limit for the borrowing has been increased from Baht 200 million to Baht 300 million, in order to support hire purchase credit expansion. The B/E issuance shall be short term with tenor restricted to no more than 270 days, at the rates of 3.5 – 4 percent per annum payable upon B/E issuance, and principal sum payable at maturity. Such transactions are considered related party transaction in accordance with announcement of the Security Exchange of Thailand with detailed information per attachment.

Please be informed accordingly.

Sincerely Yours,

Mrs. Duangrat Jaengmongkol,
Director and Company Secretary
Eastern Commercial Leasing PLC

Attachment

Information Summary for Related Party Transaction

EASTERN COMMERCIAL LEASING PLC

Subject: Approval for the borrowing through issuance of bill of exchange within the amount limit of Baht 300 million from Mr. Preecha Veerapong, the major shareholder

1. **Date of transaction:** 13 November 2019

2. **Relevant contract parties**

Lender: Mr. Preecha Veerapong

Borrower: Eastern Commercial Leasing PLC. (ECL)

Relationship: Mr. Preecha Veerapong holds the position of the Chairman of the Board of Eastern Commercial Leasing PLC, and the shareholder of the Eastern Commercial Leasing PLC, holding 171,265,875 shares accounting for 15.45% of ECL's issued and paid up capital, on 28 October 2019

3. **Nature of transaction**

Type of the Transaction : Related party Transaction of the Receipt of Financial support classification

Credit facility : Short-term loan in the form of Bill of Exchange (B/E) each of which shall have tenor no more than 270 days and without collateral guarantee

Interest Rate : 3.5%-4.00% or lower than commercial banking loan rate of interest at the time of the loan date (At present commercial bank loan rates range from 4.40% – 5.125% per annum.)

Duration : Not more than 1 year from November 13, 2019- November 12,2020

Interest Payment : payable upon B/E issuance

Other Conditions : None

Objectives : To be supporting hire purchase credit expansion

Remark: Since 13 May 2019 to 24 October 2019, ECL has issued 9 bills of exchange to borrow from Mr. Preecha Veerapong totaling Baht 200 million. Because this borrowing has been beneficial to the company, and the company may have the needs to borrow through the issuance of bill of exchange when the issued B/E matures (B/E renewal), and ECL may continue to issue additional B/E during the year 2000. As of now, the company has already issued B/E up to the approved amount limit of Baht 200 million. At the Board of Director's Meeting, the Board has

considered and of the opinion that it is necessary that the company utilizes funding support for its hire purchase credit business expansion. The Board resolved to approve the increase of the borrowing amount limit from Baht 200 million to Baht 300 million through the issuance of B/E each of which shall have tenor no more than 270 days, at the interest rate of 3.5 to 4.0% (or lower than commercial banking loan rate of interest as at the time of the loan date). At present commercial bank loan rates range from 4.40% – 5.125% per annum.

4. Total value and basis for the establishment of total transactional value

$$\begin{aligned} 4.1) \text{ Value of Transaction} &= \text{maximum borrowing amount} \times \text{maximum interest rate} \\ &\quad \times \text{maximum maturity} \\ &= \text{THB } 300,000,000 \times 4.00\% \times 1 \text{ year} \\ &= \text{THB } 12,000,000 \end{aligned}$$

Remark: To calculate the interest rate of 4%, which is the highest interest rate in accordance with the resolution of the Board of Directors approved the loan.

4.2) The transaction that the Company made with the related persons during period 6 months

Since 13 May 2019 to 24 October 2019, ECL has issued 9 bills of exchange to borrow from Mr. Preecha Veerapong totaling Baht 200 million, and paid interests amounting to Baht 3,613,905.75.

The principles that are used to calculate the Size of Transaction

$$\begin{aligned} \text{Size of Transaction} &= \text{Value of Transaction} / \text{Net Tangible Assets} \times 100 \\ &= \text{THB } 15,613,905.75 / \text{THB } 1,791,680,660.13 \times 100 \\ &= 0.87\% \end{aligned}$$

(Remark: NTA as at September 30,2019)

Combination the size of transactions of 4.1) and 4.2) are receive the interest amount of 15.61 million baht or 0.87 percent. The transaction value is greater than Baht 1 million but less than Baht 20 million or greater than 0.03% but less than 3% of the company's net tangible assets (NTA). The transaction is considered related party transaction in accordance with the announcement of the Board of Governors of the Securities Exchange of Thailand as pertinent to information disclosure and operation of listed companies in engaging in related party transactions of the receipt of financial support classification. This requires Board of Directors' approval for the transaction, and providing information disclosure to the Securities Exchange of Thailand, but not requiring approval at the shareholders' meeting.

5. Name list for related party transaction and scope of vested interest of the related parties in engaging in the related party transaction

Mr. Preecha Veerapong holds the position of the Chairman of the Board and the shareholder of the Eastern Commercial Leasing PLC, holding shares accounting for 15.45% Which is considered a connected transaction

6. Meeting attendance and voting at the Board of Directors' Meeting by related parties

Director who has vested interest per item 5 did not attend, and vote at the Board of Directors' Meeting in consideration of the agenda mentioned.

7. The Board of Directors' opinion on decision to engage in the related party transaction

Such borrowing has the objective of supporting hire purchase credit expansion. The rate of interest payable is lower than loan rate from commercial banks which currently the highest borrowing rate is 5.125% p.a. Therefore, accepting such financial support shall reduce interest payable burden to the company, being reasonable, and without risks.

8. The Audit Committee opinion and /or company directors' opinion different from the Board of Directors' opinion referred to in item 7.

- None -