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No. GL/2019/008

17 May 2019

Subject: Refusal to the Right to Purchase Ordinary Shares in Bayswater Company Limited

To: The President
The Stock Exchange of Thailand

Enclosure: Information on Disposal of Assets: Refusal to the Right to Purchase Ordinary Shares in Bayswater Company Limited

According to the Board of Directors' Meeting No. 2/2019 of Grand Canal Land Public Company Limited (the "Company") held on 9 May 2019, the Board of Directors passed the resolution to approve Ratchada Asset Holding Company Limited (a subsidiary which the Company holds 100% of shareholding) to refuse the right to purchase ordinary shares from BTS Group Holdings Public Company Limited holding in Bayswater Company Limited in a total amount of 50,000 shares or accounted for 50% of the total issued and paid-up shares, which is in accordance with the Right of First Refusal stated in the Shareholders' Agreement. Brief information on Disposal of Assets is shown in the enclosure.

Your acknowledgment of these matters would be appreciated.

Sincerely,

-Somphoch Thitipalati-
(Mr. Somphoch Thitipalati)
Company Secretary

Information on Disposal of Assets

Re : Refusal to the Right to Purchase Ordinary Shares in Bayswater Company Limited

1. Date, month, year of the Transaction

9 May 2019

2. Name of related party and its relationship with the Company

A party which is offered the right of share purchase: Ratchada Asset Holding Company Limited ("Ratchada Asset Holding") (a subsidiary which the Company holds 100% of shareholding)

A party which offers the right of share purchase: BTS Group Holdings Public Company Limited ("BTS")
Relationship: The Company and its subsidiary are not the connected person with BTS.

3. General characteristics, classification and size of the Transaction

Bayswater Company Limited ("Bayswater") is a joint venture between Ratchada Asset Holding and BTS with the shareholding proportion of 50 : 50 percent in which BTS wishes to sell all shares held in Bayswater in an amount of 50,000 shares or equivalent to 50% of the total issued and paid-up shares, as well as all liabilities related to BTS, with a total value of Baht 7,698.72 million, to Ratchada Asset Holding, which is in accordance with the Right of First Refusal stated in the Shareholders' Agreement. The Right of First Refusal determined that if a shareholder desires to sell shares, the existing shareholder shall have the Right of First Refusal. However, if the existing shareholder refuses to purchase the shares, the selling shareholder shall have the right to sell shares to other persons at the price and conditions that are not inferior to the offering to the existing shareholder.

The refusal to the right to purchase ordinary shares in Bayswater from BTS falls within the meaning of a disposal of assets under the Notifications on Asset Acquisition or Disposal. The amount of such transaction is equal to Baht 7,698.72 million or equivalent to 26.27%, calculated using the basis of the total value of consideration comparing to the value of the company asset, which represents the highest transaction value, compared to all other approaches required by the Notifications on Asset Acquisition or Disposal.

Therefore, the Company is required to disclose certain information pertaining to the Transaction to the Stock Exchange of Thailand (SET) and send an information memorandum about the Transaction to its shareholders within 21 days from the date of disclosure of information to the SET.

The size of this Transaction was calculated in reliance on the Company's three-month financial statements ended on 31 March 2019, using four approaches imposed in the Notifications on Asset Acquisition or Disposal.

Summary of the Calculation of Valuation of the Transaction

Valuation basis	Calculation formula	Transaction size (in percentage)
1. Net tangible asset	$= \frac{\text{NTA}^1 \text{ of Bayswater} \times \text{percentage of equity interest acquired}}{\text{NTA of the Company}} \times 100$	No calculation can be made because Bayswater is in deficit to NTA.
2. Net profit	$= \frac{\text{Net profit of Bayswater} \times \text{percentage of equity interest acquired}}{\text{Net profit of the Company}} \times 100$	No calculation can be made because Bayswater has net loss in its operating result.
3. Total Value of Consideration	$= \frac{\text{Amount paid or transferred as consideration}}{\text{Total asset value of the Company}} \times 100$ $= \frac{\text{Bah 7,698.72 million t}}{\text{Baht 29,302.73 million}} \times 100$	26.27
4. Value of securities issued by the Company as consideration for the asset acquired	$= \frac{\text{Number of shares issued to pay for the asset acquired}}{\text{Number of the Company's paid-up shares}} \times 100$	No calculation can be made because the Company did not issue shares to pay for the asset acquired.

¹ Net tangible assets = total asset – intangible asset – total liability – minority shareholders (if any)

4. Details relating to the Disposal of Assets (The right to purchase the ordinary shares in Bayswater)

The right to purchase the ordinary shares in Bayswater in a total amount of 50,000 shares at a par value of Baht 100 each or accounted for 50% of the total issued shares including all related liabilities from BTS.

5. Total value of the Disposal of Assets (The right to purchase the ordinary shares in Bayswater)

The value of the ordinary shares which Ratchada Asset Holding refuses the right to purchase 50,000 ordinary shares including all related liabilities from BTS representing a total trading value of Baht 7,698.72 million.

6. Criteria for determining the investment value

Determined in accordance with the shares purchase transaction offering by BTS

7. Reasons for the disposal of assets and expected benefits to the Company from the Transaction

At present, the Company has a plan to develop projects that require the investment fund. Therefore, when considering the capital structure and debt burden of the Company, the acquisition of shares from BTS shall increase the financing burden, which may result in a risk of breaching the loan terms in the future and may affect the Company's business and credibility in the long term.

8. Sources of funds

- None -

9. Conditions of the Transaction

Since this is a disposal of assets transaction under the Notifications on Asset Acquisition or Disposal and the announcement of the SET Board on the disclosure of information and practices of listed companies on acquisition and disposition of assets, B.E.2547 (2004) with the total value of 15% but does not exceed 50% of the total assets, the Company will be sending a notification to the shareholders about this transaction within 21 days of this notification to SET.

10. Opinion of the Board of Directors

The Company's board considered and approved the Transaction as they are reasonable and beneficial to the Company and its shareholders. The Company's board therefore passed the resolution to approve the refusal to the right to purchase shares in Bayswater from BTS.

11. Opinion of the Audit Committee and/or director(s) that differs from the opinion of the Board in section 10.

- None -

12. Board's responsibility for information memorandum

Carefully reviewing the data contained in this information, the Board certifies that the data are all correct, complete, factual, not misleading, and not lacking in essence.

13. Significant ongoing litigation or demands

On 22 May 2018, a subsidiary (Rama 9 Square Company Limited) had filed a lawsuit against the glass installation contractor, Exterior Facade (Curtain Wall), for the construction of the G Tower, the Grand Rama 9 due to a breach in the construction contract and filed for compensatory damages in the amount of Baht 453,722,352.88. The contractor had filed a statement of defense and counterclaim, demanding that subsidiary pay the glass installation fee and damages in the amount of Baht 638,507,290.06. The lawsuit is currently under consideration by the Civil Court in which management believes that Rama 9 Square Company Limited will be able to claim damages according to the lawsuit and dismiss the contractor's counterclaim.

14. Connected benefits or transactions between the listed company and directors, executives, and shareholders with direct or indirect shareholding of 10% or more

- None -