

Sor Gor 51/62

13 August 2019

To the Attention of the Manager and Director of the **Securities Exchange of Thailand**

Subject Termination of the joint venture agreement within the Eastern Premium Services Co., LTD. (EPS), and Information Summary for Related Party Transaction concerning ECL disposal of shares held within EPS to PFS (Thailand) Co., Ltd. (PFST).

Attachment Information for Related Party Transaction concerning ECL disposal of shares held within Eastern Premium Services Co., Ltd. (EPS) to PFS (Thailand) Co., Ltd. (PFST)

The Board of Directors, at its 3/2562 meeting on 13 August 2019, resolved the followings:

1. Approval for the company to enter into the agreement to terminate the joint venture agreement with Eastern Premium Services Co., Ltd. (EPS) as a result of ECL's Board of Directors' approval resolution to reduce proportion of shares held within EPS from 54.55% to 15% rendering ECL status change from a joint venture partner in a joint venture business to that of a general investor in other business (in accordance with resolution of the Board of Directors dated 14 May 2019) with details per the attached information summary.
2. Approval for the reduction of registered capital within EPS subsequent to the issued and offered for sales, by reduction of the par value from Baht 100 to Baht 55, in order to offset part of the retained losses, resulted in capital reduction losses for ECL amounted to Baht 2.52 million.
3. Subsequent to the capital reduction (balance of registered capital after reduction, Baht 20.57 million) EPS wishes to increase capital by Baht 12.34 million to Baht 32.91 million to provide sufficient working capital in its business engagement by issuing new ordinary shares totaling 224,400 shares with Baht 55 par value representing the proportion of 5 original shares to 3 new shares. The Board of Directors resolved to approve ECL acquisition of newly increased shares pro-rata to existing shares held by



บริษัท ตะวันออกพาณิชย์ลีสซิ่ง จำกัด (มหาชน)
EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED

subscription to 33,660 shares with Baht 55 par totaling Baht 1.85 million. After the capital increase, ECL shall hold 89,760 shares with Baht 55 par totaling Baht 4.94 million equity investment.

Such increase in equity investment pro-rata to shares held does not come under compliance requirement in accordance with bases for the acquisition of assets, and related party transactions. It nonetheless is a material transaction in the business engagement of the company and accordingly disclosed for investor information.

Please be informed accordingly.

Sincerely Yours

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

Attachment

Information Summary Regarding Related Party Transaction

EASTERN COMMERCIAL LEASING PLC

Subject: Sale of Eastern Premium Services Co., Ltd. (EPS) shares held by ECL to PFS (Thailand) Co., Ltd. (PFST)

Pursuant to ECL's participation in the joint venture to engage in the center for vehicle repair business with the formation of Eastern Premium Services Co., Ltd. (EPS) having registered and paid up capital of Baht 37.40 million, and shareholdings consisting of (as at 31 March 2019)

List of Shareholders	Proportion of Shares Held
Eastern Commercial Leasing PLC	54.55%
Premium Group Co., Ltd. (PG)	38.50%
Rising Sun Traders Ltd. (RS)	6.95%

In light of the accounting necessity and administration, the ECL Board of Directors, at its 2/2562 meeting on 14 May 2019, resolved to approve the reduction of its proportional shares held within EPS down from 54.50% to 15% by selling the 39.55% shares to PFS (Thailand) Co., Ltd. (PFST)

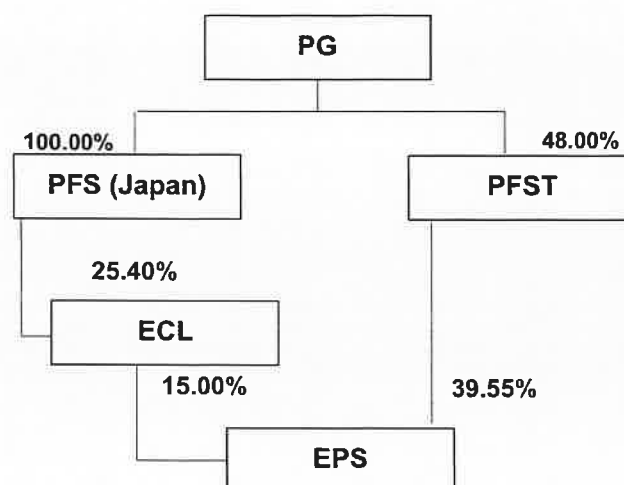
Such shares sale may be considered disposal transaction with amount less than 15%, and therefore the transaction does not require information disclosure to the Securities Exchange of Thailand. It is nonetheless considered a related party transaction in accordance with announcement of the Securities and Securities Exchange Commission, Tor Jor 25/2511. Because of ECL, and PFST's common major shareholder namely PG, and the size is 0.43%, the transaction is considered a medium size transaction which must comply with securities exchange disclosure rule with information details below:

- 1. Date of transaction: 14 May 2019**
- 2. Relevant Contract Parties**

Seller: Eastern Commercial Leasing PLC

Purchaser: PFS (Thailand) Co., Ltd. (PFST)

Relationship: ECL and PFST has common major shareholder namely Premium Group Co., Ltd. (PG) who indirectly via PFS (Japan) holds 25.4% of ECL, and directly holds 48% of PFST.



3. Purchaser details:

PFS (Thailand) Co., Ltd. (PFST) is engaged in business consultancy with registered capital of Baht 2 million.

Directors consist of 1. Mr.Kozo Kinoshita , 2. Mr. Masayuki Nozawa, 3. Mr.Tsuchiya Yoshiyuki.

List of Shareholders	Proportion of Shares Held
1. Premium Group Co., Ltd. (PG)	1.00%
2. Premium Financial Services Co., Ltd. (PFS)	48.00%
3. J-Will International (Thailand) Co., Ltd.	51.00%

4. EPS Shareholding Structure

List of Shareholders	Proportion of Shares Held (Previously)	Proportion of Shares Held (New)
Eastern Commercial Leasing PLC (ECL)	54.55%	15.00%
Premium Group Co., Ltd. (PG)	38.50%	38.50%
Rising Sun Traders Ltd. (RS)	6.95%	6.95%
PFS (Thailand) Co., Ltd. (PFST)	-	39.55%

5. EPS Board of Directors

Previous director name list	New director name list
1. Miss Kanchana Sophonpongpiat	1. Mr. Tochiyuki Nakatani
2. Miss Wipa Chaiyongyuth	2. Mr. Masayuki Nozawa
3. Mr. Tochiyuki Nakatani	
4. Mr. Masayuki Nozawa	

Remark: New director appointment is under legal processing subsequent to the share sale transaction

6. Nature of Transactions

Pursuant to ECL's entering into the joint venture agreement, a company was formed to engage in the center for vehicle repair service by the name of Eastern Premium Services Co., Ltd. (EPS) with shareholders consisting of Premium Group Co., Ltd. (PG), Rising Sun Traders Ltd. (RS), and Eastern Commercial Leasing PLC (ECL) holding 54.55%. EPS quarterly accounting book closing experienced problem, and was not able to close its book on a timely manner thus affecting ECL's financial report preparation as EPS delayed in submission of financial information. The auditor provided concerned observation that ECL financial report issuance may need to be qualified with disclosure note indicates that EPS' financial results have not been recorded on an equity basis thus affecting ECL's public image. Furthermore, EPS has still been under operating loss status ever since its formation on 16 November 2016 until end of March 2019 with proportional ECL loss of Baht 9.95 million. The Board of Directors, at its 2/2562 meeting on 14 May 2019, resolved to approve ECL's reduction of its proportion of shares held from 54.55% to 15% of EPS' registered capital to change its status from a joint venture partner in a joint venture to a general investor in other business to reduce impact resulted from operating loss, and not causing ECL financial report being qualified which materially affecting business engagement. The Board approved sale of 147,900 EPS shares accounting for 39.55% of EPS equity to PFST, at Baht 51 per share totaling Baht 7.54 million. PFST agreed to the purchase, paid for the shares on 31 July 2019, and has completed registration of the share transfer. The Board of Directors at its 3/2562 meeting on 13 August 2019, resolved to approve the company entering into the termination agreement of the joint venture.

7. Basis for Price Establishment

Price computation is based on book value as at statement of financial position date on 31 March 2019 upon offsetting retained losses, at Baht 50.62 per share, and the agreed selling price was Baht 51 per share.

8. Total Value and basis for the establishment of total transactional value

8.1 Basis for computation of the size of asset disposal

The transaction done has the maximum size of 0.11% on the basis of total value of compensation of the asset disposal for value Baht 7.54 million, and ECL total assets as at 31 March 2019 amounting to Baht 6,783.36 million per below computation:

Transactional size equals Baht 7.54 million x 100 / Baht 6,783.36 million = 0.11% of total assets

Upon verification of the prior 6 months, the company has no other asset disposal transaction. Size of transaction therefore equals Baht 7.54 million accounting for 0.11% of the company's total assets which is below 15%. The company therefore is not required to provide information notification to the securities exchange.

8.2 Basis for related party transaction

The type of transaction related to asset or services of the size of Baht 7.54 million requires computation of the proportion related to net tangible assets of the company. The company's NTA as at 31 March 2019 amounted to Baht 1,753.61 million.

Transaction size equals Baht 7.54 million x 100 / Baht 1,753.61 million = 0.43% of NTA

Upon computation on the basis of related party transaction, the type of asset or service transaction amounts to Baht 7.54 million or 0.43% of NTA which is higher than Baht 1 million but less than Baht 20 million or greater than 0.03% of NTA but less than 3% of NTA. The transaction engagement is considered medium size which requires approval from the Board of Directors, and accordingly provides information disclosure to the Securities Exchange of Thailand.

9. Nature and scope of vested interest of the related parties in participating in the transaction

- Mr. Yohichi Shibata, is a director (non-executive) of Eastern Commercial Leasing PLC (seller of shares) and Mr. Yohichi Shibata is also the Chairman of the Executive Committee who is authorized to sign for the Premium Group Co., Ltd. (Japan) which is the shareholder of PFST holding 48% (purchaser of shares).

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

Directors who have vested interest per item 9 did not attend and vote in the Board of Directors' Meeting in consideration of the agenda mentioned.

11. Opinion of the Board of Directors regarding decision to enter into the transaction

The share sale has the objective of reducing proportion of investment equity 15% of the registered capital of EPS in order to change status to that of a general business investor to reduce possible impact against the company's financial reports.

12. Opinion of the Audit Committee and /or company director contradicting with the Board of Directors' opinion referred to in item 11.

- None -