

(Translation)

No. IR/2561/034

9 July 2018

**Subject:** Resolutions of the Board of Directors' Meeting regarding entering into transactions with connected persons

**To:** President  
The Stock Exchange of Thailand

**Enclosure:** Information Memorandum of Singha Estate Public Company Limited Re: Entering into Connected Transactions

Singha Estate Public Company Limited (the "Company") would like to inform that the Board of Directors' Meeting No. 6/2018 held on 6 July 2018 at 14.30 hour has passed significant resolutions which should be informed to the Stock Exchange Thailand (the "SET") and can be summarized as follows:

1. Approved the entering into two transactions with connected persons which can be summarized as follows:

1.1 Approved the entering into the Master Service Agreement between S Hotels and Resorts Inter Company Limited ("S Hotels") (a subsidiary of the Company having 99.99 percent of total issued and fully paid-up shares held by the Company) and/or other subsidiaries in which the Company directly or indirectly holds not less than 99 percent of total issued and fully paid-up shares, and Singha Property Management (Singapore) Pte. Ltd. ("SPM SG") and/or other subsidiaries in which SPM SG directly or indirectly holds not less than 99 percent of total issued and fully paid-up shares ("Master Service Agreement"). SPM SG is a 100 percent subsidiary of Singha Property Management Company Limited ("SPM") which is a major shareholder of the Company. SPM directly and indirectly holds 37.26 percent of total issued and fully paid-up shares of the Company. SPM and SPM SG are the subsidiaries of Boonrawd Brewery Company Limited ("Boonrawd Brewery") (SPM SG, SPM, Boonrawd Brewery and other subsidiaries in which the aforementioned companies directly and indirectly hold more than 90 percent of shares, herein collectively called "Boonrawd Group"). Under the Master Service Agreement, S Hotels is a service provider in relation to tourist facilities development project on Enboodhoo Lagoon in the Republic of Maldives for the part that Boonrawd Group has the right to develop ("Project Crossroads Phase 2"). The total value of the Master

Service Agreement is approximately THB 96 million. The term of this agreement is from 1 August 2018 to 31 July 2019.

Nevertheless, the current master service agreement between S Hotels and SPM SG is valid until 31 July 2018.

S Hotels' entering into the Master Service Agreement with SPM SG and/or other subsidiaries in which SPM SG directly or indirectly holds not less than 99 percent of total issued and fully paid-up shares, which are connected persons of the Company, is considered a connected transaction under the Notification of the Capital Market Supervisory Board Tor.Jor. 21/2551 Re: Connected Transaction Rules dated 31 August 2008 and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies concerning the Connected Transactions dated 19 November 2003 (the "**Notification on Connected Transaction**"). The transaction size is equal to 0.66 percent of Net Tangible Asset (NTA) of the Company according to the most recent consolidated financial statements of the Company for the 3-month period ending 31 March 2018.

1.2 Approved the entering into the Business Development Advisory Service Agreement between S Hotels (a subsidiary of the Company having 99.99 percent of total issued and fully paid-up shares held by the Company) and/or other subsidiaries in which the Company directly or indirectly holds not less than 99 percent of total issued and fully paid-up shares, and SPM SG and/or other subsidiaries in which SPM SG directly or indirectly holds not less than 99 percent of total issued and fully paid-up shares ("**Business Development Advisory Service Agreement**"). Under the Business Development Advisory Service Agreement, S Hotels is a business development advisory service provider in relation to the Project Crossroads Phase 2. The total value of the Business Development Advisory Service Agreement is approximately THB 51,200,000. The term of this agreement is from the signing date to 31 December 2018.

S Hotels' entering into Business Development Advisory Service Agreement with SPM SG and/or other subsidiaries in which SPM SG directly or indirectly holds not less than 99 percent of total issued and fully paid-up shares, which are connected persons of the Company, is considered a connected transaction according to the Notification on Connected Transaction. The transaction size is equal to 0.35 percent of Net Tangible Asset (NTA) of the Company according to the most recent consolidated financial statements of the Company for the 3-month period ending 31 March 2018.

The total size of transactions (i.e. the Master Service Agreement and the Business Development Advisory Service Agreement) is equal to 1.01 percent of Net Tangible Asset (NTA) of the Company.

Besides item 1.1 to 1.2, the Company had no other connected transactions with the same connected persons, their related parties, or their close relatives during the past six months, before the date of these two aforementioned transactions. Therefore, the total size of transactions (i.e. Master Service Agreement and

Business Development Advisory Service Agreement) is higher than 0.03 percent but less than 3 percent of Net Tangible Asset (NTA) of the Company according to the most recent consolidated financial statements of the Company for the 3-month period ending 31 March 2018. As a result, the Company is obliged to seek approval from the Board of Directors and disclose information memorandum to the SET. The details of entering into transactions are as specified in the Enclosure.

The entering into aforementioned transactions is reasonable because of the following reasons:

- The service fees under the Master Service Agreement is approximately THB 96 million which is higher than expected costs of service during the term of the Master Service Agreement,
- The service fees under the Business Development Advisory Service Agreement is approximately THB 51.2 million which is higher than expected costs of service during the term of the Business Development Advisory Service Agreement and is in accordance with arm's length price of the agreements of a similar nature.

In addition, the service fees will help increase liquidity and enhance operating result of the Company as the Company's group can leverage existing resources, as well as expertise and experiences of the Company's executives and personnel for servicing.

2. Approved the delegation of authority to Chief Executive Officer and/or any person delegated by the Chief Executive Officer to perform any acts relating to the Master Service Agreement and the Business Development Advisory Service Agreement, pursuant to the details specified in item 1, for convenience and flexibility, by taking into account for the best interests of the Company, with the details as follows:

(1) to determine details, amend, change terms and conditions relating to the Master Service Agreement and the Business Development Advisory Service Agreement (excluding the service fees and the scope of services); to sign necessary and relevant documents and evidences, including to negotiate any agreements or other documents pertaining to the Master Service Agreement, and the Business Development Advisory Service Agreement;

(2) to negotiate and enter into any agreements, sign and amend relevant documents, as well as considering appointing legal consultants, consultants, or any service providers to assist in relation to the Master Service Agreement, and the Business Development Advisory Service Agreement;

(3) to contact, seek permission and waiver in relation to various documents and evidences from any relevant government agencies or relevant authorities, e.g. government of the Republic of Maldives, the Office of the Securities and Exchange Commission, the SET, financial institutions, and any concerned persons or entities relating to the Master Service Agreement and the Business Development Advisory Service Agreement, including to liaise with, consult and clarify, as well as deliver information memorandum;

(4) to do necessary acts relating to the Master Service Agreement and the Business Development Advisory Service Agreement;

(5) to appoint and assign any appropriate person to be a sub-attorney to act as mentioned above.

Sincerely yours,

Singha Estate Public Company Limited

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(Mr. Naris Cheyklin)

Chief Executive Officer

*Company Secretary Department*

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*(Translation)*

**Information Memorandum of Singha Estate Public Company Limited**

**Re: Entering into Connected Transactions**

The Board of Directors' Meeting of Singha Estate Public Company Limited (the "Company") No. 6/2018 held on 6 July 2018 has passed the resolutions to approve entering into three transactions with connected persons of the Company which can be summarized as follows:

1. Approved the entering into the Master Service Agreement between S Hotels and Resorts Inter Company Limited ("**S Hotels**") (a subsidiary of the Company having 99.99 percent of total issued and fully paid-up shares held by the Company) and/or other subsidiaries in which the Company directly or indirectly holds not less than 99 percent of total issued and fully paid-up shares, and Singha Property Management (Singapore) Pte. Ltd. ("**SPM SG**") and/or other subsidiaries in which SPM SG directly or indirectly holds not less than 99 percent of total issued and fully paid-up shares ("**Master Service Agreement**"). SPM SG is a 100 percent subsidiary of Singha Property Management Company Limited ("**SPM**") which is a major shareholder of the Company. SPM directly and indirectly holds 37.26 percent of total issued and fully paid-up shares of the Company. SPM and SPM SG are the subsidiaries of Boonrawd Brewery Company Limited ("**Boonrawd Brewery**") (SPM SG, SPM, Boonrawd Brewery and other subsidiaries in which the aforementioned companies directly and indirectly hold more than 90 percent of shares, herein collectively called "**Boonrawd Group**"). Under the Master Service Agreement, S Hotels is a service provider in relation to tourist facilities development project on Enboodhoo Lagoon in the Republic of Maldives for the part that Boonrawd Group has the right to develop ("**Project Crossroads Phase 2**"). The total value of the Master Service Agreement is approximately THB 96 million. The term of this agreement is from 1 August 2018 to 31 July 2019.

2. Approved the entering into the Business Development Advisory Service Agreement between S Hotels (a subsidiary of the Company having 99.99 percent of total issued and fully paid-up shares held by the Company) and/or other subsidiaries in which the Company directly or indirectly holds not less than 99 percent of total issued and fully paid-up shares, and SPM SG and/or other subsidiaries in which SPM SG directly or indirectly holds not less than 99 percent of total issued and fully paid-up shares ("**Business Development Advisory Service Agreement**"). Under the Business Development Advisory Service Agreement, S Hotels is a business development advisory service provider in relation to the Project Crossroads Phase 2. The total value of the Business Development Advisory Service Agreement is approximately THB 51,200,000. The term of this agreement is from the signing date to 31 December 2018.

Entering into the Master Service Agreement and the Business Development Advisory Service Agreement with Boonrawd Group, which is a connected person of the Company, is considered connected transactions under the Notification of the Capital Market Supervisory Board Tor.Jor. 21/2551 Re: Connected Transaction Rules dated 31 August 2008 and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and

Other Acts of Listed Companies concerning the Connected Transactions dated 19 November 2003 (the "Notification on Connected Transaction"). The significant details of entering into transactions are as follows:

**1. Transaction date**

The Board of Directors' Meeting No. 6/2018 held on 6 July 2018 has passed the resolutions to approve that subsidiaries of the Company enter into the Master Service Agreement and the Business Development Advisory Service Agreement with Boonrawd Group. The Company expects that parties will enter into the Master Service Agreement and the Business Development Advisory Service Agreement within 31 July 2018.

**2. Related parties**

**Master Service Agreement**

The Project Owner: Singha Property Management (Singapore) Pte. Ltd. and/or other subsidiaries in which SPM SG directly or indirectly holds not less than 99 percent of total issued and fully paid-up shares

The Service Provider: S Hotels and Resorts Inter Company Limited and/or other subsidiaries in which the Company directly or indirectly holds not less than 99 percent of total issued and fully paid-up shares

**Business Development Advisory Service Agreement**

The Project Owner: Singha Property Management (Singapore) Pte. Ltd. and/or other subsidiaries in which SPM SG directly or indirectly holds not less than 99 percent of total issued and fully paid-up shares

The Service Provider: S Hotels and Resorts Inter Company Limited and/or other subsidiaries in which the Company directly or indirectly holds not less than 99 percent of total issued and fully paid-up shares

**3. General characteristic of the transactions**

**Master Service Agreement**

SPM SG is entitled to develop the Project Crossroads Phase 2 through Dream Islands Development Private Limited ("Developer") which is a subsidiary of SPM SG, and SPM SG indirectly holds 95 percent of shares in the Developer.

With the expertise in real estate development business, as well as hotel and real estate management, the Company group is interested in providing managing services for the Project Crossroads Phase 2 of Boonrawd Group under the Master Service Agreement, whereby S Hotels will provide project development services in relation to the Project Crossroads Phase 2 in accordance with the development plan to SPM SG, the Developer, and/or other subsidiaries of SPM SG which are established for the purpose of development of the Project Crossroads Phase 2. The term of this agreement is from 1 August 2018 to 31 July 2019, totaling approximately 1 year. The scope of service of S Hotels may include:

- 1) Project management and feasibility study
- 2) Design & Construction
- 3) Financing arrangement
- 4) Financial planning and financial operations
- 5) Accounting and tax, e.g. provide accounting service, assist in filing of statutory accounts and tax with relevant authorities
- 6) Liaise and coordinate with advisors for proceeding secretarial tasks, e.g. prepare compulsory annual fillings, etc.
- 7) Information and technology (IT) support
- 8) Recruitment and human resource management
- 9) Provide legal services, e.g. prepare the Power of Attorney (POA), negotiate necessary agreements, etc.
- 10) Marketing communication consultancy
- 11) Advisory on hotel management and operations

The Company expects the Company group to receive a total consideration under the Master Service Agreement approximately THB 96 million. Such consideration excludes out-of-pocket expenses, e.g. transportation cost, accommodation expenses, etc. and any costs paid to any third-party consultants or service providers for the benefit of the Project Crossroads Phase 2, for instance, legal consultants, sales and marketing consultant, whereby SPM SG, the Developer and/or other subsidiaries in which SPM SG directly or indirectly holds not less than 99 percent of total issued and fully paid-up shares will directly enter into agreement with such consultants.

Nevertheless, both parties may change the scope and details of service, whereby the service fee may be adjusted accordingly.

#### **Business Development Advisory Service Agreement**

SPM SG is entitled to develop the Project Crossroads Phase 2 through its subsidiaries and may partially resell and/or enter into a joint venture with any other investors in order to develop the Project Crossroads Phase 2.

With the expertise in real estate development business, as well as hotel and real estate management, the Company group is interested in providing services under the Business Development Advisory Service Agreement, whereby S Hotels will provide business development advice to SPM SG, the Developer, and/or other subsidiaries of SPM SG which are established for the purpose of development of the Project Crossroads Phase 2. The term of this agreement is from the signing date to 31 December 2018, totaling approximately 6 months. The scope of service of S Hotels may include:

1. Preparation of investment memorandum package ("**Investment Memorandum Package**"), which include but not limited to fact sheet of summarized key terms and conditions of the Head Lease Agreement in relation to the Project Crossroads Phase 2, feasibility study of the Project Crossroads Phase 2, study on market conditions, industry trend and potential investment structure that investor(s) can invest in the Project Crossroads Phase 2 and

preparation of the Investment Memorandum Package for SPM SG, the Developer, and/or other subsidiaries of SPM SG which are established for the purpose of development of the Project Crossroads Phase 2 within 31 July 2018.

2. Retainer services during the term of the contract includes but not limited to:
  - (a) Source and identify potential investors and/or joint venture partners to invest in the Project Crossroads Phase 2
  - (b) Engage in relevant networking events, booth exhibitions, and (overseas) investor meetings to market the Project Crossroads Phase 2
  - (c) Source and assist appointment of the Project brokers, agencies, consultants, and advisors require for the disposal of the Development Entity or the Project Sponsor's interest in the Project Crossroads Phase 2
  - (d) Coordinate and provide advice to brokers or agencies relating to marketing and/or selling one or more components of the Project Crossroads Phase 2 by way of establishing joint venture, transferring leasehold rights, long-term subleasing, seeking major tenants, etc.
  - (e) Advise on investment structure and related legal, accounting, and tax issues applicable to the potential investment
  - (f) Coordinate and facilitate the inspection of the Project Crossroads Phase 2 and nearby sites with potential investors and joint venture partners
  - (g) Facilitate the parties to enter into memorandum of understandings (MOU) and definitive agreements
  - (h) Provide development program and plan in accordance with potential co-investors' requisition.

The Company expects the Company group to receive a total consideration under the Business Development Advisory Service Agreement approximately THB 51,200,000. Such consideration excludes any costs paid to any third-party consultants or service providers for the benefit of the Project Crossroads Phase 2, for instance, legal consultants, sales and marketing consultant, whereby SPM SG, the Developer and/or other subsidiaries in which SPM SG directly or indirectly holds not less than 99 percent of total issued and fully paid-up shares will directly enter into agreement with such consultants.

Nevertheless, both parties may change the scope and details of service, whereby the service fee may be adjusted accordingly.

#### **4. Total value and criteria for determination of the consideration and payment condition**

##### **4.1 Total Value of the Consideration**

##### **Master Service Agreement**

The Company group will receive a consideration under the Master Service Agreement of approximately THB 96 million. The size of transaction can be calculated as follows:



Service fee under the Master Service Agreement	=	THB 96.0 million
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Net Tangible Assets of the Company (NTA)*		THB 14,519.0 million

\*Remark Calculated from the consolidated financial statements of the Company for the 3-month period ending 31 March 2018

The consideration is equal to 0.66 percent of the Net Tangible Assets of the Company based on the most recent consolidated financial statements of the Company for the 3-month period ending 31 March 2018.

#### **Business Development Advisory Service Agreement**

The Company group will receive a consideration under the Business Development Advisory Service Agreement of approximately THB 51.2 million. The size of transaction can be calculated as follows:

Service fee under the Business Development Advisory Service Agreement	=	THB 51.2 million
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Net Tangible Assets of the Company (NTA)*		THB 14,519.0 million

\*Remark Calculated from the consolidated financial statements of the Company for the 3-month period ending 31 March 2018

The consideration is equal to 0.35 percent of the Net Tangible Assets of the Company based on the most recent consolidated financial statements of the Company for the 3-month period ending 31 March 2018.

Therefore, the total size of transactions for the Master Service Agreement and the Business Development Advisory Service Agreement is equal to 1.01 percent of the Net Tangible Assets of the Company (NTA) based on the most recent consolidated financial statements of the Company for the 3-month period ending 31 March 2018.

The Company had no other connected transactions with the same connected persons, their related parties, or their close relatives during the past six months, before the date of these two aforementioned transactions. Therefore, the total size of transactions (i.e. Master Service Agreement and Business Development Advisory Service Agreement) is higher than 0.03 percent but less than 3 percent of Net Tangible Asset (NTA) of the Company according to the most recent consolidated financial statements of the Company for the 3-month period ending 31 March 2018. As a result, the Company is obliged to seek approval from the Board of Directors and disclose information memorandum to the SET.

#### 4.2 Criteria for Determination of the Consideration

The consideration's value is based on the negotiation between the Company group and Boonrawd Group with reference to arm's length price of comparable agreements as of the date on which the Board of Directors passed the resolutions.

#### 4.3 Payment condition

##### **Master Service Agreement**

Boonrawd Group is obliged to pay consideration to the Company group in accordance with the Master Service Agreement as a monthly consideration of THB 8 million per month from August 2018 to July 2019. Nevertheless, both parties may change the scope and details of service, whereby the service fee may be adjusted accordingly.

##### **Business Development Advisory Service Agreement**

Boonrawd Group is obliged to pay to the Company Group in accordance with the Business Development Advisory Service Agreement two types of payments as follows:

- (1) The first payment in an amount of THB 32,000,000, which is a one-time payment upon receipt of final version of the Investment Memorandum Package.
- (2) The second payment is monthly payment for retainer services in an amount of THB 3,200,000 per month, which is expected to start from July 2018 to December 2018.

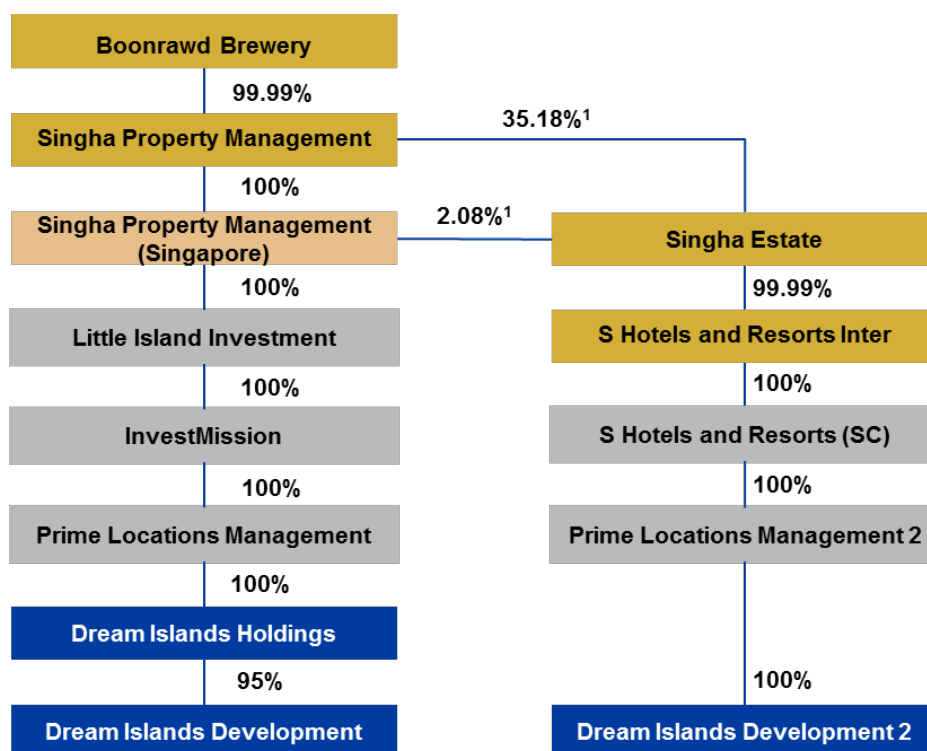
Nevertheless, both parties may change the scope and details of service, whereby the service fee may be adjusted accordingly.

#### **5. Details of connected persons and relationship**

SPM SG is a subsidiary of SPM, which is a major shareholder of the Company. SPM directly and indirectly holds 37.26 percent of total issued and fully paid-up shares of the Company. SPM and SPM SG are the subsidiaries of Boonrawd Brewery, a major shareholder of the Company. Boonrawd Brewery holds 99.99 percent of shares in SPM and indirectly holds 100 of shares in SPM SG through SPM. Besides, SPM SG holds 2.08 percent of total issued and fully paid-up shares of the Company. On 18 July 2017, SPM SG has made available the total of its shares for Credit Suisse AG, Hong Kong Branch ("CS"), to borrow under the Securities Lending Contract ("**SBL Agreement**") in connection with the offering of the convertible bonds of the Company. Under the SBL Agreement, SPM SG will be entitled to require CS to return the shares tentatively from 20 July 2020 onwards or upon the termination of the SBL Agreement pursuant to the relevant terms and conditions.

Dream Islands Development Private Limited (the Developer) is a subsidiary of SPM, which is a major shareholder of the Company. SPM directly and indirectly holds 37.26 percent of total issued and fully paid-up shares of the Company. SPM indirectly holds 95 percent of shares in the Developer through SPM SG and other subsidiaries in Boonrawd Group.

Relationship structure between Boonrawd Group and the Company



Remarks: <sup>1</sup> of total issued and paid-up shares as of 23 March 2018

General Information of Boonrawd Brewery Co., Ltd.

Company Name	Boonrawd Brewery Co., Ltd.	
Registration No.	0105476000061	
Date of Incorporation	4 August 1993	
Registered Address	999 Samsen Road, Thanon Nakhon Chai Si, Dusit, Bangkok 10330	
Registered Capital	THB 600,000	
Nature of Business	Boonrawd Brewery Co., Ltd. operates as holding company. Its business can be categorized into food and beverage business, container business, real estate business and other type of business.	
Major Shareholders and Shareholding Proportion	Bhirombhakdi Family	82.20 percent
	Ministry of Finance	5.30 percent
	TISCO Bank Public Company Limited	2.07 percent

## 6. Characteristics of the Interest of the Connected Persons in the Transactions

SPM is a major shareholder of the Company, directly and indirectly holding 37.26 percent of total issued and paid-up shares of the Company. SPM SG holds 2.08 percent of total issued and paid-up shares of the Company.

Mr. Chutinant Bhirombhakdi is the Chairman of the Company; and a director and a Vice President of Boonrawd Brewery; and a director of SPM. He is therefore considered a person having interest in this matter and is not entitled to cast votes in relevant agenda at the Board of Directors' Meeting.

Mr. Chayanin Debhakam, D.B.A., is a director, the Chairman of the Executive Committee, the Chairman of the Nomination and Remuneration Committee, a member of the Sustainable Development Committee of the Company; and a director of SPM. He is therefore considered a person having interest in this matter and is not entitled to cast votes in relevant agenda at the Board of Directors' Meeting.

Mr. Nutchdhawattana Silpavittayakul is a director and a member of the Sustainable Development Committee of the Company; and Assistant Vice President of Boonrawd Brewery. He is therefore considered a person having interest in this matter and is not entitled to cast votes in relevant agenda at the Board of Directors' Meeting.

## 7. Names of the company's directors who have interest

The names of the Company's directors who have interest in this matter are as follows:

Name - Surname	Position(s) in the Company
Mr. Chutinant Bhirombhakdi	Chairman of the Board of Directors
Mr. Chayanin Debhakam, D.B.A.	Director Chairman of the Executive Committee Chairman of the Nomination and Remuneration Committee Member of the Sustainable Development Committee
Mr. Nutchdhawattana Silpavittayakul	Director Member of the Sustainable Development Committee

In this regard, there were 8 directors attending the Board of Directors' Meeting No. 6/2018 and constituted a quorum. Mr. Chayanin Debhakam, D.B.A. did not attend the meeting. Two directors, namely, Mr. Chutinant Bhirombhakdi and Mr. Nutchdhawattana Silpavittayakul, did not present in the meeting during the relevant agenda items and did not cast their votes in such agenda items due to being directors having interest in the matter.

## 8. Opinion of the Board of Director

The Board of Directors' Meeting No. 6/2018 considered the entering into transactions is reasonable because of the following reasons:

- The service fees under the Master Service Agreement is approximately THB 96 million which is higher than expected costs of service during the term of the Master Service Agreement;
- The service fees under the Business Development Advisory Service Agreement is approximately THB 51.2 million which is higher than expected costs of service during the term of the Business Development Advisory Service Agreement and is in accordance with arm's length price of the agreements of a similar nature.

In addition, the service fees will help increase liquidity and enhance operating result of the Company as the Company's group can leverage existing resources, as well as expertise and experiences of the Company's executives and personnel for servicing.

**9. Opinion of the Audit Committee in relation to the transactions**

The Audit Committee, after due consideration, had the opinions which were in line with those of the Board of Directors.

Yours faithfully,  
Singha Estate Public Company Limited

(Mr. Narit Cheykin)  
Chief Executive Officer