



F I N A N S A
Asian Merchant Banking

No. For. 03/2020

February 12, 2020

Subject: Notification of an Information Memorandum on the Acquisition and Disposition of Assets to a Real Estate Investment Trust

To: President
The Stock Exchange of Thailand

Enclosure: Information Memorandum on the Acquisition and Disposition of Assets to a Real Estate Investment Trust by Finansa Public Company Limited

The Board of Directors' Meeting No. 1/2020 of Finansa Public Company Limited ("the Company") held on February 12, 2020 passed a resolution to approve the Company to enter into a transaction to dispose of assets and any other transactions relating to the disposal of assets to Prospect Logistics and Industrial Leasehold Real Estate Investment Trust ("Trust"). Currently the Trust Manager is in the process of preparing documents to be submitted to The Securities and Exchange Commission ("SEC") for permission to set up the Trust.

The Board of Directors also passed a resolution to approve the Company and/or its subsidiary companies' entering into transactions in relation to the Acquisition of Units in the Trust and approved the authority of the person assigned by the Board of Directors to perform any necessary or related transactions deemed beneficial to the Company and/or its subsidiary Companies regarding the Acquisition and Disposition of Assets in relation to the Trust as enclosed.

Please be informed accordingly.

Yours sincerely,

Finansa Public Company Limited

(Mr. Vorasit Pokachaiyapat)

Managing Director

FINANSA PUBLIC COMPANY LIMITED

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**Information Memorandum on the Acquisition and Disposition of Assets to Real Estate Investment Trust
of Finansa Public Company Limited**

The Board of Directors Meeting of Finansa Public Company Limited (the “Company”) No. 1/2020 held on February 12th, 2020 has passed a resolution to approve the Company to enter into transactions to acquire and dispose of assets between the Company and Prospect Logistics and Industrial Leasehold Real Estate Investment Trust (the “Trust”). The Trust manager is in the process of preparing documents to be submitted to The Securities and Exchange Commission (“SEC”) for permission to set up Trust. In addition, the Company’s Board of Directors has passed a resolution to approve the authority of the authorized person in relation to the acquisition and disposition of assets to Trust as the following:

(A) Approved the disposition of assets by approving the following related transactions:

- Approved the Company to sell sub-leasehold right at the date when the Trust invests into sub-leasehold right and the Company will terminate sub-lease agreement of land and building in Bangkok Free Trade Zone (“BFTZ”). As the Company sub-leased part of land and building in BFTZ from Chaiyana Bangplee Parkland Company Limited (“CBP”), the Company will terminate sub-lease agreement so the Trust will enter into sub-lease agreement directly with CBP. The value of sub-leasehold right to be sold to the Trust will be at least THB 1,300.0 million and not exceeding to THB 1,503.80 million. (the “Disposition of Assets Transaction”)
- Approved the Company to enter into an undertaking transaction between the Company, M.K. Real Estate Development Public Company Limited (“MK”) and Prospect Development Company Limited (“PD”) as promisors and the Trust as promisee, to assure the duty of the Company, MK and PD towards the Trust (the “Undertaking Transaction”). (The details of Undertaking Transaction appear in 1.3.2 “Undertaking Transaction”)
- Approved the Authority of Managing Director in relation to the disposition of assets to Trust as the following:
 - Negotiate with the Trust to determine the form of assets disposal, the terms and conditions on assets disposal to the Trust and enter into agreements with the Trust, including any amendments to the terms and conditions as appropriate.
 - Negotiate with the Trust to determine the final asset value to be sold to the Trust by considering the demand of institutional investors through book building and conditions of assets at that time.

- Consider to dispose or not dispose certain assets if the conditions or the result of negotiations with the Trust are deemed not benefit to the Company and/or its shareholders.
- Prepare, sign, deliver agreements or commitment in relation to assets disposal to the Trust, e.g., registration of sub-leasehold and other related agreements.
- Negotiate, determine terms and conditions, prepare, sign, and deliver agreements in relation to asset disposal to the Trust, including but not limited to Undertaking Agreement.

The highest size of Disposition of Assets Transaction is not exceeding THB 1,503.80 million or equivalent to 36.39% pursuant to the total value of consideration method. The Disposition of Assets Transaction size is 15.00% or higher but less than 50.00%, so it is considered as the disposition of assets category 2 under the Notification of the Capital Market Supervisory Board No. Tor Jor 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (including additional amendments) 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 Acquisition and Disposition of Assets, 2004 (including additional amendments) (the "Notification on Acquisition and Disposition"). Under the category 2 of the Notification on Acquisition and Disposition, the Company is required to:

- 1) Disclose information memorandum relating to the Disposition of Assets Transaction of the Company to the Stock Exchange of Thailand ("SET").
- 2) Inform the shareholder in relation to the Disposition of Assets Transaction and the Undertaking Transaction within 21 days from the date when the Company discloses the Disposition of Assets Transaction and the Undertaking Transaction to the SET according to the Notification on Acquisition and Disposition.

However, the Disposition of Assets Transaction and Undertaking Transaction are not considered as connected transaction of the Company according to the Notification of the Capital Market Supervisory Board No. Tor Jor 21/2551 Re: Rules on Related Transaction (including additional amendments) 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 Transaction, 2003 (including additional amendments). (the "Notification on Connected Transaction")

(B) **Approved the acquisition of assets by approving the following related transactions:**

- Approved the Company and/or subsidiary companies to subscribe for Trust's units that are offered by the Trust (the "Acquisition of Trust's Units Transaction") by approving the Company and/or subsidiary companies to enter into the Acquisition of Trust's Units Transaction at least 10.00% but not exceeding 15.00% of the amount of initial public offering of Trust's units and the value of the acquisition of Trust's units will not exceed THB 360.00 million and also approve the Company and/or subsidiary companies to obtain bridging loans from financial institution(s) for the Acquisition of Trust's Units Transaction and will repay such loans with the proceeds from Disposition of Assets Transaction (if any).
- Approved the Authority of Managing Director to determine the final proportion for the Company and/or subsidiary companies to enter into the Acquisition of Trust's Units Transaction, including any other actions in relation to the subscription of Trust's units.

The highest value of Acquisition of Trust's Units Transaction will not exceed THB 360.00 million or equivalent to 8.71% pursuant to the total value of consideration method. The Acquisition of Trust's Units Transaction size is less than 15.00%, so it is not considered as the acquisition of assets category 1 - 4 under the Notification on Acquisition and Disposition. However, the Company discloses information memorandum relating to the Acquisition of Trust's Units Transaction to the SET because the Acquisition of Trust's Units Transaction is related to the Disposition of Assets Transaction between the Company and the Trust, which disclose information memorandum relating to the Disposition of Assets Transaction to the SET. Therefore, the Company will disclose information memorandum relating to the Acquisition of Trust's Units Transaction to the SET as well.

However, the Acquisition of Trust's Units Transaction is not considered as connected transaction of the Company according to the Notification on Connected Transaction.

The Company would like to disclose information regarding the said transaction as follows:

1. **Disposition of Assets Transaction**

1.1 **Date of Transaction**

The Disposition of Assets Transaction will occur after the permission to set up the Trust has been approved by SEC and the Trust's units are offered for sale and registration of the Trust's assets is completed. The Company expects the Disposition of Assets Transaction will occur within the third quarter of 2020

1.2 **The Relevant Parties:**

1.2.1 **The Disposition of Assets Transaction**

Seller : The Company

Purchaser : The Trust

1.2.2 **The Undertaking Transaction**

Promisors : The Company

Promisee : The Trust

1.3 **General Information, Type and the Size of Transaction**

1.3.1 **The Disposition of Assets Transaction**

(1) **General Information, Type and the Size of Transactions**

After the offering of Trust's units has completed, the Company will terminate sub-lease agreement of land and building in BFTZ. As the Company sub-leased part of land and building in BFTZ from CBP, the Company will terminate sub-lease agreement so the Trust will enter into sub-lease agreement directly with CBP. The sub-lease period will begin from the date when the Trust invests into the sub-leasehold right of part of land and building in BFTZ until the expiration of the registered sub-leasehold period.

The value of sub-leasehold right to be sold to the Trust will be at least THB 1,300.00 million and not exceeding to THB 1,503.80 million (exclusive of value added tax, fee and expense for ownership transfer). The value of sub-leasehold right will be considered from return on sub-leasehold and appraised value from 2 appraisers which are 15 Business Advisory Co., Ltd. and Nexus Property Consultants Co., Ltd. The appraised value is as follows:

Appraiser as approved by SEC	Appraised Value of the Company's assets using the Income Approach (THB million)
15 Business Advisory Co., Ltd.	1,367.10
Nexus Property Consultants Co., Ltd.	1,358.20

However, the final assets value will depend on the final offering price of the Trust's units, which will be determined by book building process and other factors such as, the general capital market condition and other financial products offered at that time.

(2) Transaction Size

The calculation of transaction size under the Notification of Acquisition and Disposition, is calculated from the interim consolidated financial statement of the Company as of 30 September 2019 as follows:

(a) Net Tangible Asset

Not Applicable

(b) Net Profit from Operations

Not Applicable

(c) Compare to Total Value of consideration

$$\begin{aligned}
 \text{Value of Consideration} &= \frac{\text{Disposal Price}}{\text{Book value of total assets}} \\
 &= \frac{\text{Not exceeding THB 1,503.80 million}}{\text{THB 4,132.96 million}} \\
 &= \text{Not exceeding 36.39\%}
 \end{aligned}$$

(d) Compare to Value of Securities

Not Applicable

The highest value of transaction size of disposal assets calculated by Total Value of Consideration method is not exceeding 36.39%. This is regarded as category 2 of disposition of assets transaction under the Notification on Acquisition and Disposition, due to the transaction is 15.00% or higher but less than 50.00%.

1.3.2 Undertaking Transaction

(1) General Information of the Transaction

The Company will enter into Undertaking Agreements between the Company, MK and PD (as the Promisors) and the Trust (as the Promisee) to assure the duty of the Company, MK and PD towards the Trust. The key undertakings is the Company, MK and PD agree and ensure that their group of associated persons hold and retain the proportion totally of not less than 15.00% of the total amount of Trust's units offered under this initial public offering only for a period of 5 years from the date of Trust's sub-leasehold right becomes effective and not less than the covenant in loan agreement. If the Lender terminates or revises the covenant regarding the Trust's units holding period to be less than 5 years, the Promisors shall hold Trust's units for a period of 5 years. Also, during the aforementioned Trust's units holding period, the Promisors will not sell, transfer, pledge or impose any collateral conditions which causes the held Trust's units less than the proportion as set forth without prior written consent from the Trust.

(2) Transaction Size

Undertaking Transaction is a part of the Disposition of Assets Transaction to assure the duty of the Company towards the Trust. The Company will not receive any compensation from entering into this transaction with the Trust beside the compensation from the Disposition of Assets Transaction.

1.4 Details of the Disposed Assets

1.4.1 Disposition of Assets Transaction

● Assets Information

	Details				
Name of Property	Bangkok Free Trade Zone				
Address	1040/1 Moo 15 Bangsaothong, Samutprakarn,Thailand				
Ownership of Asset	Wat Paknam and Wat Mongkolnimit				
Description of Investment by Trust	19 Years sub-leasehold right of land and buildings of BFTZ from the date of registration until 22 December 2039. The Trust will enter into sub-lease agreement with CBP. The assets to be invested by the Trust consist of total area of 87-2-48.36 rai (approximately 140,193.42 square meters) and total leasable area of warehouse and factory of approximately 89,024.00 square meters, which can be categorized in four types of building: Warehouse, Stand-alone factory, Mini factory and Built-to-Suit.				
Appraised Value	<p>The appraisal price of assets under sub-leasehold right in part of land and buildings in BFTZ as of 31 January 2020 are as follow:</p> <table border="1"> <tbody> <tr> <td>15 Business Advisory Co., Ltd.</td> <td>Nexus Property Consultants Co., Ltd.</td> </tr> <tr> <td>THB 1,367.10 million</td> <td>THB 1,358.20 million</td> </tr> </tbody> </table>	15 Business Advisory Co., Ltd.	Nexus Property Consultants Co., Ltd.	THB 1,367.10 million	THB 1,358.20 million
15 Business Advisory Co., Ltd.	Nexus Property Consultants Co., Ltd.				
THB 1,367.10 million	THB 1,358.20 million				

- Details of land relating to Disposal of Assets Transaction

Title Deed Number	Owner	Land Number	Survey Page	Total Area (Rai-Ngan-Square Wah)
4495	Wat Paknam	3	835	43-1-55.26
4496	Wat Mongkolnimit	4	836	44-0-93.10
Total Area				87-2-48.36

- Details of warehouse and factory relating to Disposal of Assets Transaction

Free Zone				
	Land Area under sub-lease agreement	Leasable Area under sub-lease agreement	No. of Building	No. of Unit
Warehouse	16-1-91.65 rai (26,366.58 square meters)	18,942.00	4	26
Stand-alone Factory	13-1-43.75 rai (21,375.00 square meters)	11,322.00	6	6
Mini Factory	-	-	-	-
Built-to-Suit	-	-	-	-
Total Free Zone's area	29-3-35.40 rai (47,741.58 square meters)	30,264.00	10	32
General Zone				
Warehouse	29-2-12.36 rai (47,249.46 square meters)	32,878.00	7	27
Stand-alone Factory	15-0-88.84 rai (24,355.35 square meters)	12,724.00	7	7
Mini Factory	13-0-11.76 rai (20,847.03 square meters)	13,158.00	3	18
Built-to-Suit	-	-	-	-
Total General Zone's area	57-3-12.96 rai (92,451.84 square meters)	58,760.00	17	52
Total area	87-2-48.36 rai (140,193.42 square meters)	89,024.00	27	84

1.4.2 Undertaking Transaction

The Company will enter into Undertaking Transaction between the Company, MK and PD (as Promisors) and the Trust (as Promisee) to assure the duty of the Company, MK and PD towards the Trust.

1.5 Total Value of Consideration

1.5.1 Disposition of Assets Transaction

The maximum value of the Company's assets to be sold to Trust is at least THB 1,300.00 million but not exceeding THB 1,503.80 million. (The details of transaction size appear in 1.3.1 The Disposition of Assets Transaction)

However, the final assets value will depend on the final offering price of the Trust's units, which will be determined by book building process and other factors such as, the general capital market condition and other financial products offered at that time.

1.5.2 Undertaking Transaction

Undertaking Transaction is a part of the Disposition of Assets Transaction to assure the duty of the Company towards the Trust. The Company will not receive any compensation from entering into this transaction with the Trust beside the compensation from the Disposition of Assets Transaction.

1.6 Value of Assets to be Disposed

1.6.1 The Disposition of Assets Transaction

The value of assets for the Disposition of Assets Transaction is at least THB 1,300.00 million but not exceeding THB 1,503.80 million. However, the final assets value will depend on the final offering price of the Trust's units, which will be determined by book building process and other factors such as, the general capital market condition and other financial products offered at that time.

1.6.2 Undertaking Transaction

No compensation paid

1.7 Criteria used to Determine the Consideration Value

1.7.1 Disposition of Assets Transaction

Criteria used to determine the consideration value are:

- (1) The appraised value by independent appraisers approved by SEC.
- (2) The appropriate return to Trust investors.
- (3) The potential for commercial value of the disposed assets.
- (4) Domestic and International interest rates.

However, the final assets value will depend on the final offering price of the Trust's units, which will be determined by book building process and other factors such as, the general capital market condition and other financial products offered at that time.

1.7.2 Undertaking Transaction

Undertaking Transaction is a part of the Disposition of Assets Transaction to assure the duty of the Company towards the Trust. The Company will not receive any compensation from entering into this transaction with the Trust beside the compensation from the Disposition of Assets Transaction.

1.8 Expected Benefits to the Company

The Company will receive compensation from disposition of assets. The proceeds can be used according to the Company's business plan such as investing in new projects, repaying debts and loans from financial institutions, or using as working capital.

1.9 Objectives for the Use of Proceeds

The Company may use the proceeds from the disposition of assets to the Trust to invest in new projects, repay debts and loans from financial institutions, or use as working capital.

However, the objectives for the use of proceeds as mentioned are the Company's current business plan which can be adjusted as deemed appropriate at the time.

1.10 Conditions Precedent of the Transaction

The Disposition of Asset Transaction will occur after permission to set up the Trust has been approved by the SEC and Trust's units are offered for sale and registration of the Trust's asset is completed.

1.11 Opinion of the Board of Directors on the Transaction

The Board of Directors Meeting of the Company No. 1/2020 held on February 12th, 2020 has passed a resolution to approve the Company to enter into the Disposition of Assets Transaction and other transactions related to the Disposition of Assets Transaction. The Board of Directors of the Company opined that the transactions are reasonable and in the best interest for the Company and its shareholders. The Company may use the proceeds from the disposition of assets to the Trust to invest in new projects, repay debts and loans from financial institutions, or use as working capital.

1.12 Opinion of the Audit Committee and/or the Directors which is Different from the Opinion of the Board of Director

The Audit Committee attended the Board of Directors Meeting of the Company No. 1/2020 on February 12th, 2020. After consideration, the Audit Committee's opinion is not different from that of the Board of Directors of the Company according to the details in 1.11. Therefore, the Company's Board of Directors approves the Company to enter into the transaction.

2. Acquisition of Assets

The Acquisition of Trust's Units Transaction

2.1 Date of Transaction

The Acquisition of Trust's Units Transaction will occur after the permission to set up the Trust has been approved by SEC. The Company expects the Acquisition of Trust's Units Transaction will occur within the third quarter of 2020

2.2 The Relevant Parties

Purchaser : The Company and/or subsidiary companies

Seller : The Trust

2.3 General Information, Type and the Size of Transaction

(1) General Information, Type and the Size of Transaction

The Company and/or subsidiary companies will subscribe for Trust's units that are offered by the Trust at least 10.00% but not exceeding 15.00% of the amount of initial public offering of Trust's units and the value of the acquisition of Trust's units will not exceed THB 360.00 million.

However, the final Trust's units subscription amount will depend on the final offering price of the Trust's units, which will be determined by book building process and other factors such as, the general capital market condition and other financial products offered at that time.

(2) Transaction Size

The calculation of transaction size under the Notification of Acquisition and Disposition, is calculated from the interim consolidated financial statement of the Company as of 30 September 2019 as follows:

(a) **Net Tangible Asset**

Not Applicable

(b) **Net Profit from Operations**

Not Applicable

(c) **Total Value of consideration**

$$\begin{aligned} \text{Value of Consideration} &= \frac{\text{Trust's units subscription amount}}{\text{Book value of total assets}} \\ &= \frac{\text{Not exceeding THB 360.00 million}}{\text{THB 4,132.96 million}} \\ &= \text{Not exceeding 8.71\%} \end{aligned}$$

(d) **Value of Securities**

Not Applicable

The highest value of transaction size of acquisition of Trust's units calculated by Total Value of Consideration method is not exceeding 8.71%. This is not regarded as category 1-4 of acquisition transaction under the Notification on Acquisition and Disposition, due to the transaction does not exceeding 15.00%.

2.4 Details of the Acquired Assets

The Company and/or subsidiary companies will subscribe for Trust's units that are offered by the Trust at least 10.00% but not exceeding 15.00% of the amount of initial public offering of Trust's units and the value of the acquisition of Trust's units will not exceed THB 360.00 million.

2.5 Total Value of Consideration

The highest Trust's units subscription amount subscribed by the Company and/or subsidiary companies, is not exceeding THB 360.00 million (The details of transaction size appear in 2.3 General Information, Type and the Size of Transactions)

However, the final Trust's units subscription amount will depend on the final offering price of the Trust's units, which will be determined by book building process and other factors such as, the general capital market condition and other financial products offered at that time.

2.6 Value of Assets to be Acquired and Criteria used to Determine the Consideration Value

The final Trust's units subscription amount will depend on the final offering price of the Trust's units, which will be determined by book building process and other factors such as, the general capital market condition and other financial products offered at that time.

2.7 Expected Benefits to the Company and/or Subsidiary Companies

After The Acquisition of Trust's Units Transaction is completed, the Company and/or subsidiary companies will be unitholders of the Trust and benefit by receiving dividend and capital gain in case the price of Trust's units increases in the future.

2.8 Sources of Fund for The Acquisition of Trust's Units Transaction

The Company and/or subsidiary companies will use the proceeds from the Disposition of Assets Transaction and/or working capital and/or bridging loans from financial institution(s) to acquire Trust's units and will repay such loans with the proceeds from Disposition of Assets Transaction.

2.9 Conditions Precedent of the Transaction

The Acquisition of Trust's Units Transaction will occur after permission to set up the Trust has been approved by the SEC.

2.10 Opinion of the Board of Directors on the transaction

The Board of Directors Meeting of the Company No. 1/2020 held on February 12th, 2020 has passed a resolution to approve the Company and/or subsidiary companies to enter into the Acquisition of Trust's Units Transaction. The Board of Directors of the Company opined that the transaction are reasonable and in the best interest for the Company and its shareholders. The Company and/or subsidiary companies will benefit by receiving dividend and capital gain in case the price of Trust's units increases in the future.

2.11 Opinion of the Audit Committee and/or the Directors which is different from the opinion of the Board of Director

The Audit Committee attended the Board of Directors Meeting of the Company No. 1/2020 held on February 12th, 2020. After consideration, the Audit Committee's opinion is not different from that of the Board of Directors of the Company according to the details in 2.10. Therefore, the Company's Board of Directors approves the Company and/or subsidiary companies to enter into the transaction.