



Areeya Property Public Company Limited

The Minute of Extraordinary General Meeting No. 1/2020

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Venue : At Crystal Ballroom 3&4, 2nd floor, Crystal Design Center, 1420/1 Praditmanutham road, Ladprao, Bangkok, Bangkok, 10240

Date & Time : On Tuesday 25 , February 2020 at 10.30 a.m.

Directors Attending the Meeting

|                  |                      |  |
|------------------|----------------------|--|
| 1. Mr. Wisit     | Laohapoonrungsee     | Chairman and Chief Executive Officer         |
| 2. Mr. Viwat     | Laohapoonrungsee     | Director and Executive Director              |
| 3. Mrs. Niphapat | Romerattanaphun      | Director and Executive Director              |
| 4. Mr. Thun      | Thiansuwan           | Director and Executive Director              |
| 5. Mr. Archawan  | Eiampaiboonphan      | Director and Executive Director              |
| 6. Mr. Wanchai   | TantikullIndependent | Director and Chairman of the Audit Committee |
| 7. Mr. Preecha   | Boonyakida           | Independent Director and Audit Committee     |
| 8. Mr. Sompol    | Thiensuvan           | Independent Director and Audit Committee     |

Executive Management Attending the Meeting

|                   |            |                      |
|-------------------|------------|----------------------|
| 1. Mr. Anat       | Pinrat     | Company Secretary    |
| 2. Mr. Chumpolpat | Puldrapaya | Executive Consultant |

Meeting Commencement

Mr. Wisit Laohapoonrungsee, Chairman of the Board of Directors, acted as the Chairman of the meeting.

The Company Secretary reported to the meeting that there were totaling 30 shareholders and proxies attending the meeting, holding altogether 947,116,215 shares, representing 96.64 percent of the total issued shares of the Company. (Based on the last closing date of the shareholders' registration book on 10 March 2020, the Company has 370 shareholders holding a total of 980,000,000 shares.) constitute a quorum which are 8 shareholders holding 474,693,201 shares (representing 48.44%) and 22 proxies of 472,423,014 shares (representing 48.21%)

The Chairman then announced the commencement of the Extraordinary General Meeting No. 1/2020 and introduced the directors, executives, and auditors who attended the meeting.

The Company Secretary subsequently informed the procedures for voting as follows.

1. The Company would apply a barcode system to facilitate and accelerate the vote counting in this meeting.

The shareholders were asked to use separate ballots received at the registration table to vote on each agenda. To

make the meeting proceed faster, the Company would ask the shareholders who wished to disapprove or abstain the vote to raise their hands so that the Company's staffs would collect and pass their ballots to the vote counting committee. The shareholders who did not raise their hands would be deemed that they approve the matter and do not need to submit their ballots.

2. As the Ministry of Commerce has announced the new proxy form without specifying about the allotment of votes, all the votes of the shareholders, including agreement, disagreement, and abstention, would be counted in this meeting.

The Company Secretary asked 5 shareholders in the meeting to approve the voting method. As a result, more than 5 shareholders raised their hands to approve the said voting method.

As the proxy form allows a shareholder to specify his/her voting intention in each agenda, the proxy should cast the vote according to the shareholder's intention as indicated in the proxy form. In case, the shareholder did not specify the voting intention in any agenda, the proxy should have the right to consider and vote on the shareholder's behalf as he/she deemed appropriate. Any votes casted by the proxy in this meeting should be deemed as having been voted by the shareholder.

In this meeting, some shareholders appointed the Company's directors to be their proxy to attend the meeting and cast votes on their behalf, which included both agreement, disagreement, and abstention of votes. Therefore, the proxy directors should fill out the ballot for each agenda according to the shareholders' voting intention. The proxy directors' votes, whether to agree, disagree, or abstain, would be counted as the shareholders' votes and deemed that the proxy directors already marked the ballot in accordance with the shareholders' intention.

Then the meeting informed that the vote counting committee should consist of 3 members: 1 staff member of the Company, 1 external legal consultant, and 1 shareholder representative. Their seats were arranged at the vote counting table in front of the meeting room. When the Chairman requested for a volunteer to act as a member of the vote counting committee, Miss Piyamas Thammacharoen raised his hand and volunteered to represent the shareholders present at the meeting.

The Company Secretary informed the meeting that the vote counting committee was comprised of 5 members as follows:

- |    |               |               |  |
|----|---------------|---------------|--|
| 1. | Ms. Ladawan   | Khrutsem      | The Company's staff member                   |
| 2. | Ms. Tanthanat | Booncharat    | The Company's staff member                   |
| 3. | Ms. Chanida   | Phaphonphang  | The Company's staff member                   |
| 4. | Mr. Wuttichai | Lueangsa-at   | Legal Consultant, Wutiwikin Lawyer Co., Ltd. |
| 5. | Miss Piyamas  | Thammacharoen | Representative shareholder                   |

After that, the Chairman was invited to conduct the meeting according to the determined agendas.

Before proceeding the meeting agendas, the Chairman asked the shareholders to vote on the voting method that the Company Secretary previously explained. The results showed that the voting method was approved by the majority

of the shareholders who were present at the meeting and entitled to vote. The meeting agreed with 947,116,113 votes and abstained 102 votes (total 947,116,215 votes), equivalent to 100.00 percent.

The voting results are as follows.

|  |             |       |                                      |             |
|--|-------------|-------|--------------------------------------|-------------|
| 30 shareholders present at the meeting |             |       | holding a total of 942,526,612 votes |             |
| Approve                                | 947,116,113 | votes | equivalent to                        | 100 percent |
| Disapprove                             | -           | votes | equivalent to                        | -           |
| Abstain                                | 102         | votes | equivalent to                        | -           |
| Total                                  | 947,116,215 | votes | equivalent to                        | 100 percent |

Agenda 1: To certify the minutes of the the 2019 Annual General Meeting of Shareholders

The Chairman requested the meeting to consider and confirm the minutes of the 2019 Annual General Meeting of Shareholders held on 23 April 2019, 10.00 – 12.00 a.m., at Crystal Ballroom 3 & 4, 2nd Floor, Crystal Design Center, No. 1420/1 Praditmanutham Road, Ladprao, Bang Kapi, Bangkok 10240, according to the copy of the minutes of meeting that was dispatched to the shareholders together with the invitation letter (Attachment 1).

The Chairman gave an opportunity to the shareholders to inquire about relevant matters but there were no shareholders asking a question relating to this agenda.

Since there were no further questions, the vote was proceeded.

The shareholders' voting results are as follows.

|  |             |       |                                      |             |
|--|-------------|-------|--------------------------------------|-------------|
| 30 shareholders present at the meeting |             |       | holding a total of 942,526,612 votes |             |
| Approve                                | 947,116,215 | votes | equivalent to                        | 100 percent |
| Disapprove                             | -           | votes | equivalent to                        | -           |
| Abstain                                | -           | votes | equivalent to                        | -           |
| Total                                  | 947,116,215 | votes | equivalent to                        | 100 percent |

The Chairman then summarized the resolution as follows.

Resolution The meeting resolved to certify the minutes of the the 2019 Annual General Meeting of Shareholders held on 23 April 2019 with the majority votes of the shareholders attending the meeting and having the right to vote.

The Chairman informed that before entering Agenda 2, which will be divided into Agenda 2.1 and Agenda 2.2 because I, Mr. Wisit Laohapunrangsee, Chairman of the meeting and Mr. Wiwat Laohapoonrungsee, Vice Chairman of the meeting Being a stakeholder in the said agenda. Therefore have no right to vote and request to leave the meeting during consideration of this agenda

The company secretary informed the meeting that according to the articles of association of articles 31 and 32 of the shareholders' meeting, the chairman of the board is the chairman of the meeting. If there is no chairman or chairman Not present at a meeting or unable to perform his duty If there is a vice chairman The vice chairman shall be the chairman. Or if there is no vice chairman or does not exist Or unable to perform the duty, the shareholders attending the meeting shall elect one shareholder to be the chairman of the meeting. The said voting shall be made by the majority votes of the shareholders who attend the meeting and cast their votes. If having the same number of votes The chairman of the meeting has an additional vote as a casting vote.

Company Secretary Requesting a representative of the shareholder who wishes to be the chairman of the meeting or raise your hands Including name, surname, number of shares and being a shareholder or proxy.

Mr. Nakkasat Karun is a proxy of Mr. Thakon Nitipanyawut would like to propose Mr.Archawan Eiampaiboonphan The directors and shareholders of the company are the chairman of the meeting.

The company secretary informed that there were any shareholders wishing to nominate other shareholders. Or wishing to nominate the chairman for the meeting or not? If there is no, I would like to enter into the voting agenda to certify the shareholders to be the chairman of the meeting for Agenda No.2.1.

Agenda 2.1 To consider Mr. Achawan lampaiboonpan as the chairman of the meeting.

| <u>Shareholders with interests without voting rights</u> | <u>Number of shares</u> |
|--|-------------------------|
| 1. Mr. Wisit Laohapoonrungsee                            | 320,897,000             |
| 2. Mr. Viwat Laohapoonrungsee                            | 132,031,096             |
| 3. Mrs. Patcharee Porncharoenchaisilp                    | 191,859,100             |
| 4. PROGRESSIVE OPULENT HOLDING (SINGAPORE) PTE. LTD.     | 60,000,000              |
| Total  | 704,787,196             |

The voting results are as follows.

|  |             |                                      |                           |
|--|-------------|--------------------------------------|---------------------------|
| 26 shareholders present at the meeting |             | holding a total of 242,329,019 votes |                           |
| Approve                                | 242,329,019 | votes                                | equivalent to 100 percent |
| Disapprove                             | -           | votes                                | equivalent to -           |
| Abstain                                | -           | votes                                | equivalent to -           |
| Total                                  | 242,329,019 | votes                                | equivalent to 100 percent |

The Chairman then summarized the resolution as follows.

Resolution The meeting resolved with a unanimous vote of the total votes of the shareholders who attended the meeting and had the right to vote Mr. Achawan lampaiboonpan was the chairman of the meeting.

Agenda 2.2 To consider and rectify the receiving of financial assistance from connected persons

The company secretary informed that for consideration to approve the ratification of financial assistance from connected persons. There are reasons to ask for approval to ratify as follows:

- Calculation of transaction size by which the company calculated the transaction size by Interest expense on all subordinated capital debentures multiplied by 5 years (the period before the date the company has the right to redeem the shares before the maturity date In accordance with the terms and conditions of the debentures).
- The issuance of subordinated debentures having the same capital structure Payment must be completed before December 31, 2019 to be able to record the transaction as shareholders' equity of the company. In accordance with Thai Accounting Standard No. 32, Re: Financial Instruments Listing (TAS 32) which came into effect on January 1, 2020 and was granted relaxation under the resolution of the Accounting Professions Supervising Commission ) On 25 November 2019, for capital-funded businesses that have been paid up before 31 December 2019, shall be recorded as a part of shareholders within a period of not more than 3 years since But on January 1, 2020.
- For both reasons The company then chose to use a 5 year period to calculate the transaction size, which is worth 90 million baht, as a medium size transaction. (Value not over 3.00 percent of NTA) from the Board of Directors Meeting Areeya Property Public Company Limited no. 9/2019 on December 17, 2019, has approved and disclosed information to the Stock Exchange only.

Subsequently, the Office of the Securities and Exchange Commission (SEC) is of the opinion that To be prudent The company should calculate the transaction size throughout the term of the debentures. When the company calculates the transaction size according to the opinion of the Office of the Securities and Exchange Commission (SEC), the said transaction size Interest is valued at 300 million baht or 9.62% of the net tangible assets of the company (NTA) is a large transaction. Which must be approved by the shareholders' meeting of the company.

It is the source of the consideration, approval, ratification, receipt of financial assistance.

Financial from the connected persons this time.

\* This transaction is considered a connected transaction under the Notification of the Capital Market Supervisory Board No. 21/2551 Re: Rules for Connected Transactions dated 31 August 2008 and as amended And the announcement of the Stock Exchange of Thailand Re: Disclosure of Information and Actions of Listed Companies in Related Transactions 2003, dated November 19, 2003 and as amended. ("Announcement of connected transactions") \*

In addition, the Company has appointed Discover Management Company Limited as an independent financial advisor. To give an opinion on reasonability Fairness and conditions of the financial assistance transaction from the connected persons As detailed in the opinion of the Independent Financial Advisor on page 10-19.

## Reasons and necessity of entering into the said transaction

1. Since the company has promissory notes with a financial institution which is due for payment during 22-25 December 2019 in the amount of 240 million baht, if using cash flow from normal operations of the company is not enough And not before the payment of the said promissory notes.
2. Raising funds by issuing additional debt or loans may put the company at risk of breaking the terms of the net debt to equity ratio in accordance with the terms and conditions of debenture rights. And or conditions in the loan agreements of financial institutions The consequences which will follow are as follows :
  - 2.1 There is additional fee from the meeting of the debenture holders that have not yet matured. To request a resolution to amend the terms and conditions Subject: Maintenance of net debt to equity ratio.
  - 2.2 The company will be in breach of conditions in maintaining the net debt to equity ratio. In the company's loan agreement With financial institutions causing the company to lose credibility with the financial institutions And may affect the company's loan applications in the future.
  - 2.3 The company may be affected by credit rating downgrades.

From the reason and necessity mentioned The company has therefore considered other financial instruments in order to The company can have liquidity to pay promissory notes. Able to increase the capital of the company Reduced the net debt to equity ratio, the company therefore issued a perpetual bond.

However, the issuance of such subordinated debentures with capital Payment must be completed before December 31, 2019 before being able to record the transaction as shareholders' equity of the Company in accordance with the Accounting Standard No. 32, Subject: Presentation of financial instruments ( TAS 32) which came into effect on January 1, 2020 and was granted relief under the resolution of the Accounting Professions Supervising Commission (OCSC) on 25 November 2019 for listed businesses. Similar grants have been paid prior to December 31, 2019 to shareholders of record as part of the maximum period of 3 years from the date of January 1, 2020.

## 2. Appropriateness of the interest rate paid for the transaction

The issuance and offering of the subordinated capital-related debentures to the connected persons at this time has the total offering value of Baht 300.00 million by specifying the interest rate paid to the connected persons during the period of 5 The first year equals 6 percent per year, without any fees or other expenses in the offering. However, when comparing with other interest rates as follows;

1. Interest rates of financial institutions In the range of 4.50 - 5.60 percent per year
2. The interest rate paid by the company to other short-term debentures In the range of 5.25- 6.75 percent per year, the average interest rate of unsubordinated shares which is equal to 6.05 percent per year
3. Interest rates of subordinated capital debentures offered by other companies In the range of 5.00-9.00 percent per year
4. The cost of equity of the company is equal to 12.44 percent per year.

To Explain Item 3. [Interest rate of Subordinated Debentures that have the same capital characteristics Which is lower than the rate of 6.00 percent per year, is a group of companies that have received the credit rating of the organization and the subordinated capital debentures from BBB-up which is the investment group grade) and has a better rating of the company].

To Explain item 1. [The rate of the 1st flower rate is lower but the conditions must be complied with. Such as the mortgage of land and buildings As collateral, presale conditions, including fee for withdrawal of credit lines Which interest rates from financial institutions are lower because of lower loan risks Therefore, the company is of the opinion that the interest rate during the first 5 years of the transaction is appropriate as well as the opinion of the financial advisor.

As for the interest rate suitability from year 6 onwards, no different from the subordinated debentures Previously released and offered by other companies

- During the year 6-25 in the range of 0.25-1.1 percent
- Year 26-50 in the range of 1.00-1.10 percent
- From year 2008 onwards, in the range of 1.00 - 1.00 percent

The fixed interest rates of the Company's subordinated capital debentures are fixed at 0.25, 1 and 2 percent, respectively, which are in the fixed interest rate range. Like a scholarship Issued by other companies, the company therefore sees that the interest rate after the first 5 years of the transaction is appropriate, as is the opinion of the financial advisor.

3. Appropriateness of conditions of the transaction The Independent Financial Advisor has considered each condition as appropriate.

4. The reasonableness of entering into the connected transaction

Pros and cons of entering into the transaction

| The advantages   | Disadvantages   |
|--|---|
| The company does not default on the repayment of promissory notes.           | The company has a higher interest burden.   |
| The company received funds for working capital in order to create liquidity. | Higher debt-to-equity ratio in 2023 due to the change in accounting method from equity to liability This will affect the ratio of net assets to capital exceeding the ceiling in accordance with the rights and / or conditions of the financial institution. |

| The advantages  | Disadvantages |
|---|---------------|
| To Receive better conditions for subordinated debentures that are similar to the capital that the company received from financial institutions and other short-term debentures. |               |
| To Reduce the process and save the cost of the transaction when compared to the issuance of other types of debentures.  |               |
| Stronger capital structure and lower net debt to equity ratio from 2.86 to 2.62 times   |               |
| The shareholders are not affected by the voting rights of the business or the management of the company.  |               |

Pros and cons of not entering into the transaction

| The advantages   | Disadvantages   |
|--|---|
| No burden of increasing interest expenses in the future  | The company does not have an opportunity to borrow more money. Since the net debt to equity ratio is almost full at the 3: 1 ceiling. Failure to enter into the transaction will prevent the Company to record the subordinated capital-like debentures worth 300 million baht as shareholders' equity in the financial statements. |
| No need to solve the problem of increasing the debt to equity ratio from the change in accounting method of the subordinated capital-like debentures to liabilities in 2023. | The company will not receive funds to supplement the company's liquidity.   |



Advantages and disadvantages of entering into transactions with connected persons as compared to external persons

| The advantages  | Disadvantages  |
|---|--|
| Able to make transactions quickly since the connected persons are the company's executives with good knowledge of the company. Therefore can provide financial support quickly and reduce the process of offering debentures when compared to those offered to third parties. | May have a problem of conflict of interest due to the burden of interest expenses that the company must pay to the connected persons who are management positions of the company and have higher interest rates after 5 years. |
| Helping companies reduce the cost of procuring investors.   |  |

For the agenda regarding the approval of the ratification of financial assistance from connected persons.

From the list of shareholders of the Company on January 10, 2020, which is the date for determining the names of shareholders who are eligible to attend the meeting (Record Date), there are shareholders with vested interests who have no right to vote in the agenda as follows ;

| <u>Shareholders with interests without voting rights</u> | <u>Number of shares</u> |
|--|-------------------------|
| 1. Mr. Wisit Laohapoonrungsee                            | 320,897,000             |
| 2. Mr. Viwat Laohapoonrungsee                            | 132,031,096             |
| 3. Mrs. Patcharee Porncharoenchaisilp                    | 191,859,100             |
| 4. PROGRESSIVE OPULENT HOLDING (SINGAPORE) PTE. LTD.     | 60,000,000              |
| Total  | 704,787,196             |

Therefore, the shareholders who have the right to vote in this agenda With the remaining amount of 242,329,019 shares / vote

The Chairman said that the resolution of this agenda must be approved by a vote of not less than three-fourths of the total votes of shareholders attending the meeting and having the rights to vote, excluding the votes of shareholders who have conflict of interest.

The Chairman gave an opportunity to the shareholders to inquire about relevant matters but there were no shareholders asking a question relating to this agenda.

Since there were no further questions, the vote was proceeded.

The voting results are as follows.

|  |                   |                                      |             |
|--|-------------------|--------------------------------------|-------------|
| 26 shareholders present at the meeting |                   | holding a total of 242,329,019 votes |             |
| Approve                                | 242,329,019 votes | equivalent to                        | 100 percent |
| Disapprove                             | - votes           | equivalent to                        | -           |
| Abstain                                | - votes           | equivalent to                        | -           |
| Total                                  | 242,329,019 votes | equivalent to                        | 100 percent |

The Chairman then summarized the resolution as follows.

Resolution The resolution is by consensus of the total number of votes of the shareholders who attend the meeting and have the right to vote to approve the ratification of receiving financial assistance from connected persons.

The company secretary invites Mr. Wisit Laohapoonrungsee and . Mr. Viwat Laohapoonrungsee back to the agenda.

Agenda 3 To consider any other matters (if any).

The 1st shareholder, Mr. Jiraporn Amornphatthasilp, has questions as follows ;


- Question: How are the company selling debentures due for 2,000 million baht?

The Chairman responded that

- Answering questions: The company has issued debentures in January 2020 with a guarantee of approximately Baht 1,835 million, which is considered a very good response. The company has paid back 654.5 million baht of debentures which are due in late January 2020. The remaining amount is waiting to be returned in April 2020 1,500 million baht. The remaining 300 million baht is under consideration.

Since there were no additional questions or suggestions, the Chairman declared the meeting adjourned at 11.30 p.m.

Sincerely yours,



(Mr. Anat Pinrat)

Company Secretary



(Mr. Wisit Laohapoonrungsee)

Chairman and Chief Executive Officer