

PAP_SET19017

August 14th, 2019

Re: Connected Transaction Information Office Space Rental (Added the rental rate / square meter/ month)

Attn: The Managing Director
The Stock Exchange of Thailand

Pacific Pipe Public Company Limited (“Company”) would like to notify the resolution of Board of directors’ meeting no.6/2019 held on 13 August 2019. The Board resolved the matter as follow;

Connected transaction

The Board of director approved to rent the office area from Tang Mong Seng Holding Company Limited which located at 1168/68-69 Floor 24 Lumpini Tower, RamaIV Road, Tungmahamek, Satorn, Bangkok 10120. The transaction considered a connected transaction according to the Notifications of Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions which needs the board of directors’ approval and the disclosure to SET. As Mr. Somchai Lekapojpanich, chairman and chief executive officer of the Company and also a director of Tang Mong Seng Holding Company Limited considered as connected persons, to allow the Board of Directors to freely consider such matter, Mr.Somchai Lekapojpanich did not participate in the approval of this agenda. Details are as follows:

Date of Transaction

August 13rd, 2019

Connected Party

Leasee : Pacific Pipe Public Company Limited (“Company”)

Leaser : Tang Mong Seng Holding Company Limited

Characteristic of Asset

Asset : Office space

Location : 1168/68 - 69 Lumpini Tower Floor24 RamaIV Road, KwangTungmahamek, KhetSatorn
Bangkok 10120

Size : 692.50 square meter

Period : 6 years the rental contract was retroactively effective from August 1st, 2019 to July 31st, 2025

Total Value and Criteria to Determine the Transaction

Total value : 25,553,250 baht for 6 years which is 1.07 percent of Net Tangible Asset calculated from the consolidated interim financial statements as of June 30th, 2019. The details are as follows;

- Year 1-3, the rental rate at 500 Baht / square meter / month
- Year 4-6, the rentak rate at 525 Baht/ square meter / month
- The said rental rate is close to the market price from the proposal of Lumpini Property Management Co.,Ltd.

Criteria to determine value of transaction : Comparing with the market rate proposed by Lumpini Property Management Co.,Ltd.

Type and Scope of Interest of Connected Person

Relationship between Tang Mong Seng Holding Company Limited (“MH”) and Pacific Pipe Public Company Limited (“PAP”)

- MH, holding 39.05 percent of PAP’s total share, is a major shareholder of PAP.
- Mr. Somchai Lekapojpanich is the director of MH and PAP.
- Lekapojpanich group is a major shareholder of MH. Mr. Prayoon Lekapojpanich and Mr. Somchai Lekapojpanich, director of MH, are brothers.
- MH and Lekapojpanich group hold 73.86 percent of PAP’s total share.

PAP shareholding proportion as of March 13, 2019

Name	Relationship	Sharehoding Percentage
1. Tang Mong Seng Holding Co.,Ltd		39.05%
2. Mr.Prayoon Lekapojpanich	Mr.Somchai’s brother	2.07%
3. Mrs.SasithornLekapojpanich	Mr.Prayoon’s spouse	2.70%
4. Ms.Wareeya Lekapojpanich	Mr.Prayoon’s daughter	2.27%
5. Ms.Wanalee Lekapojpanich	Mr.Prayoon’s daughter	2.27%
6. Ms.Waranya Lekapojpanich	Mr.Prayoon’s daughter	2.27%
7. Mr.Somchai Lekapojpanich	Mr.Prayoon’s brother	1.54%
8. Mrs.Sumalee Lekapojpanich	Mr.Somchai’s spouse	2.70%
9. Ms.Nalin Lekapojpanich	Mr.Somchai’s daughter	3.68%
10. Mr.Kanin Lekapojpanich	Mr.Somchai’s son	3.68%
11. Mr.Vichai Lekapojpanich	Mr.Somchai’s brother	1.33%
12. Mrs.Sukanya Lekapojpanich	Mr.Vichai’s spouse	2.72%
13. Ms.NattapornLekapojpanich	Mr.Vichai’s daughter	3.79%
14. Mr.Supanat Lekapojpanich	Mr.Vichai’s son	3.79%
Total		73.86%

The condition which may affect shareholder's rights

- none -

The Board of Directors and Audit Committee's opinion

The Board of director and Audit committee considered and agreed that the rental rate is reasonable compare to changing the rental location which has the cost of decorating, moving, including the continuity of business operations due to the main office is located at the same building that the company rent.

Yours sincerely

- signed –

(MissViriya Ampornnapakul)

Company Secretary