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Ref. No. BTS 2814/2017

October 9, 2017

Subject : The Entry into the Connected Transaction
To : The President
The Stock Exchange of Thailand

Reference is made to the Letter of BTS Group Holdings Public Company Limited (the “Company”) No. BTS 2159/2016 dated August 23, 2016 in which the Company made a notification through the website of the Stock Exchange of Thailand regarding the entry into the connected transaction for the long-term sublease of certain area (bare shell condition) in the residential building of U Sathorn Bangkok Project (“Subleased Area”).

The Company would like to inform that the Board of Directors’ Meeting No. 8/2017 held on October 9, 2017 resolved to ratify the entry into the agreement for the supply and installation of interior decoration work of the Subleased Area between HHT Construction Co., Ltd. (“HHT”) (a subsidiary in which the Company holds 51% of its shares through Unicorn Enterprise Co., Ltd. and engages in construction and construction management business) and K.V.S.A Holding Co., Ltd. (“K.V.S.A”) (a company in which Mr. Kavin Kanjanapas, the Director and Chief Executive Director of the Company, is a major shareholder and holds the directorship position). Such transaction is considered a connected transaction in accordance with the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions 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 B.E. 2546 (2003) (as amended) (the “Connected Transaction Notifications”). The details are as follows:

1. Transaction Date

October 11, 2016

2. Parties to the Agreement

Contractor : HHT Construction Co., Ltd. (a subsidiary of the Company)

Employer	: K.V.S.A Holding Co., Ltd. (a company in which Mr. Kavin Kanjanapas is a major shareholder and holds the directorship position.)
Relationship	: Mr. Kavin Kanjanapas is the Director and Chief Executive Officer of the Company and holds 5.09% of the total numbers of shares having voting rights of the Company (as of the book closure date of August 4, 2017). In addition, he is the son of Mr. Keeree Kanjanapas, the Chairman and Chairman of the Executive Committee, and a major shareholder of the Company.

3. Nature and Details of the Connected Transaction

Nature of the Agreement	: The agreement for the supply and installation of interior decoration work of the Subleased Area in the residential building of U Sathorn Bangkok Project with a total decoration area of approximately 2,094 square meters.
Term of Agreement	: October 18, 2016 – December 31, 2017
Total Value of the Agreement	: Baht 265.08 million (excluding VAT)
Terms of Payment	: The payment shall be made according to the progress of work and within 30 days after receiving the invoice.

4. Total Value and Criteria for the Determination of Transaction Value

The supply and installation of interior decoration work of the Subleased Area between HHT and K.V.S.A is a transaction between a subsidiary of the Company and a connected person of the Company and therefore falls under the Connected Transaction Notifications. The total transaction value is Baht 265.08 million (excluding VAT), which is the market price and is comparable to the price and condition which HHT offers to third parties (Arm's Length Basis), or equivalent to 0.66% of the net tangible asset value of the Company as of June 30, 2017 (the net tangible asset value as of June 30, 2017 was Baht 40,072.96 million) which is greater than 0.03% but less than 3.00% of the net tangible asset value. Therefore, the Company is required to obtain an approval from the Board of the Directors' meeting and to disclose the information relating to the transaction to the Stock Exchange of Thailand.

5. Director Having Conflict of Interest and/or Director Being Connected Person

Mr. Kavin Kanjanapas is the Director having the conflict of interest and Mr. Keeree Kanjanapas is the Director being the connected person of the Director having the conflict of interest, who did not attend the meeting and cast their votes for this agenda item.

6. Opinion of the Audit Committee

The Audit Committee's Meeting No. 5/2017 held on October 9, 2017 considered the matters and was of the opinion that the supply and installation of interior decoration work of the Subleased Area between HHT and K.V.S.A is reasonable and highly beneficial to the Company for the following reasons: (1) to reduce HHT's operation cost; since HHT was engaged as the contractor for the construction of the bare shell of the Subleased Area, the supply and installation of interior decoration work of the same Subleased Area could help HHT to control the operation cost and expenses of the project efficiently; (2) to mitigate the burden and financial risk of HHT; the agreement for the supply and installation of interior decoration work of the Subleased Area provides favorable terms and conditions to HHT, for example, a shorter term of payment, exemptions of the advance payment bond and performance bond, etc.; and (3) the consideration is a fair rate, comparable with the market price.

7. Opinion of the Board of Directors

The Board of Directors' Meeting No. 8/2017 held on October 9, 2017 has considered the opinion of the Audit Committee and resolved to ratify the entry into the agreement for the supply and installation of interior decoration work of the Subleased Area and viewed that such transaction is beneficial and increases the opportunity for HHT to generate revenue and profit. When comparing with the interior decoration works of other projects, HHT can also experience more flexibility in managing the operation costs. Moreover, this transaction is in accordance with the general commercial terms and the market price comparable to those offered to third parties (Arm's Length Basis).

Please be informed accordingly.

Sincerely yours,
BTS Group Holdings Public Company Limited

-Mr. Rangsin Kritalug-
Executive Director and Chief Operating Officer