



Raimon Land announces Bt 3 billion capital infusion to boost long term expansion

May 02, 2012

Bangkok: Raimon Land Public Company Limited ('RL') announced today that it has finalized the private placement of 325 million new shares, representing a shareholding of just over 9% post-transaction, to Thai institutional investors for approximately Bt 457 million (equivalent to US\$15 million). The private placement, primarily to the Thailand Prosperity Fund II ('TTPFII'), generates equity capital that will strengthen RL's balance sheet, reduce gearing and provide funds to secure future growth opportunities.

Hubert Viriot, Chief Executive of Raimon Land said: "After restructuring the business and launching three successful new projects in 2011, Raimon Land is entering an exciting phase of growth that will be fuelled further by the equity capital raised through this private placement."

TTPFII is a Bt 2.5 billion non-retail mutual fund advised by Thai Prosperity Advisory Company Ltd (TPA), a joint venture between the Government Pension Fund of Thailand and the Brunei Investment Agency.

Pricing for the private placement was finalized at the RL Board of Directors meeting on 21st March 2012 and specified a discount of not more than 10% of the weighted average market share price during the 15 days prior.

The private placement will be followed immediately by the issue of up to 894 million warrants to all current Raimon Land shareholders (including TTPFII) on the basis of one warrant for every four shares currently held. Each warrant gives the right to acquire one new Raimon Land share at a price of Bt 2.75 per share over the next three years with opportunities to trade in these options every quarter starting 29th June 2012. RL expects these warrants to be exercised in the near future, raising up to a further Bt 2,459 million (equivalent to US\$80 million) of additional equity capital for new growth projects.

The private placement and warrant issue were proposed by RL's Board of Directors on 21st March 2012 and approved by shareholders at the Company's Annual General Meeting on 25th April 2012.

Mr. Werner Burger, President and COO of IFA Hotels & Resorts, Raimon Land's largest shareholder, welcomed TTPFII stating: "We have always valued investment partners who bring local expertise and fresh ideas to the table. TTPFII and their advisors have a strong track record of successful investment in Thailand.

We have invited a representative from TPA to join RL Board of Directors and look forward to working with him over the next few years."

Mr. Viriot commented further: "These funds give us greater and more immediate flexibility to seize new land acquisition opportunities. In particular, we are currently negotiating to acquire land for a new three billion baht project in Bangkok. The extra capital should also mean that cash flows generated from mature projects can be freed up for further expansion and, of course, dividend payments. On this note, it is worth mentioning that we expect unit transfers at The River to commence this quarter.

In the short term, the warrant issue, at zero cost and at an attractive exercise price, is a way of giving value in lieu of cash dividends to our current shareholders to thank them for their loyalty and confidence in recent years - and to our newest shareholders for providing new capital and support at this time.

Our share price has outperformed over the past year but is still well below fair value, trading at multiples significantly below its listed real estate peers. We are confident of continuing to generate strong returns for our shareholders in the years ahead."



AWR Lloyd