

Ref: PLC.2020/005

March 9, 2020

Subject : Dividend payment and the connected transaction and schedule of the 2020 Annual General Meeting of Shareholders

To : President,  
The Stock Exchange of Thailand

The Meeting of the Board of Directors of Panjawattana Plastic Public Company Limited (the Company) No.2/2020 held on 6 March 2020 has resolved as follows:

1. Acknowledged and approved to propose the Shareholders' Meeting for consideration and acknowledgement of the Company's Operation Result of the Year 2019.
2. Approved to propose the Shareholders' Meeting for consideration of approval for the 2019 financial statement ended on December 31, 2019 which has been audited by the auditor and reviewed by the Audit Committee. The board has also endorsed the statements.
3. Approved to propose the Shareholders' Meeting for consideration of approval of dividend payment to the shareholders at the rate of Baht 0.07 per share, which is not exceeding the total amount of Baht 40,185,596.15. The dividend payment to the shareholders will be made on 18 May 2020. However, the Company's legal reserve had already attained the amount of 10 percent of the registered capital. Thus, there is no need to provide any additional legal reserve

The above right to receive dividends remains uncertain unless the 2020 Annual General Meeting of Shareholders has granted the approval.

4. Approved to propose the Shareholders' Meeting for consideration and approval of the connected transaction and acquisition of assets from purchasing of land with building on the land title deed number 24421, Bangbon Sub-district, Bangbon District, Bangkok from Mr. Kongsak Hemmontharop who is Board of Director and major shareholder of the Company as detailed in the Information Memorandum in attachment.
5. Approved to propose the Shareholders' Meeting for consideration of approval for the re-appointment of (1) Dr. Damri Sukhotanang ; (2) Miss Charanya Sangsukdee; and (3) Mr. Satit Hemmondharop, who would retire by rotation to resume the position of the board of directors of the Company for another term.
6. Approved to propose the Shareholders' Meeting for consideration of approval for the remuneration of the Board of Directors for the year 2020, shall not be exceeding the total amount of Baht 3,200,000. It was proposed to be effective in the calendar year of 2020 onwards until the shareholders meeting will otherwise have the resolution for change. The conditions and criteria for payment have been under the discretion of the Board of Directors

7. Approved to propose the Shareholders' Meeting for consideration of approval for the appointment of Mr. Suwat Maneekanoksakul, the Certified Public Accountant No. 8134 and/or Mr. Thanawut Piboonsawat, Certified Public Accountant No. 6699 and/or Ms. Sulalit Ardsawang, Certified Public Accountant No. 7517 of Dharmniti Auditing Co., Ltd. to be the auditors of the Company and its subsidiaries located in Thailand for the fiscal year 2020 with their remuneration shall not be exceeding Baht 2,010,000 per annum. The approved remuneration includes the following (i) an inspection and certification service fee relating to the satisfaction of the BOI conditions, and (ii) in case that an additional inspection and certification of the BOI certificate of promotion is required, a certificate inspection fee will be of Baht 40,000 for each additional BOI certificate. In case the Company opens its subsidiaries during the year, the extra audit fee shall be incurred but not exceeding Baht 100,000 per company. However, the approved remuneration does not include other out-of-pocket expenses such as expenses for business trips in upcountry provinces.
- The above nominated auditors do not have any relationship or not have some conflict of interest with the Company or any of its executives, major shareholders or related to those persons.
8. Approved to purpose the 2020 Annual General Meeting of Shareholders on 22 April 2020 at Golden Tulip Sovereign Bangkok Hotel at 9.00 a.m. will be held to consider the following agenda:
1. To certify the Minutes of the 2019 Annual General Meeting of Shareholders.
  2. To acknowledge the report on the Company's operating results as at the year 2019.
  3. To consider and approve the 2019 financial statements for the year ended 31 December 2019.
  4. To consider and approve the non - profit apportionment and dividend payment derived from operating results for the year ended 31 December 2019.
  5. To consider and approve the purchasing of land with building on the land title deed number 24421, Bangbon Sub-district, Bangbon District, Bangkok from Mr. Kongsak Hemmontharop who is Board of Director and major shareholder of the Company.
  6. To consider and approve the appointment of directors replacing those retired by rotation.
  7. To consider and approve the determination of director's remuneration for the year 2020.
  8. To consider and approve the appointment of auditors and their remuneration for the year 2020.
  9. To consider any other business (if any).
9. Approved to propose record date on 23 March 2020 for determining the shareholders entitled to attend the 2020 Annual General Meeting.
10. Approved to propose record date on 5 May 2020 for determining the shareholders entitled to receive dividend payment.

Sincerely yours,

Panjawattana Plastic Public Company Limited

(Mrs.Prim Chaiyawat)

Company's Secretary



**Information Memorandum on the connected transaction and the acquisition of assets  
of  
Panjawattana Plastic Public Company Limited**

Panjawattana Plastic Public Company Limited (“the Company”) would like to inform that the Board of Directors Meeting of the Company No. 2/2020, which held on 6 March 2020, approved to propose the Shareholders’ Meeting for consideration and approval of the connected transaction and acquisition of assets from purchasing of land with buildings on the land title deed number 24421, Bangbon Sub-district, Bangbon District, Bangkok from Mr.Kongsak Hemmontharop who is Board of Director and major shareholder of the Company. The Company hereby discloses and reveals the detail of the transaction as below:

- 1. Date of Transaction** : After the Annual General Meeting of Shareholders’ approval
  
- 2. Names of Parties involved**
  - The purchaser : Panjawattana Plastic Public Company Limited
  - The seller : Mr. Kongsak Hemmontharop
  - Relation : Mr. Kongsak Hemmontharop (The Seller) is Board of Director and major shareholder of the Company
  
- 3. General Description of the Transaction**
  - Type of Assets : Land with buildings on the land title deed number 24421, Bangbon Sub-district, Bangbon District, Bangkok. Total area is 2-1-64 square wah.
  - Location : No. 19 and 21 Soi Ekkachai 63, Ekkachai Road, Bang Bon Sub-district, Bangbon District Bangkok
  - Condition : Ready to use
  - Transaction : Panjawattana Plastic Public Company Limited will purchase land with buildings from Mr.Kongsak Hemmontharop
  - Value of transaction : THB 60,000,000 (Sixty million baht only)
  - Payment term : The payment is divided into 2 installments. The 1st installment is 10% on the date of the purchase and sale of land with buildings contract. The 2nd installment is 90% on the date of registration of ownership transfer at the Department of Lands
  - Pricing criteria : The price has been appraised by the asset appraisal company in the capital market and the main appraiser approved by the Office of the Securities and Exchange Commission in accordance with the announcement of the Securities and Exchange Commission No. Sor Chor 24/2012



#### **4. Total value and methods used to determine the total transaction value**

##### **4.1 The Acquisition and Disposal of Assets transaction**

According to the Notification of the Capital Market Supervisory Board No. Thor Jor. 20/2008 regarding the rules regarding significant transactions that are considered as acquisition or disposal of assets dated 31 August 2008 (including additional amendments) and the Notification of the Stock Exchange of Thailand regarding disclosure and operation of listed companies for the acquisition or disposal of assets 2004, dated 29 October 2004 (as amended) ("The Notification of Acquisition and Disposal of Assets transaction"). The transaction size, based on the total value of consideration received method, is 2.04% of the total assets of the Company as of 31 December 2019. The transaction size is less than 15% of the total Asset value (Total Asset value of the Company based on audited financial statements as of 31 December 2019 equals THB 2,947.04 million). The transaction is under the approval of the Board of Directors, without the requirement to prepare a report and disclose information to the Stock Exchange and do not require to obtain approval from the shareholders for entering such transaction.

##### **4.2 The connected transaction**

According to the Notification of the Capital Market Supervisory Board No. Thor Jor. 21/2008 regarding the rules for connected transactions dated 31 August 2008 (including amendments) and the Notification of the Stock Exchange of Thailand regarding Disclosure of information and practices of listed companies on connected transactions 2003 dated 19 November 2003 (including additional amendments) ("The Notification of the Connected transaction"). The transaction size is greater than 3% of the net book value of the company's net tangible assets. (The book value of the company's net tangible assets based on audited financial statements as of 31 December 2019 equals THB 1,000.63 million) and more than THB 20 million. Therefore, the company has a duty to disclose the transaction information to the Stock Exchange immediately, including appointing an independent financial advisor to provide opinions on the transaction proceeding the shareholders' meeting to approve the transaction. In this regard, the Company has appointed Silom Advisory Company Limited as an independent financial advisor.

#### **5. Details of Related Parties**

- 5.1 Mr.Kongsak Hemmontharop is Vice Board Chairman of Panjawattana Plastic Public Company Limited, and major shareholder, representing 15.37 percent of authorized and paid-up share capital as at 31 December 2019.
- 5.2 Mrs.Malee Hemmontharop is Board of Director of Panjawattana Plastic Public Company Limited, and major shareholder, representing 17.72 percent of authorized and paid-up share capital as at 31 December 2019.



**6. Rationale and necessity of the transaction**

Currently, this land is the location of Millpack Company Limited, a subsidiary of the Company that rents this area to operate a plastic packaging plant to support key customers to prevent risk for production lines that require more than 1 location. However, the lessor would like to sell land and buildings located on this rental area. The company considers it appropriate to purchase this land with building to reduce the rental burden and able to run the business on-going basis.

**7. Sources of funds and sufficiency of the working capital**

Funding sources are borrowing from financial institutions. After paying this transaction, the company will still able to maintain sufficient working capital to operate the business.

**8. Director having interest in the transaction**

Mr.Kongsak Hemmontharop (Vice Board Chairman of Panjawattana Plastic Public Company Limited) and Mrs.Malee Hemmontharop (Board of Director of Panjawattana Plastic Public Company Limited) abstained from attending this agenda and did not vote for the agenda to consider this transaction.

**9. Opinion of the Board of Directors on the Transaction**

Board of directors (Excluding directors with interests under item 8) have considered the information relating to the connected transaction had the opinion that the transaction price is appropriate, and the transaction is beneficial to the company. In this regard, the Company had appraised the price of land with buildings by 2 independent appraisers approved by the Office of the Securities and Exchange Commission in accordance with the Notification of the Securities and Exchange Commission No. Sor Chor 24/2012. The price for entering the transaction is slightly lower than the appraised value assessed by those 2 independent appraisers which is considered beneficial to the company.

**10. Opinion of the Audit Committee and/or Directors on the Transaction which are different from the Board of Directors' Opinion in No.9**

-None-