

SDC 022/20

June 30, 2020

Subject : Notification of the connected transaction on receiving financial assistance and schedule of Extraordinary General Meeting of Shareholders No. 1/2020
To : The President
The Stock Exchange of Thailand
Attachment : Information concerning the Connected Transaction on receiving financial assistance

The Board of Directors' Meeting of Samart Digital Public Company Limited No. 4/2020, held on June 30, 2020, has resolved to approve the following matters:

1. Approved the propose to shareholder meeting regarding the connected transaction on receiving financial assistance from Samart Corporation Public Company Limited with the amount of not exceeding 600 million baht at interest rate of 4.50 percent per annum, prepared in a loan agreement to repay loan to financial institutions and reserve for working capital. The principal repayment will be no later than 6 years or within the year 2025. The details of connected transaction are shown in the information concerning the connected transaction on receiving financial assistance as attached. In this regard, the Board of Directors has resolved to appoint Wealth Plus Advisory Co., Ltd. as Independent Financial Advisor to give an opinion on the connected transaction on receiving financial assistance.
2. Approved schedule of Extraordinary General Meeting of Shareholders No. 1/2020 on September 1, 2020 at 10.00 am at Meeting Room, 16 Floor, Software Park Building, 99/20 Moo 4, Chaengwattana Road, Klong Gluar, Pak-Kred, Nonthaburi 11120. The Board of Directors resolved to authorize the Chief Executive Officer and/or the person appointed and assigned by the Chief Executive Officer to have power in changing the date, time or meeting venue of convening Extraordinary General Meeting of Shareholders No. 1/2020. The agenda items to be discussed are as follows:
 - 1) To acknowledge the Minutes of the 2020 Annual General Meeting of Shareholders
 - 2) To consider and approve the connected transaction on receiving financial assistance
 - 3) Other matters (if any)
3. Approved the Record Date for the right to attend Extraordinary General Meeting of Shareholders No. 1/2020 on August 3, 2020.

Please be informed accordingly

On behalf of Samart Digital Public Company Limited

- Signature -

(Mr. Watchai Vilailuck)

Chief Executive Officer

Corporate Secretary Division

Tel: 02-502-6871 / 02-502-6766

Fax: 02-502-6361

Information concerning the Connected Transaction on receiving financial assistance

Samart Digital Public Company Limited

Samart Digital Public Company Limited ("SDC") intends to borrow from Samart Corporation Public Company Limited ("SAMART"), a connected person, with the amount of not exceeding 600.00 million baht. The significant details are as follows

<p>1. Date of transaction</p>	<p>The Board of Directors' Meeting No. 4/2020, held on June 30, 2020, has approved the connected transaction on receiving financial assistance from SAMART, a connected person, with the total amount of not exceeding 600 million baht. Details are as follows:</p> <p>Portion 1 The total borrowing of not over 337.25 million baht with interest at the rate of 4.50 percent per annum, prepared in a loan agreement. The principal repayment will be no later than 6 years or within the year 2025.</p> <p>Portion 2 The total borrowing of not over 200 million baht with interest at the rate of 4.50 percent per annum, prepared in a loan agreement. The principal repayment will be no later than 6 years or within the year 2025.</p> <p>Portion 3 Total amount of loans, when combined with Portion 1 and Portion 2, not exceeding 600 million baht, prepared in a loan agreement. The principal repayment will be no later than 6 years or within the year 2025.</p>	
<p>2. Related contract parties and relationships with the Company</p>		
	Lender	: Samart Digital Public Company Limited (SDC)
	Borrower	: Samart Corporation Public Company Limited (SAMART)
<p>Relationship and Interest of the Connected Persons (as of June 15, 2020)</p>		
	SDC	SAMART
<p>Mr. Charoenrath Vilailuck (Elder Brother of Mr. Watchai Vilailuck)</p>	<ul style="list-style-type: none"> ● Director ● Shareholding: None 	<ul style="list-style-type: none"> ● Authorized Director ● Shareholding: 11.20%
<p>Mr. Watchai Vilailuck (Younger Brother of Mr. Charoenrath Vilailuck)</p>	<ul style="list-style-type: none"> ● Authorized Director ● Shareholding: 0.21% 	<ul style="list-style-type: none"> ● Authorized Director ● Shareholding: 12.61%
<p>Mrs. Sukanya Vanichjakvong (Younger sister of Mr. Charoenrath Vilailuck and Mr. Watchai Vilailuck)</p>	<ul style="list-style-type: none"> ● Authorized Director ● Shareholding: 0.13% 	<ul style="list-style-type: none"> ● Shareholding: 0.20%

	SDC	SAMART
Ms. Srintip Vilailuck . (Younger sister of Mr. Charoenrath Vilailuck and Mr. Watchai Vilailuck)	● Shareholding: 0.0030%	● Shareholding: 0.0029%
Samart Corporation Public Company Limited (Major shareholder of SDC)	● Shareholding: 82.70%	
Samart Telcom Public Company Limited (SAMART is a major shareholder with 70.14% shareholding)	● Shareholding: 0.76%	● Shareholding: None
Samart U-Trans Co., Ltd. (SAMART is a major shareholder with 99.99% shareholding)	● Shareholding: 0.13%	● Shareholding: None
One to One Contacts Public Company Limited (SAMART is a major shareholder with 68.43% shareholding)	● Shareholding: 0.03%	● Shareholding: None
Vilailuck International Holding Co., Ltd (A shareholder of SAMART and SDC with common directors namely Mr. Charoenrath Vilailuck and Mr. Watchai Vilailuck)	● Shareholding: 0.27%	● Shareholding: 14.78%
3. General characteristics of the transaction	Due to the need of funds to repay debts to financial institutions and reserve for working capital, SDC will enter into a loan agreement with SAMART in the amount of not exceeding 600 million baht. Details are as follows:	
Objective	To repay loan to financial institutions and reserve for working capital	
Collateral	-none-	
Loan amount	Not exceeding Baht 600 Million.	
Term of loan withdrawal	Portion 1. within September 2020 Portion 2 approximately in the first quarter of 2021 Portion 3. from September 2020 onward	
Interest rate	4.50 % per annum	
Term of repayment	The interest payment schedule made at the end of every month and the repayment of principal made within 6 years or not later than 2025.	
Front-end fee	-none-	

4. Type and size of the transaction	The total value of interest payment over the 6-year period is approximately 129.44 million baht. The transaction size is more than 20 million baht and more than 3% of the net tangible asset value as in the financial statements as of March 31, 2020, which is considered the connected transaction in accordance with Notification of Capital Market Supervisory Board No. Tor Chor 21/2551 re: Rules on Connected Transactions and the amendments, and 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, 2003 and the amendments. The transaction size is more than 20 million baht and more than 3% of the net tangible assets as of 31 March 2020, which is 64.90 million baht.
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Calculation of transaction size

Type of transaction	Calculation		Transaction size
Receiving financial assistance	$\frac{\text{Value of transaction} \times 100}{\text{NTA}}$	129.44 x 100	199% of NTA
	NTA	64.90	(> Baht 20 mil. And > 3 % of NTA)

Note: The Company has no any financial assistance from connected persons during the past 6 months.

Value of transaction	Million Baht
Portion 1 and portion 3 (principal X interest rate X lending period)	86.66
Portion 2 (principal X interest rate X lending period)	42.78
Total value	129.44

Net tangible asset – NTA	As of March 31 2020 (Million Baht)
Total assets	5,057.59
Less Intangible assets	99.12
Less Goodwill	59.32
Less Deferred tax	463.44
Less Total liabilities	4,272.26
Less Minority interests	98.55
Net tangible asset – NTA	64.90

	Therefore, receiving financial assistance transaction must be approved from the meeting of shareholders, which requires the approval of not less than three-quarter of participating and voting shareholders, who attend the meeting and have eligible right to vote, excluding interested shareholders. The Company is required to appoint Independent Financial Advisor to express views regarding the transactions including the rationality and benefits to the Company, fairness of prices and conditions for the consideration and approval of the transaction.
5. Expected benefits for the Company	Funds from the transaction will be used to repay loans and reserve for working capital of the Company
6. The meeting and voting of interested directors	Mr. Charoenrath Vilailuck and Mr. Watchai Vilailuck, who are directors with interests in the transaction, did not attend the Board of Directors meeting regarding the approval of the said transaction, and had no voting rights.
7. Opinion of the Board of Directors regarding the transaction	The Board of Directors approved the transaction since the said transaction is reasonable and yields benefits to the Company. The transaction will lower debt from the financial institutions and increase working capital.
8. Opinions of the Audit Committee and / or directors of the Company that are different from the opinions of the Board of Directors	-none-
9. Sending an invitation to shareholder meeting to the shareholders	The Company will send the draft invitation letter of the Extraordinary General Meeting of Shareholders No. 1/2020 to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand to review, at least 5 working days, before sending to the shareholders and will deliver the said documents to shareholders no less than 14 days before the meeting date