



Ref.No.2009/037EN

September 22, 2020

Subject Inform about The Connected Transaction of the contract of land lease with factory building and the Machinery purchase agreement (Additional)

Attention President of the Stock Exchange of Thailand

According to the Board of Directors Meeting No.10/2020 of UBIS (Asia) Public Company Limited (“the Company”) held on September 22, 2020, it was resolved that the Company enter into a connected transaction of the contract of land lease with factory building at Bangpoo plant and the Machinery purchase agreement with Golden Arrow Coating Co., Ltd. of which Mr. Arkran Termritikulchai and Mr. Pasithphol Termritikulchai who are its Directors and are sons of Mr. Prachnon Termritikulchai therefore a connected person under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 regarding the rules on connected transactions (as amended) and the Notification of The Stock Exchange of Thailand in the subject of disclosure of information and practices of listed company on the connected transaction in 2003 (as amended) (as called “Connected Transaction Notification”).

In order for the transaction to be in accordance with the connected transaction announcement, the company would like to inform the information of the connected transaction in the contract of land lease with factory and office building and the machinery purchase agreement with the following details.

1. Information

1.1 Land Lease Agreement at Bangpoo plant

1	Transaction date	:	After the approval of the Board of Directors meeting within September 23, 2020
2	Related Parties		
	Lessee	:	UBIS (Asia) Public Company Limited
	Lessor	:	Golden Arrow Coating Co., Ltd.*
	Relationship	:	Golden Arrow Coating Co., Ltd.* - Mr. Arkran Termritikulchai and Mr. Pasithphol Termritikulchai who are Directors and sons of Mr. Prachnon Termritikulchai who is a Director and CEO of UBIS (Asia) Public Company Limited.
3	Information		
	Rental Contract	:	Factory Land Lease Agreement (In the present, the Company has rented the factory area 750 square meters and office building 200 square meters ^{1/}) for the production



		of adhesive and oil paint, which are the company's new products.
		It has been combined with the previous lease agreement, the Company has leased the area with Golden Arrow Coating Co., Ltd., which the total is 1,575 square meters, divided into factory building 1,375 square meters and office building 200 square meters.
Location	:	Bangpoo Industrial Estate, Sukhumvit Road KM.37, Praksa, Mueng Samut Prakan, Samut Prakan
Total Area, Rental Fee, and Service Charge	:	Factory area 625 square meters with monthly rental fee of 150 THB per square meter
Lease Term	:	period : September 23, 2020 – July 31, 2021
Payment	:	Monthly Rental Fee for factory area 93,750 Baht per month
Total of Payment as Agreement	:	959,375 THB

1/ The Company's announcement to SET on July 17, 2019

1.2 Machinery Purchase Agreement

1	Transaction date	:	After the approval of the Board of Directors meeting. Within September 30, 2020
2	Related Parties	:	
	Buyer	:	UBIS (Asia) Public Company Limited
	Seller	:	Golden Arrow Coating Co., Ltd.*
	Relationship	:	Golden Arrow Coating Co., Ltd.* - Mr. Arkran Termitikulchai and Mr. Pasithphol Termitikulchai who are Directors and sons of Mr. Prachnon Termitikulchai who is a Director and CEO of UBIS (Asia) Public Company Limited.
3	Information	:	Purchase of 132 machineries with tools (Second hand) for manufacturing such as agitators, containers, products' quality measuring instruments, and laboratory equipment to use in production and inspection of Company's new products
	Machine Condition	:	Ready to use with a life span of 2 - 30 years and expect to work 10 – 15 years
	Price as Agreement	:	Total 6,200,250 THB
	Payment	:	Paid by Cash when delivery

The information of Lessor

- 1) Name: Golden Arrow Coating Co., Ltd.
- 2) Detail of Business: Manufacturing of the oil paints, varnishes and wood oil
- 3) Directors' Name
 1. Mr. Rioishi Hori
 2. Mr. Arkran Termritikulchai
 3. Mr. Pasithphol Termritikulchai
- 4) Shareholders' Name

Name	Percentage
Mr. Pasithphol Termritikulchai ^{1/}	33.33%
Ms. Wannarat Termritikulchai	28.34%
Mr. Arkran Termritikulchai	33.33%
Mr. Rioishi Hori	5.00%

1/ Being as a Director and Managing Director

2. The Total Value of Consideration

The total value of consideration for entering the 2 transactions above is in the total value 7,159,625.00 THB. The Company will pay all consideration in cash by using the profit of operation as a source of fund.

3. The Criteria for Determining the Consideration value

3.1 Land Lease Agreement

Determining the consideration value is from negotiation and agreement between the Parties by using the rental rate equal to the contract that leases adjacent areas and close to the rental rate in Bangpoo Industrial Estate area. The Company has taken seriously into account of the business plan and the Company's interest and benefit.

3.2 Machinery Purchase Agreement

Determining the consideration value is conducted by comparing the lowest price from 2 independent appraisal companies, who are independent appraisers authorized by the SEC, from machineries evaluation as well as negotiation and agreement between the Parties. The Company has taken seriously into account of the business plan and the Company's interest and benefit.



4. The details of operation at Bangpoo plant

The purchase of factory machinery and equipment including the lease of additional factory area in this time, it will be used for produce the adhesive and oil paint for industrial work which are the new products. The machines are tools for testing the product quality that will be produced the product of Lacquer which is tin coat paint both inside and outside without BPA substance. In the present, Customers have started to test the products. We expect to be able to continue selling more products within the year 2021.

5. Calculation of the size of the Connected Transaction

The transaction is considered as a connected transaction with general commercial condition, with the factory building and office building located at Bangpoo Industrial Estate, Sukhumvit Road K.M.37, Praeksa, Muang Samutprakarn, Samutprakarn province, is a good location , convenient for transportation and contact, and the rental fee is at the level that is suitable with the area nearby, and the machineries for internal lacquer production. Total price of the transactions is 7,159,625 THB or percentage 1.60 of the Net Tangible Asset, which is greater than 0.03 percent and less than 3 percent of Net Tangible Asset (NTA) of the company, calculated from the consolidated financial statements of the Company and its subsidiaries company as of June 30, 2020 , and the said value exceeds 1 million THB but not more than 20 million THB , that is, it is a medium-sized item according to the announcement of the connected transaction. There are no connected transaction occurring in the past 6 months, therefore, the transaction must be approved by the Board of Directors and disclosed to Stock Exchange of Thailand.

The calculation of the transaction size according to the consolidated financial statements of the Company for the period ended June 30, 2020 (Unit: Thousand THB) is as follows.

$$= \frac{\text{Gross Total} \times 100}{\text{Net Tangible Asset (NTA)}}$$

$$= \frac{7,159.6 \times 100}{447,572}$$

$$= 1.60 \%$$

Company's Net Tangible Asset (NTA) as June 30, 2020 is as below.

Statement of Financial Position 2/2020 (Unaudited)	Thousand THB
Total Assets	770,753
Intangible Assets	4,361
Total Liabilities	318,820
Shareholders' Equity	-
Net Tangible Asset (NTA)	447,572



6. The Scope of Interest

Mr. Prachnon Termritikulchai, a Company's Director and CEO and Mr. Pasithphol Termritikulchai, a Company's Director, are related persons. Therefore, they did not attend and did not vote in this BOD meeting.

7. Opinion of The Board of Directors in entering into this transaction

The Board of Directors Meeting No. 10/2020 resolved to approve the said transaction because it is considered that this transaction was the benefits to the Company as follows;

The company has plans to expand its business in new products, which is an addition to our main products. Acquiring the second hand machines is to support production of new product. Moreover, the company's factory area is not enough for the installation of the new machinery, therefore, it is necessary to choose the location of the factory that made this transaction at the same place as the machinery location. In Bangpoo Industrial Estate is a convenient for transportation, the rental fee is at reasonable level that is in line with the area nearby and it's possible to reduce the cost of transportation for raw materials, because this location is close to the source of raw materials for production. Due to the company has rented the factory which is adjacent area from this Lessor. The lease agreement will be expired on July 31, 2021. Therefore, the lease expiration date is set on the same day. In addition, when comparing the price of new machines according to the replacement price on appraisal reports of 2 independent appraisers at the price of 6.63 million Baht and 6.73 million Baht, they are higher than the price of the machinery in this transaction. In addition to this, if buying a new machineries, it will take longer time to order the machine, period of installation and testing system will be more than 6 months which may cause business opportunity loss.

The Board of Directors have considered that the land leasing with factory and office building and the purchase of machinery are in accordance with relevant regulations and announcements , therefore, reasonable in approving such transactions. With this, a related person did not attend in the meeting and had no voting rights about this related transaction.

8. Opinion of the Audit Committees and / or Company's Directors which is different from the opinion of the Board of Directors

- None-



บริษัท ยูบิส (เอเซีย) จำกัด (มหาชน)
UBIS (ASIA) PUBLIC COMPANY LIMITED

Please be informed accordingly.

Yours faithfully,

(Mr. Pasithphol Temritikulchai)

Managing Director

