

19 October 2021

Subject : Investment in the establishment of a subsidiary company

To : President

The Stock Exchange of Thailand

According to the resolution of Board of Directors Meeting of S.Kijchai Enterprise Public Company Limited (the "Company") No. 5/2021 held on 19 October 2021 that resolved to approve the Investment in the establishment of a subsidiary company to operate the business of recycle waste paper by separating the plastic and metal out, refining and drying to make recycled pulp and paper. The details as follows:

1. **Date of transaction** : Within the 4th quarter of 2021

2. **The details of Investment**

Subsidiary Company's Name : SKN Kraft and Paper Company Limited

Type of Business : Operate the business of recycle waste paper by separating the plastic and metal out, refining and drying to make recycled pulp and paper.

Total Investment Value : 1,500,000,000 Baht

Registered Capital and Shares : 500,000,000 Baht, divided into 50,000,000 ordinary shares, at the par value of 10 Baht per share

Shareholder Structure : S.Kijchai Enterprise PCL. hold 100% of the total shares

Board of Directors : 1. Mr. Vichien Saengvongkij

2. Mr. Chaiwat Taweepiriya

3. Mr. Sanguan Saengwongkij

4. Miss Kanokporn Arayaprakarn

5. Mr. Harnsiri Sangwongkit

Purpose of Investment : To diversify risks in business operation of the group of companies; to increase opportunities and potentiality in business competition; as well as generate returns and growth of assets and profit to Company and its shareholders in a long term

3. **Transaction size**

- The value of net tangible assets : Unable to calculate as the invested assets have no net tangible assets (NTA)

- The net operating profit : Unable to calculate as the invested assets have no net profit

- The total value of consideration paid : 40.32%
or received
- The value of equity shares issued for : There are no shares issued for payment of assets.
the payment of assets
- 4. Source of Fund : The Company's working capital
- 5. Expected benefit to the Company :
 1. Diversify risks in the business operations of the company group.
 2. Increase opportunities and competitiveness
 3. Generate returns, the growth rate of assets, and profits for the company and shareholders in the long term.
- 6. Opinion of the Board to enter into the transaction : The Board of Directors has considered the investment in the establishment of a subsidiary company to operates the business of recycle waste paper by separating the plastic and metal out, refining and drying to make recycled pulp and paper, also has opined that it is a suitable investment and beneficial to the Company and the investment in the establishment subsidiary company as above can generate returns, the growth rate of assets, and profits for the company and the shareholders continues.
- 7. Opinion of the Audit Committee and/or the Director which is different from Opinion of the Board in No.6 : None
- 8. Detail of related transection : This transaction is not a connected transaction in accordance with the Notification of the Capital Market Supervisory Board No. TorJor.21/2551 (including additional revisions) 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 Connected Transactions, B.E. 2546 (2003) dated 19 November 2003 (as amended).

However, the investment in the establishment of a subsidiary company constitutes an asset acquisition transaction. The transaction size is equal to 40.32 percent when calculated on the total value of consideration paid or received with the latest consolidated financial statements as at 30 June 2021 which have been reviewed by the auditor. Combining with the acquisition of assets in the past six months will be the maximum total transaction size calculated based on the total value of consideration paid or received as 40.87 percent, which is considered a type 2



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asset acquisition transaction according to the Notification of the Capital Market Supervisory Board No. Tor.Jor. 20/2551 Re: Rules for Entering into Significant Transactions deemed as Acquisition or Disposition of Assets dated 31 August 2008 (including any amendments) 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 Acquisition and Disposition of Assets, 2004 dated 29 October 2004 (as amended) ("The Notifications on Asset Acquisition or Disposal"). Which is equal to or higher than 15 percent but less than 50 percent. Therefore, the Company has the duty to disclose the information of such transaction to the Stock Exchange of Thailand and send a notice to shareholders within 21 days from the date of disclosure to the Stock Exchange of Thailand.

Please be informed accordingly.

Sincerely yours,

(Mr. Vichai Sangwongkit)

Director