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Ref: THE 014/2021

October 27, 2021

Subject: Resolutions of the Board of Directors' Meeting No. 5/2021 with respect to Assets Disposal Transaction and Connected Transaction and the Extraordinary General Meeting No. 1/2021 (Revised)

To: The President
The Stock Exchange of Thailand (the "SET")

Attachment: Information Memorandum on Assets Disposal Transaction and Connected Transaction

The Board of Directors' Meeting No. 5/2021 of The Steel Public Company Limited (the "Company") on 27 October 2021 passes the important resolutions as follows:

1. Resolved to propose to a shareholders' meeting to consider an approval of the following assets disposal transactions:
 - 1.1. The hire purchase transaction of 2 lands together with any buildings situated therein with In-Tech Steel Co., Ltd. (the "Hire Purchaser"). The disposed assets comprise of 2 lands represented by land title deed no. 1645 and 1653 having their aggregate area of 16 Rai 1 Ngan 10 Square Wah together with 1 Storey Office and Residential Building, 1 Storey Residential Building, 1 Storey Factory Building, 3 Storey Residential Building, 1 Storey Warehouse, 1 Clear Space Building with Covered Roof (Parking Space) and other buildings such as Clear Space Building with Covered Roof (Security Building), road and open concrete space and fence and door. The aggregate hire purchase price is THB 189,087,488.24 (exclusive of any fees relating to the transfer of ownership in such lands and buildings and other applicable taxes in which the Hire Purchaser will be solely responsible). The period of hire purchase is 2 years 1 day commencing from 1 February 2022 and expiring on 1 February 2024. The hire purchase price will be payable in 3 instalments. The first instalment in the sum of THB 1,000,000.00 will be payable within 1 February 2022. The second instalment in the sum of THB 100,000,000.00 will be payable within 1 February 2023. The last instalment in the sum of THB 88,087,488.24 will be payable within 1 February 2024. Upon the complete payment of the hire purchase price, all rights with respect to such lands and buildings shall be vested with the Hire Purchaser whereby the Company and the Hire Purchase will further proceed with the registration of the transfer of ownership in such lands and buildings.
 - 1.2. The sale transaction of 30 machineries and equipment with In-Tech Steel Co., Ltd. The disposed assets comprise of 9 items of Overhead Crane, 13 items of Main Machinery, 2 items of Air Compressor and 6 items of Weighting Station. The aggregate selling price is THB 45,794,392.52 (exclusive of any applicable VAT) payable and delivery within 1 February 2022.

The abovementioned transactions shall be deemed as an assets disposal transaction under the Notification of the Capital Market Supervisory Board No. Tor Jor 20/2551 Re: Rule for Significant Transactions Constituting an Acquisition or Disposal of Assets and the Notification of the Board of Governors of the SET Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (the "**Notifications**") with the transaction size of 3.61% calculating based on the Company's consolidated financial statement as at 30 June 2021 which shall be deemed as an assets disposal transaction with less than 15% transaction size, thus the Company shall not be obligated to comply with the Notifications (the Company has no assets disposal transaction during the past 6 months prior to the Board of Directors' approval of these assets disposal transactions).

Moreover, as the abovementioned transactions are the transactions that the Company will enter into with the connected parties (Mr. Boonchai Jirapongtrakul is a director of In-Tech Steel Co., Ltd. and his brother, Mr. Kru Kunawutthigul, is also a director and a shareholder of In-Tech Steel Co., Ltd., holding 34.90% shareholding), therefore, such transactions shall be deemed as the connected transactions under the Notification of the Capital Market Supervisory Board No. Thor Jor. 21/2551 re: Rules on Connected Transactions and the Notification of the Board of Governors of the SET re: Disclosure of Information and Other Acts of Listed Companies concerning Connected Transactions B.E. 2546 with the transaction size of 11.41% of the Company's net tangible assets as at 30 June 2021 which is greater than 3% of the Company's net tangible assets (the Company has no connected transaction during the past 6 months prior to the Board of Directors' approval of these connected transactions). As a result, the Company shall be obligated to obtain an approval from its shareholders' meeting prior to enter into such connected transactions and to appoint an independent financial advisor to provide opinion relating to the connected transactions together with disclosing the information memorandum on such connected transactions to the SET.

In addition, as the Company requires the approval from its shareholders' meeting prior to enter into such connected transactions, the Company then desires to propose to the shareholders' meeting to consider and approve the assets disposal transactions at the same time as the connected transactions whereby such transactions shall require an approval of not less than three quarter of the total voting right of the shareholders who attend the shareholders' meeting and are entitled to exercise their voting right exclusive of any interested shareholder.

2. Resolved to appoint Capital Advantage Co., Ltd. as an independent financial advisor to provide opinion relating to the assets disposal transactions and connected transactions.
3. Resolved to determine the Extraordinary General Meeting No. 1/2021 on Monday, 13 December 2021 at 10.00 a.m. at the Company's branch office located at No. 7/4, 7/6 Moo 1, Ekkachai Road, Khaerai Sub-District, Kratumban District, Samutsakorn Province to consider the following agendas:

Agenda 1: To consider an approval of the minutes of the 2021 Annual General Meeting on 22 April 2021.

Agenda 2: To consider an approval of the assets disposal transactions and connected transactions as follows:

Agenda 2.1: To consider an approval of the hire purchase transaction of lands and buildings with In-Tech Steel Co., Ltd.

Agenda 2.2: To consider an approval of the sale transaction of machineries and equipment with In-Tech Steel Co., Ltd.

Agenda 3: To consider other issue (if any)

In addition, Agenda 2.1 and Agenda 2.2 are relatively connected, therefore, in considering and approving Agenda 2.1 and Agenda 2.2 by the shareholders' meeting, such Agenda 2.1 and Agenda 2.2 shall be conditional upon each other in the way that if any Agenda has not been approved by the shareholders' meeting, it shall be deemed that the remaining Agenda shall be revoked and cancelled and no further Agenda shall be considered by the shareholders' meeting and, as a result, Agenda 2.1 and Agenda 2.2 shall be deemed as disapproved by the shareholders' meeting.

4. Resolved to determine the Record Date for the Extraordinary General Meeting No. 1/2021 on 11 November 2021.

Please be informed accordingly.

Sincerely yours,

The Steel Public Company Limited

- Suroj Jiraphongtrakul -

Mr.Suroj Jiraphongtrakul

Director

(Translation)

Information Memorandum on the Disposal of Assets and Connected Transactions of
The Steel Public Company Limited
Pursuant to Schedule 1 of the Notification of the Board of Governors of
the Stock Exchange of Thailand (Amendment)

The Board of Directors' Meeting No. 5/2021 of The Steel Plc. ("**the Company**"), held on October 27, 2021, resolved to propose to the shareholders' meeting to consider and approve the entry into the asset disposal and connected transactions as follows:

1. A hire purchase transaction of the entire land and constructions of Branch 2 (Mahachai) with In-Tech Steel Co., Ltd. ("the Hire Purchaser") at a hire purchase price of Baht 189,087,488.24 (exclusive of any fees relating to the transfer of ownership in such land and constructions and other applicable taxes for which the Hire Purchaser will be solely responsible) ("**Land and Constructions Hire Purchase Transaction**"); and
2. A sale transaction of the entire machinery and equipment of Branch 2 (Mahachai) with In-Tech Steel Co., Ltd. ("the Buyer") at a sale and purchase price of Baht 45,794,392.52 (exclusive of VAT) ("**Machinery and Equipment Sale Transaction**").

The entering into transaction is classified as the disposition of assets pursuant to the Notification of Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, 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 B.E. 2547 (2004) (including any amendment thereto) (collectively referred to as the "Notifications on Acquisition or Disposition of Assets"). And the entering into the transactions is deem as connected transactions under the Notification of Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions 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) (collectively referred to as the "Notifications on Connected Transactions").

The Company hereby reports the information on such transactions as follows:

1. Transaction date

On October 27, 2021, the Company obtained an approval from the Board of Directors' meeting to sell the whole of land, buildings, constructions, machinery and equipment of Branch 2 (Mahachai), which will be put forward for further consideration and approval of the shareholders' meeting. In this regard, the Board of Directors has set the date for holding the Extraordinary General Meeting of Shareholders No. 1/2021 on December 13, 2021 to seek the approval for such transactions. Given that the shareholders' meeting resolves to give its approval, the Company expects that the transactions will be completed by the first quarter of 2022.

2. Related parties and relationship with the Company

Land and Constructions Hire Purchase Transaction

Hire Purchaser : In-Tech Steel Co., Ltd.

Seller : The Steel Plc.

Machinery and Equipment Sale Transaction

Buyer : In-Tech Steel Co., Ltd.

Seller : The Steel Plc.

Relationship : They have a mutual director, i.e. Mr. Boonchai Jirapongtrakul who serves as:

- Director of In-Tech Steel Co., Ltd.; and
- Director, Executive Committee Chairman, and Chief Executive Officer of the Company.

Moreover, Mr. Kru Kunawutthigul, a Director and major shareholder holding 34.90% stake in In-Tech Steel Co., Ltd., is younger brother of Mr. Boonchai Jirapongtrakul.

Therefore, the above transactions are deemed as connected transactions under the Notifications on Connected Transactions.

Profile of In-Tech Steel Co., Ltd.

In-Tech Steel Co., Ltd. engages in production of and rendering of production subcontracting services for steel pipes and metal parts of all types. It has a paid-up registered capital of Baht 200 million, divided into 2,000,000 ordinary shares with a par value of Baht 100 per share. Its Board of Directors is composed of Mr. Win Suteerachai, Mr. Virachai Suteerachai, Mr. Boonchai Jirapongtrakul and Mr. Kru Kunawutthigul.

The shareholders include:

- (1) Win Win Holding Co., Ltd., holding 1,301,999 shares or 65.10% of the registered capital, with Mr. Win Suteerachai as its major shareholder holding 99.999% of the registered capital of Win Win Holding Co., Ltd.;
- (2) Mr. Kru Kunawutthigul, holding 698,000 shares or 34.90% of the registered capital; and
- (3) Mr. Virachai Suteerachai, holding 1 share or 0.00% of the registered capital.

3. General characteristics of the transactions

The Company will sell the whole of (1) land, buildings and constructions, and (2) machinery and equipment of its Branch 2, where its slitting, folding and forming factory is located, to In-Tech Steel Co., Ltd., which is its connected person, in a total amount of Baht 234,881,880.76 (exclusive of VAT).

The key essence of the draft agreements relating to the transactions is as follows:

3.1 Draft Hire Purchase Agreement for Land and Constructions

Contract parties	Hire Purchaser : In-Tech Steel Co., Ltd. Seller : The Steel Plc.
Signing date	Expect to sign the agreement within 2021.

Information Memorandum on Disposal of Assets and Connected Transactions

Hire purchase price	Baht 189,087,488.24
Hire purchase period	Two years and one day from February 1, 2022 to February 1, 2024.
Terms of payment	<p>Subject to the effective date of the conditions, the Hire Purchaser agrees to pay for the hire purchase price to the Seller in three installments as follows:</p> <p><u>Installment 1</u> Baht 1,000,000 payable either in cash or by a bank cheque within February 1, 2022; and</p> <p><u>Installment 1</u> Baht 100,000,000 payable either in cash or by a bank cheque within February 1, 2023; and</p> <p><u>Installment 1</u> Baht 88,087,488.24 payable either in cash or by a bank cheque within February 1, 2024.</p>
Hire purchase assets	<ol style="list-style-type: none"> 1. Land of 9 rai 15 square wah, under title deed No. 1645, Volume 17, Page 45, Map Sheet No. 5036 II 4802-00, Dealing File No. 7564, Parcel No. 377, located at Bang Nam Chuet (Samae Dam) Subdistrict, Mueang Samut Sakhon District, Samut Sakhon Province. 2. Land of 7 rai 95 square wah, under title deed No. 1653, Volume 17, Page 53, Map Sheet No. 5036 II 4804-00, Dealing File No. 7565, Parcel No. 1, located at Bang Nam Chuet (Samae Dam) Subdistrict, Mueang Samut Sakhon District, Samut Sakhon Province. (Two plots of land with a total area of 16 -1-10 rai) 3. Constructions, consisting of: <ul style="list-style-type: none"> - A one-storied office and residential building, with a usable area of 464 square meters; - A one-storied residential building, with a usable area of 25 square meters; - A one-storied factory building, with a usable area of 13,920 square meters; - A three-storied residential building, with a usable area of 1,800 square meters; - A one-storied warehouse and restroom, with a usable area of 72 square meters; - A clear space building with covered roof (parking space) , with a usable area of 378 square meters; and - Other constructions located on land under title deeds No. 1645 and 1653 such as a clear space building with covered roof (security building), road and open concrete space, fence, fence gate, etc.
Transfer of ownership	<ol style="list-style-type: none"> 1. Upon the complete payment of the hire purchase price by the Hire Purchaser to the Seller, the Seller agrees that the right with respect to the hire purchase assets shall be vested in the Hire Purchaser forthwith, whereby the two parties will

Information Memorandum on Disposal of Assets and Connected Transactions

	<p>proceed with the registration of the transfer of ownership in the hire purchase assets at the land office.</p> <p>2. In the registration of the transfer of ownership in the hire purchase assets, the Hire Purchaser agrees to be solely responsible for fees, taxes (including withholding tax and specific business tax of the Seller) and/or any expenses relating to the transfer of ownership in such hire purchase assets.</p>
Default interest	<p>If the Hire Purchaser defaults on payment, the Hire Purchaser agrees to the Seller charging default interest at a rate of 7.5% p.a. of the sale and purchase price, but in an aggregate amount of not exceeding 5% of the hire purchase price.</p>
Significant conditions precedent	<p>This agreement shall legally become in full force and effect forthwith upon satisfaction in full of the following conditions:</p> <p>1. The Seller has obtained an approval from the shareholders' meeting of the Seller to enter into the hire purchase transaction of the hire purchase assets under this agreement.</p> <p>2. The Hire Purchaser and the Seller have entered into an agreement to sell and purchase machinery and equipment used in the slitting, folding and forming factory located at No. 99/5 Moo 1, Rama 2 Road, Bang Nam Chuet Subdistrict, Mueang Samut Sakhon District, Samut Sakhon Province ("Slitting, Folding and Forming Factory").</p> <p>3. The Seller has obtained an approval from the shareholders' meeting of the Seller to sell machinery and equipment used in the Slitting, Folding and Forming Factory. The date on which the above conditions have been completely satisfied shall be called the "Effective Date of the Conditions."</p>
Significant conditions for termination of agreement	<p>This agreement shall be deemed terminated forthwith upon occurrence of any of the following events:</p> <p>1. The two parties agree to terminate this agreement.</p> <p>2. The Effective Date of the Conditions does not take place by December 31, 2021.</p> <p>3. Any of the parties hereto violates or fails to abide by the terms and conditions of this agreement, and such violation or failure is not corrected or rectified within 15 days from the date of such violation or failure.</p> <p>4. The Hire Purchaser defaults on two consecutive installments of payment for the hire purchase price, and the Seller has submitted a letter notifying the Hire Purchaser to pay the overdue amount within 15 days.</p> <p>5. Any of the parties hereto becomes insolvent or is under absolute receivership by the court's order or becomes bankrupt.</p>

3.2 Draft Sale and Purchase Agreement for Assets

Contract parties	Buyer : In-Tech Steel Co., Ltd. Seller : The Steel Plc.
Signing date	Expect to sign the agreement within 2021.
Sale and purchase price	Baht 45,794,392.52 (exclusive of VAT)
Terms of payment	The Buyer agrees to make payment either in cash or by a bank cheque within February 1, 2022.
Sale and purchase assets	<ul style="list-style-type: none"> - Overhead travelling crane, four items with 10-ton capacity, one item with 16-ton capacity, three items with 20-ton capacity, and one item with 30-ton capacity - Main machinery, comprising two cutting machines, six slitting machines, three coils, one sharpening machine, one PP-winder, and one flipping machine. - Air compressor, two items - Weighting station, two items with 5-ton capacity, one item with 10-ton capacity, two items with 15-ton capacity, two items with 20-ton capacity, and one item with 100-ton capacity
Transfer of ownership	Upon the complete payment of the sale and purchase price by the Buyer to the Seller
Default interest	If the Buyer defaults on payment, the Buyer agrees to the Seller charging default interest at a rate of 7.5% p.a. of the sale and purchase price, but in an aggregate amount of not exceeding 5% of the sale and purchase price.
Significant conditions precedent	<p>This agreement shall legally become in full force and effect forthwith upon satisfaction in full of the following conditions:</p> <ol style="list-style-type: none"> 1. The Seller has obtained an approval from the shareholders' meeting of the Seller to sell the sale and purchase assets under this agreement. 2. The Buyer and the Seller have entered into the hire purchase agreement for land and constructions where the Slitting, Folding and Forming Factory is located. 3. The Seller has obtained an approval from the shareholders' meeting of the Seller to enter into the hire purchase transaction of land and constructions where the Slitting, Folding and Forming Factory is located. <p>The date on which the above conditions have been completely satisfied shall be called the "Effective Date of the Conditions."</p>
Significant conditions for termination of agreement	<p>This agreement shall be deemed terminated forthwith upon occurrence of any of the following events:</p> <ol style="list-style-type: none"> 1. The two parties agree to terminate this agreement. 2. The Effective Date of the Conditions does not take place by December 31, 2021.

	<p>3. Any of the parties hereto violates or fails to abide by the terms and conditions of this agreement, and such violation or failure is not corrected or rectified within 15 days from the date of such violation or failure.</p> <p>4. Any of the parties hereto becomes insolvent or is under absolute receivership by the court's order or becomes bankrupt.</p>
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In-Tech Steel Co., Ltd. (as the Hire Purchaser and the Buyer) has leased the assets to be disposed of from the Company since October 2019 under a three-year lease agreement, from October 1, 2019 to October 1, 2022, with monthly rent payment as follows:

- (a) Lease agreement for land, buildings and constructions: Rental rate of Baht 263,000 per month (with a total rental throughout the lease period amounting to Baht 9,468,000); and
- (b) Machinery lease agreement: Rental rate of Baht 368,600 per month in year 1 and Baht 474,000 per month in subsequent years (with a total rental throughout the lease period amounting to Baht 15,799,200).

After entering into the transactions proposed this time, the Company and the Buyer agree to terminate the above two lease agreements effective on February 1, 2022.

The Company engages in the distribution and processing of steel products, focusing on steel used in construction industry of all types such as steel pipe and lip channel steel made from black coil and suitable for building structure and roof, steel used in road construction, etc. Meanwhile, ITS concentrates mainly on the processing of steel products that are more exquisite and of higher quality, made from white coil and for use in the automotive and premium-grade furniture industries. Hence, the Company and ITS deliver products to different target groups and their businesses do not compete with each other, which will not create any conflict of interest.

4. Summary of assets being disposed of

4.1 Land and Constructions Hire Purchase Transaction, involving the entire land, buildings and constructions of Branch 2 where the slitting, folding and forming factory is located, which are owned by the Company and are free of any encumbrances, consisting of:

4.1.1 Two adjoining plots of land under title deeds No. 1645 and 1653 with a total area of 16-1-10 rai, located at No. 99/5 Moo 1, next to a public way off Rama 2 Road (Hwy. 35), Bang Nam Chuet Subdistrict, Mueang Samut Sakhon District, Samut Sakhon Province

	Land Title Document	Parcel No.	Dealing File No.	Area (rai-ngan-sq. wah)
1	Title deed No. 1645	377	7564	9-0-15
2	Title deed No. 1653	1	7565	7-0-95
	Total			16-1-10

4.1.2 Buildings and constructions, located at No. 99/5 Moo 1, next to a public way off Rama 2 Road (Hwy. 35), Bang Nam Chuet Subdistrict, Mueang Samut Sakhon District, Samut Sakhon Province, on land under title deeds No. 1645 and 1653, consisting of:

- A one-storied office and residential building, with a usable area of 464 square meters;
- A one-storied residential building, with a usable area of 25 square meters;
- A one-storied factory building, with a usable area of 13,920 square meters;
- A three-storied residential building, with a usable area of 1,800 square meters;
- A one-storied warehouse and restroom, with a usable area of 72 square meters;
- A clear space building with covered roof (parking space) , with a usable area of 378 square meters; and
- Other constructions such as a clear space building with covered roof (security building), road and open concrete space, fence, and fence gate

4.2 Machinery and Equipment Sale Transaction involving a total of 30 items of machinery and equipment of Branch 2 which is the slitting, folding and forming factory, located at No. 99/5 Moo 1, next to a public way off Rama 2 Road (Hwy. 35), Bang Nam Chuet Subdistrict, Mueang Samut Sakhon District, Samut Sakhon Province, on the area of the assets in Item 4.1.2 above, which are owned by the Company and are free of any encumbrances. They consist of nine items of overhead travelling crane, 13 items of main machinery, 6 items of air compressor, and 6 items of weighting station, most of which have a useful life of around 23 years.

5. Total value of consideration, terms of payment, and calculation of transaction size

5.1 Total value of consideration and terms of payment

Total value of consideration for the sale of land, buildings, constructions, and machinery is equal to Baht 234,881,880.76 (exclusive of VAT), which is subject to the following terms of payment:

- Land and Constructions Hire Purchase Transaction The hire purchase price of Baht 189,087,488.24 shall be paid in three installments under a hire purchase agreement for a period of two years and one day, as follows:
 - Installment 1 Payable either in cash or by a bank cheque in the amount of Baht 1,000,000.00 within February 1, 2022;
 - Installment 2 Payable either in cash or by a bank cheque in the amount of Baht 100,000,000.00 within February 1, 2023; and
 - Installment 3 Payable either in cash or by a bank cheque in the amount of Baht 88,087,488.24 within February 1, 2024.
- Machinery and Equipment Sale Transaction The sale and purchase price of Baht 45,794,392.52 (exclusive of VAT) shall be paid either in cash or by a bank cheque to the Company within February 1, 2022.

5.2 Calculation of transaction size

The aforementioned transactions are deemed as the asset disposal transactions under the Notifications on Acquisition or Disposal. The maximum transaction size is equal to 3.61%, calculated under the total value of consideration basis according to the Company's consolidated financial statements ended June 30, 2021. Therefore, the transactions are regarded as a disposal of assets with the transaction size of lower than 15%, whereby the Company shall not be obligated to comply with the Notifications on Acquisition or Disposal (the Company has not entered into any asset disposal transactions during the six-month period before the date of the Board of Directors' approval of the asset disposal transactions proposed this time).

Basis of Calculation	Calculation Method	Transaction Size (%)
Net tangible assets	Not applicable since these are the sales of assets	N/A
Net profit	Not applicable since these are the sales of assets	N/A
Total value of consideration	Baht 234.88 ^{1/} million / Baht 6,504.82 ^{2/} million	3.61%
Total value of securities	Not applicable because there is no issuance of new securities	N/A
Maximum transaction size		3.61%

Remark:

1/ Total value of consideration obtainable is Baht 234,881,880.76 (exclusive of VAT).

2/ The Company's total assets are based on its reviewed consolidated financial statements as of June 30, 2021.

Moreover, as the abovementioned transactions are the transactions that the Company will enter into with the connected parties, they are therefore deemed as the connected transactions under the Notifications on Connected Transactions. The calculated transaction size is equal to 11.41% of the Company's net tangible assets as of June 30, 2021, which is greater than 3% of the Company's net tangible assets (the Company has not entered into any connected transactions during the six-month period before the date of the Board of Directors' approval of the connected transactions proposed this time). As such, the Company is obligated to seek prior approval from its shareholders' meeting and appoint an independent financial advisor to provide opinion on such connected transactions to the Company's shareholders.

Basis of Calculation	Calculation Method	Transaction Size (%)
Total value of consideration	Baht 234.88 ^{1/} million / Baht 2,058.11 ^{2/} million	11.41%
Book value of assets	Baht 131.11 ^{3/} million / Baht 2,058.11 ^{2/} million	6.37%
Market value of assets	Baht 214.19 ^{4/} million / Baht 2,058.11 ^{2/} million	10.41%
Maximum transaction size		11.41%

Remark:

- 1/ Total value of consideration obtainable is Baht 234,881,880.76 (exclusive of VAT).
- 2/ The Company's net tangible assets are based on its reviewed consolidated financial statements as of June 30, 2021.
- 3/ The book value is based on the reviewed consolidated financial statements as of June 30, 2021.
- 4/ The market value of assets is based on two property appraisal reports of The Valuation & Consultants Co., Ltd., No V&C 64R-05-0584 and V&C 64R-05-0585 dated June 14 and 17, 2021, respectively, prepared for public purposes.

However, since the Company must obtain prior approval for the connected transactions from its shareholders' meeting pursuant to the Notifications on Connected Transactions, it accordingly intends to propose to the shareholders' meeting to consider and approve the entry into the asset disposal transactions at the same time as the consideration and approval of the connected transactions, with required affirmative votes of not less than three-fourths of the total votes of the shareholders who attend the meeting and have the right to vote, excluding votes of the shareholders having a conflict of interest.

6. Value of assets being disposed of

The land, buildings and constructions, and machinery and equipment have a total book value as of June 30, 2021 of Baht 131.11 million, and were appraised by the independent valuer, The Valuation & Consultants Co., Ltd., at Baht 214.19 million as follows:

- Land was appraised by the [market](#) approach;
- Buildings and constructions were appraised by the replacement new approach less depreciation; and
- Machinery and equipment were appraised by the replacement new approach less depreciation.

7. Basis for determination of value of consideration

Prices for the Land and Constructions Hire Purchase Transaction and the Machinery and Equipment Sale Transaction have been determined based on the property appraisal reports prepared by The Valuation & Consultants Co., Ltd., which is an independent valuer approved by the Office of the Securities and Exchange Commission, and also resulted from negotiation to derive a selling price that is higher than both the appraised value and the book value of those assets.

8. Expected benefits from the transactions

- (a) The Company will dispose of the assets that are not used in its core business operation and have already been leased out to the Buyer since 2019, thus helping to relieve its burden on asset management.
- (b) The Company will gain definite income from such asset disposal, instead of rental income which hinges on the lease term and the lessee's decision on lease renewal.
- (c) The Company will recognize gain from sale of assets in its financial statements.
- (d) The Company can use the proceeds from these transactions as working capital to help boost its liquidity.

9. Plan for use of proceeds obtained from disposal of assets

The Company will consider using the proceeds from these asset disposal transactions as working capital in its business operation as deemed fit and/or as a reserve for future business expansion of the Company and/or its subsidiaries.

10. Conditions for entering into the transactions

The Land and Constructions Hire Purchase Transaction and the Machinery and Equipment Sale Transaction are deemed as the connected transactions under the Notifications on Connected Transactions, whereby the Company is obligated to seek an approval from the shareholders' meeting with required affirmative votes of not less than three-fourths of the total votes of the shareholders who attend the meeting and have the right to vote, excluding votes of the shareholders having a conflict of interest. The conditions precedent set out in the Draft Hire Purchase Agreement for Land and Constructions in item 3.1 and the Draft Sale and Purchase Agreement for Assets in item 3.2

11. Directors and/or shareholders having a conflict of interest

No.	Directors/shareholders having a conflict of interest	Relationship
1	Mr. Boonchai Jirapongtrakul	Being Director, Executive Committee Chairman, and Chief Executive Officer of the Company Being Director of In-Tech Steel Co., Ltd., which is the Buyer of assets under these transactions Being the Company's shareholder, holding 188,000,000 shares or 17.06%
2	Ms. Ratana Jirapongtrakul	Being the Company's shareholder, holding Being the Company's shareholder, holding 117,800,000 shares or 10.69%

No.	Directors/shareholders having a conflict of interest	Relationship
		Being the mother of Mr. Boonchai Jirapongtrakul, and Mr. Kru Kunawutthigul
3	Mr.Boonchoke Thiratarakorn	Being the Company's shareholder, holding Being the Company's shareholder, holding 49,200 shares or 0.004% Being the younger brother of Mr. Boonchai Jirapongtrakul

Remark: Number of shares from the share registration as of the closing date of the Company's shareholder register book (XO) on August 5, 2021.

In this respect, the director who has a conflict of interest, namely Mr. Boonchai Jirapongtrakul, did not attend the meeting and cast votes on the agenda items to consider and approve the disposal of assets and connected transactions.

12. Opinion of the Board of Directors concerning a decision to enter into the transactions

The Board of Directors' Meeting No. 5/2021, excluding the directors having a conflict of interest, considered the report from the Audit Committee and was of the opinion as follows: The Company has leased the assets to be disposed of this time, comprising the whole of land, buildings, warehouse and machinery of Branch 2 of the Company, to In-Tech Steel Co., Ltd. since October 2019. The rationale behind such lease was the changing nature of its business operation where the Company had modified its manufacturing process and changed the type of raw material from wide strip to narrow strip that can be procured from its associated company. As a result, the production of slitting coils at Branch 2, using wide strip as raw material, had decreased to the extent that it could not reach the breakeven point and not cover the fixed cost. In the meantime, In-Tech Steel Co., Ltd. expressed its intention to lease the entire area and machinery of Branch 2, thus providing a good opportunity for the Company to partially restructure its business so as to cut back on the sinking cost and generate income from rental instead. Under the two transactions proposed this time, In-Tech Steel Co., Ltd. desires to purchase the whole of land, buildings, warehouse, and machinery of Branch 2 instead of lease. This is deemed a good opportunity for the Company to sell these unused assets, which will be beneficial to the Company as described in Item 8 above.

Based on the reasonableness and utmost benefits to the Company and the comparison with the transactions entered into with non-connected parties, the aforementioned disposal of assets and connected transactions are considered reasonable and in the best interests of the Company and its shareholders. The terms and conditions for the transactions are the general commercial terms and in the same manner as the transactions entered into on an arm's-length basis without any transfer of benefits between the Company and the persons who may have a conflict of interest. Therefore, the Board of Directors resolved to give the approval for the Company to enter into the said disposal of assets and connected transactions.

13. Opinion of the Audit Committee and/or directors which is different from opinion of the Board of Directors

The Audit Committee considered the matters and did not have any opinion which was different from the opinion of the Board of Directors.

The Company hereby certified that the information contained in this report is true and complete in all respects.

Your faithfully,

The Steel Public Company Limited

- Suroj Jiraphongtrakul -

(Mr.Suroj Jiraphongtrakul)

Director