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No. CGC 189/2021

December 27, 2021

Subject: Appointment of Independent Director, Audit Committee, Chairman of Audit Committee and, the entry into the disposal of assets transaction constituting a connected transaction

To: President,
The Stock Exchange of Thailand

Enclosures: 1. Information Memorandum on the Connected Transaction of Chayo Group Plc.

The Board of Directors' Meeting of Chayo Group Public Company Limited (the "**Company**") No. 8/2021 held on December 27, 2021, at 11.00 a.m. at the Company's meeting room, No. 44/499-504, Phahonyothin Road, Anusawari Sub-district, Bang Khen District, Bangkok, resolved to approve significant matters as follows:

1. A resolution was passed to approve the appointment of Independent Director and Audit Committee as follows;
 - ✓ The appointment of Mrs. Rosporn Sooksomporn as the Independent Director and Audit Committee Member (replacing who resign)
 - ✓ The appointment of Air Chief Marshal Arnon Jarrayapun as Chairman of Audit Committee (replacing who resign)

After the appointment, the Independent directors and Audit Committee will be as follows;

The following are the names of Independent Directors;

1. Mr. Wutisak Lapcharoensap
2. Air Chief Marshal Arnon Jarrayapun
3. Mr. Teeranut Thangsatapornpong
4. Mrs. Rosporn Sooksomporn

The following are the names and details of Audit Committee;

- | | |
|---------------------------------------|-----------------------------|
| 1. Air Chief Marshal Arnon Jarrayapun | Chairman of Audit Committee |
| 2. Mr. Teeranut Thangsatapornpong | Audit Committee Member |
| 3. Mrs. Rosporn Sooksomporn | Audit Committee Member |

2. A resolution was passed to approve the disposal of assets of the Company, which are 1,250,000 ordinary shares in Chayo Capital Company Limited ("**Chayo Capital**") with a par value of THB 10.00 per share or equaling to 5 percent of Chayo Capital's paid-up capital, to the individual listed below:

- (1) Mr. Suksan Yasasin, 500,000 shares or equaling to 2 percent of Chayo Capital's paid-up capital;
- (2) Mr. Kitti Tungsriwong, 250,000 shares or equaling to 1 percent of Chayo Capital's paid-up capital;

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- (3) Mr. Nottapol Thipchatchawanwong, 250,000 shares or equaling to 1 percent of Chayo Capital's paid-up capital;
- (4) Mrs. Pim Pattamasing Na Ayuthaya, 70,000 shares or equaling to 0.28 percent of Chayo Capital's paid-up capital;
- (5) Ms. Naowarat Sangkrot, 37,500 shares or equaling to 0.15 percent of Chayo Capital's paid-up capital;
- (6) Mr. Boonchai Prakongkhwanchai, 37,500 shares or equaling to 0.15 percent of Chayo Capital's paid-up capital;
- (7) Ms. Waraporn Intanu, 12,500 shares or equaling to 0.05 percent of Chayo Capital's paid-up capital;
- (8) Ms. Narumol Toprapat, 12,500 shares or equaling to 0.05 percent of Chayo Capital's paid-up capital; and
- (9) The Company's employees of not exceeding 5 persons, 80,000 shares or equaling to 0.32 percent of Chayo Capital's paid-up capital.

collectively referred to as (the “**Offeree**”), in total of not exceeding 13 persons at the price of THB 10.11 per share which equals to Book Value per Share of Chayo Capital in the total amount of THB 12,637,500. This is to reward the employees who has been working hard and to make them feel being part of the Company as a partnership with a conditions that (1)it is prohibited to transfer the purchased shares to the third parties other than family members and (2) if any employee or executive who has the right to subscribe the shares and has subscribed the shares resigns from the Company within two years of the date of the share purchase, such employee or executive will be required to sell or proceed to sell the shares back to the Company in full amount at the price of THB 10.11 per share. In this regard, after the sale of such shares, the Company will hold shares in Chayo Capital representing 71 percent of total Chayo Capital's paid-up capital (the “**Disposal of Assets Transaction**”).

In this regard, the Disposal of Assets Transaction is not regarded as the disposal of assets pursuant the Notification of the Capital Market Supervisory Board No. TorJor.20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (as amended) 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) (as amended) (the “**Notifications on Acquisition and Disposal of Assets**”), by which the Disposal of Assets Transaction has the highest transaction size equivalent to 0.38 percent as calculated based on the net tangible assets criterion (according to the Company's financial statements for the third quarter ended September 30, 2021) and the Company and its subsidiaries has no other disposal of assets transaction during the past 6 months. Therefore, the Company is not required to disclose an information memorandum of such transaction to the Stock Exchange of Thailand (the “**SET**”) and send a circulation letter containing at least such information as required or request an approval for entering into the Disposal of Assets Transaction from the shareholders' meeting.

However, since (1) Mr. Suksan Yasasin is a director and major shareholder of the Company, (2) Mr. Kitti Tungsiwong is a director of the Company, and (3) Mr. Nottapol Thipchatchawanwong, Mrs. Pim Pattamasing Na Ayuthaya, Ms. Naowarat Sangkrot, Mr. Boonchai Prakongkhwanchai, Miss Waraporn Intanu, and Ms. Narumol Toprapat are the executives of the Company, therefore, the Disposal of Assets Transaction is regarded as the connected transaction pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on

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Connected Transactions (as amended) 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 Connected Transactions B.E. 2546 (2003) (as amended) (the “**Notifications on Connected Transaction**”), by which the Disposal of Assets Transaction as calculated based on the Company’s latest financial statements ended September 30, 2021 which has been audited by the Company’s certified auditor, has transaction size equivalent to 0.38 percent, which exceeds 0.03 percent but less than 3 percent of the Company’s net tangible assets (NTA). In this regard, the Company has no other connected transactions with the Offeree during the past 6 months prior to entering into this Disposal of Assets Transaction. Therefore, the Company is required to disclose an information memorandum of such transactions to the SET under the Notifications on Connected Transaction, **the details are as set out in the Information Memorandum on the Connected Transaction of Chayo Group Public Company Limited (Enclosure 2).**

The Board of Directors’ Meeting also resolved to approve the delegation of power to Mr. Suksan Yasasin to undertake any actions necessary for and relevant to the sale of 80,000 shares to the Company’s employees, including but not limited to: allocating and/or changing number of shares and/or determining and/or changing the list of employees’ names who have a right to purchase such shares (the total number of shares sold to the Company’s employees are limited to 80,000 shares and not exceeding 5 persons) as well as any other actions necessary for and relevant to the completion of the sale of shares to the Company’s employees.

Please be informed accordingly

Sincerely yours,

-Signature-

(Mr. Kitti Tungswong)

Deputy Chief Executive Officer

**Information Memorandum on the Connected Transaction of
Chayo Group Public Company Limited**

The Board of Directors' Meeting of Chayo Group Public Company Limited (the "**Company**") No. 8/2021, which was held on December 27, 2021, has resolved to approve the disposal of assets of the Company, which are 1,250,000 ordinary shares in Chayo Capital Company Limited ("**Chayo Capital**") with a par value of THB 10.00 per share or equaling to 5 percent of Chayo Capital's paid-up capital, to (1) Mr. Suksan Yasasin, (2) Mr. Kitti Tungswong, (3) Mr. Nottapol Thipchatchawanwong, (4) Mrs. Pim Pattamasing Na Ayuthaya, (5) Ms. Naowarat Sangkrot, (6) Mr. Boonchai Prakongkhwanchai, (7) Ms. Waraporn Intanu, (8) Ms. Narumol Toprapat, the Company's employees of not exceeding 5 persons, collectively referred to as (the "**Offeree**"), in total of not exceeding 13 persons at the price of THB 10.11 per share which equals to Book Value per Share of Chayo Capital in the total amount of THB 12,637,500. This is to reward the employees who has been working hard and to make them feel being part of the Company as a partnership with a conditions that (1) it is prohibited to transfer the purchased shares to the third parties other than family members and (2) if any employee or executive who has the right to subscribe the shares and has subscribed the shares resigns from the Company within two years of the date of the share purchase, such employee or executive will be required to sell or proceed to sell the shares back to the Company in full amount at the price of THB 10.11 per share. In this regard, after the sale of such shares, the Company will hold shares in Chayo Capital representing 71 percent of total Chayo Capital's paid-up capital (the "**Disposal of Assets Transaction**").

In this regard, the Disposal of Assets Transaction is not regarded as the disposal of assets pursuant the Notification of the Capital Market Supervisory Board No. TorJor.20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (as amended) 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) (as amended) (the "**Notifications on Acquisition and Disposal of Assets**"), by which the Disposal of Assets Transaction has the highest transaction size equivalent to 0.38 percent as calculated based on the net tangible assets criterion (according to the Company's financial statements for the third quarter ended September 30, 2021) and the Company and its subsidiaries has no other disposal of assets transaction during the past 6 months. Therefore, the Company is not required to disclose an information memorandum of such transaction to the Stock Exchange of Thailand (the "**SET**") and send a circulation letter containing at least such information as required or request an approval for entering into the Disposal of Assets Transaction from the shareholders' meeting.

However, since (1) Mr. Suksan Yasasin is a director and major shareholder of the Company, (2) Mr. Kitti Tungswong is a director of the Company, and (3) Mr. Nottapol Thipchatchawanwong, Mrs. Pim Pattamasing Na Ayuthaya, Ms. Naowarat Sangkrot, Mr. Boonchai Prakongkhwanchai, Miss Waraporn Intanu, and Ms. Narumol Toprapat are the executives of the Company, therefore, the Disposal of Assets Transaction is regarded as the connected transaction pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions (as amended) 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 Connected Transactions B.E. 2546 (2003) (as amended) (the "**Notifications on Connected Transaction**"), by which the Disposal of Assets Transaction as calculated based on the Company's latest financial statements ended September 30, 2021 which has been audited by the Company's certified auditor, has transaction size equivalent to 0.38 percent, which exceeds 0.03 percent but less than 3 percent of the Company's net tangible assets (NTA). In this regard, the Company has no other connected transactions with the Offeree during the past 6

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months prior to entering into this Disposal of Assets Transaction. Therefore, the Company is required to disclose an information memorandum of such transactions to the SET as follows:

1. Transaction Date

The Company will enter into the agreements related to the transaction, including, but not limited to, the Share Sale and Purchase Agreement within 30 days from the date of Board of Director has resolved to approve the Disposal of Assets Transaction. The Company anticipates the transaction to be concluded by the first quarter of the year 2022 (the “**Completion Date**”).

2. Related Parties and Relationship with the Company

Seller: The Company

Offerees: Not exceeding 13 offerees as follows:

- (1) Mr. Suksan Yasasin
- (2) Mr. Kitti Tungswong
- (3) Mr. Nottapol Thipchatchawanwong
- (4) Mrs. Pim Pattamasing Na Ayuthaya
- (5) Ms. Naowarat Sangkrot
- (6) Mr. Boonchai Prakongkhwanchai
- (7) Ms. Waraporn Intanu
- (8) Ms. Narumol Toprapat
- (9) The Company’s employees of not exceeding 5 persons

Relationship: (a) Mr. Suksan Yasasin is a director and holds 2 percent of the total paid-up capital of the Company, (b) Mr. Kitti Tungswong is a director and holds 1 percent of the total paid-up capital of the Company, and (c) Mr. Nottapol Thipchatchawanwong is a director and holds 1 percent of the total paid-up capital of the Company, (d) Mrs. Pim Pattamasing Na Ayuthaya is a director and holds 0.28 percent of the total paid-up capital of the Company, (e) (5)-(8) are the executives of the Company’s subsidiaries.

3. General Characteristics of the Transaction

To reward the employees who has been working hard and to make them feel being part of the Company as a partnership, the Company desires to dispose 1,250,000 ordinary shares held in Chayo Capital with a par value of THB 10.00 per share or equaling to 5 percent of Chayo Capital’s paid-up capital to not exceeding **Offerees** at the price of THB 10.11 per share which equals to Book Value per Share of Chayo Capital, totaling THB 12,637,500 with a conditions that (1) it is prohibited to transfer the purchased shares to the third parties other than family members and (2) if any employee or executive who has the right to subscribe the shares and has subscribed the shares resigns from the Company within two years of the date of the share purchase, such employee or executive will be required to sell or proceed to sell the shares back to the Company in full amount at the price of THB 10.11 per share. In this regard, after the sale of such shares, the Company will hold shares in Chayo Capital representing 71 percent of total Chayo Capital’s paid-up capital.

4. Details of the Disposed Assets

The Company will dispose 1,250,000 ordinary shares held in Chayo Capital with a par value of THB 10.00 per share to not exceeding 13 Offerees at the price of THB 10.11 per share. The details of Chayo Capital can be summarized as follows:

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| | |
|----------------------------|--|
| Company's name | Chayo Capital Company Limited |
| Nature of business | Lending Business (with Collateral and without Collateral) |
| Head office | 44/499-504 Phahonyothin Rd, Khwaeng Anusawari, Khet Bang Khen, Bangkok |
| Jurisdiction Number | 0105561158987 |
| Incorporation date | September 14, 2018 |
| Registered capital | THB 250,000,000 |
| Paid-up capital | THB 250,000,000 |
| Par Value | THB 10 per share |

4.1 Nature of Business Operations

Chayo Capital operates the business of lending credit facilities (with and without collateral).

4.2 Board of Directors and Shareholders

Board of Directors of Chayo Capital

| Current Directors | Post-transaction Directors |
|-------------------------------------|-------------------------------------|
| 1. Mr. Suksan Yasasin | 1. Mr. Suksan Yasasin |
| 2. Mr. Kitti Tungswong | 2. Mr. Kitti Tungswong |
| 3. Mrs. Pim Pattamasing Na Ayuthaya | 3. Mrs. Pim Pattamasing Na Ayuthaya |
| 4. Mr. Nottapol Thipchatchawanwong | 4. Mr. Nottapol Thipchatchawanwong |

List of Shareholders of Chayo Capital

| Current Shareholders | | | Post-transaction Shareholders | | |
|---------------------------------------|-------------------|------------|---------------------------------------|-------------------|------------|
| Name of the Existing Shareholders | Number of Shares | Percentage | Name of the Existing Shareholders | Number of Shares | Percentage |
| 1. Chayo Group Public Company Limited | 19,000,000 | 76 | 1. Chayo Group Public Company Limited | 17,750,000 | 71 |
| 2. Mr. Rittirong Boonmechote | 5,000,000 | 20 | 2. Mr. Rittirong Boonmechote | 5,000,000 | 20 |
| 3. Mr. Wiwat Kromadit | 1,000,000 | 4 | 3. Mr. Wiwat Kromadit*** | 500,000 | 2 |
| | | | 4. Mr. Thienpan Boonsongsrikul*** | 500,000 | 2 |
| | | | 5. Mr. Suksan Yasasin | 500,000 | 2 |
| | | | 6. Mr. Kitti Tungswong | 250,000 | 1 |
| | | | 7. Mr. Nottapol Thipchatchawanwong | 250,000 | 1 |
| | | | 8. Mrs. Pim Pattamasing Na Ayuthaya | 70,000 | 0.28 |
| | | | 9. Ms. Naowarat Sangkrot | 37,500 | 0.15 |
| | | | 10. Mr. Boonchai Prakongkhwanchai | 37,500 | 0.15 |
| | | | 11. Ms. Waraporn Intanu | 12,500 | 0.05 |
| | | | 12. Ms. Narumol Toprapat | 12,500 | 0.05 |
| | | | 13. Not exceeding 5 employees | 80,000 | 0.32 |
| Total | 25,000,000 | 100 | Total | 25,000,000 | 100 |

*** Mr. Wiwat Kromadit transfers 500,000 shares to Mr. Thienpan Boonsongsrikul.

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4.3 Financial Information and Operating Results of Chayo Capital as of September 30, 2021

Profit-loss Statement for the quarter ended September 30, 2021

| Profit-loss Statement for the quarter ended September 30, 2021 | |
|---|------------------|
| | (Unit: THB) |
| Interest Income from Lending | 7,051,539 |
| Service Cost | (751,507) |
| Gross Profit (Loss) | 6,300,032 |
| Other Income | 26,261 |
| Management Expenses | (1,167,707) |
| Financial Cost | (1,057,679) |
| Profit (Loss) Before Corporate Income Tax | 4,100,907 |
| Corporate Income Tax Expenses (Income) | (662,998) |
| Net Profit (Loss) for the Year | 3,437,909 |

Financial Position as at September 30, 2021

| As at September 30, 2021 | |
|---|--------------------|
| | (Unit: THB) |
| <u>Assets</u> | |
| <u>Current Assets</u> | |
| Cash and cash equivalents | 130,712,081 |
| Trade accounts receivable and other accounts receivable | 34,008 |
| Lending accounts receivable | 123,135,717 |
| Other current assets | 5,554 |
| Total Current Assets | 253,887,360 |
| <u>Non-Current Assets</u> | |
| Net tangible assets | 596,892 |
| Net lands, buildings, and equipment | 49,661 |
| Deferred tax assets | 2,878 |
| Other non-current assets | 15,000 |
| Total Non-current Assets | 664,432 |
| Total Assets | 254,551,791 |

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| As at September 30, 2021 | |
|--|--------------------|
| <u>Liabilities and Shareholders' Equity</u> | |
| <u>Current Liabilities</u> | |
| Trade accounts payable and other accounts payable | 617,592 |
| Short-term loans from third parties | 850,000 |
| Accrued income tax | 352,050 |
| Other current liabilities | 91,622 |
| Total Current Liabilities | 1,911,264 |
| Non-Current Liabilities | - |
| Employee Benefit Obligations | 14,388 |
| Total Non-Current Liabilities | 14,388 |
| Total Liabilities | 1,925,652 |
| <u>Shareholders' Equity</u> | |
| Issued and paid-up capital | 250,000,000 |
| Unappropriated retained earnings | (811,769) |
| Profit (Loss) | 3,437,908 |
| Total Shareholders' Equity | 252,626,139 |
| Total Liabilities and Shareholders' Equity | 254,551,791 |

5. Total Value of Consideration and Terms of Payment

The Company will dispose 1,250,000 ordinary shares held in Chayo Capital with a par value of THB 10.00 per share or equaling to 5 percent of Chayo Capital's paid-up capital, to not exceeding 13 Offerees as indicated in item 2. above at the price of THB 10.11 per share which equals to Book Value per Share of Chayo Capital in the total amount of THB 12,637,500, payable in cash in full on the Completion Date, which is expected to take place in the first quarter of the year 2022.

6. Value of the Disposed Assets

The value of assets to be disposed from the Company from the transaction will be equal to the total value of consideration, as per the details in Clause 5 above.

7. Basis of Determination of the Value of Consideration

The value of consideration of the Disposal of Assets Transaction represents Book Value per Share of Chayo Capital.

8. Nature and Scope of Interest of the Connected Person to Decide to Execute the Transaction and Transaction Size

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Since (1) Mr. Suksan Yasasin is a director and major shareholder of the Company, (2) Mr. Kitti Tungswong is a director of the Company, and (3) Mr. Nottapol Thipchatchawanwong, (4) Mrs. Pim Pattamasing Na Ayuthaya, Ms. Naowarat Sangkrot, Mr. Boonchai Prakongkhwanchai, Miss Waraporn Intanu, and Ms. Narumol Toprapat are the executives of the Company and/or of the subsidiaries of the Company, therefore, the Disposal of Assets Transaction is regarded as the connected transaction pursuant to the Notification on Connected Transaction, by which the Disposal of Assets Transaction as calculated based on the Company's latest financial statements ended September 30, 2021 which has been audited by the Company's certified auditor, has transaction size equivalent to 0.38 percent, which exceeds 0.03 percent but less than 3 percent of the Company's net tangible assets (NTA). In this regard, the Company has no other connected transactions with the Offeree during the past 6 months prior to entering into this Disposal of Assets Transaction. Therefore, the Company is required to disclose an information memorandum of such transactions to the SET according to the Notification on Connected Transaction.

9. Opinion of the Board of Directors and the Audit Committee

The Board of Directors and the Audit Committee, which director who has conflict of interest did not attend the meeting, are of the opinion that the entry into the transaction is appropriate, reasonable and in the best interests to the Company since the Offeree, who is a connected person, has contribution and participation in building growth to the Company. Making such person to become a shareholder of Chayo Capital will increase motivation and encourage working of the Company's group to be efficient, including build growth to the Company. In addition, it contains reasonable offering price as it is in equivalent to Book Value of Chayo Capital.

10. Opinion of the Audit Committee and/or other Directors Different from the Opinion of the Board of Directors

-None-