

No. NV 2565/4

22 February 2022

Subject The Connected Transaction Information Regarding Lease of Land less than 3-Year Period

Attention President the Stock Exchange of Thailand

According to the resolution of the Board of Directors Meeting of Nova Organic Public Company Limited (“Company”), on 22 February 2022, the Board of Directors has the resolution to approve for renewing land lease agreement between the Company and a shareholder and director of the Company who is a connected person of the Company.

The transaction is a connected transaction as specified in Category 3 “Transaction regarding rental or lease of immovable property of not exceeding 3 years” according to Notification of the Capital Market Supervisory Board No. Tor Chor 21/2008 Re: Rules on Connected Transactions and Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions BE 2546. The Company hereby discloses the detail of the transaction as follows;

1. Date of Transaction

1 January 2022 to 31 December 2024. The land lease agreement will be renewed from the end of the original agreement for 3 years.

2. Names of Parties involved

Lessee: Nova Organic Public Company Limited

Leaser: Nova Organic Holding Company Limited, the shareholder who held 35 % of Company’s total shares

Relationship: Mr. Nawapol Chanjutamas and Mrs. Yupin Chanjutamas are directors and management for both companies.

Transactions with the above juristic persons in the last six months: None

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3. General Description of the Transaction

Currently, the Company is leasing this land for 3 buildings for storage of finished goods and for working area. The Company had reported the information in “Connected Transaction” section in annual report. Details of the leased asset are as follow;

Leased Asset	1. Land size 1 ngan 5.7 square wa 2. Land size 1 ngan 49.1 square wa 3. Land size 1 ngan 48.2 square wa Located at 190/71, 190/83 and 190/84 Phra Samut Chedi, Samut Prakan (respectively), which is the land close to the company.
Lease Term	3 Years (1 JAN 2022 – 31 DEC 2024) The renewal will start after the current agreement ends on 31 December 2021
Rental Fee	253,500 baht per month, Payment will be made on the 5th date of every month

The entire rental for the 3 years is amounting to 9,126,000 baht (excluding other duties, land and building tax)

4. Total Value and Criteria Used in Determining a Transaction’s Total Value

4.1 Total Value of Transaction

Total value of transaction is 9,126,000 baht, with the lease term of 3 years or 253,500 bath per month, and is not qualified as general trading condition, which means the leaser does not operate in land rental business, or offering to general public to lease such land.

4.2 Criteria Used in Determining the Transaction’s Total Value

The Company will renew the land lease agreement which has the same area and the same rental fee since 13 May 2021. The current rental fee refers to the comparison of appraisal reports from 2 independent appraisers, Powerland Plus Appraisal Co., Ltd. and SEAI Co., Ltd., dated 28 May 2021 and 1 June 2021, respectively. The independent appraisers are approved by the Securities and Exchange Commission and have professional qualifications and experience in the location and category of the property. Powerland Plus Appraisal Co., Ltd. evaluated the rental rate of 245,000 baht per month and SEAI Co., Ltd. evaluated the rental rate of 262,000 baht per month. Therefore, the average rental price is 253,500 baht per month. There is no fee adjustment regarding the renewal of land rental agreement because there is no change on property appraisal cost from the Treasury Department.

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5. Transaction Size

5.1 Financial Summary as at 31 December 2021, has reviewed and agreed by auditor

Unit : Baht	Balance Sheet as at 31 December 2021	0.03% NTA	3% NTA
Total Assets	1,815,774,338.00		
Intangible Asset	4,005,910		
Total Liabilities	142,142,302.00		
Minor Shareholders' Equity	N/A		
Net Tangible Assets (NTA)	1,669,626,126.00	500,887.84	50,088,783.78

5.2 Total Value of Consideration

Based on latest financial statements as at 31 December 2021. The transaction amounting to 9,126,000 baht is 0.55% of Net Tangible Assets (NTA), which is above 0.03% but does not exceed 3% of the NTA, which means the transaction is subject to medium size transaction.

5.3 Company's Action Upon Transaction

The Company has to obtain resolution for approval from Board of Management meeting, and disclose the information to the Stock Exchange of Thailand.

6. Rationale to Enter into The Transaction

3 buildings are located close to the Company's factory. The objective of making the agreement is to keep the finished goods before ship to customers. Due to the construction of a new factory and warehouse of the Company not finished, while the current factory space was insufficient for storage. And renting an area near the factory makes it easier to move and save transportation costs than renting land in other areas.

7. Board of Management Opinion and Resolution

The Board of Management had considered the entire information regarding the transaction and give opinion that the transaction is appropriate and benefit the Company. Moreover, compared to market rate, the rental fee is reasonable. Therefore, the Board of Management passed the resolution to enter the agreement with the Leaser.

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8. Opinion of the Audit Committee which is Different from the Board of Managements' opinion in Clause 7
- None -

However, for the acquisition of assets, the lease contract value is 9,126,000 baht, or 0.50 % of the company's total assets is 1,815,774,338 baht. There is no need to notify the SET because the transaction size is less than 15%.

Please be informed accordingly,

Yours Sincerely,

(Mr. Isares Janyawannasiri)
Vice Chief Financial Officer

Company Secretary Office

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