

IR.009/2022

May 17, 2022

Re: Report on the Information Memorandum regarding the connected transaction with respect to the entering into a memorandum of understanding and notification of the change of the Company's secretary

To: President  
The Stock Exchange of Thailand

Enclosure: Information Memorandum regarding the Connected Transaction.

PSG Corporation Public Company Limited (the "Company") is pleased to inform the Stock Exchange of Thailand ("SET") the significant resolutions made by the Board of Directors' meeting held on May 17, 2022, as follows:

1. Resolved to approve the entering into a memorandum of understanding in relation to a trial on coal distribution with Xekong Power Plant Company Limited ("XPPL"), who is categorized as a connected person. Therefore, the Company would like to inform the following information to the SET.
  - 1.1 Approved the Company to enter into a memorandum of understanding between the Company (as a service provider) and XPPL (as a service receiver), whose director and an indirect shareholder [holding 50% of shares in XPPL](#) is a brother of Mr. Van Hoang Dau, the Company's director. Therefore, this is categorized as a transaction dealing with a connected person of the Company under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transaction dated August 31, 2008, 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, dated November 19, 2003.
  - 1.2 The Company will receive a commission fee of USD 2 per every single ton of the goods sold. The Company expects to receive compensation during the trial period in the total amount of not more than Baht 30 million, which is 2.5 percent of the net total assets (NTA) according to the latest financial statements of the Company as of March 31, 2022. This transaction is in compliance with 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, in which Company does not have any other connected transactions that must be included in the transaction size during the 6 months prior to entering into this transaction. This transaction size is larger than 0.03 percent but less than 3.00 percent of the Company's NTA. The Company is required to obtain the approval from the Board of Director and to disclose the information of the transaction to the SET.

2. Resolved to appoint Ms. Pathamakorn Buranasin as the Company's secretary in replacement of Ms. Somruedee Halilamien. The change shall be effective from May 18, 2022, onwards. Ms. Somruedee Halilamien is still holding the position as the Chief Financial Officer and a member of the Executive Committee.

Please be informed accordingly.

Very truly yours,

Mr. David Van Dau

Chief Executive Officer

PSG Corporation Public Company Limited

(TRANSLATION)

Information Memorandum regarding the Connected Transaction  
PSG Corporation Public Company Limited

The Board of Directors Meeting of PSG Corporation Public Company Limited (the "Company") No. 4/2022 held on May 17, 2022, resolved to approve the entering into a memorandum of understanding in relation to a trial on coal distribution with Xekong Power Plant Company Limited ("XPPL"), whereby a director and an indirect shareholder holding 50% of shares in XPPL is a brother of Mr. Van Hoang Dau, a director of the Company. Therefore, this is categorized as a transaction dealing with a connected person of the Company. If the Company can procure a coal production order for XPPL and/or XPPL's subsidiary within this trial period, the Company will receive a commission fee of USD 2 per every single ton of the goods sold. The Company expects to receive compensation during the trial period in the total amount of not more than Baht 30 million.<sup>1</sup>

Therefore, the entering into a memorandum of understanding with XPPL is considered as a connected transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transaction dated August 31, 2008, 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, dated November 19, 2003. The substantial details of the transaction are as follows:

**1. Transaction Date**

The Board of Directors Meeting No. 4/2022 held on May 17, 2022, resolved to approve the Company (as a service provider) to enter into a memorandum of understanding with XPPL (as a service receiver). The parties expect to sign the memorandum of understanding by the end of the second quarter of 2022.

**2. Details of Connected Person and Relationship**

Service Provider: PSG Corporation Public Company Limited

Service Receiver: Xekong Power Plant Company Limited

Relationship: A director and an indirect shareholder holding 50% of shares in XPPL is a brother of Mr. Van Hoang Dau, a director of the Company

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<sup>1</sup> Based on the exchange rate of US Dollars against Thai Baht announced by the Bank of Thailand as of May 17, 2022, where US Dollar 1 is equivalent to Baht 34.48. This exchange rate will be used throughout this document for reference purposes only.

### 3. General Features of Transaction

The Company will enter into a memorandum of understanding with XPPL in relation to a trial on coal distribution for a six-month period starting from the signing date of the memorandum of understanding, whereby the Company shall be responsible for liaison and help negotiate to procure coal customers. XPPL agrees to pay the Company a commission fee of USD 2 per every single ton of the goods sold. From a feasibility study and a probability survey of the target customers, the Company expects to sell a maximum of 420,000 tons of coal. However, this coal sales volume is only an estimate of the maximum amount to be sold. There is no certainty or agreement with certain customers.

### 4. Total Value of Consideration, Basis used to determine the Consideration Value and Payment Conditions

**4.1 Total value of consideration:** The Company will receive a commission fee of USD 2 per every single ton of the goods sold. The Company expects to sell a maximum of 420,000 tons of coal during the trial period under the memorandum of understanding. The Company expects to receive compensation in the total amount of not more than Baht 30 million.

**4.2 Type of transaction:** This transaction is relating to assets or services in accordance with the Notification of the Stock Exchange of Thailand regarding the Disclosure of Information and Other Acts of Listed Companies concerning the Connected Transactions.

**4.3 Size of transaction:** An estimate of the maximum commission fee to be received by the Company is 2.5 percent of the net total assets (NTA) according to the latest financial statements of the Company as of March 31, 2022, reviewed by the authorized auditor. The Company does not have any other connected transactions that must be included in the transaction size during the 6 months prior to entering into this transaction. Therefore, this connected transaction does not exceed 3% of the Company's NTA as of March 31, 2022.

**4.4 Payment Conditions:** The Company will receive compensation when XPPL and/or XPPL's subsidiary receives each coal payment.

**5. Characteristics of the Interest of the Connected Person in the Transaction**

This is a transaction between the Company and XPPL, whose director and indirect shareholder holding 50% of shares in XPPL is a brother of Mr. Van Hoang Dau, a director of the Company. This transaction is a connected transaction relating to assets or services under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transaction dated August 31, 2008, 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, dated November 19, 2003.

Therefore, based on the related rules and regulations, this transaction size is larger than 0.03 percent but less than 3.00 percent of the Company's NTA according to the latest financial statements of the Company as of March 31, 2022. The Company is required to obtain the approval from the Board of Director Meeting and to disclose the information of the transaction to the Stock Exchange of Thailand.

**6. Names of the Company's directors who have interest**

Name	Position(s) in the Company
Mr. Van Hoang Dau	Chairman of the Company

There were 9 directors in attendance at the Board of Directors Meeting No. 4/2022 held on May 17, 2022, which constituted a quorum. The director who has interest above attended the meeting but did not cast his vote for such agenda.

**7. Opinion of the Board of directors**

The Board of Directors viewed that entering into this transaction is an opportunity to try on other businesses that can generate income for the Company. The Company requires only a few of the Company's staff to take charge on this assignment. It does not require any investment and therefore does not affect the liquidity or cash flow of the Company's core business. Moreover, if the Company is unable to sell coal for XPPL and/or XPPL's subsidiary, there is no penalty charges other than expenses on certain staff. As for the rate of remuneration that the Company will receive, it is an appropriate rate of remuneration compared to the roles and duties that the Company is required to perform and is in line with normal rates offered in the industry for this type of service. Therefore, the Board of Directors is of the opinion that it is a reasonable transaction by considering the operational potential including opportunities and benefits to the Company in the future.

8. Opinion of the Audit Committee

- None -

The Company hereby certifies that the above-mentioned transaction has been reasonably considered with the view to the best interest of the shareholders, and that the information contained herein is true and correct in all respects.

*-Signature-*

Mr. David Van Dau

Chief Executive Officer

PSG Corporation Public Company Limited