



PPPM/2565-064

August 16, 2022

Subject: Notification of disposition of assets of a subsidiary in Japan (**Amendment 2**)

Attention: President
Stock Exchange of Thailand

PP Prime Public Company Limited (the “**Company**”) would like to inform the information of a resolution of Board of Directors’ Meeting No. 10/2022 held on August 15, 2022. The meeting acknowledged the disposition of assets of the Subsidiaries in Japan as follows:

On July 13, 2022, The Company was notified by an authorized director of the subsidiaries in Japan at that time. **That on June 24, 2022** it had disposed the assets of some subsidiaries in Japan. With this regard, the Company was notified that it had disposed the assets to **Kannawaen (“Kannawaen”)**, which are companies incorporated under the laws of Japan and not connected persons of the Company (referred to as the “**Buyer**”). The Disposed Assets has been sold consisting of (1) part of lands held by the Subsidiaries (**17 plots out of a total of 26 plots**) and (2) power plants system (“**Power Plant Projects**”) (**2 plants out of a total of 15 plants**), and the ownership of some lands had already been transferred to the Buyer on July 4, 2022. The subsidiary has already received money from the sales proceeds of some assets of JPY 78 million (20 million baht), with a book value of JPY 260 million (67 million baht). As a result, the subsidiary has a loss on disposal of assets of JPY 182 million (47 million baht) (referring to the exchange rate of 25.87 baht per JPY 100 from the Bank of Thailand as of June 30, 2022).

The disposition of the Power Plant Project transaction is considered as a disposal of assets pursuant to the Notification of the Capital Market Supervisory Board No. Tor Jor. 20/2551 Re: Rules for a Significant Transaction that is the Acquisition or Disposition of Assets and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Actions of Listed Companies in Acquisition or Disposition of Assets B.E. 2547 (the “**Notification on Acquisition or Disposition**”). The highest transaction value, calculated according to the criteria set forth in the Notification on Acquisition or Disposition, is 3.07 % (book value of asset/total assets), based on the consolidated financial statements for the second quarter ended June 30, 2022, that have been reviewed by the auditor, which the size of the transaction is less than 15%. (In this regard, the Company does not have any other disposition of assets for the past 6 months prior to the date of the agreement to enter into the Disposition of the Power

Plant Project Transaction that must be included in the calculation of the transaction value.) Therefore, the Company is not obliged to follow in accordance with the Notification on Acquisition or Disposition.

Furthermore, the Buyers are not connected persons of the Company. Therefore, such transaction does not qualify as a connected transaction pursuant to the Notification of the Capital Market Supervisory Board No. ThorJor. 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 the Connected Transaction, 2003 (as amended).

With this regard, the Company would like to inform that terms of the trading price, payment conditions and criteria of the disposition of lands and power plant projects are in the process of collecting the information and reviewing all relevant documents, and proceedings to finalize the details of the disposition of assets. The preliminary information on the disposal of assets were obtained from an email on July 13, 2022, **In the e-mail that the authorized director has notified his resignation with effect from July 12, 2022.** The Company has contacted that director by email requesting his cooperation in clarifying additional information of such transaction and delivering all relevant sales documents to the Company. Until now, the company has not yet received any cooperation from him in providing information and sales documents. However, the company is not complacent about this circumstance, the company has taken urgent action as follows:

- 1) The parent company located in Hong Kong, which is a shareholder of subsidiaries in Japan, had a resolution to appoint a new authorized director to replace the resigned director. Currently, the registration process for appointing a new director is in progress. **(The change registration is expected to be completed on September 2022)**
- 2) Contacted a lawyer in Japan to seek legal advice and to find the correct course of action for the Sales of assets. With regard to the legal opinion that the director has proceeded to sell the company's assets without consulting or notifying the company and proceeding of such transaction was not complying with the power authorization of directors in subsidiaries. The company would like to clarify that in the past the company has a definite policy and has set a clear internal control system and had already notified the director as a guideline of authorization for the subsidiary companies. Furthermore, the company has informed him by email dated on June 19, 2022 notifying that he cannot proceed any binding action and agreements. He need



to report and ask for the company approval. The occurrence of this circumstance was deemed that the director did not comply with the internal control system set forth by the company.

- 3) To finalize the transaction as soon as possible. The Company has appointed a working team to carry out such matters and thus will report to the Board of Directors meeting. The working team has scheduled to travel to Japan in early September to investigate, review the sales transaction and existing ownership of assets, its effects and negotiate to obtain a conclusion of the sale transaction (Expected to be completed on December 2022). Lastly, the Company will further inform the concrete details of such matters to the Stock Exchange of Thailand.

Please be informed accordingly.

Yours sincerely,

PP PRIME PUBLIC COMPANY LIMITED

(Mrs. SUPATTRA NAKMONTANAKUM)

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