

(“TRANSLATION”)

No. TG 102/65

October 3, 2022

Subject: Disposal of Investment in associated company to Connected Person
Attention: The President
The Stock Exchange of Thailand
Enclosure: Information on disposition of assets and making connected transaction

Takuni Group Public Company Limited (“The Company”) hereby announce that the Board of Directors meeting no. 8/2565 on October 3,2022 has the resolution to dispose all investment in an associated company, Watchaphuch Thai Co., Ltd., as the attached detail.

Please be informed accordingly.

Yours Sincerely,

Ms. Nita Treeweeranuwat
Chief Executive Office/ President

Information on disposition of assets and making connected transaction of Takuni Group Public Company Limited

Takuni Group Public Company Limited (“the Company” of “TAKUNI”) would like to inform that the Board of Directors Meeting No. 8/2565, on 3 October 2022 has resolution that Takuni (Thailand) Co., Ltd, a 99.99% subsidiary of the Company, to dispose the investment in an associated company, Watchaphuch Thai Co., Ltd. The transaction is considered a disposition of assets of registered company in accordance with the Announcement of the Capital Market Supervisory Board No. ThorJor.20/2551 Regarding Rules for making significant transaction that are considered to be the acquisition or disposition of assets, and the Announcement of the Stock Exchange of Thailand Board Regarding Disclosure of Information and Operation of making transactions to be the acquisition or disposition of assets of the registered company B.E.2547 (2004), and Amendment Edition (collectively, “the Announcement of Acquisition or Disposition of Assets found that the transaction dimension according to the Total Value of Consideration Criteria transaction dimension equals to 0.048% (the Company and its subsidiaries has no transactions of disposition of assets within 6 months prior to this transaction), the Company is not obliged to follow the announcement of the value of the acquisition or disposition of assets.

In addition, the disposition of investment on Watchaphuch Thai Co., Ltd is the sale of assets to the connected person of directors. Therefore, it is considered a connected transaction of the registered company as specified in the Announcement of Capital Market Supervisory Board No. ThorJor. 21/2551, Rules for making significant transactions that are considered to be the acquisition or disposition of assets, and the Announcement of the Stock Exchange of Thailand Board Regarding Disclosure of Information and Operation of making connected transactions of the registered company B.E.2546 (2003) (collectively, “Connected Transaction”) which is calculated on the dimension of the related transaction, it is organized into a medium dimension (the Company and its subsidiaries has no a connected transaction to the abovementioned persons within 6 months prior to this transaction) the Company has the duty to prepare and disclose information to the Stock Exchange of Thailand, with details of information as follows:

1. Date, month, year of the transaction

October 3, 2022

2. The parties involved and the nature of relationship with registered companies

The sale of investment in Watchaphuch Thai Co., Ltd

Seller: Takuni (Thailand) Co., Ltd. (99.99% subsidiary of the Company)

Buyer: Mr. Takool Treeweeranuwat

Relationship as of the transaction: Mr. Takool Treeweeranuwat is son of Mr. Prasert Treeweeranuwat and brother of Ms. Nita Treeweeranuwat, who are the Company’s Directors

3. General characteristics of the transaction

Takuni (Thailand) Co., Ltd., 99.99% subsidiary of the Company, will dispose investment in Watchaphuch Thai Co., Ltd (an associated company) totaling of 1,300,813.70 Bath. The disposition of assets is part of the business restructuring of the group.

4. Details of the assets to be disposed of

Company	Watchaphuch Thai Co., Ltd.
Paid-up capital	2,000,000 Baht
Establish Date	21 April 2021
Business Type	Trading of Pharmaceutical botany products
Price	1,300,813.70 Baht The offering price has the following sources: Investment in Common Share : 1,000,000 Baht Debt : 300,000 Baht Interest : 813.70 Baht
Settlement	Full payment on the transfer date by specifying the transfer of shares within 15 days
Book value as of 30 June 2022	1,454,671.01 Baht. 50% of book value that Takuni (Thailand) hold equals to 727,335.51 Baht.

Name of shareholder Watchaphuch Thai Co., Ltd. before and after the transaction.

Name of shareholders	Before the transaction		After the transaction	
	Number of shares	%	Number of shares	%
1. Takuni Thailand Co., Ltd.	10,000	50.00	-	-
2. Mr. Siraphob Kiatponpot	4,000	20.00	4,000	20.00
3. Mr. Siridech Kidwisala	2,000	10.00	2,000	10.00
4. Mr. Hemawat Assanuk	1,200	6.00	1,200	6.00
5. Mr. Apiwit Pansiripokkakul	1,200	6.00	1,200	6.00
6. Ms. Somporn Tilapornpat	1,200	6.00	1,200	6.00
7. Mr. Jirawut Krongthanin	400	2.00	400	2.00
8. Mr. Takool Treeweeranuwat	-	-	10,000	50.00
Total	20,000	100.00	20,000	100.00

5. Calculation of transaction dimension

5.1 Calculation of the disposition of assets transaction dimension

Calculation of the transaction dimension according to announcement of the acquisition or disposition of assets, the Company calculates the transaction dimension from latest consolidated financial statement of the company prior to the transaction date ended 30 June 2022, with details of important financial information as follows:

Financial information of Takuni Group Plc. ended 30 June 2022

TAKUNI Consolidated Financial Information as of 30 June 2022	Million Baht
Total assets	2,725.22
Intangible assets	39.13
Total liabilities	1,305.70
Non-controlling interests	468.15
Net profit for the past 12 month (Quarter 3 of 2021 to Quarter 2 of 2022)	93.71
Book value of assets disposed	0.73

<u>Calculation criteria of Transaction dimension</u>	<u>Method of calculate the transaction dimension</u>	<u>Result of calculation of transaction dimension</u>
1. Net tangible assets Criteria	$\frac{\text{NTA of investment in the transaction company}) \times \text{Ratio acquired or disposed} \times 100}{\text{NTA of the registered company}}$	$\frac{(0.09 \times 50\% \times 100)}{912.23} = 0.005\%$
2. Net profit criteria	$\frac{\text{Net operating profit of the company in the transaction}) \times \text{Shareholding ratio} \times 100}{\text{Net operating profit of the registered company}}$	Do not calculate, due to it is not a disposition asset have net loss for the period
3. Total value of consideration criteria	$\frac{\text{Value of transaction paid or received} \times 100}{\text{Total assets of the listed company}}$	$\frac{1.30 \times 100}{2,725.22} = 0.048\%$
4. Equity value criteria	$\frac{\text{Number of shares issued by the company to pay for assets} \times 100}{\text{Number of paid – up shares of registered companies}}$	Do not calculate, due to it is a disposition of assets transaction.

From the calculation of the disposition of assets transaction dimension according to the value of consideration criteria was the highest dimension 0.048%.

The company and its subsidiaries has no transactions of disposition of assets within 6 months prior to this transaction, the Company is not obliged to follow the Announcement of the Acquisition or Disposition of Assets.

5.2 Calculation of the connected transaction dimension

Calculation of the transaction according to the Announcement of the Connected transaction, the company calculates the transaction dimension from the latest financial statements of the company prior to the transaction date ended 30 June 2022 with details of important financial information as follows:

TAKUNI Consolidated Financial Information as of 30 June 2022	Million Baht
Total Assets	2,725.22
Intangible Assets	39.13
Total liabilities	1,305.70
Non-controlling interests	468.15
Net Tangible Assets	912.23
The value of 0.03% of the net tangible assets:	0.27
The value of 3.00% of the net tangible assets.	27.37
The bottom frame of the calculation of the connected transaction dimension (Use values between 0.03% of NTA or 0.27 million Baht)	0.27
Upper frame of the calculation of the connected transaction dimension (Use values between 0.03% of NTA or 27.37 million Baht)	27.37
Value of the connected transaction	
Value of the connected transaction Sale of Watchaphuch Thai Co., Ltd.	1.30 Million Baht, or calculated as 0.14% of net tangible asset value of the Company as of 30 June 2022
Size of the connected transaction	Medium transaction (0.03%NTA < 0.14% < 3.00% of NTA)

In addition, the above transaction is into the scope of a connected transaction, is a transaction relating to assets or value of transaction total 1.30 Million Baht, or about the dimension of a transaction total 0.14% of net tangible asset which is lower than the determined transaction dimension of 27.37 Million Baht (3.00%.of net tangible assets) it is deemed to be a medium connected transaction, therefore, the company must operate under the Announcement of the Capital Market Supervisory Board No. ThorJor. 21/2551 regarding the criteria for making the connected transaction and the Stock Exchange of Thailand No. BorJor/Por 22-01 regarding the disclosure of information and operation of making connected transaction of the registered company B.E.2546 (2003) and the amendments, the company has a duty to comply with announcement of connected transaction as follows:

6. Benefits expected to be received

The Board of Directors believes that the disposition of assets is part of the business restructuring of the group, which is the implementation of the Company's strategy and policy to focus on operating the core business. However, Watchaphuch Thai Co., Ltd. was set up for cultivate, import, export, transform, and trading cannabis for pharmaceutical usage and related research and development. Watchaphuch Thai Co., Ltd. has been licensing for cannabis cultivate since 2021 and may take long time for investment return.

7. Plans to use the proceeds from the disposition of assets

Takuni (Thailand) Co., Ltd. will receive cash received of 1,300,813.70 Baht from the disposal on the asset will be used as working capital.

8. Opinion of the Board of Directors on a decision to enter into a connected transaction

The Board of Directors Meeting No. 8/2565 on 3 October 2022 considered and had opinion that the aforesaid connected transaction is a disposition of assets transaction that is appropriate, reasonable and for the benefit of the Company because it is the operation of the improvement of the business plan and strategy of the company that will focus on generating profits from the company's core business. Watchaphuch Thai Co., Ltd. is in first stage for cannabis cultivate and development, so the performance still be negative.

The Board of Directors is of the opinion that the transaction is reasonable already. The Board of Directors has considered and commented on the transaction with the highest benefit to the Company and the Company's shareholders.

However, Mr. Prasert Treeweeranuwat and Ms. Nita Treeweeranuwat, considered as connected person to the buyer, do not vote in the meeting.

9. Opinion of the Audit Committee and /or the Directors of the Company which is Different from the Opinion of the Board of Directors Including the case of the aforesaid director abstained

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