

WH/SET/22/11/LT384

11 November 2022

Subject Information Memorandum on investment in the construction of the factory to increase production lines for PVC pipe and PP-R pipe

To Director and Manager
The Stock Exchange of Thailand

The Board of Directors Meeting of WIJK Public Company Limited (the “Company”) No.4/2022 on 11 November 2022 approved investment in the construction of the factory to increase production lines for PVC pipe and PP-R pipe in a total of 704.16 million Baht on the Company's factory land at 7/214 Moo 6 Amata City Industrial Estate (Rayong), Mab Yang Porn, Pluak Daeng, Rayong 21140.

The said transaction of the Company is considered an asset acquisition transaction according to the Notification of the Board of Governors of the Stock Exchange of Thailand. Re: Disclosure of Information and Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 ("Notice on Acquisition or Disposition") which, when calculated according to various criteria using the highest value calculated from one of the criteria, found that the highest transaction size is 26.04% according to the total value of consideration criteria and no asset acquisition transaction within the previous 6 months. Therefore, if the maximum transaction size is higher than 15% but less than 50%, the Company must report to the SET and send the circular information to shareholders within 21 days following the Notice on Acquisition or Disposition with details as follows;

1. Date of Transaction

After the Board of Directors has approved.

2. Transaction parties and related relationships

The Purchaser	:	WIJK Public Company Limited
The Sellers	:	In the process of selection
Relationship	:	No relationship and/or connection with directors, executives, major shareholders, or controlling person of the Company

3. Types and characteristics of transaction

3.1 General characteristics of transaction

The Company will invest in the construction of the factory to increase production lines for PVC pipe and PP-R pipe in a total of 704.16 million Baht on the Company's factory land at 7/214 Moo 6 Amata City Industrial Estate (Rayong), Mab Yang Porn, Pluak Daeng, Rayong 21140.

3.2 Transaction size according to the asset acquisition criteria

The calculation of the transaction size to acquire assets is as follows:

■ Financial information

(Million Baht)	WIIC Consolidated financial statements (reviewed) As of September 30, 2022
Total assets	2,703.84
Intangible assets	156.88
Deferred tax assets	30.93
Total Liabilities	614.56
Non-controlling shareholders' equity	20.94
Net tangible assets (NTA)	1,880.53
Net profit for the last 4 quarters	*76.24

Note: * Calculated from the financial statements of 1 October 2021 – 30 September 2022.

■ Calculation of the transaction size for comparison based on the asset acquisition criteria

Criteria for calculating the transaction size	Calculation formula	Transaction size
1. Value of the asset (NTA)	NTA of assets to be acquired x proportion % / NTA of WIIC	Cannot calculate
2. Net profit from the operation (Latest 4 quarters)	Net operating profit of the assets to be acquired x proportion % / Net profit of WIIC)	Cannot calculate
3. Total value of consideration	Total value of consideration (704.16) / Total assets of WIIC (2,703.84)	26.04%
4. Value of equity shares issued by listed companies to pay for assets	No new shares were issued.	No new shares were issued.

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4. Details of assets acquired

The Company will invest in the construction of the factory to increase production lines for PVC pipe and PP-R pipe in a total of 704.16 million Baht on the Company's factory land at 7/214 Moo 6 Amata City Industrial Estate (Rayong), Mab Yang Porn, Pluak Daeng, Rayong 21140 with details as follows;

Investment items	Investment (Million Baht)		Total investment (Million Baht)
	Phase 1	Phase 2	
Machinery and Equipment <ul style="list-style-type: none"> ● Extruder ● Injection Machine ● New Molds ● Automation system ● Auxiliary & others 	146.81	163.93	310.74
Infrastructure and Building <ul style="list-style-type: none"> ● PVC workshop ● PVC crusher room ● Exterior Construction ● Solar Photovoltaic Power ● Unpredictable Cost 	393.42	-	393.42
Total	540.23	163.93	704.16

The Company will invest in the construction of the factory to increase production lines for PVC pipe and PP-R pipe after the Board of Directors has approved. The PVC pipe and PP-R pipe factory will have a capacity for the 1st phase of approximately 10,848 tons per year and the 2nd phase approximately 28,256 tons per year, with a total production capacity of 39,104 tons per year. The construction will be completed and the production process can be trialed within Q3/2023.

New products detail

- PVC pipes (Polyvinylchloride) are commonly used in plumbing systems and used to replace steel pipes that rust easily and expensive. It is popular with plumbers and contractors.
- PP-R pipes (Polypropylene) are pipes for water supply systems, hot water pipes, which have been developed with a new standard better than PVC pipes. It has a better heat resistance and can be welded to the fittings with heat to reduce leakage problems.

Plans and schedules

NO.	Process	Expected completion time
1	Date of the Board of Directors Meeting No. 4/2022	11 November 2022
2	Applying for construction permits to relevant government and private agencies <ul style="list-style-type: none"> ▪ Applying permission to install electrical systems, water systems, wastewater treatment systems, fire protection systems and EIA 	January 2023
3	Construction of infrastructure and buildings. <ul style="list-style-type: none"> ▪ Cement, Infrastructure and Building work ▪ Structure and exterior construction ▪ Electrical system, pipe laying and exterior work ▪ Construction approved 	August 2023
4	Installation of machinery and equipment <ul style="list-style-type: none"> ▪ Ordering machinery and equipment and installation work ▪ Raw material preparation ▪ Recruitment staff ▪ Training and prepare personnel ▪ Applying for TIS license for PVC and PP-R pipes ▪ Debugging Equipment 	September 2023
5	Start trial production process	September 2023

5. Total value of consideration

The Company will invest in the construction of the factory to increase production lines for PVC pipe and PP-R pipe in a total of 704.16 million Baht on the Company's factory land at 7/214 Moo 6 Amata City Industrial Estate (Rayong), Mab Yang Porn, Pluak Daeng, Rayong 21140 with details as follows;

Investment items	Investment (Million Baht)		Total investment (Million Baht)
	Phase 1	Phase 2	
Machinery and Equipment	146.81	163.93	310.74
Infrastructure and Building	393.42	-	393.42
Total	540.23	163.93	704.16

6. Value of assets acquired

The Company will invest in the construction of the factory to increase production lines for PVC pipe and PP-R pipe in a total of 704.16 million Baht on the Company's factory land at 7/214 Moo 6 Amata City Industrial Estate (Rayong), Mab Yang Porn, Pluak Daeng, Rayong 21140.

7. Criteria used to determine value of compensation

The Company estimates the budget for the construction of the PVC pipe and PP-R pipe factory in the amount of 704.16 million Baht from the factory's size and production capacity by the Company's experts.

8. Benefits that the Company will receive

1) Opportunity for such projects to generate income for the Company

The investment in the construction of the factory to increase the production line of PVC pipe and PP-R pipe, will allow the Company to increase the production capacity of PVC and PP-R pipe by approximately 39,104 tons per year and is expected to generate income for the WIJK Group of not less than 250 – 2,000 million Baht per year, as well as increase the ability to compete and increase market share both in Thailand and overseas.

2) Risks

In 2021-2023, private contractor for residential and general buildings High-rise buildings and large buildings Income tends to recover slowly. Income may remain stable or slow in 2021 due to the unresolved COVID-19 situation. But it will gradually recover in the next 2 years as private investment confidence will increase following the acceleration of investment in various infrastructures. Large and middle-income groups are expected to recover faster, especially those focused on mixed use projects, which should continue to increase backlog. Additionally, large contractors can undertake work from the government sector that tends to continuously increase investment; and private construction work in neighboring countries. Especially for residential, commercial, and industrial projects, which will expand investment in line with the economic recovery trend. (Source: Krungsri Research, Construction material business).

The above-mentioned trend of construction business in 2021 - 2023 may affect the revenue growth of PVC pipe and PPR pipe business.

9. Sources of funds

The Company will use the cash received from the Company's capital increase and long-term loans from financial institutions. The Company is considering the investment structure depending on the suitability of the project.

10. Opinion of the Board of Directors on the transaction

The Board of Directors believes that the investment in the construction of the factory to increase the production lines for PVC pipes and PP-R pipe as mentioned above is following the objectives of the capital increase according to the resolution of the Extraordinary General Meeting of Shareholders No.1/2021, on 15 July 2021, including entering into this transaction is appropriate and beneficial to the Company. Therefore, they believe that the said transaction is appropriate and reasonable. The Board of Directors approved an investment.



บริษัท วิค จำกัด (มหาชน)

WIJK PUBLIC COMPANY LIMITED

11. Opinion of the Audit Committee and / or the Company's Directors which is different from the opinion of the Board of Directors in (10) above

-None-

Please be informed accordingly,

Yours truly,

WIJK Public Company Limited

(Mr. Wiboon Sangwithayanon)

Chief Executive Officer