

SET 2022/025

November 14, 2022

Subject: Information Memorandum on Acquisition of Assets into
To: President
The Stock Exchange of Thailand
Enclosure: Information Memorandum on Acquisition of Assets into.

TEAM Consulting Engineering and Management PCL. (“the Company” or “TEAMG”) would like to inform that the Board of Directors Meeting No. 9/2022, held on November 14, 2022 (“Board of Directors Meeting) has approved the Company to invest with Vongsayam Korsang Co., Ltd. and DITTO (Thailand) PCL. to operate business related to water resource management by registering as a new juristic person with a registered capital of approximately 2,000 million baht. The Company will invest in ordinary shares of the new juristic person with a value of not more than 400 million baht, representing the investment proportion and shareholding structure of the new juristic person, approximately 20% of the registered capital and the amount of all stocks. The new joint venture has objective to co-operate in business related to water resource management by bringing the Company's expertise in engineering and water resource management and expertise in construction operation and maintenance of the water resource system of Vongsayam Korsang Co., Ltd. and technology experience of DITTO (Thailand) PCL. by making a joint venture or entering into a cooperation agreement with a person, company or agency with expertise in the field to promote the business of water resources management in the future. For the important items of the transaction, please refer to the Information Memorandum on Acquisition of Assets info enclosure.

Yours Sincerely,

(Mr. Aphichat Sramoon)
Chief Executive Officer

TEAM Consulting Engineering and Management Public Company Limited

Information Memorandum on Acquisition of Assets of TEAM Consulting Engineering and Management PCL.

1. Date /Month /Year of transaction

The parties involved are expected to sign a joint venture agreement between the shareholders and complete the establishment of a joint venture company within December 2022 or as mutually agreed by the parties.

2. Counterparty and Relationship

Counterparty

Investor 1 : Vongsayam Korsang Co., Ltd.
Investor2 : TEAM Consulting Engineering and Management PCL.
Investor3 : DITTO (Thailand) PCL.

Relationship

DITTO as the connected person of the Company following by the Announcement of the Capital Market Supervisory Board No. TorChor.21/2551 Rules on 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 2003 and amended (collectively, “Connected Transaction”) due to a major shareholder of DITTO, Mr. Teerachai Rattanakamolporn (“Mr. Teerachai”) is a major shareholder of the Company. VSK has no relationship with TEAMG

3. Type and characteristic of transactions

3.1 General characteristic of the transaction

The Company will invest in a joint venture company. The details of the transaction are as follows:

Capital Asset: Establish a joint venture company, the registered capital is about 2,000 million baht. The Company will hold approximately 20% of the registered capital of the joint venture company.

Value of Consideration: The investment value is not more than 400 million baht.

The shareholding structure in a joint venture company is as follows:

List of shareholders	Total of Shareholding (%)
Vongsayam Korsang Co., Ltd.	60
TEAM Consulting Engineering and Management PCL.	20
DITTO (Thailand) PCL.	20
Total	100

3.2 The Calculation of the Transaction

3.2.1 Acquisition of Assets (Investments in Associates)

The calculation of the transaction following by the announcement of the acquisition or disposition of assets. The Company calculates the transaction size from the latest consolidated financial statements of the Company before the ending transaction on September 30, 2022 with the important financial information as follows:

The financial statements for the year ended 30 September 2022	(Unit: Million Baht)
Total Asset	2,304.68
Non-Tangible Asset	151.78
Total Liabilities	1,324.59
Non-controlling shareholders' equity	5.01
Net Tangible Asset	823.30
Profit (Loss) Net	65.94

The Calculation of the Transaction

Criteria	Calculation Formula (million baht)	Calculation (%)	Transaction Size (%)
Value of the net tangible assets (NTA)	$\frac{\text{NTA of the acquired asset} \times \text{proportion of assets acquired}}{\text{NTA of the Company}} \times 100$	uncalculated	
Net operating profits	$\frac{\text{Net Profit of the acquiring assets} \times \text{Shareholding ratio}}{\text{Net operating profits of the Company}} \times 100$	uncalculated	
Total value of consideration paid or received	$\frac{\text{Value of transaction paid or received}}{\text{Total assets of the Company}} \times 100$	$\frac{400 \times 100}{2,304.68}$	17.36
Value of securities issued for the payment of assets	$\frac{\text{Equity shared issued for the payment of assets}}{\text{Paid -up shares of the Company}} \times 100$	uncalculated	

In this regard, the acquisition of ordinary shares of a joint venture company is considered an asset acquisition transaction according to the Announcement of the Capital Market Supervisory Board No. TorChor. 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 No. BorJor/Por 21-01, regarding Disclosure of Information and Operation of making transactions to be the acquisition disposition of assets of the registered company B.E 2547(2004), when calculating the size of the acquisition and disposal transaction of assets, the maximum transaction size is 17.36 percent of the total assets of the Company based on the reviewed consolidated financial statements as of September 30, 2022 as on the total value of consideration basis when including other asset disposal transactions in the past 6 months, which is the acquisition of ordinary shares of DTX Company Limited (“DTX”), a transaction size of 0.65% of the total asset value of the Company. According to the calculation method with the total value of consideration criteria, the total transaction size is 18.01% of the total assets of the Company as the calculation method with the total value of consideration criteria, the transaction is therefore classified as an asset acquisition transaction type 2, which is a transaction with a value equal to 15 percent or higher but less than 50 percent. The Company; therefore, has a duty to report and disclose the notification to the Stock Exchange of Thailand and send a notice to shareholders within 21 days from the date of disclosure of the transaction to the Stock Exchange of Thailand.

3.2.2 Calculation of the transaction

Entering into this transaction is a connected transaction with the connected person of Company's major shareholder, DITTO. However it is not the connected transaction because such investment is the acquisition of shares of a new joint venture company in the future. Each investor invests at par and no shareholders can gain or lose benefit from any parties. For the signing of the joint venture agreement between all investors, it shall be approved by the Board of Directors' meeting of and/or the shareholders' meeting of each parties in accordance with the scope of authorization and transaction size. If there is any details about the progress of the establishment of a joint venture company, the Company will promptly notify the shareholders via the website of the Stock Exchange of Thailand immediately

4. Details of the assets to be acquired

Ordinary shares of the joint venture to be established 20% of the total registered capital not more than 2,000 million baht. The joint venture company has the following summary details:

Type of Juristic	Company Limited
Date of Establish	within December 2022
Type of Business	Operate businesses related to water resource management and related businesses
Registered Capital	2,000 Million Baht
Value of Ordinary shares to be acquired	400 Million Baht
Shareholding after Acquisition	20%

On the date of approval to enter into the transaction a joint venture company has not yet been established. The proportion of shareholding of the joint venture will be as shown in Clause 3.1 as well as the number of directors the board of directors of the joint venture company. It will be allocated from the representatives of each joint venture partner which consists of the proportion of the number of directors will be divided according to the shareholding in the joint venture company as follows:

Name of Shareholders	Shareholding of the committee (%)
Vongsayam Korsang Co., Ltd.	60
TEAM Consulting Engineering and Management PCL.	20
DITTO (Thailand) PCL.	20
Total	100

If the joint venture partners have signed a joint venture agreement and details about the progress of the establishment of a joint venture company, the Company will promptly notify the shareholders via the website of the Stock Exchange of Thailand immediately in accordance with the regulations of the Stock Exchange of Thailand regarding rules, conditions and procedures relating to disclosure of notification and any operations of the registered company 2017

5. Total value of consideration

This investment will be paid by the Company for the acquisition of shares of the joint venture company not more than 400 million baht

6. The value of the acquired asset and the criteria used to determine the value of the expected benefits

Determining the value of the expected benefit from investing the joint venture's ordinary shares in 20% of the total shares. The Company will consider comparing the total investment of the joint venture company totaling 2,000 million baht. The registered capital at the value of the joint venture is a criterion used to determine the fair value of the ordinary shares of the joint venture company. The Company will pay for shares in the joint venture company in 20% of the registered capital at par value of the joint venture company, which is not exceeding 400 million baht. The Company will receive shares in the joint venture company in consideration in the proportion of approximately 20% of the registered capital of the joint venture company with a value not exceeding 400 million baht.

7. Source of funds

The funding for this investment, the Company will use short-term loans from commercial banks and Company's working capital to pay for the ordinary shares of the newly established joint venture company. The use of the Company's working capital is expected to cause the Company to pay dividends to shareholders in other ways or may refrain from paying dividends for the year 2022.

8. Expected benefits to the Company

The objective of joint investment in a newly established joint venture company is to co-operate in business related to water resource management. This will give the Company an opportunity to expand its business into the water management business and other related businesses by bringing the knowledge, expertise and experience of the 3 joint venture partners to create business value added in the future.

9. Opinion of Board of Directors about the transaction

The Board of Directors' Meeting No. 9/2022, held on November 14, 2022, considered and opinioned that the conditions and criteria used to determine the value of consideration of the investment in a joint venture company are appropriated, business reasonable. It is for the

benefit of the Company and all shareholders of the Company in the long term and create the business growth of the water resource management. Therefore, the joint investment with partners will create a strong business competitiveness as well.

Entering into this transaction is a connected transaction with the connected person of Company's major shareholder, DITTO. However it is not the connected transaction because such investment is the acquisition of shares of a new joint venture company in the future. Each investor invests at par and no shareholders can gain or lose benefit from any parties.

10. Opinion of the Audit Committee and/or Director which is difference from the Opinion of the Board of Directors including such the committee cancel the vote

-None-