

No. AP032-2565

December 6, 2022

Subject: Resolution of the Board of Directors' Meeting No.10/2022 regarding the Disposal of Assets

To: President  
The Stock Exchange of Thailand

Enclosure: Information Memorandum on the disposal of assets of Asia Precision Public Company Limited

Asia Precision Public Company Limited (the "Company") would like to inform that the resolution of the Board of Directors' Meeting of the Company No.10/2022 held on December 2, 2022 which resolved to approve the disposal of assets of all ordinary shares of Asia Precision A.T. Company Limited ("APAT") which is the Company's subsidiary. The Company shall sell 32,999,997 shares which is equivalent to 59.99% of APAT's total paid-up shares to TNA Company Limited ("TNA" or the **Buyer**) at Baht 15.37 per share, totaling Baht 507,209,954 (the "**Share Sale Transaction**"). Currently, TNA holds 22,000,000 shares equivalent to 40% of total shares of APAT.

The Board of Directors' Meeting also approved that the Executive Committee and/or Chief Executive Officer and/or a person assigned by Executive Committee and/or Chief Executive Officer shall have the power to amend or change the conditions and details as well as have the power to take any action necessary for and in connection with the Share Sale Transaction as prescribe above until completion, including but not limited to negotiate, amend, and execute the share purchase agreements, shareholders agreement and/or any other related documents in connection with the Share Sale Transaction, and termination of agreements between shareholders in subsidiaries.

After the completion of the Share Sale Transaction, APAT will cease to be a subsidiary of the Company. There will be a process to change directors of APAT by the Buyer.

Moreover, in entering into such a transaction, the Buyer has no relationship with the Company's executives, directors, major shareholders, and controlling person of the Company and subsidiaries. Therefore, this transaction is not considered a connected transaction under the Notification of Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions (as amended), 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 B.E. 2546 (A.D. 2003) (as amended).

However, this transaction is considered disposal of assets, pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposition of Assets (as amended), 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 Acquisition or Disposition of Assets B.E. 2547 (A.D. 2004) (as amended) (**collectively, the “Notifications on Acquisition or Disposition of Assets”**). The size of the transaction according to the value of net tangible assets (NTA) is 27.04%, which is the criterion with the highest results. This is based on the performance of the Company's consolidated financial statements for the period ended September 30, 2022, which has been reviewed by the Company's auditor.

As the highest transaction size is higher than 15% but lower than 50%, it is classified as a type 2 transaction, according to the Notifications on Acquisition or Disposal of Assets. Therefore, the Company is required to disclose the information memorandum associated with the transaction to the Stock Exchange of Thailand (the “SET”) and send a circular notice to the shareholders of the Company for acknowledgment within 21 days from the date of disclosure of the transaction to the SET.

During the past six months, the Company and the subsidiaries have entered into other disposition of asset transactions having a total transaction size of 0.0364%.

In this regard, the Company hereby discloses the information memorandum associated with the transaction to the SET pursuant to the Acquisition and Disposition Notifications, details of which are as provided in the attachment.

Please be informed accordingly.

Yours Sincerely,

(Mr. Apichart Karoonkornsakul)

Chairman of the Executive Committee

## **Information Memorandum on the Disposal of Assets of Asia Precision Public Company Limited**

### **Subject: The Disposal of ordinary shares of Asia Precision A.T. Company Limited (“APAT”)**

Asia Precision Public Company Limited (the “Company”) would like to inform that the resolution of the Board of Directors’ Meeting of the Company No.10/2022 held on December 2, 2022 which resolved to approve the disposal of assets of all ordinary shares of Asia Precision A.T. Company Limited (“APAT”) which is the Company’s subsidiary. The Company shall sell 32,999,997 shares which is equivalent to 59.99% of APAT’s total paid-up shares to TNA Company Limited (“TNA” or the **Buyer**) at Baht 15.37 per share, totaling Baht 507,209,954 (the “**Share Sale Transaction**”). Currently, TNA holds 22,000,000 shares equivalent to 40% of total shares of APAT.

The Board of Directors’ Meeting also approved that the Executive Committee and/or Chief Executive Officer and/or a person assigned by Executive Committee and/or Chief Executive Officer shall have the power to amend or change the conditions and details as well as have the power to take any action necessary for and in connection with the Share Sale Transaction as prescribe above until completion, including but not limited to negotiate, amend, and execute the share purchase agreements, shareholders agreement and/or any other related documents in connection with the Share Sale Transaction, and termination of agreements between shareholders in subsidiaries.

After the completion of the Share Sale Transaction, APAT will cease to be a subsidiary of the Company. There will be a process to change directors of APAT by the Buyer.

However, this transaction is considered disposal of assets, pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposition of Assets (as amended), 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 Acquisition or Disposition of Assets B.E. 2547 (A.D. 2004) (as amended) (**collectively, the “Notifications on Acquisition or Disposition of Assets”**) The size of the asset disposal transaction can be calculated according to various criteria calculated from the consolidated financial statements of the Company for the period ended September 30, 2022, with the highest transaction size equal to 27.04% on the basis of Net tangible assets (NTA), categorized as a transaction in Category 2 under the Notification on Acquisition or Disposition of Assets as the highest transaction size is higher than 15 percent but lower than 50 percent.

Therefore, in pursuant to the Notification on Acquisition or Disposition of Assets, the Company is required to disclose the information memorandum associated with the transaction to the Stock Exchange of Thailand (**the “SET”**) and send a circular notice to the shareholders of the Company for acknowledgment within 21 days from the date of disclosure of the transaction to the SET.

Therefore, this transaction is not considered a connected transaction under the Notification of Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions (as amended), 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 B.E. 2546 (A.D. 2003) (as amended). Therefore, the Company does not have an obligation to perform under the Notifications on Connected Transactions.

**The details of the transaction are provided as follows:**

**1. Transaction Date**

The Company will enter into the Share Sale Transaction after (a) the Board of Directors of the Company has approved the transaction, and (b) the condition precedents specified in the share purchase agreement have been fulfilled or received a waiver from the relevant party. The significant detail of the condition precedents as per details given below:

1. The Board of Directors of the Company has approved the Share Sale Transaction to the Buyer;
2. The Board of Directors and/or the shareholders Meeting of APAT (as the case may be) have approved the change of directors as specified by the Buyer.
3. The Board of Directors and/or the shareholders Meeting of the Buyer (as required by laws and Article of Association) have approved the purchase of the shares and the receipt of the transfer of ownership of the share from the Company; and
4. No material adverse impact on the financial performance, business opportunity, or business operation of APAT.

The Company expects that the execution of the share purchase agreement and the share sale transaction will be completed within March 31, 2023.

**2. The parties involved and the relationship between the parties**

Seller	: Asia Precision Public Company Limited (“the Company”)												
Buyer	: TNA Company Limited (“TNA”)												
Relationship	: TNA has no relationship with the Company and is not considered as connected person with the Company under the Notification of Capital Market Supervisory Board No. TorChor 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 B.E. 2546 (A.D. 2003) (as amended) Currently, TNA holds 22,000,000 shares in APAT or 40.00% of shares. However, TNA has no other relationship with the Company.												
Shareholders of TNA (As of March 23, 2022)	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">1. Mr. Tarin Himathongkam</td> <td style="width: 15%;">No. of shares</td> <td style="width: 15%;">99.999 %</td> <td style="width: 10%;"></td> </tr> <tr> <td>2. Mr. Jarupong Pornmongkolcharoen</td> <td>No. of shares</td> <td>0.001%</td> <td></td> </tr> <tr> <td>3. Mrs. Somsong Polchart</td> <td>No. of shares</td> <td>0.001%</td> <td></td> </tr> </table>	1. Mr. Tarin Himathongkam	No. of shares	99.999 %		2. Mr. Jarupong Pornmongkolcharoen	No. of shares	0.001%		3. Mrs. Somsong Polchart	No. of shares	0.001%	
1. Mr. Tarin Himathongkam	No. of shares	99.999 %											
2. Mr. Jarupong Pornmongkolcharoen	No. of shares	0.001%											
3. Mrs. Somsong Polchart	No. of shares	0.001%											
Directors of TNA (As of Demcember 2, 2022)	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">1. Mr. Tarin Himathongkam</td> <td style="width: 50%;"></td> </tr> <tr> <td>2. Mr. Jarupong Pornmongkolcharoen</td> <td></td> </tr> <tr> <td>3. Mr. Yoshiyuki Ito</td> <td></td> </tr> </table>	1. Mr. Tarin Himathongkam		2. Mr. Jarupong Pornmongkolcharoen		3. Mr. Yoshiyuki Ito							
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2. Mr. Jarupong Pornmongkolcharoen													
3. Mr. Yoshiyuki Ito													

**3. General information of the transaction and size of the transaction**

**3.1 The disposal of APAT’s ordinary shares and shareholding proportion of the Company**

The Company will enter into the Share Purchase Agreement to sell ordinary shares of APAT to TNA, in the total amount of 32,999,997 Shares at the par value is Baht 10 per share. The sale price shall be at Baht 15.37 per share, totaling Baht 507,209,954. After the sale of ordinary shares of APAT this time, it will result in the Company no longer having shares in APAT, from the original shareholding proportion of 59.99%, and APAT will no longer be a subsidiary of the Company. The shareholding structure before and after entering into this transaction is shown in the following table.

Shareholders	Pre-transaction*		Post-transaction	
	No. of shares	%	No. of shares	%
Asia Precision Public Company Limited	32,999,997	59.999994	-	-
TNA Company Limited	22,000,000	40.000000	54,999,997	99.999994
Mr. Apichart Karoonkomsakul	1	0.000002	-	-
Mr. Chairroj Vetnaruemarn	1	0.000002	-	-
Mr. Anurote Nitipornsri	1	0.000002	-	-
Mr. Tarin Himathongkam	-	-	2	0.000004
Mrs. Somsong Polchart	-	-	1	0.000002
Total number of shares	55,000,000	100.000000	55,000,000	100.000000

Remark: (\*) The list of shareholders of APAT as of June 30, 2022.

The Buyer will pay the shares price to the Company on the completion date of the share sale transaction. The Company expects that the execution of the share purchase agreement and the share sale transaction will be completed within March 31, 2023.

### 3.2 Transaction size

The transaction is considered an asset disposition transaction in accordance with Notifications on Acquisition or Disposition of Assets. The size of the asset disposal transaction, calculated from the consolidated financial statements of the Company for the period ended September 30, 2022, has the highest transaction size equal to 27.04 % on the basis of Net tangible assets (NTA). The details of:

Details	The Company (Unit: Million Baht)	APAT (Unit: Million Baht)
Total assets	4,386.98	962.67
<u>Less</u> Intangible assets	5.83	2.49
<u>Less</u> Deferred tax assets	0.04	-
<u>Less</u> Total liabilities	2,176.86	121.60
<u>Less</u> Non-controlling interests	343.23	-
Net tangible assets (NTA)	1,861.01	838.59
Net profit for the past 12 months (From October 1, 2021 to September 30, 2022) consolidated financial statements	(24.40)	99.01
Net profit of the Company for the past 12 months (From October 1, 2021 to September 30, 2022) consolidated financial statements)	(32.33)	-

**The calculation of transaction size as in the table below:**

Basis of transaction size calculation	Calculation	Amount (Baht)	Transaction size
1. Net tangible assets (NTA)	$\frac{\text{NTA of APAT} \times \text{Proportion of disposed shares}}{\text{NTA of the Company}}$	$\frac{838,587,845 \times 60\%}{1,861,010,794}$	27.04%
2 Net profit	Cannot be calculated since the Company made a loss		
3. The value of consideration	$\frac{\text{The sale price of APAT's shares} \times \text{No. of disposed shares}}{\text{Total assets of the Company}}$	$\frac{507,209,954}{4,386,984,707}$	11.56%
4. Value of securities	This criterion is not applicable as no new share of the Company will be issued as consideration		

During the past six months, the Company and the subsidiaries have entered into other disposition of asset transactions having a total transaction size of 0.0364 %.

From the table above, the transaction size is of the highest value when calculated based on Net tangible assets (NTA) criteria which equal 27.04 %. The transaction is considered a Category 2 transaction, with the highest transaction size higher than 15 percent but lower than 50 percent under the Notification on Acquisition or Disposition of Assets. Therefore, the Company is required to disclose an information memorandum on the asset disposal transaction to the SET and send the circular notice to shareholders within 21 days from the day that the Company has notified SET.

**4. Details of Assets Disposal**

Ordinary shares of APAT in the amount of 32,999,997 shares which is equivalent to 59.99 % of the total paid-up shares

**4.1 Details of the share disposal**

Seller	: Asia Precision Public Company Limited
Type of disposed shares	: Ordinary shares of APAT
Details of the disposed shares	: 32,999,997 shares equal to 59.99 % of the total paid-up shares of APAT
Par value per share	: Baht 10
Sale price per share	: Baht 15.37
Total Value of disposed shares	: Baht 507,209,954 (Five Hundred Seven Million Two Hundred Nine Thousand Nine Hundred Fifty Four Baht Only)
Completion of transaction	: Within March 31, 2023 or another date as agreed by the parties under the share purchase agreement.
Payment Condition	: Cash or cash equivalent.

#### 4.2 General Information of APAT.

Type of business	: APAT operates the High Precision Machining & Cold Forging as the main business.
Date of incorporation	: October 22, 2010
	*APAT has changed its name from P2 Precision Co., Ltd. to Asia Precision A.T. Co., Ltd. on February 25, 2019.
Registered office	: 700/331, Moo.6, Tambon Don Hua Ro, Amphur Mueng Chon Buri, Chon Buri District, 20000
Paid-up capital	: Baht 550,000,000, consisting of 55,000,000 ordinary shares
Registered capital	: Baht 550,000,000, consisting of 55,000,000 ordinary shares (As of June 30, 2022)
Par value per share	: Baht 10

#### 4.3 APAT's current Board of Directors comprises of 5 directors as provided below:

Name	Position	No. of shares held and shareholding proportion in APAT As of June 30, 2022 (share/%)
1. Mr. Apichart Karoonkornsakul	Chairman, Board of Directors	1/0.000002
2. Mr. Chairaj Vetnaruemarn	Director	1/0.000002
3. Mr. Anurote Nitipornsri	Director	1/0.000002
4. Mr. Tarin Himathongkam	Director	-
5. Mrs.Somsong Polchart	Director	-

\*The Buyer will amend all of the directors after the completion of the share purchase

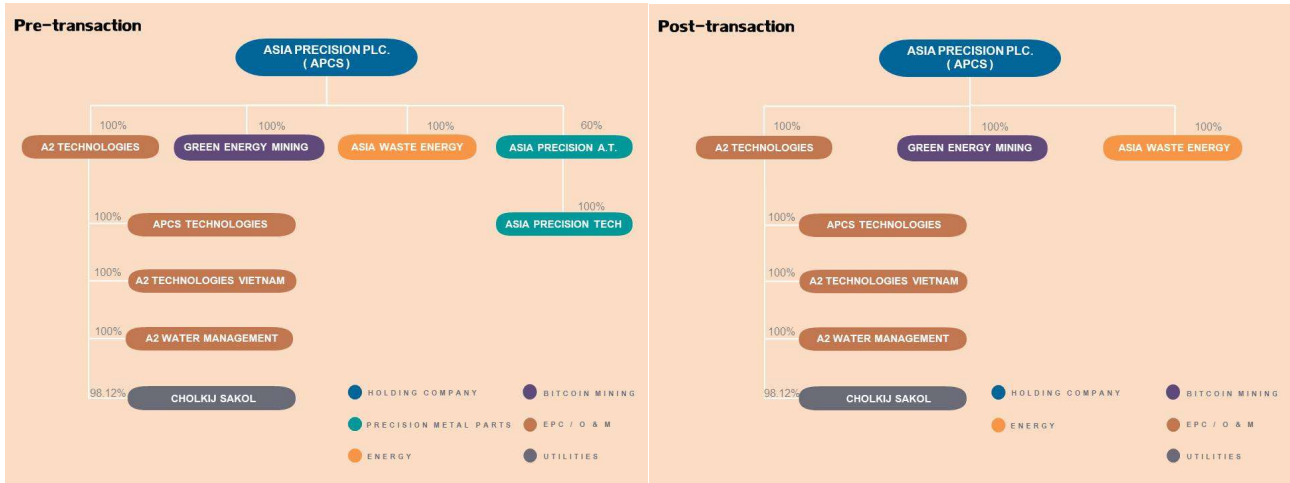
#### 4.4 Summary of Financial Position and Performance of APAT for the year ended December 31, 2020 and 2021 and for the nine month ended September 30, 2022.

(Unit: Million Baht)

Financial Statements	Separate financial statements as at		
	December 31, 2020	December 31, 2021	September 30, 2022
Statement of financial position			
Total Assets	854.60	975.43	962.67
Total liabilities	238.98	209.60	121.60
Total shareholders' equity	615.61	765.83	841.07
Statement of comprehensive income			
Revenues	627.59	813.13	608.71
Costs	506.94	566.04	475.45
Gross profit	120.64	247.09	133.27
Net profit for the period	40.68	155.49	75.24
Basic earnings per share (Baht)	1.08	2.83	1.37
Number of ordinary shares outstanding (Million shares)	38	55	55

**4.5 APCS’s Shareholding structure in APAT before and after the Share Sale Transaction will be as follows:**

The aforementioned restructuring of the Company's business structure will cause APAT to cease to be a subsidiary of the Company. After post-transaction, the main business of the group is Engineering, Procurement and Construction (EPC) business. (A2 TECHNOLOGIES COMPANY LIMITED).



**5. Total value of consideration.**

The total value of consideration of APAT’s ordinary shares, which has a selling price of Baht 15.37 per share, when multiplied by the number of ordinary shares sold of 32,999,997 shares, has a total value of consideration equal to Baht 507,209,954 (Five Hundred Seven Million Two Hundred Nine Thousand Nine Hundred Fifty Four Baht Only). The Company will receive such consideration in cash or cash equivalent.

**6. Criteria used to determine value of consideration.**

The value from the sales of 32,999,997 ordinary shares of APAT follows the negotiation and agreement between the buyer and the seller. The Company has considered the offer price together with the valuation price using the price to book value (P/BV) valuation approach at the level similar to that used to determine the value from the previous sales of 22,000,000 ordinary shares of APAT in accordance with the resolution of the Board of Directors meeting on May 6, 2022, which is considered a reasonable valuation. In this regard, the company has considered important business factors, such as the stability of performance in the past 10 years and the performance trend of 2022, the size of the business and the bargaining power of the business in industry, the impact on the business from the transition in automotive industry structure from internal combustion engine (ICE) system to electric vehicle system (EV), and the status of being listed on the Stock Exchange of Thailand.

**7. Benefits from the transaction.**

To support the expansion of the core business of the Company in the Engineering Procurement and Construction (EPC) which will have a significant growth potential once the Coronavirus Disease 2019 (COVID-19) situation has unraveled as well as the impact of high oil price and to support various business operations of the group.



**8. Plan to utilize the proceeds received from the disposal of the asset.**

The Company plans to utilize the proceeds received from the disposal of shares of APAT in the amount of Baht 507,209,954 to increase overall liquidity and support the business expansion of the group of companies.

**9. Conditions on entering into the transaction.**

In entering into such disposal of the asset, the Company is required to disclose an information memorandum on the asset disposal transaction to the SET and send the circular notice to shareholders within 21 days from the day that the Company has notified to SET.

**10. Connected Person and scope of conflict of interest.**

-None-

**11. The Directors who have a conflict of interest and/or have a relationship with the Company which do not attend the Meeting and vote.**

-None-

**12. Opinion of the Board of Directors related to the transaction.**

The Board of Directors has considered this matter with careful consideration and is of the opinion that entering into this transaction is appropriate and in the best interests of the Company and its shareholders. The Board of Directors views that the valuation method used in determining the sale price is appropriate. In addition, the Board of Directors also views that this transaction will allow the Company to increase liquidity in the working capital which is necessary for the financial management of the Company as well as will support and enhance the potential for the expansion of the Company's core business in the future.

**13. Opinion of the Audit Committee and/or the Board of Directors which differs from the Board of Directors.**

- None -

The Board of Directors certifies that this Information Memorandum is correct and complete.

Please be informed accordingly.

Yours Sincerely,

(Mr. Apichart Karoonkornsakul)  
Chairman of the Executive Committee