

CS-23008028

10 August 2023

Subject: Disclosure and Approval to Ratify Connected Transactions

To: President - The Stock Exchange of Thailand

According to the Meeting of the Board of Directors of Thai Energy Storage Technology Public Company Limited (3K-BAT) (the “Company”) No. 3/2023 held on 9 August 2023 has resolved to disclose and agree to ratify the company’s connected transactions relating to Technology License Agreement for lead storage batteries of DIN standard for forklifts with Energywith Co., Ltd. the Company’s major shareholder by holding directly and indirectly 98.06 percent of the total issued and paid-up shares of the Company, who is categorized as a connected person under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transaction dated 31 August 2008 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, dated 19 November 2003. The Company, therefore, would like to inform the Stock Exchange of Thailand (“SET”) with the following details:

Agree to ratify of the entering into the Technology License Agreement for lead storage batteries of DIN standard for forklifts between the Company as Licensee and Energywith Co., Ltd. as Licensor with the fee in the amount of 2,080,000 Baht which falls under the Transaction Category 4 of the Notification of the SET regarding the Disclosure of Information and Other Acts of Listed Companies concerning the Connected Transactions. The transaction size is equal to 0.09 percent of the Net Tangible Assets of the Company (“NTA”).

Therefore, this transaction size is considered to be larger than 0.03 percent but less than 3.00 percent of the Company's NTA according to the latest consolidated financial statements of the Company as of 31 March 2023. The transaction's details are as specified in the enclosure.

Please be informed accordingly.

Yours sincerely,

-Mr. Akihiko Emori-

Chief Executive Officer

Related transaction information

Technology License Agreement for lead storage batteries of DIN standard for forklifts

1. Date of transaction. On 1 January 2023

2. Related parties.

Licensor: Energywith Co., Ltd. (major shareholder of 3K-BAT)

Licensee: Thai Energy Storage Technology Public Company Limited (3K-BAT)

Energywith Co., Ltd. is a major shareholder directly holding 40,757,484 shares or 51.99 percent and indirectly holding through Siam Magi Co., Ltd. shareholding of 36,123,223 shares or 46.08 percent.

3. Transaction aspects and value.

3K-BAT entered into technology license agreement with Energywith Co., Ltd., its major shareholder, for the transfer of technology: Lead storage batteries of DIN standard for forklifts (“Deutsches Institut für Normung” or “German Institute for Standardization”).

Term

This agreement is valid for a period of two years from 1 January 2023 – 31 December 2024 and thereafter will automatically be extended for an additional one year term, unless either party gives written notice to the contrary to the other party not less than three months prior to the then existing expiration date.

Advantage of this contract

- To enhance the quality and performance of lead storage batteries for forklift
- To expand the business of forklift batteries by starting supply of DIN (“Deutsches Institut für Normung” or “German Institute for Standardization”) standard batteries the reliability of which has been recognized in the market of Thailand

4. Criteria used to define compensation values

The rate of fees between Energywith Co., Ltd. and 3K-BAT shall be 2.6%* of net sales price of Lead storage forklift batteries of DIN standard.

Note: *The cost of research and development of the Lead storage forklift batteries plant of Energywith Co., Ltd.

Payments shall be made semiannually within sixty days from the last day of September and March respectively each year and the Company will control fee does not exceed more than 3% of NTA.

Estimate Transaction size

Revenue per year calculated from estimate sale of Lead storage forklift batteries of DIN standard of 24 months average sale revenue between 1 January 2023 – 31 December 2024

Baht

Term	sale of Lead storage forklift batteries of DIN standard per year (Estimate)	Estimate The fee (per year) *	2 Years (Estimate)
1 January 2023 – 31 December 2024	40,000,000	1,040,000	2,080,000

Note: * 2.6% of sale of Lead storage forklift batteries of DIN standard

5. Size of transactions

The transaction is made with a connected person, and has the transaction size equals to 0.09% of 3K-BAT's Net Tangible Assets value.

Extracted financial information are summarized as follows:

Financial information	Amount (Million Baht)
Total Assets	3,843.99
Less Intangible assets	30.72
Less Total liabilities	1,483.70
Less Non-controlling interest	8.36
Net Tangible Assets (NTA)	2,321.21

Consolidated financial statements as of 31 March 2023

Net Tangible Asset (NTA)

$$\begin{aligned} &= \text{Benefits Value / NTA of the listed company and its subsidiaries} \\ &= 2.08 / 2,321.21 \\ &= 0.09 \% \end{aligned}$$

Since Thai Energy Storage Technology Public Company Limited and Energywith Co., Ltd. have common executive management, this transaction is considered a connected transaction. The type of this transaction is normal business-support transactions with transaction size greater than 0.03% but less than 3% of net tangible assets, which is considered to be a medium size item. Accordingly significant information relating to this transaction must be disclosed to the Stock Exchange of Thailand.

6. Person, relationship and nature of the connection:

Thai Energy Storage Technology Public Company Limited has a policy to conduct the connected transaction as follows:

If there is a transaction between them, the Company must comply with the securities and exchange laws, regulations, notifications, orders or requirements of the Stock Exchange of Thailand including the accounting standards set by the Institute of Certified Accountants and Auditors of Thailand. However, such transaction will not be a migration or transfer benefits between companies or shareholders of the Company, but it is a transaction that the Company has pondered the best benefits for every shareholder.

7. There were 7 directors attended the Board of Directors Meeting No. 3/2023 held on 9 August 2023 and constituted a quorum. The list of directors who participated the meeting showing as below:

No.	Name of Director	Directors' Voting	Relationship	Shareholding (%)
1	Mr. Masakatsu Suzuki	✗	Executive Officer, Energywith Co., Ltd.	0.00%
2	Mr. Akihiko Emori	✗	Executive Officer, Energywith Co., Ltd.	0.00%
3	Mr. Tamotsu Sakata	✗	Executive Officer, Energywith Co., Ltd.	0.00%
4.	Mr. Yoshitaka Nibe	✗	Executive Officer, Energywith Co., Ltd.	0.00%
5	Mr. Nonthapol Nimsomboon	✓	-	0.00%
6	Mr. Suchat Chanlawong	✓	-	0.00%
7	Mr. Apichai Chawacharoenphan	✓	-	0.00%

✗ The directors who have interest attended the meeting but did not cast their votes for such agenda

8. Director's comments:

Board of Director of Thai Energy Storage Technology Public Company Limited. which comprised of independent director and the Audit Committee has decided to proceed on the basis of act in good faith and best interests of the Company and considering the benefits of minority shareholders which ratified for entering technology license agreement for the transfer of technology: Lead storage batteries of DIN standard for forklifts with Energywith Co., Ltd. which charges 2.60% fee from sale of Lead storage forklift batteries of DIN standard. When calculate the size of transaction, it was equal to 0.09 % of Net Tangible Assets value, which is greater than 0.03% but less than 3% of net tangible assets, is considered to be a medium size item the significant information of which must be disclosed to the Stock Exchange of Thailand.

9. Audit Committee's Differing Opinion:

- None -