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No. FTI-SET-2566/018

October 12, 2023

Subject: Establishment of a subsidiary and the acquisition of assets of Function International Public Company Limited

Attention: President  
The Stock Exchange of Thailand

Function International Public Company Limited ("the Company") would like to inform that the Board of Directors' Meeting No. 5/2023 held on October 12, 2023, resolved to approve the establishment of 1 subsidiary company with a registered capital of 160,000,000 baht. The company holds shares in the proportion of 99% with the objective of entering into a contract to purchase land, Invest in construction of the company's product manufacturing plant. using the remaining space to operate a factory rental business, and the creation of a free zone area (FREE ZONE) in the future. The details of the subsidiaries are as follows:

Company Name In the process of reserving a name  
Address: No. 313 Charoen Phatthana Rd., Bang Chan, Klong Sam Wa, Bangkok  
Registered Capital: 160,000,000 Baht  
divided into 1,600,000 ordinary shares with the par value of 100 Baht

Shareholding Structure:	Shareholder	Number of shares	Percent
	1. Function International PCL.	1,583,998	99.00%
	2. Mrs. Pimjai Viboolmeth	16,000	1.00%
	3. Mr. Vikorn Poovapat	1	0.00%
	4. Mr. Kaweewat Siriwongmongkol	1	0.00%

กรรมการบริษัท:  
1. Mr. Vikorn Poovapat  
2. Mr. Arunsak Wongkawiwit  
3. Mr. Kaweewat Siriwongmongkol

#### 4. Mr. Surapong Rungjang

Directors who have the authority to sign to bind the company

Mr. Vikorn Poovapat or Mr. Arunsak Wongkawiwit and Mr. Kawewat Siriwongmongkol or Mr. Surapong Rungjang who shall jointly sign

**Objective :** Purchasing land and investing in construction of the company's production factory, using the remaining space to operate a factory rental business in the future. and creating a free zone area (FREE ZONE)

And the Company has approved a newly established subsidiary to enter into an asset acquisition transaction by purchasing 9 plots of land, area 40 rai 69 square wa, with a total value of 156,345,000 baht.

The above acquisitions of assets of the Company and its subsidiary are not considered a related party transaction pursuant to the Notification of the Capital Market Supervisory Board No. Tor Jor. 21/2551 entitled Rules on Related Party Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand (the "SET") entitled Disclosure of Information and Act of Listed Company Concerning the Connected Transactions, 2003 (the "Related Party Transaction Rules").

However, when considering the sizes of the above acquisitions pursuant to each calculation method prescribed under the Notification of the Capital Market Supervisory Board Notification No. Tor.Jor. 20/2551 entitled Rules on Entering into Material Transactions Deemed as Acquisition or Disposition of Assets and the Notification of the Board of Governors of the SET Regarding the Disclosure of Information and Other Acts of the Listed Company Concerning the Acquisition or Disposition of Assets, 2004 (as amended) (the "Major Transaction Rules") and based on the consolidated financial statements of the Company as of June 30, 2023 reviewed by the Company's auditor, it was found that the size of transaction has the highest value when calculated in accordance with the total value of consideration basis which equals 16.06 percent of the total assets of the Company. In this connection, when considering the size of this transaction with all acquisition transactions entered into by the Company during the past six months, the transaction size is of the highest value when calculated in accordance with the total value of consideration basis which equals 16.90 percent of total assets of the Company. The transaction is considered as Class 2 transaction; which the transaction value is equivalent to or higher than 15 percent but less than 50 percent.

Thus, the Company has an obligation to report and disclose the information of transaction to the Stock Exchange of Thailand (“SET”) immediately and submit the information to its shareholders within 21 days from the date of disclosure of information to SET.

The details of the acquisition of assets has been disclosed in the Information Memorandum of the Acquisition of Assets of Function International Public Company, as attached.

Please be informed accordingly.

Yours sincerely,

(Dr. Vikorn Poovapat)

Chief Executive Officer

  
**FUNCTION INTERNATIONAL**  
*All Solutions of Water*

Information Memorandum on the Acquisition of Assets  
of Function International Public Company Limited

1. Transaction Date

The Board of Directors' meeting of Function International Public Company Limited (the "Company") No. 5/2023 held on October 12, 2023, resolved to approve the subsidiary company to enter into a land purchase transaction. The total value is 156,345,000 baht. It is expected that the ownership registration will be completed by November 30, 2023.

2. Related Parties and relationship with the Company

The Purchaser Newly established subsidiary

The Seller

1. Mr. Bunsuep Phanrot
2. Mr. Nipol Phanrot
3. Mr. Samruay Bunpheng
4. Mr. Marut Semut
5. Mr. Charan In-Baen
6. Mrs. Bunruean In-Baen
7. Miss Nongnut Limsian
8. Mr. Weerawat Limsean
9. Miss Tueanjai Limsean

Relationship

The Purchaser and the Seller have no relationships between each other and are not connected persons against each other pursuant to Notification of Capital Market Supervisory Board No. TorChor 21/2551 Re: Rules on Connected Transactions, and 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, 2003 (as amended).

3. General Characteristics of Transaction

Subsidiary of the Company will purchase 9 vacant land plots, total area 40 rai 69 square wa, located in Saladaeng Subdistrict, Bang Nam Prio District, Chachoengsao Province. At a total purchase

price of 156,345,000 baht, to develop an investment project to construct the company's product manufacturing plant, using the remaining space to operate a factory rental business, and the creation of a free zone area (FREE ZONE) in the future. Most of the area of the above plot of land is in the purple area, which is industrial and warehouse type land. This allows the construction of industrial factories and warehouses. In addition, the land is located in the EEC area, which is in line with economic expansion. It is also a strategic logistics point with convenient transportation in both the region and foreign trade.

The meeting of the Board of Directors resolved to grant authority to the Chief Executive Officer or the person assigned by the Chief Executive Officer is authorized to consider and determine various conditions and details related to entering into the said asset acquisition transaction. Including the authority to take various actions that are necessary and appropriate in connection with entering into this asset acquisition transaction.

#### 4. Transaction size

Details of calculation of Transaction size according to the Acquisition or Disposal of Assets

Criteria of Calculation	Formula of Calculation	Transaction Value
1. Net Tangible Assets	$\frac{\% \times \text{NTA of the acquiring assets} \times 100}{\text{NTA ของบริษัท}}$	N/A
2. Net Profit	$\frac{\% \times \text{Net profit from the acquiring assets}}{\text{Total net profit of the Company}}$	N/A
3. Total Value of Consideration	$\frac{\text{Value of the transaction to be paid or received} \times 100}{\text{Total asset of the Company}}$	16.06%
4. Value of Securities	N/A	N/A

The above transaction is not considered a connected transaction and the size of the transaction is equal to 16.06 percent, which is calculated using the total value of consideration criteria. Based on the company's consolidated financial statements as of June 30, 2023, which when combined with the original transactions that occurred within the past 6 months, results in the highest cumulative transaction size of 16.90 percent according to the total value of consideration criteria. Therefore, it is classified as a class 2 asset acquisition transaction with a transaction size equal to or higher than 15 percent but less than 50 percent. Thus, the Company has an obligation to report and disclose the information of transaction to the Stock Exchange of Thailand ("SET") immediately and submit the information to its shareholders within 21 days from the date of disclosure of information to SET.

## 5. Details of Acquired Assets

Asset characteristics:	9 plots of vacant land, total area 40 rai 69 square wa.
Location	Saladaeng Subdistrict, Bang Nam Prio District, Chachoengsao Province
Obligation:	- None -
Laws Affecting the Assets:	Most of the land is located in the purple zone which is industrial and warehouse area.
Future Plan:	to develop an investment project to construct the company's product manufacturing plant, using the remaining space to operate a factory rental business, and the creation of a free zone area (FREE ZONE)

## 6. Total Value of Consideration and payment terms

9 plots of land, area 40 rai 69 square wa, with a total value of 156,345,000 baht. The subsidiary company will pay 100% of the land cost to each seller on the date of ownership transfer. It will be completed by November 30, 2023.

## 7. Criteria for Determining the Value of Consideration

It is the value agreed upon between the purchaser and seller.

## 8. Expected Benefits of the Transaction

8.1 The investment of the subsidiary is an investment in assets with potential. It is a strategic logistics point with convenient transportation in both the region and foreign trade.

8.2 The construction of the company's equipment manufacturing plant will help reduce costs from importing raw materials from abroad and create upstream businesses that have more stability in doing business

8.3 build confidence among foreign partners who are interested in investing more in the future.

## 9. Source of Fund to be Used in the Acquisition of Assets

The Company's working capital

## 10. Opinion of the Board of Directors

The Board of Directors have the opinion that the purchase of the Lands is necessary and appropriate and the Transaction Value 156,345,000 baht is a fair and reasonable. The Board of Directors has resolved to approve the Company to proceed with the Transaction.

## 11. Opinion of the Audit Committee and/or the Director of the Company which is different from that of the Board of Directors

- None -