



บริษัท อ่าปีโก ไฮเทค จำกัด (มหาชน)

AAPICO HITECH PUBLIC COMPANY LIMITED

Ref No: AH 01012024

January 2, 2024

Subject: Notification on the Disposition of Assets

To: The President,
The Stock Exchange of Thailand

Enclosure: Information Memorandum Concerning the Disposition of Assets (Schedule 1)

AAPICO Hitech Public Company Limited ("the Company") hereby informs that the the meeting of the Board of Directors of Sakthi Global Auto Holdings Limited ("SGAH"), a 100% subsidiary of the Company had passed the following material resolution on October 27, 2023.

1. Approved SGAH's sale of 248,355,851 shares i.e. all its shares held in Sakthi Auto Component Limited ("SACL"), representing 77.04% of the issued and paid-up capital of SACL. The total consideration value is USD 82,685,002, or approximately THB 2,995,565,998 which is divided into consideration of USD 82,000,000 (approximately THB 2,970,749,300) and interest amount of USD 685,002 (approximately THB 24,816,698). (The amount in THB is based on the average exchange rate according to announcement by the Bank of Thailand on October 27, 2023 at 36.23 THB/USD. However, the exchange rate which will be used to record the transaction in financial statement will be the exchange rate on the transaction date.) This transaction is considered a transaction to dispose assets of a listed company as prescribed in the Notification Capital Market Supervisory Board No. TorJor. 20/2008 Re: Rules for Significant Transactions Qualified as Acquisition or Disposition of Assets dated August 31, 2008 and the amendment, and the Notification of the Stock Exchange of Thailand Board, Re: Disclosure of Information and Operations of Listed Companies in the Acquisition or Disposal of Assets dated October 29, 2004. The maximum transaction size is 24.9% according to the Net Tangible Assets value criteria, which is the criteria by which the highest disposal of assets is calculated. This is considered to be the transaction size of the assets with value over 15% but not exceeding 50% of the Company's total assets. Therefore, the Company is obliged to disclose its information to SET and circulate letter of this information to shareholders within 21 days, since the date of information disclosure to the SET. Details of Information Memorandum (Schedule 1) are set out in the Appendix 1.

Although the Board of Director Meeting of SGAH had resolved to approve the Transaction on October 27, 2023, there are uncertainties that may impact the timing of the completion of the Transaction. The disclosure with uncertain circumstances may impact investors and all stakeholders. The Company therefore shall disclose the Information Memorandum to SET once the transaction is certain which is when the company receive first consideration of USD 72,000,000 on December 29, 2023 as stated in agreement.

Please be informed accordingly.

Yours sincerely,

(Mr. Yeap Swee Chuan)
Chairman and President

**Information of Memorandum on Assets Disposal (Schedule 1)
AAPICO Hitech Public Company Limited**

The Board of Director of Sakthi Global Auto Holdings Limited (“**SGAH**”), a 100% subsidiary of AAPICO Hitech Public Company Limited (the “**Company**”) passed a resolution on October 27, 2023, approving SGAH to sell 248,355,851 shares i.e. all its shares held in Sakthi Auto Component Limited (“**SACL**”), representing 77.04% of the issued and paid-up capital of SACL to ABT Transport Private Limited, whose ultimate shareholders are Sri M. Shanmugam and Sri R. Vijayakumar.

The sale of such shares is considered a transaction to dispose assets of a listed company as prescribed in the Notification Capital Market Supervisory Board No. Tor Jor. 20/2008 Re: Rules for Significant Transactions Qualified as Acquisition or Disposition of Assets dated August 31, 2008 and the amendment, and the Notification of the Stock Exchange of Thailand Board, Re: Disclosure of Information and Operations of Listed Companies in the Acquisition or Disposal of Assets dated October 29, 2004. The maximum transaction size is 24.9% according to the Net Tangible Assets value criteria, which is the criteria by which the highest disposal of assets is calculated. This is considered to be the transaction size of the assets with value over 15% but not exceeding 50% of the Company's total assets.

The particulars of the disposal of SACL shares are as follows:

(1) Date of the Transaction

The Board of Director Meeting of SGAH has resolved to approve the Transaction on October 27, 2023.

(2) Relevant Parties and Relationship with the Company

Buyer : ABT Transport Private Limited, whose ultimate shareholders are Sri M. Shanmugam and Sri R. Vijayakumar

Seller : Sakthi Global Auto Holdings Limited, a subsidiary whose shares are ultimately held by the Company 100.0%

Relationship with the Company: the Buyer has no relationship with the Company and is not a connected person with the Company.

(3) General Characteristics of the Transaction

SGAH has agreed to sell all its shares in SACL i.e. 248,355,851 shares, representing 77.04% of the issued and paid-up capital of SACL, for a total value USD 82,685,002, or approximately THB 2,995,565,998 (based on the average exchange rate according to announcement by the Bank of Thailand on October 27, 2023 at 36.23 THB/USD). The consideration payments were agreed as follows:

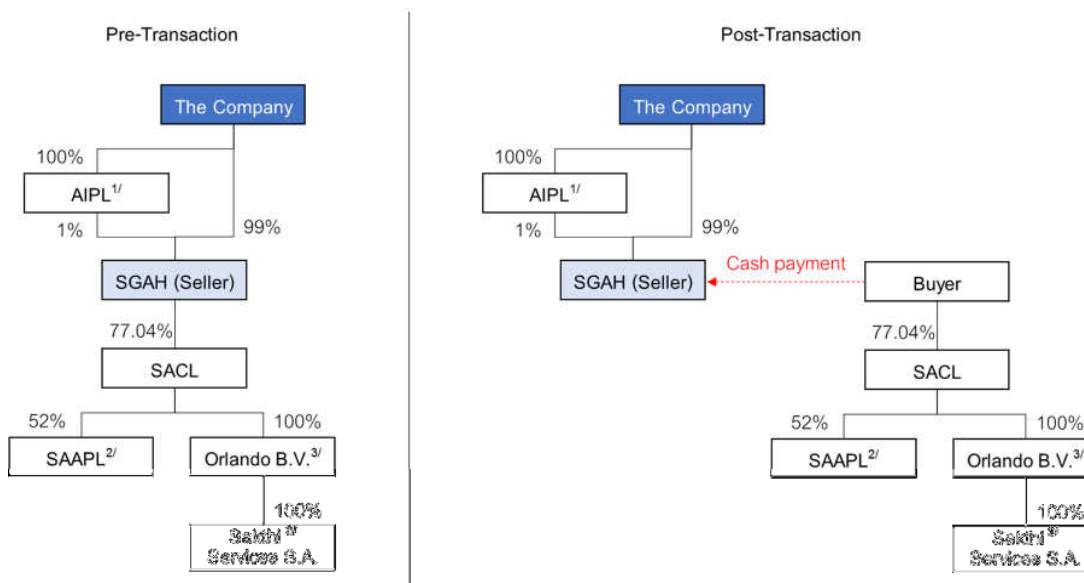
- 1) Consideration Sum 1:** USD 72,000,000, or approximately THB 2,608,462,800, payable no later than December 31, 2023.
- 2) Consideration Sum 2:** USD 10,000,000, or approximately THB 362,286,500, with interest rate at 3% per annum, total interests of USD 685,002, or approximately THB 24,816,698, payable in installments by December 13, 2027.

The details of payment schedule for the consideration as follows:

unit: USD

Tranche	Date	Consideration	Interest	Total Consideration	Shares sold (shares)
1	No later than 31 Dec 23	72,000,000	-	72,000,000	218,068,552
2.1	13 Jun 24	1,250,000	152,500	1,402,500	3,785,912
2.2	13 Dec 24	1,250,000	133,438	1,383,438	3,785,912
2.3	13 Jun 25	1,250,000	113,750	1,363,750	3,785,912
2.4	13 Dec 25	1,250,000	95,313	1,345,313	3,785,912
2.5	13 Jun 26	1,250,000	75,833	1,325,833	3,785,912
2.6	13 Dec 26	1,250,000	57,188	1,307,188	3,785,912
2.7	13 Jun 27	1,250,000	37,917	1,287,917	3,785,912
2.8	13 Dec 27	1,250,000	19,063	1,269,063	3,785,915
Total		82,000,000	685,002	82,685,002	248,355,851

Shareholding Structure of SACL



^{1/} AAPICO Investment Pte. Ltd. (AIPL), located in Singapore, holding company

^{2/} Seldin Auto Assembly Private Limited (SAAPL), located in Tamil Nadu, India, engages in the manufacturing and selling of brake discs.

^{3/} Orlando B.V. and Seldin Services S.A. are holding companies and currently have non-operating subsidiary

The sale of such shares is considered a transaction to dispose assets of a listed company as prescribed in the Notification Capital Market Supervisory Board No. TorJor. 20/2008 Re: Rules for Significant Transactions Qualified as Acquisition or Disposition of Assets dated August 31, 2008 and the amendment, and the Notification of the Stock Exchange of Thailand Board, Re: Disclosure of Information and Operations of Listed Companies in the Acquisition or Disposal of Assets dated October 29, 2004. The maximum transaction size is 24.9% according to the Net Tangible Assets value criteria, which is the criteria by which the highest disposal of assets is calculated. This is considered to be the transaction size of the assets with value over 15% but not exceeding 50% of the Company's total assets. Therefore, the Company is obliged to disclose its information to SET and circulate letter of this information to shareholders within 21 days since the date of information disclosure to the SET.

Although the Board of Directors Meeting of SGAH resolved to approve the Transaction on October 27, 2023, there are uncertainties that may impact the timing of the completion of the Transaction. The disclosure with uncertain circumstances may impact investors and all stakeholders. Therefore, the Company decided to disclose such information once the transaction is certain.

(unit: THBmn)

- **Criteria 1: Net tangible asset (NTA)**

$$\begin{aligned}
 \text{Net tangible asset criteria} &= \frac{\% \text{ Shareholding} \times \text{NTA of SACL}}{\text{NTA of the Company}} \\
 &= \frac{77.04\% \times 2,573}{7,952} \\
 &= 24.9\%
 \end{aligned}$$

- **Criteria 2: Net operating profit**

$$\begin{aligned}
 \text{Net operating profit criteria} &= \frac{\% \text{ Shareholding} \times \text{Net profit of SACL}}{\text{Net profit of the Company}} \\
 &= \frac{77.04\% \times 259}{1,883} \\
 &= 10.6\%
 \end{aligned}$$

- **Criteria 3: Consideration value**

$$\begin{aligned}
 \text{Consideration value criteria} &= \frac{\text{Consideration value}}{\text{Assets of the Company}} \\
 &= \frac{2,996}{26,242} \\
 &= 11.4\%
 \end{aligned}$$

However, this transaction is not classified as a connected transaction according to the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions dated August 31, 2008 (as amended) and the Stock Exchange of Thailand Re: Disclosure of Information and Acts of Listed Companies Concerning Connected Transactions dated November 19, 2003.

(4) Detail of Disposed Assets

Company Name	Sakthi Auto Component Limited (SACL)																																																		
Incorporation Date	February 19, 1999																																																		
Business	Manufacture and distribute automotive parts in India.																																																		
Registered Capital	INR 3,223,556,110, or approximately THB 1,406,921,064 (based on the average exchange rate according to announcement by the Bank of Thailand on October 27, 2023, at 0.44 THB/INR) divided into 322,355,611 shares																																																		
Directors	<ol style="list-style-type: none"> 1. Mr. Yeap Swee Chuan 2. Mr. Sattha Peth-In 3. Ms. Kannika Kongsubsopa 4. Mr. Sridar Swamy 5. Mr. Subhash Chandra Jangid 6. Ms. Bindiya Agrawal 																																																		
Shareholders	<table border="1"> <thead> <tr> <th>Name</th> <th>Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Sakthi Global Auto Holdings Ltd</td> <td>248,355,847</td> <td>77.0%</td> </tr> <tr> <td>Kannika Kongsubsopa</td> <td>1</td> <td>0.0%</td> </tr> <tr> <td>Sattha Peth-In</td> <td>1</td> <td>0.0%</td> </tr> <tr> <td>Sumitra Sirikanerat</td> <td>1</td> <td>0.0%</td> </tr> <tr> <td>Yong Prathuangsuks</td> <td>1</td> <td>0.0%</td> </tr> <tr> <td>Sakthi Sugars Ltd</td> <td>63,859,394</td> <td>19.8%</td> </tr> <tr> <td>ABT Investments (India) Pvt Ltd</td> <td>7,757,080</td> <td>2.4%</td> </tr> <tr> <td>ABT Limited</td> <td>2,382,680</td> <td>0.7%</td> </tr> <tr> <td>Dr.M.Manickam</td> <td>101</td> <td>0.0%</td> </tr> <tr> <td>Sri M.Balasubramaniam</td> <td>101</td> <td>0.0%</td> </tr> <tr> <td>Sri S.Chandrasekhar</td> <td>101</td> <td>0.0%</td> </tr> <tr> <td>Dr N.Mahalingam</td> <td>101</td> <td>0.0%</td> </tr> <tr> <td>Sri T.Rajkumar</td> <td>101</td> <td>0.0%</td> </tr> <tr> <td>Sri P.Srinivasan</td> <td>101</td> <td>0.0%</td> </tr> <tr> <td>Total</td> <td>322,355,611</td> <td>100.0%</td> </tr> </tbody> </table>			Name	Shares	%	Sakthi Global Auto Holdings Ltd	248,355,847	77.0%	Kannika Kongsubsopa	1	0.0%	Sattha Peth-In	1	0.0%	Sumitra Sirikanerat	1	0.0%	Yong Prathuangsuks	1	0.0%	Sakthi Sugars Ltd	63,859,394	19.8%	ABT Investments (India) Pvt Ltd	7,757,080	2.4%	ABT Limited	2,382,680	0.7%	Dr.M.Manickam	101	0.0%	Sri M.Balasubramaniam	101	0.0%	Sri S.Chandrasekhar	101	0.0%	Dr N.Mahalingam	101	0.0%	Sri T.Rajkumar	101	0.0%	Sri P.Srinivasan	101	0.0%	Total	322,355,611	100.0%
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Financial Position and Performance (unit: THBmn)	Financial information	31 Dec 20	31 Dec 21	31 Dec 22	9M / 23
	Current assets	1,106	1,406	1,733	1,843
	Non-current assets	3,494	3,856	3,576	3,805
	Total assets	4,600	5,262	5,309	5,647
	Current liabilities	1,436	1,978	2,078	2,038
	Non-current liabilities	1,002	862	743	780
	Total liabilities	2,438	2,840	2,821	2,818
	Shareholders' equity ¹	1,977	2,213	2,255	2,573
	Revenue	2,921	4,767	6,762	4,944
	Net Profit ^{1/}	-25	27	206	175
	<i>^{1/} excluding non-controlling interest</i>				
Information in the Company's financial statement (Equity Method)					
Financial information	31 Dec 20	31 Dec 21	31 Dec 22	9M / 23	
The value of investment under equity method	2,456	2,728	2,694	2,970	
Share of profit	-19	16	159	134	
Share of comprehensive income	-123	257	-193	141	

(5) Value of Consideration and Disposed Assets

SGAH to sell 248,355,851 shares i.e. all its shares held in SACL, representing 77.04% of the issued and paid-up capital of SACL, for a total value USD 82,685,002, or approximately THB 2,995,565,998¹ (based on the average exchange rate according to announcement by the Bank of Thailand on October 27, 2023 at 36.23 THB/USD).

¹ The consideration amount in THB shown in the Company's financial statements might differ due to the different exchange rate used which will be referred to the rate on the payment date.

The book value of disposed assets based on the Company's consolidated financial statements as of September 30, 2023 is equivalent to THB 2,969,500,000².

(6) Criteria for Determining the Consideration Value

The consideration value is mutually agreed upon between the Buyer and the Seller with reference to the book value of SACL shares based on the Company's consolidated financial statements as of September 30, 2023, which is equal to THB 2,969,500,000.

(7) Conditions of the Transaction

1. Within one business day of receiving the Consideration Sum 1, the parties agree to take all necessary steps to obtain dismissal of proceedings of past disputes between the Company group and the Seller group, such as:
 - a) Legal proceeding by the Company to enforce the Arbitration Award under the Shareholders Agreement
 - b) Legal proceeding by the Seller's group before the National Company Law Tribunal at Chennai, India
2. Within seven days of receiving the Consideration Sum 1, AAPICO Hitech PLC. ("the Company"), and Aapico Investment Pte. Ltd. ("AIPL") (collectively referred to as "AAPICO") shall submit an application for a consent award to the Singapore International Arbitration Centre ("SIAC") with respect to the disputes arising by and between AAPICO and Dr. Manickam Mahalingam ("Dr Mahalingam"). The application for a consent award agreed that the total sum outstanding and payable by Dr Mahalingam to AAPICO shall be up to USD 10,000,000 plus simple interest at a rate of 3 percent per annum.

(8) Benefits and Use of Fund from the Transaction

The Transaction is a part of the Company's plan to settle disagreements with the buyer group, and the Company will receive cash as consideration.

The Company will use the cash proceed from the sale of such shares for working capital to support business expansion and repayment of loans from financial institutions, so the Company will be able to operate more efficiently in areas of growth and will also have stronger financial position.

² The value of investment under equity method used to record this transaction on financial statement might differ due to exchange rate on payment date and share gain(loss) after 30 September 2023.

(9) Opinion of the Board of Directors

The Board of Directors meeting of SGAH on October 27, 2023 has resolved to approve the Transaction of SACL shares disposal as the Board of Directors has opined that the Transaction is reasonable in terms of the consideration value and benefits to the Company and the shareholders as described in (8) and resolved to approve SGAH to enter into the Transaction.

(10) Opinion of the Audit Committee which are different from those of Board of Directors in No. (9)

- None -