

Ref. No. SITHAI-0801/66

10 August 2023

President
The Stock Exchange of Thailand

Subject: Sale of Land and Buildings to Connected Person

Dear Sir,

Srithai Superware Public Company Limited or SITHAI (“the Company”) wishes to inform that the Board of Directors has passed a resolution, at the Board of Directors Meeting No. 4/2566 held on 10 August 2023, to approve the sale of a land plot (measuring 1 rai, 2 ngan and 45.6 square wah) together with buildings thereon, located at 129/1 on Rasburana Road, Rasburana, Bangkok to Siam Melamine Marketing Company Limited (“SMM”) amounting to Baht 90.00 million.

SMM is classified as a Connected Person of the Company. In undertaking the abovementioned transaction, it is considered a transaction of acquisition or disposition of assets pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/B.E. 2551 (2008), Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, 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 and Disposition of Assets B.E. 2547 (2004). It is also considered as a connected transaction pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 21/B.E. 2551 (2008), Re: Rules on Connected Transactions, and also 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 (2003); whereby the relevant information is summarized as follows:

1. Date of Transaction

It is expected that sale and purchase agreement of the abovementioned land plot and buildings will be executed in the third quarter of 2023 with the actual transfer of assets to take place within 2023.

2. Related Parties

Seller: Srithai Superware Public Company Limited (“the Company”)
Buyer: Siam Melamine Marketing Company Limited (“SMM”)
Relationship: SMM is the distributor for the Company’s products and a long-term business partner. SMM is also the lessee of such land plot and buildings deployed in the business of SMM.

3. Nature of the Transaction

The Company will sell a plot of land (measuring 1 rai, 2 ngan and 45.6 square wah) together with buildings constructed thereon, located at 129/1 on Rasburana Road, Rasburana, Bangkok, to SMM for Baht 90.00 million. As such, the Company has not used the abovementioned land plot together with the buildings in the operations of the Company’s core business, whereby this asset has been categorized as part of its ‘Investment Properties’, caption shown in its Financial Statements.

The Company will receive payment of such land and buildings in cash by 2 installments, upon signing the sale and purchase agreement and upon transferring the ownership. Proceeds from sale will be used in the operations of the ongoing core business of the Company and/or repay the loans from financial institutions.

4. Criteria and Basis for Determining the Total Amount and Value of the Transaction

The Company has agreed to accept the purchasing proposal for a land plot and buildings at the value of Baht 90.00 million, which were assessed by comparing with the appraised value as at 7 February and 12 July 2023 that were made by two independent appraisers which are approved by the Securities and Exchange Commission; whereby the transaction value is higher than the book value as of 30 June 2023. The Company will gain profit from assets sale after deduction of related expenses from assets sales amounting to approximately Baht 49 million in the fourth quarter of 2023. As such, this approved sales transaction with SMM is categorized as a connected transaction under asset or service transaction type. The transaction value of Baht 90.00 million equals to 2.21% of the net tangible asset (NTA) value of the Company and its subsidiaries based on Consolidated Financial Information as of 30 June 2023. The transaction value is thus considered a moderate significance transaction which is higher than 0.03% but lower than 3.0% of NTA, then requires the approval of the Board of Directors and the disclosure of the relevant information of the connected transaction to the Stock Exchange of Thailand (“SET”), but does not require the approval of the Shareholders at a Shareholders’ Meeting.

5. Details of Connected Person

The Company does not have any shareholdings in SMM; but some persons, who are considered being ‘close relatives’ of some Board Directors and Executives of the Company, as defined by the criteria of the SET, own shares in SMM totaling approximately 70% of the total registered and paid-up capital of SMM, as shown in the SMM shareholding structure below:

Shareholders	Number of Shares Owned	%
Mrs. Mayuree Sirivajanangkul	250,000	25.0
Mr. Sombat Lertsumitkul	175,000	17.5
Mr. Somyod Lertsumitkul	175,000	17.5
Ms. Sompit Lertsumitkul	100,000	10.0
Total shares held by the group of ‘close relatives’	700,000	70.0
External parties (4 individuals)	300,000	30.0
Total	1,000,000	100.0

6. Opinion of the Board of Directors

The Directors at the Board of Directors Meeting No. 4/2566 held on 10 August 2023, have the opinion that selling the land plot and buildings, as described above (which has not been used in any beneficial way for some time and there is no plan to make further use of these assets as part of the core business operations of the Company in the future) to SMM is considered appropriate in terms of the selling price and immediate financial benefits to the Company, as proceeds from sale will be used for its ongoing core business operations, apart from utilizing tax privileges as being exempted from tax on profit from the sale of such assets. Those Directors having a vested interest in this proposed connected transaction did not participate in the discussions on this matter and did not vote accordingly.

7. Opinions of the Audit Committee and/or of any Respective Board Directors that Differ from the Overall Opinion of the Board of Directors of the Company

None.

8. Consideration of the Transaction Size According to the Criteria on Acquisition or Disposition of Assets

The proposed sale of the abovementioned land plot and the buildings falls under the criteria on acquisition or disposition of assets. Size of the transaction was calculated based on the value of the consideration given or received, equaling to 1.11% of the total assets of the Company and its subsidiaries based on the Consolidated Financial Information as of 30 June 2023, which is below the minimum size of transaction of 15% as specified by the SET. Hence, the transaction of disposal of assets is not subject to disclosure of information to the Stock Exchange of Thailand. In addition, it does not require the approval of the Shareholders at a Shareholders' Meeting.

Please be advised accordingly.

Yours faithfully,

Srithai Superware Public Company Limited

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