

(Translation)

Ref: SMPC 112/2023

August 10, 2023

Subject: Disclosure of Connected Transaction Information Regarding Lease of Land lesser than 3-Year Period

Attention: President
The Stock Exchange of Thailand

The Board of Management of Sahamitr Pressure Container Public Company Limited (“Company” or “SMPC”), passed the resolution to approve for renewing land lease agreement between the Company and a shareholder, management and director of the Company who is a connected person of the Company.

The transaction is a connected transaction as specified in “Transaction regarding rental or lease of immovable property of not exceeding 3 years” according to Notification of the Capital Market Supervisory Board No. Tor Chor 21/2008 Re: Rules on Connected Transactions and Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions BE 2003. The Company hereby discloses the detail of the transaction as follows;

1. Date of Transaction

On August 10, 2023, The Board of Management of Sahamitr Pressure Container Public Company Limited (“Company”) has passed the resolution to renew the land lease agreement from the end of the original agreement for 3 years and will start on October 1, 2023 to September 30, 2026. Also, this transaction was agreed in Audit Committee Meeting held on August 10, 2023.

2. Names of Parties involved

Lessee: Sahamitr Pressure Container Public Company Limited

Leaser: Mrs. Patama Laowong, Director, management and major shareholder who held 25.09 % of Company's total shares

Relationship : The Connected person of Mrs. Patama Laowong is Mr. Thamik Ekahitanond (younger brother), director, management and major shareholder who held 10.65 % of Company's total shares

3. General Description of the Transaction

The Company is leasing this land with the total area of 11-2-18.6 Rai which increase 4-3-47.1 rai from the current lease area of 6-2-71.5 rai in order to use as a storage of raw materials and for working area. The Company have already reported the current land lease agreement information in “Connected Transaction” section in form 56-1 One Report. In this regard, the company requests to renew the land lease agreement. Details of the new leased asset are as follow;

Leased Asset	Plot of land with the area of 11-2-18.6 Rai located at Soi Thientalay 7 (4 th intersection), Bangkhunthien-Chaitalay Road, Samaedam, Bangkhunthien, Bangkok which is adjacent to company's factory
Area of the Land	Plot of land with the area of 11-2-18.6 Rai (Consisting of the current leased area of 6-2-71.5 rai and additional leased area of 4-3-47.1 rai which is adjacent to the current leased area)
Lease Term	Renewal term is 3 years (October 1, 2023 – September 30, 2026). The renewal will start after the current agreement ends on September 30, 2023 (The current lease term is 1 year)
Rental Fee	Rental fee is at 220,000 Baht per month, Payment will be made on the 5 th date of every month (The current rate is 100,000 baht per month for lease area of 6-2-71.5 rai, since October 1, 2017 to September 30, 2023)

The entire rental for the 3 years is amounting to 7.92 Million Baht, excluding other duties, land and building tax (if any).

Land and Building Tax according to Land and Building Tax Act B.E.2562 is a tax assessed based on the purpose of Land and building usage. The company uses them for raw material storage or for industrial activities which have tax rate at 0.3% of the property appraisal cost. For the year 2023, referring to the Royal Decree on Land and Building Tax Reduction B.E. 2566, the tax rate is reduced by 15%.

Therefore, the total land and building tax for the 3-years agreement could be 0.41 million Baht. As a result, total rental fee will be 8.33 million Baht

4. Total Value and Criteria Used in Determining a Transaction's Total Value

4.1 Total Value of Transaction

Total value of transaction including land and building tax is 8.33 million Baht, with the lease term of 3 years, and is not qualified as general trading condition, which means the leaser does not operate in land rental business or offering to general public to lease such land.

4.2 Criteria Used in Determining The Transaction's Total Value

The Company will renew the land lease agreement with an increased area and a new rental term for 3 years (October 1, 2023-September 30,2026). The leaser proposed new rental fee which increased from current rental rate. The company, then, considered the new rental fee by comparing with appraisal price from the Treasury Department and market prices from 2 independent appraisers, The Valuation & Consultants Co., Ltd and Bell Survey Ltd., dated May 15, 2023 and May 19, 2023, respectively. The independent appraisers are approved by the Securities and Exchange Commission and have professional qualifications and experience in the location and category of the property. Bell survey Ltd. evaluated the rental rate of 0.23 million Baht per month and The Valuation & Consultants Co.,Ltd. evaluated the rental rate of 0.29 million Baht per month. The Company averaged the appraisal price and the market prices of 2 independent appraisers. Next, the company asked for discounts and the leaser accepted the new rental fee of 0.22 million baht per month. The new rental fee increased from the previous fee by 0.12 million baht per month due to an increase in rental rate and in leased area. Moreover, the company have already surveyed rental fee of lands located in vicinity of the factory and found that all of those are higher than Company's new rental fee.

5. Transaction Size

5.1 **Financial Summary** as at June 30, 2023, as part of financial statements of SMPC reviewed and agreed by auditor

Unit: Million Baht	Balance Sheet as at June 30, 2023	0.03% NTA	3% NTA
Total Assets	3,745.30		
Intangible Asset	15.11		
Total Liabilities	1,055.49		
Minor Shareholders' Equity	N/A		
Net Tangible Assets (NTA)	2,674.70	0.80	80.24

5.2 Total Value of Consideration

Based on latest financial statements for the 6-month period ended June 30, 2023. The transaction amounting to 7.92 million Baht is 0.30% of Net Tangible Assets (NTA), which is above 0.03% but does not exceed 3% of the NTA, which means the transaction is subject to medium size transaction. However, if the Company includes land and building tax which will incur in the future amounting to 0.41 million Baht in the calculation, the transaction size will be equal to 0.31% of Net Tangible Assets (NTA). It is still not exceed 3% of NTA and still remains as medium size transaction

5.3 Company's Action Upon Transaction

The Company has to obtain resolution for approval from Board of Management meeting and disclose the information to the Stock Exchange of Thailand.

6. Rationale to Enter into The Transaction

The plot of land with the area of 11-2-18.6 Rai located adjacent to the Company's factory. The objective of making the agreement is to keep raw materials before entering into the production process. Due to the Company's expansion, the Company needs space for raw materials stock for its production. However, the current lease area is insufficient. Therefore, the company has to rent additional land area. Moreover, the leased area is adjacent to the Company's factory. It allows more practical operation and transportation cost saving than leasing other areas.

7. Board of Management Opinion and Resolution

The Board of Management, excluded both directors having interest as states in no. 2, did not attend the meeting, had considered the entire information regarding the transaction and give opinion that the transaction is appropriate and benefit the Company. Moreover, compared to market rate, the rental fee is reasonable. Therefore, the Board of Management passed the resolution to enter the agreement with the Leaser.

8. Opinion of the Audit Committee which is Different from the Board of Managements' opinion in Clause 7

- None -

Please be informed accordingly

Sincerely Yours,

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(Mr.Surasak Urpsirisuk)

Chairman of the Executive Board and Managing Director