

Ref. DBP. 046 / 2024

March 26, 2024

Subject : Information concerning the Acquisition of Autoclaved Aerated Concrete Production Machinery (AAC-2 Project)

To : President
The Stock Exchange of Thailand

The Board of Directors of Diamond Building Products Public Company Limited at the Meeting No. 381, dated December 18, 2023, unanimously resolved to approve in principle on the investment project for installation of autoclaved aerated concrete production machinery (AAC-2), having a production capacity of approximately 2,880,000 square meters or approximately 163,200 tons per year, with an investment of approximately Baht 648 million. The procurement and installation of the machinery is anticipated to take approximately 14 months, with production of autoclaved aerated concrete products expected to commence by the 2nd quarter 2025.

Accordingly, the Company's Board of Directors at the Meeting No. 384, dated March 25, 2024, unanimously resolved to approve such investment and entering into such transaction. In accordance with the notification of the Stock Exchange of Thailand regarding the Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547, the Company has an obligation to disclose information on the Company's transaction to the Stock Exchange of Thailand and the shareholders, having important details as follows:

(1) Transaction Date:

The Company will enter into the purchasing and procurement contract on April 1, 2024 to carry out the project, which shall take approximately 14 months for the construction and the production of Autoclaved Aerated Concrete is expected within the 2nd quarter of 2025.

(2) Related Parties and Relationship:

The Company has selected the seller, namely, Jiangsu Teeyer Intelligent Equipment Co., Ltd. of China in which the Company has already verified the seller's qualification and found no connected relationship or any interest with the Company.



(3) General Characteristics of the Transaction:

The value of the transaction, calculated based on the total value of assets acquired, is 17.17 percent of the total value of assets of the Company according to the consolidated financial statements as at December 31, 2023. Accordingly, the Company had no transaction during the 6 months prior to transaction, according to the Notification of the Stock Exchange of Thailand regarding the Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, B.E. 2547. Such transaction is considered Type 2, in which the transaction size is more than 15% but less than 50% of the net tangible assets and therefore, the Company is required to send circular notice to shareholders within 21 days from the day that the Company has notified SET, having details on the calculation method as follows.

Calculation of asset acquisition transaction size:

Items from consolidated financial statements as of 31 December 2023	Value (Unit : Baht)
Net Tangible Assets : NTA ¹	2,479,298,995
Net profit (loss)	637,505,546
Total assets	3,776,696,916
Remark : ¹ Net tangible (NTA) Means Total assets – Intangible assets – Total liabilities – non-controlling interests (if any) (Intangible assets, such as goodwill, deferred expenses, etc. Except for the intangible assets that generate the main income, such as concession etc.)	

Criteria used in the calculation as follows:

Criteria used in the calculation	Calculation formula	Transaction size (%)
1. Value of the net tangible assets	$((\text{NTA of investment in the company} \times \text{Proportion of assets acquired or disposed}) \times 100) / \text{NTA of the Company}$	Unable to calculate because it is not an investment in other businesses
2. Net operating profits	$((\text{Net operating profits of the investment} \times \text{Buying or selling ratio}) \times 100) / \text{Net operating profits of the Company}$	Unable to calculate because it is not an investment in other businesses
3. Total value of consideration paid or received	$(\text{Value of transaction paid or received} \times 100) / \text{Total assets of the Company}$	17.17
4. Value of securities issued for the payment of assets	$(\text{Equity shares issued for the payment of assets} \times 100) / \text{Paid-up shares of the Company}$	Unable to calculate because the Company does not issue shares

(4) **Details of Acquired Assets:**

The Company will install the machinery to produce autoclaved aerated concrete, in which the acquired assets shall consist of autoclaved aerated concrete production machinery, electrical system, factory building and land filling work, etc., having production capacity of approximately 2,880,000 square meters or approximately 163,200 tons per year.

(5) **Total Value of Consideration:**

The Total value of consideration for the assets acquired consists of the total investment budget of Project AAC-2 which is approximately Baht 648 million.

(6) **Value of the Acquired Assets:**

It is expected that the investment for this project will be approximately Baht 648 million, which is equivalent to the total value of consideration.

(7) **Basis for Calculation of the Consideration:**

Conditions and other agreements in the contract are based on normal commercial terms.

(8) **Expected Benefits:**

The installation of the machinery to produce autoclaved aerated concrete will meet the demand of the customers, which will increase Company's competitiveness and continuously maintain growth rate of the Company.

(9) **Source of Funds:**

For the sources of investment fund for the project, the Company shall carry out as follows.

(9.1) Cash from operation of Baht 148 million.

(9.2) Loan from financial institution of Baht 500 million with loan payment term period within 5 years.

(10) **Opinion of the Board of Directors concerning the decision to enter into the transaction :**

The Company's Board of Directors has an opinion that the transaction concerning the acquisition of assets as mentioned above is suitable for current industrial condition in order to meet the demand of the customers, which should enhance Company's competitiveness and benefit the Company overall.

(11) **Opinion of the Audit Committee and/or Company's Directors that is different than the opinion of the Board of Directors:** None

- (12) Opinion of the Independent Expert: None
- (13) Financial Projection of the Current Year (if any): None
- (14) Pending Material Lawsuits or Claims: None
- (15) Interests and Connected Transactions: None
- (16) Responsibilities of the Company's Board of Directors to the Information:

The Board of Directors of the Company has verified that the information herein is all correct and true.

Please be informed accordingly.

Yours faithfully,

For and on behalf of Diamond Building Products Public Company Limited

(Mr. Satid Sudbuntad)

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