

Ref. No. Simat 21-2019

July 26, 2019

Subject Notification on Disposal from Waiving the Right to Purchase Increased Capital Ordinary Shares in Proportion of Hinsitsu (Thailand) Co., Ltd., who is a Direct Subsidiary of the Company

Attn. to President of The Stock Exchange of Thailand

The Board of Directors Meeting No.5/2019 dated July 26, 2019 resolved to approve Hinsitsu Screen Precision (Thailand) Co. Ltd. "HSPT", who is indirect subsidiary of Simat Technologies Public Company Limited ("the Company" or "SIMAT") (HSPT was hold its shares in proportion of 100% by Hinsitsu (Thailand) Co., Ltd. "HST" – a direct subsidiary hold its shares by the company in proportion of 70%), to additionally increase its capital at 34 MB, from current authorized capital at 6 MB to authorized capital at 40 MB, or equivalent to 400,000 ordinary shares at par value of 100 Baht each, by increasing capital in proportion of shareholding to the existing shareholders (Right Offering "RO") by HST as major shareholder of HSPT in proportion of 100% shall waive its right to subscribe the shares in proportion of HST in HSPT amounting 99,968 shares, or equivalent to 24.99%.

Since Hinsitsu (Thailand) Co., Ltd., who is a direct subsidiary held its shares by the Company in proportion of 70% said above, required to manufacture Panels conforming glue for using with electrical apparatus i.e. washing machine, etc. with In Mold Decoration "IMD" Technique. In Thailand, there are a few manufacturers, who be Japanese company can do it only. So, if we can manufacture the aforesaid products, we can contribute more profit margins when compared with current products that lead to overall positive operating performance of SIMAT Group. And HST had discussed with the Investor from China, who obtains knowledge, capability and experience in this products. Therefore, the negotiation with the Investor from China had been done, then received proposal that such Investor requires to jointly invest with HST by using Hinsitsu Screen Precision (Thailand) Co., Ltd. "HSPT", who is indirect subsidiary of SIMAT to be manufacturer and distributor of the said products. Type of investment is HSPT's capital increase from current authorized capital at 60,000 shares, par value of 100 Baht each or equivalent to 6 MB, to additionally increase authorized capital at 340,000 shares or 34 MB ^{ล้านบาท} total authorized capital at 400,000 shares or 40 MB. In this regard, HST shall obtain shareholding proportion after increased capital in proportion not less than 75.00% of authorized capital by additionally investment in proportion of HST at 240,032 shares amounting 24,003,200 Baht; and shall waive its right to subscribe the shares in proportion of HST in HSPT amounting 99,968 shares or amounting 9,996,800 Baht to the Investor from China. After increased capital, the Investor from China shall obtain shareholding proportion after increased capital in proportion less than 25.00% (including purchased

the share(s) from the existing shareholder) of the authorized capital. This investment from the Investor from China is amounting 9,996,800 Baht.

In this regard, in part of Simat Technologies Public Company Limited (“the Company” or “SIMAT”), who is the parent company of HST; the said waiving the right to subscribe increased ordinary shares in proportion of shareholding in HSPT is within the scope of Disposal of Asset Transaction according to Notification on Capital Market Supervisory Board Ref. No. TorJor 20/2551 Subject: Criteria of Entering into Significant Transaction within the Scope of Acquisition or Disposal of Asset “ Notification on Criteria of Acquisition or Disposal of Asset” due to the transaction, which HST as a subsidiary of SIMAT disposal of money invested in Hunsitsu Screen Precision (Thailand) Co., Ltd. “HSPT” from waiving its right to subscribe the shares in shareholding proportion in HSPT. Therefore, SIMAT, who is the parent company of HST must obtain duty to comply with laws and criteria concerning Acquisition or Disposal of such money invested with the following details:

1. Date Month Year of Transaction

Expected within October 2019

2. Related Counter Parties

The Seller : Hunsitsu (Thailand) Co., Ltd. “HST” – a direct subsidiary of the Company

The Buyer : Mr. Chen Shi

Relationship Characteristic

The Buyer is major shareholder in proportion of 100% of H.K. Yueshun Trade Co., Ltd. incorporated in China by trading machinery, tool and equipment, but not hold the shares in neither Hunsitsu (Thailand) Co., Ltd. “HST” nor Simat Technologies Public Company Limited “the Company”; as well as not occupy any position neither in HST nor in the Company. Therefore, this is not within the scope of Related Party Transaction according to Notification on Capital Market Supervisory Board Ref. No. TorJor.21/2551 Subject: Criteria on Entering into Related Party Transaction and Additional Amendment; and Notification on The Stock Exchange of Thailand Subject: Disclosure and Procedure of Listed Company in Related Party Transaction B.E. 2546 and Additional Amendment.

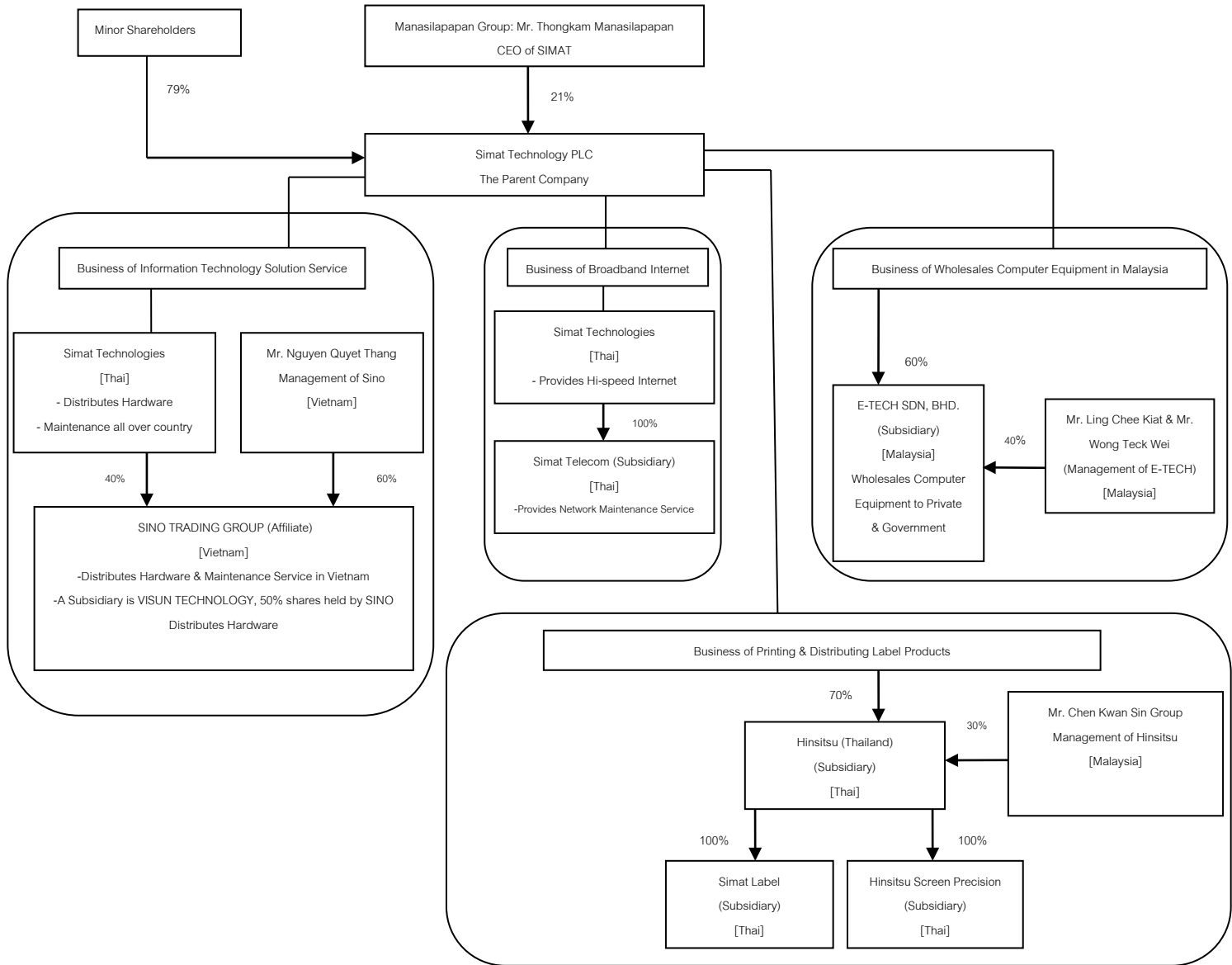
3. General Characteristic and Transaction Size

General Characteristic

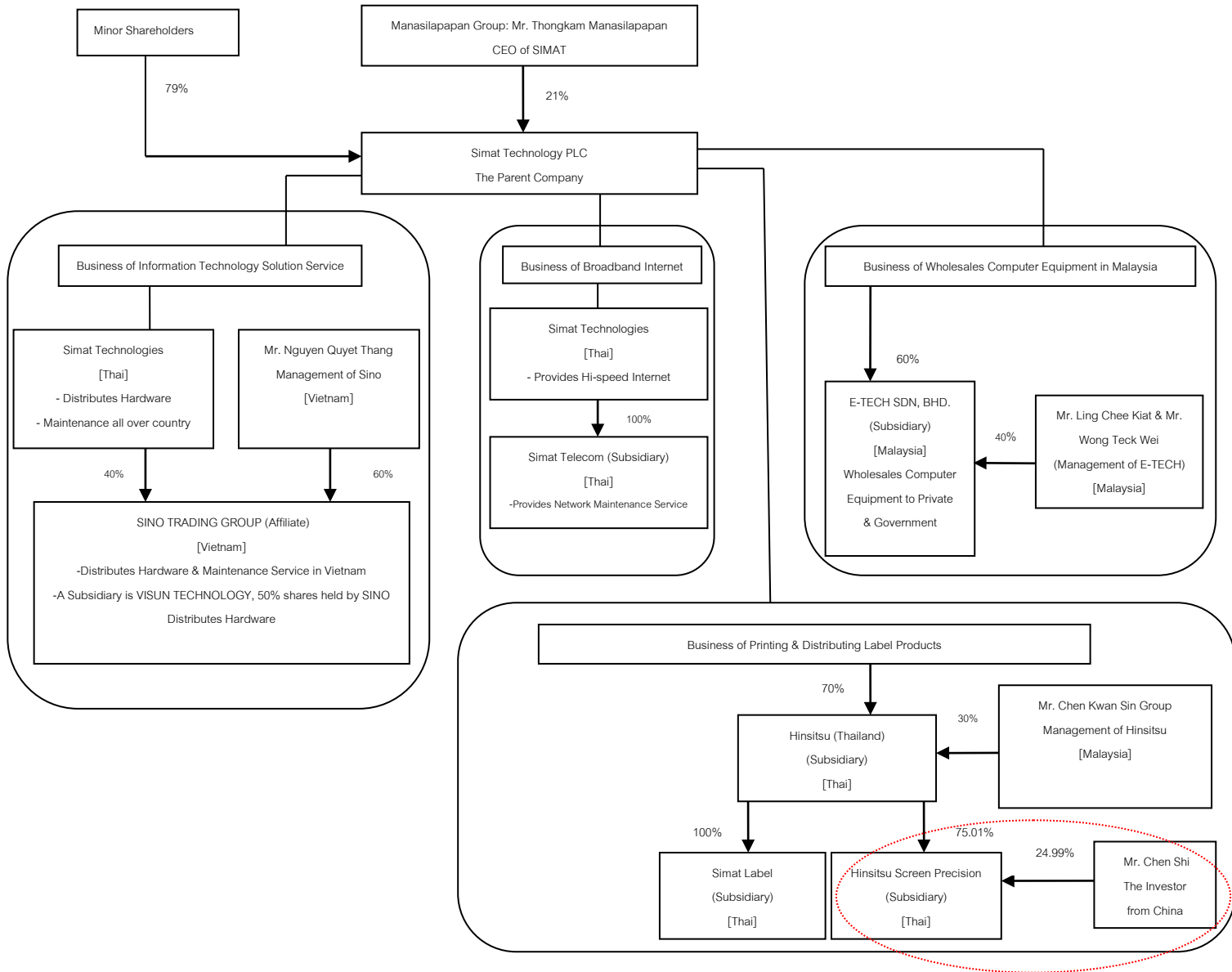
The Seller “HST” as a subsidiary of SIMAT disposed of money invested in Hunsitsu Screen Precision (Thailand) Co., Ltd. “HSPT” from waiving its right to subscribe the shares in shareholding

proportion in HSPT 9 9 ,9 68 shares to Mr. Chen Shi – the Investor from China. In this regard, the aforesaid sell and purchase price is the price in accordance with Par Value at 100 Baht each totaling money invested from the Investor from China at 9,996,800 Bath that resulting to the Company obtains business structure before and after the transaction as follows:

Structure of the Company Before Restructuring



Structure of the Company After Restructuring



Calculation of Transaction Size

Details in calculation of transaction size according to Notification on Capital Market Supervisory Board Subject: Disclosure and Procedure //of Listed Company in accordance with Acquisition or Disposal of Asset B.E. 2547 by using the Company's reviewed consolidated financial statements for 3-month period ended as of March 31, 2019 and HSPT's latest financial statements ended as of December 31, 2018 can be concluded as follows:

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- 1) Net Tangible Asset Criteria
 - = (Value of the Company's Net Tangible Asset Sold x Sales Proportion) / Value of the Company's Net Tangible Asset
 - = (1.08 x 24.99% x 70%) / 217.30
 - = 0.09%

- 2) Criteria of Net Profit from Operating Performance
 - = (Net Profit of the Company Sold x Sales Proportion) / The Company's Net Profit
 - = Cannot calculate since the Company's operating performance in 4-quarter period backward gained loss

- 3) Criteria of Total Value of Return
 - = Value of Return / Value of the Company's Total Asset
 - = 9.99 / 1,490.82
 - = 0.67%

- 4) Criteria of Equity Shares Issued for Payment
 - = Amount of Shares Issued for Asset Payment / Amount of the Company's Shares Issued and Paid
 - = Cannot calculate due to no shares issued for payment

Remark Calculate transaction size from Par Value = 100 Bath

From the calculation of transaction size said above found that transaction size according to criteria of total value of return is maximum transaction equivalent to 0.67% and transaction size according to criteria of the Company's net tangible asset is equivalent to 0.09%. When included with transaction size of other disposal of asset transaction incurred in the past 6 months, which is equivalent to 14.42¹ of criteria of the company's net tangible asset and included with transaction size of disposal of ordinary shares of E-TECH IT SDN. BHD. Approved by the Board of Directors Meeting No. 5/2019 in Agenda 3 before this, which obtain transaction size equivalent to 12.35%

¹Other transaction incurred in the past 6 months from restructuring by selling the shares of Simat Label Co., Ltd. to Hinsitsu (Thailand) Co., Ltd., which is a subsidiary hold its shares by the company in proportion of 70.00% with criteria of the Company's net tangible asset, which is equivalent to 48.06%. Whereas, the Company notified The Stock Exchange of Thailand on March 11, 2019 that the calculated from decreased controlling proportion at 100.00%. However, selling the shares of Simat Label Co., Ltd. to a subsidiary hold its shares by the Company at 70.00% resulting to the Company's decreased controlling proportion in Simat Label to just 30.00%. Therefore, transaction size of selling the shares of Simat Label according to the said criteria of net tangible asset obtain transaction size equivalent to 14.42%

according to criteria of the Company's net tangible asset. Therefore, maximum transaction size totaling 27.44% calculated according to criteria of net tangible asset, which is within the scope of significant transaction of acquisition or disposal of asset Type 2 (Transaction size values at 15% or higher, but lower than 50%) The Company, obtains duty to disclose information to The Stock Exchange of Thailand in accordance with Notification on The Stock Exchange of Thailand subject: Disclosure and Procedure of Listed Company in Acquisition or Disposal of Asset as well as deliver the letter informing the shareholders within 21 days as from the date disclosed the transaction to The Stock Exchange of Thailand.

4. Details of Asset Disposed

Company' Name	Hinsitsu Screen Precision (Thailand) Co., Ltd.
Address	No. 20/2 (A 5) Moo 4 Theparak Road, Bangplee-yai Sub-district, Bangplee District, Samutprakarn Province
Business Type	Manufacture and distribute silk screen, label, sticker
Authorized Capital: <u>Current</u>	6,000,000 Baht
Shares Amount already Paid: <u>Current</u>	60,000 Shares (Par Value at 100 Baht each)
Authorized Capital already Paid <u>after</u> Increased Capital	40,000,000 Baht
Shares Amount already Paid <u>after</u> Increased Capital	400,000 Shares (Par Value at 100 Baht each)

Important Financial Information of Hinsitsu Screen Precision (Thailand) Co., Ltd.

As of December 31, 2018

Unit: Baht

Total Assets	1,215,767.00
Total Liabilities	134,200.00
Shareholders' Equity	1,081,567.00
Total Revenue	1,090,920.00
Total Cost	-1,360,608.00
GP	-269,688.00
Other Income	12,441.00

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Selling Expense	-4,000.00
Admin Expense	-2,145,603.00
Net Loss	-2,406,850.00
Net Loss per Share	-40.11
Book Value per Share	18.03

5. Total Value of Return. Criteria Used in Determination of Value. Important Condition of Agreement

- Total Value of Return and Criteria Used in Determination of Value

The Seller "HST" as a subsidiary of SIMAT disposed of money invested in Hinsitsu Screen Precision (Thailand) Co., Ltd. "HSPT" from waiving its right to subscribe the shares in shareholding proportion in HSPT 99,968 shares to Mr. Chen Shi – the Investor from China. In this regard, the aforesaid sell and purchase price is the price in accordance with Par Value at 100 Baht each, totaling money invested from the Investor from China at 9,996,800 Baht.

In addition, Book Value of HSPT as of December 31, 2018 is equivalent to 18.03 Baht

- Important Condition of Agreement

After the Company got the approval from the Board of Director Meeting No. 5/2019 and the Investor from China entered into share transfer instrument in order to be the existing shareholders thoroughly Hinsitsu Screen Precision (Thailand) Co., Ltd. "HSPT" had taken action on increase capital in accordance with shareholding proportion of the existing shareholder (Right Offering "RO") to be authorized capital of 40 MB and already registered such capital increased to the Registrar, Department of Business development, Ministry of Commerce. Since this entering into the transaction is deemed disposal of asset transaction of listed company Type 2 according to "Notification on Criteria of Acquisition or Disposal of Asset"; the Company obtain duty to disclose information of the entering into transaction to The Stock Exchange of Thailand as well as deliver the letter circulated to the shareholders contain information at least prescribed in "Notification on Disclosure of Information and Procedure in Acquisition or Disposal of Asset" within 21 days as from the date disclosed the information to The Stock Exchange of Thailand.

6. Plan of Money Proceeded from Increase Capital

Money received from increase capital by waiving the right to subscribe increased capital ordinary shares in proportion of shareholding in HSPT amounting 99,968 shares to Mr. Chen Shi – the Investor from China at Par Value of 100 Baht each totaling money invested from the Investor from China at 9,996,800 Baht including with money invested from increase capital in proportion of shareholding in HSPT at 24,003,200 Baht; total money received from increase capital at 34,000,000 Baht by planning money proceeded as follows:

1. Used for buying machines approx. 10 MB
2. Used for furnishing building and installing machines approx. 12 MB
3. Used for working capital approx. 12 MB.

7. Expected Benefits

- 1) The Company's subsidiaries will gain Know How of In Mold Decoration "IMD" Technique, which in Thailand, there is a few manufacturer. Therefore, if we can manufacture the said products, we shall gain high margin when compared with other products at present that lead to overall positive operating performance of the Company.
- 2) Money received from increase capital will be used for buying machines, furnishing building and installing machines including using in working capital.
- 3) Top up business line of manufacture and distribute silk screen, label products from electrical apparatus as mainly to other industries such as automotive industry for contributing much more revenue.
- 4) Manage and spread risk from revenue relied on electrical apparatus as mainly to other industries such as automotive industry and so on.
- 5) The Company's subsidiaries will be only 1 of 2 manufacturers, who can manufacture Panels with IMD Technique in Thailand that reinforce positive image to SIMAT Group as we perform technology business and high innovation.

8. Opinion of the Board of Directors on Entering into the Transaction

The Board of Directors Meeting No. 5/2019 held on July 26, 2019 considered this disposal of asset transaction materially and carefully without conflict of interest, from appropriateness of purchase and sales value as specified in Clause 5, benefit will be gained from entering into transaction and other factors involved with the transaction, then, opined that this entering into transaction is appropriate and in line with maximum benefit of the Company and all stakeholders. The Board of Directors, therefore, unanimously approved to enter into the transaction said above.

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9. Opinion of Audit Committee and/or Board Member(s) Different from Opinion of the Board of Directors in Clause 9.

-None-

Please be informed accordingly.

Sincerely yours,

(Mr. Thammanoon Korkiatwanich)

Director/Company Secretary

Authorized Person to Disclose Information