

(Translation)

No. Simat 36-21

September 30, 2021

Subject: Notification of the Resolutions of the Board of Directors' Meeting regarding Sale of Shares in a Subsidiary of the Company

Attention: President,
The Stock Exchange of Thailand

Enclosure Information Memorandum on Disposal of Assets of Simat Technologies Public Company Limited

Simat Technologies Public Company Limited (the "**Company**") would like to inform the resolution of the Board of Directors' Meeting No. 11/2021, held on August 16, 2021, which resolved to approve a disposal of ordinary shares of the Company's subsidiary, namely Hinsitsu (Thailand) Public Company Limited ("**Hinsitsu**") in the amount of 100,000 shares or equivalent to 10 percent of the total shares in Hinsitsu, at the total purchase price of not less than THB 170,000,000 (the "**Disposal of Investment in Subsidiary**"). In this regard, after the sale of shares in Hinsitsu, the Company will still hold 600,000 shares or equivalent to 60 percent of the total shares in Hinsitsu. In addition, the Board of Directors' Meeting has authorized the Executive Committee and/or any person authorized by the Executive Committee to have power to negotiate and enter into agreements and relevant documents, including the power to make any other arrangements as necessary and appropriate to ensure the successful execution of the Disposal of Investment in Subsidiary pursuant to the relevant laws.

In light of this, the Company (as the seller) has already executed the share sale and purchase agreement for 100,000 sale shares or equivalent to 10 percent of the total shares in Hinsitsu, at the total purchase price of THB 175,000,000 on September 30, 2021, with the purchaser namely One to One Contacts Public Company Limited ("**OTO**") (which is not a related person of the Company). In this regard, OTO operates businesses in relation to contact center and customer management service, design, development and installation of turnkey total solution services in Thailand including contact call center facilities and software rental of both prefabricated software and contact center software which is adaptable for various types of each business. The Disposal of Investment in Subsidiary is initially expected to be completed within October 31, 2021.

The Disposal of Investment in Subsidiary Company is regarded as a transaction of disposal of assets according to the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (including its amendment) 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 or Disposition of Assets B.E. 2547 (2004) (including its amendment) (collectively, the "**Notifications on Acquisition or Disposition of Assets**"). Upon review of the transaction size used in the calculation of the maximum value of the transaction based on the reviewed quarterly financial statements of the Company ended June 30, 2021 by various approaches under the Notifications on Acquisition or Disposal of Assets which the Company has no disposal transaction over the past six months prior to the execution of this transaction, the maximum value of the transaction is equal to 18.8 percent which is calculated by the net operating profits. Such transaction is therefore classified as a "Class 2 Transaction" under the Notifications on Acquisition or Disposition of Assets, i.e. transaction which has a transaction value exceeding 15 percent but lower than 50 percent. The Company is, therefore, obliged to prepare a report and disclose the information in respect of the entry into the transaction to the Stock Exchange of

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Thailand (the “**SET**”) immediately, whereby there must be an information memorandum comprising at least as many details as required in List (1) of the Notifications on Acquisition or Disposition of Assets, and a circular notice must be sent to shareholders within 21 days after the date of disclosure of the transaction to the SET. However, the Disposal of Investment in Subsidiary is not considered as a connected transaction of the Company under the Notification of the Capital Market Supervisory Board No. TorJor.21/2551 Re: Rules on Connected Transactions (including its amendment) 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 Connected Transactions B.E. 2546 (2003) (including its amendment).

Please refer to further details in the Information Memorandum on Disposal of Assets of the Company (**Enclosure**).

Yours sincerely,

Mr. Boonlerd Iewpornchai
Director / Chief Executive Officer

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of Simat Technologies Public Company Limited**

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Therefore, the Company would like to disclose such information memorandum regarding the disposal of assets pursuant to the Notifications on Acquisition or Disposition of Material Assets and the execution of connected transaction to the SET, with the details as follows:

1. Date of the Transaction

The Company entered into a Share Purchase Agreement with OTO (as a purchaser) for the Disposal of Investment in Subsidiary on September 30, 2021. The sale of shares thereunder will be completed only when the conditions precedent specified in the Share Purchase Agreement are completed or waived by the other party. In this regard, the Disposal of Investment in Subsidiary is expected to be completed within October 31, 2021.

2. Related Parties and Relationship with the Company

Buyer : OTO

Seller : The Company

Relationship with the Company : As at the date of disclosure of this Information Memorandum, the purchaser, including its ultimate beneficiaries, are independent third parties and are not the related persons to the Company. Therefore, the transaction is not considered as a connected transaction pursuant to the Notification of the Capital Market Supervisory Board No. Tor Chor.21/2551 Re. Rules on Connected Transactions and the Notification of the Board of Governor of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) (including its amendment).

3. General Description of the Transactions

The Company will sell its shares in a subsidiary namely Hinsitsu in the amount of 100,000 shares with a par value of THB 100 per share or equivalent to 10 percent of the total shares in Hinsitsu, at the total price of THB 175,000,000. In this regard, the purchase price of shares is calculated based on the negotiation and agreement between the seller and purchaser in accordance with the terms and conditions of Share Purchase Agreement which contains conditions precedent of the transaction. After the Disposal of Investment in Subsidiary, the Company will still hold 600,000 shares or equivalent to 60 percent of the total shares in Hinsitsu.

In this regard, the significant conditions precedent under the Share Purchase Agreement are as follows:

- (1) The Company, OTO and/or Hinsitsu have obtained the relevant permission, approval or consent from the governing body and any other government agency pursuant to the applicable laws, contract or agreement that binds OTO and/or Hinsitsu to allow the parties to enter into Share Purchase Agreement (if necessary);

- (2) The Board of Directors of the Company has resolved to approve the Company to enter into the Share Purchase Agreement and the sale of shares thereunder with OTO;
- (3) As of the date of shares purchasing, there is no incidents or actions have occurred or anticipated to occur that could have a significant negative effect on the Company or disrupt the transaction as detailed in the Share Purchase Agreement.
- (4) OTO is satisfied with the result of its legal, accounting and technical due diligence in relation to Hinsitsu.

4. Calculation of the Transaction Size

The Disposal of Investment in Subsidiary is considered as disposal of the Company's assets in accordance with the Notification on Acquisition or Disposition of Assets. For calculation of the transaction size, the Company consider the relevant information from its quarterly reviewed financial statements as of June 30, 2021 having details as follows

Basis of Calculation	Transaction Size (percent)
1. Net Tangible Assets*	3.39
2. Net Operating Profits*	18.80
3. Total Value of Consideration*	9.71
4. Value of Securities	This is not applicable because the Company issues no securities.

Remark

* The above information of the transaction size is calculated based on the Company's quarterly financial statement as of June 30, 2021 which is reviewed by a licensed auditor.

Upon review of the transaction size used in the calculation of the maximum value of the transaction based on the reviewed quarterly financial statements of the Company ended June 30, 2021 by various approaches under the Notifications on Acquisition or Disposal of Assets which the Company has no disposal transaction over the past six months prior to the execution of this transaction, the maximum value of the transaction is equal to 18.8 percent which is calculated by the net operating profits. Such transaction is therefore classified as a “Class 2 Transaction” under the Notifications on Acquisition or Disposition of Assets, i.e. transaction which has a transaction value exceeding 15 percent but lower than 50 percent. The Company is, therefore, obliged to prepare a report and disclose the information in respect of the entry into the transaction to the SET immediately, whereby there must be an information memorandum comprising at least as many details as required in List (1) of the Notifications on Acquisition or Disposition of Assets, and a circular notice must be sent to shareholders within 21 days of the date of disclosure of the transaction to the SET. However, the Disposal of Investment in Subsidiary Company does not classify as a connected transaction by the Company under the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions (including its amendment) 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 Connected Transactions B.E. 2546 (2003) (including its amendment).

5. Details of Acquired Assets

The Company will sell shares in Hinsitsu (which is one of its subsidiaries) to the purchaser namely OTO in the amount of 100,000 shares with a par value of THB 100 per share representing 10 percent of the total shares of Hinsitsu per below details.

1) General Information of Hinsitsu

Name	Hinsitsu (Thailand) Public Company Limited
Nature of Business	manufacturing of silk screen, name plates and label stickers per order of customers relating to electrical and electronic IT related and telecommunication products for both domestic and overseas markets
Head Office's Address	20/2 Moo 4, Theparak Road, Bangplee-Yai Sub-district, Bangplee District, Samutprakarn Province
Registered capital and paid up capital	THB 100,000,000 divided into 1,000,000 ordinary shares with a par value of 100 per share which is fully paid-up.
Directors	<ol style="list-style-type: none"> 1 Mr. Chen Kwan Sin 2 Mr. Vincent Lau Bick Yeong 3 Mr. Teeranut Thangsatapornpong 4 Mr. Siraphop Lamchan 5 Mr. Teerawut Kannibhakul 6 Mr. Weidt Nuchjalearn

	7 Mr. Vorapot Phoekeo
	8 Mr. Sirisak Manitkunakarn
	9 Mr. Sommai Yanoi

2) List of Shareholder in Hinsitsu before and after entering the Transaction

Shareholders of Hinsitsu	Before the Transaction		After the Transaction	
	Registered Capital THB 100,000,000		Registered Capital THB 100,000,000	
	Number of Shares	percent	Number of Shares	percent
1. The Company	700,000	70	600,000	60
2. Mr. Vincent Lau Bick Yeong	199,999	19.99	199,999	19.99
3. Mr. Chen Kwan Sin	99,999	9.99	99,999	9.99
4. Mr. Supoj Kaewmanee	1	0.0001	1	0.0001
5. Mr. Sansern Watthanachirotkun	1	0.0001	1	0.0001
6. OTO	-	-	100,000	10
Total	1,000,000	100	1,000,000	100

3) Nature of business

The main objective of Hinsitsu is manufacturing of silk screen, name plates and label stickers per order of customers relating to electrical and electronic IT related and telecommunication products for both domestic and overseas markets.

4) Financial Information

Financial Statement	Ended as of June 30, 2021	Ended as of December 31, 2020	Ended as of December 31, 2019	Ended as of December 31, 2018
Total assets	496,210,433	472,682,345	413,663,831	484,151,245
Intangible assets excluding the main income-generating assets	4,296,373	3,050,417	2,240,781	1,685,222

Financial Statement	Ended as of June 30, 2021	Ended as of December 31, 2020	Ended as of December 31, 2019	Ended as of December 31, 2018
Total liabilities	279,198,913	294,287,922	258,838,988	113,533,468
Total shareholders'	217,011,520	178,394,423	154,824,843	370,617,777
revenue	319,678,762	583,533,004	581,339,465	457,175,732
Profit (loss)	58,617,170	86,069,679	87,209,066	27,631,512

6. Total Value of Consideration and Payment

The total value of consideration is calculated from the purchase price of Hinsitsu's shares, which is THB 1,750 per share, based on the negotiation and agreement between the seller and purchaser in accordance with the terms and conditions of Share Purchase Agreement which contains conditions precedent of the transaction which is totaling THB 175,000,000. In light of this, the purchase price will be paid to the Company by wiring transfer to the Company's designated bank account on the signing date of the Share Purchase Agreement.

7. Total Value of Acquired or Disposed Assets

The ordinary shares of Hinsitsu in the amount of 100,000 shares with a par value of THB 100 per share or equivalent to 10 percent of the total issued and sold shares of Hinsitsu.

8. Basis of Determination of the Value of Consideration

The basis used to determine the value of consideration for the Disposal of Investment in Subsidiary is the price negotiated and agreed between the Company and OTO. The Company considers the purchase price and the valuation price by considering various methods such as book value, price to book ratio, price to earnings ratio, and sum of the parts. The purchase price is the price range, as calculated by sum of the parts, which is a reasonable combination of the value of each business unit per company and reflect the actual value of such company. The Board of Directors therefore deems that the specified value is a reasonable and appropriate.

9. Expected Benefits to the Company

It is expected that the Company will enjoy the following benefits after the Disposal of Investment in Subsidiary:

- (1) To receive fund to increase liquidity for the Company's operation;
- (2) To have a new business alliance with a full-service customer relationship management service provider which may be useful in operating and expanding the Company's business; and
- (3) To increase business opportunities for Hinsitsu and/or the Company in the future.

10. Plan for Utilization of Proceeds from the Disposal of Asset

The Company plans to use funds received from entering the Disposal of Investment in Subsidiary to increase liquidity and a working capital for its business operations.

11. Conditions for Entering into the Transaction

The transaction of the Disposal of Investment in Subsidiary will be completed upon the completion of the conditions precedent stipulated in the Share Purchase Agreement. The details of which are shown in clause 3 above.

In this regard, the Company must disclose information about the assets disposal transaction to the SET including sending a circular letter to the shareholders of the Company within 21 days from the date of notifying the information to the SET.

12. Interested directors and/or connected persons who were not present in the consideration and voting

-None-

13. Opinions of the Board of Directors

The Board of Directors of the Company has considered the Disposal of Investment in Subsidiary and deemed that this transaction is an appropriate, reasonable, and most beneficial transaction to the Company and the shareholders per reasons as specified in Clause 9 above. In addition, the Board of Directors is of the opinion that the share price under the Disposal of Investment in Subsidiary is reasonable based on the current performance of Hinsitsu.

14. Opinions of the Audit Committee

The Audit Committee's opinions are not different from those of the Board of Directors.