

(Translation)

Ref: SMPC 208/2022

August 10, 2022

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 Category 3 “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, 2022, [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 1 year and will start on October 1, 2022 to September 30, 2023. [Also, this transaction was agreed in Audit Committee Meeting held on August 10, 2022.](#)

2. Names of Parties involved

Lessee: Sahamitr Pressure Container Public Company Limited

Leaser: Mrs. Patama Laowong, Director, management and major shareholder who held 25.39 % 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

Currently, the Company is leasing this land with the area of 6-2-71.5 Rai for storage of raw materials and for working area. The Company had reported the information in “Connected Transaction” section in [form 56-1 One Report](#). Details of the leased asset are as follow;

| | |
|------------------|--|
| Leased Asset | Plot of land with the area of 6-2-71.5 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 6-2-71.5 Rai (The same area size) |
| Lease Term | 1 year (October 1, 2022 – September 30, 2023). The renewal will start after the current agreement ends on September 30, 2022 |
| Rental Fee | The same rental fee at 100,000 Baht per month, Payment will be made on the 5 th date of every month |

The entire rental for the 1 year is amounting to 1.20 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. Therefore, the total land and building tax for the 1-year agreement could be 0.11 million Baht. As a result, total rental fee will be 1.31 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 is 1.20 million Baht, with the lease term of 1 year, 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 which has the same area and the same rental fee since October 1, 2017. The current rental fee refers to the comparison of appraisal reports from 2 independent appraisers, Bell Survey Ltd and The Valuation & Consultants Co.,Ltd., dated July 14, 2017 and July 24, 2017, 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 0.12 million Baht per month and The Valuation & Consultants Co.,Ltd. evaluated the rental rate of 0.16 million Baht per month. The leaser, then, chose the lower price and made discount amounting to 0.02 million Baht per month to the Company. To renew rental agreement, the Company checked on property appraisal cost from the Treasury Department and found no change. Next, the company surveyed rental fee of lands located nearby the factory and found that all of that are much higher than Company's current rental fee. As a result, there is no fee adjustment regarding the renewal of land rental agreement.

5. Transaction Size

5.1 *Financial Summary* as at June 30, 2022, as part of financial statements of SMPC reviewed and agreed by auditor

| Unit: Million Baht | Balance Sheet as at June 30, 2022 | 0.03% NTA | 3% NTA |
|----------------------------------|--------------------------------------|-------------|--------------|
| Total Assets | 4,785.00 | | |
| Intangible Asset | 15.45 | | |
| Total Liabilities | 2,039.86 | | |
| Minor Shareholders' Equity | N/A | | |
| Net Tangible Assets (NTA) | 2,729.69 | 0.82 | 81.89 |

5.2 *Total Value of Consideration*

Based on latest financial statements for the 6-month period ended June 30, 2022. The transaction amounting to 1.2 million Baht is 0.04% 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 0.11 million Baht in the calculation, the transaction size will be equal to 0.05% 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 is 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. As a result, the

space in the factory is insufficient. Moreover, leasing area in adjacent to the Company's factory 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