

(Translation)

No. TPAC 007/2564

April 12, 2021

**Subject:** Acquisition of Shares in Combi-Pack Sdn Bhd and Convening of the Extraordinary General Meeting of Shareholders No. 1/2021

**Attention:** President  
Stock Exchange of Thailand

**Enclosure:** Information Memorandum on Share Acquisition by Thai Plaspac Public Company Limited (List 1)

The Board of Directors' Meeting No. 3/2021 of Thai Plaspac Public Company Limited (the "**Company**") held on April 10, 2021 resolved to approve significant matters as follows:

1. A resolution was passed to propose the acquisition of 1,600,000 ordinary shares or 80% of the total issued and paid-up capital of Combi-Pack Sdn Bhd ("**Combi-Pack**"), a private limited company incorporated in Malaysia engaging in the manufacturing of highly specialize and innovative food packaging, from Chow Chee Yut, Clara Chang Lai Ping, and Linda Leong Wai Fong with the total consideration and transaction costs of up to MYR 170 million or approximately THB 1,301.20<sup>1</sup> million (collectively, the "**Transaction**") for consideration and approval by the Extraordinary General Meeting of Shareholders No. 1/2021.

In addition, a resolution was further passed to approve the execution of the Sale and Purchase Agreement in respect of Combi-Pack (the "**SPA**"), the Shareholders Agreement in respect of Combi-Pack (the "**SHA**"), and other documents contemplated in the Transaction and the delivery and performance of the Company's obligations thereunder, and the delegation of authority to the Group Chief Executive Officer, or any of his designee(s) to undertake all necessary actions in connection with the Transaction, including, but not limited to, the following: (a) negotiating terms and conditions under the SPA and the SHA; (b) determining and/or amending other details in relation to the Transaction; (c) signing agreements and documents in relation to the Transaction, including, but not limited to, the SPA and the SHA; (d) signing applications, as well as other documents and evidence which are necessary for and in relation to the Transaction, including contacting and filing such applications, documents, and evidence with the relevant governmental authorities and/or competent regulatory agencies; and (e) undertaking any other actions which are necessary for and in relation to the completion of the Transaction.

The proposed Transaction does not constitute a connected transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transaction 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 (as amended), but constitutes an acquisition of assets pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets 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 and Disposition of Asset B.E. 2547 (as amended) (the "**Acquisition and Disposition Notifications**"). The

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<sup>1</sup> The currency exchange translations between MYR and THB used herein are for reference purposes only and were calculated by using the average selling exchange rate announced by the Bank of Thailand on March 31, 2021, which was THB 7.6541 to MYR 1.

transaction size of such Transaction calculated based on the audited financial statements of the Company and Combi-Pack for the year ended December 31, 2020, and the net tangible asset (NTA) value criterion, which gives the highest transaction value, is equivalent to 62.86%. In addition, the Company has not had any other acquisition transactions within the past six months prior to the date of the Board Directors' Meeting No. 3/2021.

The Transaction, therefore, is deemed a Class 1 transaction, i.e. a transaction whose transaction size is equivalent to or more than 50%, but less than 100%, where the Company is required to disclose information on the Transaction to the Stock Exchange of Thailand (the "SET"), obtain approval from a shareholders' meeting of the Company with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding interested shareholders, and appoint an independent financial advisor to provide an opinion on the Transaction and submit such opinion to the Office of the Securities and Exchange Commission, the SET and the shareholders of the Company for their consideration.

In addition, the Transaction constitutes a purchase or acceptance of transfer of business of another company or private company by the Company pursuant to Section 107(2)(b) of the Public Company Limited Act B.E.2535 (1992) (as amended), where the Company is required to obtain approval from the shareholders' meeting of the Company with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding interested shareholders.

Details on the proposed Transaction are as set out in the Enclosure.

2. A resolution was passed to approve the appointment of Asia Plus Advisory Company Limited as the Independent Financial Advisor of the Company to provide an opinion on the Transaction as required by the Acquisition and Disposition Notifications.
3. A resolution was passed to convene the Extraordinary General Meeting of Shareholders No. 1/2021 as an e-meeting on Friday, May 28, 2021, at 10:00, to consider the following agenda items:

Agenda 1 Message from the Chairman;

Agenda 2 To consider and adopt the Minutes of the 2021 Annual General Meeting of Shareholders;

Agenda 3 To consider and approve the acquisition of shares in Combi-Pack Sdn Bhd, constituting an acquisition of assets;

Agenda 4 To consider other business (if any).

In addition, a resolution was further passed to approve the date for determining the names of shareholders entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2021 (Record Date) to be fixed on May 10, 2021.

In this regard, the shareholders who would like to attend the e-meeting are requested to send the following information: (1) shareholder registration number; (2) name and surname; (3) identification card number or passport number; (4) telephone number; and (5) e-mail address (to receive a username and password to attend the meeting and cast their votes) to the Company via e-mail at: [agm@tpacpackaging.com](mailto:agm@tpacpackaging.com).

**Thai Plaspac Public Company Limited**

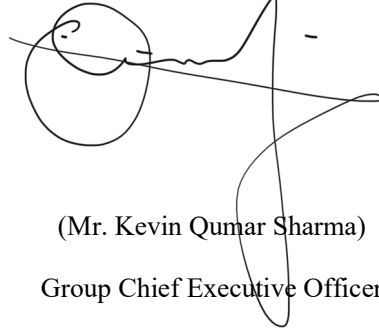
77 Soi Thian Thaley 30, Bang Khun Thian-Chay Thaley Road, Tha Kham, Bang Khun Thian, Bangkok 10150, Thailand

t 66-2 897 2250-1 | 66-2 897 2529-30 f 66-2 897 2531 | 66-2 897 2426 w [www.tpacpackaging.com](http://www.tpacpackaging.com)

COMPANY REGISTRATION NO. AND TAX ID : 0107547000575

Please be informed accordingly.

Sincerely yours,

A handwritten signature in black ink, consisting of a large, stylized 'K' followed by 'Qumar Sharma'. The signature is written over a horizontal line.

(Mr. Kevin Qumar Sharma)

Group Chief Executive Officer

(Translation)

**INFORMATION MEMORANDUM ON SHARE ACQUISITION BY  
THAI PLASPAC PUBLIC COMPANY LIMITED (LIST 1)**

April 12, 2021

The Board of Directors' Meeting No. 3/2021 of Thai Plaspac Public Company Limited (the "**Company**") held on April 10, 2021 resolved to approve the acquisition of 1,600,000 ordinary shares or 80% of the total issued and paid-up capital of Combi-Pack Sdn Bhd ("**Combi-Pack**"), a private limited company incorporated in Malaysia engaging in the manufacturing of high quality and innovative plastic food packaging, from the Sellers (as detailed in item 2) with the total consideration and transaction costs of up to MYR 170 million or approximately THB 1,301.20<sup>1</sup> million (the "**Maximum Acquisition Costs**") (collectively, the "**Transaction**").

In this regard, the Company has agreed to pay to the Sellers on the Completion Date (as detailed in item 1) approximately MYR 140.6 million or approximately THB 1,076.71 million, being 92.5% of the Initial Purchase Price (as detailed in item 3.2), and the remaining 6% and 1.5% of the Initial Purchase Price will be paid on the date falling 12 months from the Completion Date (the "**First Deferred Payment Date**") and the date falling 12 months from the First Deferred Payment Date (the "**Second Deferred Payment Date**"), respectively. Moreover, the Company and the Sellers have also agreed to adjust the actual share purchase price based on the Price Adjustment (as detailed in item 3.2) where such actual share purchase price may be higher (but not more than the Maximum Acquisition Costs) or lower than the amount paid to the Sellers on the Completion Date. Consequently, pursuant to the Price Adjustment (as detailed in item 3.2), the Company may be required to make an additional payment or receive a part of the consideration afterwards.

The proposed Transaction does not constitute a connected transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transaction 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 (as amended) (the "**Connected Transaction Notifications**"), but constitutes an acquisition of assets pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets 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 and Disposition of Asset B.E. 2547 (as amended) (the "**Acquisition and Disposition Notifications**"). The transaction size of such Transaction calculated based on the audited financial statements of the Company and Combi-Pack for the year ended December 31, 2020, and the net tangible asset (NTA) value criterion, which gives the highest transaction value, is equivalent to 62.86%. In addition, the Company has not had any other acquisition transactions within the past six months prior to the date of the Board Directors' Meeting No. 3/2021.

The Transaction, therefore, is deemed a Class 1 transaction, i.e. a transaction whose transaction size is equivalent to or more than 50%, but less than 100%, where the Company is required to disclose information on the Transaction to the Stock Exchange of Thailand (the "**SET**"), obtain approval from a shareholders' meeting of the Company with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding interested shareholders, and appoint an independent financial advisor to provide an opinion on the Transaction and submit such opinion to the Office of the Securities and Exchange Commission (the "**SEC Office**"), the SET and the shareholders of the Company for their consideration. In this regard, the Company has appointed Asia Plus Advisory Company Limited as the independent financial advisor.

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<sup>1</sup> The currency exchange translations between MYR and THB used herein are for reference purposes only and were calculated by using the average selling exchange rate announced by the Bank of Thailand on March 31, 2021, which was THB 7.6541 to MYR 1.

In addition, the Transaction constitutes a purchase or acceptance of transfer of business of another company or private company by the Company pursuant to Section 107(2)(b) of the Public Company Limited Act B.E.2535 (1992) (as amended) (the “**PLC Act**”), where the Company is required to obtain approval from the shareholders’ meeting of the Company with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding interested shareholders.

The Company would like to disclose information on the said Transaction to the SET in accordance with the Acquisition and Disposition Notifications as follows:

## **1. Transaction Date**

After the meeting of the Board of Directors of the Company has approved the Transaction, the Company expects to execute a share purchase agreement in respect of the Transaction (the “**SPA**”) with the Sellers (as detailed in item 2) no later than April 10, 2021. The completion of the Transaction is expected to take place on or around May 31, 2021 after all the conditions precedent under the SPA are fulfilled, deemed to be fulfilled, or otherwise waived by the relevant parties and the completion obligations under the SPA have been undertaken (the “**Completion Date**”).

## **2. Contractual Parties and Relationship with the Company**

- Purchaser** : The Company
- Sellers** : 1. Chow Chee Yut (“**CCY**”) (holding 1,200,000 or 60% ordinary shares);  
2. Clara Chang Lai Ping (“**CLP**”) (holding 200,000 or 10% ordinary shares); and  
3. Linda Leong Wai Fong (“**LWF**”) (holding 600,000 or 30% ordinary shares).  
CCY will continue to hold the remaining 400,000 or 20% ordinary shares in Combi-Pack as detailed in item 4.3.
- Relationship with the Company** : The Sellers do not have any relationship with the Company and are not the Company’s connected persons. The Transaction, therefore, is not considered a connected transaction under the Connected Transactions Notifications.

## **3. General Characteristics and Transaction Size**

### **3.1 General Characteristics**

The Company will purchase 1,600,000 ordinary shares or 80% of the total issued and paid-up capital of Combi-Pack from the Sellers. Key terms and conditions of the SPA are set out below.

- Key conditions precedent** : 1) The Company must have obtained approvals from its shareholders to purchase 1,600,000 ordinary shares in Combi-Pack. (The Company will hold the Extraordinary General Meeting of Shareholders No. 1/2021 to approve the Transaction on May 28, 2021.)  
2) The SHA (as defined below) is in a form agreed between the Company and CCY.  
3) The completion of the due diligence investigations by the Company and the Company is satisfied with the results of such due diligence investigations in respect of Combi-Pack.

- 4) The approval from the relevant third parties with respect to the change in the shareholdings of Combi-Pack and/or its board of directors arising from the Transaction has been obtained.
  - 5) There must be evidence showing that applications of certain licenses have been submitted to the relevant authorities in Malaysia.
- Key completion obligations** :
- 1) The Sellers shall deliver and procure the delivery of duly executed share transfer form, share certificates as well as the relevant resolutions passed by the board of directors and/or shareholders of Combi-Pack approving, *inter alia*, the share transfer to the Company and entry into the SHA (as defined below) as the case may be.
  - 2) The Sellers shall deliver and procure the delivery of written confirmation (a) that the Sellers' warranties are true and accurate and not misleading in all aspects, as at the date of the SPA and as at completion; (b) that none of the Sellers' pre-completion undertakings and obligations are breached, and the Sellers and Combi-Pack have not received notice of any claim, action, injunction, order, directive or notice restraining or prohibiting the entry into or the consummation of the SPA and documents ancillary to the Transaction or seeking damages or other recourse in respect thereof, or notice that any of the foregoing is pending or threatened; and (c) that none of the key management personnel of Combi-Pack have given or received notice terminating their employment or otherwise having their employment terminated.
  - 3) Upon receipt of the completion documents as specified under the SPA from the Sellers and the execution by the parties of the SHA (as defined below), the Company shall pay 92.5% of the Initial Purchase Price (as detailed in item 3.2) to the Sellers.
- Long-stop date** : Three months from the date of the SPA or such other date the Sellers and the Company may agree in writing.
- Third-party guarantees** : The Company agrees and undertakes that after the Completion Date, it shall use its best endeavors to procure the release and discharge of certain third-party guarantees given by the Sellers (the "**Third-party Guarantees**"). Pending the release and discharge of such Third-party Guarantees, the Company further agrees to indemnify the Sellers up to 100% of all losses arising from any claim or payment obligations under such guarantees.

In addition, the Company, CCY, and Combi-Pack will enter into a shareholders' agreement (the "**SHA**") before completion of the Transaction. Key terms and conditions of the SHA are set out below.

- Board members and chairman of the board** :
- 1) The board of Combi-Pack shall comprise up to six directors of which up to four directors shall be appointed by the Company and two directors shall be appointed by CCY.
  - 2) The chairman of the board shall be a director appointed by the Company.

- Quorum and vote of board meetings** : 1) The quorum of the board of Combi-Pack shall be any three directors, including at least one director appointed by the Company and one director appointed by CCY.
- 2) Each director shall have one vote. All resolutions of the board shall be passed by a simple majority vote, save for certain board reserved matters (including, without limitation, registering any transfer of shares in Combi-Pack, making any loan or advance or financial assistance to the Company or its affiliates, or making any corporate overhead expenses to the Company or its affiliates in excess of USD 200,000) where the affirmative vote of at least one director appointed by CCY will also be required. In the case of an equality of votes, the chairman shall not be entitled to a casting vote.
- 3) If there is no quorum present, the quorum for the adjourned meeting shall be three directors, including at least one director appointed by the Company and one director appointed by CCY. If there is no quorum present at the adjourned meeting, the meeting shall be further adjourned where the quorum for the further adjourned meeting shall be three directors, including at least one director appointed by the Company.
- Chairperson of shareholders' meetings** : The chairman of the board shall act as chairperson of the meeting.
- Quorum and vote of shareholders' meetings** : 1) The quorum of general meetings of shareholders of Combi-Pack shall be two shareholders, one of whom shall be the Company and one of whom shall be CCY.
- 2) Save for matters requiring special resolutions of the shareholders at a general meeting under Malaysian laws, all resolutions of the shareholders shall be passed by a simple majority vote, save for certain shareholder reserved matters where the affirmative vote of CCY will also be required.
- 3) If there is no quorum present, the quorum for the adjourned meeting shall be two shareholders, one of whom shall be the Company and one of whom shall be CCY. If there is no quorum present at the adjourned meeting, the meeting shall be further adjourned where the quorum for the further adjourned meeting shall be two shareholders, one of whom shall be the Company.
- Shareholder reserved matters** : The shareholder reserved matters, include, *inter alia*, the following:
- 1) increase or reduce the share capital of Combi-Pack or consolidate, sub-divide, purchase, redeem or cancel any of such share capital or alter any right pertaining to any share in such capital or otherwise re-organize or reduce the share capital of Combi-Pack, which is not in line with the SHA;
- 2) take or permit the taking of any step to have Combi-Pack voluntarily wound up or voluntarily take advantage of any provisions of any judicial management, corporate voluntary arrangement, insolvency, bankruptcy or similar legislation;
- 3) amend any of the provisions of the constitution of Combi-Pack;
- 4) consolidate, merge or amalgamate with any other person;

- 5) sell, transfer or dispose of the whole or any part of the undertaking, property and/or assets of Combi-Pack or contract so to do with the Company or its affiliates; and
  - 6) change the nature of Combi-Pack's business.
- Share transfer restrictions** :
- 1) The Company and CCY shall not transfer their shares except with the prior written approval of the other party, with the exception of certain permitted transfers.
  - 2) CCY shall not create or permit to subsist any encumbrance over any of his shares.
  - 3) CCY shall not sell his shares to any third party engaged, concerned or interested in any business or activity which is the same as or similar to the business of Combi-Pack, or that competes with such business.
- Call option** :
- 1) CCY agrees to grant the right to the Company (the "**Call Option**") to purchase all, but not some of his remaining shares in Combi-Pack at the Option Price (as defined below).
  - 2) The Call Option may be exercisable by the Company in the third, fourth, fifth, and sixth anniversaries from the date of the SHA and within a 60-day period after the finalization of the annual audited accounts of Combi-Pack.
- Put option** :
- 1) The Company agrees to grant the right to CCY (the "**Put Option**") to sell all, but not some of his remaining shares in Combi-Pack at the Option Price (as defined below).
  - 2) The Put Option may be exercisable by CCY in the third, fourth, fifth, and sixth anniversaries from the date of the SHA and within a 60-day period after the finalization of the annual audited accounts of Combi-Pack.
- Sale and purchase after the sixth anniversary** :
- If the Call Option or Put Option is not exercised within the sixth anniversary from the date of the SHA, CCY and the Company shall use their best endeavors and act in good faith to enter into a discussion on the sale and purchase of CCY's remaining shares, the price of which shall be determined based on the FMV (as defined below).
- Option price** :
- Option price (the "**Option Price**") is derived based of the following formula: Normalized EBITDA x 7.6.
- Normalized EBITDA means, with respect to any calculation period, the consolidated net income before interest, taxation, depreciation, and amortization of Combi-Pack for such period as shall be calculated based on the audited accounts of the Combi-Pack, and being the average of the most recent two financial year periods of Combi-Pack prior to the serving of the Call Option notice or Put Option notice, on a sustainable and recurring basis and normalized to exclude, *inter alia*, one-off and non-recurring items, and gains and/or loss on disposals of assets.



**Default sale and default purchase** : In the event of a breach or default by any of the shareholders under the SHA, the non-defaulting shareholder shall appoint an independent international accounting firm to determine the fair market value of Combi-Pack (the “**FMV**”).

In the event the defaulting shareholder is the Company, then CCY shall be entitled to sell all his shares to the Company at the price of 110% of the Option Price if the breach or default occurs within the first six years from the date of the SHA or 110% of the FMV if the breach or default occurs thereafter.

In the event the defaulting shareholder is CCY, then the Company shall be entitled to buy all the shares owned by CCY at the price of 90% or 100% of the Option Price (depending on the cause of such breach or default as specified under the SHA) if the breach or default occurs within the first six years from the date of the SHA or 90% or 100% of the Option Price (depending on the cause of such breach or default as specified under the SHA) of the FMV if the breach or default occurs thereafter.

**Other key terms** : CCY agrees not to, directly or indirectly, compete with the business of Combi-Pack from the date of the SHA until three years after he has ceased to be a shareholder.

### 3.2 Transaction Size

According to the SPA, the Company and the Sellers have agreed that the consideration for the Transaction will be the initial purchase price (the “**Initial Purchase Price**”) as adjusted by the Price Adjustment (as defined below).

The Initial Purchase Price is derived from the following formula: 80% of (a) Combi-Pack’s enterprise value of MYR 190 million or approximately THB 1,454.28 million minus (b) estimated net debt plus (c) initial net working capital minus (d) initial target net working capital of at least MYR 24 million or approximately THB 183.70 million, where items (b), (c), and (d) will be as estimated by the Sellers and agreed by the Company before the Completion Date.

The Initial Purchase Price will be adjusted by the price adjustment under the terms and conditions of the SPA, comprising (a) 80% of the difference between Combi-Pack’s estimated net debt and the audited net debt as at the Completion Date and (b) 80% of the difference between (1) Combi-Pack’s initial net working capital minus the initial target net working capital and (2) the audited net working capital as at the Completion Date minus the audited target net working capital as at the Completion Date (the “**Price Adjustment**”).

In this regard, the Company has agreed to pay to the Sellers on the Completion Date approximately MYR 140.6 million or approximately THB 1,076.17 million, being 92.5% of the Initial Purchase Price, and the remaining 6% and 1.5% of the Initial Purchase Price will be paid on the First Deferred Payment Date and the Second Deferred Payment Date, respectively. However, the Initial Purchase Price is not the actual share purchase price and both parties have agreed to adjust the actual share purchase price based on the Price Adjustment where such actual share purchase price may be higher (but not more than the Maximum Acquisition Costs) or lower than the amount paid to the Sellers on the Completion Date. Consequently, pursuant to the Price Adjustment, the Company may be required to make an additional payment or receive a part of the consideration afterwards.

Moreover, the Company has expected that the Maximum Acquisition Costs would not exceed MYR 170 million or approximately THB 1,301.20 million, divided into the share purchase price of approximately MYR 152 million or approximately THB 1,163.42 million and the transaction costs of approximately MYR 18 million or approximately THB 137.77 million.

The Company has calculated the transaction size of the Transaction under the Acquisition and Disposition Notifications based on the audited financial statements of the Company and Combi-Pack for the year ended December 31, 2020, the details of which are as follows:

- (1) Calculation under the net tangible asset (NTA) value criterion:

$$\begin{aligned} \text{Transaction size} &= \frac{(\text{NTA of Combi-Pack} \times 80\%) \times 100}{\text{NTA of the Company}} \\ &= \frac{(\text{THB } 547.98 \text{ million} \times 80\%) \times 100}{\text{THB } 697.44 \text{ million}} \\ &= 62.86\% \end{aligned}$$

- (2) Calculation under the net profit from operating results criterion:

$$\begin{aligned} \text{Transaction size} &= \frac{(\text{Net profit of Combi-Pack} \times 80\%) \times 100}{\text{Net profit of the Company}} \\ &= \frac{(\text{THB } 109.78 \text{ million} \times 80\%) \times 100}{\text{THB } 321.98 \text{ million}} \\ &= 27.28\% \end{aligned}$$

- (3) Calculation under the total value of consideration criterion:

$$\begin{aligned} \text{Transaction size} &= \frac{\text{Total value of consideration paid} \times 100}{\text{Total assets of the Company}} \\ &= \frac{\text{THB } 1,301.20 \text{ million} \times 100}{\text{THB } 4,723.46 \text{ million}} \\ &= 27.55\% \end{aligned}$$

Remark: The Company has used the Maximum Acquisition Costs to calculate the total value of consideration paid, which comprises the share purchase price of approximately MYR 152 million or approximately THB 1,163.42 million and the transaction costs of approximately MYR 18 million or approximately THB 137.77 million.

- (4) Calculation under the equity issued as consideration for the assets criterion:

This criterion is not applicable as no new share of the Company will be issued as consideration.

#### Transaction Size Calculation Summary

Calculation Criteria	Transaction Sizes (%)
1. Net tangible asset (NTA) value	62.86
2. Net profit from operating results	27.28
3. Total value of consideration	27.55
4. Value of equity issued as consideration for the assets	Not applicable

The transaction size of such Transaction calculated based on the net tangible asset (NTA) value criterion, which gives the highest transaction value, is equivalent to 62.86%. In addition, the Company has not had any other acquisition transactions within the past six months prior to the date of the Board Directors' Meeting No. 3/2021.

The Transaction, therefore, is deemed a Class 1 transaction, i.e. a transaction whose transaction size is equivalent to or more than 50%, but less than 100%, where the Company is required to disclose information on the Transaction to the SET, obtain approval from a shareholders' meeting of the Company with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding interested shareholders, and appoint an independent financial advisor to provide an opinion on the Transaction and submit such opinion to the SEC Office, the SET and the shareholders of the Company for their consideration. In this regard, the Company has appointed Asia Plus Advisory Company Limited as the independent financial advisor.

In addition, the Transaction constitutes a purchase or acceptance of transfer of business of another company or private company by the Company pursuant to Section 107(2)(b) of the PLC Act, where the Company is required to obtain approval from the shareholders' meeting of the Company with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding interested shareholders.

#### 4. Details of Assets Acquired

The Company will acquire 1,600,000 ordinary shares or 80% of the total issued and paid-up capital of Combi-Pack upon completion of the Transaction where key information on Combi-Pack is as follows:

<b>Name</b>	:	Combi-Pack Sdn Bhd
<b>Type of business</b>	:	Manufacturing of plastic food packaging
<b>Registered address</b>	:	Suite A24, 2 <sup>nd</sup> Floor, Podium A, Plaza Pekeliling, Kuala Lumpur, Malaysia
<b>Registered capital</b>	:	MYR 2,000,000 or approximately THB 15.31 million
<b>Paid-up capital</b>	:	MYR 2,000,000 or approximately THB 15.31 million

##### 4.1 Nature of Business

Combi-Pack, a private limited company incorporated in Malaysia in 2007, is an independent manufacturer of high quality and innovative plastic food packaging. It designs and moulds custom plastic parts according to customer's specific needs, supplying not only to local but also foreign multinational companies in Malaysia and overseas. Its current factory now spans over 6.3 acres or approximately 25,495.2 square meters with more than 250 employees.

## 4.2 Key Financial Information

The following table presents key financial information of Combi-Pack for the years ended December 31, 2020, 2019, and 2018, respectively.

### Financial Position<sup>2</sup>

Details	Unit: MYR millions			Unit: THB millions		
	As of December 31, 2020	As of December 31, 2019	As of December 31, 2018	As of December 31, 2020	As of December 31, 2019	As of December 31, 2018
Cash and bank balances	8.83	3.18	2.93	67.55	24.31	22.41
Trade and other receivables	16.98	21.14	19.91	129.99	161.77	152.41
Inventories	13.76	10.47	12.22	105.34	80.11	93.54
Net PPE	79.31	62.37	64.82	607.07	477.38	496.17
Intangible assets	0.09	0.15	0.22	0.66	1.13	1.69
<b>Total assets</b>	<b>123.11</b>	<b>99.74</b>	<b>102.50</b>	<b>942.33</b>	<b>763.41</b>	<b>784.57</b>
Trade and other payables	29.15	13.37	12.56	223.08	102.36	96.13
Borrowings	15.55	16.71	22.38	118.98	127.93	171.30
Finance lease payable	2.11	4.38	7.90	16.15	33.49	60.47
<b>Total liabilities</b>	<b>51.43</b>	<b>39.42</b>	<b>49.68</b>	<b>393.69</b>	<b>301.71</b>	<b>380.25</b>
Paid-up capital	2.00	2.00	2.00	15.31	15.31	15.31
Retained earnings	69.68	58.32	50.82	533.33	446.39	389.02
<b>Total shareholders' equity</b>	<b>71.68</b>	<b>60.32</b>	<b>52.82</b>	<b>548.64</b>	<b>461.70</b>	<b>404.33</b>

### Operating Results

Details	Unit: MYR millions			Unit: THB millions		
	Twelve months ended December 31, 2020	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018	Twelve months ended December 31, 2020	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Revenues	110.52	106.32	100.80	845.94	813.79	771.56
Cost of goods sold	84.07	82.94	80.76	643.48	634.81	618.17
Gross profit	26.45	23.38	20.04	202.46	178.98	153.39
Other income	0.95	0.27	1.73	7.27	2.08	13.27
SG&A expenses	10.97	11.52	11.10	83.96	88.15	85.00
EBIT	16.43	12.14	10.67	125.78	92.91	81.67
Finance costs	0.89	1.51	1.91	6.81	11.59	14.61
Income tax expenses	1.18	2.13	2.27	9.06	16.29	17.40
<b>Net profit</b>	<b>14.36</b>	<b>8.50</b>	<b>6.49</b>	<b>109.90</b>	<b>65.02</b>	<b>49.66</b>

<sup>2</sup> Total in table may not sum-up to line items, as only key balance sheet line items are shown.

### 4.3 Board of Directors and Shareholders

#### Board of Directors

Pre-Transaction	Post-Transaction
1. CCY (Director)	1. CCY (Director)
2. CLP (Director)	2. CLP (Director)
3. LWF (Director)	3. To be appointed by the Company
	4. To be appointed by the Company
	5. To be appointed by the Company
	6. To be appointed by the Company

#### Shareholders

Pre-Transaction			Post-Transaction		
Names	No. of Shares	Percentage (%)	Names	No. of Shares	Percentage (%)
1. CCY	1,200,000	60	1. The Company	1,600,000	80
2. CLP	200,000	10	2. CCY	400,000	20
3. LWF	600,000	30			
<b>Total</b>	<b>2,000,000</b>	<b>100</b>	<b>Total</b>	<b>2,000,000</b>	<b>100</b>

### 5. Total Value of Consideration and Payment Terms

#### 5.1 Total Value of Consideration

The total value of consideration for the Transaction will not exceed the Maximum Acquisition Costs of MYR 170 million or approximately THB 1,301.20 million as detailed in item 3.2.

#### 5.2 Payment Terms

The Company will pay 92.5% of the Initial Purchase Price to each of the Sellers on the Completion Date after all of the conditions precedent under the SPA are fulfilled, deemed to be fulfilled, or otherwise waived by the relevant parties and the completion obligations under the SPA have been undertaken as detailed in item 3.1, and the remaining 6% and 1.5% of the Initial Purchase Price will be paid on the First Deferred Payment Date and the Second Deferred Payment Date, respectively. However, the Initial Purchase Price is not the actual share purchase price and both parties have agreed to adjust the actual share purchase price based on the Price Adjustment where such actual share purchase price may be higher (but not more than the Maximum Acquisition Costs) or lower than the amount paid to the Sellers on the Completion Date. Consequently, pursuant to the Price Adjustment, the Company may be required to make an additional payment or receive a part of the consideration afterwards.

### 6. Value of Assets Acquired

The value of the shares in Combi-Pack acquired as a result of the Transaction will be same amount as the total value of consideration as detailed in item 5.1.

### 7. Basis Used to Determine the Value of Consideration

The basis used to determine the value of consideration for the Transaction included the following factors:

1. the enterprise value and liabilities of Combi-Pack; and
2. the price negotiated and agreed between the Company and the Sellers.

## 8. Expected Benefits for the Company

It is expected that the Transaction will allow the Company to obtain benefits and enhance customer intimacy in the following ways:

1. Gain access to new technology and expand product portfolio: The Company aspires to be technologically world class in rigid plastic packaging, and a leader within the food and pharmaceutical segments. Combi-Pack is a highly specialized, technological leader in precision plastic IML (In Mould Labelled) injection moulding for food packaging. The Company will be able to offer this cutting-edge premium packaging solution to its customer base.
2. Strengthen ASEAN foothold and gain access to new markets and customers: Combi-Pack is a Malaysian market leader and exports throughout the ASEAN and Australasia markets. With this acquisition, the Company will be able to further strengthen its regional presence.
3. Enhance financial profile: Combi-Pack has a best-in-class margin profile (2020 EBITDA margin of 22.11%) and profitability growth metrics (2018-2020 net profit CAGR of 48.77%).

## 9. Sources of Funding

To finance the Transaction, the Company may, subject to the draft term sheet and any ongoing discussions with a financial institution in Thailand, obtain a loan of up to THB 1,150 million from such financial institution. The draft term sheet also contains a condition requiring the Company to maintain its net debt-to-equity ratio and debt service coverage ratio according to its consolidated and separate financial statements on an annual and quarterly basis as follows:

Covenants	Consolidated Financial Statements	Separate Financial Statements
Net debt-to-equity ratio	2.5	2.0
Debt service coverage ratio	1.1	1.1

There are no other terms or conditions under such term sheet that would affect the rights of the shareholders of the Company. However, since the terms and conditions of the loan have not been finalized and may be subject to change, if there are any terms or conditions under such loan that may affect the rights of the shareholders of the Company, the Company will proceed to disclose such terms and conditions to the SET in due course.

## 10. Opinion of the Board of Directors

The Board of Directors unanimously resolved to approve the Transaction since the Board of Directors considered and viewed that the Transaction was appropriate, reasonable, and beneficial to the Company and its shareholders in the long run given the reasons already described in item 8 above.

## 11. Opinion of the Audit Committee

The Audit Committee did not have a different opinion from that of the Board of Directors as mentioned in item 10 above.

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