

(Translation)

No. TPAC 01/2022

January 4, 2022

**Subject:** Acquisition of Business of M/s Skypet Polymers

**Attention:** President  
Stock Exchange of Thailand

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

The Board of Directors' Meeting No. 8/2021 of Thai Plaspac Public Company Limited (the "**Company**") held on December 30, 2021 resolved to approve (i) the acquisition by TPAC Packaging India II Private Limited<sup>1</sup> (the "**Purchaser**") (an entity incorporated under the laws of India which is the wholly-owned subsidiary of TPAC Packaging India Private Limited ("**TPAC India**"), a wholly-owned subsidiary of the Company) of the business of M/s Skypet Polymers (the "**Seller**") and (ii) the issuance of new shares in the Purchaser to one of the owners of the Seller. The detail of which are as follows:

1. The Purchaser will acquire the business of the Seller, a partnership firm registered under the laws of India who engages in the business of manufacturing, processing and trading of pet preforms, pet bottles and other related products. Such business acquisition shall include assets, liabilities, books and records and all rights, title and interest therein and thereto (collectively, the "**Business Acquisition Transaction**"), with the total consideration of up to INR 1,030 million or approximately THB 484.1<sup>2</sup> million.
2. The Purchaser proposes to issue and allot 9,400,000 newly-issued equity shares equivalent to 20% of the post allotment of total paid-up shares capital in the Purchaser, with the face value of INR 10 or approximately THB 4.70, to Mr. S. Selvaraj, one of the owners of the Seller whose partnership interest (ownership, profit and loss sharing) in the Seller is 20%, at the total subscription price of up to INR 94 million or approximately THB 44.18 million (collectively, the "**Shares Issuance Transaction**"). Such issuance and allotment of shares is subject to the conditions precedent.

The Business Acquisition Transaction and the Shares Issuance Transaction are collectively called the "**Transactions**")

<sup>1</sup> The setting up of the Purchaser was approved by the Board of Directors' meeting No. 7/2021 held on December 10, 2021 and disclosed to the Stock Exchange of Thailand on the same day.

<sup>2</sup> The currency exchange translations between INR 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 December 29, 2021, which was THB 1 to INR 0.47.

**Thai Plaspac Public Company Limited**

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COMPANY REGISTRATION NO. AND TAX ID : 0107547000575

In addition, a resolution was further passed to approve the entering into (i) the Agreement to Sell Business, in respect of the Business Acquisition Transaction with the Seller (the “**ASB**”), and (ii) the Securities Subscription Cum Shareholders’ Agreement, in respect of the Shares Issuance Transaction with the Investor (the “**SSSHA**”), which is an agreement separately from, but due to the entering into, the Business Acquisition Transaction, and other documents contemplated in the Transactions, 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 Transactions, including, but not limited to, the following: (a) negotiating terms and conditions under the ASB and the SSSHA; (b) determining and/or amending other details in relation to the Transactions; (c) signing agreements and documents in relation to the Transactions, including, but not limited to the ASB and the SSSHA; (d) signing applications, as well as other documents and evidence which are necessary for and in relation to the Transactions, including contacting and filing such applications, documents, and evidence with the relevant governmental authorities and/or competent agencies; and (e) undertaking any other actions which are necessary for and in relation to the completion of the Transactions.

The Transactions do 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).

However, the Business Acquisition Transaction 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 calculated based on the latest reviewed financial statements of the Company ended September 30, 2021 and the audited financial statements of the Seller for the fiscal period ended March 31, 2021, and the net tangible asset (NTA) value criterion, which gives the highest transaction value, is equivalent to 20.97%. Moreover, the Company has had another acquisition transaction within the past six months, i.e., the setting up of the Purchaser as approved by the Board of Directors’ meeting No. 7/2021 held on December 10, 2021 for the purpose of entering into the Business Acquisition Transaction, whose transaction size calculated based on the total value of consideration criterion was equivalent to 0.32%. Therefore, after computation with the transaction size of the Company’s other acquisition transaction within the past six months, the highest transaction value pursuant to the net tangible asset (NTA) value criterion is 20.97%.

In addition, the Shares Issuance Transaction constitutes a disposal of assets pursuant to the Acquisition and Disposition Notifications. The transaction size calculated based on the reviewed financial statements of the Company ended September 30, 2021 and the net tangible asset (NTA) value criterion, which gives the highest transaction value, is equivalent to 4.19%. The Company has not had any other disposal transactions within the past six months prior to the date of this Board of Directors’ Meeting.

Therefore, the transaction size of the Business Acquisition Transaction is deemed a Class 2 transaction, i.e. a transaction whose transaction size is equivalent to or more than 15%, but less than 50%, where the Company is required to disclose information on the Business Acquisition

Transaction to the Stock Exchange of Thailand, and send the circular letter containing required information to the Company's shareholders within 21 days after the date of information disclosure. On the other hand, as the transaction size of the Shares Issuance Transaction is lower than 15%, the Company is not required to comply with the Acquisition and Disposition Notifications.

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

Please be informed accordingly.

Sincerely yours,

Mr. Kevin Kumar Sharma  
Chairman of the Board of Directors and Group Chief Executive Officer

(Translation)

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

January 4, 2022

The Board of Directors' Meeting No. 8/2021 of Thai Plaspac Public Company Limited (the "**Company**") held on December 30, 2021 resolved to approve (i) the acquisition by TPAC Packaging India II Private Limited<sup>1</sup> (the "**Purchaser**") (an entity incorporated under the laws of India which is the wholly-owned subsidiary of TPAC Packaging India Private Limited ("**TPAC India**"), a wholly-owned subsidiary of the Company) of the business of M/s Skypet Polymers (the "**Seller**") and (ii) the issuance of new shares in the Purchaser to one of the owners of the Seller. The detail of which are as follows:

1. The Purchaser will acquire the business of the Seller, a partnership firm registered under the laws of India who engages in the business of manufacturing, processing and trading of pet preforms, pet bottles and other related products. Such business acquisition shall include assets, liabilities, books and records and all rights, title and interest therein and thereto (as detailed in item 4) (collectively, the "**Business Acquisition Transaction**"), with the total consideration of up to INR 1,030 million or approximately THB 484.1<sup>2</sup> million (the "**Maximum Acquisition Consideration**").

In this regard, the Purchaser has agreed to pay to the Seller on the Completion Date (as detailed in item 1) approximately INR 650 million or approximately THB 305.5 million, ("**Completion Date Purchase Consideration**"), being the Initial Purchase Price (as detailed in item 3.2) less an amount of INR 121.25 million or approximately THB 56.99 million (the "**Deferred Payment Amount**"). Such Deferred Payment Amount with the interest of 5.5% per annum compounded annually will be paid to the Seller on the date falling 2 years from the Completion Date (the "**Deferred Payment Date**"). However, the Initial Purchase Price is not the actual purchase price and both parties have agreed to adjust the Initial Purchase Price based on the Price Adjustment (as detailed in item 3.2) where such actual purchase price may be higher (but not more than the Maximum Acquisition Consideration) or lower than the amount of the Initial Purchase Price. Consequently, pursuant to the Price Adjustment, the Purchaser may be required to make an additional payment or receive a part of the consideration afterwards.

2. The Purchaser proposes to issue and allot 9,400,000 newly-issued equity shares equivalent to 20% of the post allotment of total paid-up shares capital in the Purchaser, with the face value of INR 10 or approximately THB 4.70, to Mr. S. Selvaraj, one of the owners of the Seller whose partnership interest (ownership, profit and loss sharing) (the "**Partnership Interest**") in the Seller is 20%, at the total subscription price of up to INR 94 million or approximately THB 44.18 million (collectively, the "**Shares Issuance Transaction**"). Such issuance and allotment of shares is subject to the conditions precedent (as detailed in item 3.1).

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<sup>1</sup> The setting up of the Purchaser was approved by the Board of Directors' meeting No. 7/2021 held on December 10, 2021 and disclosed to the Stock Exchange of Thailand on the same day.

<sup>2</sup> The currency exchange translations between INR 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 December 29, 2021, which was THB 1 to INR 0.47.

The Business Acquisition Transaction and the Shares Issuance Transaction are collectively called the “**Transactions**”)

The Transactions do 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**”).

However, the Business Acquisition Transaction 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 calculated based on the latest reviewed financial statements of the Company ended September 30, 2021 and the audited financial statements of the Seller for the fiscal period ended March 31, 2021, and the net tangible asset (NTA) value criterion, which gives the highest transaction value, is equivalent to 20.97%. Moreover, the Company has had another acquisition transaction within the past six months, i.e., the setting up of the Purchaser as approved by the Board of Directors’ meeting No. 7/2021 held on December 10, 2021 for the purpose of entering into the Business Acquisition Transaction, whose transaction size calculated based on the total value of consideration criterion was equivalent to 0.32%. Therefore, after computation with the transaction size of the Company’s other acquisition transaction within the past six months, the highest transaction value pursuant to the net tangible asset (NTA) value criterion is 20.97%.

In addition, the Shares Issuance Transaction constitutes a disposal of assets pursuant to the Acquisition and Disposition Notifications. The transaction size calculated based on the reviewed financial statements of the Company ended September 30, 2021 and the net tangible asset (NTA) value criterion, which gives the highest transaction value, is equivalent to 4.19%. The Company has not had any other disposal transactions within the past six months prior to the date of this Board of Directors’ Meeting.

Therefore, the transaction size of the Business Acquisition Transaction is deemed a Class 2 transaction, i.e., a transaction whose transaction size is equivalent to or more than 15%, but less than 50%, where the Company is required to disclose information on the Business Acquisition Transaction to the Stock Exchange of Thailand (the “**SET**”), and send the circular letter containing required information to the Company’s shareholders within 21 days after the date of information disclosure. On the other hand, as the transaction size of the Shares Issuance Transaction is lower than 15%, the Company is not required to comply with the Acquisition and Disposition Notifications.

The Company would like to disclose information on the Business Acquisition 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 Transactions, the Purchaser is expected to execute the Agreement to Sell Business (“**ASB**”) with respect to the Business Acquisition Transaction no later than January 4, 2022 with the Seller and other parties. The completion of the Business Acquisition Transaction is expected to take place within 90 days from the execution date of the ASB, after all the conditions precedent under the ASB are fulfilled, deemed to be fulfilled, or

otherwise waived by the relevant parties and the completion obligations under the ASB have been undertaken (the “**Completion Date**”).

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

**Purchasing Parties** : 1. The Purchaser, as the purchaser of the business  
2. TPAC India, as the Purchaser Promoter

**Selling Parties** : 1. M/s Skypet Polymers, as the seller of the business  
2. Mr. S. Selvaraj (holding 20% Partnership Interest in the Seller);  
3. Mrs. S. Manimekalai (holding 20% Partnership Interest in the Seller); and  
4. Mrs. S. Shanthi (holding 60% Partnership Interest in the Seller).

(individuals in 2-4 above are collectively referred to as the “**Seller Partners**”)

**Relationship with the Company** : The Seller and the Seller Partners do not have any relationship with the Company and are not the Company’s connected persons. The Business Acquisition Transaction, therefore, is not considered a connected transaction under the Connected Transaction Notifications.

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

### 3.1 **General Characteristics**

In entering into the Business Acquisition Transaction, the Purchaser will enter into the ASB. In addition, the Purchaser will also enter into the Shares Subscription Cum Shareholders’ Agreement with Mr. S. Selvaraj (“**SSSHA**”), which is an agreement separately from, but due to the entering into the the Business Acquisition Transaction. The key terms and conditions of both agreements are as follows.

#### **ASB**

**Key conditions precedent** : 1) The Seller and the Seller Partners shall have confirmed that there is no material adverse effect to the business of the Seller or the ability of the Seller Partners to perform their obligations under the ASB.  
2) The Seller shall have obtained consent and/or confirmation from the lenders for, amongst others, the prepayment/redemption of the Seller’s loans, the release of encumbrances and the transfer of business assets.  
3) The Seller shall have obtained the written no-objection or consent from the relevant authorities for the transfer of its business.  
4) The Seller shall have obtained consent from its employees to accept the Purchaser’s offer of employment.

- 5) The Seller shall have agreed on the agreed form of the employment agreement and agreement with contractors.
  - 6) The Seller shall have caused the current owner of the land on which the business establishments of the Seller are located to have agreed on the new lease agreements.
  - 7) The SSSHA shall have been duly executed by the Purchaser, TPAC India and Mr. S. Selvaraj.
- Key completion obligations** :
- 1) The Seller shall deliver to the Purchaser, a certificate confirming, among other things, that the Seller's and the Seller Partners' warranties are true and correct in all respects on the Completion Date.
  - 2) The Seller shall deliver and procure the delivery of the duly novated or assigned contracts in favour of the Purchaser, including transfer the receivables, assets and liabilities relevant to the operation of the business to the Purchaser.
  - 3) The Seller shall make the necessary request to the relevant authority for change of ownership of the Seller Trademark.
  - 4) Upon completion of all completion obligations, the Purchaser shall pay the Completion Date Purchase Consideration (as detailed in item 3.2) to the Seller.
- Long-stop date** : The date falling on the 90<sup>th</sup> day from the execution date of the ASB or such other date as may be mutually extended by the Parties.
- Non-compete** : The Seller and the Seller Partners undertake that from the Completion Date until the expiry of 5 years from the Completion Date, they shall not, directly or indirectly, compete with the business of certain agreed preforms and containers.

### **SSSHA**

The Purchaser, TPAC India and Mr. S. Selvaraj (the “Investor”) are expected to enter into the SSSHA, which is a separate agreement from, but due to the entering into the Business Acquisition Transaction, on the same date as the ASB. Key terms and conditions of the SSSHA are set out below.

- Key conditions precedent for the issuance of the shares** :
- 1) The completion under the ASB shall have occurred.
  - 2) The lenders of the Purchaser shall have approved the issuance and allotment of the Purchaser's shares to the Investor, including the appointment of the directors nominated by the Investor.

The above conditions precedent must be satisfied 7 business days after the earlier of the following: (i) the occurrence of the ASB completion or (ii) the expiry of the Long Stop Date under the ASB.

- Key completion obligations** : 1) The Purchaser’s Board of Directors and shareholders meeting having passed the resolution for the issuance of the shares to the Investor.
- 2) The Investor shall pay consideration of INR 94 million or approximately THB 44.18 million.
- Board members and chairman of the board** : 1) The Board of Directors of the Purchaser shall comprise up to 15 directors and not less than 6 directors. The Investor shall be entitled to appoint a director(s) (the “**Investor Director**”) as follows: (i) 2 directors as long as he holds at least 10% of the equity shares, or (ii) 1 director as long as he holds at least 5% of the equity shares, provided that at all times, the number of directors appointed by TPAC India shall always be in majority in the board.
- 2) The chairman of the Board of Directors shall be an Investor Director. The Chairman shall not have a casting vote.
- Quorum and vote of board meetings** : 1) The quorum of the Board of Directors shall be at least 4 directors, provided that any meeting of the Board of Directors where a Reserved Matters (as detailed below) is proposed shall require the presence of at least 1 Investor Director.
- 2) Each director shall have 1 vote. Any resolution of the Board shall require the affirmative vote of a majority of the directors present at a duly constituted meeting.
- 3) If there is no quorum present, the quorum for the adjourned meeting shall be any 4 directors, irrespective of whether the Investor Director is present or absent from the meeting where any Reserved Matters item is proposed to be discussed.
- 4) Any decision in relation to the Reserve Matters shall not be made unless TPAC India and the Investor have provided their written approval for such decision.
- Quorum and vote of shareholders’ meetings** : 1) The quorum of general meetings of shareholders and in case of adjourned meeting shall be as required under the applicable laws (i.e., at least 2 shareholders).
- 2) All resolutions of the shareholders shall be passed by the shareholders’ vote as required under the applicable laws, (i.e., a majority of votes for ordinary resolutions and at least 75% for special resolutions).
- 3) Any decision in relation to the Reserve Matters shall not be made unless TPAC India and the Investor have provided their written approval for such decision.
- Key Reserved matters** : 1) Altering the articles of association and memorandum of association of the Purchaser.
- 2) Creating of subsidiary or joint venture of the Purchaser.



- 3) Passing any resolution for winding up of the Purchaser or entering into any arrangement with the creditors, or amalgamation, merger or consolidation of the Purchaser.
- 4) Purchasing or leasing any immovable properties above a value of INR 10 million or approximately THB 4.7 million for purposes other than for use in the business.
- 5) Changing the line of business of the Purchaser or addition of material business in the Purchaser or extension of the Purchaser's business outside India.
- 6) Granting of any loan, guarantee or indemnity by the Purchaser above a value of INR 10 million or approximately THB 4.7 million other than in ordinary course of business.
- 7) Acquiring of any material interest in any other company, partnership or business by the Purchaser or consolidation or merger of the Purchaser with any other company or partnership firm.
- 8) Incurring capital expenditure exceeding INR 150 million or approximately THB 70.5 million in a financial year.

**Share transfer restrictions** : The Investor shall not, until a period of 7 years from the date he becomes the shareholder of the Purchaser under the SSSHA (“**Lock-In Period**”), without the prior written consent of TPAC India, directly or indirectly, transfer or create any encumbrance over the equity shares held by it.

**Right of First Offer** : After the expiry of the Lock-in Period, if the Investor wishes to transfer all or part of its equity shares, he shall first make an offer for sale to TPAC India.

**Drag Along Right** : TPAC India shall have the right to drag along the Investor to sell his equity shares together with its shares to a third party.

**Tag Along Right** : The Investor shall have the right to tag along TPAC India to sell his equity shares together with TPAC India shares to a third party.

**Call option and put option** : (i) Within a period of 60 days after the finalization of the annual audited accounts of the Purchaser on any of the 4th, 5th, 6th and 7th anniversary from the date the Investor becomes a shareholder under the SSSHA (the “**First Period**”), TPAC India shall have the right to purchase all the equity shares from the Investor, and the Investor shall have the right to sell all the equity shares to TPAC India.  
(ii) After the expiry of the First Period (the “**Second Period**”), subject to their mutual agreement, TPAC India may purchase all the equity shares from the Investor, and the Investor may sell all the equity shares to TPAC India,

The transfer of shares for the First Period shall be at the price as calculated based on 7 times of normalized EBITDA. The transfer of shares for the Second Period shall be at the fair market value calculated by a reputable accounting firm.

**Non-compete** : The Investor agrees not to, directly or indirectly, compete with the business of the Purchaser for a period of 5 years from the date he ceases to own any equity shares in the Purchaser.

### 3.2 Transaction Size

According to the ASB, the Seller and the Purchaser have agreed that the consideration for the Business Acquisition 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:

(a) the Seller’s enterprise value of INR 970 million or approximately THB 455.9 million less (b) estimated net debt plus (c) initial net working capital less (d) initial target net working capital of INR 245 million or approximately THB 115.15 million, where items (b), (c), and (d) will be as estimated by the Sellers and agreed by the Purchaser before the Completion Date.

The Initial Purchase Price will be adjusted by the price adjustment under the terms and conditions of the ASB, comprising (a) the difference between the estimated net debt and the reviewed net debt as at the Completion Date and (b) the difference between (i) the initial net working capital minus the initial target net working capital and (ii) the reviewed net working capital minus the reviewed target net working capital of INR 245 million or approximately THB 115.15 million as at the Completion Date (the “**Price Adjustment**”).

In this regard, the Purchaser has agreed to pay to the Seller on the Completion Date the Completion Date Purchase Consideration of approximately INR 650 million or approximately THB 305.5 million, being the Initial Purchase Price less the Deferred Payment Amount of INR 121.25 million or approximately THB 56.99 million. Such Deferred Payment Amount with the interest of 5.5% per annum compounded annually will be paid to the Seller on the Deferred Payment Date. However, the Initial Purchase Price is not the actual purchase price and both parties have agreed to adjust the Initial Purchase Price based on the Price Adjustment where such actual purchase price may be higher (but not more than the Maximum Acquisition Consideration) or lower than the amount of the Initial Purchase Price. Consequently, pursuant to the Price Adjustment, the Purchaser 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 Consideration would not exceed INR 1,030 million or approximately THB 484.1 million.

The Company has calculated the transaction size of the Business Acquisition Transaction under the Acquisition and Disposition Notifications based on the reviewed financial statements of the Company ended September 30, 2021 and the audited financial statements of the Seller for the fiscal period ended March 31, 2021, the details of which are as follows:

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

$$\begin{aligned}\text{Transaction size} &= \frac{(\text{NTA of Skypet } 100\%) \times 100}{\text{NTA of the Company}} \\ &= \frac{(\text{THB } 125.44 \text{ million} \times 100\%) \times 100}{\text{THB } 598.20 \text{ million}} \\ &= 20.97\%\end{aligned}$$

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

$$\begin{aligned}\text{Transaction size} &= \frac{(\text{Net profit of Skypet } 100\%) \times 100}{\text{Net profit of the Company}} \\ &= \frac{(\text{THB } 10.20 \text{ million} \times 100\%) \times 100}{\text{THB } 144.45 \text{ million}} \\ &= 7.06\%\end{aligned}$$

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

$$\begin{aligned}\text{Transaction size} &= \frac{\text{Total value of consideration paid} \times 100}{\text{Total assets of the Company}} \\ &= \frac{\text{THB } 484.1 \text{ million} \times 100}{\text{THB } 7,253.10 \text{ million}} \\ &= 6.67\%\end{aligned}$$

Remark: The Company has used the Maximum Acquisition Consideration to calculate the total value of consideration paid.

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

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

#### Transaction Size Calculation Summary

Calculation Criteria	Transaction Sizes (%)
1. Net tangible asset (NTA) value	20.97%
2. Net profit from operating results	7.06%
3. Total value of consideration	6.67%
4. Value of equity issued as consideration for the assets	Not applicable

The transaction size calculated based on the latest reviewed financial statements of the Company ended September 30, 2021 and the audited financial statements of the Seller for the fiscal period ended March 31, 2021, and the net tangible asset (NTA) value criterion, which gives the highest transaction value, is equivalent to 20.97%. Moreover, the Company has had another acquisition transaction within the past six months, i.e., the setting up of the Purchaser as approved by the Board of Directors' meeting No. 7/2021 held on December 10, 2021 for the purpose of entering into the Business Acquisition Transaction, whose transaction size calculated based on the total value of consideration

criterion was equivalent to 0.32%. Therefore, after computation with the transaction size of the Company's other acquisition transaction within the past six months, the highest transaction value pursuant to the net tangible asset (NTA) value criterion is 20.97%.

The Business Acquisition Transaction is, therefore, deemed a Class 2 transaction, i.e. a transaction whose transaction size is equivalent to or more than 15%, but less than 50%, where the Company is required to disclose information on the Transaction to the SET, and send the circular letter containing required information to the Company's shareholders within 21 days after the date of information disclosure.

#### 4. Details of Business Acquired

The Purchaser will acquire the business of the Seller which shall include assets, liabilities, books and records and all rights, title and interest therein and thereto as specified under the ASB, upon completion of the Business Acquisition Transaction where key information of the Seller is as follows.

<b>Name</b>	:	M/s Skypet Polymers
<b>Type of business</b>	:	manufacturing, processing and trading of pet preforms, pet bottles and other related products
<b>Registered address</b>	:	Plot No. 1/75 A, Pillayar Kovil Thottam, Mylampatty, Coimbatore – 641062, Tamil Nadu, India

##### 4.1 Nature of Business

The Seller, a partnership firm incorporated under the laws of India in 2005 and has 3 operation units in Coimbatore.

##### Key Financial Information

The following table presents key financial information of Seller for the fiscal period ended March 31, 2021, 2020, and 2019, respectively.

### Financial Position<sup>3</sup>

Details	Unit: INR millions			Unit: THB millions		
	As of March 31, 2021	As of March 31, 2020	As of March 31, 2019	As of March 31, 2021	As of March 31, 2020	As of March 31, 2019
Cash and bank balances	0.82	0.85	0.65	0.39	0.40	0.31
Trade and other receivables	177.91	177.76	169.21	83.62	83.55	79.53
Inventories	103.71	101.97	12.00	48.74	47.93	5.64
Net PPE	257.31	265.82	147.69	120.94	124.93	69.41
Deposits and other Assets	56.38	97.76	99.17	26.50	45.95	46.61
<b>Total assets</b>	<b>596.13</b>	<b>644.16</b>	<b>428.72</b>	<b>280.18</b>	<b>302.76</b>	<b>201.50</b>
Trade and other payables	32.80	141.52	113.47	15.42	66.51	53.33
Borrowings	296.39	258.02	117.34	139.31	121.27	55.15
<b>Total liabilities</b>	<b>329.19</b>	<b>399.54</b>	<b>230.81</b>	<b>154.72</b>	<b>187.78</b>	<b>108.48</b>
<b>Net Assets</b>	<b>266.93</b>	<b>244.63</b>	<b>197.91</b>	<b>125.46</b>	<b>114.97</b>	<b>93.02</b>
Paid-up capital	20.00	20.00	20.00	9.40	9.40	9.40
Retained earnings	246.93	224.63	177.91	116.06	105.57	83.62
<b>Total shareholders' equity</b>	<b>266.93</b>	<b>244.63</b>	<b>197.91</b>	<b>125.46</b>	<b>114.97</b>	<b>93.02</b>

<sup>3</sup> Total in table may not sum-up to line items, as only key balance sheet line items are shown.

## Operating Results

Details	Unit: INR millions			Unit: THB millions		
	As of March 31, 2021	As of March 31, 2020	As of March 31, 2019	As of March 31, 2021	As of March 31, 2020	As of March 31, 2019
Revenues	718.12	718.20	648.93	337.51	337.55	305.00
Cost of goods sold	551.40	537.93	494.71	259.16	252.83	232.52
Gross profit	166.72	180.26	154.22	78.36	84.72	72.48
Other income	4.29	2.91	6.21	2.02	1.37	2.92
SG&A expenses	109.96	104.54	69.71	51.68	49.13	32.76
<b>EBIT</b>	<b>61.05</b>	<b>78.64</b>	<b>90.71</b>	<b>28.69</b>	<b>36.96</b>	<b>42.64</b>
Finance costs	31.30	24.62	15.00	14.71	11.57	7.05
Income tax expenses	8.05	10.59	23.40	3.78	4.98	11.00
<b>Net profit</b>	<b>21.70</b>	<b>43.43</b>	<b>52.31</b>	<b>10.20</b>	<b>20.41</b>	<b>24.59</b>

<u>Partnership Interest</u>	
Names	Partnership Interest Ratio (%)
1. Mr. S. Selvaraj	20%
2. Mrs. S. Manimekalai	20%
3. Mrs. S. Shanthi	60%
<b>Total</b>	<b>100%</b>

### 4.2 Acquired Business

All assets, liabilities, books and records and all rights, title and interest therein and thereto of the Seller.

## 5. Total Value of Consideration and Payment Terms

### 5.1 Total Value of Consideration

The total value of consideration for the Business Acquisition Transaction will not exceed the Maximum Acquisition Consideration of INR 1,030 million or approximately THB 484.1 million as detailed in item 3.2.

## **5.2 Payment Terms**

The Purchaser has agreed to pay to the Seller on the Completion Date the Completion Date Purchase Consideration, being the Initial Purchase Price less the Deferred Payment Amount. Such Deferred Payment Amount with the interest of 5.5% per annum compounded annually will be paid to the Seller on the Deferred Payment Date.

## **6. Value of Assets Acquired**

The value of the Seller's assets acquired by the Purchaser under the Business Acquisition 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 Business Acquisition Transaction included the following factors:

1. the enterprise value and liabilities of the Seller; and
2. the price negotiated and agreed amongst the Parties.

## **8. Expected Benefits for the Company**

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

- 1) It will consolidate the Company's presence in the PET rigid packaging space in India.
- 2) The Company will attain a regional presence in the South of India. Currently the company only has a footprint in the west and North of India.
- 3) It will further diversify the companies segmentation with entry into the water segment, and strengthen the companies presence in the liquor segment.
- 4) It will provide the Company with infrastructure readiness for further expansion in the South of India.

## **9. Sources of Funding**

To finance the Business Acquisition Transaction, the Purchaser will use the following sources of funding:

- 1) INR 376 million or approximately THB 176.72 million as equity from TPAC India; and
- 2) The balance amount will be funded through loan granted from a bank in India, which will be guaranteed by the Company.

According to the draft loan term sheet, there are no other terms or conditions 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 is any terms or conditions that would affect the rights of the shareholders of the Company, the Company will further notify such matter to the shareholders and the SET.

**10. Opinion of the Board of Directors**

The Board of Directors unanimously resolved to approve the Business Acquisition Transaction since the Board of Directors considered and viewed that the Business Acquisition 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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