



Asia Precision PLC
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AP012-2565

9 May 2022

Subject: Resolution of the Board of Directors' Meeting No.3/2022 regarding the Disposal of Assets
To: President
The Stock Exchange of Thailand
Enclosure: Information Memorandum on the disposal of assets of Asia Precision Public Company Limited

Asia Precision Public Company Limited (“**Company**”) would like to inform the resolution of the Board of Directors' Meeting No.3/2022, held on Friday 6 May 2022 which resolved to approve the disposal of assets of ordinary shares of Asia Precision A.T. Company Limited (“**APAT**”) which is the Company's subsidiary, where the Company holds 54,999,997 shares equivalent to 99.99% of total paid-up shares capital of APAT. The Company shall sell 22,000,000 shares which is equivalent to 40% of APAT's total paid-up shares to TNA Company Limited (“**TNA**” or the **Buyer**) at Baht 14 per share, totaling Baht 308,000,000 (the “**Share Sale Transaction**”).

The Board of Directors' Meeting also approved that the Executive Committee and/or Chief Executive Officer and/or a person assigned by Executive Committee and/or Chief Executive Officer shall have the power to amend or change the conditions and details as well as have the power to take any action necessary for and in connection with the Share Sale Transaction as prescribe above until completion, including but not limited to negotiate, amend, and execute the share purchase agreements, shareholders agreement and/or any other related documents in connection with the Share Sale Transaction.

After, the completion of the Share Sale Transaction, APAT shall still be the Company's subsidiary. There shall be a change in the directors in APAT to be in line with the shareholding proportion between the Company and the Buyer.

Moreover, in entering into such a transaction, the Buyer has no relationship with the Company's executives, directors, major shareholders, and controlling person of the Company and subsidiaries. Therefore, this transaction is not considered a connected transaction under the Notification of Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions (as amended), 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 (A.D. 2003) (as amended).

However, this transaction is considered disposal 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 Disposition of Assets (as amended), 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 (A.D. 2004) (as amended) (collectively, the “**Notifications on Acquisition or Disposition of Assets**”), with the highest transaction size equal to 29.53% on the basis of net operating profits, which is the basis for calculation of the highest transaction size based on the Company's consolidated financial statements audited by the certified auditor for the period ended 31 December 2021. As the highest transaction size is higher than 15 percent but lower than 50 percent, therefore, the Company is required to disclose the information memorandum associated with the transaction to the Stock Exchange of Thailand (the “**SET**”) and send a circular notice to the shareholders of the Company for acknowledgment within 21 days from the date of disclosure of the transaction to the SET.



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During the past six months, the Company and the subsidiaries have entered into other disposition of asset transactions having a total transaction size of 0.0038%.

In this regard, the Company hereby discloses the information memorandum associated with the transaction to the SET pursuant to the Acquisition and Disposition Notifications, details of which are as provided in the attachment.

Please be informed accordingly.

Yours Sincerely,

Asia Precision Public Company Limited

(Mr. Apichart Karoonkornsakul)
Chairman of the Executive Committee

Information Memorandum on the Disposal of Assets of Asia Precision Public Company Limited**Subject: The Disposal of ordinary shares of Asia Precision A.T. Company Limited (“APAT”)**

The Board of Directors of Asia Precision Public Company Limited (“**the Company**”) No.3/2022 held on 6 May 2022, resolved to approve the disposal of assets which are ordinary shares of Asia Precision A.T. Company Limited (“**APAT**”) which is the Company’s subsidiary, where the Company holds 54,999,997 shares equivalent to 99.99% of total paid-up shares capital of APAT. The Company shall sell 22,000,000 shares which is equivalent to 40% of APAT’s total paid-up shares to TNA Company Limited (“**TNA**” or the **Buyer**) at Baht 14 per share, totaling Baht 308,000,000 (the “**Share Sale Transaction**”).

The Board of Directors’ Meeting also approved that the Executive Committee and/or Chief Executive Officer and/or a person assigned by Executive Committee and/or Chief Executive Officer shall have the power to amend or change the conditions and details as well as have the power to take any action necessary for and in connection with the Share Sale Transaction as prescribe above until completion, including but not limited to negotiate, amend, and execute the share purchase agreements, shareholders agreement and/or any other related documents in connection with the Share Sale Transaction.

After, the completion of the Share Sale Transaction, APAT shall still be the Company’s subsidiary. There shall be a change in the directors in APAT to be in line with the shareholding proportion between the Company and the Buyer.

This transaction is considered disposal 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 Disposition of Assets (as amended), 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 (A.D. 2004) (as amended) (collectively, the “**Notifications on Acquisition or Disposition of Assets**”). The size of the asset disposal transaction can be calculated according to various criteria calculated from the consolidated financial statements of the Company for the period ended 31 December 2021, with the highest transaction size equal to 29.53% on the basis of net operating profits, categorized as a transaction in Category 2 under the Notification on Acquisition or Disposition of Assets as the highest transaction size is higher than 15 percent but lower than 50 percent.

Therefore, in pursuant to the Notification on Acquisition or Disposition of Assets, the Company is required to disclose the information memorandum associated with the transaction to the Stock Exchange of Thailand (the “**SET**”) and send a circular notice to the shareholders of the Company for acknowledgment within 21 days from the date of disclosure of the transaction to the SET.

In this regard, this transaction is not considered a connected transaction under the Notification of Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions (as amended), 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 (A.D. 2003) (as amended). Therefore, the Company does not have an obligation to perform under the Notifications on Connected Transactions.

The details of the transaction are provided as follows:

1. Transaction Date

The Company will enter into the Share Sale Transaction after (a) the Board of Directors of the Company has approved the transaction, and (b) the condition precedents specified in the share purchase agreement have been fulfilled or received a waiver from the relevant party. The significant detail of the condition precedents as per details given below:

- (1) The Board of Directors of the Company has approved the Share Sale Transaction to the Buyer;
- (2) The Board of Directors and/or the shareholders Meeting of APAT (as the case may be) have approved the following agenda;
 - a) Appointment of the new directors of APAT as proposed by the Buyer to be in line with the shareholding proportion; and
 - b) Amendment of the authorized directors of APAT and authorized directors for bank signatories.
- (3) The Board of Directors and/or the shareholders Meeting of the Buyer (as required by laws and Article of Association) have approved the purchase of the shares and the receipt of the transfer of ownership of the share from the Company; and
- (4) No material adverse impact on the financial performance, business opportunity, or business operation of APAT.

The Company expects that the execution of the share purchase agreement and the share sale transaction will be completed within Q2/2022.

2. The parties involved and the relationship between the parties

Seller	: Asia Precision Public Company Limited (“the Company”)
Buyer	: TNA Company Limited (“TNA”)
Relationship	: TNA has no relationship with the Company and is not considered as connected person with the Company under the Notification of Capital Market Supervisory Board No. TorChor 21/2551 Re: Rules on Connected Transactions 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 Transaction B.E. 2546 (A.D. 2003) (as amended)

3. General information of the transaction and size of the transaction

3.1 The disposal of APAT’s ordinary shares and shareholding proportion of the Company

The Company will enter into the Share Purchase Agreement to sell ordinary shares of APAT to TNA, in the total amount of 22,000,000 Shares, at the par value is Baht 10 per share. The sale price shall be at Baht 14 per share, totaling Baht 308,000,000. After the completion of the disposal of APAT’s ordinary shares, the shareholding proportion of the Company will reduce by 40% of the total paid-up shares of APAT. However, APAT will still be the Company’s subsidiary. The shareholding structure before and after entering into this transaction is shown in the following table.

Shareholders	Pre-transaction*		Post-transaction	
	No. of shares	%	No. of shares	%
Asia Precision Public Company Limited	54,999,997	99.999994	32,999,997	59.999994
TNA Company Limited	-	-	22,000,000	40.000000
Mr. Apichart Karoonkornsakul	1	0.000002	1	0.000002
Mr. Chairaj Vetnaruemarn	1	0.000002	1	0.000002
Mr. Anurote Nitipornsri	1	0.000002	1	0.000002
Total number of shares	55,000,000	100.00	55,000,000	100.00

Remark: (*) The list of shareholders of APAT as of 8 April 2022.

The Buyer will pay the shares price to the Company on the completion date of the share sale transaction. The Company expects that the execution of the share purchase agreement and the share sale transaction will be completed within Q2/2022.

3.2 Transaction size

The transaction is considered an asset disposition transaction in accordance with Notifications on Acquisition or Disposition of Assets. The size of the asset disposal transaction, calculated from the consolidated financial statements of the Company for the period ended 31 December 2021, has the highest transaction size equal to 29.53% on the basis of net operating profits. The details of the calculation are provided below:

Details	The Company (Million Baht)	APAT (Million Baht)
Total assets	3,560.48	975.43
Less Intangible assets	41.43	5.30
Less Total liabilities	1,598.47	209.60
Less Non-controlling interests	6.51	-
Net tangible assets (NTA)	1,914.06	760.53
Net profit for the past 12 months (From 1 January 2021 to 31 December 2021) consolidated financial statements	210.69	155.49
Net profit of the Company	210.61	-
Book value (baht per share)	2.97	13.92
Par value (baht per share)	1	10

The calculation of transaction size as in the table below:

Basis of transaction size calculation	Calculation	Amount (Baht)	Transaction size
1. Net tangible assets (NTA)	$\frac{\text{NTA of APAT} \times \text{Proportion of disposed shares}}{\text{NTA of the Company}}$	$\frac{760,533,389 * 40\%}{1,914,064,273}$	15.89%
2. Net profit	$\frac{(\text{Net operating profits of the investment} \times \text{selling ratio}) \times 100}{\text{Net operating profits of the listed company}}$	$\frac{155,492,614 * 40\%}{210,607,683}$	29.53%
3. The value of consideration	$\frac{\text{The sale price of APAT's shares} \times \text{No. of disposed shares}}{\text{Total assets of the Company}}$	$\frac{308,000,000}{3,560,476,663}$	8.65%
4. Value of securities	This criterion is not applicable as no new share of the Company will be issued as consideration		

During the past six months, the Company and the subsidiaries have entered into other disposition of asset transactions having a total transaction size of 0.0038%.

From the table above, the transaction size is of the highest value when calculated based on net profit criteria which equal 29.53%. The transaction is considered a Category 2 transaction, with the highest transaction size higher than 15 percent but lower than 50 percent under the Notification on Acquisition or Disposition of Assets. Therefore, the Company is required to disclose an information memorandum on the asset disposal transaction to the SET and send the circular notice to shareholders within 21 days from the day that the Company has notified SET.

4. Details of Assets Disposal

Ordinary shares of APAT in the amount of 22,000,000 shares which is equivalent to 40% of the total paid-up shares of APAT.

4.1 Details of the share disposal

Seller	: Asia Precision Public Company Limited
Type of disposed shares	: Ordinary shares of APAT
Details of the disposed shares	: 22,000,000 shares equal to 40% of the total paid-up shares of APAT
Par value per share	: Baht 10
Sale price per share	: Baht 14
Total Value of disposed shares	: Baht 308,000,000.00 (Three Hundred and Eight Million Baht)
Completion of transaction	: Within Q2/2022 or another date as agreed by the parties under the share purchase agreement
Payment Condition	: Cash or cash equivalent

4.2 General Information of APAT

Type of business	: APAT operates the High Precision Machining & Cold Forging as the main business.
Date of incorporation	: 22 October 2010 *APAT has changed its name from P2 Precision Co., Ltd. to Asia Precision A.T. Co., Ltd. on 25 February 2019.
Registered office	: 700/331, Moo.6, Tambon Don Hua Ro, Amphur Mueng Chon Buri, Chon Buri District, 20000
Paid-up capital	: Baht 550,000,000, consisting of 55,000,000 ordinary shares
Registered capital	: Baht 550,000,000, consisting of 55,000,000 ordinary shares (As of 8 April 2022)
Par value per share	: Baht 10

4.3 APAT's current Board of Directors comprises of 5 directors as provided below:

Name	Position	No. of shares held and shareholding proportion in APAT As of 8 April 2022 (share/%)
1. Mr. Apichart Karoonkornsakul	Director / Chairman of Executive Board	1/0.000002
2. Mr. Chairaj Vetnaruemarn	Director / Managing Director / Executive Director	1/0.000002
3. Mr. Anurote Nitipornsri	Director/ Executive Director	1/0.000002
4. Mr. Rajeev Vijayan	Director/ Executive Director	-
5. Mr. Yoshikazu Kurachi	Director	-

*The Buyer will amend all of the directors after the completion of the share purchase

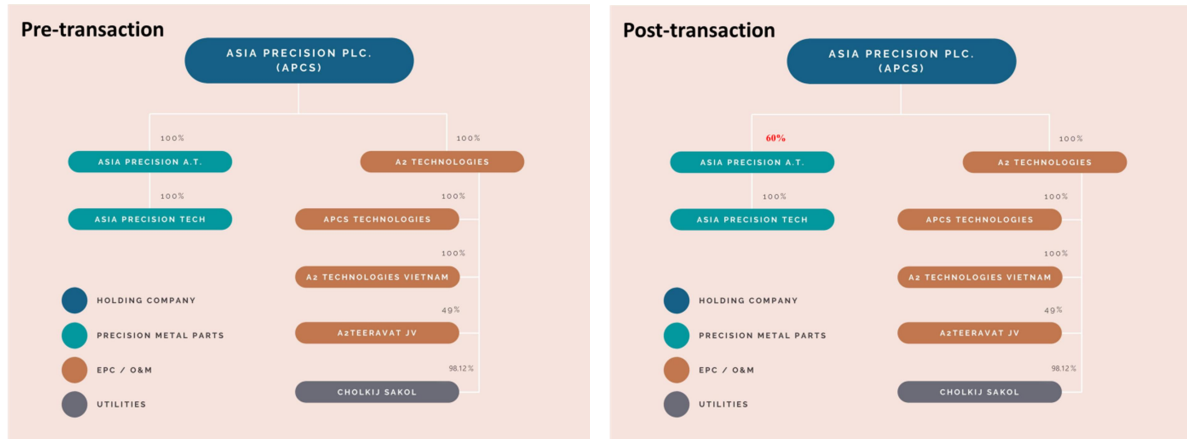
4.4 Summary of Financial Position and Performance of APAT for the year ended 31 December 2019-2021

(Million Baht)

Financial Statements	Separate financial statements as at		
	31 December 2019	31 December 2020	31 December 2021
Statement of financial position			
Total Assets	416.51	854.60	975.43
Total liabilities	90.65	238.98	209.60
Total shareholders' equity	325.85	615.61	765.83
Statement of comprehensive income			
Revenues	80.14	627.59	813.13
Costs	69.22	506.94	566.04
Gross profit	10.92	120.64	247.09
Net profit for the period	2.34	40.68	155.49
Basic earnings per share (Baht)	0.15	1.08	2.83
Number of ordinary shares outstanding (Million shares)	15	38	55

4.5 APCS’s Shareholding structure in APAT before and after the Share Sale Transaction will be as follows:

The Share Sale Transaction will result in the Company’s shareholding proportion in APAT reducing from 100 percent to 60 percent.



5. Total value of consideration

The total value of consideration of APAT’s ordinary shares, which has a selling price of Baht 14 per share, when multiplied by the number of ordinary shares sold of 22,000,000 shares, has a total value of consideration equal to Baht 308,000,000 (three hundred and eight million baht). The Company will receive such consideration in cash or cash equivalent.

6. Criteria used to determine value of consideration

The value of the transaction based on the agreement between seller and buyer. The Company has considered the offer price together with the Price to Book Value Ratio (P/BV) as a valuation method.

The total value of consideration for the sale of APAT ordinary shares is subject to negotiation and agreement between the buyer and seller. The Company has considered the proposed purchase price together with the business value according to the Price to Book Value Ratio (P/BV) to determine the selling price of the said ordinary shares. The Company has considered using this valuation by comparing it with other listed companies within the same industry as the Company which can stably reflect the value of the business and deemed that this valuation method is most suitable for this period which is under the economic uncertainty situation and ongoing major industrial restructuring. From the value assessment by the said method, the Company found that the value of each share is between Baht 13.09 to 14.34. Therefore, the consideration as negotiated is considered reasonable and appropriate.

Moreover, the Company has considered by taking into account, other significant business factors such as business performance stability during the past 10 years, the business size and bargaining power in this industry, and the impact from industry transition from Internal Combustion Engine (ICE) to Electric Vehicle (EV) as well as Exchange Listing.

7. Benefits from the transaction

- (1) To strengthen and develop financial capacity;
- (2) To support the goal in the expansion of the core business of the Company in the Engineering Procurement and Construction (EPC) which will have a significant growth potential once the Coronavirus Disease 2019 (COVID-19) situation has unraveled as well as the impact of high oil price; and
- (3) To establish alliance that enhances the business capability in order to cope with the upcoming challenges of industry transition to EV.

8. Plan to utilize the proceeds received from the disposal of the asset

The Company plans to utilize the proceeds received from the disposal of shares of APAT in the amount of Baht 308,000,000 to increase the liquidity in the working capital and enhance the business development of EPC business as a core business of the Company.

9. Conditions on entering into the transaction

In entering into such disposal of the asset, the Company is required to disclose an information memorandum on the asset disposal transaction to the SET and send the circular notice to shareholders within 21 days from the day that the Company has notified to SET.

10. Connected Person and scope of conflict of interest.

-None-

11. The Directors who have a conflict of interest and/or have a relationship with the Company which do not attend the Meeting and vote.

-None-

12. Opinion of the Board of Directors related to the transaction

The Board of Directors has considered this matter with careful consideration and is of the opinion that entering into this transaction is appropriate and in the best interests of the Company and its shareholders. The Board of Directors views that the valuation method used in determining the sale price is appropriate. In addition, the Board of Directors also views that this transaction will allow the Company to increase liquidity in the working capital which is necessary for the financial management of the Company as well as will support and enhance the potential for the expansion of the Company's core business in the future.

13. Opinion of the Audit Committee and/or the Board of Directors which differs from the Board of Directors

- None -

The Board of Directors certifies that this Information Memorandum is correct and complete.

Please be informed accordingly.

Yours Sincerely,

Asia Precision Public Company Limited

(Mr. Apichart Karoonkornsakul)
Chairman of the Executive Committee