

(Translation)

SC 041/62

August 13, 2019

Subject : The plan for listing Samart Transolutions Company Limited on the Stock Exchange of Thailand
(Revised)

To : The President
The Stock Exchange of Thailand

Enclosure : 1. Information Memorandum Relating to Listing of Samart Transolutions Company Limited,
a subsidiary of Samart Corporation Public Company Limited, on the Stock Exchange of
Thailand

According to the Board of Directors' meeting No. 6/2019 of Samart Corporation Pcl. ("**the Company**"), held on August 13, 2019 has resolutions as below;

1. Approved plan for offering newly issued ordinary shares of Samart Transolutions Company Limited ("**STR**"), a subsidiary of the Company which the Company holds an indirect stake in STR via Samart U-Trans Company Limited ("**SUT**") of 66.67 percent and Samart Inter Holding Company Limited ("**SIH**") of 33.33 percent, to the public and listing STR on the Stock Exchange of Thailand ("**the SET**") for the amount of not exceeding 10.00 percent of STR's total paid-up shares after capital increasing.
2. Approved selling of STR existing ordinary shares which the Company currently holds via SUT and/or SIH to the public and/or allocate such ordinary shares for over-allotment portion, for the amount of not exceeding 25.00 percent of STR's total paid-up shares after capital increasing.

Please consider the additional details in Enclosure 1 Information Memorandum Relating to Listing of Samart Transolutions Company Limited, a subsidiary of Samart Corporation Public Company Limited, on the Stock Exchange of Thailand.

This transaction was not considered as a material transaction on disposal of Asset according to the Notification of the Capital Market Supervisory Board No. Tor. Chor. 20/2551 Re: Rules on Entering into Material Transaction Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of SET Re: Disclosure of Information of Listed Companies Concerning Acquisition or Disposal of Assets, 2004 as the size of the transaction was 0.97 percent, calculated via the Net Tangible Asset Criteria which was the highest criteria but still less than 15 percent (based on consolidated financial statement ended June 30, 2019). Nevertheless, calculation including other transaction occurring during a period of the past six months, the total transaction was 2.71 percent which is still less than 15 percent. Moreover, the counter party of the transaction was person/ juristic person who were not the connected person, thus the transaction will not be considered as a Related Party Transaction under the Notification of Capital Market Supervisory Board No. Tor. Chor. 21/2551 concerning the Connected Transaction and the Notification of the Board of Governors of SET Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003. The Company's management can take actions immediately. However, to comply with SET Good Corporate Principles, the Company shall immediately disclose the transaction to the SET and send a written notice about the transaction to its shareholders within 21 days from the date of SET disclosure.

After listing the ordinary shares of STR on the SET, the Company will change the subsidiary operating core business which generates main profit from Cambodia Air Traffic Services Co., Ltd., which the Company currently holds 100.00 percent through STR indirectly, to Teda Co., Ltd., which the Company currently holds 94.35 percent through SUT indirectly.

Please be informed accordingly.

Yours faithfully,

-Signature-

(Mr. Watchai Vilailuck)
President

Information Memorandum Relating to Listing of Samart Transolutions Company Limited, a subsidiary of Samart Corporation Public Company Limited, on the Stock Exchange of Thailand

Samart Transolutions Company Limited (“**STR**”) is a subsidiary of Samart Corporation Public Company Limited (the “**Company**” or “**SAMART**”). STR operates as a holding company with an investment focus in the air traffic control business or the related ones. STR currently holds a 100 percent ownership in Cambodia Air Traffic Services Co., Ltd. (“**CATS**”) which was incorporated and registered in Cambodia. CATS has engaged in the business of acting as a sole provider of installing and providing systems and services in relation to air traffic control in Cambodia in accordance with the concession granted by the Government of Cambodia. The concession lasts from 2001 to 2040. STR intends to raise funds by issuing and offering of newly issued ordinary shares via the Initial Public Offering (“**IPO**”). STR will then list its ordinary shares on the Stock Exchange of Thailand (the “**SET**”) and apply its IPO proceeds for loans repayment and fulfillment of its working capital requirements.

In this IPO offering, the Company intends to sell existing STR ordinary shares which the Company currently holds through Samart U-Trans Company Limited (“**SUT**”) and/or Samart Interholding Company Limited (“**SIH**”) for the total amount of not exceeding 25.00 percent of STR’s total paid-up shares post-IPO. Such proceeds will be applied for fulfilling the Company’s working capital requirements.

The Company’s Board of Directors’ Meeting No.6/2019 held on 13 August 2019 considered and approved (1) plan for offering STR’s newly issued ordinary shares to the public and listing STR’s shares on the SET for the amount of not exceeding 10.00 percent of STR’s total paid-up shares post-IPO and (2) selling of STR existing ordinary shares which the Company currently holds via SUT and/or SIH to the public and/or allocate such shares for over-allotment portion, for the amount of not exceeding 25.00 percent of STR’s total paid-up shares post-IPO (collectively called the “**SET Listing Plan**”). After offering STR’s existing and newly issued ordinary shares to the public via IPO, the Company will still hold an indirect stake of not less than 65.00 percent of STR’s total paid-up shares, post-IPO.

The SET Listing Plan is regarded as an asset disposition transaction in accordance with Notification of the Capital Market Supervisory Board No.TorChor.20/2551 re: Rules and Procedures for Entering into Material Transactions Classified as Asset Acquisition and Disposition Transactions (as amended) and Notification of the Board of Governor of the Stock Exchange of Thailand re: Disclosure and Actions to be Taken by Listed Companies for Asset Acquisition and Disposition Transactions B.E.2547 (2004) (as amended) (collectively called “**Notification regarding Asset Acquisition/Disposition**”). In determining the transaction size in accordance with relevant provisions under Notification regarding Asset Acquisition/Disposition based on the Company’s 6-month reviewed consolidated financial statements as of 30 June 2019, the maximum transaction size based on the Net Tangible Asset Criteria (NTA) is 0.97 percent. Taking into account the past 6-month transaction that the Company disposed its investment in a subsidiary company and disposed of information technology operating assets in accordance with the resolution of the meeting of Board of Directors No.4/2019

which was held on 26 April 2019 with the transaction size of 1.74 percent, total transaction size, as such, is 2.71 percent which is the transaction that the Company's management can take actions immediately. Nevertheless, to comply with SET Good Corporate Principles, the Company shall immediately disclose the transaction to the SET and send a written notice about the transaction to its shareholders within 21 days from the date of SET disclosure.

Details of the **SET Listing Plan** is as follows:

1. Date of Transaction

The transaction is expected to be completed within the first quarter of 2020, subject to fulfillment of all conditions precedent as specified in 12.

2. Related Parties

Offering Parties : **Newly Issued Ordinary:** STR which is a subsidiary the Company holding a 100 percent indirect ownership on. At present, SUT and SIH hold a 66.67 percent stakes and a 33.33 percent stakes in STR respectively, where the Company holds a 100.00 percent ownership in both SUT and SIH.

Existing Ordinary: SUT and/or SIH in which the Company holds a 100.00 percent ownership in both companies.

Securities : Public Investors and the Company's existing shareholders with respect to their Subscriber shareholding proportion ("**Public**").

3. Details of the Transaction

The Company's Board of Directors meeting No. 6/2019 held on 13 August 2019 considered and approved STR's SET listing plan which is expected to be completed within the first quarter of 2020. In this regard, STR shall submit its IPO application to the Office of Securities and Exchange Commission (the "**Office of SEC**") and SET listing application to the Stock Exchange of Thailand (the "**SET**"). Post-IPO, the Company will still hold an indirect stake of not less than 65.00 percent of STR's total paid-up shares. Thus, STR will still be the Company's subsidiary post-IPO.

Such SET listing plan is regarded as an asset disposition transaction in accordance with Notification regarding Asset Acquisition/Disposition Transaction. The transaction size which is determined based on the Company's 6-month reviewed consolidated financial statements as of 30 June 2019 is 0.97 percent, with details of calculation tabled as below:

Calculation Criteria	Calculation methods
1. Net Tangible Assets (NTA)	= NTA of consolidated financial statements of STR in accordance with % to be Disposed / the Company's Consolidated NTA = $(59.06 \times 0.35) / 2,139.93$ = 0.97 percent
2. Profitability	= STR's Consolidated Net Profit in accordance with % to be Disposed / the Company's Consolidated Net Profit = $(388.31 \times 0.35) / (650.21)$ = N/A
3. Total Consideration	= $(\text{BV per share of STR} \times \text{Total number of offered shares}) /$ The Company's consolidated total assets = $((74.55 / 27.00) \times (27.00^{(1)} \times (0.35/0.65))) / 21,944.01$ = 0.18 percent
4. Value of Offered Securities	= Not applicable as the Company issues no new securities.

Note: 1. As of 30 June 2019, par value of STR ordinary share is THB 10.00 per share.

Taking into account the past 6-month transaction that the Company disposed its investment in a subsidiary company and disposed of information technology operating assets in accordance with the resolution of the meeting of Board of Directors No.4/2019 which was held on 26 April 2019 with the transaction size of 1.74 percent, total transaction size, as such, is 2.71 percent. In accordance with Notification regarding Asset Acquisition/Disposition, the Company's management can take actions immediately. Nevertheless, to comply with SET Good Corporate Principles, the Company shall immediately disclose the transaction to the SET and send a written notice about the transaction to its shareholders within 21 days from the date of SET disclosure.

4. Business Details of Disposed Assets

4.1 IPO Details of STR

Items	Details ⁽¹⁾
Share Issuer (Newly issued Ordinary Shares)	: Samart Transolutions Company Limited which will later be converted into a public company and have its name changed from “ Samart Transolutions Company Limited ” to “ Samart Aviation Solutions Public Company Limited ”
Seller (Existing Ordinary Shares)	Samart U-Trans Company Limited and/or Samart Interholding Company Limited
Type of Securities to be Offered	: Newly issued ordinary shares and existing ordinary shares of STR
Total Number of Newly Issued and Existing Ordinary Shares to be Offered via IPO	: Not exceeding 35.00 percent of total paid-up shares post-IPO. The number of ordinary shares to be offered comprise newly issued ordinary shares which shall not exceed 10.00 percent of total shares post-IPO and existing ordinary shares which shall not exceed 25.00 percent of total shares post-IPO. Such mentioned existing ordinary shares include those to be offered to the Public and/or over-allotment portion. Total ordinary shares to be offered via IPO already include those to be offered to the Company’s shareholders with respect to their shareholding proportion.
Par Value	: THB 10.00 per share (which may be subject to later change)
Offering of STR ordinary shares under Pre-Emptive Rights	: The Board of Directors and/or the person(s) as assigned by the Board of Directors shall determine the proportion of STR ordinary shares to be offered to the Company’s existing shareholders with respect to their shareholding proportion (Pre-Emptive Rights) as well as the Record Date and the Closing Date of shareholders’ register to collect names of shareholders in accordance with Section 225 of the Securities and Exchange Act B.E.2535 (as amended). This will later be specified after STR obtains an approval from the Office of SEC to offer its shares via IPO. The Company will notify its shareholders about this at least 14 days prior to the Record Date.
IPO Price	: At present, the IPO price has not yet to be specified. The IPO price for the portion to be offered under Pre-Emptive Rights and those to be publicly offered will be the same.
IPO Offer Period	: After STR obtains its approval from the Office of SEC to offer its IPO, the register statement and the prospectus become effective and the SET approves the SET listing application on the condition that STR could fulfill SET’s free float requirements. All of these are expected to be completed within the first quarter of 2020.
Other Details	: The Company will later inform its shareholders on details of SET Listing Plan.

Note: 1. Details above may be subject to later change as deemed appropriate by the Board of Directors and/or the person(s) as assigned by the Board of Directors. Nevertheless, total number of newly issued ordinary shares to be offered via IPO shall not exceed 10.00 percent of STR's total paid-up shares via IPO and total number of existing ordinary shares to be offered via IPO shall not exceed 25.00 percent of STR's total paid-up shares via IPO. Post-IPO, the Company will still hold an indirect stake of not less than 65.00 percent of STR's total paid-up shares, post-IPO.

4.2 Business Details of Samart Transolutions Company Limited

Items	Details
Company	: Samart Transolutions Company Limited
Country of Incorporation	: Thailand
Date of Incorporation	: 22 August 2017
Head Office	: 99/2 Moo 4 Software Park Building, Floor 34, Chaeng Wattana Road, Klong Gluar Sub-District, Pak Kret District, Nonthaburi 11120
Nature of Business	: STR operates as a holding company with investment focus in firms engaging in air traffic business or its related ones. At present, the company holds 100.00 percent ownership in Cambodia Air Traffic Services Co., Ltd. ("CATS").
Capital Structure	: As of 30 June 2019, STR's total registered and paid-up capital was THB 270,000,000, consisting of 27,000,000 ordinary shares with a par value of THB 10.00 each.
Percentage of the Company's Stakes in STR	: Pre-IPO, the Company holds an indirect stake in STR via SUT and SIH of 100.00 percent. SUT and SIH holds STR shares of 18,000,000 and 8,999,900 respectively, and this represents 66.67 percent and 33.33 percent of STR's total paid-up shares as of 30 June 2019, respectively. Post-IPO, the Company will indirectly hold not less than 65.00 percent of STR's total paid-up shares.

4.3 Business Details of Cambodia Air Traffic Service Company Limited

Items	Details
Company Name	: Cambodia Air Traffic Services Co., Ltd.
Country of Registration	: Cambodia
Date of Incorporation	: 5 April 2001
Head Office	: CATS Building, Opposite Phnom Penh International Airport, Russian Federation Blvd., Sangkat Kakab, Khan Posen Chey, Phnom Penh, Kingdom of Cambodia
Nature of Business	: CATS operates as the sole provider of installing and providing air traffic control systems and services in Cambodia in accordance with the

Items	Details
	concession granted by the Government of Cambodia. The concession lasts from 2001 to 2040. Amount of revenues depends upon number of airplane flights and types of airplanes in accordance with service rates as specified by the Government of Cambodia.
Capital Structure	: As of 30 June 2019, total registered and paid-up capital of CATS was USD 10,000,000, comprising 1,000,000 ordinary shares with a par value of USD 10.00 each.
STR's Stake in CATS	: 100 percent of total paid-up capital of CATS.

4.4 Composition of STR's Board of Directors as of 18 July 2019

Name	Position in STR	Stake in STR (Shares / %) ⁽¹⁾	Position in CATS	Stake in CATS (Shares / %) ⁽¹⁾	Position in the Company	Stake in the Company (Shares / %) ⁽¹⁾
1. Mr. Suphot Singhasaneh	Chairman of the Board of Directors / Independent Director / Chairman of the Audit Committee	- None -	- None -	- None -	- None -	- None -
2. Mr. Bhumisathit Jampathom	Independent Director / Audit Committee Member	- None -	- None -	- None -	- None -	- None -
3. Clinical Professor Dr. Sarana Boonbaichaiyapruk	Independent Director / Audit Committee Member	- None -	- None -	- None -	- None -	640,000 / 0.06
4. Mr. Charoenrath Vilailuck	Director	50 / 0.00	Chairman of the Board of Directors	- None -	Director / Chairman of the Executive Committee	112,704,960 / 11.20
5. Mr. Watchai Vilailuck	Director	50 / 0.00	Director	- None -	Director / President	126,277,160 / 12.55
6. Mr. Sirichai Rassameechan	Director	- None -	- None -	- None -	Director	-None-
7. Mrs. Phongsri Salucketch	Director	- None -	- None -	- None -	Deputy President	320,380 / 0.03
8. Mr. Teerachai Phongpanangam	Director / President	- None -	Director	- None -	Director / Executive President	20,000 / 0.002
9. Mr. Theeraphat Kulkijkamjorn	Director / Chief Operating Officer	- None -	Director / Managing Director	- None -	- None -	- None -

Note: 1. Stakes in STR, CATS and the Company as of 31 July 2019. Their respective par values are THB 10 per share, USD 10 per share and THB 1 per share, respectively.

4.5 STR's Financial Performance and Condition

Statement of Comprehensive Income

Unit: THB million	For the Year Ended 31 December (Audited)			For the 6-month Period Ended (Reviewed)	
	2016 ⁽¹⁾	2017	2018	2018	2019
Service Revenues	1,770.70	1,854.58	1,930.01	917.88	1,008.34
Cost of Service	(888.03)	(910.00)	(996.08)	(474.80)	(501.43)
Gross Profit	882.67	944.59	933.92	443.08	506.91
Foreign Exchange Gain	3.53	11.07	-	-	17.88
Other Revenues	6.40	6.71	17.34	6.42	17.97
Service Expense	(7.83)	(8.08)	(7.25)	(3.73)	(4.00)
Administrative Expense	(532.68)	(561.20)	(267.75)	(119.42)	(135.68)
Foreign Exchange Loss	-	-	(86.69)	(103.13)	-
Other Expenses	-	(0.06)	(111.19)	-	(28.90)
Earnings Before Interest and Tax	352.09	393.02	478.38	223.22	374.19
Finance Cost	(0.55)	(1.93)	(95.85)	(43.49)	(49.76)
Corporate Income Tax	(72.15)	(73.17)	(129.68)	(68.31)	(77.55)
Net Profit	279.39	317.92	252.84	111.41	246.88

Note: 1. STR was incorporated in 2017, thus having no financial performance in 2016. However, STR's financial performance for 2016 as shown above was prepared by its management, making reference to that of CATs in the same year. It was prepared for the purpose of making 3-year financial performance comparison from 2016 to 2018.

Statement of Financial Position

Unit: THB million	As of			
	31 December 2016 (Audited)	31 December 2017 (Audited)	31 December 2018 (Audited)	30 June 2019 (Reviewed)
Assets				
Current Assets				
Cash and Cash Equivalents	670.40	596.88	794.84	750.76
Short-Term Investments	19.51	18.47	-	108.50
Trade and Other Receivables	185.66	203.73	232.77	200.62
Short-Term Loans to Related Parties	-	33.83	322.36	322.21
Other Current Assets	28.86	34.22	14.93	17.83
Total Current Assets	904.44	887.12	1,364.89	1,399.91
Non-Current Assets				
Pledged Bank Deposits	-	-	130.45	147.28
Long-Term Loans to Related Parties	544.61	708.18	-	-
Equipment	9.14	6.97	13.26	14.07
Intangible Assets	869.31	832.89	848.39	836.50
Deposits for Acquisition of Intangible Assets	-	-	38.95	36.28
Other Non-Current Assets	1,423.07	1,548.04	1,031.05	1,034.13
Total Assets	2,327.51	2,435.16	2,395.94	2,434.04

Unit: THB million	As of			
	31 December 2016 (Audited)	31 December 2017 (Audited)	31 December 2018 (Audited)	30 June 2019 (Reviewed)
Liabilities and Shareholders' Equity				
Current Liabilities				
Trade and Other Payables	230.26	263.54	276.36	279.75
Payables from Acquisition of Investment in Subsidiaries – Related Parties	-	1,903.56	-	-
Current Portion of Long-Term Loans from Financial Institutions	-	-	183.67	185.70
Accrued Income Tax	55.32	58.28	109.05	64.70
Other Current Liabilities	12.11	18.11	26.89	62.90
Total Current Liabilities	297.69	2,243.49	595.97	593.04
Non-Current Liabilities				
Long-Term Loans from Financial Institutions – Net of Current Portion	-	-	1,827.41	1,638.52
Long-Term Liabilities under Service Concession	44.55	41.86	42.83	27.07
Long-Term Employee Benefit Obligations	-	-	1.39	1.94
Other Long-Term Employee Benefit Obligations in accordance with Labor Laws of Cambodia	-	-	13.53	14.47
Deferred Tax Liabilities	76.02	81.23	89.56	84.44
Total Non-Current Liabilities	120.57	123.09	1,974.72	1,766.45
Total Liabilities	418.26	2,366.57	2,570.69	2,359.49
Shareholders' Equity				
Registered and Paid-up Capital	-	50.00	270.00	270.00
Difference from Business Combination under Common Control	-	-	(23.31)	(23.31)
Retained Earnings				
Appropriated – Legal and Other Required Reserves	-	-	27.00	27.00
Unappropriated	-	43.88	(440.28)	(193.40)
Other Components of Shareholders' Equity	-	(25.29)	(8.16)	(5.74)
Total Shareholders' Equity of Parent Company	-	68.59	(174.75)	74.55
Minority Interests Prior to Business Combination under Common Control	1,909.25	-	-	-
Total Shareholders' Equity	1,909.25	68.59	(174.75)	74.55

STR's financial figures as showed above are derived from its audited consolidated financial statements for the year ended 31 December 2018 and reviewed 6-month consolidated financial statements for the period ended 30 June 2019, which are prepared based on the accounting standard of Public Accountable Entities (PAEs). The statement of financial position as of 1 January 2017 which is the date prior to STR's incorporation as well as statements of comprehensive income for 2016 and 2017 are prepared as if CATS were included in the group of company under common control basis. In this regard, STR's statement of comprehensive income for 2016 as showed above was prepared by its management by making reference to CATS's actual performance for the purpose of making 3-year comparison from 2016 to 2018.

4.6 Financial Performance and Condition of CATS

Statement of Comprehensive Income

Unit: USD Million	For the Year Ended 31 December (Audited)			For the 6-month Period Ended (Reviewed)	
	2016	2017	2018	2018	2019
Service Revenues	50.18	54.65	59.71	28.92	31.90
Cost of Service	(25.16)	(26.82)	(30.92)	(14.96)	(16.66)
Gross Profit	25.01	27.84	28.79	13.96	15.24
Foreign Exchange Gain	0.11	1.47	-	-	-
Interest Income	0.11	0.13	0.36	0.13	0.25
Other Income	0.07	0.07	0.06	0.03	0.07
Administrative Expense	(15.34)	(16.76)	(8.15)	(3.98)	(4.13)
Earnings Before Interest and Tax	9.97	12.74	21.07	10.15	11.42
Finance Cost	(0.01)	(0.04)	(0.04)	-	(0.03)
Corporate Income Tax	(2.04)	(2.16)	(4.01)	(2.15)	(2.45)
Net Profit	7.92	10.55	17.02	7.99	8.94

Statement of Financial Position

Unit: USD million	As of			
	31 December 2016 (Audited)	31 December 2017 (Audited)	31 December 2018 (Audited)	30 June 2019 (Reviewed)
Assets				
Current Assets				
Cash and Cash Equivalents	18.71	17.78	19.41	23.02
Short-Term Investments	0.54	0.57	-	3.53
Trade and Other Receivables	5.16	6.21	7.14	6.44
Short-Term Loans to Related Parties	0.01	0.02	0.01	-
Other Current Assets	0.81	1.06	0.37	0.31
Total Current Assets	25.24	25.63	26.92	33.48
Non-Current Assets				
Pledged Bank Deposits	-	-	4.02	4.79
Advances to suppliers for intangible assets	-	-	1.20	1.18
Long-Term Loans to Related Parties	15.20	21.67	-	-
Equipment	0.26	0.21	0.40	0.45
Intangible Assets	23.66	25.49	26.14	27.21
Total Non-Current Assets	39.12	47.37	31.76	33.63
Total Assets	64.36	73.00	58.69	67.10
Liabilities and Shareholders' Equity				
Current Liabilities				
Trade and Other Payables	4.95	5.89	7.01	7.28
Payables – Related parties	0.84	1.09	0.35	7.49

Unit: USD million	As of			
	31 December 2016 (Audited)	31 December 2017 (Audited)	31 December 2018 (Audited)	30 June 2019 (Reviewed)
Provision for service concession - current	-	-	-	1.24
Accrued Income Tax	1.54	1.78	3.36	2.10
Other Current Liabilities	0.98	1.64	1.63	2.11
Total Current Liabilities	8.31	10.40	12.34	20.22
Non-Current Liabilities				
Long-Term Liabilities under Service Concession	-	1.28	1.32	0.88
Other Long-Term Employee Benefit Obligations in accordance with Labor Laws of Cambodia	-	-	0.42	0.47
Deferred Tax Liabilities	2.12	2.49	2.76	2.75
Total Non-Current Liabilities	2.12	3.77	4.50	4.10
Total Liabilities	10.43	14.17	16.84	24.31
Shareholders' Equity				
Registered and Paid-up Capital	2.50	2.50	2.50	10.00
Retained Earnings	51.43	56.33	39.35	32.79
Total Shareholders' Equity	53.93	58.83	41.85	42.79

Financial figures as showed above are derived from CATS's audited separate financial statements for the years ended 31 December 2016 to 2018 and its reviewed 6-month separate financial statements for the period ended 30 June 2019. They were prepared based on Cambodian International Financial Reporting Standard for Small and Medium-Sized Entities (CIFRS for SMEs).

5. Total Consideration Value

Total consideration value is the product of total number of IPO shares and IPO price. At present, IPO price has not yet to be determined.

6. Total Value of Disposed Assets

Disposed Assets comprise existing and newly issued ordinary shares of STR which will be offered via IPO. Total value of disposed assets will be total cash proceeds to be obtained from offering of STR's existing and newly issued ordinary shares to the Public. They are the product of total shares to be offered via IPO and IPO price. At present, IPO price has not yet to be determined.

7. Criteria in Determining Total Consideration Value

AT present, IPO price has yet to be determined. It will later be determined, subject to book building process.

8. Expected Benefits from the Transaction

8.1 Benefits to Shareholders of the Company

1. The Company's shareholders are entitled to Pre-Emptive rights to subscribe for STR ordinary shares. Shareholders who are entitled to Pre-Emptive rights are those whose names appear in the Company's shareholders register as of the Record Date and the Closing Date of the Company's shareholders register to collect names of shareholders in accordance with Section 225 of the Securities and Exchange Act B.E.2535 (as amended).
2. The Company's shareholders will benefit in that the Company's investment value in STR could more clearly reflect its corresponding market value. This is because investment value in STR could fairly be determined based on its corresponding trading value in the SET.
3. More investment alternatives are available for the Company's shareholders. They can invest in either the Company or STR, subject to their investment policies.

8.2 Benefits to the Company

1. This can relieve the Company from providing financial support to STR as STR could raise its own financing from the capital market.
2. The Company's investment value in STR could more clearly reflect its corresponding market value. This is because investment value in STR could fairly be determined based on its corresponding trading value in the SET.
3. More efficient management within the group as their respective business structures are clearly segregated. Management of the Company and that of STR could concentrate on their respective core businesses.
4. The Company could obtain some IPO proceeds from offering STR's existing ordinary shares. They could be appropriately applied to support the Company's business operations as appropriate.

8.3 Benefits to STR

1. STR would obtain IPO proceeds to repay its outstanding debts, thus relieving its interest burden. This will help to improve STR's profitability in its consolidated financial statements.
2. This enhances more fund-raising alternatives for STR and this will of course add fund-raising flexibility for STR in the future.
3. STR's corporate image will be enhanced, thus allowing to be more widely known in the public.
4. This will create sense of company loyalty among STR's employees.

9. STR's IPO Fund Utilization Plan

STR's tentative IPO fund utilization plan is as below:

1. Loans repayment and/or
2. Supporting of working capital requirements

10. Impacts from Spin-Off to the Company and Its Shareholders

10.1 Earnings Per Share (EPS) and Control Dilutions

In case STR issues and offers its newly issued ordinary shares in accordance with its SET Listing Plan, there will be EPS and control dilutions of not exceeding 35.00 percent to the Company's shareholders. To lessen such potential dilutions, the Company's shareholders are entitled to Pre-Emptive rights to subscribe for STR's offered IPO shares. Upon STR's SET listing, the Company will still indirectly hold not less than 65.00 percent stakes of STR's total paid-up shares. Thus, STR will still a subsidiary of the Company, post its SET listing.

10.2 Price Dilution

As STR rather than the Company will offer newly issued ordinary shares to the Public, it is expected there will be no price dilution to the Company. The Company's decreasing stake in STR of course results in its recognition of lower profit sharing in STR.

11. STR's Business Reliance on the Company and Conflict of Interest

The Company has attempted to reduce business reliance between it and STR and potential conflicts of interest as follows:

1. All intercompany loans between STR/CATS and the Company shall be repaid prior to filing submission.
2. In case the Company, STR, and CATS need to pursue any business transaction or related transaction, all of which will be pursued on an arm's length basis, taking into account their rationales and necessities. In doing so, they will comply with all applicable securities rules and regulations of the SEC and SET.

12. Conditions Precedent

1. STR's meeting of shareholders approves the followings:
 - 1.1 Public conversion
 - 1.2 STR's capital increase and allocation of newly issued ordinary shares
 - 1.3 Listing of STR ordinary shares on the SET
2. STR's public conversion and capital increase are registered with Department of Business Development, the Ministry of Commerce.
3. The Office of SEC approves STR to offer its existing and newly issued ordinary shares to the Public.
4. STR's registration statement and prospectus for IPO become effective.
5. The SET approves STR's SET listing application and STR could fulfil SET's free-float requirements.
6. STR could successfully register capital increase, post IPO.

13. Opinion of the Board of Directors

The Board of Directors considers and approves with the opinion that this asset disposition transaction makes sense as initial public offering (IPO) and SET listing by STR would allow it to solidify its financial position. STR could raise its required funds via various financing alternatives to support its future growth. At the same time, the Company's investment value in STR could more clearly reflect its corresponding market value. This is because investment value in STR could fairly be determined based on its corresponding trading value in the SET.

14. Opinion of the Audit Committee which differs from that of the Board of Directors

-None-