

(Translation)

**Minutes of the Extraordinary General Meeting of Shareholders No. 1/2021**

Of

**Union Textile Industries Public Company Limited**

Convened in the Meeting Room, 9th Floor, Saha-Union Head Office Building,  
No.1828 Sukhumvit Road, Phrakhanong Tai Sub-district, Phra Khanong District, Bangkok.

Held on 25 November 2021

The Meeting started at 14.00 hrs.

Mr. Preecha Chunhavanich, Chairman of the Board of Directors, chaired the meeting and informed the meeting that there were 19 shareholders present in person representing 1,390,449 common shares and 330 preferred shares; and 50 shareholders by proxies representing 33,260,891 common shares and 14,348,670 preferred shares. Altogether, there were 69 shareholders, common and preferred, in total of 49,000,340 shares equivalent 81.67% of the registered and issued share capital, constituting a quorum under the company's Article of Association.

The Chairman opened the meeting and introduce directors, members of subcommittees, executives and attendees as follows:

**Attending directors**

- |                                  |  |
|----------------------------------|--|
| 1. Mr. Preecha Shunhavanich      | Chairman of the Board of Directors                 |
| 2. Mr. Polchet Likittanasombat   | Independent Director / Chairman of Audit Committee |
| 3. Mr. Preecha Wattanasaron      | Independent Director / Audit Committee             |
| 4. Mr. Pitya Mahanond            | Independent Director / Audit Committee             |
| 5. Mrs. Srinual Sombatpraiwan    | Managing Director                                  |
| 6. Mr. Chutindhon Darakananda    | Director   |
| 7. Mrs. Chantorntree Darakananda | Director   |
| 8. Mr. Supakit Puangbua          | Director   |
| 9. Mrs. Saranya Darakananda      | Director   |

The Company's board of directors has 9 members attended the meeting, all of 9 members equivalent to 100% of the board.

**Attendees**

- |                                 |                                |
|---------------------------------|--------------------------------|
| 1. Miss Prayoon Sripraram       | Finance and Accounting Manager |
| 2. Mrs. Chadaporn Jeamsakulthip | Company Secretary              |

**Auditors from EY Office Ltd.**

- Miss Sineenart Jirachaikhuankhan
- Miss Manassiri Boonyaseth

## **Independent financial advisor, Capital Advantage Co., Ltd.**

1. Mr. Annop Saengvanich
2. Mr. Jirawat Pipatviradej

Before proceeding with the meeting agendas, the Chairman advised that

- A resolution in each agenda shall be passed on the basis of 1 (one) share per 1 (one) vote.
- For shareholders who, represented by proxies and cast votes for each agenda in the Proxy Form, the Company collected and will be added to the votes counted in this meeting.
- For this Meeting, the shareholders present in persons or by proxies entitled to vote shall cast their votes in favor, objections or abstentions, in the ballot cards received upon registration. For convenience, counting votes of objection or abstention only. Shareholders who cast their votes, objection or abstention, show the voted cards so that the company staff collected such ballots so as to subtract from the total number of votes. The remaining are in the favor votes count.
- The Company will report the result of the vote count of each agenda after the completion of the meeting conduct.
- After completion of the meeting, conduct, the Company requested shareholders to cooperate returning all the ballots for use as reference documented.
- For transparency of vote counting, asking any shareholder volunteer to be witnesses of the vote counting whom Miss Jutathip Promchaisith, a proxy from Watanasophonpanich Company Limited, consented.

Next, The Chairman then proceeded with the agenda of the Meeting as follows:

### **Agenda 1 Certifying the Minutes of the Annual General Meeting of the Shareholders No. 28**

The Chairman informed the Meeting that the Company prepared the Minutes of the Annual General Meeting of Shareholders No.28 convened dated 30 March 2021, completed within 14 days after the meeting date and submitted a copy of the minutes of the meeting to the Stock Exchange of Thailand (SET) and the Ministry of Commerce within the period prescribed by law, and also disclosed on the company's website. And sent the minutes of the meeting together with the invitation letter for consideration in advance. The Chairman, thus proposed the Meeting to certify the Minutes of the Annual General Meeting of Shareholders No.28.

The Chairman asked for shareholders raising questions, but there was no question nor giving an opinion.

(Remark: On this agenda, there were 2 additional shareholders representing 2,548,900 shares attended the Meeting).

**Resolution:** The Meeting certified the Minute of the Annual General Meeting of the Shareholders No.28, with 51,549,140 votes in favor (or 99.9998%); 100 objections (or 0.0002%); 0 abstention; and 0 voided ballots.

**Agenda 2 Acknowledging the opinions of the Company and the independent financial advisor on the delisting of the Company's securities from the Stock Exchange of Thailand (SET), and the offer of the tender offeror, as well as other related information.**

The Chairman informed the meeting that Saha-Union Public Company Limited (SUC), which is the major shareholders of the Company, holding common shares and preferred shares of the Company's totally 29,929,200 shares or 49.88 percent of the total number of issued shares of the Company, has been made letter dated October 21, 2021 expressed its intention to propose to the Board of Directors and shareholders of the Company to consider submitting the application for voluntary delisting common stock of the Company from being listed securities on the Stock Exchange of Thailand (SET). Thus, SUC will undertake the tender offer of all Company's common shares and preferred shares that SUC does not hold from shareholders in order to delist common stock of the Company from being listed securities on SET. The offer price is at Baht 38.35 per share for common shares and Baht 48.15 per share for preferred shares. These prices have been evaluated by a SUC's financial advisor, Fin Plus Advisory Co., Ltd., the Financial Advisor which has permitted license from The Stock Exchange Commission Office, and SUC sees as fair prices, not lower than the maximum price of calculated as per Rules of the Notification the Capital Market Supervisory Board No. Tor Jor. 12/2554.

The Meeting of the Board of Directors No.10/2021 held on October 21, 2021 approved to propose to the shareholders' meeting in consideration of the approval of the delisting common stock of the Company from being listed securities on SET, and having an agreed approval from the independent directors to appoint Capital Advantage Co., Ltd., which has permitted license from the Stock Exchange Commission Office to be the independent financial advisor, to act as a suggestion of opinion on the request for delisting of securities and the offers of the tender offeror to the shareholders.

In order to comply with SET's Regulations on the delisting of securities B.E. 2542, the Company delivered the opinions of the independent directors, the opinions of the independent financial advisor, a report form of an application for delisting of common stock from SET (F10-6); and Annual data report (Form 56-1) that has been updated to current data, until June 30, 2021 attached with the invitation letter of the shareholders' meeting, and the information appear in detail according to attachment order 2-5.

In addition, SET's regulations require listed companies and the independent financial advisor to explain (Presentation) to suggest opinions on the request for delisting common stock of the Company from being listed securities on SET and the proposal made by the tender offeror and other relevant information to acknowledge the shareholders.

The chairman assigned Mrs. Srinual Sombatpraiwan, Managing Director, reported the company's opinion regarding delisting common stock of the Company from being listed securities on SET, offers of the tender, and other relevant information to acknowledge the shareholders.

Mrs. Srinual Sombatpraiwan, Managing Director, reported the company's opinion regarding delisting common stock of the Company from being listed securities on SET, and the tender offer, together with the other relevant information to acknowledged the shareholders, which is summarized as follows.

1. On December 22, 2020; the Board of Directors' meeting approved to cease the textile business and finding a new business. This is mainly due the Company has led into a competitive disadvantage position compared with foreign competitors with lower labor costs. The company's main customers have been affected by the economic recession resulting in their decreasing purchase orders. The operating loss of textile business has continued. If the textile business continues, there would be high-risk on return on investment that it will cause damage to shareholders.

(There was a projection of Net Profit and Operating Profit information charts of past 10 years of the textile businesses from 2011 to 2020, showing continued losses from the textile business from 2012 to 2020).

2. The Company disclosed the status of textile business ceasing and finding of a new business, and released it through the system of SET for period, on March 12, 2021; on May 11, 2021; and on June 30, 2021. By summary, the spinning mill, ceased production since May 10, 2021; and the weaving mill, ceased production since July 1, 2021; and the sales of woven fabrics, completely delivered goods to customers in September 2021. For the finding of new businesses, there is during data study, there is no suitable business found to be the main business of the Company.

3. On October 21, 2021; Saha-Union Public Company Limited (SUC), which is the major shareholders of the Company, holding common shares and preferred shares of the Company totally 29,929,200 shares or 49.88 percent of the total number of issued shares of the Company has been notified of their intention tender an offer of all the company's common shares and preferred shares that SUC does not hold from shareholders in general.

- This is because UT has ceased the textile business and there is no main business to continue.
- UT's common shares may be in case of delisting from being listed securities on SET.
- As an alternative for UT's shareholders to consider selling common shares and preferred shares of UT for voluntary delist UT's common shares from being listed securities on SET.

#### The company's course of action

On October 21, 2021; the board of directors' meeting decided to propose to the extraordinary general meeting of shareholders No. 1/2021 for voluntary delist UT's common shares from being listed securities on SET. Thus, SUC will be a tender offeror for common shares and preferred shares from other shareholders of UT in general as an alternative for UT's shareholders to consider selling the common shares and the preferred shares.

## Case of the delisting securities offer approval

### Advantages and Disadvantages to shareholders

#### Advantages

- Reduces liquidity risk in case UT's securities are marked NC and the SP that could last for 3 years
- There is an option to consider selling shares at fair prices through a tender offer

#### Disadvantages

- Lack of liquidity in securities trading
- There is no market price in trading
- Shareholders do not receive news, information as a listed company
- Shareholders will not be exempt from capital gain tax from stock trading on SET

### Advantages and Disadvantages to the Company

#### Advantages

- Reduce the obligation to comply with regulations related to becoming a listed company
- Reduce costs and fees for maintaining status as a listed company

#### Disadvantages

- No funding was raised through SET

SUC will proceed with the tender offer of all common shares and preferred shares to delist UT's common shares from being listed securities on SET after the following conditions are completed.

- 1) The UT shareholders' meeting approves the resolution to delist UT securities from being listed securities on SET with no less than three-fourths of the total issued shares of the listed company, and also no more than 10% objection of the total issued shares and
- 2) SET and/or related regulatory approve the delisting UT securities from SET

SUC is the tender offeror. The tender offer prices are at Baht 38.35 per common share and Baht 48.15 per preferred share. These prices have been evaluated by SUC's financial advisor which is Fin Plus Advisory Co., Ltd., a Financial Advisor which has permitted license from The Stock Exchange Commission Office, as the financial advisor and SUC sees as Fair prices.

The President invited Mr. Annop Saengvanich of Capital Advantage Co., Ltd. to give the opinion of the independent financial adviser (IFA) on the request for delisting common stock of the Company from being listed securities on SET to acknowledge the shareholders, then IFA made a presentation as follow:

### **Origin of the transaction**

On December 22, 2020; the UT board of directors meeting of approved to cease the textile business and finding a new business

**Causes** The operating loss of textile business has continued. This is mainly due to the intense price competition in the textile business. The company's main customers in Europe have been affected by the economic recession resulting in their decreasing purchase orders.

### **Guidelines**

1. Cease production of the spinning mill since May 10, 2021; and the weaving mill since July 1, 2021
2. The sale of woven fabrics, completely delivered goods to customers by 3rd quarter of 2021
3. Dismiss factory workers
4. There are plans to gradually sell machine assets, factory equipment, transportation equipment and office equipment in the section used about textile manufacturing

In this regard, the Company also has income from rent out land and building, and dividend received (no more than Baht 20 million per year). The Company is during finding a new business.

### **Description and detail of the transaction**

Saha-Union Public Company Limited (SUC or Tender Offeror) which is the major shareholder, holding 49.88 percent of the total number of issued shares of Union Textile Industries Public Company Limited (UT), will tender offer for 29,419,460 common shares at Baht 38.35 per share and 651,340 preferred shares at Baht 48.15 per share.

Securities type	Number of shares held by SUC		Number of shares SUC have to tender offer	
	Number of shares	Percentage	Number of shares	Percentage
Common Share	15,580,540	25.97	29,419,460	49.03
Preferred Share	14,348,660	23.91	651,340	1.09
Total	29,929,200	49.88	30,070,800	50.12
Total number of shares	60,000,000 shares			

Note: UT has common shares totally 45,000,000 shares with Par Value Baht 10 per share and preferred shares totally 15,000,000 shares with Par Value Baht 10 per share

### **Reason and appropriation of the securities delisting**

- The Company is not necessary to raise fund through SET
- Reduce the obligation to comply with regulations related to existing a listed company
- Reduce costs and fees for maintaining status as a listed company on SET
- Reduces minority shareholders' liquidity risk from trading of securities

### **Precedent conditions of delisting securities**

- Obtain approval from The Company shareholders' meeting with the resolution to delist the securities from being listed securities on SET with no less than three-fourths of the total issued shares of the listed company, and also no more than 10% objection of the total issued shares
- Obtain approval of the delisting the securities from SET within 30 days from the date of completely receiving request and information
- The period of making tender offer is 45 working days
- Delist the securities

### **Effect on the Company and the minority shareholders after delisting the securities**

#### **Company**

- No fund raising through SET
- No channel to communicate with investors and/or general people about information and news of the Company

#### **Minority Shareholders**

- lack of liquidity of trading the securities
- Restrictions on receiving return on investment
- Not getting tax privilege
- Obtain less data and/or information from the Company

### **Valuation approach of share prices**

The Independent Financial Advisor has conducted 6 valuation approaches by reporting the details of each valuation approach to acknowledge the meeting. The summary are follows.

#### **1. Book Value Approach (BV)**

The value of the Company is equal to Baht 1,046.02 million. The Share price is equal to Baht 17.43 per share. This method is just a show of the company's value at a certain time, without taking future operation performance nor fair value of the company's assets into account

**The Independent Financial Advisor gave an opinion that this approach is not appropriate.**

#### **2. Adjusted Book Value Approach (ABV)**

This approach is to bring the book value of the Company on June 30, 2021 to be adjusted with the following items:

- In the case of asset valuation such as land, buildings, machinery, and apartment complexes will refer to the evaluation report from the asset appraiser which is American Appraisal (Thailand) Company Limited
- In the case of share price valuation of the listed company on SET will be determined by the 15 working days market weighted average price before the board of directors' meeting which was from September 29, 2021 to October 20, 2021

- In the case of Equity adjustment will use management financial statements of each company as of June 30, 2021 (or December 31, 2020 if not available recent financial statements)

The value of the Company is between Baht 2,435.30-2,452.78 million. The common shares value is between Baht 38.14-38.43 per share. The preferred shares value is between Baht 47.94-48.23 per share.

**The Independent Financial Advisor gave an opinion that this valuation approach is appropriate.** This is due to it reflects the market price of most of the assets of the Company and is in line with the current company situation.

### 3. Market Value Approach

It is considered from the weighted average price of common shares based on market price and the backward trading value of the common shares for 7 days / 15 days / 30 days / 60 days / 90 days / 180 days and 360 days from October 20, 2021.

The value of the Company is between Baht 934.76-1,167.62 million. The value per share is between Baht 15.58-19.46 per share.

**The Independent Financial Advisor gave an opinion that this valuation approach is not appropriate.** This is due to the company's common share trading level was very low which is not reflect the market price that can be used for reference.

### 4. Price to Book Value Ratio Approach (P/BV Ratio)

Currently, most of the company's revenue comes from rent out of land and building. Therefore, some property business companies listed on SET are selected to compare with. The value of the Company is between Baht 1,506.31-2,005.36 million. The value per share is between Baht 25.11-33.42 per share.

**The Independent Financial Advisor gave an opinion that this valuation approach is not appropriate.** This is due to the current book value the Company is reflected in other assets which is not property for rent and it does not reflect the future company outcome.

### 5. Sum-of-the-Parts Approach

This approach is to estimate the value of the Company by applying the value of Discounted Cash Flow (DCF) combined with adjusted book value which shows important assets based on market prices to reflect the overall value of the Company under the current situation of the Company.

This is due to the cease of the textile business in July 2021, there is only remaining businesses that are not related to production which are property renting income and dividend income. The independent financial advisor has made a financial estimation of only 4 years from 2021 - 2024 based on the remaining renting period. After duly rental agreements, the financial advisor will evaluate the rented land value in 2024.

The value of the Company is between Baht 2,355.65 to 2,373.13 million. The common share value is between Baht 36.81 - 37.10 per share. The preferred share value is between Baht 46.61 and 46.90 per share.

**The Independent Financial Advisor gave an opinion that this valuation approach is appropriate.**

#### **6. Price to Earnings Ratio Approach (P/E Ratio)**

This is because there was operating loss during the 12 months backward period, **the Independent Financial Advisor cannot evaluate with this approach.**

#### **Independent Financial Adviser's opinion on the common share and preferred share tender offering prices**

1. The appropriate approaches to evaluate the stock price of the Company are Adjusted Book Value Approach and Sum-of-the-Parts Approach which reflecting fair values of common shares and preferred shares of the Company.

2. The appropriate evaluated prices of the common shares are between Baht 36.81-38.43 per share and that of the preferred shares are between Baht 46.6 1-48.23 per share. Comparing to the common share tender offering price at Baht 38.35 per share and the preferred share tender offer price at Baht 48.15 per share, the tender offer prices are within the range of fair values that are evaluated by the independent financial advisor. Therefore, the tender offer prices for common shares and preferred shares are appropriated prices and comply with the regulation of the announcement of acquisition of securities for business takeover.

3. Shareholders should consider approving the matter of voluntary delist of the Company's common shares from being listed securities on SET.

The Chairman has given the shareholders the opportunity to inquire.

Mr. Thitivut Sukpornchaikul, a proxy, asked about the independent financial advisor's opinion reported paged 59, paragraph 6.5, why are the estimates of dividends received from SUC and MRC the same amount every year? And, why does the Company still have operating and administrative expenses from continuing operations?

Mr. Annop Saengvanich, an independent financial advisor, reported to the meeting as follows.

1. In the past, the Company has received dividends from SUC and MRC, which have been relatively stable every year without Growth.

2. The Company still has operating and administrative expenses from continuing operations. This is because there are part of the employees still working, and there are consulting fees, audit fees, utilities, and other expenses.

(In this agenda, 4 more shareholders participated in the meeting, 4,953,200 shares.)

**Resolution:** The meeting acknowledged.

**Agenda 3 Consider approving the matter of voluntary delist of the Company's securities from being listed securities on the Stock Exchange of Thailand, and the related delegations**

The Chairman informed the meeting that Saha-Union Public Company Limited (SUC), the tender offeror, will proceed with the tender of all common shares and preferred shares in the non-held part of the Company from Shareholders in general to delist UT's common shares from being listed securities on SET after the following conditions are completed.

1) The UT shareholders' meeting approves the resolution to delist UT securities from being listed securities on SET with no less than three-fourths of the total issued shares of the listed company, and also no more than 10% objection of the total issued shares and

2) SET and/or related regulatory approve the delisting UT securities from SET

In this regard, if the extraordinary general meeting of shareholders of the Company decides to approve the delisting of company's common shares from being listed securities on SET, the Company shall submit an application form for delisting common shares from being listed securities (F10-7) to SET. And when the delisting has already been approved by SET and/or related regulators, SUC will undertake the tender offer for all non-held common shares and preferred shares of the Company. The tender offer price of common shares is Bath 38.35 per share and that of the preferred share is at Baht 48.15 per share for delisting common stock of the Company from being listed securities on SET which according to comply with the criteria in the announcement of Stock Exchange Commission Office and other relevant regulations.

In addition, in order to comply with SET's regulations on delisting of securities BE. 2542 and other relevant regulations, the Company's Board of Directors deemed it appropriate to submit to the shareholders' meeting to approve the delegation of authority to the Chairman of the Board of Directors or the Managing Director to take any necessary actions and involve the request for the delisting of the company's common shares from being listed securities on SET which includes the following matters:

- 1) Define details, modify, add, or change details in any document regarding the request for delisting the securities
- 2) Sign any documents, including those that have been amended, necessary for the request for delisting the securities
- 3) Permission, reprieve, submit documents, or take any necessary related actions regarding delisting the securities to the Stock Exchange of Thailand, the SEC, or any other related agencies
- 4) Do any necessary actions in accordance with the requirements of the Stock Exchange and the SEC to complete the securities delisting

The Chairman has given the shareholders the opportunity to inquire.

Mr. Surachai Ratitong, a shareholder, inquired that after approving the application for delisting of UT securities, what is the procedure for making a tender for securities?

Mr. Annop Saengvanich, an independent financial adviser, reported to the meeting that after the shareholders have approved the delisting of UT securities, the Company shall

