

**BuilderSmart Public Company Limited**

บริษัท บิวเดอสมาร์ท จำกัด (มหาชน)

**Information Memorandum of the Entire Business Transfer (EBT)****From Sansara Development Co., Ltd., to BuilderSmart PCL.**

The Board of Directors (“Board”) of BuildingSmart PCL (the “Company” or “BSM”) has resolved to propose to the Extraordinary General Meeting of Shareholders (“EGM”) no.1/2020 to consider and approve the transaction of Entire Business Transfer (“EBT”) from Sansara Development Co.,Ltd. (“SD”), a subsidiary which the Company holds 99.99% ownership) through the Board of Directors’ Meeting no.5/2020 on 23 September 2020. The Company will execute the EBT transaction in compliance with the requirements under the rules, procedures, and conditions under the applicable Thai Revenue Code to receive the relating tax advantages. The details of the transaction are as follows:

**1. Date of the transaction**

The Company will execute the EBT transaction pursuant to the approval from the EGM no.1/2020 which will be held on 27 October 2020 and the EBT transaction is expected to be completed within December 2020.

**2. Related Parties and Relationship with the Company**

Transferee : BuilderSmart Public Company Limited (“BSM”)

Transferer : Sansara Development Company Limited (“SD”)

Relationship : The Company is the major shareholder of SD with ownership of 99.99% and has 2 mutual Directors which are;

1. Mr. Suresh Subramaniam
2. Mr. Sunchai Nuengsit

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General Information of SD :

## ● General Information

Company Name	Sansara Development Company Limited
Type of Business	Real estate development of premium pool villas for long term lease and apartments for long-term lease. The project has a complete service and facilities surrounded by mountains and located in the Black Mountain Golf Club, Hua Hin, Prachaubkirikhan
Address	905/7 Rama 3 Soi 51, Rama 3 Road, Yannawa, Bangkok 10120
Registration No.	0105559072108
Registration Date	10 May 2016
Registered Capital / Paid-up Capital	150,000,000 Baht
Directors	1) Mr. Suresh Subramaniam 2) Mr. Sunchai Nuengsit 3) Miss Missara Vongsinsirikul  Authorized Signature: 2 of 3 Directors and Company Seal

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- Shareholders of SD as of 23 September 2020

Shareholders	Number of Shares (Shares) / Voting Rights (Rights)	Ownership (%) / Voting Rights (%)
1) Builder Smart PCL	29,999,996 / 29,999,996	99.99% / 99.99%
2) Mr. Sunchai Nuengsit	3 / 3	< 0.01% / < 0.01%
3) Mr. Suresh Subramaniam	1 / 1	< 0.01% / < 0.01%
<b>Total</b>	<b>30,000,000 / 30,000,000</b>	<b>100.00% / 100.00%</b>

- Financial Summary of SD

Items (unit : Baht)	Financial Statement	
	30 June 2020 (reviewed)	31 Dec 2019 (audited)
<b>Assets</b>		
Total Current Assets	69,100,206	47,034,311
Total Non-current Assets	675,709,398	714,568,538
<b>Total Assets</b>	<b>744,809,604</b>	<b>761,602,849</b>
<b>Liabilities</b>		
Total Current Liabilities	213,483,768	511,668,708
Total Non-current Liabilities	398,923,176	105,653,159
<b>Total Liabilities</b>	<b>612,406,944</b>	<b>617,321,868</b>
<b>Shareholders' Equity</b>		
Registered Capital	150,000,000	150,000,000
Retained Earnings/(Loss)	(17,597,339)	(5,719,019)
<b>Total Shareholders' Equity</b>	<b>132,402,660</b>	<b>144,280,980</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>744,809,604</b>	<b>761,602,849</b>

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### 3. Transaction Overview

The Company will execute the restructuring transaction through EBT in which the Company will receive the real estate development business, assets, liabilities, licenses, entire rights and duties, and will dissolve SD in accordance with the Thai Revenue Code. Thus, the value of the transaction is determined to be the fair value. The Board has authorized the Executive Committee to consider appointing an independent appraisal to determine the appropriate fair value with the Company's best interest and in accordance with related laws and regulations such as, the Securities and Exchange Act B.E.2535, the Public Companies Limited Act B.E.2535, and the Thai Revenue Code., and including the notifications of related law. The transaction is expected to be completed within December 2020.

As the EBT Transaction is a restructuring of group of company on the basis of under common control (UCC), it is not subject to the regulation of the acquisition of assets pursuant to 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 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 Assets B.E.2547.

Furthermore, the transaction is exempted from compliance with the Notification of the 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 Transactions B.E.2546.

However, the execution of the transaction is regarded as the Company acquisition and receive the transfer of another business to the Company pursuant to Section 107(2)(b) of the Public Limited Companies Act B.E.2535. Therefore, the Company is required to obtain approval for the EBT transaction from the shareholders' meeting, with not less than three-fourths of all votes of the shareholders present at the shareholders' meeting and entitled to vote.

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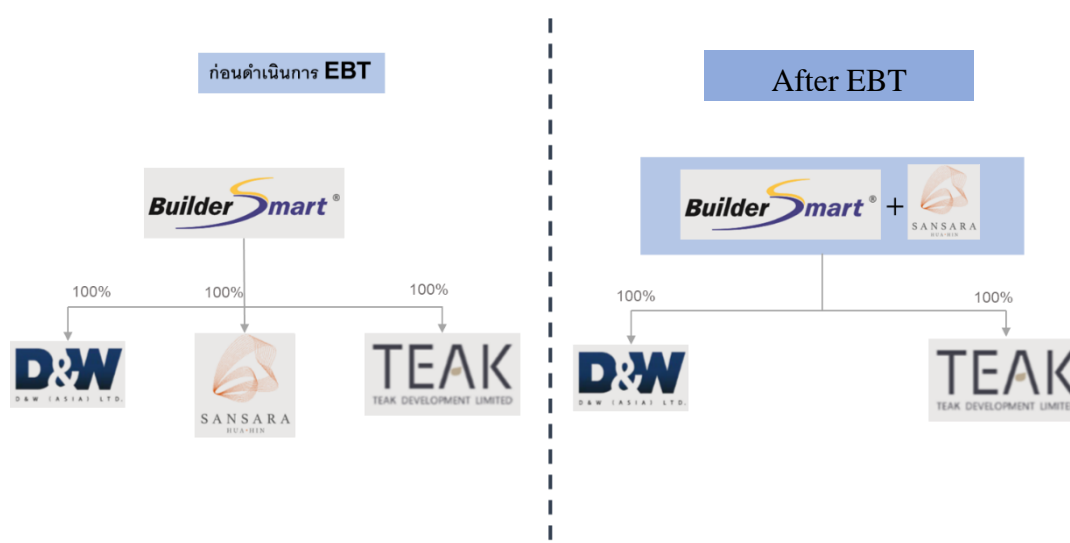
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**4. Rationale and Reasons for the Restructuring of Business**

The restructuring through EBT from the subsidiary (transferor) to the Company (transferee) is to achieve the group of company strategic goal in creating a sustain growth for the business. The restructuring illustrates as follows:



The rationale and reasons of the transaction are as follows:

- 4.1 The transaction will enhance the flexibility of the operation and the management of the Company in terms of business operation, accounting, and legal issues that require approval from the Board Level and the Company's Shareholders Level.
- 4.2 Restructuring with the Company, a listed company, as the transferee and operator of the business will likely increase the group of Company's creditability, create trustworthiness towards the suppliers and clients, and including, fully enhance the Company's competitive advantages.
- 4.3 The transaction could reduce unnecessary management expenses between the 2 companies.
- 4.4 The transaction will be executed in accordance with the Thai Revenue Code and be viable without incurring tax from the transfer of assets according to Section 74(b)(c), exempted VAT due to not deem as sale transaction as per Section 77/1(8)(f) and other related taxes such as, special business tax and stamp duties. The transaction is not exempted only the transferred fee of assets (if any) such as lands, buildings, and machines.

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**5. Restructuring Process**

- 5.1 The Executive Committee will consult with legal and tax consultant, appointed auditor, and relating authorities bureau such as SEC, SET, and the Revenue Department to appropriately comply with the EBT transaction, and to disclose to the Stock Exchange of Thailand and stated in the invitation of the EGM no.1/2020.
- 5.2 The Executive Committee will appoint an independent appraisal firm which is certified by the SEC to appraise the fair value of SD's total assets for the consideration of an appropriate transfer price, and to be in accordance with the Thai Revenue Code as per taxes exemption on EBT Transaction.
- 5.3 The Board will propose to the EGM no.1/2020 to consider and approve the EBT transaction.
- 5.4 On the transfer date, SD will transfer assets, liabilities, rights, and duties that are relevant and necessary to operate the business at the fair value determined by an independent appraisal firm.
- 5.5 On the transfer date, SD will transfer and change contracts, licenses (if any), assets registration to the Company.
- 5.6 SD will transfer the employees under its operation to the Company in accordance with the Thai Labour Laws.
- 5.7 SD will dissolve and liquidate in accordance with the process, period, and regulations specified by the Thai Revenue Code within the same fiscal year of the EBT transfer date, or within 31 December 2020.

**6 Governance and Management**

After the restructuring, the group management and operational structure will retain. As for the governance on the conflict of interest, the Company will maintain the prevention process as prior to the restructure.

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**7 Impact of the EBT transaction on the Company's Financial Position, Operation Results, and Shareholders**

The EBT transaction will not significantly affect the Company's financial position and operation results which the transaction is executed between the Company and its 99.99% subsidiary.

**8 Opinion of the Board of Directors**

The Board has the opinion that the restructuring through EBT from SD is to increase the efficiency in the operation and management of the Company and create a sustainable business growth. Therefore, the transaction is deemed appropriate. Thus, the Board resolved to propose to the EGM no.1/2020 for consideration and approval of the EBT transaction.

**9 Opinion of the Audit Committee or Directors whose Opinion is differed from the Board of Directors**

-None-