

Stark Corporation Public Company Limited

Invitation to the Extraordinary General Meeting of Shareholders No. 3/2019

Friday, November 29, 2019 at 9.00 hours

At Pinnacle 1-2, 4th Floor, InterContinental Hotel Bangkok

973 Ploenchit Road, Lumpini, Pathumwan, Bangkok

November 14, 2019

Subject: Invitation to the Extraordinary General Meeting of Shareholders No. 3/2019

Attention: Shareholders

- Enclosures
1. A copy of the Minutes of the Extraordinary General Meeting of Shareholders No. 2/2019
 2. Information Memorandum of Stark Corporation Public Company Limited Re: Acquisition of Assets and Connected Transaction on Acquisition and Acceptance of Entire Business Transfer Transaction (List 1 and List 2)
 3. Report of the Independent Financial Advisor's Opinion (Attached separately to this Invitation)
 4. Profiles of Independent Directors for Proxy Appointment
 5. Procedure for Registration, Documents and Evidence Required for Attending the Meeting
 6. Articles of Association in respect of the Shareholders' Meeting
 7. Map of the Meeting Venue
 8. Proxy Form

On September 30, 2019, the Board of Directors' Meeting of Stark Corporation Public Company Limited (the "Company") resolved to call the Extraordinary General Meeting of Shareholders No. 3/2019 to be held on Friday, November 29, 2019 at 9:00 hours at Pinnacle 1-2, 4th Floor, InterContinental Hotel Bangkok, 973, Ploenchit Road, Lumpini, Pathumwan, Bangkok, to consider such matters in accordance with the following agenda:

Agenda Item 1 **To consider approving the Minutes of the Extraordinary General Meeting of Shareholders No. 2/2019**

Facts and Reasons The Company has prepared the Minutes of the Extraordinary General Meeting of Shareholders No. 2/2019, which was held on Monday, October 21, 2019, and submitted such Minutes of the Meeting to the Stock Exchange of Thailand and the Department of Business Development, Ministry of Commerce, as required by law, as per the details in Enclosure 1, which has been distributed to all shareholders together with the invitation letter for this Meeting.

Opinion of the Board The Board of Directors has considered and found that the Minutes of the Extraordinary General Meeting of Shareholders No. 2/2019, which was held on Monday, October 21, 2019, duly recorded the resolutions of the Meeting, and thus

deemed it appropriate to propose the Shareholders' Meeting to consider approving such Minutes of the Meeting.

Resolution

The resolution for this agenda item must be adopted with a majority of votes of the shareholders present at the Meeting and casting their votes.

Agenda Item 2

To consider approving the acquisition and acceptance of the entire business transfer between the Company and Pinwheel 2 Co., Ltd., and the execution of the Entire Business Transfer Agreement, other agreements and documents relating to the acquisition and acceptance of the entire business transfer, which constitute a transaction on acquisition of assets and a connected transaction and to maintain the remaining long term loan with the related companies

Facts and Reasons

The Board of Directors' Meeting of the Company No. 5/2019, which was held on September 30, 2019, has resolved to approve the acquisition and acceptance of the entire business transfer of Pinwheel 2 Co., Ltd. ("**Pinwheel 2**"), which refers to all assets, liabilities, rights, obligations and responsibilities of Pinwheel 2, currently available and to be available in the future, as of the date of the entire business transfer, including 109,998 ordinary shares (with a par value of THB 1,000) per share in Adisorn Songkhla Co., Ltd. ("**Adisorn**") (representing 99.99 percent of Adisorn's issued and paid-up shares). In addition, the Board of Directors' Meeting resolved to approve the Company to enter the entire business transfer agreement, other agreements, and other documents in relation to the acquisition and acceptance of the entire business transfer which is also considered as acquisition of assets and connected transaction. In this regards, the Company shall make payment in consideration of the entire business transfer in the amount of THB 1,550,000,000 (One Billion Five Hundred Fifty Million Baht) in cash to Pinwheel 2 (the "**Entire Business Transfer Transaction**").

In addition, on October 4, 2019, the Company and Pinwheel 2 have further agreed from the negotiation between the Chairman of the Company and Pinwheel 2 about condition precedent of the Entire Business Transfer Transaction for the repayment of outstanding long-term loan of Adisorn and its related companies. In this connection, the shareholders of Pinwheel 2 agreed to repay outstanding long-term loan to Adisorn in the amount of no less than THB 500,000,000 (Five Hundred Million Baht) prior to the acceptance under the entire business of Pinwheel 2 (the amount of long-term loan for its related business is approximately THB 1,059,000,000 (One Billion Fifty-

Nine Million Baht) as of December 31, 2018). Nonetheless, Pinwheel 2 requires its related companies to repay all outstanding long-term loan to Adisorn by the Second Quarter of 2020.

Furthermore, in relation to the acquisition and acceptance of a private company's business pursuant to Section 107(2)(b) of the Public Limited Companies Act B.E. 2535 (1992) (as amended), such public limited company is required to obtain approval from the Shareholders' Meeting with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote.

In addition, the Entire Business Transfer Transaction is regarded as a transaction on acquisition of assets under the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated August 31, 2008 (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 and Disposition of Assets B.E. 2547 (2004) dated October 29, 2004 (as amended) (the "**Notifications on Acquisition or Disposition of Assets**"). Upon consideration of the size of the transaction based on the net operating profits method (Net Profit) per the Independent Auditor's Assurance Report on the Compilation of Pro Forma Consolidated Financial Information Included in the Prospectus ended June 30, 2019, the Entire Business Transfer Transaction is regarded as a transaction on acquisition of assets in type 2, with the value equal to 45.25 percent (which is equal to 15 percent or higher, but lower than 50 percent) calculated based on net operating profits method (Net Profit) (although the Company has no acquisition of assets over the past six months which has not yet been approved by the Shareholders' Meeting). Therefore, the Company is required to prepare and submit a report and disclosure of information memorandum on the execution of such transaction to the Stock Exchange of Thailand ("**SET**") and convene a Shareholders' Meeting to seek approval for the execution of the transaction.

Therefore, the Company must comply with the Notifications on Acquisition or Disposition of Assets, including the preparation of a report and disclosure of information memorandum on the Company's transaction to the SET immediately, which must at least contain the information as required in List (1) attached to the Notifications on Acquisition or Disposition of Assets. In addition, the Company must disclose the information memorandum where such information memorandum must contain at least the information as specified in List (2) 1, 2, 3, 5(3), 7 and 8 attached to the Notifications on Acquisition or Disposition of Assets. The Entire Business Transfer Transaction is a significant transaction and is a transaction on acquisition of assets and a connected transaction. The Company therefore proposed to the Shareholders' Meeting for approval with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote. In this regards, the connected person and/or the interested shareholder have no rights to vote in the meeting. In addition, the Company has appointed Welcap Advisory Company Limited, which is a financial advisor approved by the Office of the Securities and Exchange Commission (the "**SEC Office**"), as its independent financial advisor to provide its opinions to the shareholders on the Entire Business Transfer Transaction.

Furthermore, the Entire Business Transfer Transaction is regarded as a connected transaction of a listed company under the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions dated August 31, 2008 (as amended) and the Notification of the Board of Governors of the SET Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) dated November 19, 2003 (as amended) (the "**Notifications on Connected Transactions**") as it is executed with a connected person of the Company's controller and major shareholder, namely Mr. Vonnarat Tangkaravakoon, the director and shareholder of Pinwheel 2. In addition, Mr. Sathar Chantrasettalead is the director of Adisorn. In this regard, the size of the transaction is equal to 83.08 percent of the net tangible assets (NTA) of the Company per the Independent Auditor's Assurance Report on the Compilation of Pro Forma Consolidated Financial Information Included in the Prospectus ended June 30, 2019. Therefore, the Company is required to comply with the Notifications on Connected

Transactions, including the following matters:

- (1) To prepare and submit a report and disclosure of information memorandum on the Company's transaction to the SET;
- (2) To convene a Shareholders' Meeting of the Company by delivering the invitation letter for the Shareholders' Meeting to the shareholders at least fourteen days prior to the date of the Shareholders' Meeting, in order to obtain approval from the Shareholders' Meeting with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote. In this connection, the connected person and/or the interested shareholder have no rights to vote in the meeting; and
- (3) To appoint an independent financial advisor to carry out the relevant functions, including to provide its opinions as required by the Notifications on Connected Transactions. In this regard, the Company has appointed Welcap Advisory Company Limited, which is a financial advisor approved by the SEC Office, as its independent financial advisor to provide its opinions on the Entire Business Transfer Transaction to the Company's shareholders.

Nonetheless, the Company did not execute any other connected transactions with Pinwheel 2 or Pinwheel 2's related persons over the past six months which have not yet been approved by the Shareholders' Meeting.

The details of the Entire Business Transfer Transaction, which constitutes a transaction on acquisition of assets and a connected transaction of a listed company, are appeared in the Information Memorandum of Stark Corporation Public Company Limited Re: Acquisition of Assets and Connected Transaction on Acquisition and Acceptance of Entire Business Transfer Transaction (List 1 and List 2) (**Enclosure 2**).

In addition, the opinions of the independent financial advisor on the Entire Business Transfer Transaction, which constitutes a transaction on acquisition of assets and a connected transaction, are set out in the Report of the Independent Financial Advisor's Opinion (**Enclosure 3**)

However, the Entire Business Transfer Transaction shall proceed only after the

conditions precedent as specified in the entire business transfer agreement between the Company and Pinwheel 2 (the "**Entire Business Transfer Agreement**"), including other arrangements, contracts and documents relating to such transaction, shall have been fulfilled. The significant conditions precedent may be summarized below:

- (1) The Company shall have acknowledged the results of the legal and financial due diligence of Adisorn without any material and adverse impact on the Entire Business Transfer Transaction;
- (2) The Shareholders' Meeting of the Company shall have resolved to approve the Entire Business Transfer Transaction, including approval on various matters necessary for and/or in connection with such transaction;
- (3) As of the date of the entire business transfer, there shall be no event or action happening or caused to happen or reasonable believed to likely happen, which may give rise to material and adverse impact in Adisorn or jeopardize the execution of the Entire Business Transfer Transaction;
- (4) The Board of Directors' Meeting and the Shareholders' Meeting of Pinwheel 2 shall have resolved to approve the transfer of its entire business to the Company, including the execution of the Entire Business Transfer Agreement, other arrangements, contracts and documents relating to the execution of the Entire Business Transfer Transaction; and
- (5) The related companies to repay outstanding long-term loan to Adisorn in the amount of no less than THB 500,000,000 (Five Hundred Million Baht).

Opinion of the Board

The Board of Directors deemed it appropriate to propose the Shareholders' Meeting to consider approving the acquisition and the acceptance of the entire business transfer between the Company and Pinwheel 2 and approving the Company to enter into the Entire Business Transfer Agreement, other arrangements, and other documents in relation to the acquisition and acceptance of the entire business transfer of Pinwheel 2 which is also considered as acquisition of assets and connected transaction on the acquisition of assets and a connected transaction and to maintain the remaining long term loan with related companies in the total amount of THB 1,550,000,000. In addition, the Board of Directors deemed it appropriate to propose the Shareholders' Meeting to consider authorizing the Board of Directors or

the Chairman or the Chief Executive Officer or the person authorized by the Chairman or the Chief Executive Office to take any arrangements in connection with or necessary for the execution of the Entire Business Transfer Transaction, including to negotiate, enter into, sign and amend the Entire Business Transfer Agreement, other arrangements, and other documents in relation to the acquisition and acceptance of the entire business transfer of Pinwheel 2, and to set out rules, conditions and other details necessary for and in connection with the Entire Business Transfer Transaction as necessary and appropriate under the applicable laws per the above details.

Resolution

The resolution for this agenda item must be adopted by not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote. The connected person and/or the interested shareholder have no rights to vote in the meeting.

According to the list of shareholders of the Company as of November 4, 2019, which is the date to determine the list of shareholders entitled to attend the Meeting (Record Date), a connected person and/or an interested shareholder who is not entitled to vote in this agenda item is Mr. Vonnarat Tangkaravakoon, holding 16,500,000 shares of the Company.

Agenda Item 3 **To consider other matters (if any)**

Furthermore, the Company has published the invitation letter for the Shareholders' Meeting, together with supporting documents, on the Company's website at www.starkcorporation.com since November 14, 2019, 2019. The shareholders are hereby invited to attend the Extraordinary General Meeting of Shareholders No. 3/2019 on Friday, November 29, 2019 at 9.00 hours (registration starts at 8.00 hours) at Pinnacle 1-2, 4th Floor, InterContinental Hotel Bangkok, 973, Ploenchit Road, Lumpini, Pathumwan, Bangkok. Please refer to the map of the Meeting Venue in **Enclosure 7**.

Should any shareholder be unable to attend the Meeting in person and wish to appoint a proxy to attend the Meeting and vote on his/her behalf, please fill out and sign either Proxy Form A or B, and in case of a foreign shareholder who has appointed his/her custodian, please use Proxy Form C per **Enclosure 8**.

In order to protect the shareholders' rights and benefits in the event where any shareholders may be unable to attend the Meeting in person and wish to appoint the Company's independent directors as their proxies to attend the Meeting and vote on their behalf, the shareholders may appoint the Company's independent directors as their proxies per the list of names and profiles in **Enclosure 4**, using Proxy Form B in **Enclosure 8**, to appoint the Company's independent directors as proxies to attend the Meeting and vote on

their behalf, and submit Proxy Form B, along with supporting documents, as per the details in Enclosure 5, to Stark Corporation Public Company Limited, No. 518/5 Maneeya Center, 16th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok, Telephone 02-680-5800. For the ease of document review, please provide the Company with such documents by November 28, 2019.

In this regard, the shareholders are requested to read the explanation on procedures for registration, grant of proxy, documents and evidence required to attend the Meeting per Enclosure 5. The Company shall proceed with the Meeting in accordance with the Company's Articles of Association, Chapter 5 Shareholders' Meetings, as per the details in Enclosure 6.

To ensure convenient and rapid registration to attend the Extraordinary General Meeting of Shareholders No. 3/2019 in an orderly manner, the shareholders and proxies may register at 8.00 hours on the Meeting Date at Pinnacle 1-2, 4th Floor, InterContinental Hotel Bangkok, 973, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

Furthermore, the Company has scheduled November 4, 2019 as the record date to determine the list of shareholders entitled to attend the Extraordinary General Meeting of Shareholders No. 3/2019.

Very truly yours,



(Mr. Chanin Yensudchai)
Board Chairman