

Translation

COTTO 008/2022

April 7, 2022

To President

The Stock Exchange of Thailand

Subject: Formation of a Joint Venture to expand Retail and Wholesale Businesses in Banteay Meanchey and Siem Reap Provinces in Cambodia

SCG Ceramics Public Company Limited (or “COTTO”) hereby announces that Sosuco Ceramic Company Limited (or “SSC”), a wholly owned subsidiary of COTTO, has entered into a joint venture agreement with LHCG Construction Store Co., Ltd. (or “LHCG”) to form a new joint venture. This new entity is formed to operate retail and wholesale businesses for ceramic tile and relevant products in Banteay Meanchey and Siem Reap, Cambodia, the country with potential and high growth of ceramic tile market demand.

LHCG has been in construction material business since 1992 and has expertise in wholesale, domestic logistics, import, warehousing, and channel distribution. LHCG is one of COTTO’s key dealers located in Poipet and Siem Reap, Cambodia.

The new joint venture’s total registered capital shall be 550,000 USD or approximately 17.1 million baht. SSC will hold 60% equity stake, while the remaining 40% will be held by LHCG. SSC used cash flow generated from operations as a funding source for the project. The new joint venture is expected to be established in Quarter 2 of 2022 and to begin business operation by the end of 2022.

This investment is considered an acquisition of a new subsidiary with the transaction size of 0.1% of total assets stated in COTTO consolidated financial statements as at December 31, 2021. When combined with those in the past six months prior to the date of this transaction, the total size is 1.3%. Thus, the disclosure of this transaction is not required pursuant to disclosure rule for the acquisition and disposition of assets. This transaction is not a connected transaction.

Please be informed accordingly.

Yours faithfully,
SCG Ceramics Public Company Limited

(Mr.Numpol Malichai)
Managing Director