

August 17, 2020

Subject : Notification on the discontinuation and the dissolution of subsidiary companies
Attn : President
The Stock Exchange of Thailand

Eason & Co Public Company Limited (“Company”) would like to report that the Board of Directors meeting No. 5/2020 dated on August 14, 2020 passed the resolution of the discontinuation and the dissolution of subsidiary companies as follows;

1. The discontinuation of subsidiary company

According to the company established PT. Eason Indonesia (“EI”) with aims to be the manufacturer and distributor motorcycle paint in Indonesia, and entered a toll manufacturing agreement with PT. BASF Indonesia (“BASF”) with USD 4 million registered capital which the company holds 93.73%.

Due to the current economic circumstances and slowdown in the automotive sector around the globe, it has reflected on the result of EI’s operation which failed to achieve its operational plan and encounter a continuous loss for many years. The company considered that EI should cease its operations, to lower the operating expenses and terminate an agreement with BASF on June 30, 2020. At the current stage, EI is on the process of consideration the business model so that its operation can be continued onwards. In this regard, the discontinuation of the subsidiaries has no significant effect on the operation and the financial status of the company, since the company has been acknowledged and has recorded the allowance for impairment of investments on the financial statements of the company already.

The company still operates and manages the business according to the policy of the Board of Directors with care and prudence for the best interest of the company and shareholders. In case of the company has a significant change, the company will notify the Stock Exchange of Thailand for further shareholders and investors onwards.

2. The dissolution of subsidiary company

According to Eason Far East Sdn. Bhd. (“EFE”), a subsidiary company of Eason & Co Public Company Limited (“Company”), established in Malaysia with aim to be metal ink and



Eason & Co Public Company Limited

packaging coating distributor, with a registered capital amount of 1 million Malaysia ringgit, and the company holds 60% of the proportion.

Since an establishment, EFE performance result has not been in line with the expected plan due to the impact of price competition which is a key factor affecting the sale volume of EFE. The company has continuously discussed with partner so that EFE would be able to run business and being competitive, however; the operating result of EFE still was not meet target. The shareholders of EFE decided to cease its operation, while agreed to let EASON distribute metal ink and packaging coating to customers in Malaysia directly.

The Board of Directors of the company has already considered EFE shareholders' opinion and passed the resolution to dissolve EFE as aforementioned reasons, and the company will proceed the liquidator to complete dissolution process. In this regards, the dissolution has no impact to business operations of the company.

Please be informed accordingly

Yours sincerely,

(Mr. Nathapol Eksangkul)

Vice President