

-Translation-

No. LA037/2021 (PE)

31 August 2021

Subject: Explanation of measures to resolve the issue for falling the criteria to be delisted from listed securities in case of the SP sign will take 2 years due to incomplete members of Audit Committee, in the event that the shareholders' equity is less than zero and in case that the auditor does not express an opinion on the financial statements for 3 consecutive years

To: Director
The Stock Exchange of Thailand

Refer to: Letter from the Stock Exchange of Thailand at Bor Jor 231/2021 dated 16 August 2021

Presently, Premier Enterprise Public Company Limited is a listed company on the Stock Exchange of Thailand (SET) and the SET posted the SP (Suspension) sign because the Company is subjected to certain causes falling the criteria which its securities may be delisted from being a listed company. Details of the reasons that may be delisted from being listed securities are as follows:

Case 1 The Company is unable to appoint the Audit Committee to meet the required member within the specified time due to the resignation of the members of Audit Committee with effect of resignation since 9 August 2019 and certain members of the SET posted the SP sign on 11 February 2020. The Company has then fallen the criteria to be delisted from being listed securities if the Company is unable to completely appoint the Audit Committee within 10 February 2022 because the SP sign has been posted for more than 2 years.

Case 2 The auditor reported that the reason why the auditor did not express the opinion on the financial statements of the Company for 3 consecutive years was due to factors indicating certain significant uncertainties which would cast a doubt as to the Company's ability to continue as a going concern, as a result of the lawsuits that Nawarat Patanakarn Public Company Limited is the plaintiff suing the Company ("NWR Case"). The Court of Appeal for Specialized Cases decided that the Company shall pay in the total amount of baht 837.22 million and pay interest at the rate of 7.5% per annum over the principal amount of baht 473.47 million, calculated from 3 April 2012 until the payment is made in full. The case is not yet final, the Supreme Court has ordered to accept the Company's petition for consideration since 13 May 2020 and SET posted the SP sign due to this reason on 23 February 2020. The Company has then fallen the criteria to be delisted phase 1 due to this reason since 23 February 2020 and the Company must take action to resolve the case before the 3rd phase is due, which is scheduled by 24 February 2022.

Case 3 The Company's financial statements as of 31 December 2020, which have been audited by the auditor, show that the shareholders' equity is less than zero because the Civil Execution Office has seized the shares of a subsidiary for sale by auction and bring the money to pay tax liabilities to the Revenue Department and NWR case as mentioned in Case 2. The action has taken place since 2019 to 2020, with the latest sale on 29 January 2020 and there has been no offer to buy shares. Therefore, the expected value from the auction of the subsidiary's shares depends on the result of the auction. The Company therefore considered

the impairment of investment in the said subsidiary in the amount of baht 103 million by referring to the appraised price from the latest auction to reflect the value expected to be recovered. As a result, the Company's financial statements as of 31 December 2020 showed a loss in excess of the capital of baht 37 million and the SET posted the SP sign due to this reason on 24 February 2021. The Company has then fallen the criteria to be delisted phase 1 due to this reason since the date of being posted with the SP sign.

In relation to corrective actions to remedy the above reasons for being delisted, the main factors are the result of the NWR Case, which is worth approximately baht 1,166 million (as of 30 June 2021), as well as the value to be recovered from the auction sale of the subsidiary's shares. According to the current situation, the scheduled date for auction has been postponed due to the Covid-19 situation. Therefore, the cause of Case 2 and Case 3 is about a lawsuit that the Company cannot control or find a solution. What the Company can do is to wait for the result of the Supreme Court's consideration, which is currently in the process of being considered by the Supreme Court.

As for the selection of the Audit Committee according to the reason for the delisting in case 1, according to the resolution of the 2021 shareholders' meeting held on 21 April 2021, it was approved to appoint Mr. Anupong Techaamnuyaporn as an independent director and Audit Committee member of the Company. However, due to the status of the Company falling the criteria to be delisted according to the reasons stated in the preceding paragraph, the selection of independent directors has been difficult. However, the Company shall continue to recruit additional independent directors.

For your acknowledgement.

Yours sincerely,

- (Signature) -

(Mrs. Walairat Pongjitt)

Managing Director

Premier Enterprise Public Company Limited