

Chow Steel Industries Public Company Limited

CHOW.138/2017

11 August 2017

Subject: Notification on the Resolutions of the Board of Directors

Attention: Director and Manager

The Stock Exchange of Thailand

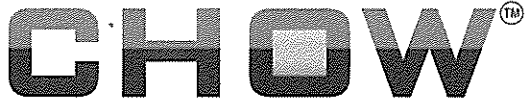
Enclosure: Information Memorandum regarding asset acquisition of Chow Steel Industries Public Company Limited

Chow Steel Industries Public Company Limited (the "Company") would like to inform that the Board of Directors no.4/2017, held on August 11, 2017 has passed resolution approved an indirect subsidiary company the purchase of shares in companies which operating solar power project Iwaki in Japan its installed capacity is 26.68 Megawatts (DC). Total amount of approximately 3,525 Million Baht (or Equivalent to 11,017 Million Yen with the reference of the exchange rate of 0.31996 Baht per Yen) as follows;

- 1) Premier Solution Co., Ltd. (Indirect subsidiary which the Company held 87.36% stake through Chow Energy Public Company Limited) has purchased 1,260,000 ordinary shares or 60% of the total shares in Overseas Green Energy Co., Ltd. (Investor in project management services) from Ratchaburi Energy Co., Ltd. (the original shareholder is not a related person of the Company and its subsidiaries) for the amount of 9,600,000 Baht, with details as follows:
 - 60,000 ordinary share, paid-up 100% for the amount of 600,000 Baht
 - 1,200,000 ordinary shares, paid-up 75% for the amount of 9,000,000 Baht

- 2) Chow International Co., ltd. (Indirect subsidiaries which the Company held 87.36% stake through Chow Energy Public Company Limited) has purchased 9,510,060 ordinary shares or 60% of the total shares in RIC International Investment Pte. Ltd. (Developers) from RH International (Singapore) Corporation Pte. Ltd. (the original shareholder is not a related person of the Company and its subsidiaries) with details as follows:
 - 60 ordinary shares, paid-up 100% for the amount of 60 SGD
 - 9,510,000 ordinary shares, paid-up 100% for the amount of 9,510,000 USD

- 3) 10.0 Million Baht for loss opportunity



Chow Steel Industries Public Company Limited

Such share Purchase Transaction falls under the asset acquisition transaction of which the size and did not have any the asset acquisition transaction in the past 6 months is 46.08 percent pursuant to asset value criteria which has the highest value. Such transaction is therefore deemed as the acquisition of asset Class 2 which the size of transaction is higher than 15 percent but less than 50 percent. The company, therefore, is obliged to company with 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 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 disposal of assets 2004 (B.E.2547) (collectively as "Acquisition and Disposal of Assets Criteria"). After agreeing to enter into the transaction, the Company is required to prepare report and disclose the details of transaction to The Stock Exchange of Thailand with Information Memorandum 1, the details of which are show in the Information Memorandum in Enclosure 1.

For your information

Sincerely yours,

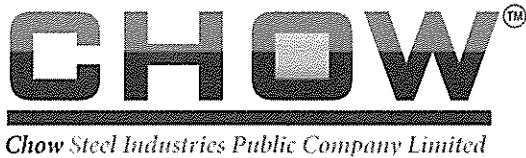
A handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a cursive representation of the name.

(Mr.Anavin Jiratomsiri)

The Chairman of Executive Committee

The Company Secretary Office

Telephone 0 2033 0901-08 Ext. 110 Facsimile 0 2033 0909



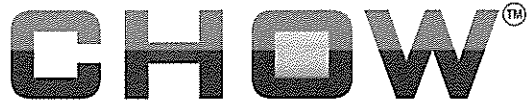
Information Memorandum on the acquisition of assets

Of

Chow Steel Industries Public Company Limited

The meeting of the board of directors of Chow Steel Industries Public Company Limited (“Company”) No.4/2017 held on 11th August 2017, approved that Premier Solution Co., Ltd. “PSCL”) (Indirect subsidiary which the Company held 87.36% stake through Chow Energy Public Company Limited) has purchased in additional 1,260,000 ordinary shares or 60% of the total shares in Oversea Green Energy Co., Ltd. “OGE”) (Investor in project management services) from Ratchaburi Energy Co., Ltd. (“RE Seller OGE”) (the original shareholder is not a related person of the Company and its subsidiaries) for the amount of 9,600,000 Baht, include 60,000 ordinary share, paid-up 100% for the amount of 600,000 Baht and 1,200,000 ordinary shares, paid-up 75% for the amount of 9,000,000 Baht and approved Chow International Co., Ltd. (“CI”) (Indirect subsidiaries which the Company held 87.36% stake through Chow Energy Public Company Limited) has purchased 9,510,060 ordinary shares or 60% of the total shares in RICI International Investment Pte. Ltd. (“RICI”) (Developers) from RH International (Singapore) Corporation Pte. Ltd. (“RHIS Seller RICI”) (the original shareholder is not a related person of the Company and its subsidiaries) include 60 ordinary shares, paid-up 100% for the amount of 60 SGD and 9,510,000 ordinary shares, paid-up 100% for the amount of 9,510,000 USD and 10,000,000 Baht for loss opportunity (“Share Purchase Transaction”). The purpose of purchasing shares in the OGE and RICI is to invest additional in companies which operating solar power project Iwaki in Japan its installed capacity is 26.68 Megawatts (DC). Total amount of approximately 3,525 Million Baht (or Equivalent to 11,017 Million Yen with the reference of the exchange rate of 0.31996 Baht per Yen). Such agreement contains terms and conditions precedent as details set out in the Tender Offer Letter and the completion of the Share Purchase Transaction depends on whether every condition precedent has been completed or waived.

Such share Purchase Transaction falls under the asset acquisition transaction of which the size and did not have any the asset acquisition transaction in the past 6 months is 46.08 percent pursuant to the asset value criteria which has the highest value the calculation is based on the consolidated financial statements of the Company ended 31 March 2017, which was audited by the auditor of the Company. Such transaction is therefore deemed as the acquisition of asset Class 2 which the size of transaction is higher than 15 percent but less than 50 percent. The company, therefore, is obliged to company with the



Chow Steel Industries Public Company Limited

Notification of the Capital Market Supervisory Board No. Tor Jor 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 disposal of assets 2004 (B.E.2547) (collectively as “Acquisition and Disposal of Assets Criteria”). After agreeing to enter into the transaction, the Company is required to prepare report and disclose the details of transaction to The Stock Exchange of Thailand with Information Memorandum 1 and to submit a letter to notify the shareholders within 21 days from the date of disclosure of the transaction to the Stock Exchange.

1. Date of the Transaction

The Company expects to enter into transaction within Quarter 3 of the year 2017.

2. Relevant parties and relationship with the Company

Party 1

Buyer: Premier Solution Co., Ltd. (“PSCL”) (Indirect subsidiary which the Company held 87.36% stake through Chow Energy Public Company Limited)

Seller: Ratchaburi Energy Co., Ltd. (“RE”) (the original shareholder is not a related person of the Company and its subsidiaries)

Before entering into the Share Purchase Transaction, the Seller is the original shareholder in OGE, holding 60 percent of the total issued of OGE, for the number of 60,000 ordinary shares, paid-up 100% and 1,200,000 ordinary shares, paid-up 75%. If the Share Purchase Transaction is completed, PSCL will hold all shares of OGE.

Party 2

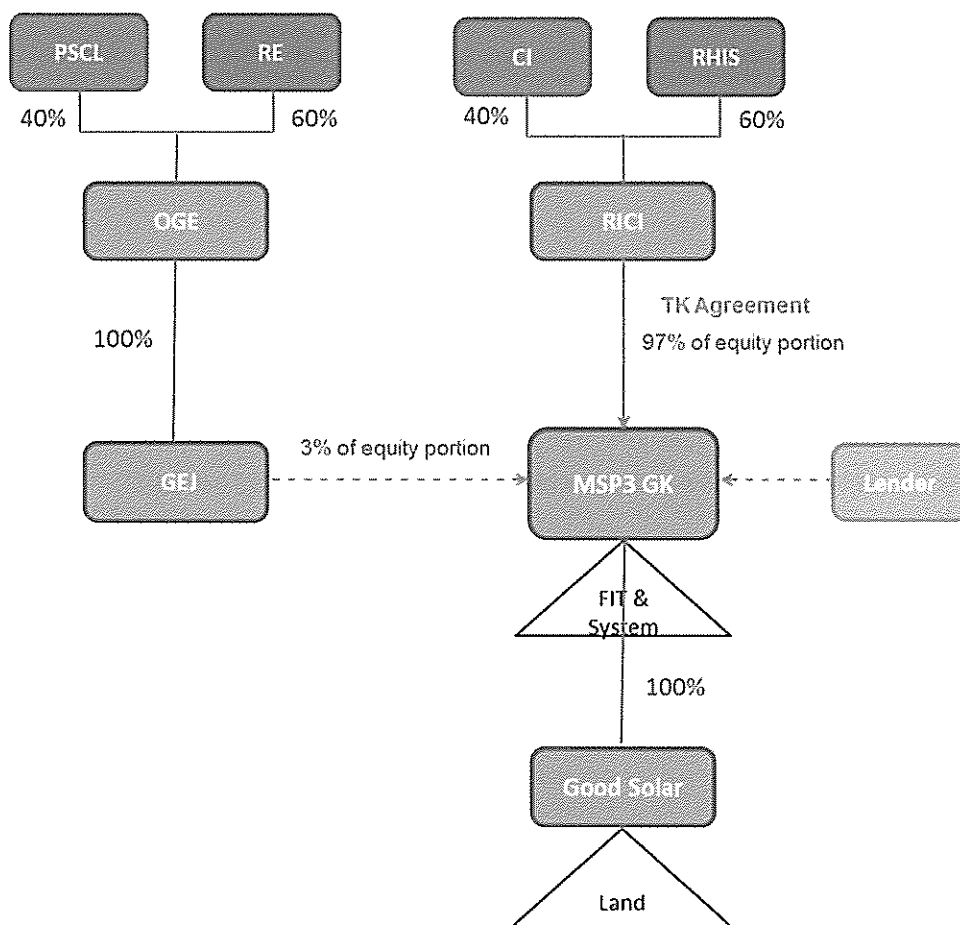
Buyer: Chow International Co., Ltd. (“CI”) (Indirect subsidiary which the Company held 87.36% stake through Chow Energy Public Company Limited)

Seller: RH International (Singapore) Corporation Pte. Ltd. (“RHIS”) (“Seller”) (the original shareholder is not a related person of the Company and its subsidiaries)

Before entering into the Share Purchase Transaction, the Seller is the original shareholder in RICl, holding 60 percent of the total issued of RICl, for the number of 9,510,060 ordinary shares, paid-up 100%. If the Share Purchase Transaction is completed, CI will hold all shares of RICl.

The details of shareholding structure before the Company enters into Share Purchase Transaction as below;

Shareholders structure before Share Purchase Transaction



3. General Characteristics of the Transaction and Size of the Transaction

3.1 General Characteristics of the Transaction

PSCL has purchased 1,260,000 ordinary shares or 60% of the total shares in OGE, a company incorporated in Thailand and Investor in project management services from RH, for the number of 60,000 ordinary share, paid-up 100% and 1,200,000 ordinary shares, paid-up 75% at par price for the

amount of 9,600,000 Baht and CI has purchased 9,510,060 ordinary shares or 60% of the total shares in RIC1, a company incorporated in Singapore and Developers from RHIS, for the number of 60 ordinary shares, paid-up 100% for the amount of 60 SGD and 9,510,000 ordinary shares, paid-up 100% for the amount of 9,510,000 USD. The purpose of purchasing shares in OGE and RIC1 is to invest additional in solar power project Iwaki in Japan its installed capacity is 26.68 Megawatts (DC). The total amount is approximately around 3,525 Million Baht (or Equivalent to 11,017 Million Yen with the reference of the exchange rate of 0.31996 Baht per Yen).

3.2 Category and Size of the Transaction

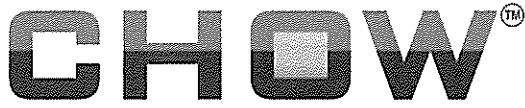
The Share Purchase Transaction is asset acquisition transaction, Total amount approximately 3,525 Million baht (or Equivalent to 11,017 Million Yen with the reference of the exchange rate of 0.31996 Baht per Yen).

After calculating the size of the transaction pursuant to the Acquisition and Disposal of Assets Criteria, the highest transaction size of the Share Purchase Transaction is 46.08 percent according to the asset value criteria (the calculation is based on the consolidated financial statements of the Company ended 31 March 2017, which was audited by the auditor of the Company) and falls under the asset acquisition Class 2 pursuant to the Acquisition and Disposal of Assets Criteria. The details of the calculation are as follows;

Basis of calculation	Calculation	Transaction size (%)
1. Asset value criteria	$\frac{\text{NTA of OGE } 14.97\text{mb.} + \text{NTA of RIC1 } 558.14\text{mb.} * 100\%}{\text{NTA of CHOW} = 1,224.31\text{mb.}}$	46.08%
2. Net profit criteria	$\frac{\text{Net profit of OGE} * 100\% + \text{RIC1} * 100\%}{\text{Net profit of CHOW}}$	N/A
3. Total consideration value criteria	$\frac{3,525 \text{ mb.} * 100\%}{12.958 \text{ mb.}}$	27.20%
4. Securities value criteria	$\frac{\text{Number of shares issued for disposing transaction}}{\text{Total number of issued and paid-up shares of Company}}$	Not applicable, as the Company is not to issue shares in this case.

Note: the company calculated the size of the transaction by using the audited consolidated financial statement of OGE and RIC1 as at 31 March 2017.

From the above calculation basis, the highest size of the transaction, did not have any the asset acquisition transaction in the past 6 months is 46.08 percent pursuant to the asset value criteria which has the highest value. Such transaction is therefore deemed as the acquisition of asset Class 2 which



Chow Steel Industries Public Company Limited

the size of transaction is higher than 15 percent but less than 50 percent pursuant to the Acquisition and Disposal of Assets Criteria. The Company is required to prepare report and disclose the details of transaction to The Stock Exchange of Thailand with Information Memorandum 1 and to submit a letter to notify the shareholders within 21 days from the date of disclosure of the transaction to the Stock Exchange.

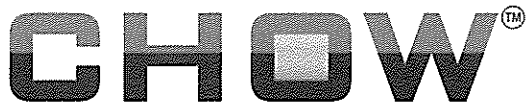
4. Details of the Assets to be acquired

4.1 Purchased assets

The total Shares in OGE of 1,260,000 shares with value of 9,600,000 baht and Shares in RIC1 for the total number of 9,510,060 shares with value of SGD 60 and USD 9,510,000. OGE and RIC1 holds in Iwaki solar power project in Japan its installed capacity is 26.68 Megawatts (DC). The total amount approximately around 3,525 million Baht (or Equivalent to 11,017 Million Yen with the reference of the exchange rate of 0.31996 Baht per Yen). After the completion of the Share Purchase Transaction, the Company will liquidate the OGE and RIC1.

(1) General information of OGE and RIC which the company indirectly invests in

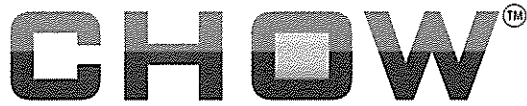
Name of the company	Oversea Green Energy Co., Ltd. ("OGE")
Date of incorporation	17 October 2014
Country of incorporation	Thailand
Company registration number	0125557023622
Address of the head office	8/8 Moo 2 Ngam Wong Wan Rd., Bangkhen, Muang, Nonthaburi
Issued capital	21,000,000 Baht
Paid-up capital	15,000,000 Baht
Ordinary shares	210,000 shares
Ordinary share	Investor in project management services
Board of directors	1. Mr.Sutheep Thamrujee 2. Mr.Prayut Thongsuwan 3. Mr.Raruek Sattayaporn 4. Mr.Sutthichai Suraphat 5. Mr.Cristobal Chin Syen Loong



Chow Steel Industries Public Company Limited

Detail of shareholders and the number of shares held	<ol style="list-style-type: none"> 1. Mr.Somnuk Jindasup, 1 share 2. Mr.Prayut Thongsuwan, 1 share 3. Mr.Raruek Sattayaporn, 1 share 4. Ratchaburi Energy Co., Ltd., 1,259,997 shares 5. Premier Solution Co., Ltd., 840,000 shares
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Name of the company	RICI INTERNATIONAL INVESTMENT PTE. LTD. (“RICI”)
Date of incorporation	21 November 2014
Country of incorporation	Singapore
Company registration number	201434861C
Address of the head office	8 Marina Boulevard, #05-02, Marina Bay Financial Centre, Singapore 018981
Issued capital	SGD 100 and USD 15,850,000
Paid-up capital	SGD 100 and USD 15,850,000
Ordinary shares	15,850,100 shares
Type of business	Developers in Iwaki solar power project in Japan
Board of directors	<ol style="list-style-type: none"> 1. Suppachai Yimsuwan 2. Tanachart Poudpongpaiboon 3. Nawapol Disathien 4. Supatra Thongkarn 5. Sunee Rajatamutha 6. Lim Chia Wei Roy
Details of shareholders and the number of shares held	<ol style="list-style-type: none"> 1. RH International (Singapore) Corporation Pte. Ltd. (“RHIS”) <ul style="list-style-type: none"> - 9,510,000 shares (Exchange Rate : USD) - 60 shares (Exchange Rate : SGD) 2. Chow International Co., Ltd. (“CI”) <ul style="list-style-type: none"> - 6,340,000 shares (Exchange Rate : USD) - 40 shares (Exchange Rate : SGD)



Chow Steel Industries Public Company Limited

4.2 Overall business

OGE engages in the business of develop solar projects in Japan. OGE currently has GEJ affiliate of which the businesses are project management of Iwaki solar power project and held by OGE's wholly owned subsidiary, GEJ will be restructured by liquidation. PSCL will invest on Iwaki solar power project through PSJP.

RICI is investing in the solar power project Iwaki in Japan its installed capacity is 26.68 Megawatts (DC), invest through the MSP 3 GK (Project Company), will termination of TK Agreement between RICI and MSP3 and Establish new TK Agreement between CI and MSP3.

The company shall be responsible for all expensed incurred from such restructuring. Therefore, it will invest in solar power project Iwaki in Japan its installed capacity is 26.68 Megawatts (DC) only.

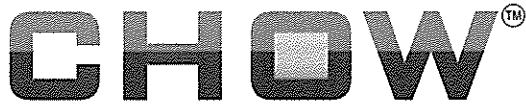
At present, OGE and RICI invest in solar power project Iwaki in Japan its installed capacity is 26.68 Megawatts (DC) in the following:

1. OGE invests in GEJ, GEJ held 3% stake in MSP3 GK, which provides project management service. Investor in project management services
2. RICI invests in MSP3 GK RICI in form TK Investment with the proportion of 97%. MSP3 GK is the project company which holds the right on FIT and MSP3 GK held all share in Good Solar GK who is the land owner.

Consequently, the Company indirectly invests (Through PSCL and CI) in the companies which operating solar power project Iwaki, its installed capacity is 26.68 Megawatts (DC) which a power purchase agreement in Feed in Tariff (FIT), Japan at the rate of 40 JPY per unit for a period of 20 years by with Ministry of Economy, Trade and Industry ("METI"). It is currently under construction.

5. The Value of Consideration

The Company will invest in Share Purchase Transaction, the share purchase price will be paid when the conditions precedent set out in the agreement are completed or waived and the terms and conditions in such agreement are complied with. The Share Purchase Price will be paid in cash.



Chow Steel Industries Public Company Limited

6. The Value of the Acquired Asset

The total value of the assets to be acquired from the Share Purchase will be shares in OGE in the amount of 1,260,000 shares, Shares in RICl in the amount of 9,510,060 shares and Iwaki solar power project in Japan its installed capacity is 26.68 Megawatts (DC) a total amount approximately of 3,525 million baht (or Equivalent to 11,017 Million Yen with the reference of the exchange rate of 0.31996 Baht per Yen).

7. Basis Used to Determine the Value of Consideration

The value of the consideration is the agreed value between the parties under the share purchase agreement. This agreed share purchase price came from the negotiation and the agreement between the Company and the Seller at the par value with loss opportunity.

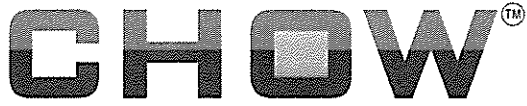
8. Expected Benefits from the Transaction

As the company policy to invest in companies whose business is to produce and distribute electricity from renewable energy business through subsidiary company. Therefore, the Share Purchase Transaction will benefit the Company as follows;

- a) It obliges with the strategy of the company because the investment in solar power plant is the spreading risks to others business.
- b) Increasing incomes and spreading risks regarding income from business operation by solar power projects resulting in sustainable income.
- c) Creating the opportunity to expand the investment for the Company in the renewable energy business. As there are still high demands for electricity in Japan and the government shows great support for the renewable energy. The company, therefore, sees the opportunity to grow in the future.

9. Sources of Fund

The Company expects source of fund for Share Purchase to come from (1) Loan from RICl and (2) the Company's internal cash flow. The Company is currently get the approved financial support from RICl



Chow Steel Industries Public Company Limited

Source of fund for investment the Company shall use the loan from financial institutions as the main source of fund which can be divided into:

Part 1 Project Finance	Approximately 80% of the investment funds
Part 2 Equity	The rest 20%

10. Plan to Utilize Money from Disposal of Assets

None. As the Share Purchase Transaction is not a disposal of assets.

11. Type and Details of Securities issued for the Consideration

-None-

12. Conditions for the Transaction

The completion of the Share Purchase Transaction depends on the completion or waiver of all of the conditions precedent which include the following key condition. As details in the Tender Offer Letter

13. Scope and Characteristics of Interest of the Related Person

-None-

14. Opinions of the Board of Directors on the Transaction

The Board of directors approved the Company to enter into the transaction and was of the view that this transaction is reasonable and beneficial to the Company and the Shareholders.

15. Opinions of the Audit Committee

The Audit Committee considered and agreed with the Board of Directors of the Company.