



Notice of the Extraordinary General Meeting of Shareholders No. 1/2021

Thailand Iron Works Public Company Limited

January, 27, 2021

at 14.00 hours.

(Begin registration at 12.00 hours)

at Social Room, 2nd Floor,

W Bangkok Hotel

No.106 North Sathorn Road,

Silom, Bangrak,

Bangkok, Thailand

No distribution of souvenirs and food

To be in line with the guidelines governing bodies have campaigned to reduce / stop the distribution of souvenirs at shareholders' meetings. And in order to prevent contamination and spread of COVID-19.



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THAILAND IRON WORKS PUBLIC COMPANY LIMITED

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January 12, 2021

Subject: Notice of the Extraordinary General Meeting of Shareholders No. 1/2021

To: Shareholders of Thailand Iron Works Public Company Limited

- Enclosures
1. Copy of the Minutes of the Extraordinary General Meeting of Shareholders No. 1/2020
 2. Information Memorandum of Thailand Iron Works Public Company Limited Re: Acquisition of Assets Relating to Share Acquisition Transaction of Winchai Co., Ltd. and Connected Transaction
 3. Information Memorandum on Right Offering of Newly Issued Ordinary Shares of Thailand Iron Works Public Company Limited
 4. Capital Increase Report Form (F 53-4)
 5. Information Memorandum of Thailand Iron Works Public Company Limited per List 2 of 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 or Disposition of Assets B.E. 2547 (2004) dated October 29, 2004 (as amended) and Clause 20 of 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 Connected Transactions B.E. 2546 (2003) dated November 19, 2003 (as amended)
 6. Report of the Independent Financial Advisor's Opinion Re: Acquisition and Disposition of Assets
 7. Proxy Forms B and C
 8. The Company's Articles of Association concerning the Shareholders' Meetings
 9. Details of documents required to be presented at the Extraordinary General Meeting of Shareholders No. 1/2021
 10. Profiles of the independent directors proposed as proxy of the shareholders
 11. Map of the Venue of the Meeting

On December 8, 2020, the Board of Directors' Meeting of Thailand Iron Works Public Company Limited (the "Company") has resolved to hold the Extraordinary General Meeting of Shareholders No. 1/2021 on Wednesday, January 27, 2021 at 14.00 hours, at Social Room, 2nd Floor, W Bangkok Hotel, No. 106 North Sathorn Road, Silom, Bangrak, Bangkok, to consider the following agenda:



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Agenda Item 1 To consider approving the Minutes of the Extraordinary General Meeting of Shareholders No. 1/2020, held on June 9, 2020

Fact and Reason: The Extraordinary General Meeting of Shareholders No. 1/2020 was held on June 9, 2020. The copy of the Minutes of the Meeting has been distributed to the shareholders together with the Notice of this Shareholders' Meeting (Enclosure 1).

Board's Opinion: The Board considers that the Minutes of the Meeting correctly recorded the Meeting's resolutions, and deems it appropriate to propose to the Extraordinary General Meeting of Shareholders No. 1/2021 to consider approving the Minutes of the Extraordinary General Meeting of Shareholders No. 1/2020, held on June 9, 2020, as proposed.

Required vote for approval: This agenda item requires a majority vote of the shareholders attending the Meeting and have the right to vote.

As Agenda items 2 to 9 of the Extraordinary General Meeting of Shareholders No. 1/2021 are related and conditional upon each other, should any of those agenda items not be approved by the Extraordinary General Meeting of Shareholders No. 1/2021, other agenda items which are related to and conditional upon the unapproved agenda shall no longer be considered, and it shall be deemed that other related agenda item that has been approved by the Meeting shall be cancelled.

Agenda Item 2 To consider approving the acquisition and acceptance of transfer of shares in Winchai Co., Ltd.

Fact and Reason: During August 3, 2020 – September 9, 2020, Miss Parleerat Panboonhom (“Miss Parleerat”) offered to purchase all of the securities of the Company (Conditional Voluntary Tender Offer). Therefore, Miss Parleerat has become the major shareholder of the Company holding 3,691,968 share, representing 61.53% of total votes of the Company. In this regard, Miss Parleerat has proposed the Board of Directors to consider and approve the execution of the business plan after takeover that has been disclosed in the Tender Offer (Form 247-4) (dated July 31, 2020 and amendments thereof on August 14 and 24, 2020). In light of this, it was proposed to the Board of Directors to consider details of investment transaction in Winchai Co., Ltd. (“Winchai”) in proportion of 2,598,750 shares held by Miss Parleerat, representing 26.25% of total shares of Winchai.



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Previously before the Company received the Voluntary Tender Offer from Miss Parleerat, during June – July 2020, the Company has had a several developments from 1) the restructuring the Company’s group structure in accordance with the business transfer of the manufacturing and trading of galvanized steel sheet to TIW Industry Company Limited (“TIWI”), the Company’s subsidiary whereas 99.99 of its shares are held by the Company, pursuant to the resolution of the 2018 Annual General Meeting of the Shareholders, which was held on July 26, 2018, and 2) the entering into the Sales and Leaseback transaction of the Company’s assets including land, building, and machinery that having been used in manufacturing and trading of galvanized steel sheet business, with the primary purpose to financing the acquisition of the solar rooftop projects from Living Energy Co., Ltd., by the Solar Arcade Company Limited (“Arcade”), the Company’s subsidiary whereas 99.99 of its shares are held by the Company, as accordance with the resolution of the Extraordinary General Meeting of the Shareholders No.1/2020, which was held on July 9, 2020. Consequently, the Company operates as a “Holding Company” investing in (1) renewable energy business in solar rooftop project; and (2) manufacturing and trading of galvanized steel sheet. The Company operates its businesses through 2 subsidiaries which are TIWI and Arcade respectively.

Upon the completion of investment in Winchai, Winchai shall be an associated company of the Company. Winchai operates the wind farm project with full capacity of 45.0 MW. according to Power Purchase Agreement with Electricity Generating Authority of Thailand (“EGAT”). In addition, the wind farm project has supplied electricity to the commercial system since April 2019. According to the past operational performance, Winchai had a good performance. Therefore, Winchai would be able to increase the stable income ratio in the form of profit sharing in associated companies and/or dividends to the Company. As a result, it can significantly reduce the fluctuation from the zinc business operation.

The Board of Directors’ Meeting No. 15/2020, held on December 8, 2020, has resolved to grant approval to propose to the Shareholders’ Meeting to consider approving the acquisition of shares in Winchai Co., Ltd. (“Winchai”) in the amount of 2,598,750 shares or representing 26.25 percent of all shares of Winchai from Ms. Paleerat Panboonhom (“Khun Paleerat”) or



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any legal entity wholly owned by Khun Paleerat, as the Company's connected person, at the price of THB 660,000,000 (Six Hundred Sixty Million Baht Only) in cash (the "Share Acquisition Transaction"). However, the Share Acquisition Transaction will occur provided that the conditions precedent as specified in the Shares Sale and Purchase Agreement between the Company (as a buyer) and Khun Paleerat or the person designated by Khun Paleerat (as a seller) (the "Shares Sale and Purchase Agreement") have been fulfilled. Such conditions precedent include, but are not limited to, the following:

- (1) The Shareholders' Meeting of the Company shall have resolved to approve the execution of the Share Acquisition Transaction;
- (2) As of the closing date of the share acquisition, there shall be no event or action happening or threatened to be happening or any reason to expect it to be happening, which may materially and adversely affect Winchai or obstruct the execution of the Share Acquisition Transaction; and
- (3) Winchai shall have obtained consent from the relevant financial institutions to restructure the shareholding structure of Winchai according to the Share Acquisition Transaction.

Initially, the Company anticipates that should the Shareholders' Meeting resolve to approve such transaction, and the conditions precedent as specified in the Shares Sale and Purchase Agreement have been fulfilled or waived, the Company shall conclude the acquisition of shares in Winchai by March 2021.

In this regard, the execution of such transaction is regarded as an acquisition of assets pursuant to 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 or Disposition of Assets B.E. 2547 (2004) dated October 29, 2004 (as amended) (the "Notifications on Acquisition or Disposal of Assets"). Upon calculation of the transaction size based on the net tangible assets (NTA) comparing against net tangible assets based on the Company's financial statements for the period ended September 30, 2020, which had



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been reviewed by the Company's auditor, the highest value shall be equal to 40.22 percent. In this regard, the Company has no acquisition of assets over the past six months which has not yet been approved by the Shareholders' Meeting, thus, the maximum value of the transaction calculated based on the net tangible assets (NTA) is equal to 40.22 percent, which is equal to 15 percent or higher, but lower than 50 percent, and as such, this transaction is regarded as a transaction in type 2 pursuant to the Notifications on Acquisition or Disposal of Assets. Therefore, the Company is required to comply with the Notifications on Acquisition or Disposal of Assets, which require the Company to report and disclose the information on such transaction by the Company to the SET immediately, which must at least contain the information as required in List (1) attached to the Notifications on Acquisition or Disposal of Assets; and give notice to the shareholders within 21 days from the date of such disclosure to the SET, which must at least contain the information as required in List (2) 1, 2, 3, 5(3), 7 and 8 attached to the Notifications on Acquisition or Disposal of Assets.

However, to encourage the shareholders' participation in the Share Acquisition Transaction, the Company considers to propose this agenda to the Shareholders' Meeting to consider approving the Share Acquisition Transaction. In view of this, if such Share Acquisition Transaction has been approved by the Shareholders' Meeting, such transaction shall not be included for the transaction size calculation of the next acquisition of assets in accordance with Clause 12 of 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 or Disposition of Assets B.E. 2547 (2004), dated October 29, 2004 (as amended).

Moreover, the above Share Acquisition Transaction is also 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 Stock Exchange of Thailand 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"). Upon calculation of the transaction value of the acquisition of assets, the transaction size is equal to 95.70 percent of the Company's net tangible assets per the Company's financial statements for the period ended September 30, 2020, which had been



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reviewed by the certified public accountant. In the absence of any connected transaction by the Company over the past six months, which have not been approved by the Shareholders' Meeting, therefore, the total transaction value is equal to THB 660,000,000 or representing 95.70 percent of the Company's net tangible assets per the Company's financial statements, which had been reviewed by the certified public accountant, for the period ended September 30, 2020, and such transaction value is regarded to exceed THB 20 Million and also exceed 3 percent of the Company's net tangible assets per the Company's financial statements, which had been reviewed by the certified public accountant, for the period ended September 30, 2020, which is equal to THB 689,644,873. Therefore, the Company is required to comply with the Public Limited Companies Act and the Notifications on Connected Transactions, which require the Company:

- (1) To report and disclose the information memorandum on such acquisition of assets, which is a connected transaction of the Company, to the SET immediately, which must at least contain the information as required in the Notifications on Connected Transactions;
- (2) 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, whereby the independent financial advisor's report shall be delivered to the shareholders for consideration along with the invitation letter for the Shareholders' Meeting. In this regard, the Company has appointed Avantgarde Capital Co., Ltd., which is a financial advisor on the list approved by the Securities and Exchange Commission, as the independent financial advisor to provide the shareholders with its opinion on the execution of the transaction on acquisition of assets as a connected transaction; and
- (3) To convene a Shareholders' Meeting of the Company to approve such transaction on acquisition of assets, which is a connected transaction, 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, excluding such votes of the interested shareholders.



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The source of funds for acquisition of ordinary shares in Winchai in the amount of THB 660,000,000 may be described as follows:

- (1) Excess cash from the Company's operating results in the amount of THB 600,000,000, the amount of which consist of THB 250,000,000 from cash flow from operations (This source of fund does not derive from the sales and leaseback transaction of fixed assets of the Company which has been approved by the Extraordinary General Meeting of Shareholders No. 1/2020 held on Tuesday, June 9, 2020), and THB 350,000,000 from cash received from selling inventory to TIW Industry Co., Ltd. ("TIWI"), which is a subsidiary of the Company. In addition, TIWI has received proceeds for purchasing such inventory from entering into Credit Agreement in the form of Uncommitted Facility, Letter of Credit, and Trust Receipt from a financial institution with a loan limit not exceeding THB 350,000,000. (The detail on the Facility Agreement is referred to 9. Source of Funds for the Transaction under the Enclosure 2: Information Memorandum on Acquisition of Assets of Thailand Iron Works Public Company Limited)
- (2) Proceeds in the amount of THB 60,000,000, which the Company expects to derive from the offering of newly issued ordinary shares to the existing shareholders by way of rights offering (RO) according to resolution passed by the Board of Directors' Meeting No. 15/2020, held on December 8, 2020, to propose the Shareholders' Meeting to consider and approve the offering of 20,000,000 newly issued ordinary shares with a par value of THB 0.50 per share to the Company's existing shareholders by way of rights offering at the subscription price of THB 9.10 per share (or representing the price before the change of the par value of the Company's shares at THB 182 per share).

The details of the Share Acquisition Transaction are described in the Information Memorandum of Thailand Iron Works Public Company Limited Re: Acquisition of Assets Relating to Share Acquisition Transaction of Winchai Co., Ltd. and Connected Transaction (Enclosure 2) and the Report of the Independent Financial Advisor's Opinion Re: Acquisition and Disposition of Assets (Enclosure 6).

Board's Opinion: The Board, excluding the interested directors, considers and deems it appropriate to propose to the Shareholders' Meeting to consider approving the acquisition and acceptance of transfer of shares in Winchai Co., Ltd., and also propose the Shareholders'



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Meeting to consider approving the authorization of the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer and/or the person authorized by the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer to take any arrangements in connection with or necessary for the execution of the Share Acquisition Transaction, including negotiate, enter into, sign and amend the Shares Sale and Purchase Agreement, agreements, contracts and other documents relating to the execution of the Share Acquisition Transaction, determine the rules, conditions and other details necessary for and relating to such Share Acquisition Transaction, as necessary and appropriate subject to the applicable laws. The details of the Share Acquisition Transaction are described in the Information Memorandum of Thailand Iron Works Public Company Limited Re: Acquisition of Assets Relating to Share Acquisition Transaction of Winchai Co., Ltd. and Connected Transaction (Enclosure 2).

Required vote for approval: This agenda item requires not less than three-fourths of all votes of the shareholders attending the Meeting and have the right to vote, excluding such votes of the interested shareholders.

Based on the Company's list of shareholders as of December 28, 2020, which is the record date to determine the list of shareholders entitled to attend the Meeting, the shareholder, who is a connected person and/or has an interest and is not entitled to vote on this agenda item, is Ms. Paleerat Panboonhom, holding 3,691,968 shares in the Company.

Agenda Item 3 To consider approving the reduction of the Company's registered capital by cancelling the authorized but unissued ordinary shares

Fact and Reason: The Public Limited Companies Act provides that a company may increase its registered capital by issuing new shares when all shares have been sold and fully paid-up, or in the case where shares have not fully been sold, the remaining shares must be ones issued to accommodate convertible debentures or share warrants. Therefore, the Company is required to reduce its registered capital by cancelling the authorized but unissued shares before proceeding with its registered capital increase.



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Board's Opinion: The Board considers and deems it appropriate to propose the Shareholders' Meeting to consider approving the reduction of the Company's registered capital by THB 13,050,000 from the current registered capital of THB 73,050,000 to be THB 60,000,000 by cancelling the authorized but unissued shares in the amount of 1,305,000 shares with a par value of THB 10 per share, remaining from the private placement of newly issued ordinary shares by resolution of the 2018 Annual General Meeting of Shareholders held on July 26, 2018.

The reduction of the Company's registered capital by cancelling the authorized but unissued shares shall in no way affect the paid-up registered capital and the number of shares of the Company.

Required vote for approval: This agenda item requires not less than three-fourths of all votes of the shareholders attending the Meeting and have the right to vote.

Agenda Item 4 To consider approving the amendment of Clause 4 of the Memorandum of Association to be in line with the reduction of the Company's registered capital

Fact and Reason: In order to be in line with the reduction of the Company's registered capital per Agenda Item 3, the Company is required to amend Clause 4 of the Memorandum of Association of the Company, as per the following details:

“Clause 4. Registered Capital	:	THB 60,000,000	(Sixty Million Baht)
Divided into	:	6,000,000 shares	(Six Million shares)
Par Value per share	:	THB 10	(Ten Baht)
Classified into	:		
Ordinary Shares	:	6,000,000 shares	(Six Million shares)
Preferred Shares	:	-None-	-”

Board's Opinion: The Board considers and deems it appropriate to propose the Shareholders' Meeting to consider the amendment of Clause 4 of the Memorandum of Association to be in line with the reduction of the Company's registered capital, and also propose the Shareholders' Meeting to consider approving the authorization of the Board of



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Directors and/or the Executive Committee and/or the Chief Executive Officer and/or the person authorized by the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer to proceed with registration of the amendment of the Memorandum of Association with the Department of Business Development, Ministry of Commerce, and to take necessary actions to comply with the Registrar’s order to complete the registration.

Required vote for approval: This agenda item requires not less than three-fourths of all votes of the shareholders attending the Meeting and have the right to vote.

Agenda Item 5 To consider approving the change of the par value of the Company’s shares

Fact and Reason: The Board of Directors’ Meeting No. 15/2020, held on December 8, 2020, has resolved to grant approval to propose the Shareholders’ Meeting to consider approving the change of the par value of the Company’s shares from THB 10.00 per share to THB 0.5 per share, as per the following details:

	<u>Before</u> Change of Par Value	<u>After</u> Change of Par Value
Registered Capital	THB 60,000,000	THB 60,000,000
- Amount of Shares	6,000,000 shares	120,000,000 shares
- Par Value (THB per share)	THB 10	THB 0.50
Paid-up Registered Capital	THB 60,000,000	THB 60,000,000
- Amount of Shares	6,000,000 shares	120,000,000 shares
- Par Value (THB per share)	THB 10	THB 0.50



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Board's Opinion: The Board considers and deems it appropriate to propose the Shareholders' Meeting to consider approving the change of the par value of the Company's shares from THB 10.00 per share to THB 0.5 per share, and also propose the Shareholders' Meeting to consider approving the authorization of the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer and/or the person authorized by the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer to proceed with registration of the change of the par value of the Company's shares with the Department of Business Development, Ministry of Commerce, and to take necessary actions to comply with the Registrar's order to complete the registration.

Required vote for approval: This agenda item requires not less than three-fourths of all votes of the shareholders attending the Meeting and have the right to vote.

Agenda Item 6 To consider approving the amendment of Clause 4 of the Memorandum of Association to be in line with the change of the par value of the Company's shares

Fact and Reason: In order to be in line with the change of the par value of the Company's shares per Agenda Item 5, the Company is required to amend Clause 4 of the Memorandum of Association of the Company, as per the following details:

“Clause 4.	Registered Capital	:	THB 60,000,000	(Sixty Million Baht)
	Divided into	:	120,000,000 shares	(One Hundred Twenty Million shares)
	Par Value per share	:	THB 0.50	(Fifty Satang)
	Classified into	:		
	Ordinary Shares	:	120,000,000 shares	(One Hundred Twenty Million shares)
	Preferred Shares	:	-None-	-”

Board's Opinion: The Board considers and deems it appropriate to propose the Shareholders' Meeting to consider approving the amendment of Clause 4 of the Memorandum of Association to be in line with the change of the par value of the Company's shares and also propose the Shareholders' Meeting to consider approving the authorization of the Board of Directors and/or



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the Executive Committee and/or the Chief Executive Officer and/or the person authorized by the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer to proceed with registration of the amendment of the Memorandum of Association with the Department of Business Development, Ministry of Commerce, and to take necessary actions to comply with the Registrar's order to complete the registration.

Required vote for approval: This agenda item requires not less than three-fourths of all votes of the shareholders attending the Meeting and have the right to vote.

Agenda Item 7 To consider approving the increase of the Company's registered capital by THB 10,000,000 from the current registered capital of THB 60,000,000 to be THB 70,000,000 by issuing 20,000,000 newly issued ordinary shares with a par value of THB 0.50 per share

Fact and Reason: The Board of Directors' Meeting No. 15/2020, held on December 8, 2020, has resolved to grant approval to propose the Shareholders' Meeting to consider approving the increase of the Company's registered capital by THB 10,000,000 from the current registered capital of THB 60,000,000 to be THB 70,000,000 by issuing 20,000,000 newly issued ordinary shares with a par value of THB 0.50 per share for offering to the Company's existing shareholders by way of rights offering.

Board's Opinion: The Board considers and deems it appropriate to propose the Shareholders' Meeting to consider approving the increase of the Company's registered capital, as per the proposed details in all respects.

Required vote for approval: This agenda item requires not less than three-fourths of all votes of the shareholders attending the Meeting and have the right to vote.

Agenda Item 8 To consider approving the amendment of Clause 4 of the Memorandum of Association to be in line with the increase of the Company's registered capital



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Fact and Reason: In order to be in line with the increase of the Company's registered capital per Agenda Item 7 above, the Company is required to amend Clause 4 of the Memorandum of Association, as per the following details:

“Clause 4.	Registered Capital	:	THB 70,000,000	(Seventy Million Baht)
	Divided into	:	140,000,000 shares	(One Hundred Forty Million shares)
	Par Value per share	:	THB 0.50	(Fifty Satang)
	Classified into	:		
	Ordinary Shares	:	140,000,000 shares	(One Hundred Forty Million shares)
	Preferred Shares	:	-None-	-”

Board's Opinion: The Board considers and deems it appropriate to grant approval to propose the Shareholders' Meeting to consider approving the amendment of Clause 4 of the Memorandum of Association to be in line with the increase of the Company's registered capital, and also propose the Shareholders' Meeting to consider approving the authorization of the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer and/or the person authorized by the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer to proceed with registration of the amendment of the Memorandum of Association with the Department of Business Development, Ministry of Commerce, and to take necessary actions to comply with the Registrar's order to complete the registration.

Required vote for approval: This agenda item requires not less than three-fourths of all votes of the shareholders attending the Meeting and have the right to vote.

Agenda Item 9 To consider approving the right offering of the newly issued ordinary shares of the Company

Fact and Reason: The Board of Directors' Meeting No. 15/2020, held on December 8, 2020, has resolved to grant approval to propose the Shareholders' Meeting to consider approving the allocation of not exceeding 20,000,000 newly issued ordinary shares of the Company with



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a par value of THB 0.50 per share to the Company's existing shareholders in proportion to their shareholding percentage (Rights Offering) at the offering price of THB 9.10 per share (or representing the price before the change of the par value of the Company's shares at THB 182 per share), which is the price lower than the market price of 1.44 percent, calculated from the weighted average price of the Company's shares being traded on the SET for a period of 15 consecutive business days before the day on which the Board of Directors' Meeting resolved to approve the determination of the offering price of such shares. The offering of such shares shall be done at the ratio of 6 existing shares to 1 new share, and any fraction thereof shall be disregarded.

In this regard, the Board of Directors' Meeting has resolved to grant approval to propose the Shareholders' Meeting to consider approving the authorization of the Board of Directors or the Executive Committee or the Chief Executive Officer or the person authorized by the Board of Directors or the Executive Committee or the Chief Executive Officer to determine the rules, conditions and other details necessary for and in connection with the issuance and allocation of newly issued ordinary shares, as necessary and appropriate subject to the applicable laws, including, but not limited to, where shareholders may oversubscribe for the newly issued ordinary shares, provided that the existing shareholders who oversubscribe for such shares shall be allocated with shares for which they have oversubscribed only when there are any shares remaining from the full allocation thereof to the Company's existing shareholders who have subscribed for such shares, at the same subscription price for such shares, and any fraction thereof shall be disregarded.

The allocation of such shares by way of rights offering shall proceed as follows:

- (1) Should there be any shares remaining from the first round of allocation by way of rights offering, and the number of which is more than or equal to the number of shares oversubscribed by the existing shareholders, such remaining shares shall be allocated to all oversubscribers who have made payments therefor in full according to the number of their intended oversubscription.
- (2) Should there be any shares remaining from the first round of allocation by way of rights offering, and the number of which is less than the number of shares oversubscribed by



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the existing shareholders, such remaining shares shall be allocated to the oversubscribers in accordance with the following procedures:

- 2.1) The allocation shall be based on the existing shareholding percentages of the respective oversubscribers, by multiplying the existing shareholding percentages by the number of remaining shares to arrive at the number of shares to be allocated to the respective oversubscribers, and any fraction thereof shall be disregarded, provided that the number of allocated shares shall not exceed the number of shares subscribed and paid for by the respective shareholders.
- 2.2) Should there still be any shares remaining after the allocation under 2.1), such remaining shares shall be allocated to the respective oversubscribers who have not yet received the allocation of shares in full according to their existing shareholding percentages, by multiplying the existing shareholding percentages by the number of remaining shares to arrive at the number of shares to be allocated to the respective oversubscribers and any fraction thereof shall be disregarded, provided that the number of allocated shares shall not exceed the number of shares subscribed and paid for by the respective shareholders. The allocation of shares to the oversubscribers under the procedure in this 2.2) shall proceed until there shall be no more shares left to be allocated.

Under no circumstances shall the allocation of the oversubscribed shares as herein above described shall result in any oversubscribing shareholder's holding of the Company's shares to be increased up to or beyond the trigger point which will require the shareholder to make a tender offer as prescribed in the Notification of the Capital Market Supervisory Board No. TorJor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers and in violation of the foreign limit as specified in the Company's Articles of Association, which currently allows foreigners to hold not exceeding 49 percent of all issued shares of the Company.

Furthermore, should there be any newly issued ordinary shares remaining from the allocation of shares by way of rights offering and oversubscription, the Company shall proceed to reduce



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its registered capital by cancelling the newly issued ordinary shares remaining from the offering accordingly.

The rights to subscribe for and be allocated with such newly issued ordinary shares remain uncertain until approval shall be obtained from the Extraordinary General Meeting of Shareholders No. 1/2021.

The record date to determine the list of shareholders entitled to subscribe for the newly issued ordinary shares by way of rights offering shall be February 5, 2021, and the subscription period for the newly issued ordinary shares by way of rights offering shall be during February 18 – 19 and 22 – 24, 2021.

Please refer to further details in the Information Memorandum on Right Offering of Newly Issued Ordinary Shares of Thailand Iron Works Public Company Limited ([Enclosure 3](#)) and the Capital Increase Report Form ([Enclosure 4](#)).

Board's Opinion: The Board considers and deems it appropriate to grant approval to propose the Shareholders' Meeting to consider approving the right offering of the newly issued ordinary shares of the Company and authorizing the Board of Directors or the Executive Committee or the Chief Executive Officer or the person authorized by the Board of Directors or the Executive Committee or the Chief Executive Officer to determine the rules, conditions and other details necessary for and in connection with the issuance and allocation of newly issued ordinary shares, as necessary and appropriate subject to the applicable laws, including, but not limited to, the determination of the record date to determine the list of shareholders entitled to subscribe for the newly issued ordinary shares, the offering date of the newly issued ordinary shares and the method of payment for such shares, etc., as per the proposed details in all respects.

Required vote for approval: This agenda item requires a majority vote of the shareholders attending the Meeting and have the right to vote.

Agenda Item 10 To consider approving the amendment of the Company's objectives



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Fact and Reason: The Board of Directors' Meeting No. 15/2020, held on December 8, 2020, has resolved to grant approval to propose the Shareholders' Meeting to consider approving the amendment of the Company's objectives to be consistent with and cover the Group's energy business operations. Therefore, it is deemed appropriate to propose the Shareholders' Meeting to consider approving the amendment of the Company's objectives from 22 clauses to be 35 clauses, as follows:

- "Clause 23 To operate the business relating to energy, including renewable energy and wind energy.*
- Clause 24 To operate the business of construction of all types of power plants.*
- Clause 25 To operate the business of survey and exploration of petroleum products.*
- Clause 26 To operate the business of provision of services for design and installation and control and management of security systems, access control systems for buildings, and time attendance systems as well as closed-circuit television systems.*
- Clause 27 To operate the business of provision of services and installation of power system control and management systems and fiber optical network integration for communications of all kinds.*
- Clause 28 To operate the business of import and distribution in the country for design and installation of systems, including manufacture and distribution of materials, equipment and spare parts of all types for such systems as indicated in Clauses 25 and 26.*
- Clause 29 To operate the business of bidding for sales of goods according to the objectives or entering into any contracts with government agencies and state organizations, state enterprises, as well as companies, firms and private entities.*



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- Clause 30 *To operate the business of design, installation, construction, power system, measuring instruments and automatic control systems, and construction of solar power plants, wind power plants and biomass and coal-fired power plants, and other renewable energy.*
- Clause 31 *To operate the business of power production from solar energy, wind energy and biomass and coal-fired power plants, and other renewable energy for power distribution directly to the transmission system or to private and public entities.*
- Clause 32 *To operate the business of design and installation of power systems, measuring instruments and automatic control systems using marble controller, spa remote control systems for power plants, and conveyor systems for carriage and transport in mining business and other industrial factories.*
- Clause 33 *To operate the business of production and distribution of power generators and electricity, purchase, sale, procurement, installation, construction, maintenance, storage, backup and implementation, and various businesses relating to electricity, natural sources of energy, sources of renewable energy, sources of alternative energy in various forms to public and private entities.*
- Clause 34 *To act as contractor for business operations or provision of services and maintenance of solar power projects for households, factories and large-scale operators.*
- Clause 35 *To operate the business of providing guarantees for debt, liability or performance of the contractual obligations of other persons, including the guarantee for a person who has entered or departed the country in accordance with the laws of immigration, taxation and other laws.”*

Board's Opinion: The Board considers and deems it appropriate to grant approval to propose the Shareholders' Meeting to consider approving the amendment of the Company's



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objectives as per the proposed details in all respects, and also propose the Shareholders' Meeting to consider approving the authorization of the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer and/or the person authorized by the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer to proceed with registration of the amendment of the Company's objectives with the Department of Business Development, Ministry of Commerce, and to take necessary actions to comply with the Registrar's order to complete the registration.

Required vote for approval: This agenda item requires not less than three-fourths of all votes of the shareholders attending the Meeting and have the right to vote.

Agenda Item 11 To consider approving the amendment of Clause 3 of the Memorandum of Association to be in line with the amendment of the Company's objectives

Fact and Reason: In order to be in line with the amendment of the Company's objectives per Agenda Item 10 above, it is deemed appropriate to propose the Shareholders' Meeting to consider approving the amendment of Clause 3 of the Memorandum of Association to be in line with the amendment of the Company's objectives, as per the following details:

"Clause 3. The Company's objectives are concluded in 35 clauses, as per the details in the attached Form BorMorJor. 002."

Board's Opinion: The Board considers and deems it appropriate to grant approval to propose the Shareholders' Meeting to consider approving the amendment of the Company's objectives as per the proposed details in all respects, and also propose the Shareholders' Meeting to consider approving the authorization of the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer and/or the person authorized by the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer to proceed with registration of the amendment of the Memorandum of Association with the Department of Business Development, Ministry of Commerce, and to take necessary actions to comply with the Registrar's order to complete the registration.

Required vote for approval: This agenda item requires not less than three-fourths of all votes of the shareholders attending the Meeting and have the right to vote.



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Agenda Item 12 To consider approving the change of the Company’s name and seal

Fact and Reason: Further to the Company’s changing business operations and in order for the Company’s name to properly reflect an easily memorable image, the Board of Directors’ Meeting No. 15/2020, held on December 8, 2020, has resolved to grant approval to propose the Shareholders’ Meeting to consider approving the change of the Company’s name and seal, as per the following details:

Changes	Current	New
Name in Thai	บริษัท ไทยแลนด์ไอออนเวิร์คส์ จำกัด (มหาชน)	บริษัท โนวา เอ็มไพร์ จำกัด (มหาชน)
Name in English	Thailand Iron Works Public Company Limited	Nova Empire Public Company Limited
Securities Abbreviation	TIW	NOVA
The Company’s Seal	 บริษัท ไทยแลนด์ไอออนเวิร์คส์ จำกัด (มหาชน) THAILAND IRON WORKS PUBLIC COMPANY LIMITED	 NOVA EMPIRE PUBLIC COMPANY LIMITED

Board’s Opinion: The Board considers and deems it appropriate to propose the Shareholders’ Meeting to consider approving the change of the Company’s name and seal, as per the proposed details in all respects, and also propose the Shareholders’ Meeting to consider approving the authorization of the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer and/or the person authorized by the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer to proceed with registration of the change of the Company’s name and seal with the Department of Business Development, Ministry of Commerce, and to take necessary actions to comply with the Registrar’s order to complete the registration, as per the proposed details in all respects.

Required vote for approval: This agenda item requires not less than three-fourths of all votes of the shareholders attending the Meeting and have the right to vote.



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Agenda Item 13 To consider approving the amendment of Clause 1 of the Memorandum of Association of the Company to be in line with the change of the Company's name

Fact and Reason: In order to be in line with the change of the Company's name per Agenda Item 12 above, the Board of Directors' Meeting No. 15/2020, held on December 8, 2020, has resolved to grant approval to propose the Shareholders' Meeting to consider approving the amendment of Clause 1 of the Memorandum of Association of the Company to be in line with the change of the Company's name and seal according to the following wordings:

Clause 1 Name in Thai is “บริษัท โนวา เอ็มไพร์ จำกัด (มหาชน)”

Name in English is “NOVA EMPIRE PUBLIC COMPANY LIMITED”

Board's Opinion: The Board considers and deems it appropriate to grant approval to propose the Shareholders' Meeting to consider approving the amendment of Clause 1 of the Memorandum of Association of the Company to be in line with the change of the Company's name, as per the proposed details in all respects, and also propose the Shareholders' Meeting to consider approving the authorization of the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer and/or the person authorized by the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer to proceed with registration of the amendment of Clause 1 of the Memorandum of Association of the Company to be in line with the change of the Company's name with the Department of Business Development, Ministry of Commerce, and to take necessary actions to comply with the Registrar's order to complete the registration.

Required vote for approval: This agenda item requires not less than three-fourths of all votes of the shareholders attending the Meeting and have the right to vote.

Agenda Item 14 To consider approving the amendment of the Articles of Association of the Company to be in line with the change of the Company's name and seal and the amendment of the law regarding electronic conference



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Fact and Reason: In order to be in line with the change of the Company’s name and seal per Agenda Items 12 and 13 above, and further to the amendment of the law regarding electronic conference, the Board of Directors’ Meeting No. 15/2020, held on December 8, 2020, has resolved to grant approval to propose the Shareholders’ Meeting to consider approving the amendment of the Articles of Association of the Company to be in line with the change of the Company’s name and seal, and the Emergency Decree on Electronic Conference B.E. 2563 (2020), as per the following details:

Article	Current	New
1	These Articles of Association shall be called the “Articles of Association of Thailand Iron Works Public Company Limited.”	These Articles of Association shall be called the “Articles of Association of Nova Empire Public Company Limited.”
2	In these Articles of Association, unless otherwise specified, the “Company” refers to Thailand Iron Works Public Company Limited.	In these Articles of Association, unless otherwise specified, the “Company” refers to Nova Empire Public Company Limited.
23	In summoning a Board of Directors’ meeting, the Chairman of the Board or his/her authorized person shall deliver a notice of meeting to directors not less than seven days prior to the meeting, unless necessarily and urgently required to safeguard the Company’s rights and interest, a meeting may be summoned by other means and on shorter notice. Two or more directors may request for a meeting of Board of Directors. In this event, the chairman of the Board of Directors shall determine the date of the meeting within fourteen days from the date of receipt of such request.	In summoning a Board of Directors’ meeting, the Chairman of the Board or his/her authorized person shall deliver a notice of meeting to directors not less than seven days prior to the meeting, unless necessarily and urgently required to safeguard the Company’s rights and interest, a meeting may be summoned by other means and on shorter notice. Two or more directors may request for a meeting of Board of Directors. In this event, the chairman of the Board of Directors shall determine the date of



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Article	Current	New
		<p>the meeting within fourteen days from the date of receipt of such request.</p> <p><u>A meeting of the Board of Directors or a subcommittee of the Company may be summoned or held by way of electronic conference, subject to the procedures as prescribed by law.</u></p>
24	<p>A quorum of the Board of Directors' meetings requires the presence of not less than one half of all directors.</p> <p>Should the Chairman of the Board be absent or unable to perform his/her function, and if a Vice-Chairman is available, the Vice-Chairman shall preside over the meeting. Should the Vice-President not be appointed or be unable to perform his/her function, the directors present at the meeting shall elect one among them to preside over the meeting.</p>	<p>A quorum of the Board of Directors' meetings requires the presence of not less than one half of all directors.</p> <p>Should the Chairman of the Board be absent or unable to perform his/her function, and if a Vice-Chairman is available, the Vice-Chairman shall preside over the meeting. Should the Vice-President not be appointed or be unable to perform his/her function, the directors present at the meeting shall elect one among them to preside over the meeting.</p> <p><u>Other than the provisions in the first paragraph, in case of an electronic conference, the directors present at the electronic conference shall prove their identities to the meeting and declare their intention to join the meeting accordingly, and when they wish to leave the meeting, they shall inform the meeting accordingly, which shall be recorded in the minutes of the meeting.</u></p>



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Article	Current	New
34	<p>A general meeting of shareholders shall be held at least once a year. Such a meeting shall be called an “ordinary general meeting.” An ordinary general meeting shall be held within four months after the end of the Company’s fiscal year.</p> <p>Any other meetings of shareholders shall be called “extraordinary general meetings.”</p> <p>The Board may summon an extraordinary general meeting at any time as it may consider appropriate, or when the shareholders holding among them not less than one-fifth of all issued shares or not less than twenty-five shareholders holding among them not less than one-tenth of all issued shares execute a written request for the Board of Directors to summon an extraordinary general meeting, provided that such written request must clearly indicate the purpose for which such meeting is to be held, in which case, the Board of Directors shall hold such meeting within 1 month from the date of receipt of such request from the shareholders.</p>	<p>A general meeting of shareholders shall be held at least once a year. Such a meeting shall be called an “ordinary general meeting.” An ordinary general meeting shall be held within four months after the end of the Company’s fiscal year.</p> <p>Any other meetings of shareholders shall be called “extraordinary general meetings.”</p> <p>The Board may summon an extraordinary general meeting at any time as it may consider appropriate, or <u>when one or several shareholders holding among them not less than ten percent of all issued shares execute a written request for the Board of Directors to summon an extraordinary general meeting at any time, provided that the matter(s) and reason(s) for summoning such meeting must be clearly indicated in such written request, in which case, the Board of Directors shall hold such meeting within forty-five days from the date of receipt of such request from the shareholders.</u></p> <p><u>Should the Board fail to hold such meeting within the time as specified in the first paragraph, the shareholders executing such request or other</u></p>



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Article	Current	New
		<p><u>shareholders holding among them at the requisite number of shares may summon such meeting within forty-five days from the date as scheduled per the third paragraph, in which case, it shall be deemed as a shareholders' meeting summoned by the Board, and as such, the Company shall bear such expenses necessarily incurred by the summoning and facilitation of the meeting as appropriate.</u></p> <p><u>In any shareholders' meeting summoned by the shareholders per the fourth paragraph, should the number of shareholders present at the meeting not be sufficient to form a quorum as required in Article 24, the shareholders per the fourth paragraph shall be held jointly liable to compensate the Company for such expenses incurred by the summoning of the meeting.</u></p> <p><u>Shareholders' meetings of the Company may be held by way of electronic conference, subject to the procedures as prescribed by law.</u></p>
35	In summoning a shareholders' meeting, the Board shall prepare a notice of meeting specifying place, date, time and agenda as well as matters to be proposed to the meeting, together with reasonable	In summoning a shareholders' meeting, the Board shall prepare a notice of meeting specifying place, date, time and agenda as well as matters to be proposed to the meeting, together with





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Article	Current	New
	<p>details to clearly indicate whether they are matters for information, for approval or for consideration, along with the Board's opinions on such matters, which shall be delivered to the shareholders and the Registrar in advance at least seven (7) days prior to the date of the meeting.</p> <p>Furthermore, publication of notices calling a meeting shall also be published in a newspaper at least three (3) days before the date of the meeting for three (3) consecutive days.</p>	<p>reasonable details to clearly indicate whether they are matters for information, for approval or for consideration, along with the Board's opinions on such matters, which shall be delivered to the shareholders and the Registrar in advance at least seven (7) days prior to the date of the meeting.</p> <p>Furthermore, publication of notices calling a meeting shall also be published in a newspaper at least three (3) days before the date of the meeting for three (3) consecutive days.</p> <p><u>Such notice summoning a shareholders' meeting in the first paragraph may be made via electronic media subject to the procedures as prescribed by law.</u></p>
61	<p>The Company's seal shall be as affixed below.</p>  <p>บริษัท ไทยแลนด์ไอออนเวิร์คส์ จำกัด (มหาชน) THAILAND IRON WORKS PUBLIC COMPANY LIMITED</p>	<p>The Company's seal shall be as affixed below.</p>  <p>NOVA EMPIRE NOVA EMPIRE PUBLIC COMPANY LIMITED</p>

Board's Opinion: The Board considers and deems it appropriate to grant approval to propose the Shareholders' Meeting to consider approving the amendment of the Company's Articles of Association to be in line with the change of the Company's name and seal, and the amendment of the law regarding electronic conference, as per the proposed details in all respects, and also propose the Shareholders' Meeting to consider approving the authorization



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of the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer and/or the person authorized by the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer to proceed with registration of the amendment of the Company’s Articles of Association with the Department of Business Development, Ministry of Commerce, and to take necessary actions to comply with the Registrar’s order to complete the registration.

Required vote for approval: This agenda item requires not less than three-fourths of all votes of the shareholders attending the Meeting and have the right to vote.

Agenda Item 15 To consider approving the change of the Company’s head office address

Fact and Reason: In order to facilitate the Company’s operations to be more flexible, the Board of Directors’ Meeting No. 15/2020, held on December 8, 2020, has resolved to grant approval to propose the Shareholders’ Meeting to consider approving the change of the Company’s head office address, as per the following details:

Current Head Office Address	New Head Office Address
No. 86 Moo 1, Suksawat-Pomphrajun Road, Laemphapa, Phrasamutjedee, Samut Prakarn	No. 88 Soi Bangna-Trad 30, Theprattana Road, Bangna Tai, Bangna, Bangkok

Board’s Opinion: The Board considers and deems it appropriate to grant approval to propose the Shareholders’ Meeting to consider approving the change of the Company’s head office address, as per the proposed details in all respects.

Required vote for approval: This agenda item requires not less than three-fourths of all votes of the shareholders attending the Meeting and having the right to vote.

Agenda Item 16 To consider approving the amendment of Clause 5 of the Memorandum of Association to be in line with the change of the Company’s head office address

Fact and Reason: In order to be in line with the change of the Company’s head office address per Agenda Item 15 above, the Board of Directors’ Meeting No. 15/2020, held on December 8,



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2020, has resolved to grant approval to propose the Shareholders' Meeting to consider approving the amendment of Clause 5 of the Memorandum of Association of the Company, as per the following details:

“Clause 5. The head office shall be located in Bangkok.”

Board's Opinion: The Board considers and deems it appropriate to grant approval to propose the Shareholders' Meeting to consider approving the amendment of Clause 5 of the Memorandum of Association to be in line with the change of the Company's head office address, as per the proposed details in all respects, and also propose the Shareholders' Meeting to consider approving the authorization of the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer and/or the person authorized by the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer to proceed with registration of the amendment of the Company's Memorandum of Association with the Department of Business Development, Ministry of Commerce, and to take necessary actions to comply with the Registrar's order to complete the registration.

Required vote for approval: This agenda item requires not less than three-fourths of all votes of the shareholders attending the Meeting and have the right to vote.

Agenda Item 17 To consider other matters (if any)

In this regard, all shareholders are cordially invited to attend the Extraordinary General Meeting of Shareholders No. 1/2021 on January 27, 2021 at 14.00 hours at Social Room, 2nd Floor, W Bangkok Hotel, No. 106 North Sathorn Road, Silom, Bangrak, Bangkok (registration starts at 12.00 hours) as provided in the map of the venue of the Meeting (Enclosure 11).

For any shareholder wishing to appoint a proxy to attend and vote on his/her behalf, please complete, sign and submit the attached Proxy Form B (Enclosure 7) to the Company before attending the Meeting. For any foreign shareholder who appoints a custodian in Thailand for shares depository, please use the attached Proxy Form C (Enclosure 7), together with the evidence of the meeting eligibility.

In case of any shareholder being unable to attend the Extraordinary General Meeting of Shareholders No. 1/2021, you may appoint an independent director of the Company whose profile is



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attached to the Proxy Forms, as your proxy to attend and vote on your behalf. The details of the independent director proposed as proxy by the Company are shown in (Enclosure 10). Please send all relevant documents to the Company Secretary before the commencement of the Meeting. As for the Company's Articles of Association concerning shareholders' meetings, please see details in (Enclosure 8).

Following the rapid spread of the coronavirus disease 2019 (COVID-19) throughout various regions of the world, the Company seriously keeps abreast of and concerns to the situation and hereby recommends that any shareholder who has come or has close contact with persons from abroad within 14 days prior to the date of the Shareholders' Meeting or has the conditions reasonably suspected of being infected with the COVID-19, shall appoint any person as deemed appropriate or an independent director of the Company as their proxy to attend the Meeting and vote on their behalf to safeguard all shareholders' rights. In this regard, the Company shall strictly comply with the "recommendations on prevention and control of COVID19 for meetings, seminars, or other mass gatherings" of the Department of Disease Control, Ministry of Public Health, dated February 11, 2020, for the safety and health of all attendees.

The Company has scheduled December 28, 2020 as the record date to determine the list of shareholders entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2021.

You are invited to attend the Meeting on the date and at the time and place as indicated above. If you are unable to attend the Meeting in person, and wish to appoint a proxy to attend the Meeting on your behalf, please sign a proxy form enclosed herewith and submit the same to the Chairman of the Meeting or the person designated by the Chairman of the Meeting before attending the Meeting.

Very truly yours,

(Ms. Paleerat Panboonhom) (Ms. Sukanya Tipmanee)

Authorized Directors



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The Minutes of the Extraordinary General Meeting of Shareholders No. 1/2020

of

Thailand Iron Works Public Company Limited

Date, Time and Venue of Meeting

The Meeting was held on Tuesday, 9 June 2020 at 10.00 a.m. at Four Rivers Room, Ramada Plaza Bangkok Menam Riverside, 2074, Charoen Krung Road, Bang Kho Leam District, Bangkok 10120

Quorum

At 10.00 a.m., there were 21 shareholders attending the meeting and 31 shareholders present by proxies, totaling 52 shareholders, representing 5,024,227 shares of the total shares of Thailand Iron Works Public Company Limited (the “**Company**”) which are 6,000,000 issued and fully paid shares, representing 83.7371% of the total paid-up capital. Therefore, the quorum is constituted according to the Company’s Articles of Association which states that it shall have shareholders and proxies attending the meeting at least 25 persons or not less than ½ of total shareholders and shall hold shares at least one-thirds of the total paid-up capital.

Directors present at the Meeting

- | | | | |
|----|----------------|-------------------|---|
| 1. | Mr. Prasit | Kanchanasakdichai | Chairman of the Board of Directors
Chief Executive Office
Chairman of Executive Committee |
| 2. | Mr. Kriengchai | Trinapakorn | Director |
| 3. | Mr. Yasuyuki | Nakashima | Director |
| 4. | Miss Oranut | Prakirasa | Director |
| 5. | Mr. Surachai | Permsintawee | Deputy Chairman of the Audit Committee |
| 6. | Mr. Suravit | Asavayutphol | Audit Committee |
| 7. | Mr. Somsak | Jirapornkul | Audit Committee |

In addition to the Board of Directors, there have other persons attending the meeting as follows: a representative of Pioneer Advisory Co., Ltd., the independent financial advisor of the Company attending the meeting to respond any inquiries from the shareholders relating to financial statements of the Company. In this regard, the Company also invited the legal advisor of Kudan & Partners Co., Ltd. and the officer of Quidlab Co., Ltd., the system organizer of the meeting to monitor and verify the voting of the meeting for the shareholders’ meeting to ensure that the meeting will be transparent in accordance with the laws and the Company’s Articles of Association.



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The Meeting Commences

Mrs. Mookyada Mitprachachon, acting as the moderator (the “**Moderator**”) welcomes and thank you the shareholders and attendees for the participation of the Extraordinary General Meeting of Shareholders No. 1/2020 and informs the preliminary information of the Company. To comply with the good corporate governance principle in relation to the voting in the meeting, the Moderator then informs the procedure on voting and vote counting as follows:

1. For the voting in the meeting, all shareholders will have votes equal to the number of shares held. By counting one share per one vote.
2. In the case of shareholders attending the meeting in person and proxies according to the form prescribed by law to perform the following voting:
 - Before the voting the shareholders to sign in the ballot of each agenda in order to confirm the identity of the shareholder and for transparency in voting.
 - Voting for every agenda, please mark in the box to approve, disapprove, or abstain from one of the boxes. In the voting cards of each agenda, the Company will request to collect the ballots that are disapprove or abstain, please ask the staff to collect the ballot. For those who do not submit ballots, the Company will be considered a vote of approval.
 - Vote Counting the Company will deduct votes that disapprove or abstain out of the total number of votes and the rest will be regarded as votes that approve on that agenda.

For those who vote to approve on each agenda, please keep the ballot first and return to the Company’s staff after the meeting was adjourned, the voting in this meeting is an open voting not a secret vote but all ballots shall be collected for transparency in vote counting.

Voting in the following manner will be considered void (Voided Ballot):

- 1) Ballots that have marked more than one channel.
- 2) Voting cards with pronounced intentions.
- 3) The ballot that has crossed out and has no signature.
- 4) Voting cards that have more votes than those that are available.

In the event that the shareholder needs to correct the vote please strike out the original and sign it every time.

3. **In the case of a shareholder made a Proxy Form B.** to allow other person to attend the meeting or give to the director or independent director to vote and assigning the proxy to vote



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according to the wishes of the shareholder or the proxy. The proxies will vote according to the wishes of shareholders or proxies.

In the case of a shareholder made a Proxy Form C. in the case of a foreign shareholder which appoints custodians in Thailand as depositors. It can split, vote, approve, disapprove or abstain at the same time in each agenda by dividing the votes to be equal to the number of shares they hold.

4. **Pursuant to Clause 40 of the Company's Articles of Association,** it states that voting or approval of any business in the general meeting shall be approved by the majority vote of the shareholders attending the meeting and having the right to vote saved for the following cases, the vote of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote:
- (a) Sale or transfer of entire business whether in whole or in part to other person.
 - (b) Purchase or receive of transfer of other public companies or private companies.
 - (c) To make, amend or terminate the contract regarding the lease of entire and partial business of companies, to authorize other persons to manage the company's business or to merge with other persons with the objective to share profit or loss.

Therefore, in considering agenda 1 the resolution must be passed with a majority vote of the shareholders attending the meeting and having the right to vote. In counting votes, the votes "approve", "disapprove" and "abstain" from the shareholders including counting void ballots as a base for counting votes.

In consideration of Agenda 2 and 3 the resolution must be passed by a vote of not less than three-quarters of the total votes of the shareholders attending the meeting and having the right to vote. Considering whether to approve that agenda or not, counting both "approve", "disapprove" and "abstain" votes from the shareholders, including counting voided ballots as a base for counting votes.

In this regard, as the matters to be considered in Agenda 2 and Agenda 3 are related to and conditional on one another. Therefore, if Agenda item 2 is not approved by the Shareholders' Meeting, Agenda 3 shall not be further considered, and it shall be deemed that Agenda 3 is not approved by the Shareholders' Meeting.

5. **For shareholders who wish to leave the meeting or not in the meeting room in any agenda,** shareholders can exercise their rights by sending ballots in advance to the Company staff before leaving the meeting room.
6. **The votes of the number of shareholders in each agenda may not be equal** due to gradually entering the meeting room of shareholders and proxies, therefore, the number of attendees for each agenda may not be equal.



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7. **Before voting on each agenda**, the chairman of the meeting will allow the attendees to ask questions on issues related to that agenda by asking attendees who want to ask questions or express opinions, please inform your name and surname and in the case of proxies with the name and surname of the grantor to notify the meeting before asking or commenting every time. If the question to be asked is not relevant to that agenda, please inquire in Agenda 4: Other businesses.

The Chairman then declares that the Extraordinary General Meeting of Shareholders No. 1/2020 is commenced to consider the agendas as set forth in the invitation letter of the Extraordinary General Meeting of Shareholders No. 1/2020 as follows:

Agenda 1 **To certify the minutes of the 2020 Annual General Meeting of Shareholders held on Friday, April 10, 2020**

The Moderator proposes the meeting to consider and certify the 2020 Annual General Meeting of Shareholders held on April 10, 2020 presented in the copy of minutes circulated to the shareholders together with the invitation letter (Enclosure 1).

The Moderator then provides the opportunity to the meeting to make suggestions and inquiries on this agenda.

However, no suggestions or inquiries are made, the Moderator proposed the meeting to vote on this agenda.

Resolution Upon due consideration, the meeting has resolved to certify the 2020 Annual General Meeting of Shareholders, as proposed in all respects with the voting as follows:

Shareholders	No. (Vote)	Percent
Approved	5,384,464	100
Disapproved	0	0
Abstained	0	0
Voided Ballot	0	0
	5,384,464	100

- Remarks** 1. The resolution in this agenda shall be adopted by majority votes of all shareholders and proxies attending the meeting and having a right to vote.



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2. In this agenda, there are 8 additional shareholders attending the meeting compared to the beginning of the meeting having the aggregate of 360,237 shares, totaling 60 shareholders representing a total of 5,384,464 shares.

In this regard, as the matters to be considered in Agenda 2 and Agenda 3 are related to and conditional on one another. Therefore, if Agenda item 2 is not approved by the Shareholders' Meeting, Agenda 3 shall not be further considered, and it shall be deemed that Agenda 3 is not approved by the Shareholders' Meeting.

Agenda 2 To consider and approve the disposal of the Company's assets and take on lease of the Company's assets

Agenda 2.1 To consider and approve the disposal of the Company's assets to Thai Const & Building Manufacturing Public Company Limited, which is a connected person

The Moderator asked the legal advisor to inform the meeting of the details of this agenda. The Moderator informed the meeting that the Board of Directors' Meeting No.3/2020, held on Friday, April 24, 2020 resolved to approve the Company's restructuring plan and approved to propose the Shareholders' Meeting to consider approving the disposal of the Company's assets, land, buildings, machineries and equipment with the details as follows:

Item	List of Property	Area
1	Land (2 plots per Land Title Deed No.36479 and Nor Sor 3 No.103), including relevant licenses	14 rai 2 ngarn 77.5 square wah
2	8 buildings and structures located on land per Land Title Deed No.36479 and Nor Sor 3 No.103, including relevant licenses	22,892.35square meters
3	59 items of machinery and equipment for the production business, including relevant licenses	-

This is to improve the financial position and cash flows of the Company by the disposal of the Company's assets to Thai Const & Building Manufacturing Public Company Limited ("TCB"), a connected person of the Company, at the price of THB 250,000,000 (Two Hundred Fifty Million Baht), and after the disposal of such assets, TIW Industries Co., Ltd. ("TIWI") will take on lease of such property for use in its business operations, as per the details in Agenda 2.2 of this Minutes.



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The Company has engaged two valuers to prepare their valuation report on such assets, which are Golden Land Appraisal Company Limited and CPM Capital Company Limited which had been approved by the SEC Office. The details of which may be summarized as follows:

Property	Appraised Value from Golden Land Appraised Co., Ltd. as of March 26, 2020 (THB)	Appraised Value from CPM Capital Co., Ltd. as of March 26, 2020 (THB)
2 plot of land per Land Title Deed No.36479 No.86 Tambol Laemphapa, Phrasamutjedee District, Samutprakarn Province total land area 14-2-07.5 rai or 5,807.5 sq.wah. and Nor Sor 3 No.103 Tambol Laemphapa, Phrasamutjedee District, Samutprakarn Province total land area 0-0-70.0 rai or 70 sq.wah. Total land area 14-2-77.5 rais or 5,877.5 sq.wah including relevant licenses	146,937,500	146,937,500
8 buildings and structures located on land per Land Title Deed No.36479 and Nor Sor 3 No.103, including relevant licenses	20,880,000	19,328,744
57 items of machinery and equipment for the production business, including relevant licenses	57,710,000	57,608,000
Total	225,527,500	223,874,244



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2 new machineries and equipment including relevant license	3,073,310	3,073,310
	<u>Note:</u> these machineries and equipment are sold at book value since these machineries and equipment are already installed in March 1, 2020 and March 16, 2020 and depreciation have not been recognized.	<u>Note:</u> these machineries and equipment are sold at book value since these machineries and equipment are already installed in March 1, 2020 and March 16, 2020 and depreciation have not been recognized.
Total	228,600,810	226,947,554

The Board of Directors considered the price of such assets and resolved to propose the Shareholders' Meeting to consider approving the disposal of such assets at the price of THB 250,000,000, which is not lower than the price assessed by the opinion of valuers, on the conditions that payments shall be made into two installments, namely, the first installment of THB 160,000,000 (One Hundred and Sixty Million Baht) due and payable on the execution date of the transaction on acquisition and acceptance of transfer of the acquired assets, and the second installment of THB 90,000,000 (Ninety Million) due and payable in August 15, 2020 or on such date as mutually agreed upon in writing by both parties. In this regards, TCB agrees to place a bank guarantee in the amount of THB 90,000,000 with the Company on the execution date of the transaction on acquisition and acceptance of transfer of the acquired assets to secure payment of the second installment.

Furthermore, the Board of Directors deemed it appropriate to propose the Shareholders' Meeting to consider approving the authorization of the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer and/or the person authorized by the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer to determine, amend, vary and/or add details, conditions, and execute, negotiate, agree, sign and amend any agreements, applications, evidence and documents relating to the disposal of the Company's assets, including contact and filing of such documents, as well as other relevant documentary evidence, and take any other arrangements with the relevant authorities, and any arrangements necessary for or in connection with the disposal of the Company's assets on this occasion, subject to the scope approved by the Shareholders' Meeting. Should there be any assets, e.g., office equipment, tools, which may not be disposed of for any reason whatsoever, the Board of Directors or the person so authorized shall be authorized to consider disposing of such assets by other means to any persons as it may deem appropriate in the best interests of the



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Company, and subject to compliance with the applicable laws and rules and regulations.

The disposal of such assets is regarded as a transaction on disposal of assets by a listed company 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 or Disposition of Assets B.E. 2547 (2004), dated October 29, 2004 (as amended) (the “**Notifications on Acquisition or Disposal of Assets**”). Should the fair price apply in the calculation of the transaction value based on the total value of consideration relative to the Company’s total assets per the Company’s consolidated financial statements reviewed by the certified public accountant, ended December 31, 2019, the highest transaction value shall be equal to 26.35 percent. In the absence of any transactions on disposal of any other assets over the past six months before the execution date of the transaction on disposal of assets on this occasion, the highest transaction value based on the total value of consideration is 26.35 percent, which is equal to 15 percent or higher, but lower than 50 percent, and as such, this is regarded as a transaction in type 2 pursuant to the Notifications on Acquisition or Disposal of Assets. Therefore, the Company is required to report and disclose the information memorandum on such transaction to the SET immediately, which must at least contain the information as required in List (1) attached to the Notifications on Acquisition or Disposal of Assets, and give notice to the shareholders within 21 days from the date of such disclosure to the SET. However, in order for the shareholders to participate in entering into the disposal of such assets, the Company deemed it appropriate to propose the shareholders’ meeting of the Company to approve such disposal of assets. When such transaction on the disposal of assets was approved by the shareholders’ meeting, the said transaction would not be included in the sale of any other assets that occur later as prescribed in Clause 12 of 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 or Disposition of Assets B.E. 2547 (2004) dated October 29, 2004 (as amended) (the “**Notifications on Acquisition or Disposition of Assets**”).

However, the execution of the disposal of assets above is regarded as partial business transfer transaction pursuant to Section 107 (2)(a) of the Public Limited Companies Act B.E. 2535 (1992) (as amended) (the “**Public Limited Companies Act**”), therefore, the Company is required to obtain approval for such Entire Business Transfer Transaction from the Shareholders’ Meeting of the Company, with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote.

The above transaction on disposal of assets is also regarded as a connected transaction of a listed company under the Notification of the Capital Market



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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 Stock Exchange of Thailand 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**”). Upon calculation of the transaction value of the disposal of the Company’s assets, the transaction value is equal to 30.45 percent of the Company’s net tangible assets per the Company’s financial statements for the year 2019 ended December 31, 2019, which had been audited by the certified public accountant. Upon combination of connected transactions over the past six months (including assets lease back proposed to the board of directors’ meeting this time), the total value of the transaction is 59.68 percent, which is more than THB 20 million, and more than 3 percent of the Company’s net tangible assets per the Company’s financial statements per the Company’s consolidated financial statements reviewed by the certified public accountant, ended December 31, 2019, which is equal to THB 24,631,333 (24.63 Million Baht).

Pursuant to the Public Limited Companies Act and Notifications on Connected Transactions, the Company has the duty to:

- (1) To report and disclose the information memorandum regarding the disposal of assets and assets lease back, which are connected transactions of the Company, to the SET immediately, which must at least contain the information as required in the Notifications on Connected Transactions;
- (2) To appoint an independent financial advisor to perform the relevant functions and provide an opinion as required by the Notifications on Connected Transactions and deliver the independent financial advisor’s report to the shareholders for consideration, together with the Notice of the Shareholders’ Meeting. In this regard, the Company has appointed Pioneer Advisory Co., Ltd., a financial advisor approved by the SEC Office, as the Company’s independent financial advisor to provide its opinion on the transaction on disposal of assets and assets lease back, which are connected transactions, to the shareholders;
- (3) To convene a Shareholders’ Meeting of the Company to approve the transaction on disposal of assets and assets lease back, which is a connected transaction, by delivering the Notice of the Shareholders’ Meeting at least fourteen days before the date of the Shareholders’ Meeting, and obtain approval from the Shareholders’ Meeting with not less than three-fourths of all votes of the shareholders present and eligible to vote, excluding the votes of the interested shareholders, provided that the names and the number of shares held by the shareholders ineligible to vote shall be indicated in the Notice of the Meeting.



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Further details of this matter are described in the Information Memorandum of Thailand Iron Works Public Company Limited Re: Disposition of Assets and Connected Transaction (**Enclosure 2**).

The Moderator then provides the opportunity to the meeting to make suggestions and inquiries on this agenda.

However, no suggestions or inquiries are made, the Moderator propose the meeting to vote on this agenda.

Resolution

Upon due consideration, the meeting has resolved to approve the disposal of the Company's assets, land, buildings, machineries and equipment to Thai Const & Building Manufacturing Public Company Limited, which is a connected person, including the authorization of the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer and/or the person authorized by the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer to determine, amend, vary and/or add details, conditions, and execute, negotiate, agree, sign and amend any agreements, applications, evidence and documents relating to the disposal of the Company's assets, including contact and filing of such documents, as well as other relevant documentary evidence, and take any other arrangements with the relevant authorities, and any arrangements necessary for or in connection with the disposal of the Company's assets on this occasion, as proposed in all respects with the voting as follows:

Shareholders	No. (Vote)	Percent
Approved	1,419,096	100
Disapproved	0	0
Abstained	0	0
Voided Ballot	0	0
	1,419,096	100

Remarks

The resolution in this agenda shall be adopted by the votes of not less than three-fourths of the votes of all shareholders attending the meeting and having the right to vote, exclusive of the conflict person (if any). In this agenda item, there are the shareholders who are connected persons and/or interested shareholder ineligible to vote on this agenda item, namely, Mr. Prasit Kanchanasakdichai holding 3,965,368 shares in the Company.



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Agenda 2.2 To consider and approve the assets lease back from Thai Const & Building Manufacturing Public Company Limited, which is a connected person of the Company

The Moderator asked the legal advisor to inform the meeting of the details of this agenda. The legal advisor informed the meeting that in order to be consistent with the transaction on the disposal of the Company's assets and taking on lease of the Company's assets under Agenda 2.1, the Board of Directors deemed it appropriate to propose the Shareholders' Meeting to consider and grant approval for TIWI, a subsidiary of the Company in which the Company holds shares representing 99.99 percent of TIWI's registered capital, to enter into a property lease agreement to lease properties including land, buildings and structures, machineries and equipment, from TCB who is a connected person, for use in the operation of business of zinc coated steel sheet production and associated business, at the rental of THB 80,000,000 (Eighty Million Baht) throughout the lease term of 10 years with an option to renew the lease for another 2 terms of 10 years each, totaling 30 years, whereas TIWI shall make an annual rental payment of THB 8,000,000, which the first installment will be made on the date of entering into the lease agreement. TIWI shall have the rights to renew the lease by giving a written notice to the lessor of its intention to renew the lease at least 3 months prior to expiration of the lease term.

The execution of such transaction is regarded as an acquisition and disposal of assets under the Notifications on Acquisition or Disposal of Assets. Upon calculation of the transaction size based on the total value of consideration relative to the Company's total assets per the Company's financial statements for the year ended December 31, 2019, which had been reviewed by the Company's auditor, the transaction has the highest value of 25.30 percent. After calculating all of the Company's acquisition during the past six months (including the acquisition of Solar Power Business proposed to the Board of Directors' Meeting No. 3/2020), the total highest transaction value is equal to 47.96 percent based on the total value of consideration, which is equal to or higher than 15 percent but lower than 50 percent, which is considered a Type 2 transaction pursuant to the Notifications on Acquisition or Disposition of Assets. Therefore, the Company is required to prepare a report and disclose the transaction to the SET immediately. The information memorandum shall contain at least the information as specified in Schedule (1) annexed to the Notifications on Acquisition or Disposal of Assets. The Company shall circulate the information memorandum to the shareholders within 21 days from the date of disclosure to the SET. However, the Company's Board of Directors deemed it appropriate to propose the assets lease back transaction to the Shareholders' Meeting for approval. Once approved by the Shareholders' Meeting, such transaction would not be combined with disposal transactions in the future as stipulated in Clause 12 of 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 Disposal of Assets B.E. 2547 (2004) dated 29 October 2004 (as amended).



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Moreover, the transaction on leasing of the property above is also regarded as a connected transaction of a listed company under the Notifications on Connected Transactions. Upon calculation of the transaction value of the acquisition of such assets, the transaction on leasing of the property is equal to 29.23 percent of the Company's net tangible assets per the Company's financial statements for the year 2019 ended December 31, 2019, which had been audited by the certified public accountant. Upon combination of connected transactions over the past six months (including the disposal of assets that proposed to the Board of Directors' Meeting No. 3/2020), the total value of the transaction is 59.68 percent, which is more than THB 20 million, and more than 3 percent of the Company's net tangible assets per the Company's financial statements per the Company's consolidated financial statements reviewed by the certified public accountant, ended December 31, 2019, which is equal to THB 24,631,333 (24.63 Million Baht). Pursuant to the Public Limited Companies Act and Notifications on Connected Transactions, the Company has the duty to:

- (1) To report and disclose the information memorandum regarding the disposal assets and assets lease back, which are connected transactions of the Company, to the SET immediately, which must at least contain the information as required in the Notifications on Connected Transactions;
- (2) To appoint an independent financial advisor to perform the relevant functions and provide an opinion as required by the Notifications on Connected Transactions and deliver the independent financial advisor's report to the shareholders for consideration, together with the Notice of the Shareholders' Meeting. In this regard, the Company has appointed Pioneer Advisory Co., Ltd., a financial advisor approved by the SEC Office, as the Company's independent financial advisor to provide its opinion on the transaction on disposal of assets and assets lease back, which are connected transactions, to the shareholders;
- (3) To convene a Shareholders' Meeting of the Company to approve the transaction on disposal of assets and assets lease back, which is a connected transaction, by delivering the Notice of the Shareholders' Meeting at least fourteen days before the date of the Shareholders' Meeting, and obtain approval from the Shareholders' Meeting with not less than three-fourths of all votes of the shareholders present and eligible to vote, excluding the votes of the interested shareholders.

Further details of the matter are described in the Information Memorandum on Acquisition of Assets as Connected Transaction of Thailand Iron Works Public Company Limited (**Enclosure 3**).

The Moderator then provides the opportunity to the meeting to make suggestions and inquiries on this agenda.



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1. Mr. Sathaphorn Kotheeranuruk, a shareholder attending the Meeting in person, requested for clarification as follows:

- 1) Under Agenda 2.1 what are profits and losses of the disposal of the Company's assets such as land, buildings and structures, and machineries and equipment, and requested the financial advisor to clarify on the advantages and disadvantages for entering into such transaction.
- 2) Under Agenda 2.2 what is the impact of the disposal of the Company's assets and lease back of the assets on the financial position and in the continuation of the Company, and whether there is any impact or not as the accounting standard regarding the lease agreement applied.

The Company's consultant clarified that under Agenda 2.1, the disposal of those three properties will enable the Company to profit approximately THB 20 million. Whereas under Agenda 2.2, the disposal and lease back of the Company's assets in accordance with the accounting standard (sale and lease back), the Company's financial statement will not record the depreciation. The Company must only pay for the rent to the lessee in accordance with the details specified in the financial statement pursuant to the report of the independent financial advisor.

The independent financial advisor further explained that the rent which will be paid in the disposal and lease back of the Company's assets is appropriate because the depreciation of the price is calculated with the annual rate of 14.7, while the value of the rent is equivalent to THB 80 million throughout the rental period.

2. Mr. Sakchai Sakulrimontri, a shareholder attending the Meeting in person, requested for clarification on the following questions:

- 1) As of March 31, 2020, how is the financial liquidity in cash or deposit?

Ms. Oranut Pakirasa, the Financial Director, explained that as of March 31, 2020, the Company had approximately THB 130,000,000 in cash, whereas, on December 31, 2019, the Company had approximately THB 91,000,000 in cash which this portion of money was used only for supporting iron sheet business only, not include any other businesses.

- 2) What are the relationship between the purchaser and the Company?

The Chairman explained that TCB is a company that the Chairman is a major shareholder, and the reason for the acquisition of land, buildings and structures, machineries and equipment is to find a source of income for the Company. As, nowadays, iron sheet industries have difficulty in obtaining loans from banks, therefore, the disposal and lease back of the Company's assets is an option for the Company that may not cause impact to shareholders.



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- 3) Due to the transition of the Company from manufacturing zinc coated steel sheet to a trading company, whether the Company is able to compete with the market or not. If the buying and selling of the Company's products is more expensive compared to other businesses, the business might suffer a loss. How does the Company prepare to solve this issue?

The Chairman clarified that the Company is not only a trading company, but the Company is also still a manufacturer of zinc coated steel sheet as normal and it is still in operation as usual. This transition merely has an increase in the elasticity in running its business. Thus, it is expected that the alteration of the Company's structure will enable the Company to improve its overall business operations.

3. **Mr. Tara Cholpranee**, a shareholder attending the Meeting in person, requested the meeting to explain the advantages, disadvantages and the overall summary of the Company's disposal and lease back of the Company's assets for cash to enable it to continue operating its business in order to purchase a new business.

The legal advisor clarified the summary of the transaction of the disposal of the Company's assets at the price of THB 250,000,000 (Two Hundred Fifty Million Baht) as resolved by the shareholders' meeting under Agenda 2.1 and 2.2. In the first installment payment, the Company will receive an amount of THB 160,000,000 (One Hundred Sixty Million Baht). At the same time, the Company will remain operating its business and continue to lease back property from TCB for the period of 10 years with the rent of THB 80,000,000. In addition, under Agenda 3, the Company will use this money to invest in the Solar Power Business Group which produce the electricity in the commercial system (Commercial Operation Date). Currently, the Solar Power Business Group engages in the solar power business in 10 projects having the manufacturing capacity of 7.825 megawatts, which the electricity is expected be sold until the year 2038. The transaction of the Solar Power Business Group has a value at the total of THB 215,000,000 (Two Hundred Fifteen Million Baht). The execution of such transaction above is regarded as acquisition of assets as a transaction in type 2 pursuant Section 107 which requires resolution by not less than three-quarters of the votes of all shareholders attending the meeting and having the right to vote.

Due to the Company's investment in the Solar Power Business Group, the Company thus requested the Shareholders' Meeting to approve the addition of the Solar Power Business as the main business of the Company as approved by the Shareholders' Meeting in 2018 pursuant to the Company business plan.

The independent financial advisor further explained that the Company will use the money from the disposal and lease back of the Company's assets to purchase the Solar Power Business for 10 projects. As the Solar Energy Business is a



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business which has certainty, the Company's management considered that in acquiring certain profitable business to complement the business which has fluctuations will bring benefits to the Company as profits would be effected by external factors.

The independent financial advisor explained the advantages of the disposal of the Company's assets and lease back that such transactions may have an impact on the financial statement of the Company regarding the depreciation. In addition, it is estimated that the Company will also profit approximately THB 20,000,000 (Twenty Million Baht) per year from operating the energy business.

- 4. Mr. Narongchai Simaroj**, a shareholder attending the Meeting in person, asked the meeting that who will be a responsible person for tax payments in respect of the registration of the transfer of ownership of lands, building and structures, and materials to TCB.

The Meeting's moderator clarified that the Company is responsible for the expenses of tax payments in accordance with the terms of the sale and purchase agreement.

- 5. Mr. Sathaphorn Kotheeranuruk**, a shareholder attending the Meeting in person, asked whether the Company had consulted the auditor regarding the impact of financial statement of the Company in accordance with the Thai Financial Reporting Standards (TFRS 16) and how to record the financial statements.

Ms. Oranut Pakirasa informed that the Company had consulted with the auditor regarding the impact of such transaction which it did not deemed as a significant transaction as per the detail in page 71 of the opinion of the acquisition and disposal of the Company's assets.

- 6. Mr. Tara Cholpranee**, a shareholder attending the Meeting in person, asked in relation to Clause 2.4 of the information memorandum which provided financial information of Living Energy Co., Ltd. whether the Company will be able to make a profit as estimated.

The independent financial advisor clarified that the aforementioned financial statement is not only the financial statement of Living Energy Co., Ltd., but it included 8 subsidiaries and 10 projects operating the solar power business.

- 7. Mr. Tara Cholpranee**, a shareholder attending the Meeting in person, requested the meeting to clarify further details on page 9 of Clause 2.4 of the information memorandum if accident on fire occurs, how does the Company plan to compensate such loss?



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ตำบลแหลมฟ้าผ่า อำเภอพระสมุทรเจดีย์

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The independent financial advisor explained that although the warehouse caught fire but solar panels located on the rooftop of the factory are properties of the Company. Therefore, electricity materials had already been changed and the Company also had cash for which the Company may charge the loss of benefit of such event. As such, the independent financial advisor has already estimated and calculated the price of THB 215,000,000 (Two Hundred Fifteen Million Baht) which is reasonable.

The Chairman further explained that the purpose of investment in the energy industry is to provide an option for the Company as the Company intended to expand its business since the past few years. However, in the zinc coated steel sheet production industry in Thailand, the Company is not able to compete with products from foreign countries that are dumping continuously. Therefore, the Company found a business to support the operation of the Company which is the solar power business and the Company has a technology system enabling to install solar panels on rooftops. The Company has also installed many solar panels for other companies which will be future customers of the Company. The solar power business is an opportunity for the Company to further expand its business to other businesses other than the zinc coated steel sheet production business. The Company has to adjust to be able to continue its operations.

8. **Mr. Narongchai Simaroj**, a shareholder attending the Meeting in person, requested for the clarification on the Company's plan of continuing its operations after the completion of the power purchase agreement.

The Chairman further clarified that, as of this moment, there is no certain plan but the most beneficial plan will be chosen for the benefit the shareholders and the Company.

The independent financial advisor explained that the power purchase agreement has a period of 25 years. In the future, if the Company will reconsider continuing the power purchase agreement as explained by the Company's management pursuant to the assumption of the independent financial advisor's valuation of the business at the completion of the power purchase agreement, there will be no expenses in the demolition of the Company. Whether the Company has calculated these expenses in the transaction value or not.

9. **Mr. Narongchai Simaroj**, a shareholder attending the Meeting in person asked as the quality of the solar panels will be decreased after 5 years, the Company will have to charge fees for changing solar panels. He further assumed that when entered into the power purchase agreement with the Electricity Generating Authority of Thailand for 1 megawatt and the Company is not able to sell 1 megawatt, the Company will have to pay a fine. If the Company generates electricity more than required by the Electricity Generating Authority of



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Thailand, not all of electricity will be purchased. He noted to the Meeting that such information shall be stated in the plan.

The independent financial advisor explained that once the solar cells are used, the quality will definitely be decreased. Therefore, before the Company acquires those 10 projects, the Company has consulted with an expert to evaluate the solar cells. It was found that there are some solar cells which have started to deteriorate. As such, the Company informed the seller to start repairing and renovating, which it is expected that the seller will completely repair 67 percent of all of the solar within the year 2020. Therefore, in 2021, there will be the operations of the new solar cells with a warranty for 4 years.

However, no suggestions or inquiries are made, the Moderator propose the meeting to vote on this agenda.

Resolution

Upon due consideration, the meeting has resolved to approve TIW Industries Co., Ltd., the Company's subsidiary to take on lease of land, buildings, machineries and equipment from Thai Const & Building Manufacturing Public Company Limited, which is a connected person of the Company for the operation zinc coated steel sheet production and associated business, including the authorization of the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer and/or the person authorized by the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer to determine, amend, vary and/or add details, conditions, and execute, negotiate, agree, sign and amend any agreements, applications, evidence and documents relating to the disposal of the Company's assets, including contact and filing of such documents, as well as other relevant documentary evidence, and take any other arrangements with the relevant authorities, and any arrangements necessary for or in connection with the lease back of the Company's assets, as proposed in all respects, with the voting as follows:

Shareholders	No. (Vote)	Percent
Approved	1,419,405	100
Disapproved	0	0
Abstained	0	0
Voided Ballot	0	0
	1,419,405	100

Remarks

- The resolution in this agenda shall be adopted by the votes of not less than three-fourths of the votes of all shareholders attending the meeting and



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having the right to vote, exclusive of the conflict person (if any). In this agenda item, there are the shareholders who are connected persons and/or interested shareholder ineligible to vote on this agenda item, namely, Mr. Prasit Kanchanasakdichai holding 3,965,368 shares in the Company.

2. In this agenda, there are 3 additional shareholders attending the meeting compared to the beginning of the meeting having the aggregate of 309 shares, totaling 63 shareholders representing a total of 5,384,773 shares.

Agenda 3 To consider and approve to add another main business of the Company and investing in energy business

Agenda 3.1 To consider and approve to add the energy business to be another main business of the Company

The Moderator asked the legal advisor to inform the meeting of the details of this agenda. The legal advisor informed the meeting that due to the Company's plan for the investment in solar power plant business as detailed in Agenda 3.2 of this Minutes. The Board of Directors' meeting deemed it appropriate to propose the shareholders' meeting approving the addition of the energy business as the main business of the Company.

The Moderator then provides the opportunity to the meeting to make suggestions and inquiries on this agenda.

However, no suggestions or inquiries are made, the Moderator propose the meeting to vote on this agenda.

Resolution Upon due consideration, the meeting has resolved to add the energy business to be another main business of the Company, as proposed in all respects, with the voting as follows:

Shareholders	No. (Vote)	Percent
Approved	5,384,773	100
Disapproved	0	0
Abstained	0	0
Voided Ballot	0	0
	5,384,773	100



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Remarks The resolution in this agenda shall be adopted by the majority vote of the shareholders attending the meeting and having the right to vote

Agenda 3.2 **To consider and approve the investment in the energy business by a newly established subsidiary, by way of the acquisition and acceptance of the entire business transfer from Living Energy Co., Ltd., including the execution of the entire business transfer agreement, other arrangements, contracts and documents relating to the acquisition and acceptance of the entire business transfer, which is regarded as a transaction on acquisition of assets and connected transaction**

The Moderator asked the legal advisor to inform the meeting of the details of this agenda. The legal advisor informed the meeting that due to the Company's restructuring according to the business transfer plan pursuant to the resolution of the 2018 Annual General Meeting of Shareholders held on 26 July 2018, the Board of Directors deemed it appropriate to propose to the shareholders' meeting to consider approving the investment in the energy business by a newly established subsidiary of the Company in which the Company holds shares representing 99.99 percent of its registered capital, by way of investment in all ordinary shares of 8 companies, i.e., (1) Sky Solar Roof Co., Ltd. ("SSR"); (2) Sky Solar Power Co., Ltd. ("SSP"); (3) NW Green Power Co., Ltd. ("NGP"); (4) NW Energy Co., Ltd. ("NWG"); (5) NW Solar Co., Ltd. ("NSL"); (6) Sunny Solar Co., Ltd. ("SSL"); (7) Sun Link Power Co., Ltd. ("SLP"); and (8) Solar Town Co., Ltd. ("SLT"); (collectively, the "**Solar Power Business Group**"), currently, the Solar Power Business Group engages in the solar power business in 10 projects with a total electricity generation capacity of 7.825 megawatts, and represents subsidiaries of Living Energy Co., Ltd. ("**Living**"), which is a subsidiary of Sea Oil Public Company Limited, by way of entire business transfer from Living, with the value of the Solar Power Business Group in the total amount of THB 215,000,000. The payment of the consideration is divided 2 instalments as follows: 1st instalment: THB 170,000,000 will be paid on the date of acceptance of the entire business transfer; and 2nd instalment: THB 45,000,000 will be paid within September 2020 unless otherwise agreed by the parties in writing. At the date of the transaction on the acquisition and acceptance of transfer of ownership in the solar power plant business, the Company agrees to pledge the newly established subsidiary of the Company's shares to the Living as collateral at THB 45 million or equal to 20.9 percent of the ordinary shares of the newly established subsidiary of the Company.

Therefore, the execution of such transaction is regarded as an acquisition of assets pursuant to 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 or Disposition of Assets B.E. 2547 (2004) dated October 29, 2004 (as amended) (the "**Notifications on**



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Acquisition or Disposal of Assets”). Upon calculation of the transaction size based on the total value of consideration relative to the Company’s total assets based on the Company’s financial statements for the year 2019 ended December 31, 2019, which had been reviewed by the Company’s auditor, the transaction value shall be equal to 22.66 percent, and upon combination of the Company’s transactions on acquisition of assets over the past six months (including the acquisition of Solar Power Business Group proposed to this Board of Directors’ Meeting No.3/2020), the highest transaction value is equal to 47.96 percent based on the total value of consideration, which is equal to 15 percent or higher, but lower than 50 percent, and as such, this is regarded as a transaction in account 2 pursuant to the Notifications on Acquisition or Disposal of Assets. Therefore, the Company is required to report and disclose the information memorandum on such transaction to the SET immediately, which must at least contain the information as required in List (1) attached to the Notifications on Acquisition or Disposal of Assets, and give notice to the shareholders within 21 days from the date of such disclosure to the SET, which must at least contain the information as required in List (2) 1, 2, 3, 5(3), 7 and 8 attached to the Notifications on Acquisition or Disposal of Assets. However, in order for the shareholders to participate in entering into the disposal of such assets, the Company deemed it appropriate to propose the shareholders’ meeting of the Company to approve such disposal of assets. When such transaction on the disposal of assets was approved by the shareholders’ meeting, the said transaction would not be included in the sale of any other assets that occur later as prescribed in Clause 12 of 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 or Disposition of Assets B.E. 2547 (2004) dated October 29, 2004 (as amended).

Moreover, the execution of such Entire Business Transfer Transaction is regarded as the Company’s acquisition and acceptance of transfer of other company’s business pursuant to Section 107(2)(b) of the Public Limited Companies Act, therefore, the Company is required to obtain approval for such Entire Business Transfer Transaction from the Shareholders’ Meeting of the Company, with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote.

The details of the transaction on investment in the energy business are described in the Information Memorandum of Thailand Iron Works Public Company Limited Re: Acquisition of Assets Relating to Transaction on Investment in Energy Business (**Enclosure 4**).

The Moderator then provides the opportunity to the meeting to make suggestions and inquiries on this agenda.

However, no suggestions or inquiries are made, the Moderator propose the meeting to vote on this agenda.



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Resolution

Upon due consideration, the meeting has resolved to approve the investment in the energy business by a newly established subsidiary, by way of the acquisition and acceptance of the entire business transfer from Living Energy Co., Ltd., including the execution of the entire business transfer agreement, other arrangements, contracts and documents relating to the acquisition and acceptance of the entire business transfer, and to authorize the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer and/or the person authorized by the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer to take any arrangements necessary for or in connection with the execution of the entire business transfer agreement as necessary and appropriate under relevant regulations, including to carry out the business restructuring plan in accordance with the resolution of the Extraordinary General Meeting of Shareholders No.1/2020 by cancelling the business plan to purchase shares in Group K Corporation Limited as approved by the 2018 Annual General Meeting of Shareholders, as proposed in all respects with the voting as follows:

Shareholders	No. (Vote)	Percent
Approved	5,384,873	100
Disapproved	0	0
Abstained	0	0
Voided Ballot	0	0
	5,384,773	100

Remarks

- The resolution in this agenda shall be adopted by the votes of not less than three-fourths of the votes of all shareholders attending the meeting and having the right to vote, exclusive of the conflict person (if any).
- In this agenda, there is 1 additional shareholder attending the meeting compared to the beginning of the meeting having the aggregate of 100 shares, totaling 64 shareholders representing a total of 5,384,873 shares.

Agenda 4

To consider other business (if any)

The Moderator then provides the opportunity to the meeting to make suggestions and inquiries on this agenda.

There were additional questions from shareholders which can be summarized as follows:



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1. **Mr. Sakchai Sakulsrimontri**, a shareholder attending the Meeting in person asked in which trimester will the profits of the Company be recorded in?

The Chairman clarified that the Company expected that the transaction will be completed within the 3rd or 4th quarter. However, the Company will thought fully consider various impacts.

2. **Mr. Sakchai Sakulsrimontri**, a shareholder attending the Meeting in person asked whether the Company has to change its name as a result of the change of its main business or does the Company have to inform the Stock Exchange of Thailand regarding the change of the business or not?

The Moderator clarified that the name of the Company will not be changed. The Company did not change its business but it only added the energy business as one of its main businesses.

3. **Mr. Nara Sripetch**, a shareholder attending the Meeting in person asked whether the Company will change the par value of the shares or not.

The Chairman explained that the Company is in the process of studying the information.

The Chairman informed the meeting that the proposed meeting agenda as specified in the invitation letter to the Extraordinary General Meeting of Shareholders No.1/2020 has been completed and there were no shareholders having any questions.

The Chairman declares that the meeting is adjourned.

The meeting is adjourned at 11.18 a.m.

Signed  Chairman of Meeting

(Mr. Prasit Kanchanasakdichai)

Signed  Company Secretary

(Mr. Kriengchai Trinapakorn)

-translation-

Information Memorandum on Acquisition of Assets
of
Thailand Iron Works Public Company Limited

During August 3, 2020 – September 9, 2020, Miss Parleerat Panboonhom (“**Miss Parleerat**”) offered to purchase all of the securities of Thailand Iron Works Public Company Limited (the “**Company**”) (Conditional Voluntary Tender Offer). Therefore, Miss Parleerat has become the major shareholder of the Company holding 3,691,968 share, representing 61.53% of total votes of the Company. In this regard, Miss Parleerat has proposed the Board of Directors to consider and approve the execution of the business plan after takeover that has been disclosed in the Tender Offer (Form 247-4) (dated July 31, 2020 and amendments thereof on August 14 and 24, 2020). In light of this, it was proposed to the Board of Directors to consider details of investment transaction in Winchai Co., Ltd. (“**Winchai**”) in proportion of 2,598,750 shares held by Miss Parleerat, representing 26.25% of total shares of Winchai.

The Company has held the Board of Directors’ Meeting No. 15/2020 on December 8, 2020, in which it was resolved to grant approval to propose the Shareholders’ Meeting to consider approving the acquisition of 2,598,750 shares or equal to 26.25 percent of the total shares in Winchai from Miss Parleerat or an entity which Miss Parleerat holds the entire shares, as the Company’s connected person, at the price of THB 660,000,000 (Six Hundred Sixty Million Baht Only) in cash (the “**Share Acquisition Transaction**”). However, the Share Acquisition Transaction will take place only after the conditions precedent as specified in the agreement to buy and sell shares between the Company (as buyer) and Miss Parleerat or an entity which Miss Parleerat holds the entire shares (as seller) (the “**Agreement to Buy and to Sell Shares**”) shall have been fulfilled. Such conditions precedent includes, but are not limited to, the following:

- (1) The Shareholders’ Meeting of the Company shall have resolved to approve the execution of the Share Acquisition Transaction;
- (2) As of the closing date of the share acquisition, there shall be no event or action happening or threatened to be happening or any reason to expect it to be happening, which may materially and adversely affect Winchai or obstruct the execution of the Share Acquisition Transaction; and
- (3) Winchai has obtained an approval from the financial institution in respect of the change of shareholding structure of Winchai in accordance with this Share Purchase Transaction.

Initially, the Company anticipates that should the Shareholders' Meeting resolve to approve such transaction, and the conditions precedent as specified in the Agreement to Buy and Sell Shares have been fulfilled or waived, the Company shall conclude the acquisition of shares in Winchai by March 2021.

Winchai operates in renewable energy business known as "RomKlao Wind Farm" in Nikom Kham Soi District, Mukdaharn province of Thailand. The wind farm has full capacity of 45.0 MW. Winchai has entered into a Power Purchase Agreement ("**PPA**") with Electricity Generating Authority of Thailand ("**EGAT**") with the contracted capacity of 45.0 MW and received Adder scheme at THB 3.5 per kWh for 10 years from the COD. The terms of PPA is 5 years and can be renewed every 5 years (Evergreen Contract). RomKlao Wind Farm has achieved Commercial Operation on April 1st, 2019. In the foreseeable future, Winchai has no intention to expand its portfolio into any other renewable energy projects.

Upon the completion of the Company's investment in Winchai, the Company will held 26.25% of total shares in Winchai, and consequently, Winchai shall be an associated company of the Company, and the Company will have the rights to nominate 1 director out of 4 directors for appointment as a new director of Winchai. Winchai has been currently held by 1) Nathalin Co., Ltd ("**Nathalin**") in aggregate of 48.75 percent of total shares and voting rights of Winchai and 2) Qian Xing Long Company Limited in aggregate of 25.00 percent of total shares and voting rights of Winchai.

Upon the completion of the Company's investment in Winchai, the Company shall nominate 1 person to appoint as a director of Winchai, to participate in setting the policy and involvement in material engagement of Winchai. However, the Company has no intention to change Winchai's organizational structure, and has no intention to engage in day-to-day operations, of which Mr. Phadej Metiyanon, as Winchai's managing director, is the management position who supervise and is responsible for determination of Winchai's policy regarding day-to-day operations. The Company shall act as a passive shareholder, and receive the return from dividends, whereas Winchai's dividend policy establish to pay dividends at least annually, by taken into the consideration of the net profit contribution from its electricity generation and selling operation, along with the cash available on hand after 1) the reserve maintenance accounts required under Winchai's loan agreement have been fulfilled, 2) the reserves for maintenance and renovation expenditure, or any foreseeable contingencies in each annual budget plan, and 3) in accordance with the applicable laws with respect to the dividend reserve fund. Such reserves' setting and any alteration are required to be decided upon only by a resolution of Winchai's board of directors.

In this regard, the execution of such transaction is regarded as an acquisition of assets pursuant to 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 or Disposition of Assets B.E. 2547 (2004) dated October 29, 2004

(as amended) (the “**Notifications on Acquisition or Disposal of Assets**”). Upon calculation of the transaction size using the value of net tangible assets (NTA) calculation method based on the Company’s financial statements for the period ended September 30, 2020, which had been reviewed by the Company’s auditor, the highest value shall be equal to 40.22 percent. In the absence of any transaction on acquisition of assets by the Company over the past six months, which have not been approved by the Shareholders’ Meeting, therefore, the highest transaction value is equal to 40.22 percent based on the value of net tangible assets (NTA), which is equal to 15 percent or higher, but lower than 50 percent, and as such, this is regarded as a transaction in type 2 pursuant to the Notifications on Acquisition or Disposal of Assets. Therefore, the Company is required to comply with the Notifications on Acquisition or Disposal of Assets, which require the Company to report and disclose the information memorandum on such transaction by the Company to the SET immediately, which must at least contain the information as required in List (1) attached to the Notifications on Acquisition or Disposal of Assets, and give notice to the shareholders within 21 days from the date of such disclosure to the SET, which must at least contain the information as required in List (2) 1, 2, 3, 5(3), 7 and 8 attached to the Notifications on Acquisition or Disposal of Assets. However, to encourage the shareholders’ participation in Share Acquisition Transaction, the Company considers to propose this agenda to the Shareholders’ Meeting to consider approving of such transaction. In view of this, if such Share Purchase Transaction has been approved by this shareholders’ meeting, such transaction shall not be included for the transaction size calculation of the next acquisition of assets in accordance with the Clause 12 of 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 or Disposition of Assets B.E. 2547 (2004), dated October 29, 2004 (as amended).

Moreover, the above Share Acquisition Transaction is also 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 Stock Exchange of Thailand 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**”). Upon calculation of the transaction value of the acquisition of assets, the transaction size is equal to 95.70 percent of the Company’s net tangible assets per the Company’s financial statements for the period ended September 30, 2020, which had been reviewed by the certified public accountant. In the absence of any connected transaction by the Company over the past six months, which have not been approved by the Shareholders’ Meeting, therefore, the total transaction value is equal to THB 660,000,00 or representing 95.70 percent of the Company’s net tangible assets per the Company’s financial statements, which had been reviewed by the certified public accountant, for the period ended September 30, 2020, and such transaction value is regarded to exceed THB 20 Million and also exceed 3 percent of the Company’s net tangible assets per the Company’s financial statements, which had been reviewed by the certified public accountant, for the period ended September

30, 2020, which is equal to THB 689,644,873. Therefore, the Company is required to comply with the Public Limited Companies Act and the Notifications on Connected Transactions, which require the Company:

- (1) To report and disclose the information memorandum on such acquisition of assets, which is a connected transaction of the Company, to the SET immediately, which must at least contain the information as required in the Notifications on Connected Transactions;
- (2) To appoint an independent financial advisor to carry out the relevant functions, including provide its opinions as required by the Notifications on Connected transactions, whereby the independent financial advisor's report shall be delivered to the shareholders for consideration along with the invitation letter for the Shareholders' Meeting. In this regard, the Company has appointed Avantgarde Capital Co., Ltd., which is a financial advisor on the list approved by the Securities and Exchange Commission, as the independent financial advisor to provide the shareholders with its opinion on the execution of the transaction on acquisition of assets as a connected transaction; and
- (3) To convene a Shareholders' Meeting of the Company to approve such transaction on acquisition of assets, which is a connected transaction, 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, excluding such votes of the interested shareholders i.e. Miss Parleerat Panboonhom, as a major shareholder of the Company, holding 61.53% of total shares of the Company, and the director of the Company.

The details of the Share Acquisition Transaction are as follows:

1. Date of the Transaction

Such transaction will occur upon the condition that (a) Winchai has obtained a consent approving the change of shareholders of Winchai in accordance with Share Acquisition Transaction from financial institutions who supported the loan to the Company; and (b) the Company has obtained approval from the Extraordinary General Meeting of Shareholders No. 1/2021 which will be held on January 27, 2021, and it is expected to be completed by the first quarter of 2021.

2. Related Parties and Relationship with the Listed Company

Buyer : Thailand Iron Works Public Company Limited

Seller : Miss Parleerat or an entity which Miss Parleerat holds the entire shares

Relationship : Miss Parleerat is the Company’s connected person as presided by the Notifications on Connected Transactions. This is because Miss Parleerat is a major shareholder of the Company, holding 61.53% of total shares of the Company, and a director of the Company.

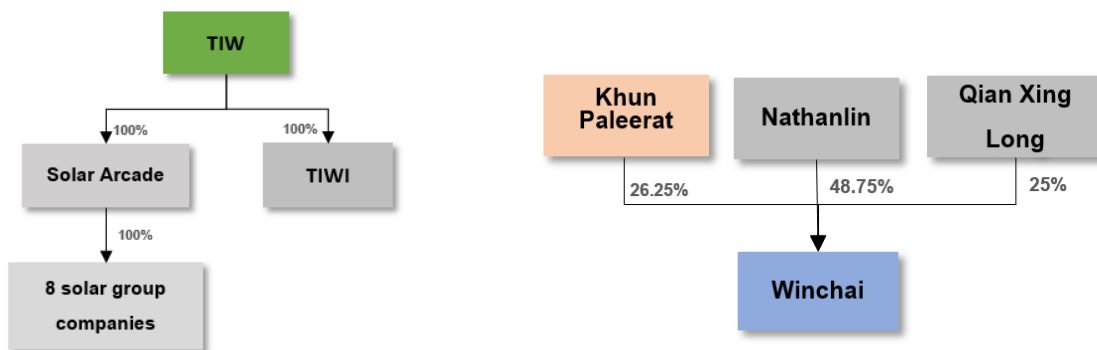
3. General Description of the Transaction

The Company wishes to invest in Winchai by way of acquisition of shares in Winchai in the amount of 2,598,750 shares or representing 26.25 percent of all shares in Winchai from Miss Parleerat or an entity which Miss Parleerat holds the entire shares, as the Company’s connected person, at the price of THB 660,000,000 (Six Hundred Sixty Million Baht Only) in cash. The key provisions of the Agreement to Buy and to Sell Shares are summarized as follows:

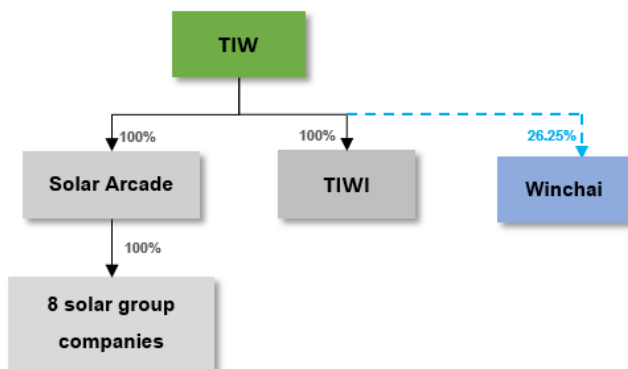
Contracting Parties	<ol style="list-style-type: none"> 1. Miss Parleerat Panboonhom or an entity which Miss Parleerat holds the entire shares (“Seller”) 2. Thailand Iron Works Public Company Limited (“Purchaser”)
Purchased Shares	2,598,750 shares in Winchai Co., Ltd. (“ Winchai ”) held by the Seller or equal to 26.25 of total issued and paid-up shares in Winchai with a par value of THB 100 per share
Purchase Price	THB 660,000,000 (Six Hundred Sixty Million Baht Only) in cash
Conditions Precedent	<ol style="list-style-type: none"> 1. The Shareholders’ Meeting of the Company shall have resolved to approve the execution of the Share Acquisition Transaction; 2. As of the closing date of the share acquisition, there shall be no event or action happening or threatened to be happening or any reason to expect it to be happening, which may materially and adversely affect Winchai or obstruct the execution of the Share Acquisition Transaction; and 3. Winchai has obtained an approval from the financial institution in respect of the change of shareholding structure of Winchai in accordance with this Share Purchase Transaction. 4. Shareholders Meeting of Winchai has approved the Seller to sell and transfer the Purchased Shares to the Purchaser

<p>Covenants</p>	<ul style="list-style-type: none"> - Upon the completion of the Purchaser's investment of Winchai, the Purchaser is required to proceed to pledge the Purchased Shares as a collateral of Winchai's loan agreement that being used for funding the development costs of Winchai's project.
<p>Termination</p>	<ul style="list-style-type: none"> - Both parties have agreed in writing to terminate the Agreement to Buy and to Sell Shares. - Either party has exercised the right to terminate the Agreement to Buy and to Sell Shares due to the other party's breach of contract. The other party did not rectify such breach within 7 days from receiving the notice from the party that did not breach the agreement.

Structure before the Transaction



Structure after the Transaction



4. Details of Acquired Assets

Winchai operates in renewable energy business known as “RomKlao Wind Farm” in Nikom Kham Soi District, Mukdaharn province of Thailand. The wind farm has full capacity of 45.0 MW. and developed since 2016. RomKlao Wind Farm chose 13 wind turbines for electricity production from Vestas Asia Pacific A/S (Vestas), an innovation and technology leadership company. Each wind turbine has capacity of 3.45 MW., 162-Meters height, and 68-Meters blade length. RomKlao Wind Farm started commercial operation on April 1st, 2019 (COD).

Winchai has entered into a Power Purchase Agreement (“PPA”) with Electricity Generating Authority of Thailand (“EGAT”) with the contracted capacity of 45.0 MW and received Adder scheme at THB 3.5 per kWh for 10 years from the COD. The terms of PPA is 5 years and can be renewed every 5 years (Evergreen Contract). Once the Company has duly acquired 26.25% shares in Winchai from Miss Parleerat or an entity which Miss Parleerat holds the entire shares, Winchai shall be an associated company of the Company.

General Information of Winchai

Company Name	Winchai Co., Ltd.
Business Type	Operates Renewable Energy
Location	88 Bangna-Trad 30, Debaratna Rd, Bangna Tai, Bangna, Bangkok Thailand 10260
Company Registration Number	0345555000933
Date of Registration	18 October 2012
Registered Capital	THB 990,000,000
Issued and Paid-up Capital	THB 818,900,000

List of Shareholders of Winchai as of December 8th, 2020

No.	Name	%	No. of shares
1	Nathalin Co., Ltd. ^{1/2}	48.75	4,826,250
2	Miss Parleerat Panboonhom	26.25	2,598,750
3	Qian Xing Long Company Limited ²	25.00	2,475,000
	Total	100.00	9,900,000

Remark:

1/ the ultimate shareholders of Nathalin Co., Ltd. (“Nathalin”) are Mr.Choedchoo Panboonhom, Miss Neeracha Panboonhom, Mrs.Wilaisri Panboonhom, Mr.Paween Panboonhom, Mr.Wang Wei, Mr.Chamarong Threngfang, Acting Second Lieutenant Chanwit Anakkun, Mr.Prompong Chairisawatsuk, Mr.Somsak Rasameeviratanon, Mr.Suraphon Meesathien, and Surasak Chaiyen.

Miss Parleerat, who is the Company's major shareholder, has held none of the share of Nathalin, and does not hold director or managerial positions in Nathalin. However, Mr.Choedchoo Panboonhom, and Mrs.Wilaisri Panboonhom, who are the ultimate shareholders of Nathalin, are Miss Parleerat's parents. And, Miss Neeracha Panboonhom, and Mr.Paween Panboonhom, who are the ultimate shareholders of Nathalin, are Miss Parleerat's siblings. Therefore, Nathalin, Mr.Choedchoo Panboonhom, Mrs.Wilaisri Panboonhom, Miss Neeracha Panboonhom, and Mr.Paween Panboonhom, are considered Close Relative under the Company's Connected Person under the Notifications on Connected Transactions.

In addition, the Conditional Voluntary Tender Offer to purchase all of the securities of Thailand Iron Works Public Company Limited, started from 3 August 2020 to 9 September 2020, has been made solely by Miss Parleerat. Nathalin, Mr.Choedchoo Panboonhom, Mrs.Wilaisri Panboonhom, Miss Neeracha Panboonhom, and Mr.Paween Panboonhom, do not participate in any part of considering, approving or concurring on the Tender Offer.

Additionally, under Securities and Exchange Act B.E. 2535 (As Amended) and statements above, Miss Parleerat is not a related person with Nathalin or with Mr. Choedchoo specified under section 258 of the SEC Act, because that Miss Parleerat already reached legal ages, and that Miss Parleerat holds none of the shares of Nathalin and Nathalin Corporation Company Limited

2/ The ultimate shareholders of Qian Xing Long Company Limited are Mr. Tharaphut Kuhapremkit, who is also the ultimate shareholder of First Alpha Venture Company Limited (the shareholder, who directly held 25.00 percent shares of Winchai as previously disclosed in the Conditional Voluntary Tender Offer on the Securities in Thailand Iron Works Public Company Limited (Form 247-4) dated July 30th 2020.) Mr. Tharaphut Kuhapremkit is not related with Miss Parleerat.

3/ Nathalin Co., Ltd. has appointed Mr. Phadej Metiyanon as Winchai's managing director to responsible for setting of Winchai's policy regarding and oversee the day-to-day operations, and First Alpha Venture Co., Ltd. are passive shareholders, and Winchai's day-to-day operations is outsourced through the project management office agreement (PMO agreement) with the Prodigy Group co., Ltd., where 90% of its share held by Miss Parleerat.

List of Board of Directors as of December 8th, 2020

No.	Name	Position
1	Mr. Prompong Chaisrisawatsuk ^{1/}	Director
2	Mr. Somsak Rasameeviriyant ^{1/}	Director
3	Mr. Phadej Metiyanon ^{1/}	Director
4	Mr. Tharaphut Kuhapremkit ^{2/}	Director

1/ Nathalin Co., Ltd. nominated such person to be appointed as a new director of Winchai.

At present, Miss Parleerat holds 26.25% of Winchai's total voting rights. Therefore, she has right to nominate 1 person out of 4 directors for appointment as Winchai's new director. However, after the acquisition of Winchai's shares by the Company is duly completed, the Company will be holding 26.25% of Winchai's total voting rights and the Company will have right to nominate 1 director out of 4 directors for appointment as a new director of Winchai.

2/ First Alpha Venture Company Limited nominated such person to be appointed as a new director of Winchai.

Financial Statements of Winchai

(Unit: THB mm unless stated otherwise)	Audited Financial Statements			Q3 ended 30 Sep 2020 ^{3/}
	YE 31 Dec 2017 ^{1/}	YE 31 Dec 2018 ^{2/}	YE 31 Dec 2019 ^{2/}	
Statement of the Financial Position				
Total Assets	311.14	2,522.92	3,849.30	3,825.51
Total Liabilities	25.76	1,792.66	2,860.13	2,786.17

(Unit: THB mm unless stated otherwise)	Audited Financial Statements			Q3 ended 30 Sep 2020 ^{3/}
	YE 31 Dec 2017 ^{1/}	YE 31 Dec 2018 ^{2/}	YE 31 Dec 2019 ^{2/}	
Total Shareholders' Equity	400.00	818.90	818.90	818.90
Paid-up Capital	285.38	794.61	989.17	1,057.34
Statement of Income				
Electricity Revenue	-	-	595.50	414.82
Cost of Goods Sold	-	-	(164.54)	(141.18)
Gross Profit	-	-	430.96	271.65
Other Revenue	0.07	0.07	0.26	0.78
Administrative Expense	(5.33)	(38.69)	(67.19)	(6.90)
EBIT	(5.26)	(38.61)	364.03	265.53
Interest Expense	-	-	(105.68)	(96.60)
Tax Expense	-	0.02	0.57	-
Net Income	(5.26)	(38.59)	258.91	168.93
Total Shares (mm. shares)	4.00	9.90	9.90	9.90
Earnings per share (Baht)	(1.32)	(3.89)	26.15	17.06
Dividend per share (Baht)	0.00	0.00	0.00	10.10
Book Value per share (Baht)	71.35	80.26	99.92	106.80

Note: 1/ financial statements as of December 31, 2017 and Profit and Loss statement as the same day is prepared in accordance with non-publicly accounting entity (NPAE), and audited by Miss Sukhumaporn Wong-Ariyaporn (PRICEWATERHOUSE COOPERS ABAS LIMITED).

2/ financial statement of as of December 31, 2018 and 2019 and Profit and Loss statement as the same day is prepared in accordance with publicly accounting entity (PAE), and audited by Miss Sukhumaporn Wong-Ariyaporn (PRICEWATERHOUSE COOPERS ABAS LIMITED).

3/ financial statement of as of December 31, 2018 and 2019 and Profit and Loss statement as the same day is prepared by Winchai's management team in accordance with publicly accounting entity (PAE).

In this regard, the execution of such transaction is regarded as an acquisition of assets. Upon calculation of the transaction size based on the total value of net tangible assets (NTA) based on the Company's financial statements for the period ended September 30, 2020, which had been reviewed by the Company's auditor, the highest value shall be equal to 40.22 percent based on the NTA basis. In the absence of any transaction on acquisition of assets by the Company over the past six months, which have not been approved by the Shareholders' Meeting, therefore, the highest transaction value is equal to 40.22 percent based on the total value of net tangible assets (NTA), which is equal to 15 percent or higher, but lower than 50 percent, and as such, this is regarded as

a transaction in type 2 pursuant to the Notifications on Acquisition or Disposal of Assets. Therefore, the Company is required to comply with the Notifications on Acquisition or Disposal of Assets, which require the Company to report and disclose the information memorandum on such transaction by the Company to the SET immediately, which must at least contain the information as required in List (1) attached to the Notifications on Acquisition or Disposal of Assets, and give notice to the shareholders within 21 days from the date of such disclosure to the SET, which must at least contain the information as required in List (2) 1, 2, 3, 5(3), 7 and 8 attached to the Notifications on Acquisition or Disposal Assets. To encourage the shareholders' participation.

5. Calculation of the Transaction Size

5.1 Transaction Size under the Notification of Acquisition or Disposition of Assets

In calculation of the size of the acquisition of assets under the Notification of Acquisition or Disposition of Assets based on the Company's audited financial statements as of September 30th, 2020 and the total value of consideration including the financial statements as of September 30th, 2020 prepared by the management of Winchai. The details of the calculation are as follows.

Criteria	Formula	Calculation	Size
1. Comparison of Net Tangible Assets Value (NTAs)	$\frac{\text{The percentage of NTA of the acquired company as the proportion of the acquisition} \times 100.0}{\text{NTA of the Company}}$	$\frac{1,056,752,917 \times 26.25\%}{689,644,873}$	40.22%
2. Comparison of Net Profits	Cannot be calculated, as the companies reported a negative net profit.		N/A
3. Comparison of Total Value of Consideration Paid	$\frac{\text{Consideration Paid} \times 100}{\text{Total Assets}}$	$\frac{660,000,000}{1,724,957,558}$	38.26%
4. Comparison of the Value of Shares Issued for Payment	not applicable because the Company do not issue shares for payment of the assets		N/A

NTA of Winchai, or the acquired company, is calculated by the financial statements as of September 30th, 2020 prepared by the management of Winchai, as detail per following;

Consolidated Financial Statement	(Baht)
Total Asset	3,825,505,109
Intangible assets (goodwill and deferred expenses)	583,731
Total Liabilities	2,768,168,461
Non-controlling interests	-
NTA	1,056,752,917

5.2 Transaction Size under Notification of Connected Transaction

In calculation of the size of the acquisition of assets under Notification of Connected Transaction based on the Company's financial statements as of September 30th, 2020, Winchai's audited financial statements as of September 30th, 2020, and the total value of consideration prepared by the management committee of Winchai. The details of the calculation are as follows.

Acquired Assets	Total value of consideration (Baht)	The maximum value used to calculate the transaction size (Baht)	NTA of the Company (Baht)	Percentage of Net Total Asset of the Company
26.25% of ordinary shares in Winchai	660,000,000	660,000,000	689,644,873	95.70

$$= \frac{660,000,000}{689,644,873} = 95.70\%$$

Consolidated Financial Statement	(Baht)
Total Asset	1,724,957,558
Intangible assets (goodwill and deferred expenses)	51,636,329
Total Liabilities	983,676,296
Non-controlling interests	60
NTA	689,644,873

In the absence of any connected transaction by the Company over the past six months, which have not been approved by the Shareholders' Meeting, therefore, the total transaction value is 95.70 percent. Therefore, the Company is required to comply with the Public Limited Companies Act and the Notifications on Connected Transactions, which require the Company:

- (1) To report and disclose the information memorandum on such acquisition of assets, which is a connected transaction of the Company, to the SET immediately, which must at least contain the information as required in the Notifications on Connected Transactions;
- (2) To appoint an independent financial advisor to carry out the relevant functions, including provide its opinions as required by the Notifications on Connected transactions, whereby the independent financial advisor's report shall be delivered to the shareholders for consideration along with the invitation letter for the Shareholders' Meeting. In this regard, the Company has appointed Avantgarde Capital Co., Ltd., which is a financial advisor on the list approved by the SEC Office, as the independent financial advisor to provide the shareholders with its opinion on the execution of the transaction on acquisition of assets as a connected transaction;
- (3) To convene a Shareholders' Meeting of the Company to approve such transaction on acquisition of assets, which is a connected transaction, 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, excluding such votes of the interested shareholders.

6. Total Value of Consideration

In this investment, the Company shall pay for the acquisition of ordinary shares of Winchai at the 26.25 percent of all shares in Winchai at the price of THB 660,000,000 in cash to Miss Parleerat or an entity which Miss Parleerat holds the entire shares. The payment will be made in full on the date of completion of Share Acquisition Transaction which is expected to occur by the first quarter of 2021.

7. Basis of Determination of the Value of Consideration

In considering to determine the value of consideration of the share acquisition, the Company considers by comparing the total consideration with fair value of the 26.25 percent of all shares in Winchai.

The determination of fair value of Winchai is via Discounted Cash Flow methods (DCF), since Winchai operates a Wind farm that has a long length operational contracts and stable cash flow generation capacity. The Company determine the fair value of acquired shares as of September 30th 2020, of which Winchai has outstanding long-term interest bearing debt at THB 2,526.00 million. By such means, the fair value of ordinary shares of Winchai is approximately THB 720.99 – 880.37 million; the summary of key assumptions are as follows:

<u>Assumption</u>	<u>Detail and explanation</u>
Revenue Assumption	<p>The revenue assumption is based primarily on information from the Project's technical advisory report dated March 20, 2018. The technical consultant installed 2 wind measurement poles in the project area for measurement. and analyzation of the wind force for a period of 3 years (From March 19, 2014 – April 24, 2017)</p> <p><u>Project Life</u></p> <p>The financial projections are for a period of 23 years and 6 months, from September 30, 2020 – March 30, 2044, based on the project life over 25 years from the COD according to the report prepared by the project's technical advisor.</p> <p><u>Electricity Generation:</u></p> <p>According to the electricity generation capacity of the Romklao Wind Farm Project in the last 12 months (From November 2019 – October 2020), total electrical</p>

<u>Assumption</u>	<u>Detail and explanation</u>																									
	<p>production capacity is 121.5 Gwh, which is close to the net energy produced at P90 at the assurance rate 90 percent with a wind that will be able to produce at least 121.0 Gwh per year. (This is the amount of net energy after deducting the energy loss rate of transmission lines at 1.40 percent per year)</p> <p>Moreover, the Company considers mainly using the net energy produced at P90, because it is the most conservative assumption. Based on the Company's technical advisory the efficiency of wind turbines is 99.00% per year, and the energy loss rate of the transmission line at 1.40 percent per annum.</p> <table border="1" data-bbox="526 674 1414 1045"> <thead> <tr> <th></th> <th>Unit</th> <th>Romklao Wind Farm</th> </tr> </thead> <tbody> <tr> <td>Capacity per turbine</td> <td>MW</td> <td>3.45</td> </tr> <tr> <td>Number of wind turbines of the project</td> <td>turbine</td> <td>13</td> </tr> <tr> <td>Installed capacity of the project</td> <td>MW</td> <td>44.85</td> </tr> <tr> <td>Hub Height</td> <td>meter</td> <td>162</td> </tr> <tr> <td>Turbine diameter</td> <td>meter</td> <td>67</td> </tr> <tr> <td>Net energy produced / year P50^{1/}</td> <td rowspan="3">Gwh per year</td> <td>144.0</td> </tr> <tr> <td>Net energy produced / year P75^{2/}</td> <td>132.8</td> </tr> <tr> <td>Net energy produced / year P90^{3/}</td> <td>122.7</td> </tr> </tbody> </table> <p>Remark: 1/ P(50) refers to a 50% confidence that the wind power will be able to generate net energy, which will produce at least the net energy produced of each year. (or equal 142.0 Gwh per year after deducted transmission line loss at 1.4%)</p> <p>2/ P(75) refers to a 75% confidence that the wind power will be able to generate net energy, which will produce at least the net energy produced of each year. (or equal 130.9 Gwh per year after deducted transmission line loss at 1.4%)</p> <p>3/ P(90) refers to a 90% confidence that the wind power will be able to generate net energy, which will produce at least the net energy produced of each year. (or equal 121.0 Gwh per year after deducted transmission line loss at 1.4%)</p> <p><u>Electricity purchase rate:</u></p> <p>The purchase rate of electricity by EGAT will consist of the wholesale rate based on time of use (“TOU”) and the wholesale rate based on the automatically-adjusted formula (average wholesale Ft rate). The purchase rate of electricity from small power producers in form of non-firm based on time of use (TOU) for the voltage level of 11-33 kilovolt on Peak time equals THB 4.2243 per kWh and on Off-peak time equals THB 2.3567 per kWh, combine with electricity cost according to the formula for automatic adjustment of wholesale Ft rate (Ft), minus the transmission cost for the last 12 months (from November 2019 to October 2020) which equal to -0.2308. The ratio between Peak and Off-peak period is equal to 24.12% and</p>		Unit	Romklao Wind Farm	Capacity per turbine	MW	3.45	Number of wind turbines of the project	turbine	13	Installed capacity of the project	MW	44.85	Hub Height	meter	162	Turbine diameter	meter	67	Net energy produced / year P50 ^{1/}	Gwh per year	144.0	Net energy produced / year P75 ^{2/}	132.8	Net energy produced / year P90 ^{3/}	122.7
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<u>Assumption</u>	<u>Detail and explanation</u>
	<p>75.88% respectively. The growth rate of electricity purchase rate (including both wholesale purchase rate and average wholesale Ft rate) is estimated at 1.50% per annum.</p> <p><u>Adder:</u></p> <p>According to the PPA, Romklao Wind Farm Project can sell electricity as Adder at the rate of 3.50 THB/KWh for 10 years after commercial operation date, beginning from April 1st 2020 (COD) – April 1, 2030.</p>
<p>Service Availability Agreement</p>	<p>Service Availability consists of scheduled maintenance of the power plant, repairing tools and equipment from unexpected events (Unscheduled Maintenance), Remote Surveillance, Reporting, and provision of spare parts and equipment.</p> <p>Reference to the this operation expense during April 2019 to September 2020, which is in line with the Service Availability Agreement with Vestas Wind Technology (Thailand) Limited which is the affiliates with Vestas Asia Pacific A/S (the Wind Turbine Supplier.) The growth rate is estimated at 2% per year.</p>
<p>Fees to Power Development Fund</p>	<p>According to the Notification of Energy Regulatory Commission Re: Remittance to the Power Development Fund for Electricity Industry Licensee Licensee B.E. 2553 requires the electricity industry licenses to transfer fund to Power Development Fund at 0.01 THB per unit of electricity sold to EGAT (THB/KWh) for renewable energy in form of wind and solar.</p>
<p>Depreciation and Amortization</p>	<p>Straight-line depreciation with the depreciable life, assumed to be 25 years from the COD according to the project life from LTA.</p>
<p>Land Lease</p>	<p>Reference to the lease expense during April 2019 to September 2020, which is in line with the land lease agreement between Winchai and Department of Social Development and Welfare along with those of Winchai and the local resident, all of which shall have escalation at 7.00% every 5 year from COD.</p>
<p>Insurance</p>	<p>Reference to the renewed (July 1st 2020) insurance premium for All Risks Insurance, which shall have escalation at 2.00% every year.</p>
<p>SG&A</p>	<p>Reference to the SG&A during April 2019 to September 2020, comprise employee expenses, advisory expenses, office rental and office expenses, bookkeeping fees, and Corporate Social Responsibility (CSR), which shall have escalation at 2.00% every year.</p>

<u>Assumption</u>	<u>Detail and explanation</u>
Tax	Rimklao Wind Farm Project has received the privilege for corporate income tax payment from Board of Investment (BOI). Net profit generated from business getting investment promotion is exempted from corporate income tax for 8 years from the first date of income i.e. April 1, 2019 – April 1, 2027. Moreover, the corporate income tax rate will be reduced by 50% for another 5 years after the exemption period until April 1, 2032.
Loans and Interest	As of September 30 th , 2020. Winchai has outstanding long-term loan from financial institution at THB 2,526.00 million, repaying every 6 months, beginning from July 30 th 2020. A period of repayment is 9 years with average interest at 4.34% over the loan life.
Discount Rate	<p>The discount rate applied to the calculation of the present value of free cash flow is the Weighted Average Cost of Capital (WACC) capital based on the capital structure of the projects in each year, which derived from the weighted average of Cost of Debt (Kd) and Cost of Equity (Ke) in each year.</p> <p>Risk Free Rate (Rf) : Based on the yield of the 15-year government bond, which is the yield of liquid government bonds with a yield of 1.60 percent per year (data as of December 4th 2020).</p> <p>Beta (β) : Based on the variance between the weekly return of the SET and the average return of the listed companies, whose operate renewable energy portfolio; namely GUNKUL, EA, EP, SPCG, SSP, SUPER and TSE. The beta are from 5 years period until December 4th 2020. The average Unlevered beta is 0.42, and re-leverage back at the Debt to Equity ratio of Winchai</p> <p>The Weighted Average Cost of Capital: WACC results in 7.29 – 9.15% over the project live.</p>
Terminal Value	No cash flow value after the estimation period (terminal value is zero) by assuming that the decommissioning fee of the project at the end of the Wind Turbine's useful lift (25 years from the COD) is equal to the scrap value.

In conclusion, the Discounted Cash Flow methods (DCF) gives the Enterprise Value of Winchai at THB 5,244.86 million.

Summary of shareholders' equity by Discounted Cash Flow Method as at September 30, 2020 (Unit: Million)

Baht)

Enterprise Value	5,244.86
Minus Interest-bearing Debt	(2,526.00)
Add Cash and cash equivalent	331.31
Equity Value	3,050.17
Equity Value at 26.25%	800.67
Sensitivity Analysis of the Equity Value at 26.25% by sensitized factor from increasing or decreasing the amount of electricity generation by 5% from those in the base projection	720.99 – 880.37

8. Expected Benefits to the Company

Since the Company's operating results depend on its only core business for the time being, namely the business of production and distribution of zinc and other related products, and are highly fluctuating by the economic and industrial impact, and as such, its revenues and profits are uncertain. This can be seen from the operating results for three quarters based on the most recent statements of income, namely, the first quarter of 2020, the second quarter of 2020 and the third quarter of 2020, which continued to show its operating loss. However, the investment in the solar power sector with the production capacity of 7.825 megawatts, which represents a project of moderate scale, in the third quarter of 2020 started to generate return to the Company.

The Company expects to invest in ordinary shares in Winchai in order to enable the Company to recognize profit sharing based on its shareholding or return in the form of dividends from the Rom Klao Wind Farm Project, which is a potential project to generate profits that meets the Company's desire to expand its investment to other businesses so as to distribute the Company's risk exposures and minimize the Company's fluctuating performance, which will consequently create value added to the shareholders and optimize such returns on investment to the shareholders in the long run. The Company is expected to receive divided from the investment in 26.25 percent of Winchai, and the Company expect this investment to generate an internal rate of return (IRR) at not lower than 9.00% to the Company.

9. Source of Funds for the Transaction

The source of funds for investment in ordinary shares in Winchai in the amount of THB 660,000,000 may be described as follows:

- 1) Excess cash from the Company's operating results in the amount of THB 600,000,000, the amount of which consist of THB 250,000,000 from cash flow from operations. (The source of funds does

not derive from entering into the sale and leaseback transaction of fixed assets of the Company, which was approved at the Extraordinary General Meeting of Shareholders No. 1/2020 on Tuesday, June 9, 2020) and THB 350,000,000 from cash received from selling inventory to TIW Industry Co., Ltd., which is a subsidiary of the Company. TIWI has received a source of funds for purchasing such inventory from entering into a Facility Agreement with a financial institution. The summary of the Facility Agreement are as follows:

Types of facility	Uncommitted facility in term of letter of credit and trust receipt
Credit limit	Not exceeding THB 350,000,000
Purpose of facility	To purchase inventory from the Company and other suppliers
Interest rate	<ol style="list-style-type: none"> 1. Fee for Letter of Credit TIWI must pay the letter of credit issuance fee at 1/48% per quarter of the maximum amount stated in each letter of credit. 2. Interest Rated of Trust Receipt TIWI is required to pay an interest rate equal to the sum of (1) BIBOR interest rate; and (2) 0.75% per annum, payable on the last day of every month and the due date of the trust receipt to the bank. In this regard, the interest rate shall be calculated on a daily basis according to the number of days in each month and a year with 365 days.
Collateral	TIWI is required to procure that the bank account under a Business Security Agreement has money not less than the credit amount drawdown by TIWI. In case that the amount in the bank account is less than the drawdown amount, TIWI will proceed an additional deposit into such bank account promptly except in the case of using credit to purchase inventory from the Company.
Guarantee	The Company and Mr. Prasit Kanchanasakdichai are the guarantor of the Facility Agreement.
Repayment	<ol style="list-style-type: none"> 1. Letter of credit The lender is required to notify TIWI the amount of claims, expenses, any liability or loss in relation with each letter of credit. TIWI shall indemnify such amount to the lender as soon as the lender claims in relation with that letter of credit. 2. Trust Receipt <ol style="list-style-type: none"> (1) TIWI is required to repay the loan under Trust Receipt Agreement with interest on the due date of such Trust Receipt Agreement. (2) TIWI is required to repay all outstanding loans under trust receipts with interest within the last business day of March 2021.

	(3) Once TIWI has repaid any portion of the trust receipt loan, TIWI is unable drawdown such repaid portion of the trust receipt.
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- 2) Proceeds in the amount of THB 60,000,000, which the Company expects to derive from the offering of newly issued ordinary shares to the existing shareholders by way of rights offering (RO) according to resolution passed by the Board of Directors' Meeting No. 15/2020, held on December 8, 2020, to propose the Shareholders' Meeting to consider approving the offering of 20,000,000 newly issued ordinary shares with a par value of THB 0.50 per share to the Company's existing shareholders by way of rights offering at the subscription price of THB 9.10 per share (or representing the price before the change of the par value of the Company's shares at THB 182 per share).

10. Opinion of the Board of Directors

The Board of Directors has considered and viewed that the conditions and price of such transaction on investment in ordinary shares of such company investing in wind power project are reasonable and Winchai's business will help minimize the fluctuating performance of the zinc business, as its business generates a steady revenue stream from power supply to EGAT, in line with the Company's business restructuring plan. As a result, the Company will be able to better cope with such impact from the industrial fluctuations, which will be beneficial to the Company and its shareholders accordingly.

After the Board of Directors has considered the available sources of funds for this transaction, e.g., capital increase by way of private placement, credit facilities from financial institutions, issuance of debentures, etc., it is considered that the source of funds from the offering of newly issued ordinary shares to the existing shareholders by way of rights offering (RO) is the most appropriate option, which will help secure the Company's financing in a relatively short period of time in order to strengthen the Company's liquidity and increase its working capital. The purpose of the Company's capital increase is to improve the Company's operational and capital security. The Company plans to use the proceeds from the capital increase as its working capital, and for further use to support its business expansion in the future.

Available Sources of Funds	Opinion of the Board
Borrowing from financial institutions	This source of funds is inapplicable since the fluctuating price of iron, which is the Company's primary raw materials for the time being, has caused the Company's negative operating results over the past 2-3 years, this is an unlikely circumstance to apply for a

Available Sources of Funds	Opinion of the Board
	loan. In addition, the operating results of the solar power projects have not yet materialized effectively because replacement of solar panels is pending.
Capital increase by way of private placement	This source of funds is inapplicable as it may give rise to control dilution and earnings per share dilution in the future upon completion of the original business restructuring plan to distribute risk exposures.
Proceeds from operations or disposal of inventories of the Company	This source of funds is inapplicable since the Company's cash is insufficient for such investment, and the current circumstances are not supportive of accelerated disposal of inventories, and may lose the opportunity for the group company to restructure its business plan according to the original purpose of distributing risk exposures.

In addition, in case the Company enters into the transaction with Winchai in the future, the Company is required to act in accordance with the Notifications on Connected Transactions.

11. Opinion of the Board of Directors and/or the Audit Committee which is different from the Board of Directors' Opinion in Clause 10

The Audit Committee has no opinion different from opinion of the Board of Directors.

The director who has a conflict of interest did not attend the meeting and approved the Company to enter into the above transaction.

The Company hereby certifies that the information in this report is correct and complete in all respects.

Signature: _____

Miss Parleerat Panboonhom / Miss Sukanya Tipmanee

-Translation-

**Information Memorandum on Right Offering of Newly Issued Ordinary Shares
of Thailand Iron Works Public Company Limited**

1. Details of the Offering, Offering and Allocation Method

The Board of Directors' Meeting of Thailand Iron Works Public Company Limited (the "**Company**" or "**TIW**") No. 25/2020, held on December 8, 2020, resolved to grant approval to propose the Shareholders' Meeting to consider approving the increase of the Company's registered capital by THB 10,000,000 from the current registered capital of THB 60,000,000 to be THB 70,000,000 by issuing not exceeding 20,000,000 newly issued ordinary shares with a par value of THB 0.5 per share to the Company's existing shareholders in proportion to their shareholding percentage (Rights Offering), representing not exceeding 14.29 percent of all issued and sold ordinary shares of the Company after the issuance and offering of shares to the existing shareholders, at the offering price of THB [9.10] per share which is the price lower than the market price of 1.44 percent which calculated from the weighted average price of the Company's shares being traded on the SET for a period of 15 consecutive business days before the day on which the Board of Directors' Meeting resolved to approve the determination of the offering price of such shares. The offering of such shares shall be done at the ratio of 6 existing shares to 1 new share, and any fraction thereof shall be disregarded.

In this regard, the Board of Directors' Meeting has authorized the Board of Directors or the Executive Committee or the Chief Executive Officer or the person authorized by the Board of Directors or the Executive Committee or the Chief Executive Officer to determine the rules, conditions and other details necessary for and in connection with the issuance and allocation of newly issued ordinary shares, as necessary and appropriate subject to the applicable laws, including, but not limited to, where shareholders may oversubscribe for the newly issued ordinary shares, provided that the existing shareholders who oversubscribe for such shares shall be allocated with shares for which they have oversubscribed only when there are any shares remaining from the full allocation thereof to the Company's existing shareholders who have subscribed for such shares, at the same subscription price for such shares, and any fraction thereof shall be disregarded.

The allocation of such shares by way of rights offering shall proceed as follows:

- (1) Should there be any shares remaining from the first round of allocation by way of rights offering, and the number of which is more than or equal to the number of shares oversubscribed by the existing shareholders, such remaining shares shall be allocated to all oversubscribers who have made payments therefor in full according to the number of their intended oversubscription.
- (2) Should there be any shares remaining from the first round of allocation by way of rights offering, and the number of which is less than the number of shares oversubscribed by the existing

shareholders, such remaining shares shall be allocated to the oversubscribers in accordance with the following procedure:

- (2.1) The allocation shall be based on the existing shareholding percentages of the respective oversubscribers, by multiplying the existing shareholding percentages by the number of remaining shares to arrive at the number of shares to be allocated to the respective oversubscribers, and any fraction thereof shall be disregarded, provided that the number of allocated shares shall not exceed the number of shares subscribed and paid for by the respective shareholders.
- (2.2) Should there still be any shares remaining after the allocation under (2.1), such remaining shares shall be allocated to the respective oversubscribers who have not yet received the allocation of shares in full according to their existing shareholding percentages, by multiplying the existing shareholding percentages by the number of remaining shares to arrive at the number of shares to be allocated to the respective oversubscribers and any fraction thereof shall be disregarded, provided that the number of allocated shares shall not exceed the number of shares subscribed and paid for by the respective shareholders. The allocation of shares to the oversubscribers under the procedure in this (2.2) shall proceed until there shall be no more shares left to be allocated.

Under no circumstances shall the allocation of the oversubscribed shares as hereinabove described shall result in any oversubscribing shareholder's holding of the Company's shares to be increased up to or beyond the trigger point which will require the shareholder to make a tender offer as prescribed in the Notification of the Capital Market Supervisory Board No. Tor.Jor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers and in violation of the foreign limit as specified in the Company's Articles of Association, which currently allows foreigners to hold not exceeding 49 percent of all issued shares of the Company.

Furthermore, should there be any newly issued ordinary shares remaining from the allocation of shares by way of rights offering and oversubscription, the Company shall proceed to reduce its registered capital by cancelling the newly issued ordinary shares remaining from the offering accordingly.

- (3) The Board of Directors' Meeting has authorized the Board of Directors or the Executive Committee or the Chief Executive Officer or the person authorized by the Board of Directors or the Executive Committee or the Chief Executive Officer to set out the rules, conditions and other details necessary for and in connection with the issuance and allocation of newly issued ordinary shares, as necessary and appropriate subject to the applicable laws, including, but not limited to, the determination of the record date to determine the list of shareholders to subscribe for the newly

issued ordinary shares, the offering date of the newly issued ordinary shares and the method of payment for such shares, etc.

- (4) The rights to subscribe for and be allocated with such newly issued ordinary shares remain uncertain until approval shall be obtained from the Extraordinary General Meeting of Shareholders No. 1/2021.

Please refer to further details in the Capital Increase Report Form (Enclosure 4).

2. Purpose of Capital Increase and Plan for Use of Proceeds

The Company intends to use the proceeds from the capital increase to strengthen its operational and capital security, whereby the Company plans to use approximately THB 54,000,000, representing approximately 29.67 percent of the proceeds from the offering of newly issued ordinary shares as its working capital, and any remainder of which, if sufficient, shall be utilized to support its business expansion in the future.

The Board of Directors may consider taking any arrangements in such manner in the best interests of the Company and the shareholders, provided that budgets shall be adjusted as appropriate in the best interests of the Company and the shareholders.

Plan for Use of Proceeds	Amount (THB)
1. Investment in the Share Acquisition Transaction of Winchai	60,000,000
2. Repayment of the Company's loans in the form of promissory notes	48,000,000
3. Repayment of the Company's loans in the form of promissory notes	20,000,000
4. Working capital	54,000,000

3. Potential Impact on Shareholders from Issuance and Offering of Newly Issued Ordinary Shares to the Company's Existing Shareholders by way of Rights Offering

3.1 Price Dilution

Price Dilution Calculation Formula

$$= \frac{\text{market price before the offering (P0)} - \text{market price after the offering (P1)}}{\text{market price before the offering (P0)}}$$

Calculation Formula of Market Price before the Offering (P0)

The market price before the offering (P0) is calculated from the weighted average price of the Company's ordinary shares in the SET over the past period of 15 consecutive business days before the day on which the Board of Directors resolved to propose this matter to the Extraordinary General Meeting of Shareholders No. 1/2021, namely from November 16, 2020 to December 4, 2020, and such price is equal to THB 184.7 per share (Source: SETSMART at www.setsmart.com).

Calculation Formula of Market Price after the Offering (P1)

$$= \frac{(\text{current number of shares} \times \text{market price}) + (\text{newly issued shares} \times \text{offering price})}{(\text{current number of shares} + \text{newly issued shares})}$$

$$= \frac{(6,000,000 \times 184.7) + (1,000,000 \times 182.0)}{(6,000,000 + 1,000,000)}$$

$$= 0.21 \text{ percent}$$

3.2 Control Dilution

The Company calculates the control dilution from the number of paid-up shares as of the date of the Board of Directors' Meeting No. 15/2020, held on December 8, 2020, which resolved to approve the increase of the Company's registered capital, when the number of paid-up shares is equal to 120,000,000 shares.

$$= \frac{\text{number of newly issued shares}}{\text{number of paid-up shares} + \text{number of newly issued shares (in full on this occasion)}}$$

$$= \frac{1,000,000}{6,000,000 + 1,000,000}$$

$$= 14.29 \text{ percent}$$

3.3 Earnings per Share Dilution

The earnings per share dilution will depend on the operating results at the time of the Company's issuance and offering of newly issued shares to the existing shareholders by way of rights offering, which is expected to occur during the first quarter of 2021, whereby the earnings per share dilution needs to rely on the most recent operating results at that time in the calculation.

4. Opinions of the Board

4.1 Rationale and Necessity for Capital Increase

The Board of Directors is of the view that the issuance and offering of the Company's newly issued ordinary shares to the existing shareholders by way of rights offering on this occasion will help secure the Company's financing in a relatively short period of time in order to strengthen the Company's liquidity and increase its working capital. The purpose of the Company's capital increase is to improve the Company's operational and capital security. The Company plans to use the proceeds from the capital increase as its working capital, and any remainder of which, if sufficient, shall be utilized to support its business expansion in the future.

4.2 Possibility of the Plan for Use of Proceeds and Sufficiency of Source of Funds

The Company anticipates that the issuance and offering of shares to the existing shareholders by way of rights offering, and the receipt of such proceeds from the allocation of such newly issued shares by January 2021, will enable the Company to secure such proceeds for further business expansion in the future and substantial improvement of its liquidity.

For the plan for use of proceeds for future investment, this remains pending feasibility study and justifications for investment. Should the study results be satisfactory, and the Company decide to invest in such projects, the Company shall comply with the relevant criteria, rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. Should the Board of Directors have resolved to grant approval for such projects, the Company shall keep the Stock Exchange of Thailand, the shareholders and investors updated accordingly.

4.3 Justifications of the Capital Increase, Plan for Use of Proceeds and Sufficiency of Source of Funds in the event where the proceeds from the share offering do not cover the entire budgets required for implementation

The Board of Directors view that the issuance and offering of shares to the existing shareholders by way of rights offering is reasonable and create the benefit to the Company and all shareholders as the Company has plan for the utilization of the proceeds as mentioned in Clause 2.

Should the shareholders exercise their rights to purchase newly issued ordinary shares in full, the Company would be able to raise up to approximately THB 182 million whereby the Company expects that these proceeds shall be sufficient for the planned. In case the proceeds are not sufficient, the Board of Directors shall further consider the suitable way for the management the funds and the Company shall comply with the relevant criteria, rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

4.4 Potential Impact on the Company’s Business Operations, Financial Position and Overall Operating Results from the Capital Increase

This capital increase is intended for the Company to derive funds to repay the Group’s debts and expand its business after the Company’s business restructuring, so as to minimize risks in the Company’s business operations, which will help improve the Company’s profitability. In addition, the offering of the newly issued shares will boost the Company’s cash flows and liquidity, improve the Company’s debt to equity ratio, and secure reserve funds for further investment in such business with high potential and growth rate, in the best interests of the Company and all shareholders.

4.5 Backgrounds for Determination of the Offering Price and Justifications of Price of the Newly Issued Shares to the Existing Shareholders

The Company has considered and deemed that the price of the Company’s newly issued ordinary shares offered to the existing shareholders by way of rights offering at the offering price of THB [9.10] price is justifiable and reasonable.

5. Certification of the Board of Directors on Capital Increase

In the event where any director of the Company fails to perform his/her functions with integrity and due care to protect the Company’s interests in this capital increase, and such failure has caused damage to the Company, the Company may claim damages from such director, failing which, the shareholders representing in aggregate not less than 5 percent of all issued shares shall be entitled to demand the Company to make such claim. If the Company fails to proceed in accordance with the shareholders’ demand, the shareholders may take legal actions to claim damages from such director on behalf of the Company pursuant to Section 85 of the Public Limited Companies Act B.E. 2535 (1992) (as amended). In the event where the failure to perform such functions has caused any directors to be held liable to return any benefits, the shareholders representing in aggregate not less than 5 percent of all voting rights may demand the Company to do so, failing which within 1 month from the date of receipt of the shareholders’ notice, the shareholders may take legal actions to recover such benefits from the directors on behalf of the Company pursuant to Section 89/18 of the Securities and Exchange Act B.E. 2535 (1992) (as amended).

The Company hereby certifies that the information in this report is correct and complete in all respects.

Signature: _____

Ms. Parleerat Panboonhom / Ms. Sukanya Tipmanee

(F 53-4)

Capital Increase Report Form
Thailand Iron Works Public Company Limited
December 8, 2020

We, Thailand Iron Works Public Company Limited (the “**Company**”), hereby report on the resolutions of the Board of Directors’ Meeting No. 15/2020, held on December 8, 2020, regarding the capital increase and new share allocation, as follows:

1. Capital Decrease and Capital Increase

The Board of Directors’ Meeting has passed a resolution to propose to the Extraordinary General Meeting of the Shareholders No. 1/2021 to approve the following matters:

- 1.1 To consider and approve the Company’s registered capital decrease by THB 13,050,000 from the current registered capital of THB 73,050,000 to be THB 60,000,000 by cancelling 1,305,000 authorized but unissued ordinary shares at the par value of THB 10 per share.

- 1.2 To consider and approve the Company’s registered capital increase by THB 10,000,000 from the current registered capital of THB 60,000,000 to be THB 70,000,000 by issuance of 20,000,000 new ordinary shares at the par value of THB 0.50 per share. The description of such capital increase is as follows

Capital Increase	Type of Shares	Amount of Shares (Shares)	Par Value (THB per share)	Total (THB)
<input checked="" type="checkbox"/> Specifying the purpose of utilizing proceeds	Ordinary Shares	20,000,000	0.5	10,000,000
	Preferred Shares	-	-	-
<input type="checkbox"/> General Mandate	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-

2. Allocation of New Shares

2.1 Specific Purpose of Use of Proceeds

Allocation to	Amount of Shares (Shares)	Ratio (Old : New)	Offering Price (THB per share)	Share Subscription and Payment Date and Time	Remark
To existing shareholders of the Company proportionately to their shareholdings (Right Offering)	Not more than 20,000,000	6:1	9.10 Value not exceeding THB 182,000,000	18-19 and 22-24 February 2021	Please refer to Remarks 4 and 5

Remarks

1. The Board of Directors' meeting resolved to propose the Extraordinary General Meeting of Shareholders to consider and approve the reduction of the Company's registered capital in the amount of THB 13,050,000 from the existing registered capital of THB 73,050,000 to THB 60,000,000 by cancelling 1,305,000 authorized but unissued shares, with a par value of THB 10 per share.

2. The Board of Directors' meeting resolved to propose the Extraordinary General Meeting of Shareholders to consider and approve change in the par value of the Company's share from THB 10 per share to THB 0.5 per share with the details as follows:

	<u>Before the change of par value</u>	<u>After the change of par value</u>
Registered Capital	60,000,000 THB	60,000,000 THB
- Number of shares	6,000,000 shares	120,000,000 shares
- Par value (THB per share)	10 THB	0.50 THB
Issued and paid-up capital	60,000,000 THB	60,000,000 THB
- Number of shares	6,000,000 shares	120,000,000 shares
- Par value (THB per share)	10 THB	0.50 THB

3. The Board of Directors' meeting resolved to propose the Extraordinary General Meeting of Shareholders to consider and approve the increase of the Company's registered capital in the amount of THB 10,000,000 from the existing registered capital of THB 60,000,000 to THB 70,000,000 by issuing 20,000,000 newly issued ordinary shares with a par value of THB 0.50 per share.

4. The Board of Directors' meeting resolved to propose the Extraordinary General Meeting of Shareholders to consider and approve the allocation of not exceeding 20,000,000 newly issued ordinary shares with a par value of THB 0.50 per share to the Company's existing shareholders in proportion to their shareholding percentage (Right Offering), at the offering price at THB 9.10 per share. The offering price is 1.44% lower than market price of the Company's share calculated from the weighted average trading price of the Company's shares during 15 consecutive business days prior to the date of the Board of Directors' meeting resolved to determine such offering price. In this regard, the offering ratio is 6 existing shares to 1 new share. Any fraction of shares shall be disregarded.

In light of the foregoing, the Board of Directors' meeting resolved to authorize the Board of Directors or Executive Committee or Chief Executive Officer or the person authorized by the Board of Directors or Executive Committee or Chief Executive Officer to setting out rules, conditions and other details necessary for and in connection with the issuance and allocation of the new shares as necessary and appropriate under the applicable laws, including but not limited to the existing shareholders may subscribe newly issued ordinary share in excess of his/her entitlement (Oversubscription). The Company will allocate any new shares remaining after the allocation of shares to the existing shareholders in proportion to their shareholdings to those shareholders who have expressed their intention to subscribe for new shares in excess of their shareholdings with the same price as the right offering price. Any fraction of shares shall be disregarded.

Allocation method are as follows:

- (1) Should there be any shares remaining from the first round of allocation by way of right offering, and the number of which is more than or equal to the number of shares oversubscribed by the existing shareholders, such remaining shares shall be allocated to all oversubscribers who have made payments therefor in full according to the number of their intended oversubscription.
- (2) Should there be any shares remaining from the first round of allocation by way of right offering and the number of which is less than the number of shares oversubscribed by the existing shareholders, such remaining shares shall be allocated to the oversubscribers in accordance with the following procedures:
 - (2.1) The allocation shall be based on the existing shareholding percentages of the respective oversubscribers, by multiplying the existing shareholding percentages by the number of remaining shares to arrive at the number of shares to be allocated to the respective oversubscribers, and any fraction thereof shall be disregarded, provided that the number of allocated shares shall not exceed the number of shares subscribed and paid for by the respective shareholders; and
 - (2.2) Should there still be any shares remaining after the allocation under No. (2.1), such remaining shares shall be allocated to the respective oversubscribers who have not yet received the allocation of shares in full according to their existing shareholding percentages, by multiplying the existing shareholding percentages by the number of remaining shares to arrive at the number of shares to be allocated to the respective oversubscribers and any fraction thereof shall be disregarded, provided that the number of allocated shares shall not exceed the number of shares subscribed and paid for by the respective shareholders. The allocation of shares to the oversubscribers under the procedure in this (2.2) shall proceed until there shall be no more shares left to be allocated.

Under no circumstances shall the allocation of the oversubscribed shares as herein above described shall result in any oversubscribing shareholder's holding of the Company's shares to be increased up to or beyond the trigger point which will require the shareholder to make a tender offer as prescribed in the Notification of the Capital Market Supervisory Board No. TorJor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers and in violation of the foreign limit as specified in the Company's Articles of Association. At present, the foreign shareholding ratio shall not exceed 49% of the total issued shares of the Company.

Nonetheless, should there be any new ordinary shares remaining from the allocation of shares by way of right offering and oversubscription, the Company shall proceed to reduce its registered capital by cancelling the new shares remaining from the offering accordingly.

- (3) The Board of Directors' meeting resolved to approve that the Board of Directors, the Executive Committee, the Chief Executive Officer or the person authorized by the Board of Directors, the Executive Committee or the Chief Executive Officer shall be authorized to consider setting out rules, conditions and other details necessary for and in connection with the issuance and allocation of the new shares as necessary and appropriate under the applicable laws, including but not limited to the date determining list of shareholders entitled to subscribe newly issued ordinary shares (Record Date), the offering date of the new shares, and payment method.
- (4) The right to subscribe newly issued ordinary shares is still uncertain until approved by the Extraordinary General Meeting of Shareholders No. 1/2021.

Additional information is as appeared on Information Memorandum on the Offering of Newly Issued Ordinary Shares of Thailand Iron Works Public Company Limited (Right Offering) (**Enclosure 3**) and Capital Increase Report Form (**Enclosure 4**).

2.1.1 The Company's Arrangements with Any Fraction of Shares

Any fraction of the new ordinary shares shall be rounded down.

2.2 General Mandate

Allocation to	Type of Securities	Amount of Shares	Percentage of Paid-up Capital ^{1/}	Remark
Existing Shareholders	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-
To accommodate the conversion/exercise of the Transferable Subscriptions Rights (TSR) of new shares	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-

Allocation to	Type of Securities	Amount of Shares	Percentage of Paid-up Capital ^{1/}	Remark
Public Offering	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-
Private Placement	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-

^{1/} The percentage of the paid-up capital as of the date the Board of Directors resolved to increase its capital with general mandate.

3. Schedule of the Shareholders' Meeting to Consider and Approve the Capital Increase and Allocation of Newly Issued Ordinary Shares

The Extraordinary General Meeting of the Shareholders No. 1/2021 is scheduled to be held on January 27, 2021 at 14.00 hours at Social Room, 2nd Floor, W Bangkok Hotel, No. 106, North Sathorn Road, Silom, Bangrak, Bangkok.

- The share register book to suspend the share transfer for the right to attend the Shareholders' Meeting shall be closed from until the Shareholders' Meeting is adjourned.
- The record date to determine the list of shareholders entitled to attend the Shareholders' Meeting is December 28, 2020.

4. Approval for Capital Increase/New Share Allocation from the Relevant Authorities and Conditions of Such Approval (if any)

1. An approval from the Extraordinary General Meeting of Shareholders of the Company to the share purchase transaction;
2. The reduction and increase of the Company's registered capital must be approved by not less than three-fourth (3/4) of total votes of shareholders attending the meeting and vote;
3. The allocation of new ordinary shares must be approved by the majority of total votes of shareholders attend the meeting and entitled to vote; and
4. The Company shall register its registered capital increase, the change of its paid-up registered capital of the Company, and the amendment of the Memorandum of Association with the Department of Business Development, Ministry of Commerce.

5. Purpose of Capital Increase

The Company shall use the proceeds from the issuance and allocation of the newly issued ordinary shares to the existing shareholders in proportion to their shareholdings (Right Offering) as the Company's funds for current business operation and/or working capital for current business operation and/or for the Company's business expansion in the future.

Details of purpose of capital increase as appeared on Information Memorandum on the Offering of Newly Issued Ordinary Shares of Thailand Iron Works Public Company Limited (Right Offering) (Enclosure 3). The above plan is subject change depending on operating results, cash flow, business plan, investment plan, and necessities as the Board of Directors may deem appropriate for the best interests of the Company and its shareholders.

6. Expected Benefits to the Company from the Capital Increase / Newly Issued Share Allocation

The capital increase and allocation of shares for the right offering shall cause the Company to obtain working capital for which it will be used to repay debts of its group companies, including for business expansion after the Company's business restructuring, which will enhance its profitability. Also, the right offering shall increase its cash flow and liquidity, resulting in the increase of the Debt to Equity (D/E Ratio) of the Company, besides; the Company will have more reserved capital for investments in the potential and promising business, and liquidity in the trading of its shares in the future, which will benefit the Company itself and every shareholder.

7. Benefits gained by the Shareholders from the Capital Increase / Newly Issued Share Allocation

7.1 Dividend Payment Policy

The Company's dividend policy is at the rate of at least 50 percent of the net profit after deducting tax and legal reserve each year. The rate of dividend payment is subject to other factors in relation to business operation and management e.g. financial status and stability, liquidity, business expansion plan, and investment plan. In addition, the dividend payment shall be subject to approval from the shareholders' meeting and the Board of Directors' meeting,

The shareholders who will be allotted with the capital increase share are entitled to receive the dividend as same as the existing shareholders of the Company in all respects.

7.2 Subscribers of New Ordinary Shares Will Be Entitled to Receive Dividends from the Company's Business Operations

Subscriber of the newly issued ordinary shares shall be entitled to receive the dividend payment once such subscriber of new ordinary shares for this capital increase has been duly registered as a shareholder of the Company.

8. Other Details Necessary for Shareholders to Approve the Capital Increase / Newly Issued Share Allocation

- None -

9. Certification of the Board of Directors

In the event where any director of the Company fails to perform his/her duties with integrity and due care to protect the Company's interests in connection with this capital increase and such failure has caused damage to the Company, the shareholder has right to claim damages from such director on behalf of the Company in accordance with Section 85 of Public Company Limited B.E. 2535 (1992) (as amended). In addition, should such failure by director have caused any director or related persons to derive any undue benefits, the shareholder may take legal actions against such director on behalf of the Company in accordance with Section 89/18 of Public Company Limited B.E. 2535 (1992) (as amended).

10. Timeline of actions after the Board of Directors Resolves to Approve the Capital Increase / Newly Issued Share Allocation

No.	Procedures	Date/Month/Year
1	The Board of Directors' Meeting No. 15/2020	8 December 2020
2	The record date to determine the list of shareholders entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2021 (Record Date)	28 December 2020
3	The Extraordinary General Meeting of Shareholders No. 1/2021	27 January 2021
4	Registration of the registered capital reduction, the change of par value, and the registered capital increase with Ministry of Commerce	Within 14 days from the date of the resolution of the Shareholders' Meeting
5	Registration of the paid-up registered capital with Ministry of Commerce	Within 14 days from the date of receipt of share payments in full
6	Record Date (RD) to determine the shareholders entitled to subscribe newly issued ordinary shares in proportion to their shareholdings (Right Offering) is on 5 February 2021	5 February 2021
7	Subscription period of newly issued ordinary shares in proportion to shareholdings ratio (Right Offering)	18-19 and 22-24 February 2021

No.	Procedures	Date/Month/Year
8	Registration of the paid-up registered capital with Ministry of Commerce	Within 14 days from the date of receipt of share payments in full

Remark: The above timeline is subject to change depending on preparation process of documents and approval process from relevant authorities.

The Company hereby certifies that the information in this report is correct and complete in all respects.

Signature _____

Ms. Parleerat Panboonhom / Ms. Sukanya Tipmanee

Authorized Director

Information Memorandum of Thai Iron Works Public Company Limited

The information memorandum in account 2 in accordance with 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 or Disposition of Assets B.E. 2547 (2004) dated October 29, 2004 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand No. 20 Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) dated November 19, 2003 (as amended)

1. Responsibility of Board of Directors with respect to the information delivered to the shareholders

The board of directors of Thailand Iron Works Public Company Limited (the “Company”) has verified the information set out in this information memorandum with prudence in order to ensure that such information is correct, complete, contains no false statement and does not mislead any third party as well as omission of any facts that are material.

2. Qualifications and reports of independent advisors

The Company has appointed Avant Garde Capital Co., Ltd., a financial advisor approved by the SEC Office, as the Company’s independent financial advisor to provide its opinion on acquisition of 2,598,750 shares or equal to 26.25 percent of the total shares in Winchai Company Limited (“Winchai”) from Miss Parleerat Panboonhom (“Khun Parleerat”) or an entity which Khun Parleerat holds the entire shares, which is regarded as a connected transaction of a listed company under Notifications on Connected Transactions. Avant Garde Capital Co., Ltd. held no shares of the Company, and share no relation with the Company.

In addition, please find the opinion on the transaction on acquisition and disposal of assets and connected transactions in Attachment 6.

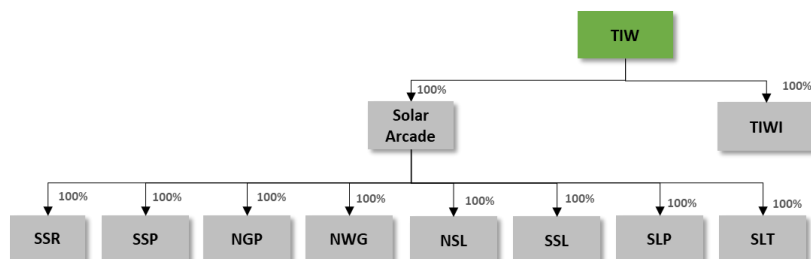
3. Information on Nature of Business Operation of Company, Subsidiaries and Associates

3.1 Information on Nature of Business Operation and Business Tendency of Registered Company, Subsidiaries and Associates of Registered Company

Thailand Iron Works Public Company Limited registered and established as a juristic person on April 10, 1958 with the registered capital of 100 million baht. The Company was listed in The Stock Exchange of Thailand (“SET”) and start trading on January 25, 1993. The registered capital as of March 31, 2020 is 73,050,000 baht and the issued and paid-up capital in the amount of 60,000,000 baht. The Company operates as a holding company that invests in (1) investing in Renewable Power Energy and (2) manufacturing and trading of galvanized steel sheet and roof and wall installation

service through 2 subsidiaries which are The Solar Arcade Company Limited (“Arcade”) and TIW industry Company Limited (“TIWI”) respectively.

The Company’s Group Structure, as of December 8th, 2020



Overview of the Company and its subsidiaries and associates

1. The Company established the Solar Arcade Co., Ltd. to accept the entire business transfer from Living Energy Co., Ltd., including 99.99 percent of shares in solar rooftop operation of 7.825 MW installed capacity. The consideration paid for the entire business transfer transaction equals 215,000,000 baht, which conditions is in accordance with those approved in the extraordinary meeting No. 1/2020 on 9th June 2020. The Solar Arcade Co., Ltd., which is 99.99 percent of shares held by the Company, received all ordinary shares of 8 companies, i.e., (1) Sky Solar Roof Co., Ltd. (“SSR”); (2) Sky Solar Power Co., Ltd. (“SSP”); (3) NW Green Power Co., Ltd. (“NGP”); (4) NW Energy Co., Ltd. (“NWG”); (5) NW Solar Co., Ltd. (“NSL”); (6) Sunny Solar Co., Ltd. (“SSL”); (7) Sun Link Power Co., Ltd. (“SLP”); and (8) Solar Town Co., Ltd. (“SLT”); (collectively, the “Solar Power Business Group”), the Solar Power Business Group engages in the solar power business through power purchase agreements (PPA) in total of 10 projects with the total electricity generation capacity of 7.825 megawatts. The PPAs are divided into two groups, of which the total contracted capacity of 7.600 Megawatts is engaged through PPAs with the Provincial Electricity Authority (PEA) at Feed in Tariff at 6.16 baht per kilowatt-hour (kWh), and the rest of 0.225 Megawatts is engaged through PPAs with the Metropolitan Electricity Authority (MEA) at Feed in Tariff at 6.55 baht per kilowatt-hour (kWh).

The Solar Power Business Group achieved commercial operations (COD) in 2013 – 2014, and the PPA of the Solar Power Business Group remains available more than 19 years.

The Solar business under current management has entered into operating and maintenance contracts to employ an operator for oversee and provide maintenance services to the solar rooftop power plants. In addition, the solar business employs on-site technical engineering

personnel to monitor the solar rooftop projects through Supervisory Control and Data Acquisition (SCADA) system. Consequently after the acceptance of the entire business transfer, the Company shall operate business in the continuous manner.

2. TIW Industries Co., Ltd. ("TIWI") was established on March 6th 2018 to operate in manufacturing and trading of galvanized steel sheet as well as provide roofing and siding installation service including sales of related products of galvanized iron sheet, Alu-zinc or other type of materials which are components of the roof. The Company held 99.99 percent of TIWI's shares, with TIWI's paid-up capital of 20,000,000 baht.

The products and services of the Company are divided into 4 categories as below:

2.1) Zinc Products can be divided into 2 types:

- Corrugated Zinc Sheet: there are small and large corrugated sheet and square sheet, galvanized iron with zinc color (G1) and color-coated galvanized iron in green, blue, and red (G2 COLOR). These types of products are commonly used in households and buildings such as roofing, fencing and building granary etc.
- Flat galvanized iron sheet: commonly used in industries such as advertising board, air conditioner duct, roof ventilator, bathroom door, document cabinet, toolbox, water granting, and water tank etc.

Farmers are the main target customer group for sale of the Company's products. Such target group accounts for 80% of the total revenues. The Company's trademarks of these product type can be categorized as three stars, one star, DDD, 111, 888, and Rad.

2.2) Metal Sheet can be divided into 2 types:

- Color-coated metal sheet which commonly used as roof tile and side installation in construction, residence, car park, canteen, coffee shop, petrol station, condominium, apartment and temple etc. Customers may choose any color of metal sheet.
- Aluzinc metal sheet which commonly used as roof tile and side installation, awning, canopy frame, vending, ceiling and fence etc.

Sheet metal contractors are the main customer group for sale of the Company's products, accounting for 80% of the total revenue. The Company's trademarks of these product type can be categorized as three stars, which received standard marks from Thai Industrial Standards Institute (TISI).

2.3) ZAM and products made from ZAM: products under trademark of Nisshin Steel Company Limited. ZAM is a hot-dipped galvanized sheet with coating the consisting of 87-

92% zinc, 5-10% aluminum and 3% magnesium. They are commonly used for area with high level of erosion such as wiring rack, windproof panel, fermentation plant, farm building, and grape arbor. The products can withstand high-level of erosion and have better usage and general products. They help reducing overall costs and prolong the product lifetime.

2.4) Roofing and siding installation service including sales of related products of galvanized iron sheet, Alu-zinc or other type of materials which are components of the roof. Roofing and siding department has imported high-resistance ZAM as part of roofing material and the Company also provides installation service for roofing made from other material as required by customers. The service provided according to terms and conditions of contract as either sub-contractor or contractor. Specification of material use and completion date of installation are determined in advance. In respect of receipt of payment, the Company will be paid based on completion of work according to project milestones. Usually, it is agreed under the contract that the Company may submit its invoice once every month.

Target customers for both large and small projects, construction of new factory building, repair of old and damaged factory roof with innovative construction technology called "Roof on Roof" which is usually used with construction of large warehouse and factory are local juristic persons or joint venture incorporated in Thailand with investment by foreigners.

The Company has a marketing department which responsible for contractor services and direct contact with customers, leading contractors in Thailand. Moreover, the customers can contact to the marketing department for interest in this service which the customer was introduced through customer's reference. Since the Company focuses on provision of quality, reasonable prices, and provision of services which is responsive to customers' requirement, customers have always given trust and confidence to work and service performed by the Company.

3.2 Comparing and Analysing 3-year Financial Statement and latest quarter with Management discussion and analysis (MD&A) and risks factors which can affect to registered company's profit

Statement of Financial Position

	Audited financial information						Reviewed	
	31 March 2018		31 December 2018		31 December 2019		30 September 2020	
	MB	%	MB	%	MB	%	MB	%
Cash and cash equivalents	141.5	15.4%	103.1	10.3%	91.1	9.6%	463.3	26.9%
Current investment	0.0	0.0%	81.5	8.1%	0.0	0.0%	41.2	2.4%
Trade and other receivables	105.0	11.4%	41.2	4.1%	34.4	3.6%	0.0	0.0%
Current portion of long-term loan for employee	2.5	0.3%	2.5	0.2%	2.7	0.3%	2.4	0.1%
Inventory	414.0	44.9%	515.1	51.4%	552.3	58.2%	375.9	21.8%
Other current assets	4.8	0.5%	6.0	0.6%	3.7	0.4%	27.6	1.6%
Total current assets	667.7	72.5%	749.3	74.7%	684.2	72.1%	910.4	52.8%
Restricted cash at financial institution	45.0	4.9%	45.0	4.5%	70.0	7.4%	264.9	15.4%
Other long-term investment	1.2	0.1%	1.2	0.1%	1.2	0.1%	0.0	0.0%
Long term loan for employee	3.1	0.3%	3.1	0.3%	3.5	0.4%	2.9	0.2%
Property, plant and equipment	188.8	20.5%	188.6	18.8%	174.0	18.3%	319.8	18.5%
Right of uses assets	0.0	0.0%	0.0	0.0%	0.0	0.0%	175.3	10.2%
Deferred tax assets	15.7	1.7%	15.7	1.6%	15.7	1.7%	51.6	3.0%
Non-current assets	253.8	27.5%	253.5	25.3%	264.4	27.9%	814.6	47.2%
Total assets	921.5	100.0%	1,002.8	100.0%	948.6	100.0%	1,725.0	100.0%

	Audited financial information						Reviewed	
	31 March 2018		31 December 2018		31 December 2019		30 September 2020	
	MB	%	MB	%	MB	%	MB	%
Short term loan from financial institute	0.0	0.0%	63.6	6.3%	78.9	8.3%	462.7	26.8%
Short-term loan from related parties	0.0	0.0%	0.0	0.0%	0.0	0.0%	8.0	0.5%
Short-term debenture	0.0	0.0%	0.0	0.0%	0.0	0.0%	48.0	2.8%
Trade payable and others payable	73.2	7.9%	55.8	5.6%	8.6	0.9%	48.3	2.8%
Current portion of long-term liabilities	0.3	0.0%	0.3	0.0%	0.3	0.0%	172.4	10.0%
Short term	0.0	0.0%	13.1	1.3%	0.0	0.0%	7.1	0.4%
Other current liabilities	0.8	0.1%	1.4	0.1%	0.6	0.1%	0.6	0.0%
Total current liabilities	74.3	8.1%	134.2	13.4%	88.4	9.3%	747.0	43.3%
finance lease	0.8	0.1%	0.7	0.1%	0.3	0.0%	216.8	12.6%
Employee benefit obligation	23.3	2.5%	19.8	2.0%	23.2	2.4%	19.8	1.1%
Total non-current liabilities	24.2	2.6%	20.5	2.0%	23.5	2.5%	236.6	13.7%
Total liabilities	98.5	10.7%	154.7	15.4%	111.9	11.8%	983.7	57.0%
Registered Capital	100.0	10.9%	73.1	7.3%	73.1	7.7%	73.1	4.2%
Issued and paid-up share capital	60.0	6.5%	60.0	6.0%	60.0	6.3%	60.0	3.5%
Share premium	140.0	15.2%	140.0	14.0%	140.0	14.8%	140.0	8.1%
Retained earnings -appropriated	116.0	12.6%	116.0	11.6%	116.0	12.3%	116.0	6.7%
Retained earnings -unappropriated	507.0	55.0%	532.0	53.1%	520.7	54.9%	425.3	24.7%
Equity attributable to owners of the Company	823.0	89.3%	848.0	84.6%	836.7	88.2%	741.3	43.0%
Non-controlling interests	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total equity	823.0	89.3%	848.0	84.6%	836.7	88.2%	741.3	43.0%
Total liabilities and equity	921.5	100.0%	1,002.8	100.0%	948.6	100.0%	1,725.0	100.0%

Note: The Company changed the accounting period in 2018 from April 1 – March 31 to April 1 – December 31

Statement of Profit and Loss

	Audited financial information						Reviewed			
	1 April 2017 – 31 March 2018		1 April 2018 – 31 December 2018		Year 2019		9 months ended 30 September 2019		9 months ended 30 September 2020	
	MB	%	MB	%	MB	%	MB	%	MB	%
Sales revenue	538.4	97.3%	359.7	96.1%	379.3	96.1%	299.7	95.8%	321.5	93.7%
Services revenue	13.8	2.5%	14.6	3.9%	15.5	3.9%	13.1	4.2%	21.7	6.3%
Sales revenue (Export)	1.0	0.2%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total Revenue	553.2	100.0%	374.4	100.0%	394.8	100.0%	312.8	100.0%	343.2	100.0%
Cost of good sold	438.1	79.2%	289.7	77.4%	351.5	89.0%	268.8	85.9%	385.6	112.3%
Cost of services	11.3	2.0%	14.3	3.8%	16.3	4.1%	12.7	4.0%	17.8	5.2%
Total Cost of good sold	449.4	81.2%	304.0	81.2%	367.8	93.2%	281.4	90.0%	403.4	117.5%
Gross Profit	103.8	18.8%	70.4	18.8%	27.0	6.8%	31.4	10.0%	(60.1)	-17.5%
Interest revenue	2.0	0.4%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Gain from divesting subsidiaries	0.0	0.0%	0.0	0.0%	9.7	2.5%	9.7	3.1%	0.0	0.0%
Other revenue	3.0	0.5%	3.8	1.0%	4.1	1.0%	3.3	1.1%	23.7	6.9%
Amortization	0.0	0.0%	0.0	0.0%	0.0	0.0%	9.0	2.9%	6.0	1.7%
Selling and administrative expenses	46.2	8.4%	50.0	11.4%	43.3	11.0%	25.3	8.1%	32.3	9.4%
Gain from exchange rate - net	(0.7)	(0.1%)	1.1	2.0%	0.5	0.1%	0.4	0.1%	0.0	0.0%
Operating profits	62.0	11.2%	25.1	6.7%	(2.0)	(0.5%)	10.6	3.4%	(74.7)	-21.8%
Financial Costs	0.6	0.1%	1.6	0.4%	2.8	0.7%	2.1	0.7%	5.0	1.5%
Earning before tax expenses	61.4	11.1%	23.5	6.3%	(4.8)	(1.2%)	8.5	2.7%	(79.8)	-23.2%
Tax expenses	0.0	0.0%	0.5	0.1%	0.6	0.1%	0.4	0.1%	15.7	4.6%
Net profit (loss)	61.4	11.1%	23.1	6.2%	(5.3)	(1.4%)	8.1	2.6%	(95.4)	-27.8%

Note: The Company changed the accounting period in 2018 from April 1 – March 31 to April 1 – December 31

Statement of Cash Flow

Unit : THB million	Audited financial information			Reviewed	
	1 April 2017 – 31 March 2018	1 April 2018 – 31 December 2018	Year 2019	9 months ended 30 September 2019	9 months ended 30 September 2020
Cash inflow (outflow) from operating activities	(21.0)	(20.4)	(99.9)	(103.3)	(88.4)
Cash inflow (outflow) from investing activities	120.3	(94.2)	78.7	79.0	42.0
Cash inflow (outflow) from financing activities	(68.6)	76.4	9.0	50.6	418.4
foreign exchange translation of Cash and cash equivalent	0.0	0.0	0.0	26.5	372.2
Net Cash inflow (outflow) Gain (Loss) from	30.7	(38.4)	(11.9)	103.1	91.1
Beginning Cash and cash equivalent	110.8	141.5	103.1	0.2	0.1
Ending Cash and cash equivalent	141.5	103.1	91.1	129.5	463.3

Note: The Company changed the accounting period in 2018 from April 1 – March 31 to April 1 – December 31

Key Financial Ratios

		1 April 2017 – 31 March 2018	1 April 2018 – 31 December 2018	Year 2019	9 months ended 30 September 2019	9 months ended 30 September 2020
Current Ratio	times	9.0	5.6	7.7	-	1.2
Gross Profit Margin	%	18.8	18.8	6.8	10.0	(17.5)
Net Profit Margin	%	11.0	6.7	(1.4)	2.6	(27.8)
Debt to Equity (D/E)	times	0.12	0.18	0.13	-	1.3

Management Discussion and Analysis on Consolidated Financial Position and Operating Result**Analysis of overall business performance**

Total comprehensive income (loss) for the Financial Statement of the third quarter ended September 30th, 2020, the consolidated financial statements amounted to Baht (95.42) million, decreased from the same period of the previous year by Baht 8.07 million due to the following reasons:

Revenue

Revenue from sales and service, of the financial statement ending on the 30th September 2020 totaled THB 343.22 Million, which was THB 30.40 Million higher than the quarterly revenue from the previous year, or 10% higher than the quarterly revenue from the previous year. This was due to a THB 21.74 Million increases in sales, caused by recent news regarding anti-dumping measures against import of hot-dip galvanized cold-formed steel sheets in both roll and sheet varieties originating from the People's Republic of China and the introduction of regulations on galvanized steel, requiring conformation to TISI standards, which has led to worry amongst our customers of insufficient supply, which could potentially lead to panic-buying as the dumping of low-cost products from the People's Republic of China is taking place in large volumes, causing revenue to increasing as a result of aforementioned stockpiling, despite falling market prices. As such companies are forced to sell at the market price that below the Company's stock costs. In addition, the Company began recognition the electricity sales from solar rooftop operating at THB 9.30 Million since acquisition of the business on July 24th, 2020 .

Cost of sales and services

For the Cost of Sales and services for the Financial Statement of the third quarter ended September 30th, 2020, the consolidated financial statements amounted to Baht 403.36 million or 118% of sales and service income, increase from the same period of the previous year by Baht 121.93 million or 43%. Mostly due to the cost of sales increased from the same period of the previous year amounted to Baht 116.77 million or 43%, which caused by the units sold increased, but fixed stock costs when compared to the same period of the previous year. Despite the steel price in current market is relatively decreased, the past record of stock costs has been relatively high.

Administrative expense

For the Administrative Expenses for the Financial Statement of the third quarter ended September 30th, 2020, the consolidated financial statements amounted to Baht 26.73 million, increased from the same period of the previous year by Baht 9.46 million or 55%.

Finance cost

For Financing Cost for the Financial Statement of the third quarter ended September 30th, 2020, the consolidated financial statements amounted to Baht 5.03 million, increased from the same period of the previous year by Baht 2.95 million or 142%, mainly due to the decrease in interest paid for utilization of trust receipt facility.

Analysis on Operating Result for the year 2019 comparing to 9 months of 2018

For the overall company's operating performance, the Company's operating profit is baht (5.3) million which decrease baht 28.4 million from 2018 due to the increase of cost of sales and services.

Revenues from sales and services

In 2019, the Company generated revenue from sales and services of baht 394.8 million which mounted by baht 20.4 million, accounting for 5% increase from the previous year's figure.

Cost of sales and services

In 2019, the Company's cost of sales and services amounted to baht 367.8 million which increased by baht 63.8 million or accounting for 21% increase from the previous year's figure. The reason is due to the change of employee's benefit recognition from 300 days to 400 days referring to new Labor protection act which brings about the employee's benefit for factory department increased by baht 4.51 million and at the end of year provision for obsolete inventories increased by baht 11.56 million.

Administrative expenses

In 2019, the administrative expense, management compensation, is baht 31.4 million which decreased by baht 10.5 million, accounting for 25% decrease from the previous year's figure, because of the decline of advisor expense of baht 6.5 million and the decline of wage and salary of baht 4.8 million.

Finance Costs

In 2019, the finance cost is baht 2.8 million increasing by baht 1.2 million or accounting for 74% increase from the previous year's figure because of an increase of interest expense of trust receipt.

Analysis of overall financial position

Assets

Total Assets as of September 30th, 2020, were Baht 1,724.96 million, which are the current assets of Baht 910.37 million or 53% of the total assets, and the non-current assets of Baht 814.59 million or 47% of the total assets.

Most current assets were consisted of cash and cash equivalents amounted to Baht 463.31 million or 51% of current assets, which an increased amount was Baht 312.17 million or 408% from the previous period, due to cash received from 1) inventory sold to TIWI and 2) The Company's sales and leaseback transaction with Thai Cons. and Building Co., Ltd.

Inventories amounted to Baht 375.93 million or 41% of current assets, decreased from the previous period to Baht 176.42 million or 32%.

Most non-current assets consisted of cash in restricted deposit account at financial institution which was amounted to Baht 264.88 million or 32% of non-current assets. The Company's cash in restricted deposit account is wholly used as collateral for credit facility in form of Letter of credit and trust receipt.

Property, plant and equipment, amounted to Baht 319.80 million or 39% of non-current assets, which was increased from December 31st, 2019 by Baht 146.79 million due to the Company's acceptance of entire business transfer of solar-roof operating business.

Rights of use assets amounted to Baht 175.34 million or 39% of non-current assets, which an increased amount was Baht 175.34 million from December 31st, 2019, due to the Company's sales and leaseback transaction with Thai Cons. and Building Co., Ltd.

Liabilities

Total Liabilities as of September 30th, 2020 were Baht 983.68 million or 57% of Liabilities and Shareholders' Equity, which consists of current liabilities of Baht 747.03 million or 76% of total liabilities, and non-current liabilities of Baht 236.65 million or 24% of total liabilities.

Most current liabilities consisted of Short-term loans from financial institutions in the amount of Baht 462.65 million or 62% of current liabilities, increasing at Baht 383.71 million or 486% increase from the previous period due to Trust receipt-T/R loan for inventory purchasing by TIWI.

Short-term loan from related parties amounted to Baht 8.00 million or 1% of current liabilities is used as working capital of the Company.

Short-term debenture amounted to Baht 48.00 million or 6% of current liabilities is used for acquisition of the solar-rooftop operating business.

Trade and other payables amounted to Baht 48.26 million or 6% of current liabilities, increased amounted to Baht 39.67 million or 462% from the previous period, resulting from the increase in purchase of domestic's raw materials.

Non-current liabilities which consisted mainly of current porting of long-term loans that amounted to Baht 172.42 million or 23% of non-current liabilities, which was increased by 172.42 from the previous period due to consolidation of the solar-rooftop operating business.

Equity

As of September 30, 2020, Company's equity is baht 741.28 million, accounting for 43% of total liabilities and equity, which decreased by baht 95.42 million, or 11% decrease from December 31st, 2019, resulted from the comprehensive loss from the main galvanized steels trading operation.

3.3 Financial projections for the present year (if any) which specify trade, economic and industrial assumption and reviewed by certificated auditors and the opinion of independent financial advisor that the financial projections have been prepared with prudence

-None-

3.4 List of Directors and major shareholders

Board of Directors

Name	Position
1. Miss Parleerat Panboonhom	Chairman of the board of directors
2. Mr. Prasit Kanchanasakdichai	Director
3. Mr. Kriengchai Trinapakorn	Director
4. Mr. Kriangkrai Danchaivichit	Director
5. Miss Sukanya Tipmanee	Director
6. Mr.Sudwin Panyawongkhanti	Independent Director / Audit Committee Chairman
7. Miss Ratana Sithiprasana	Independent Director / Audit Committee
8. Miss Punchada Sirivunnabood	Independent Director / Audit Committee

Lists of major shareholders

#	Name	As of 27 December 2020	
		# of shares	%
1.	Miss Parleerat Panboonhom	3,691,968	61.53
2.	Mr. Prasit Kanchanasakdichai	654,000	10.90
3.	Mr. Kriangkrai Danchaivichit	650,000	10.83
4.	MITSIAM INTERNATIONAL LTD.	300,000	5.00
5.	Mrs. Wilaiwan Arjariyanondha	53,000	0.88
6.	Miss Kuntida Khongrunghakorn	31,000	0.52
7.	UBS AG LONDON BRANCH	30,900	0.52

#	Name	As of 27 December 2020	
		# of shares	%
8.	Mr.Suroj Trilojwong	30,000	0.50
9.	Mr.Thaninchote Tantipantarak	29,900	0.50
10.	Mr. Phairoj Bundityanond	27,500	0.46
	Other shareholders	502,632	8.38
Total		6,000,000	100.00

3.5 Other material information which can affect to Shareholders' decision

-None-

4. The opinion of Board of Directors regarding of working capital sufficiency. If the working capital is deficit, please define the sources of capital for this transaction.

The Board of Directors is of the opinion that the Company will have sufficient working capital to enter into this transaction. The source of funds for investment in ordinary shares in Winchai at the amount of THB 660,000,000, comes from 1) Excess cash from the Company's operating results in the amount of THB 600,000,000 and 2) Proceeds in the amount of THB 60,000,000, which the Company expects to derive from the offering of newly issued ordinary shares to the existing shareholders by way of rights offering (RO).

5. Legal Disputes

- None-

6. Benefits or connected transaction between company and directors, executives, and shareholders directly or indirectly holding more than 10% of shares. Define the nature of transaction and benefits.

Please find the related-party transactions below;

Related-Party Transactions in 2019 and 2020

Related Parties	Relationship	Type of Transaction	Total Value of Transaction (Baht)		Rationale and Necessity of Transaction
			2019	9 months ended on September 30, 2020	
C.M.Manufacturing company Limited	- Held by company's major shareholder - Joint director	Trade receivables Revenues from sales Revenues from services Costs of sales and services Other expense	877,142 6,335,769 - 205,984 566,533	1,847,994 12,727,017 - 88,367	In order to sell/ buy or manufacture for selling
Thai Const & Building Manufacturing Public Company Limited	- Held by company's major shareholder - Joint director	Revenues from sales Revenues from services Other expense	103,160 286,570 13,730	315,466 - 125,400 -	In order to sell/ buy/ renovate buildings
Mr. Prasit Kanchanasakdichai	- Major Shareholder and director of the Company	Short-term loan from related parties	-	8,000,000	In order to use as working capital of the Company <u>Audit Committee's Opinion</u> Audit Committee has reviewed the transaction and concluded that the transaction deemed appropriate, whose terms are considered fair-market basis.

7. Key agreement summary during the last 2 years
- None-
8. Proxy Form which shareholders may appoint at least 1 of any members of the Audit Committee to be a proxy for casting a vote

Please find details in Attachment 7

Please be informed accordingly

Best regards,

Signature: _____

Ms. Parleerat Panboonhom / Ms. Sukanya Tipmanee

(Translation)

Independent Financial Advisor's Opinion Report on Acquisition of Assets and Connected
Transaction of Thailand Iron Works Public Company Limited

Reporting to

The Shareholders of Thailand Iron Works Public Company Limited



Prepared by

Avantgarde Capital Company Limited



11 January 2021



No. AGC2020/058

11 January 2021

Re: Notification of Resolutions of the Board of Directors' Meeting No. 15/2020

Attn.: President The Stock Exchange of Thailand

Thailand Iron Works Public Company Limited (the "Company") hereby informs that the Board of Directors' Meeting No. 15/2020, which was held on December 8, 2020 at 13.30 hours at Hospitality 2 Meeting Room, 3rd floor, W Bangkok Hotel, No. 106 North Sathon Road, Silom, Bang Rak, Bangkok, has passed significant resolutions which must be reported to the Stock Exchange of Thailand ("SET") as follows:

1. It was resolved to grant approval to propose the Shareholders' Meeting to consider approving the acquisition of shares in Winchai Co., Ltd. ("Winchai") in the amount of 2,598,750 shares or representing 26.25 percent of all shares in Winchai from Ms. Parleerat Panboonhom ("Ms. Parleerat") or an entity which Ms. Parleerat holds the entire shares, as the Company's connected person, at the price of THB 660,000,000 (Six Hundred Sixty Million Baht Only) in cash (the "Share Acquisition Transaction"). However, the Share Acquisition Transaction will take place only after the conditions precedent as specified in the agreement to buy and sell shares between the Company (as buyer) and Ms. Parleerat Panboonhom (as seller) (the "Agreement to Buy and to Sell Shares") shall have been fulfilled. Such conditions precedent include, but are not limited to, the following:

- (1) The Shareholders' Meeting of the Company shall have resolved to approve the entering into the Share Acquisition Transaction;
- (2) As of the closing date of the share acquisition, there shall be no event or action happening or threatened to be happening or any reason to expect it to be happening, which may materially and adversely affect Winchai or obstruct the entering into of the Share Acquisition Transaction;
- (3) Winchai has obtained an approval from the financial institution in respect of the change of shareholding structure of Winchai in accordance with this Share Purchase Transaction.

Initially, the Company anticipates that should the Shareholders' Meeting resolve to approve such transaction, and the conditions precedent as specified in the Agreement to Buy and Sell Shares have been fulfilled or waived, the Company shall conclude the acquisition of shares in Winchai by March 2021.

In this regard, the entering into of such transaction is regarded as an acquisition of assets pursuant to 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 or Disposition of Assets B.E. 2547 (2004) dated October 29, 2004 (as amended) (the "Notifications on Acquisition or Disposal of Assets"). Upon calculation of the transaction size using the value of net tangible assets method based on the Company's financial statements for the period ended September 30, 2020, which had been reviewed by the Company's auditor, the highest value shall be equal to 40.22 percent. In the absence of any transaction on acquisition of assets by the Company over the past six months, which have not been approved by the Shareholders' Meeting, therefore, the highest transaction value is equal to 40.22 percent based on



the value of net tangible assets, which is equal to 15 percent or higher, but lower than 50 percent, and as such, this is regarded as a transaction in type 2 pursuant to the Notifications on Acquisition or Disposal of Assets. Therefore, the Company is required to comply with the Notifications on Acquisition or Disposal of Assets, which require the Company to report and disclose the information memorandum on such transaction by the Company to the SET immediately, which must at least contain the information as required in List (1) attached to the Notifications on Acquisition or Disposal of Assets, and give notice to the shareholders within 21 days from the date of such disclosure to the SET, which must at least contain the information as required in List (2) 1, 2, 3, 5(3), 7 and 8 attached to the Notifications on Acquisition or Disposal Assets. To encourage the shareholders' participation.

However, the Company considers to propose this agenda of the Shareholders' Meeting to consider approving of such transaction. In view of this, if such Share Purchase Transaction has been approved by this shareholders meeting, such transaction shall not be included for the transaction size calculation of the next acquisition of assets in accordance with the clause 12 of 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 or Disposition of Assets B.E. 2547 (2004), dated October 29, 2004 (as amended).

Moreover, the above Share Acquisition Transaction is also 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 Stock Exchange of Thailand 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"). Upon calculation of the transaction value of the acquisition of assets, the transaction size is equal to 95.70 percent of the Company's net tangible assets per the Company's financial statements for the period ended September 30, 2020, which had been reviewed by the certified public accountant. In the absence of any connected transaction by the Company over the past six months, which have not been approved by the Shareholders' Meeting, therefore, the total transaction value is equal to THB 660,000,00 or representing 95.70 percent of the Company's net tangible assets per the Company's financial statements, which had been reviewed by the certified public accountant, for the period ended September 30, 2020, and such transaction value is regarded to exceed THB 20 Million and also exceed 3 percent of the Company's net tangible assets per the Company's financial statements, which had been reviewed by the certified public accountant, for the period ended September 30, 2020, which is equal to THB 689,644,873. Therefore, the Company is required to comply with the Public Limited Companies Act and the Notifications on Connected Transactions, which require the Company:

- (1) To report and disclose the information memorandum on such acquisition of assets, which is a connected transaction of the Company, to the SET immediately, which must at least contain the information as required in the Notifications on Connected Transactions;
- (2) To appoint an independent financial advisor to carry out the relevant functions, including provide its opinions as required by the Notifications on Connected transactions, whereby the independent financial advisor's report shall be delivered to the shareholders for consideration along with the invitation letter for the Shareholders' Meeting. In this regard, the Company has appointed Avantgarde Capital Co., Ltd., which is a financial advisor on the list approved by the SEC Office, as



the independent financial advisor to provide the shareholders with its opinion on the entering into the transaction on acquisition of assets as a connected transaction;

- (3) To convene a Shareholders' Meeting of the Company to approve such transaction on acquisition of assets, which is a connected transaction, 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, excluding such votes of the interested shareholders.

2. It was resolved to grant approval to propose the Shareholders' Meeting to consider approving the allocation of not exceeding 20,000,000 newly issued ordinary shares of the Company with a par value of THB 0.50 per share to the Company's existing shareholders in proportion to their shareholding percentage (Rights Offering) at the offering price of THB 9.10 per share (or representing the price before the change of the par value of the Company's shares at THB 182 per share), which is the price lower than the market price of 1.44 percent which calculated from the weighted average price of the Company's shares being traded on the SET for a period of 15 consecutive business days before the day on which the Board of Directors' Meeting resolved to approve the determination of the offering price of such shares. The offering of such shares shall be done at the ratio of 6 existing shares to 1 new share, and any fraction thereof shall be disregarded.

In this regard, the Board of Directors' Meeting has authorized the Board of Directors or the Executive Committee or the Chief Executive Officer or the person authorized by the Board of Directors or the Executive Committee or the Chief Executive Officer to determine the rules, conditions and other details necessary for and in connection with the issuance and allocation of newly issued ordinary shares, as necessary and appropriate subject to the applicable laws, including, but not limited to, where shareholders may oversubscribe for the newly issued ordinary shares, provided that the existing shareholders who oversubscribe for such shares shall be allocated with shares for which they have oversubscribed only when there are any shares remaining from the full allocation thereof to the Company's existing shareholders who have subscribed for such shares, at the same subscription price for such shares, and any fraction thereof shall be disregarded

The allocation of such shares by way of rights offering shall proceed as follows:

- (1) Should there be any shares remaining from the first round of allocation by way of rights offering, and the number of which is more than or equal to the number of shares oversubscribed by the existing shareholders, such remaining shares shall be allocated to all oversubscribers who have made payments therefor in full according to the number of their intended oversubscription.
- (2) Should there be any shares remaining from the first round of allocation by way of rights offering, and the number of which is less than the number of shares oversubscribed by the existing shareholders, such remaining shares shall be allocated to the oversubscribers in accordance with the following procedure:



2.1. The allocation shall be based on the existing shareholding percentages of the respective oversubscribers, by multiplying the existing shareholding percentages by the number of remaining shares to arrive at the number of shares to be allocated to the respective oversubscribers, and any fraction thereof shall be disregarded, provided that the number of allocated shares shall not exceed the number of shares subscribed and paid for by the respective shareholders.

2.2. Should there still be any shares remaining after the allocation under (2.1), such remaining shares shall be allocated to the respective oversubscribers who have not yet received the allocation of shares in full according to their existing shareholding percentages, by multiplying the existing shareholding percentages by the number of remaining shares to arrive at the number of shares to be allocated to the respective oversubscribers and any fraction thereof shall be disregarded, provided that the number of allocated shares shall not exceed the number of shares subscribed and paid for by the respective shareholders. The allocation of shares to the oversubscribers under the procedure in this (2.2) shall proceed until there shall be no more shares left to be allocated.

Under no circumstances shall the allocation of the oversubscribed shares as hereinabove described shall result in any oversubscribing shareholder's holding of the Company's shares to be increased up to or beyond the trigger point which will require the shareholder to make a tender offer as prescribed in the Notification of the Capital Market Supervisory Board No. Tor.Jor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers and in violation of the foreign limit as specified in the Company's Articles of Association, which currently allows foreigners to hold not exceeding 49 percent of all issued shares of the Company.

Furthermore, should there be any newly issued ordinary shares remaining from the allocation of shares by way of rights offering and oversubscription, the Company shall proceed to reduce its registered capital by cancelling the newly issued ordinary shares remaining from the offering accordingly.

- (1) The Board of Directors' Meeting has authorized the Board of Directors or the Executive Committee or the Chief Executive Officer or the person authorized by the Board of Directors or the Executive Committee or the Chief Executive Officer to set out the rules, conditions and other details necessary for and in connection with the issuance and allocation of newly issued ordinary shares, as necessary and appropriate subject to the applicable laws, including, but not limited to, the determination of the record date to determine the list of shareholders to subscribe for the newly issued ordinary shares, the offering date of the newly issued ordinary shares and the method of payment for such shares, etc.
- (2) The rights to subscribe for and be allocated with such newly issued ordinary shares remain uncertain until approval shall be obtained from the Extraordinary General Meeting of Shareholders No. 1/2021.

3. It was resolved to approve the appointment of Avantgarde Capital Co., Ltd., which is a financial advisor on the list approved by the SEC Office, as the independent financial advisor to provide its opinion on the Share Acquisition Transaction from Ms. Parleerat Panboonhom, as a connected person.

4. It was resolved to grant approval to propose the Shareholders' Meeting to consider approving the amendment of the Company's objectives from 22 clauses to be 34 clauses, as follows:



- Clause 23 Engaging in the business of energy including renewable energy, wind energy.
- Clause 24 Engaging in the business of all types of power plant.
- Clause 25 Engaging in the business of explore and drill the petroleum.
- Clause 26 Engaging in the business of the provision of services for design, installation, control and management of the security system, control the in-out system of the building and time recording system and CCTV system.
- Clause 27 Engaging in the business of the provision of services for electricity system and create the fiber optic for the all type of telecommunication.
- Clause 28 Engaging in the business of the importation for the design and system installation including manufacturing, distribution of the raw materials, spare parts of all system as mention in Clause 25 and Clause 26
- Clause 29 Engaging in the business of bidding goods as requested or entering into any agreement with the government sector, state enterprises including company and other private entity
- Clause 30 Engaging in the business of design, install of the construction work, electricity system, measuring tools, and other automatic control system and being a contractor for the solar power plant, wind power plant and biomass power plant, coal and other renewable energy
- Clause 31 Engaging in the business of generating electricity from the solar energy, wind energy, biomass and coal energy or other renewable energy to distribute the electricity flows directly into the transmission system to private and government sector.
- Clause 32 Engaging in the business of design, install of electricity system, measuring tools, and other automatic control system by using programmable logic control, remote control system, conveyor system, transporting in the mine business and other industrial factory
- Clause 33 Engaging in the business of manufacturing, trading the electric generator, electricity power, purchase, sale, procure, install, construct, maintenance, collect, reserve, and conduct any business in relation to the electricity power which come from natural resources, renewable energy and alternative energy to private and government sector;
- Clause 34 Engaging in the business of provision of services in relation to the maintenance of any power plant which shall include the residential, plant and large entrepreneur.



Glossary

“Aluzinc”	Galvanized steel sheet and aluminum
“Auditor”	Deloitte Touche Tohmatau Jaiyos Audit Company Limited
“Arcade”	The Solar Arcade Company Limited
“BOI”	Board of Investment
“COD”	Commercial Operation Date
“DCF”	Discounted Cash Flow
“EGAT”	Electricity Generation Authority of Thailand
“EPC”	Engineering, Procurement, and Construction contract
“FCFE”	Free Cash Flow to Equity
“Group of Solar energy power plant”	Subsidiaries of Solar power energy of Solar Acade Company Limited
“IPP”	Independent Power Producer Program
“IRR”	Internal rate of return
“Ke”	Cost of Equity
“kV”	Kilowatt
“kWh”	Kilowatt hour
“Loan agreement”	Loan agreement to financial institution of Winchai
“Ms. Paleerat”	Ms. Parleerat Panboonhom
“MW”	Megawatt
“NPV”	Net present value
“NTA”	Net tangible asset
“O&M”	Operation and Maintenance contract
“P/BV”	Price to Book Value Ratio
“P/E”	Price to Earnings Ratio
“PDP 2018 – 2037 Revision 1”	Power Development Plan 2018 – 2037 Revision 1
“PPA”	Power Purchase Agreement
“PV(FCFE)”	Present value of free cash flow to equity
“RO”	Rights offering
“SCOD”	Scheduled Commercial Operation Date
“Share Acquisition Transaction”	Share acquisition agreement between Thailand Iron Work Public Company Limited and Ms. Paleerat Panboonhom
“SPP”	Small Power Producer Program
“TIW”	TIW Industries Company Limited



“TOU”	Time of Use Rate
“The Project”	Wind power project of Romklao Winfarm
“The Company”	Thailand Iron Work Public Company Limited
“TP”	Trust Receipt
“Winchai”	Winchai Company Limited
“V”	Volt
“VSPP”	Very Small Power Producer
“Zinc Corrugation”	Cold rolled steel coil business



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1. Executive Summary

1.1 Overview and Objective of the Transaction

According to Thailand Iron Work Public Company Limited (“the Company”) Annual General Meeting at 26 July 2018, there is a restructuring plan for the Company’s business model to be the Holding company which established TIW Industries Company Limited (“TIWI”) which manufactures and distributes galvanized steel and The Solar Arcade Company Limited (“Arcade”) which operates in Solar Rooftop Business of 7.83 MW in 2020 to be the Company’s subsidiaries.

During August 3, 2020 – September 9, 2020, Ms. Parleerat Panboonhom (“Ms. Parleerat”) offered to purchase all of the securities of Thailand Iron Works Public Company Limited (the “Company”) (Conditional Voluntary Tender Offer). Therefore, Ms. Parleerat has become the major shareholder of the Company holding 3,691,968 share, representing 61.53% of total votes of the Company. In this regard, Ms. Parleerat has proposed the Board of Directors to consider and approve the entering into the business plan after takeover that has been disclosed in the Tender Offer (Form 247-4) (dated July 31, 2020 and amendments thereof on August 14 and 24, 2020). In light of this, it was proposed to the Board of Directors to consider details of investment transaction in Winchai Co., Ltd. (“Winchai”) (which generates and distributes electricity from Wind power with installed capacity of 44.85 Megawatt. Winchai’s shares is held 48.75 percent by Nathalin Co., Ltd. and 26.25 by Ms. Parleerat and 25.00 by Qian Xing Long Company Limited). in proportion of 2,598,750 shares held by Ms. Parleerat, representing 26.25% of total shares of Winchai.

According to the Company Board of Directors’ Meeting No. 15/2020, which was held on December 8, 2020 has resolved to grant approval to propose the Shareholders’ Meeting to consider approving the acquisition of shares in Winchai in the amount of 2,598,750 shares or representing 26.25% of all shares in Winchai from Ms. Paleerat or an entity which Ms. Parleerat holds the entire shares, as the Company’s connected person, at the price of baht 660.0 million (Six Hundred Sixty Million Baht Only) in cash (“the Share Acquisition Transaction”). However, the Share Acquisition Transaction will take place only after the conditions precedent as specified in the agreement to buy and sell shares between the Company (as buyer) and Ms. Parleerat Panboonhom (as seller) (the Agreement to Buy and to Sell Shares) shall have been fulfilled.

The transaction is one of the strategies and business plans of the Company in a way of reducing dependence on the production and distribution of galvanized steel sheet which is considered to be volatile. Moreover, after the transaction, the Company will be Winchai’s shareholder as an associate companies and passive shareholders which have the right to claim Winchai’s dividend in proportion of 26.25. whereas Winchai’s dividend policy establish to pay dividends at least annually, by taken into the consideration of the net profit contribution from its electricity generation and selling operation, along with the cash available on hand after 1) the reserve maintenance accounts required under Winchai’s loan agreement have been fulfilled, 2) the reserves for maintenance and renovation expenditure, or any



foreseeable contingencies in each annual budget plan, and 3) in accordance with the applicable laws with respect to the dividend reserve fund. Such reserves' setting and any alteration are required to be decided upon only by a resolution of Winchai's board of directors.

The acquisition of asset from Winchai will increase the capacity from investing in renewable power which the Company has the opportunity to receive a higher from Winchai investment in the Project. The Company will be recognized share of profit according to shareholding proportion in Winchai and dividend income of Winchai is quite stable due to Power Purchase Agreement. This will increase the return to the Company's shareholders. Therefore, the IFA conclude that the transaction is appropriate (Shareholder can find more details regarding the appropriateness and benefits of the transaction in section 3.1).

For the appropriateness regarding transaction prices, the IFA has performed various method in valuing equity value of Winchai for this transaction. Hence, the IFA conclude that discounted cash flow (DCF) model is the appropriate method which reflects future operating performance under business operation plans and fair assumptions. The fair value of Acquisition of Asset from Winchai is Baht 701.27 – 808.24 million. When comparing to transaction price at the amount Baht 660.0 million is lower than the fair value of the Acquisition of Asset. Also, the IFA consider the potential to generate return for Winchai result internal rate of return (IRR) equate to 10.41%, which is higher than the weighted average cost of capital (WACC), which is 5.19% - 6.82%. Hence, the IFA conclude that the transaction is feasible and appropriate. Moreover, the IFA has the opinion that the transaction can diversify the Company's operational risk, enhance stable and consistent performance and there is no risk of unsuccessful project development with no additional financial liability in this transactions

In this regard, the IFA has an opinion that the Acquisition of Asset of Winchai is appropriate and the shareholders should approve the Transaction. However, to consider the Transaction, shareholders shall consider information, opinion and other details prepared by the IFA such as assumptions for projected advantages and disadvantages of entering into the Transaction. In this regard, the IFA has an opinion that the Acquisition of Asset of Winchai is appropriate (Shareholder can find more details regarding the appropriateness and benefits of the transaction in section 3.1).



1.2 Characteristic of the Transaction

1.2.1 Detail of Acquisition of Assets

Acquired assets	26.25% of total issued shares of Winchai								
Buyer	Thailand Iron Works Public Company Limited								
Seller	Ms. Parleerat or an entity which Khun Parleerat holds the entire shares								
Relationship	<p>Ms. Parleerat is the Company's connected person as presided by the Notifications on Connected Transactions. This is because Ms. Parleerat is a major shareholder of the Company, holding 61.53% of total shares of the Company, also a director of the Company. Ms. Paleerat holds 26.25% of total shares of Winchai</p> <p>Moreover, the above Share Acquisition Transaction is also 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 Stock Exchange of Thailand 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")</p>								
Source of Fund in entering into the transaction	<p>The source of funds for investment in ordinary shares in Winchai in the amount of baht 660,000,000.0 is comprising of 1) Excess cash from the Company's operation and selling the inventories. 2) Proceed of the Right Offering ("RO") to the sharholders. The details are as follows</p> <p>1) Excess cash from the Company's operating results in the amount of THB 600,000,000, the amount of which consist of THB 250,000,000 from cash flow from operations. (The source of funds does not derive from entering into the sale and leaseback transaction of fixed assets of the Company, which was approved at the Extraordinary General Meeting of Shareholders</p> <table border="1"> <tr> <td>Types of facility</td> <td>Uncommitted facility in term of letter of credit and trust receipt</td> </tr> <tr> <td>Credit limit</td> <td>Not exceeding THB 350,000,000</td> </tr> <tr> <td>Purpose of facility</td> <td>To purchase inventory from the Company and other suppliers</td> </tr> <tr> <td>Interest rate</td> <td> <ol style="list-style-type: none"> Fee for Letter of Credit TIWI must pay the letter of credit issuance fee at 1/48% per quarter of the maximum amount stated in each letter of credit. Interest Rated of Trust Receipt TIWI is required to pay an interest rate equal to the sum of (1) BIBOR interest rate; and (2) 0.75% per annum, payable on the last day of every month and the due date of the trust receipt to the bank. In this regard, the interest rate shall be calculated on a daily basis according to the number of days in each month and a year with 365 days. </td> </tr> </table>	Types of facility	Uncommitted facility in term of letter of credit and trust receipt	Credit limit	Not exceeding THB 350,000,000	Purpose of facility	To purchase inventory from the Company and other suppliers	Interest rate	<ol style="list-style-type: none"> Fee for Letter of Credit TIWI must pay the letter of credit issuance fee at 1/48% per quarter of the maximum amount stated in each letter of credit. Interest Rated of Trust Receipt TIWI is required to pay an interest rate equal to the sum of (1) BIBOR interest rate; and (2) 0.75% per annum, payable on the last day of every month and the due date of the trust receipt to the bank. In this regard, the interest rate shall be calculated on a daily basis according to the number of days in each month and a year with 365 days.
Types of facility	Uncommitted facility in term of letter of credit and trust receipt								
Credit limit	Not exceeding THB 350,000,000								
Purpose of facility	To purchase inventory from the Company and other suppliers								
Interest rate	<ol style="list-style-type: none"> Fee for Letter of Credit TIWI must pay the letter of credit issuance fee at 1/48% per quarter of the maximum amount stated in each letter of credit. Interest Rated of Trust Receipt TIWI is required to pay an interest rate equal to the sum of (1) BIBOR interest rate; and (2) 0.75% per annum, payable on the last day of every month and the due date of the trust receipt to the bank. In this regard, the interest rate shall be calculated on a daily basis according to the number of days in each month and a year with 365 days. 								



Collateral	TIWI is required to procure that the bank account under a Business Security Agreement has money not less than the credit amount drawdown by TIWI. In case that the amount in the bank account is less than the drawdown amount, TIWI will proceed an additional deposit into such bank account promptly except in the case of using credit to purchase inventory from the Company.
Guarantee^{1/}	The Company and Mr. Prasit Kanchanasakdichai are the guarantor of the Facility Agreement.
Repayment	<ol style="list-style-type: none"> 1. Letter of credit The lender is required to notify TIWI the amount of claims, expenses, any liability or loss in relation with each letter of credit. TIWI shall indemnify such amount to the lender as soon as the lender claims in relation with that letter of credit. 2. Trust Receipt <ol style="list-style-type: none"> (1) TIWI is required to repay the loan under Trust Receipt Agreement with interest on the due date of such Trust Receipt Agreement. (2) TIWI is required to repay all outstanding loans under trust receipts with interest within the last business day of March 2021. (3) Once TIWI has repaid any portion of the trust receipt loan, TIWI is unable drawdown such repaid portion of the trust receipt.

Source: The information from the Company

Note: 1/ In this matter, the Company has notified the intension to the commercial bank to use the restricted cash of the Company in an amount of Baht 200.00 million which pledged as a collateral to finance the transaction on acquiring Winchai's share and already approved by the commercial bank.

2) Proceeds in the amount of baht 60,000,000.00 million which the Company expects to derive from the offering of newly issued ordinary shares to the existing shareholders by way of rights offering (RO) according to resolution passed by the Board of Directors' Meeting No. 15/2020, held on December 8, 2020, to propose the Shareholders' Meeting to consider approving the offering of 20,000,000 newly issued ordinary shares with a par value of baht 0.50 per share to the Company's existing shareholders by way of rights offering at the subscription price of baht 9.10 per share (or representing the price before the change of the par value of the Company's shares at baht 182.00 per share). Hence, Ms. Parleerat who is the major shareholders of the Company, exercise the right to increase capital according to the shareholding proportion of 100.00% at the amount baht 111,989,696.00 since, before transaction, Miss Parleerat held 3,691,968 shares or 61.53% of total issued shares of the Company



1.2.2 Lists of Connection person and Type of relationship

The Board of Director which has conflict of interest in entering into the transaction is Ms. Paleerat because Ms. Paleerate is a Chairman of the board of director, Chief Executive officer and major shareholder of the Company, which holds 61.53 percent of total share in the Company. Moreover, Ms. Paleerat holds 26.25 percent of total share in Winchai.

1.3 Characteristic of Acquisition of Assets

1.3.1 Characteristic of Acquisition of Assets of Winchai

Company Name	Winchai Company Limited			
Location	88 Soi Bangna Trad 30 Debaratana Rd. South Bang-na Bang-na Bangkok 10260			
Type of business	Generating and Distributing electricity from Wind power. Winchai operates in renewable energy business known as "RomKlao Wind Farm" in Nikom Kham Soi District, Mukdaharn province of Thailand. The wind farm has full capacity of 45.0 MW. Winchai has entered into a Power Purchase Agreement ("PPA") with Electricity Generating Authority of Thailand ("EGAT") with the contracted capacity of 45.0 MW and received Adder scheme at THB 3.5 per kWh for 10 years from the COD. The terms of PPA is 5 years and can be renewed every 5 years (Evergreen Contract). RomKlao Wind Farm has achieved Commercial Operation on April 1st, 2019. In the foreseeable future, Winchai has no intention to expand its portfolio into any other renewable energy projects.			
Registration Number	034555500933			
Registration date	18 October 2012			
Share capital	Baht 990,000,000.0			
Shareholders of Winchai	No.	Name	No. of Shares	Holding Proportion (%)
	1	Nathalin Co., Ltd.	4,826,250	48.75
	2	Ms. Paleerar Panboonhom	2,598,750	26.25
	3	Qian Xing Long Company Limited	2,475,000	25.00
	Total		9,900,000	100.00
<p>Note: Information as of 8 December 2020</p> <p>1/ the ultimate shareholders of Nathalin Co., Ltd. ("Nathalin") are Mr.Choedchoo Panboonhom, Miss Neeracha Panboonhom, Mrs.Wilaisri Panboonhom, Mr.Paween Panboonhom, Mr.Wang Wei, Mr.Charnarong Threngfang, Acting Second Lieutenant Chanwit Anakkun, Mr.Prompong Chaisrisawatsuk, Mr.Somsak Rasameeviratanon, Mr.Suraphon Meesathien, and Surasak Chaiyen. Ms. Parleerat, who is the Company's major shareholder, has held none of the share of Nathalin, and does not hold director or managerial positions in Nathalin. However, Mr.Choedchoo Panboonhom, and Mrs.Wilaisri Panboonhom, who are the ultimate shareholders of Nathalin, are Ms. Parleerat's parents. And, Miss Neeracha Panboonhom, and Mr.Paween Panboonhom, who are the ultimate shareholders of Nathalin, are Ms. Parleerat's siblings. Therefore, Nathalin, Mr.Choedchoo Panboonhom, Mrs.Wilaisri Panboonhom, Miss Neeracha Panboonhom, and Mr.Paween Panboonhom, are considered Close Relative under the Company's Connected Person under the Notifications on Connected Transactions.</p>				



	<p>In addition, the Conditional Voluntary Tender Offer to purchase all of the securities of Thailand Iron Works Public Company Limited, started from 3 August 2020 to 9 September 2020, has been made solely by Ms. Parleerat. Nathalin, Mr.Choedchoo Panboonhom, Mrs.Wilaisri Panboonhom, Miss Neeracha Panboonhom, and Mr.Paween Panboonhom, do not participate in any part of considering, approving or concurring on the Tender Offer.</p> <p>Additionally, under Securities and Exchange Act B.E. 2535 (As Amended) and statements above, Ms. Parleerat is not a related person with Nathalin or with Mr. Choedchoo specified under section 258 of the SEC Act, because that Ms. Parleerat already reached legal ages, and that Ms. Parleerat holds none of the shares of Nathalin and Nathalin Corporation Company Limited</p> <p>2/ The ultimate shareholders of Qian Xing Long Company Limited are Mr. Tharaphut Kuhapremkit, who is also the ultimate shareholder of First Alpha Venture Company Limited (the shareholder, who directly held 25.00 percent shares of Winchai as previously disclosed in the Conditional Voluntary Tender Offer on the Securities in Thailand Iron Works Public Company Limited (Form 247-4) dated July 30th 2020.) Mr. Tharaphut Kuhapremkit is not related with Ms. Parleerat.</p> <p>3/ Nathalin Co., Ltd. has appointed Mr. Phadej Metiyanon as Winchai's managing director to oversee and responsible for Winchai's day-to-day operations by outsourcing The Prodigy Group Company Limited which has Ms. Parleerat as a major shareholders of 90.00% as a representative to manage the Romkloa project based on Winchai's and Board of Director's policy, and First Alpha Venture Co., Ltd. are passive shareholders, and Winchai's day-to-day operations is responsible by Ms. Parleerat.</p>												
Board of Director	<table border="1"> <thead> <tr> <th style="background-color: #002060; color: white;">Name</th> <th style="background-color: #002060; color: white;">Representative</th> </tr> </thead> <tbody> <tr> <td>Mr. Somsak Rasameeviriyant</td> <td>Nathalin Co., Ltd.</td> </tr> <tr> <td>Mr. Prompong Chaisrisawatsuk</td> <td>Qian Xing Long Company Limited</td> </tr> <tr> <td>Mr. Phadej Metiyanon</td> <td>Qian Xing Long Company Limited</td> </tr> <tr> <td>Mr. Tharaphut Kuhapremkit</td> <td>Qian Xing Long Company Limited</td> </tr> </tbody> </table> <p>Upon the completion of the Company's investment in Winchai, the Company shall nominate 1 person to appoint as a director of Winchai, to participate in setting the policy and involvement in material engagement of Winchai. However, the Company has no intention to change Winchai's organizational structure, and has no intention to engage in day-to-day operations, of which Mr. Phadej Metiyanon, as Winchai's managing director</p>	Name	Representative	Mr. Somsak Rasameeviriyant	Nathalin Co., Ltd.	Mr. Prompong Chaisrisawatsuk	Qian Xing Long Company Limited	Mr. Phadej Metiyanon	Qian Xing Long Company Limited	Mr. Tharaphut Kuhapremkit	Qian Xing Long Company Limited		
Name	Representative												
Mr. Somsak Rasameeviriyant	Nathalin Co., Ltd.												
Mr. Prompong Chaisrisawatsuk	Qian Xing Long Company Limited												
Mr. Phadej Metiyanon	Qian Xing Long Company Limited												
Mr. Tharaphut Kuhapremkit	Qian Xing Long Company Limited												
Customers	Electricity Generating Authority ("EGAT")												
Financial Performance	<table border="1"> <thead> <tr> <th style="background-color: #002060; color: white;"></th> <th style="background-color: #002060; color: white;">2019 (Unit: Baht million)</th> </tr> </thead> <tbody> <tr> <td>Total Asset</td> <td>3,849.30</td> </tr> <tr> <td>Total Liabilites</td> <td>2,860.13</td> </tr> <tr> <td>Shareholder's Equity</td> <td>989.17</td> </tr> <tr> <td>Revenue from sales and services</td> <td>595.50</td> </tr> <tr> <td>Net profit</td> <td>258.91</td> </tr> </tbody> </table>		2019 (Unit: Baht million)	Total Asset	3,849.30	Total Liabilites	2,860.13	Shareholder's Equity	989.17	Revenue from sales and services	595.50	Net profit	258.91
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Shareholder's Equity	989.17												
Revenue from sales and services	595.50												
Net profit	258.91												

The Company wishes to invest in Winchai by way of acquisition of shares in Winchai in the amount of 2,598,750 shares or representing 26.25% of all shares in Winchai from Ms. Parleerat or an entity which Ms. Parleerat holds the entire shares, as the Company's connected person, at the price of Baht 660,000,000.00 (Six Hundred Sixty Million Baht Only) in cash.

The details of Agreement to Buy and to Sell Shares are summarized as follows:



Table: Summary of Agreement to Buy and to Sell Shares

Contracting Parties	<ol style="list-style-type: none"> 1. Ms. Parleerat Panboonhom or an entity which Ms. Parleerat holds the entire shares ("Seller") 2. Thailand Iron Works Public Company Limited ("Purchaser")
Purchased Shares	2,598,750 shares in Winchai Co., Ltd. (" Winchai ") held by the Seller or equal to 26.25 of total issued and paid-up shares in Winchai with a par value of THB 100 per share
Purchase Price	THB 660,000,000.00 (Six Hundred Sixty Million Baht Only) in cash
Conditions Precedent	<ol style="list-style-type: none"> 1. The Shareholders' Meeting of the Company shall have resolved to approve the entering into the Share Acquisition Transaction; 2. As of the closing date of the share acquisition, there shall be no event or action happening or threatened to be happening or any reason to expect it to be happening, which may materially and adversely affect Winchai or obstruct the entering into the Share Acquisition Transaction; and 3. Winchai has obtained an approval from the financial institution in respect of the change of shareholding structure of Winchai in accordance with this Share Purchase Transaction. 4. Winchai's shareholder meeting has approved for the seller to sell and transfer shares to buyers
Covenants	<ul style="list-style-type: none"> - Upon the completion of the Purchaser's investment of Winchai, the Purchaser is required to proceed to pledge 26.25 of Winchai outstanding shares as a collateral (All investor shall pledge their shares in their proportion to their shareholding) <p>(After the transaction, it is expected that at quarter 1 of 2021, the remaining amount of Winchai's loan is equal to Baht 2,354.60 million)</p>
Termination	<ul style="list-style-type: none"> - Both parties have agreed in writing to terminate the Agreement to Buy and to Sell Shares. - Either party has exercised the right to terminate the Agreement to Buy and to Sell Shares due to the other party's breach of contract. The other party did not rectify such breach within 7 days from receiving the notice from the party that did not breach the agreement.

Source: The information from the Company

Upon the completion of the Company's investment in Winchai, the Company will gain 26.25 percent of Winchai's voting right as an associate companies and the Company shall nominate 1 person to appoint as a director of Winchai, to participate in setting the policy and involvement in material engagement of Winchai. However, the Company has no intention to change Winchai's organizational structure, and has no intention to engage in day-to-day operations, of which Mr. Phadej Metiyanon, as Winchai's managing director.

Diagram illustrate holding structure before the transaction

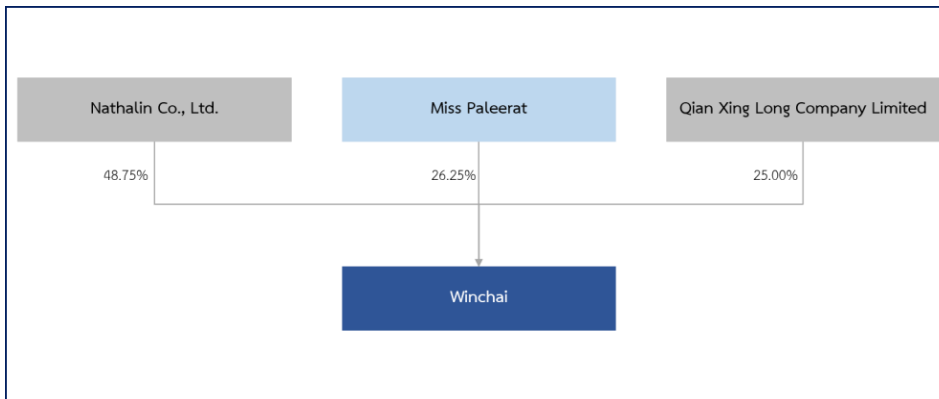
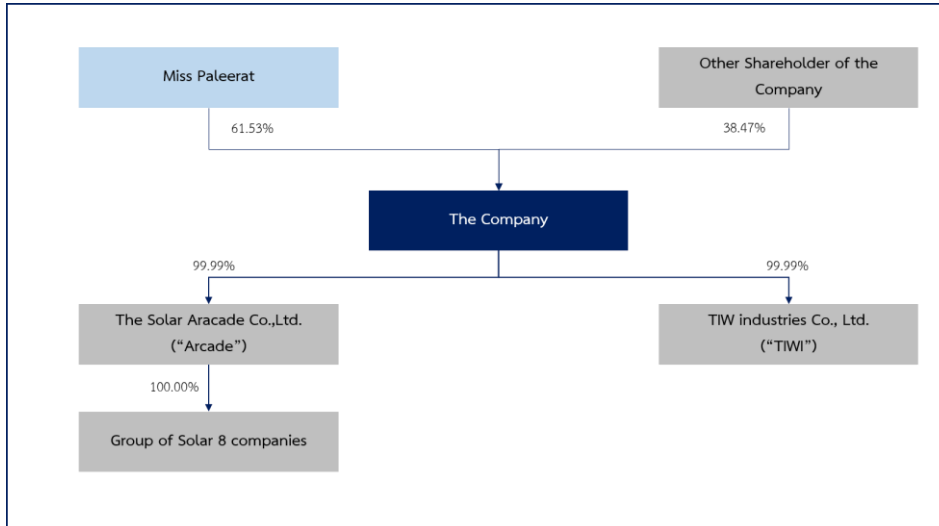
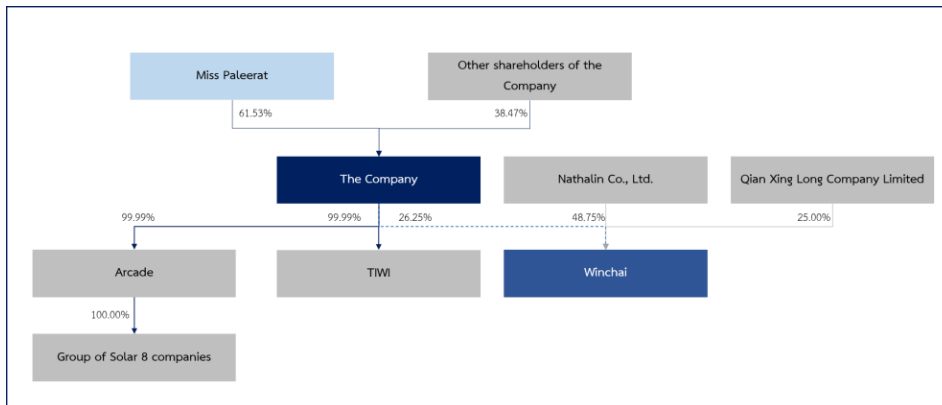


Diagram illustrate holding structure after the transaction





1.4 Appropriateness and Benefits of the Transaction

According to the business restructure plan from the Annual General Meeting of Shareholders No. 1/2018 on 26 July 2018, the Company has restructured its business and, currently, operating as a holding company investing in (1) TIWI which operates manufacturing and distributing Galvanized steel sheet business – 99.99% directly owned by the Company, and (2) Arcade which invests in solar energy business with total capacity of 7.83 MW – 99.99% directly owned by the Company.

Subsequently, Ms. Parleerat offered to purchase all of the securities of the Company (Conditional Voluntary Tender Offer) during 3 August 2020 – 9 September 2020. Therefore, Ms. Parleerat has become the major shareholder of the Company holding 3,691,968 shares, representing 61.53% of total votes of the Company. In this regard, Ms. Parleerat has proposed the Board of Directors to consider and approve the execution of the business plan after takeover that has been disclosed in the Tender Offer (Form 247-4) (dated 31 July 2020 and amendments thereof on 14 and 24 August 2020). In light of this, the Company has held the Board of Directors' Meeting No. 15/2020 on 8 December 2020, in which it was resolved to grant approval to propose the Shareholders' Meeting to consider approving the acquisition of 2,598,750 shares or equal to 26.25% of the total shares in Winchai from Ms. Parleerat or an entity which Ms. Parleerat holds the entire shares, as the Company's connected person, at the price of Baht 660.00 million.

After the Transaction of share acquisition of Winchai for 2,598,750 shares or 26.3% of total shares of Winchai, the Company will hold 26.25% of total shares in Winchai, and consequently, Winchai shall be an associated company of the Company, and the Company will have the rights to nominate 1 director out of 4 directors for appointment as a new director of Winchai and the Company shall nominate 1 person to appoint as a director of Winchai, to participate in setting the policy and involvement in material engagement of Winchai. However, the Company has no intention to change Winchai's organizational structure, and has no intention to engage in day-to-day operations, of which Mr. Phadej Metiyanon, as Winchai's managing director, is the management position who supervise and is responsible for determination of Winchai's policy regarding day-to-day operations. The Company shall act as a passive shareholder, and receive the return from dividends, whereas Winchai's dividend policy establish to pay dividends at least annually, by taken into the consideration of the net profit contribution from its electricity generation and selling operation, along with the cash available on hand after the reserve maintenance accounts required under Winchai's loan agreement have been fulfilled, the reserves for maintenance and renovation expenditure, or any foreseeable contingencies in each annual budget plan, and in accordance with the applicable laws with respect to the dividend reserve fund. Such reserves' setting and any alteration are required to be decided upon only by a resolution of Winchai's board of directors. Consequently, the Company will effectively be able to expand investment in renewable energy business by increasing contracted capacity of 45.00 MW and recognizing profit sharing based on its shareholding or return in the form of dividends from the Rom Klao Wind Farm Project, which is a potential and profitable project with



PPA tenor of 5 years and extendable for another 5 years. The revenues and profits from electricity distribution of the Project will be able to increase additional stable cash flows to the Company's existing steel sheet business and solar energy business as well as to diversify operational risk to a steadier business with stable revenue which will ultimately allow the Company to minimize steel sheet business' fluctuating performance which is a result from economic and industrial impact, and as such, its revenues and profits are uncertain.

Therefore, the Transaction is a part of the Company's objectives and strategies to lower dependency on steel sheet business' fluctuating performance and to seek new investment opportunity in renewable energy business with low fluctuation and stable performance. The share acquisition of Winchai will increase capacity by expanding investment in renewable energy power plant project with clean and environment-friendly technologies, that complies with the government policies to support the use of renewable energy that will create sustainable energy security of the nation. The Company will be able to benefit from the operation of Winchai that invests in the Project because the Company will realize stable profit sharing based on its shareholding or return in the form of dividends from the Project, and will, in turn, generate higher return to the shareholders of the Company.

1.5 Advantages of Entering into the Transaction

1) Business Risk Diversification

By entering into the Transaction, the Company will have acquired shares of Winchai, who operate renewable energy business by investing in wind power plant project under the Project which is located in Mukdaharn with contracted capacity of 45.00 MW. Effectively, the Company will be able to diversify business risk to a steadier investment in wind power plant business with stable revenue which will ultimately allow the Company to minimize steel sheet business' fluctuating performance which is a result from economic and industrial impact, and as such, its revenues and profits are uncertain. This can be seen from the operating results for three quarters based on the most recent statements of income, namely, the first quarter of 2020, the second quarter of 2020 and the third quarter of 2020, which continued to show its operating loss. Moreover, the Company will also be able to diversify energy source for renewable energy business that the Company invested in the solar power plant with the production capacity of 7.83 MW in the third quarter of 2020.

2) Enhancing Stable and Consistent Performance in the Future

Entering into the Transaction will allow the Company to expand its investment in renewable energy business, as well as recognizing profit sharing based on its shareholding or return in the form of dividends from the Rom Klao Wind Farm Project. Winchai's dividend policy establish to pay dividends at least annually, by taken into the consideration of the net profit contribution from its electricity generation and selling operation, along with the cash available on hand after



the reserve maintenance accounts required under Winchai's loan agreement have been fulfilled, the reserves for maintenance and renovation expenditure, or any foreseeable contingencies in each annual budget plan, and in accordance with the applicable laws with respect to the dividend reserve fund. The Project is a potential and profitable project with PPA tenor of 5 years and extendable for another 5 years. The revenues and profits from electricity distribution of the Project will be able to increase additional stable cash flows to the Company's existing investments in steel sheet business and solar energy business which will enable the Company to expand investments in other businesses to further risk diversification and minimize fluctuation of the Company's performance, which will ultimately, create additional value to the shareholders and generate higher return from potential investments to the shareholders in long run.

3) Eliminate Risk of Unsuccessful Project Development

By entering into the Transaction, the Company will have acquired wind power plant business of Winchai, which invests in the Project that has been developed and started commercially operation (COD) since 2019 with PPA and other related licenses completely. As a result, the Company will be able to realize revenue from power production and distribution immediately and will not have to

bear any burden, such as, applying for PPA and licenses for new project development, which enable the Company to save time and mitigate risk regarding project development completely.

1.6 Disadvantages of Entering into the Transaction

1) Opportunity Cost to Invest or Expand Other Business in Short Term

By entering into the Transaction, the Company will have to use cash for Baht 660.00 million to acquire shares of Winchai which might cause the Company to lose opportunity to use that cash to invest or expand other business of the Company such as steel sheet business and solar power plant business. However, revenue from steel sheet business has decreased from the past and the operating result for three quarters based on the most recent statements of income, namely, the first quarter of 2020, the second quarter of 2020 and the third quarter of 2020, which continued to show its operating loss. As such, share acquisition of Winchai will enhancing stable and consistent performance in the future and diversify operational risk which will make the Transaction better off and enable the Company to recognize profit sharing based on its shareholding or return in the form of dividends which will increase additional stable cash flows to the Company as well as enable the Company to expand investments in other businesses in long run.

Nonetheless, the Company does not have plan to change the business and operation of the Company and does not have plan to expand investment in other project in short term. Therefore, the Company currently does not require the cash to invest or expand any other business.

2) Dilution Effect from Right Offering if the Existing Shareholders Do Not Subscribe the Right Offering Up to One's Existing Shareholding Entirely

By entering into the Transaction, the existing shareholders of the Company will have dilution effect because the Company will offer newly issued ordinary shares to the existing shareholders by way of rights offering (RO) for 20,000,000 shares at par value of Baht 0.50 for Baht 9.10 per share (or representing the price before the change of the par value of the Company's shares at Baht 182.00 per share) for a total value of Baht 182.00 million. The Company intends to use the proceeds from the right offering of Baht 60.00 million as a source of fund for the Transaction and will use the remaining proceeds to repay short-term loans of the Company and as working capital. Therefore, there will be price dilution, EPS dilution, and control dilution effects to the existing shareholders who do not subscribe the right offering up to one's existing shareholding entirely. The detail is as follows;

- Price Dilution

Price Dilution = (Market Price Before Offering – Market Price After Offering) / Market Price Before Offering	
Market Price Before Offering	= Weighted average price of the Company's shares in the period of 15 business days prior to the Board of Directors' Meeting resolved to propose the right offering to the Extraordinary General Meeting of Shareholders No. 1/2021 which is between 16 November – 4 December 2020 which equals Baht 184.66 per share.
Market Price After Offering	= (Market Price x Existing Paid-up Shares) + (Offering Price x Total Offering Shares) / (Existing Paid-up Shares + Total Offering Shares) = (184.66 x 6,000,000) + (182.00 x 1,000,000) / (6,000,000 + 1,000,000) = Baht 184.28 per share
Price Dilution	= (184.66 - 184.28) / 184.66 = 0.21%

Hence, after the right offering, the price dilution will be equal to 0.21%

- Control Dilution

Control Dilution = Total Offering Shares / (Existing Paid-up Shares + Total Offering Shares)	
Control Dilution	= Total Offering Shares / (Existing Paid-up Shares + Total Offering Shares) = 20,000,000 / (120,000,000 + 20,000,000) = 14.29%

Note: Control dilution calculation number of shares at par value of Baht 0.50 per share because the Board of Directors' Meeting No. 15/2020 on 8 December 2020 approved to propose the Extraordinary General Meeting of Shareholders to approve change of par value of shares of the Company from Baht 10.00 per share to Baht 0.50 per share.

Hence, after the right offering, the price dilution will be equal to 14.29%



- **EPS Dilution**

Because the Company has net loss for last 12-month as of 30 September 2020 which is Baht 108.84 million. Hence, EPS dilution cannot be calculated.

1.7 Advantages of Entering into the Transaction with the Connected Person

1) The Reasonable Transaction Price

The IFA has valued Winchai based on the various approaches to find fair valuation range for entering into the Transaction. The IFA has an opinion that Discounted Cash Flow is an appropriate approach because such approach can reflect the future performance under reasonable business plans and assumptions. Thus, the IFA found the fair valuation range of Winchai to be in the range of Baht 701.27 – 808.24 million. Comparing to such range to the Transaction Price of Baht 660.0 million, the Transaction Price is lower than the fair valuation range. Moreover, the IFA considers that Winchai has potential to generate return to the Company at IRR of 10.41% which is higher than the Company's WACC of 5.19% - 6.82%. Therefore, the IFA has an opinion that the Transaction is reasonable.

2) Ability to Conduct and Negotiate Quickly and Efficiently

Since entering into the Transaction is a transaction with Ms. Paleerat who is a major shareholder holding 61.53% of total shares of the Company, Chairman of the board of directors, and Chief Executive Officer of the Company, the negotiation can be done quickly, Efficiently, the Transaction enables the Company to realize stable profit sharing and dividend from Winchai faster than entering into the Transaction with a third party since the Company might require longer time to negotiate and might be inefficient to operate business during the negotiation.

1.8 Disadvantages of Entering into the Transaction with the Connected Person

1) Possible Conflict of Interest

Since entering into the Transaction is a transaction with Ms. Paleerat who is a major shareholder holding 61.53% of total shares of the Company, Chairman of the board of directors, and Chief Executive Officer of the Company, the Company might be considered or questioned that the Transaction might not be transparent or might benefit Ms. Paleerat. However, the Transaction has to be proposed for approval from Audit Committee, the Board of Directors, and shareholder's meeting of the Company. As such, Ms. Paleerat who is a director with interest in the Transaction did not attend the meeting and will not have voting right in the shareholders' meeting of the Company. In this regard, the Transaction must be transparent, fairness/maximize benefit, and based on arm-length basis. In addition, the Company's directors and management must comply with law and act with prudent, care, and honesty (Fiduciary duties). The Board of Directors has considered and viewed that the conditions and price of the Transaction and Winchai's business



will help minimize the fluctuating performance of the steel sheet business, as its business generates a steady revenue from production and distribution of power, in line with the Company's business restructuring plan. As a result, the Company will be able to better cope with such impact from the industrial fluctuations, which will be beneficial to the Company and its shareholders accordingly. Moreover, Ms. Paleerat as a major shareholder holding 61.53% of total shares of the Company will have mutual interest as minor shareholders, so the possibility of conflict of interest is low.

2) Compliance Obligation from Entering into Connected Transaction In the Future

After entering into the Transaction, the Company will hold 26.25% of total shares of Winchai, whose other major shareholders is Nathalin Co., Ltd. whose ultimate shareholders are close relatives of Ms. Paleera are Mr. Choedchoo Panboonhom (father), Miss Neeracha Panboonhom (sister), Mrs. Wilaisri Panboonhom (mother), Mr. Paween Panboonhom (brother); consequently, Winchai is connected person of the Company. Therefore, if Winchai enters into transaction that is not under general commercial conditions with the Company, the Company will have obligation to comply with the Notifications on Connected Transactions (obligation that will be required depends in size of connected transaction which the Company will have to calculate such size for each transaction), which required to;

- (1) To report and disclose the information memorandum on such acquisition of assets, which is a connected transaction of the Company, to the SET immediately, which must at least contain the information as required in the Notifications on Connected Transactions,
- (2) To appoint an independent financial advisor to carry out the relevant functions, including provide its opinions as required by the Notifications on Connected transactions, whereby the independent financial advisor's report shall be delivered to the shareholders for consideration along with the invitation letter for the Shareholders' Meeting,
- (3) To convene a Shareholders' Meeting of the Company to approve such transaction on acquisition of assets, which is a connected transaction, 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, excluding such votes of the interested shareholders.

1.9 Risks of Entering into the Transaction

1) Risk from Compliance with the Conditions Precedent of the Agreement to Buy and to Sell Shares

Since the Transaction will only take place after the conditions precedent as specified in the Agreement to Buy and to Sell Shares between the Company and Ms. Paleerat shall have been



fulfilled. Such conditions precedent includes (1) the shareholders' meeting of the Company shall have resolved to approve the execution of the Transaction, and (2) Winchai has obtained an approval from the financial institution in respect of the change of shareholding structure of Winchai in accordance with the Transaction. Hence, the risks of entering into the Transaction are as follows:

- **Approval from Shareholders' Meeting of the Company**

Since the Transaction is regarded as an acquisition of assets pursuant to the Notifications on Acquisition or Disposal of Assets. Upon calculation of the Transaction size using the value of net tangible assets calculation method based on the Company's financial statements for the period ended 30 September 2020, which had been reviewed by the Company's auditor, the highest value shall be equal to 40.22%, which is equal to 15.00% or higher, but lower than 50.00%, and as such, this is regarded as a transaction in type 2 pursuant to the Notifications on Acquisition or Disposal of Assets. However, to encourage the shareholders' participation in the Transaction, the Company considers to propose this agenda to the Shareholders' Meeting to consider approving of such transaction. In view of this, the Transaction has been approved by this shareholders' meeting, the transaction shall not be included for the transaction size calculation of the next acquisition of assets

Additionally, the Transaction is also regarded as a connected transaction of a listed company under the Notifications on Connected Transactions. Upon calculation of the transaction value of the acquisition of assets, the Transaction size is equal to 95.70% of the Company's net tangible assets and such Transaction value is regarded to exceed Baht 20.00 million and also exceed 3.00% of the Company's net tangible assets. Therefore, the Company is required to comply with the Public Limited Companies Act and the Notifications on Connected Transactions, which require the Company to convene a shareholders' meeting of the Company to approve the Transaction. In order to obtain approval from the shareholders' meeting with no less than three-fourths of all votes of the shareholders present at the meeting and entitled to vote, excluding such votes of the interested shareholders i.e. Ms. Parleerat, as a major shareholder of the Company holding 61.53% of total shares of the Company, the Chairman of the Board of Directors, and Chief Executive Officer of the Company.

- **Approval from the Financial Institution of Winchai**

Since Winchai has a loan agreement with a financial institution in Thailand for the Project development. The loan agreement specifies that throughout the term of the loan agreement, Winchai must proceed to have Nathalin Group, Ms. Paleerat and persons with the surname Panboonhom maintain direct and indirect shareholding in Winchai together not less than 75.00% of total registered shares of Winchai. Before the Transaction, Nathalin Group, Ms. Paleerat hold shares of Winchai for 48.75% and 26.25%, respectively, together representing 75.00% of total registered shares of Winchai. Therefore, the Company has to obtain an approval from the



financial institution precedent to the entering into the Transaction, which is specified in the conditions precedent of the Agreement to Buy and to Sell Shares. Currently, Ms. Paleerat is in process of obtaining approval to waive such condition under the condition that after entering into the Transaction, the Company will pledge 26.25% of shares of Winchai as collateral to the financial institution as before. (every shareholder of Winchai has to pledge shares of Winchai as collateral to the financial institution according to one's shareholding) In this regard, the Company expects that the approval will be obtained by February 2021.

2) Risk from Right Offering of Newly Issued Ordinary Shares

The Company will increase registered capital to offer the right offering of the newly issued shares at the ratio of 6 existing shares to 1 new share at the offering price of Baht 9.10 per share for the total amount of Baht 182.00 million, of which the Company plans to use the proceed of Baht 60.00 million to invest in the share acquisition transaction of Winchai. Therefore, if the right offering is not sufficiently subscribed by the shareholders, the Company might have the risk of not having sufficient fund for the consideration of the share acquisition transaction of Winchai.

However, in the event that Ms. Paleerat, the major shareholder of the Company and the Seller of Winchai, subscribe the right offering entirely according to her shareholding, the Company will receive the proceed of Baht 111.99 million from Ms. Paleerat's right offering subscription, prior to the right offering subscription Ms. Paleerat holds 3,691,968 shares or 61.53% of total issued shares of the Company.

3) Risk from Financial Obligation after Entering into the Transaction

- Risk from Financial Obligation of Loan Agreement of TIWI

The Company intends to use excess cash of the Company from sales of inventory to TIWI of Baht 200.0 million as a collateral for loan agreement of TIWI from a financial institution in form of uncommitted facility, letter of credit and trust receipt, which the Company has obligation to pledge collateral for the loan agreement of no less than Baht 200.0 million. Once TIWI sell the purchased inventory and repay the loan, the Company will be able to retrieve the pledged cash.

In this regard, the Company has notified the financial institution to use the cash of Baht 200.0 million that is currently pledged as collateral to the loan agreement to pay for the Transaction of share acquisition of Winchai, and the Company has already received approval from the financial institution.

After completion of the Transaction of share acquisition of Winchai, should TIWI not be able to fully repay the loan of Baht 200.0 million, the Company will still have obligation to be guarantor of the loan agreement. Therefore, the Company has to bear risk of such financial obligation on the loan agreement of TIWI.



Nevertheless, the Company believes that TIWI will be able to sell the inventory in order to repay the loan of no less than Baht 200.0 million and, in the worst case scenario, the Company might consider other source of fund to repay the loan, for example, cash that the Company expects to receive from the right offering to according to the resolution of the Board of Directors' Meeting No. 15/2020 on 8 December 2020 to propose this matter to the Extraordinary General Meeting of Shareholders No. 1/2021 for approval, issuance of bill of exchange, or dividend from the investment in common shares of Winchai. Hence, the Company and the IFA are confident that the Company will have sufficient fund for the financial obligation originated after entering into the Transaction.

- Risk from Financial Obligation of Loan Agreement of Winchai

Because after entering into the Transaction, the Company will have to pledge 26.25% of shares of Winchai as a collateral of Winchai's loan agreement that being used for funding the development costs of Winchai's project (every shareholder of Winchai has to pledge shares of Winchai as collateral to the financial institution according to one's shareholding). Hence, if Winchai defaults on the loan agreement, the Company might have risk that the pledged shares of Winchai might be seized by the financial institution.

However, because Winchai invests in the Project that operates wind power plant business with stable revenue and profit and, according to the projection of the IFA, Winchai will have average cash flow from operation during the period that it still has such loan between 2021 – 2028 of Baht 623.84 million, while Winchai has to repay the loan until 2028 which will be repaid quarterly of Baht 342.80 million. Hence, Winchai will be able to generate sufficient cash flow from operation for loan repayment of the loan agreement of Winchai.

4) Risk from Not Being Able to Extend PPA Period with EGAT

As the PPA period is 5 years and when the PPA period expires, Winchai might have risk of not being able to extend PPA period or delayed extension. Such risk might result in Winchai' delayed revenue realization, or inability to realize revenue.

However, if Winchai or EGAT wish to extend PPA period once the PPA period expires, one must notify the other party at least 30 days prior to the expiration of PPA period. The extension shall be for another 5 years. Winchai has the right to extend PPA period as long as Winchai does not fail to comply with the terms and conditions the PPA. In this regard, Winchai plans to extend the PPA for at least 25 years according to the useful life of equipment of the Project. Therefore, the IFA believes that Winchai will be able to operate continuously for at least 25 years.

5) Risk of Unexpected Performance of Winchai

Since Winchai invests in wind power plant in the Project which has recently stated commercial operation (COD) in April 2019, the Project is fairly new with short track record and might be subjected



to significant impact from factors such as wind speed, climate, and natural disasters which are specific to wind power plants. Thus, the Company might have to bear risk from lower return on investment in Winchai whose performance might not be as expected and might not be able to produce and distribute power as projected.

However, before entering into the Transaction, the Company has studied the feasibility of the Project before the investment decision including projection of revenue, profits, and return on the Project based on assumptions made by experts and advisors; i.e., technical/engineering advisor to evaluate the capacity and capability or power generation and revenue projection from power distribution, legal advisors to advise on applicable rules and regulations and other processes regarding the investment, to review land deeds and other relevant licenses, as well as other specialized advisors to ensure reasonable conditions of the Transaction and compliance with all relevant rules and regulation.

Moreover, in 2020, Winchai paid dividend for performance of 2019 for Baht 100.00 million, or equivalent to dividend payout ratio for 38.64% of net profit of 2019. Also, Winchai's dividend policy establish to pay dividends at least annually, by taken into the consideration of the net profit contribution from its electricity generation and selling operation, along with the cash available on hand after the reserve maintenance accounts required under Winchai's loan agreement have been fulfilled, the reserves for maintenance and renovation expenditure, or any foreseeable contingencies in each annual budget plan, and in accordance with the applicable laws with respect to the dividend reserve fund. Such reserves' setting and any alteration are required to be decided upon only by a resolution of Winchai's board of directors.

1.10 The Appropriateness of Price

For the price appropriateness, the IFA has assessed the fair value of Winchai through various methods to assessed the fair value of entering into the Transaction of Winchai. Therefore, the IFA has an opinion fair value based on the Discounted Cash Flow (DCF) approach, which is an appropriate valuation method as it reflects future performance under business plans and assumptions that are reasonable. The IFA has assessed the range fair value of acquisition asset of Winchai of baht 701.27 – 808.24 million. When compared to transaction price of baht 660.0 million is lower than the fair value of Winchai. Also, the IFA consider the potential to generate return for Winchai result internal rate of return (IRR) equate to 10.41%, which is higher than the weighted average cost of capital (WACC), which is 5.19% - 6.82%. Thus, the IFA has the opinion that the transaction price is appropriate.



2. Characteristic and Details of the Transaction

2.1 Date of the Transaction

Such transaction will occur upon the condition that (a) Winchai has obtained a consent approving the change of shareholders of Winchai in accordance with Share Acquisition Transaction from financial institutions who supported the loan to the Company; and (b) the Company has obtained approval from the Extraordinary General Meeting of Shareholders No. 1/2021 which will be held on January 27, 2021, and it is expected to be completed by the first quarter of 2021.

2.2 General Description of the Transaction

According to Thailand Iron Work Public Company Limited (“the Company”) Annual General Meeting at 26 July 2018, there is a restructuring plan for the Company’s business model to be the Holding company which established TIW Industries Company Limited (“TIWI”) which manufactures and distributes galvanized steel and The Solar Arcade Company Limited (“Arcade”) which operates in Solar Rooftop Business of 7.83 MW in 2020 to be the Company’s subsidiaries.

During August 3, 2020 – September 9, 2020, Ms. Parleerat Panboonhom (“Ms. Parleerat”) offered to purchase all of the securities of Thailand Iron Works Public Company Limited (the “Company”) (Conditional Voluntary Tender Offer). Therefore, Ms. Parleerat has become the major shareholder of the Company holding 3,691,968 shares, representing 61.53% of total votes of the Company. In this regard, Ms. Parleerat has proposed the Board of Directors to consider and approve the entering into the business plan after takeover that has been disclosed in the Tender Offer (Form 247-4) (dated July 31, 2020 and amendments thereof on August 14 and 24, 2020). In light of this, it was proposed to the Board of Directors to consider details of investment transaction in Winchai Co., Ltd. (“Winchai”) (which generates and distributes electricity from Wind power with installed capacity of 44.85 Megawatt. Winchai’s shares is held 48.75% by Nathalin Co., Ltd. and 26.25% by Ms. Parleerat and 25.00% by Qian Xing Long Company Limited). in proportion of 2,598,750 shares held by Ms. Parleerat, representing 26.25% of total shares of Winchai.

In this regard, the entering into the Transaction is regarded as an acquisition or disposal of assets type 2. In order to encourage shareholders’ participation. The Company deems it appropriate to grant the shareholders’ approval in the shareholder’s meeting and when the Transaction is approved by the shareholders. The Transaction will not be considered to be an acquisition of the assets for the next transactions.

Nevertheless, the entering into the Transaction is regarded as a connected transaction and the Company is required to comply with the Public Limited Companies Act and the Notifications on Connected Transactions. Therefore, the Transaction must be approved from the resolution of the shareholder’s meeting.



In this transaction, the Company will shall pay the price of acquisition in cash basis for the total amounts of 660,000,000.00 (Six Hundred Sixty Million Baht Only). Moreover, The key provisions of the Agreement to Buy and to Sell Shares are summarized as follows:

Table: Summary of Agreement to Buy and to Sell Shares

Contracting Parties	<ol style="list-style-type: none"> Ms. Parleerat Panboonhom or an entity which Ms. Parleerat holds the entire shares ("Seller") Thailand Iron Works Public Company Limited ("Purchaser")
Purchased Shares	2,598,750 shares in Winchai Co., Ltd. ("Winchai") held by the Seller or equal to 26.25 of total issued and paid-up shares in Winchai with a par value of THB 100 per share
Purchase Price	THB 660,000,000.00 (Six Hundred Sixty Million Baht Only) in cash
Conditions Precedent	<ol style="list-style-type: none"> The Shareholders' Meeting of the Company shall have resolved to approve the entering into the Share Acquisition Transaction; As of the closing date of the share acquisition, there shall be no event or action happening or threatened to be happening or any reason to expect it to be happening, which may materially and adversely affect Winchai or obstruct the entering into the Share Acquisition Transaction; and Winchai has obtained an approval from the financial institution in respect of the change of shareholding structure of Winchai in accordance with this Share Purchase Transaction. Winchai's shareholder meeting has approved for the seller to sell and transfer shares to buyers
Covenants	<ul style="list-style-type: none"> Upon the completion of the Purchaser's investment of Winchai, the Purchaser is required to proceed to pledge 26.25 of Winchai outstanding shares as a collateral (All investor shall pledge their shares in their proportion to their shareholding) (After the transaction, it is expected that at quarter 1 of 2021, the remaining amount of Winchai's loan is equal to Baht 2,354.60 million)
Termination	<ul style="list-style-type: none"> Both parties have agreed in writing to terminate the Agreement to Buy and to Sell Shares. Either party has exercised the right to terminate the Agreement to Buy and to Sell Shares due to the other party's breach of contract. The other party did not rectify such breach within 7 days from receiving the notice from the party that did not breach the agreement.

Source: The information from the Company

Moreover, the details of pre-transaction and post-transaction is summarized as follows

Diagram: Pre-transaction's Structure

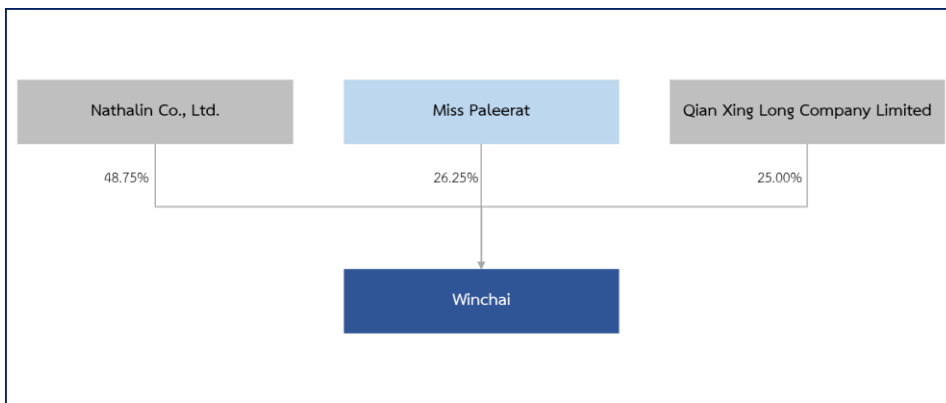
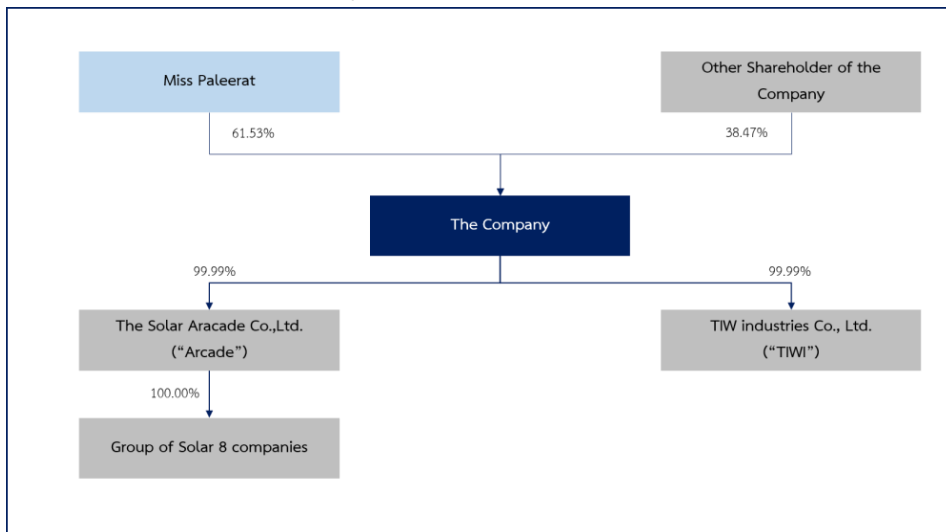
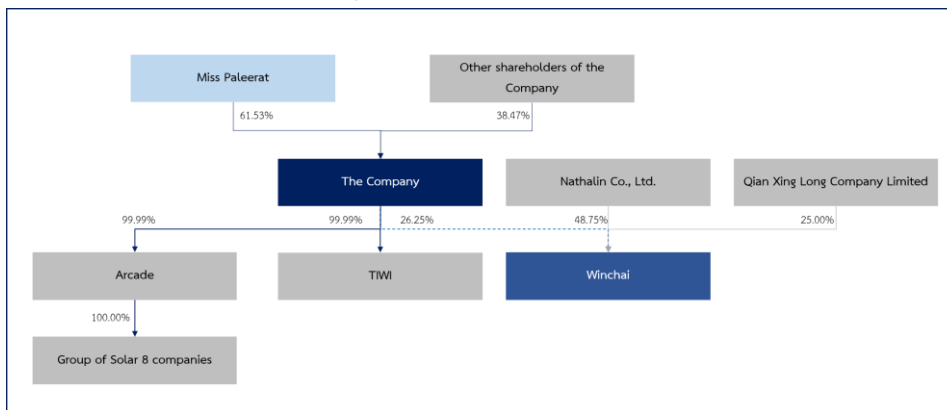


Diagram: Post-transaction's Structure





After the acquisition of Winchai's outstanding share, the Company will gain 26.25% voting right of Winchai's equity as an associate company. Moreover, other shareholders are Nathalin company limited, and Qian Xin Long company limited and the Company in a proportion of 48.75, 25.00 and 26.25 respectively.

Upon the completion of the Company's investment in Winchai, the Company shall nominate 1 person to appoint as a director of Winchai, to participate in setting the policy and involvement in material engagement of Winchai. However, the Company has no intention to change Winchai's organizational structure, and has no intention to engage in day-to-day operations, of which Mr. Phadej Metiyanon, as Winchai's managing director



2.3 Related Parties and Relationship with the Company

2.3.1 Acquisition of Assets

Acquired Asset	Shares of Winchai at the proportion of 26.25%
Buyes	Thailand Iron Works Public Company Limited
Seller	Ms. Paleerat or an entity which Ms. Parleerat holds the entire shares
Relationship	<p>Ms. Parleerat is the Company's connected person as presided by the Notifications on Connected Transactions. This is because Ms. Parleerat is a major shareholder of the Company, holding 61.53% of total shares of the Company, also a director of the Company. Ms. Paleerat holds 26.25% of total shares of Winchai</p> <p>Moreover, the above Share Acquisition Transaction is also 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 Stock Exchange of Thailand 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")</p>

2.3.2 List of Connected Person and Relationship

There is one board of director who has the conflict of interest in the transaction is Ms. Parleerat because she is the Chairman of the board of directors and a major shareholders of the Company whose holds 61.53 percent of the Company's outstanding share. Moreover, Ms. Parleerat is also a major shareholders of Winchai whose holds 26.25% of Winchai's outstanding share.

2.4 Type and Size of the Transaction

1) Transaction Size of Acquisition of Assets

In calculation of the size of the acquisition of assets under the Notification of Acquisition or Disposition of Assets based on the Company's financial statements as of September 30th , 2020, which audited by Deloitte Touche Tohmatsu Jaiyos Advisory Company Limited ("Auditor") Winchai's financial statements as of September 30th , 2020, and the total value of consideration. The details of the calculation are as follows.



Table Summary of Transaction size of Acquisition of Assets

Criteria	Formula	Calculation	Size (%)
1. Comparison of Net Tangible Assets Value ("NTA")	$\frac{\text{The percentage of NTA of the acquired company as the proportion of the acquisition} \times 100.00}{\text{NTA of the Company}}$	$\frac{\text{Baht 1056.75 million} \times 26.25\% \times 100.00}{\text{Baht 689.65 million}}$	40.22%
2. Comparison of Net Profits	$\frac{\text{Net profit from acquisition asset} \times \text{proportion of acquisition} \times 100.00}{\text{Net profit of the Company}}$	Cannot be calculated as the companies reported a negative net profit	N/A
3. Comparison of total value of consideration paid	$\frac{\text{Consideration paid} \times 100.00}{\text{Total Assets}}$	$\frac{\text{Baht 660.00 million}}{1,724,957,558.0}$	38.26%
4. Comparison of the value of share issued for payment	$\frac{\text{Share issued paid for consideration} \times 100.00}{\text{Share issued and paid-up of the Company}}$	not applicable because the Company do not issue shares for payment of the assets	N/A

NTA of Winchai, or the acquired company, is calculated by the financial statements as of September 30th, 2020 prepared by the management of Winchai, as detail per following;

Consolidated Financial Statement	(Baht)
Total Asset	3,825,505,109
Intangible assets (goodwill and deferred expenses)	583,731
Total Liabilities	2,768,168,461
Non-controlling interests	-
NTA	1,056,752,917

2) Transaction Size of Connected Transaction

In calculation of the size of the acquisition of assets under Notification of Connected Transaction based on the Company's financial statements as of September 30th, 2020, Winchai's financial statements as of September 30th, 2020, and the total value of consideration. The details of the calculation are as follows

Table Summary of Transaction size of Connected Transaction

Acquired Asset	Total value of consideration (baht)	The maximum value used to calculate the transaction size. (baht)	NTA of the Company (baht)	Percentage of Net Total Asset of the Company
Shares of Winchai in proportion of 26.25%	660,000,000.0	660,000,000.0	689,644,873.0	95.70



Net Tangible Asset if the Company as of 30 September 2020 can be summarized as follows

Consolidated Financial Statement	(Baht)
Total Asset	1,724,957,558
Intangible assets (goodwill and deferred expenses)	51,636,329
Total Liabilities	983,676,296
Non-controlling interests	60
NTA	689,644,873

2.4.2 Lists of Connection person and Type of relationship

The Board of Director which has conflict of interest in entering into the transaction is Ms. Paleerat because Ms. Paleerate is a Chairman of the board of director, Chief Executive officer and major shareholder of the Company, which holds 61.53% of total share in the Company. Moreover, Ms. Paleerat holds 26.25% of total share in Winchai.

2.5 Details of Acquisition of Assets

1) General information of Winchai

Company Name	Winchai Limited Company
Location	88 Bangna-Trad 30, Debaratna Rd, Bangna Tai, Bangna, Bangkok Thailand 10260
Business Type	Producing and distributing electricity by wind power
Company Registration Number	0345555000933
Date of Registration	18 October 2012
Registered Capital	Baht 990,000,000.0
Board of Directors	<ol style="list-style-type: none"> 1. Mr. Somsak Rasameeviriyant 2. Mr. Prompong Chaisrisawatsuk 3. Mr. Phadej Metiyanon 4. Mr. Tharaphut Kuhapremkit

2) Board of Directors lists of Winchai

Table: Board of Directors lists of Winchai

	Name	Position	Representative
1	Mr. Prompong Chaisrisawatsuk	Director	Nathalin Co., Ltd
2	Mr. Somsak Rasameeviriyant	Director	Nathalin Co., Ltd
3	Mr. Phadej Metiyanon	Director	Nathalin Co., Ltd
4	Mr. Tharaphut Kuhapremkit	Director	Qian Xing Long Company Limited

Upon the completion of the Company's investment in Winchai, the Company shall nominate 1 person to appoint as a director of Winchai, to participate in setting the policy and involvement in material engagement of Winchai. However, the Company has no intention to change Winchai's organizational structure, and has no intention to engage in day-to-day operations, of which Mr. Phadej Metiyanon, as Winchai's managing director and right to claim Winchai's dividend in



proportion of 26.25. whereas Winchai's dividend policy establish to pay dividends at least annually, by taken into the consideration of the net profit contribution from its electricity generation and selling operation, along with the cash available on hand after 1) the reserve maintenance accounts required under Winchai's loan agreement have been fulfilled, 2) the reserves for maintenance and renovation expenditure, or any foreseeable contingencies in each annual budget plan, and 3) in accordance with the applicable laws with respect to the dividend reserve fund. Such reserves' setting and any alteration are required to be decided upon only by a resolution of Winchai's board of directors.



3) Major shareholders' list of Winchai

Table: Major shareholders' list of Winchai

	Name	Number of shares	Percentage holding (%)
1	Nathalin Co., Ltd. ^{1/}	4,826,250	48.75
2	Ms. Parleerat Panboonhom	2,598,750	26.25
3	Qian Xing Long Company Limited ^{2/}	2,475,000	25.00
	Total	9,900,000	100.00

Note::Information as of 8 December 2020

1/ the ultimate shareholders of Nathalin Co., Ltd. ("Nathalin") are Mr.Choedchoo Panboonhom, Miss Neeracha Panboonhom, Mrs.Wilaisri Panboonhom, Mr.Paween Panboonhom, Mr.Wang Wei, Mr.Charnarong Threngfang, Acting Second Lieutenant Chanwit Anakkun, Mr.Prompong Chairisrawatsuk, Mr.Somsak Rasameevitanon, Mr.Suraphon Meesathien, and Surasak Chaiyen. Ms. Parleerat, who is the Company's major shareholder, has held none of the share of Nathalin, and does not hold director or managerial positions in Nathalin. However, Mr.Choedchoo Panboonhom, and Mrs.Wilaisri Panboonhom, who are the ultimate shareholders of Nathalin, are Ms. Parleerat's parents. And, Miss Neeracha Panboonhom, and Mr.Paween Panboonhom, who are the ultimate shareholders of Nathalin, are Ms. Parleerat's siblings. Therefore, Nathalin, Mr.Choedchoo Panboonhom, Mrs.Wilaisri Panboonhom, Miss Neeracha Panboonhom, and Mr.Paween Panboonhom, are considered Close Relative under the Company's Connected Person under the Notifications on Connected Transactions.

In addition, the Conditional Voluntary Tender Offer to purchase all of the securities of Thailand Iron Works Public Company Limited, started from 3 August 2020 to 9 September 2020, has been made solely by Ms. Parleerat. Nathalin, Mr.Choedchoo Panboonhom, Mrs.Wilaisri Panboonhom, Miss Neeracha Panboonhom, and Mr.Paween Panboonhom, do not participate in any part of considering, approving or concurring on the Tender Offer.

Additionally, under Securities and Exchange Act B.E. 2535 (As Amended) and statements above, Ms. Parleerat is not a related person with Nathalin or with Mr. Choedchoo specified under section 258 of the SEC Act, because that Ms. Parleerat already reached legal ages, and that Ms. Parleerat holds none of the shares of Nathalin and Nathalin Corporation Company Limited

2/ The ultimate shareholders of Qian Xing Long Company Limited are Mr. Tharaphut Kuhapremkit, who is also the ultimate shareholder of First Alpha Venture Company Limited (the shareholder, who directly held 25.00 percent shares of Winchai as previously disclosed in the Conditional Voluntary Tender Offer on the Securities in Thailand Iron Works Public Company Limited (Form 247-4) dated July 30th 2020.) Mr. Tharaphut Kuhapremkit is not related with Ms. Parleerat.

3/ Nathalin Co., Ltd. has appointed Mr. Phadej Metiyanon as Winchai's managing director to oversee and responsible for Winchai's day-to-day operations by outsourcing The Prodigy Gruoup Company Limited which has Ms. Parleerat as a major shareholders of 90.00% as a representative to manage the Romklao project based on Winchai's and Board of Director's policy, and First Alpha Venture Co., Ltd. are passive shareholders, and Winchai's day-to-day operations is responsible by Ms. Parleerat.

4) Business Overview of Winchai

Winchai operates a renewable energy business, and has developed a wind power plant project under the name of Romklao Wind Farm Project ("Project") with an installed capacity of 44.85 Megawatt ("MW"). The project has been developed since 2016 and has started commercial operations since April 2019. At present, Winchai has signed Power Purchase Agreement ("PPA") with the Electricity Generating Authority of Thailand (EGAT) for 5 years since COD and can be renewed every 5 years, The PPA contract will expire on March 31, 2024, Currently, Winchai has registered capital of Baht 990.00 million with the total construction value of Baht 4,000.00 million

However, Winchai does not have an expansion plan in the near future



Diagram: Romklao Wind Farm



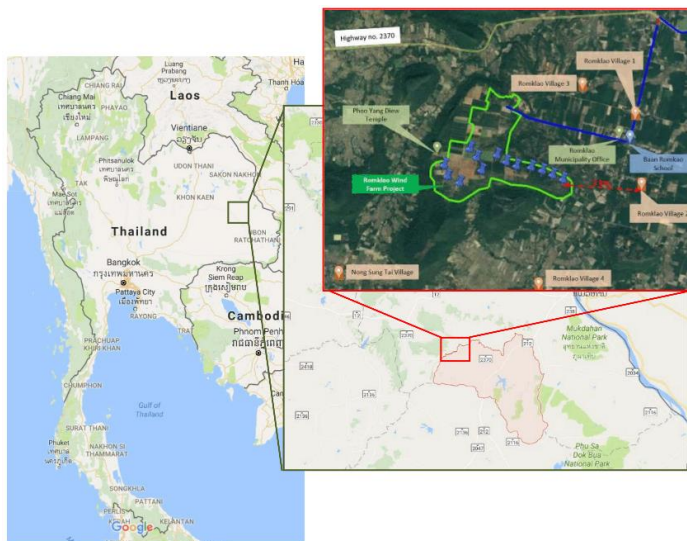
Details on Location and Climate of the project

Romklao Wind Farm project locates at Rom Klao Subdistrict, Nihomkham Soi, Mukdahan Province. The climate of Mukdahan province is considered as a tropical savanna, with three distinct seasons as follows:

- Winter (Mid-October to Mid-February)
- Summer (Mid-February to Mid-May)
- Rainy season (Mid-May to Mid-October)



Diagram: Romklo Wind Farm



Source: Technical Due Diligence Report by Pöry Energy Ltd.

Historical weather statistics recorded by Thai Meteorological Department in Mukdahan province during the period 2002 to 2016 is shown in following table.

Table: Weather Statistics, Rainfall and Wind’s Speed in Mukdahan province

Year	Temperature (°C)	Rainfall (mm)	Wind’s Speed (Knoys) ^{1/}	
			Max	Mean
2002	26.8	158.5	18	1.2
2003	26.9	107.1	18	1.3
2004	26.4	126.4	20	1.4
2005	26.8	136.0	39	1.6
2006	26.9	114.9	22	1.3
2007	26.9	108.4	18	1.5
2008	25.9	116.7	31	1.7
2009	26.8	101.0	28	1.7
2010	27.5	145.1	22	1.7
2011	25.8	147.9	31	2.2
2012	27.3	87.7	25	1.4
2013	26.8	146.0	33	1.6
2014	27.1	124.3	20	1.4
2015	27.6	84.5	20	1.4
2016	27.6	109.0	19	1.5

Source: Technical Due Diligence Report by Pöry Energy Ltd.

Note: 1/ 1 knots of wind’s speed is equivalent to 1.85 Kilometers per hour

Principles of electricity generation from wind power plants

When the wind blows through the turbine blades. The kinetic energy generated by the wind causes the blades of the turbine to spin and transforms into mechanical energy then the mechanical energy from the rotor will be converted into electrical energy. Moreover, the generator connected to the rotor of the wind turbine will supply electricity via electrical control system and transmits to the system. The amount of electricity produced depends on the speed of the wind, size of blades and sites' location

Diagram: The Process of Electricity Generated by Wind Power Plants

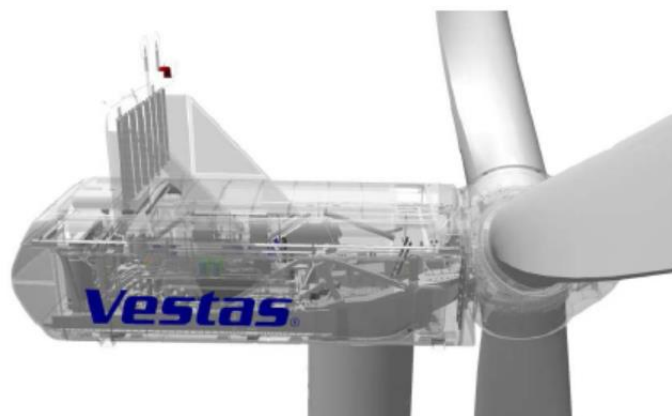


Source: Electricity Generating Authority of Thailand

Machinery and Equipment Used in Project

The machinery and equipment used in Project comprises of 13 Wind Turbine Generator (“WTGs”) from Vestas Asia Pacific A/S. Each WTGs has installed capacity of 3.45 Megawatt. Moreover, Winchai has selected its machinery and equipment from internationally renowned and reliable manufacturers.

Diagram: WTGs model V136-3.45 MW

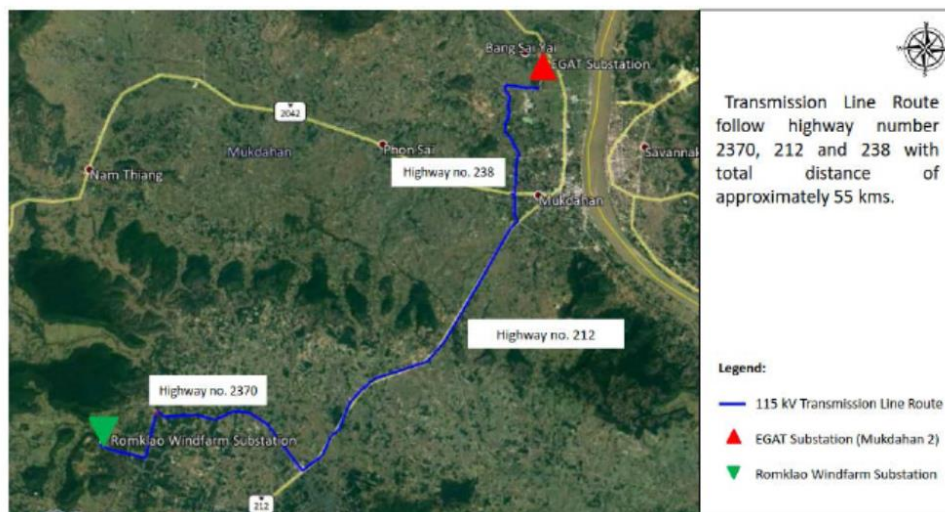


Source: Technical Due Diligence Report by Pöyry Energy Ltd.

Wind Power Generation Process of the Project

1. WTGs that project selected is WTGs model V136 by Vestas Asia Pacific A/S which is well-known manufacture. Each of 13 WTGs has installed capacity of 3.45 Megawatt and total installed capacity of 44.85 Megawatt. Moreover, WTGs model V136 is equipped with 66.67-meter 3 Rotor Blade. Each Rotor Blade has its own Pitch Control in order to optimize the pitch angle for stability and highest efficiency of project.
2. Apart from that, WTGs model V136 has 650.00 Volt (“V”) for output voltage. After WTGs generate output voltage, those output voltages will be transmitted to the transformer attached at the back of separated locked room to step up from 650.00 V to 22.00 Kilovolt (“kV”)
3. After WTGs has stepped up low voltage output to medium voltage level at 22.00 kV. Those medium voltage level will be transmitted via cable attached in the tower of each WTGS to power control system located at the base of WTGs to step up the voltage level from 22.00 kV to 115.00 kV
4. After achieving output voltage at 115.00 kV, it will be transmitted to the pipeline which connected to Mukdaharn 2 substation through Highway no. 2370, 212 and 238 in a total distances of 55.00 Km. to distribute the electricity which be shown in following diagram.

Diagram: Transmission Pipeline of the project



Source: Technical Due Diligence Report by Pöyry Energy Ltd.



Contracts Related to Project's Operation

In order to comprehend an overview of the transaction The Independent Financial Advisor would like to summarize the details of the contracts related to Project as follows:

- Power Purchase Agreement (“PPA”)
- Board of Investment (“BOI”)
- Engineering, Procurement, and Construction contract (“EPC”)
- Operation and Maintenance contract (“O&M”)
- Asset Management contract: (“AM”)
- Insurance contract
- Land Lease contract



- **Power Purchase Agreement**

The essence details of PPA for Project are shown in the following table.

Table: The essence details of PPA for Project

PPA	Details of Contract
Agreement No.	PPA-SPP/NF-2015-002
Agreement Date	7 May 2015
Electricity Seller	Winchai Limited Company
Electricity Purchaser	Electricity Generating Authority of Thailand
Level of Electricity	Installed capacity of 45.0 MW at voltage level of 115.00 kV
Scheduled Commercial Operation Date ("SCOD")	1 April 2019
Period of selling electricity	5 year from the month first distribute power to EGAT
Adder	Baht 3.50 per kilowatt hour ("kWh") for 10 years
Renewal Conditions	At the end of contract, if either party intend to renew the contract, those party must send written notification to another party not less than 30 days before the expiration of the contract and the contract shall be renew for 5 years which Winchai has the right to renew the contract if it complies with the contract's terms and Winchai has the policy to renew the contract at least 25 years according the useful life of its machines.
Payment Condition	Winchai will send the invoice to EGAT to collect the cost of electricity every month and EGAT will make payment to KWE within 30 days after receiving the invoice.
Performance guarantee	<p>The letter of guarantee issued by Bangkok Bank Public Company Limited for Baht 9.00 million.and EGAT will return this to Winchai within 15 working days in the following cases</p> <ol style="list-style-type: none"> 1. Return the full amount if Winchai can generate electricity to the system within 60 days after SCOD (1 April 2019) 2. Return the remaining amount after deducting the daily penalty charge of 0.3% of total guarantee amount if Winchai cannot generate electricity to the system within 60 days after SCOD (1 April 2019) <p>However, Winchai has already completed above cases and receive the full amount of guarantee</p>



- **Board of Investment contract**

The essence details of BOI for Project are shown in the following table.

Table: The essence details of BOI for Project

BOI	Details of Contract
Company Name	Winchai Limited Company
Business Type	Wind Power Plant Business
Privilege ID	59-0778-0-13-2-0
Company Size	Installed capacity of 45.00 MW
Approval Date	15 June 2016
Privileges	
<ol style="list-style-type: none"> Winchai gets exemption from corporate income tax in profit from business getting investment promotion for 8 years after Winchai starting earning revenue. If the business faces operating loss during exemption period, Winchai can use the accumulated loss to deduct taxable income for the next 5 years after exemption period. Winchai can use this loss to deduct taxable income for any single year or many years Dividend paid by the business getting corporate income tax exemption will not subject to income tax for the whole period that the business getting corporate income tax exemption. The corporate income tax rate will reduce by 50.0% from the normal rate for 5 years after corporate income tax exemption period. 	
Conditions	
<ol style="list-style-type: none"> The machine used in Winchai getting privilege must be the new one <ol style="list-style-type: none"> In order to get exemption from import duties, the machines must be imported before 15 December 2018 Winchai must submit the list of machine and equipment before getting privilege from exemption or reduction of import duties according to the procedure determined by BOI The registered capital must not less than Baht 372.8 million before issuance of investment promotion card and all capital must be paid up before starting operation. The shareholders must be Thai for at least 51.00% of registered capital. Winchai must operate based on the essential details of the project <ol style="list-style-type: none"> Type of business – wind power plant Size of business – Installed capacity of 45.00 MW Total investment (excluding the value of land and working capital) is not less than Baht 1.0 million Obligate to apply for international standard under ISO 9000 or ISO 14000 or other equivalent standards within 2 years after starting operation. Otherwise, the privilege in corporate income tax exemption will be cancelled for 1 year. 	



- Engineering, Procurement, and Construction contract

The EPC contract of Winchai is in consortium forms which comprises of Vestas Asia Pacific A/S as offshore supplier, Vestas Wind Technology (Thailand) Ltd as onshore contractor and RSS 2016 Co., Ltd as Balance of Plant contractor. The essence details of EPC for Project and scope of work of each counter party are shown in the following table.

Table: The essence details of EPC for Project

EPC	Details of Contract
Counter Party	<ol style="list-style-type: none"> Vestas Asia Pacific A/S Vestas Wind Technology (Thailand) RSS 2016 Co., Ltd
Scope of work	<ol style="list-style-type: none"> Vestas Asia Pacific A/S's scope is to design, manufacture and delivery of the machinery and equipment to Thailand's port. Vestas Wind Technology (Thailand)'s scope is to handle inland transportation that transport from the port to the site and overall project management of the onshore works. RSS 2016 Co., Ltd's scope is to design and construction machinery and equipment in the project and transmission line (total distances of 55.0 Km) which connected to Mukdaharn 2 substation of EGAT
Contract Price ^{1/}	<ol style="list-style-type: none"> Vestas Asia Pacific A/S in an amount of USD 45,470,830.00 Vestas Wind Technology (Thailand) in an amount of Baht 223,347,200.00 RSS 2016 Co., Ltd in an amount of Baht 1,004,500,000.00
Completion Date	1 April 2019

Note: ^{1/}Contract price before value added tax

- Operation and Maintenance contract

The essence details of O&M for Project are shown in the following table.

Table: The essence details of O&M for Project

O&M	Details of Contract
Counter Party	Vestas Wind Technology (Thailand)
Scope of Work	<p>Providing service and maintenance under the wind power plant maintenance contract by the engineers to take care of wind power plants to ensure that the project will operate efficiently Including guarantee minimum availability of the project</p> <p>Moreover, O&M contract includes the expense for equipments' maintenance</p>
Annual Fee	EURO 66,000.00 per WTG
Effective Start Date	15 January 2018
Contract's Period	10 years from 15 January 2018
Performance Assurance	Minimum availability of 98.00%



- **Asset Management Contract (“AM”)**

The essence details of asset management contract for Project are shown in the following table.

Table: The essence details of AM contract for project

AM	Details of Contract
Counter Party	The Prodigy Group Company Limited
Scope of Work	Providing the services as a consultant and representative to manage the project starting from the effective start date. The scope of service is including of operation and maintenance (Consultant's engineer), procurement services, financial services, law and concerned regulation services, public relation services and co-ordinate with the government agencies including the local people surrounding the project accordance with the policies of Winchai and / or the Winchai's Board of Directors.
Fee	2,061,855.67 Baht per month
Effective Start Date	1 September 2019
Contract Period	5 years starting from 1 September 2019 and able to renew contract if Winchai notifies the intention in written documents at least 30 days before the scheduled period.

Nathalin Co., Ltd. has appointed Mr. Phadej Metiyanon as Winchai's managing director to oversee and responsible for Winchai's day-to-day operations by outsourcing The Prodigy Gruoup Company Limited which has Ms. Parleerat as a major shareholders of 90.00 percent of outstanding shares to manage the Romklao project However, day-to-day operations ' policy is based on Winchai and its board of director which Ms. Parleerat does not have a control power since Ms. Parleerat does not dominate any board of director in Winchai.

- **Insurance Contract**

The essence details of insurance contract for Project are shown in the following table.

Table: The essence details of insurance contract for Project

Insurance Contract	Details of Contract
All Risk Insurance	Bangkok Insurance
Premium	USD 136,159.26 / month
Insurance Contract	Details of Contract
All Risk Insurance	Safetey Insurance
Premium	USD 73,316.53 / month

Source: Information from the Company



- **Land Lease contract**

Project's land comprises of

1. Area for setting WTGs which is allocated for WTGs and other equipment for generating power.
2. Area for other purposes rather than power's generation for example substation, switch yard control room, operational building, power station building and roads used in project

The essence details of land lease contract for Project are shown in the following table.

Table: The essence details of land lease contract

Land Lease contract	Details of Contract
Counter Party ^{1/}	61 contracts with 59 individuals
Size	<ul style="list-style-type: none"> ● Area for WTGs: approximately 241.00 rai ● Area for other purposes: approximately 1140.00 rai
Annual Fee	<ul style="list-style-type: none"> ● The areas used for WTGs has a rental rate of Baht 35,000.00 per rai ● The areas used for substation, switch yard, control room and security center has a rental rate of Baht 20,000.00 per rai ● The area used for Construction / improvement of roads and drains has a rental fee of Baht 5,000.00 per rai. ● The area other than mentioned above has a rental fee of Baht 2,000.00 per rai.
Effective Date	26 February 2014, 1 February 2015, 27 June 2015 and 24 March 2016
Expiration	28 years from the date Winchai received a permit to use the area.

Source: Land lease contract of Winchai

Note: 1/ The counter party is individual person and does not have any relationship with Ms. Parleerat



5) Financial Position and Performance of Winchai

The IFA summarized Winchai's performance and financial position based on financial statements from the year 2018 - 2019 audited Pricewaterhouse Coopers Company Limited, as summarized below

1) Key summary of financial statement

- Income Statement

Table summary of key figure in Winchai's statement of comprehensive income in 2018 - 2019

	2018 ^{1/}		2019 ^{2/}		Quarter 3 2020	
	Baht million	%	Baht million	%	Baht million	%
Revenue from electricity	-	-	595.50	100.00	414.83	100.00
Cost of sales	-	-	(164.54)	(27.63)	(143.22)	34.52
Gross profit	-	-	430.96	72.37	271.61	65.48
Other revenue	0.08	-	0.26	0.04	0.78	0.00
Profit before expense	0.08	-	431.22	72.41	272.39	65.66
Administrative expense	(38.69)	-	(54.59)	(9.17)	(6.69)	0.02
Loss from exchange rate	-	-	(12.60)	(2.12)	-	-
Total expense	(38.69)	-	(67.19)	(11.28)	(6.69)	0.02
Operating Profit	(38.61)	-	364.03	61.13	265.70	0.64
Finance cost	-	-	(105.68)	(17.75)	(96.78)	0.23
Profit before income tax	(38.61)	-	258.35	43.38	168.92	0.41
Income tax	0.02	-	0.56	0.09	-	-
Net profit	(38.59)	-	258.91	43.48	168.92	0.41

Source: Financial Statement of Winchai for the year 2018 - 2019

Remark: 1/ In 2018, Winchai has not started operating and in the process of construction and testing system

2/ Profit since Winchai stated COD on 1 April 2019 to 31 December 2019



- Statement of Financial Position

Table summary of key figure in Winchai's statement of Financial Position in 2018 - 2019

	31 December 2018		31 December 2019		Quarter 3 2019	
	Baht million	%	Baht million	%	Baht million	%
Asset						
Cash and cash equivalent	14.67	0.58	51.37	1.33	109.80	2.87
Trade and other receivable	-	-	330.48	8.59	122.35	3.20
Prepaid expense					1.06	0.03
Short-term loans to individuals or other businesses	-	-	-	-	0.21	0.01
Revenue department receivable	-	-	91.73	2.38	57.88	1.51
Other current asset	7.56	0.30	4.81	0.12	19.25	0.50
Total current asset	22.23	0.88	478.39	12.43	310.55	8.12
Restricted cash	1.27	0.05	119.42	3.10	221.51	5.79
Revenue department receivable	82.25	3.26	-	-	-	-
Property plant and Equipment – Net	2,390.49	94.75	2,823.88	73.36	2,765.31	72.29
Intangible asset – Net	-	-	401.97	10.44	469.60	12.28
Advance deposit - Land	25.10	0.99	24.11	0.63	23.37	0.61
Deferred tax asset	0.02	-	0.58	0.02	0.58	0.02
Other non-current asset	1.57	0.06	0.96	0.02	34.58	0.90
Total non-current asset	2,500.69	99.12	3,370.92	87.57	3,514.95	91.88
Total Asset	2,522.92	100.00	3,849.30	100.00	3,825.51	100.00
Liabilities						
Trade payable and other payable	2.62	0.10	63.17	1.64	10.76	0.28
Current portion of long-term loan from financial institution	-	-	251.91	6.54	342.80	8.96
Other current liabilities	8.49	0.34	17.65	0.46	14.68	0.38
Total current liabilities	11.11	0.44	332.72	8.64	368.24	9.63
Long-term loan from financial institution	1,765.19	69.97	2,425.64	63.02	2,183.20	57.07
Accrued land rental	16.24	0.64	15.22	0.40		-
Provision of decommission cost	-	-	86.35	2.24		-
Employee benefit obligation	0.12	-	0.19	-	0.21	0.01
Other non-current liabilities	-	-	-	-	216.52	5.66
Total non-current liabilities	1,781.54	70.61	2,527.40	65.66	2,399.93	62.73
Total liabilities	1,792.66	71.05	2,860.13	74.30	2,768.17	72.36
Shareholder's equity						
Paid-up capital	818.90	32.46	818.90	21.27	818.90	21.41
Retained Earning	(88.63)	(3.51)	170.27	4.42	238.44	6.23
Total shareholder's equity	730.27	28.95	989.17	25.70	1,057.34	27.64
Total liabilities and shareholder's equity	2,522.92	100.00	3,849.30	100.00	3,825.51	100.00

Source: Financial statement of Winchai for the year 2018 and 2019

Note: 1/ Intangible asset is transmission line's right of use



- Key financial ratio

Table of Winchai's key financial ratios in 2018 - 2019

	2018	2019
Liquidity ratio		
Current ratio (times)	2.00	1.44
Quick ratio (times)	2.00	1.44
Account receivable day (days)	-	145.87
Inventory day (days)	-	0.00
Account payable day (days)	-	68.40
Cash Cycle (days)	-	6.70
Profitability ratio		
Gross profit margin (%)	-	72.37
Operating profit margin (%)	-	61.13
Net profit margin (%)	-	43.48
Return-on-equity (%)	(5.28)	30.12
Solvency ratio		
Debt-to-equity ratio (times)	2.45	2.89
Interest coverage ratio (times)	-	3.44

Source: calculation of the IFA

2) Explanation for the Financial position and performance

Revenue from sales

Revenue from sales of Winchai arise from the Project's electricity sales to EGAT. In 2019, Winchai had sales revenue of baht 595.50 million, an increase from 2018, which was baht 0.00 million, amounting to baht 595.50 million due to Winchai was in construction process in 2018. However, after finished construction process, the Project COD in April 2019 and distribute electricity from the Project to EGAT. The tariff is referred to power purchase agreement which divided into 2 period of time; Peak equal to baht 4.2243 per unit kilowatt hour and Off-peak equal to baht 2.3567 per unit kilowatt hour and adjustment of wholesales tariff (F_t) added with adder. The adjustment of wholesales tariff from April to December 2019 of Winchai equal to baht 0.2 per kilowatt hour. The details of revenue are as follows;

Table summary of revenue of Winchai

Unit: Baht million	2018	2019
Peak period		
Electricity generation (kWh)	-	25,972.2
Baht/kWh + Adder/kWh (Baht)	4.2243 + 3.5	4.2243 + 3.5
Revenue from Peak period (Baht million)	-	200.6
Off – Peak period		
Electricity generation (kWh)	-	70,062.5
Baht/kWh + Adder/kWh (Baht)	2.3567 + 3.5	2.3567 + 3.5
Revenue from Off- peak period (Baht million)	-	410.3
Total revenue (Baht million)	-	611.1
Less: F _t (Baht million)	-	(15.4)
Revenue of Winchai (Baht million)	-	595.5

Cost of sales

In 2019, Winchai has cost of sales of baht 164.54 million, an increase from 2018, which was baht 0.0 million, amounting to baht 164.54 million due to Winchai was in construction process and testing system in 2018. However, the Project COD on April 1st 2019 and distribute electricity to EGAT which result in cost of sales of baht 164.54 million in 2019. Hence, cost of sales of Winchai in 2019 include 1) Consultant expense baht 54.77 million 2) Land rental baht 3.45 million 3) Property insurance baht 6.76 million 4) Utility baht 3.45 million 5) Depreciation and Amortization expense baht 96.18 million. The detail is as follows;

Table summary of Cost of sales of Winchai

Cost of sales of Winchai in 2019	Baht million	Proportion (%)
Consultant expense ^{1/}	54.77	33.29
Land rental	3.38	2.06
Property insurance	6.76	4.11
Utility	3.45	2.10
Depreciation and Amortization	96.18	58.45
Cost of sales of Winchai	164.54	100.00

Source: Non-recurring consultant expense

Note: 1/ The Independent Financial Advisor has included one-time expenses in the Land rental



Gross Profit

In 2019, the gross profit was baht 430.96 million, an increase from the year 2018 which was baht 0.00 million, an amount of baht 430.96 million due to the Project is in construction process and testing the system which result in zero revenue in 2018 and zero gross profit in 2018. However, after finishing construction process, the Project COD on April 1st 2019 and distribute electricity of the Project to EGAT result in gross profit of baht 430.96 million in 2019. The gross profit margin on 2019 is 72.37 percent

Selling and Administrative expense

In 2019, selling and administrative expenses were baht 54.59 million, an increase from 2018 which was baht 38.69 million, amounting to baht 15.90 million or equivalent to a growth rate of 41.10 percent because Winchai has hired consultant to analyze and evaluate various risks of the Project at the amount baht 22.50 million.

Net Profit

Winchai's net profit in 2019 was baht 258.9 million, an increase from 2018 which was baht (38.59) million, an amount of baht 297.58 million, or a 770.97 percent increase, mainly due to Winchai's COD period which distribute electricity to EGAT resulting in increase in Net profit from 2018. The net profit margin of Winchai is 43.48 percent in 2019

Financial Position

Asset

At fiscal year 2019, Winchai has total assets at the amount baht 3,849.30 million, increased from fiscal year 2018 which equivalent to baht 2,522.92 million by baht 1,326.38 million or equivalent to a growth rate of 52.57 percent due to 2 main reason which are the increasing in PPE and intangible asset. The details are as follows;

At fiscal year 2019, Winchai has PPE at the amount baht 2,823.88 million, increased from fiscal year 2018 which equivalent to baht 2,390.49 million by baht 433.39 million or equivalent to a growth rate of 18.13 percent due to Winchai has purchased asset in 2019 at the amount baht 931.6 million which include: 1) Land improvement baht 7.51 million 2) Building baht 3.48 million 3) Office equipment baht 0.11 million 4) Power plant substation and component of power plant baht 75.73 million and 5) Construction in progress baht 844.80 million. These investment on assets has an objective to prepare the readiness of the Project to distribute electricity in period of time designed by EGAT. However, accounting policy designate right of use of transmission line which amounting to baht 401.97 million to transfer out of PPE to



record in intangible asset. This result in 2019, intangible asset amounting to baht 401.97 million, an increasing from 2018 which equivalent to baht 0.0 million by baht 401.97 million.

Liabilities

At fiscal year 2019, Winchai has total liabilities at the amount of baht 2,860.13 million, increased from fiscal year 2018 which equivalent to baht 1,792.66 million by baht 1,067.47 million or equivalent to a growth rate of 59.55 percent due to an increase in long-term loan from financial institution in 2019 at the amount of baht 912.36 million for the purpose of investment in long-term asset. This result in long-term loan from financial institution in 2019 at the amount baht 2,425.64 million, an increase from 2018 which equivalent to baht 1,765.19 million by baht 660.5 million or equivalent to growth rate 37.4%

At fiscal year 2018, Winchai has current ratio of 2.00 times before decreasing to 1.44 times at the end of 2019 due to an increasing in non-current liabilities. At the fiscal year 2019, Winchai has current liabilities at the amount baht 332.72 million, an increasing from 2018, which equivalent to baht 11.11 million by baht 321.61 million or equivalent to 2,893.64 increasing rate. This is due to the increasing in current portion of long-term loan from financial institution. At the fiscal year 2019, winchai has baht 251.91 million of current portion of long-term loan from financial institution, an increase from 2018 which equivalent to baht 0.00 million by baht 251.91 million. During the year 2018 – 2019, Winchai has current ratio equal to 1.72 times and D/E equal to 2.45 times and increase to 2.89 times in 2019 due to an increase in long-term loan as mentioned above. The Cash conversion cycle of Winchai at fiscal year 2018 and 2019 are 0.00 day and 6.70 days, respectively.

Shareholder's Equity

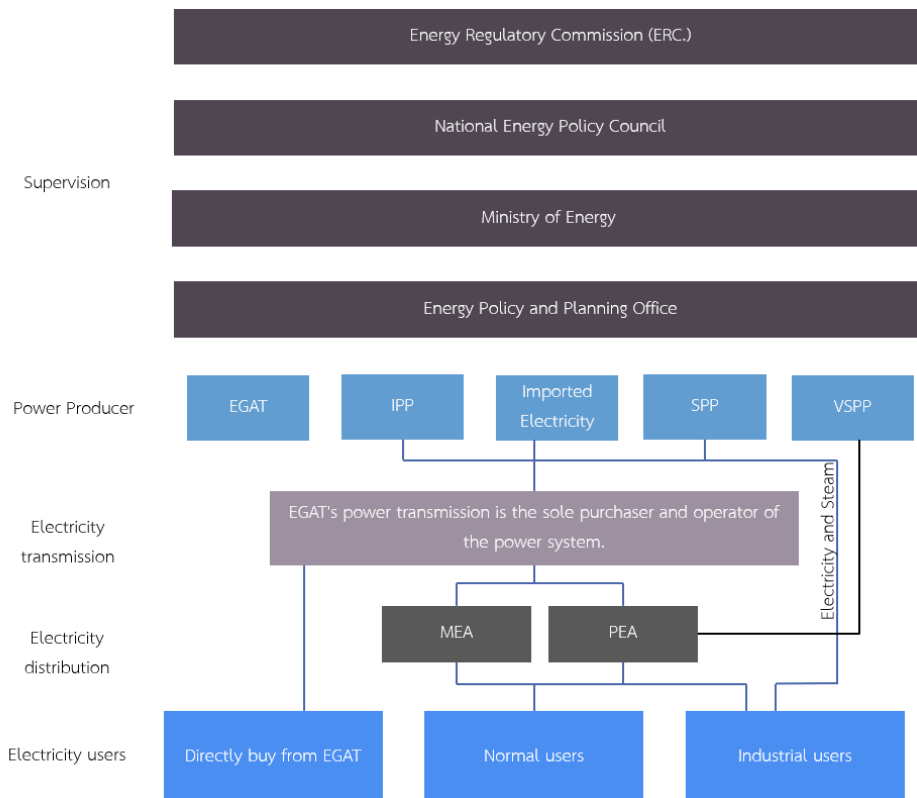
At fiscal year 2019, Winchai has total equity at the amount of baht 989.17 million, increased from fiscal year 2018 which equivalent to baht 730.27 million by baht 258.91 million or equivalent to a growth rate of 35.45 percent due to an increasing in retained earning at the amount baht 170.27 million from 2018 which equivalent to baht (88.63) million by baht 258.91 million or equivalent to 292.11 percent growth rate.



6) Market overview and Industry trends of Winchai

The main commercial power producers of the country are the Electricity Generating Authority of Thailand (EGAT) and private power producers. EGAT distributing almost all of its electricity from production and purchasing from private power producers and neighboring countries to two state enterprises, which are the Metropolitan Electricity Authority (MEA) and the Provincial Electricity Authority (PEA). MEA and PEA providing electricity to retail consumers, business customers and industrial users nationwide. EGAT owning a power distribution network in its service area. Also, EGAT is the country's main wholesale electricity buyer. Even though the private power producer is the direct producer and distributor of electricity to industrial customers, EGAT is also the operator of the national power system, which maintains and develops the national transmission grid. Private Power Producers in Thailand can be divided into 3 types: Large private power producers or Independent Power Producers (Independent Power Producer Program (IPP), in which EGAT purchases electricity in the amount of 5,400 MW. Small Power Producer Program Or SPP), in which each SPP project will distribute electricity to EGAT not more than 90 MW, but since each SPP can sell electricity directly to nearby consumers, SPP's capacity is usually at the level 120-150 MW. Very Small Power Producers (Very Small Producer or VSPP) are power producers, both in the private sector, government, state enterprises, and the general public who have sold electricity to EGAT with the amount of electricity sales into the system exceed 1 MW.

Diagram illustrates electricity business management in Thailand



Source: EGAT



Electricity demand in Thailand has a cyclical fluctuation period during the year and during the quite exact date, that is, the highest demand for electricity each year is in the summer. During March - May, when the temperature is the highest. And the lowest demand for electric power will be in winter. During December - January, when the temperature drops to the lowest.

The country's highest electric power demand in October 2020 was 26,161.6 MW on 1st October 2020 at 6:52 PM, a decrease from September 2019 which was 997.8 MW, or a 3.7 percent reduction rate, reflecting an increase in using electricity outside the power system, such as generating electricity for own use in industrial plants Installation of solar power generation systems on the roof, etc., which change the form of use of such energy. It will begin to affect the market and change the competition of the electric business in the near future.

Decrease in power consumption in major economic sectors and industrial and agricultural businesses This was due to the impact of the COVID-19 epidemic affecting various industries. For general industries, electricity consumption decreased 1.3 percent, agriculture industry down 3.5 percent for households. The consumption of electricity increased by 6.0 percent due to the high temperature compared to the previous year. Combined with the measures at home to stop infection for the national government. In addition, the impact of COVID-19 causes system overloading problems which may surpass 40.0 percent

Ministry of Energy and Electricity Generating Authority of Thailand and related agencies have prepared the first revised version of the Power Development Plan of Thailand 2018-2037 ("PDP 2018 Revision No. 1"), which was passed by the Cabinet resolution in October 2020 to provide Plan to develop the country's power generation in accordance with the changing demand for electricity as a result of economic growth and changes in power generation technology that are expected to occur in the future It also reflects the government policy and the 20-year National Strategic Plan by giving importance to 3 issues as follows:

- Security: In order to have stability covering the power generation system, power transmission system and the electricity distribution system by area and meet the demand for electricity to support the National Economic and Social Development Plan including considering the power plant for an appropriate level of stability to support the event of an energy crisis.
- Economy: Take into account the appropriate cost of electricity generation. Promote electricity production at low costs to reduce the burden of electricity users and not an obstacle to the country's economic and social development in the long run including the preparation of the electrical system to create a competitive power generation. This will help increase the efficiency of electricity production in the overall country. Power generation reflects real costs.



- Ecology: Reduce the environmental impact by supporting electricity production from renewable energy and increasing efficiency in the power system (Efficiency) in both power generation and power consumption by developing a smart grid.

The Power Development Plan of Thailand 2018, revised No. 1, has a total power generation capacity of 2037 at 77,211 megawatts and still has a new power generation target throughout the map of 56,431 megawatts with a similar proportion of fuel to generate electricity which are 53.0 percent natural gas production, 21.0 percent renewable energy, 11.0 percent coal and lignite production, 9.0 percent foreign hydroelectric production and 6.0 percent energy conservation production. The electricity distribution plan of renewable energy power plants has been adjusted. And plans to phase out some fossil fuel power plants to be suitable While increasing the target of EGAT's small hydro power plant 69 MW, an increase in the community power plant policy for the raw economy. Total capacity 1, 933 MW by the acquisition of 700 MW to enter the system from the years 2020-2022 to 2022 – 2023 2023 to allow electricity to enter the system of 60 megawatts per year and also accelerate the purchase of electricity from wind energy from the original year 2034 to the year 2022 by the Power Development Plan of Thailand 2018, revised version 1.

Table summary of Load capacity in 2018-2037 from PDP 2561 Revision 1

Loaded capacity during 2018 - 2037	MW
Loaded capacity as at 2018	46,090
Loaded capacity released from the system during 2018 - 2037	(25,310)
New loaded capacity during 2018 - 2037	56,431
Total loaded capacity until 2037	77,211

Source: PDP 2018 Rev 1



Table summary of Load capacity in 2018-2037 from PDP 2561 Revision 1

Power Plant type	New loaded capacity (MW)
Renewable energy power plant	20,766
Hydropower Plant	500
Cogeneration power plant	2,112
Combined heat power plant	13,156
Coal / Lignite power plant	1,740
Imported electricity	5,857
New powerplant and replacement	8,300
Energy conservation policy	4,000
Total	56,431
Power Plant type	New loaded capacity (MW)

Source: PDP 2018 Rev 1

The power plant project according to the power development plan of Thailand during the years 2018 - 2037 is a project that has a commitment and has already signed a power purchase agreement. Electric power management pilot projects and projects under the government's promotion policy including major power projects and new renewable energy plants with a total contracted power generation capacity of 20,343 MW, the details are as follows:

Table summary of new electricity capacity in 2019 - 2037 according to PDP 2018 Revision1

Power Plant type	New loaded capacity (MW)
Renewable energy power plant	3,185
Community power plant	1,933
Hydropower Plant	500
Cogeneration power plant	2,112
Combined heat power plant	9,656
Coal / Lignite power plant	600
Imported	2,357
Total	20,343

Source: PDP 2018 Rev1

The projects included in the Thailand Electricity Capacity Development Plan in the years 2018 - 2037 are domestic power projects. And to buy electricity from abroad to maintain the stability of the power system and to meet the increasing demand for electricity Including replacing the old power plant that has expired with an increase in combustible electricity generation capacity of 36,088 MW, the details are as follows

Table summary of new electricity capacity in 2019 - 2037 according to PDP 2018 Revision1

Power Plant type	New loaded capacity (MW)
Renewable energy power plant	15,684
Combined heat power plant	5,440
Coal / Lignite power plant	600
Imported	3,500
New Power plant	6,900
Energy Conservation measure	4,000
Total	36,088

Electricity demand forecast

The preparation of the forecast of the country's electricity demand The Office of the National Economic and Social Development Council (NCPO) has prepared a forecast for long-term economic growth (GDP) in 2017-2037 with an average of 3.8% per year using the average population decline rate of -0.02% per year

For the forecast of electricity demand used in the revision of PDP2018 Revision 1, the total energy demand forecast of system 3, electricity and net electricity (Peak) in 2037 is approximately 367,458 million units and 53,997 MW respectively

Table summary of maximum electricity

Year	PDP 2018 Revision 1	
	Maximum electricity (MW)	Electricity energy (million unit)
2018	29,696	203,203
2027	35,213	236,488
2570	41,079	277,302
2032	47,303	320,761
2037	53,997	367,458

Source: PDP 2018 Revision 1



However, business challenges remain based on market structure and future competitive outlook. Although the production of electricity from solar energy has many factors that attract a lot of business. Because electricity is essential for economic growth of the country. And in the future, the demand for electricity will be even higher. But considering the market environment with few buyers (EGAT, PEA and MEA) and has the government to set market rules (Criteria for the purchase Related regulations Volume and purchase rate), which can decide to reduce the adder for the new power purchase agreement. This is the main income of business operators. In addition, the government has set a ceiling on the amount of electricity purchased from solar energy. By stipulated in the power purchase agreement This will limit the size of the future solar farm investment and development business market. But if you consider the competition, it tends to be more competitive in entering this business. Especially, the competition for PPA is due to the fact that there are many people interested in this business. This includes foreigners with high technology and ability to manage costs of solar power generation.



2.6 Total Value of Consideration

In this investment, the Company shall pay for the acquisition of ordinary shares of Winchai at the 26.25% of all shares in Winchai at the price of baht 660.00 million in cash to Ms. Parleerat or an entity which Ms. Parleerat holds the entire shares. The payment will be made in full on the date of completion of Share Acquisition Transaction which is expected to occur by the first quarter of 2021.

2.7 Basis of Determination of the Value of Consideration

In order to determine the value of consideration of the share acquisition, the Company considers by comparing the total consideration with fair value of the 26.25 percent of all shares in Winchai.

The determination of fair value of 26.25 of Winchai's equity is via Discounted Cash Flow methods ("DCF"), since Winchai operates a Wind farm that has a long length operational contracts and stable cash flow generation capacity. Therefore, the Company believes that DCF method can reflect Winchai's performance to generate free cash flow and able to reflect fair valuation of Winchai. Moreover, The Company determine the fair value of acquired shares as of September 30th 2020, of which Winchai has outstanding long-term interest bearing debt at 2,526.00 million baht. By such means, the fair value of Winchai is about 720.99 – 880.37 million baht.

2.8 Source of Funds for the Transaction

The source of funds for investment in ordinary shares in Winchai in the amount of baht 660,000,000.00 is comprising of 1) Excess cash from the Company's operation and selling the inventories. 2) Proceed of the Right Offering ("RO") to the shareholders. The details are as follows

1) Excess cash from the Company's operating results in the amount of THB 600,000,000.00, the amount of which consist of THB 250,000,000.00 from cash flow from operations. (The source of funds does not derive from entering into the sale and leaseback transaction of fixed assets of the Company, which was approved at the Extraordinary General Meeting of Shareholders

Types of facility	Uncommitted facility in term of letter of credit and trust receipt
Credit limit	Not exceeding THB 350,000,000.00
Purpose of facility	To purchase inventory from the Company and other suppliers
Interest rate	<p>3. Fee for Letter of Credit</p> <p>TIWI must pay the letter of credit issuance fee at 1/48% per quarter of the maximum amount stated in each letter of credit.</p> <p>4. Interest Rate of Trust Receipt</p> <p>TIWI is required to pay an interest rate equal to the sum of (1) BIBOR interest rate; and (2) 0.75% per annum, payable on the last day of every month and the due date of the trust receipt to the bank. In this regard, the interest rate shall be calculated on a daily basis according to the number of days in each month and a year with 365 days.</p>



Collateral	TIWI is required to procure that the bank account under a Business Security Agreement has money not less than the credit amount drawdown by TIWI. In case that the amount in the bank account is less than the drawdown amount, TIWI will proceed an additional deposit into such bank account promptly except in the case of using credit to purchase inventory from the Company.
Guarantee^{1/}	The Company and Mr. Prasit Kanchanasakdichai are the guarantor of the Facility Agreement.
Repayment	<p>3. Letter of credit</p> <p>The lender is required to notify TIWI the amount of claims, expenses, any liability or loss in relation with each letter of credit. TIWI shall indemnify such amount to the lender as soon as the lender claims in relation with that letter of credit.</p> <p>4. Trust Receipt</p> <p>(4) TIWI is required to repay the loan under Trust Receipt Agreement with interest on the due date of such Trust Receipt Agreement.</p> <p>(5) TIWI is required to repay all outstanding loans under trust receipts with interest within the last business day of March 2021.</p> <p>(6) Once TIWI has repaid any portion of the trust receipt loan, TIWI is unable drawdown such repaid portion of the trust receipt.</p>

Source: The information from the Company

Note: 1/ In this matters, the Company has notified the intension to the commercial bank to use the restricted cash of the Company in an amount of Baht 200.00 million which pledged as a collateral to finance the transaction on acquiring Winchai's share and already approved by the commercial bank.

2) Proceeds in the amount of baht 60,000,000.00 million which the Company expects to derive from the offering of newly issued ordinary shares to the existing shareholders by way of rights offering (RO) according to resolution passed by the Board of Directors' Meeting No. 15/2020, held on December 8, 2020, to propose the Shareholders' Meeting to consider approving the offering of 20,000,000 newly issued ordinary shares with a par value of baht 0.50 per share to the Company's existing shareholders by way of rights offering at the subscription price of baht 9.10 per share (or representing the price before the change of the par value of the Company's shares at baht 182.00 per share). Hence, Ms. Paleerat who is the major shareholders of the Company, exercise the right to increase capital according to the shareholding proportion of 100.00% at the amount baht 111,989,696.0 since, before transaction, Miss Parleerat held 3,691,968 shares or 61.53% of total issued shares of the Company

2.9 Conditions in Entering into the Transaction

The Share Acquisition Transaction will take place only after the conditions precedent as specified in the agreement to buy and sell shares between the Company (as buyer) and Ms. Parleerat or an entity which Ms. Parleerat holds the entire shares (as seller) (the "Agreement to Buy and to Sell Shares") shall have been fulfilled. Such conditions precedent includes, but are not limited to, the following:



- 1) The Shareholders' Meeting of the Company shall have resolved to approve the entering into the Share Acquisition Transaction. 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, excluding such votes of the interested shareholders i.e. Ms. Parleerat Panboonhom, as a major shareholder of the Company, holding 61.53% of total shares of the Company, and the director of the Company.
- 2) As of the closing date of the share acquisition, there shall be no event or action happening or threatened to be happening or any reason to expect it to be happening, which may materially and adversely affect Winchai or obstruct the entering into the Share Acquisition Transaction;
- 3) Winchai has obtained an approval from the financial institution in respect of the change of shareholding structure of Winchai in accordance with this Share Purchase Transaction. Since Winchai has loan agreement for the purpose of development of the Project, which identify the practices of Winchai to remain the shareholding proportion for both direct and indirect holding of Nathalin Co.,Ltd. and Panboonhorm family together not less than 75.00% of issued share of Winchai for the rest of loan period. Prior the transaction, Nathalin Co., Ltd. and Ms. Paleerat holds 48.75% and 26.25% of issued shares in Winchai, respectively. When combined both portions together, Nathalin Co., Ltd. and Ms. Paleerat holds 75.00% of total issued share of Winchai. However, the Company will proceed the financial institution's approval before entering into the transaction which identify in the precedent conditions from the Share purchase agreement.
- 4) Winchai's shareholder meeting has approved for the sellet to sell and transfer shares to buyers

In this regard, after the completion of conditions precedent, the Buyer and the Seller will proceed with other relevant procedures.

The Company anticipates that should the Shareholders' Meeting resolve to approve such transaction, and the conditions precedent as specified in the Agreement to Buy and Sell Shares have been fulfilled or waived, the Company shall conclude the acquisition of shares in Winchai by March 2021.



3. The IFA's opinion on the Appropriateness and Benefits of the Transaction

3.1 Appropriateness and Benefits of the Transaction

According to the business restructure plan from the Annual General Meeting of Shareholders No. 1/2018 on 26 July 2018, the Company has restructured its business and, currently, operating as a holding company investing in (1) TIWI which operates manufacturing and distributing Galvanized steel sheet business – 99.99% directly owned by the Company, and (2) Arcade which invests in solar energy business with total capacity of 7.83 MW – 99.99% directly owned by the Company.

Subsequently, Ms. Parleerat offered to purchase all of the securities of the Company (Conditional Voluntary Tender Offer) during 3 August 2020 – 9 September 2020. Therefore, Ms. Parleerat has become the major shareholder of the Company holding 3,691,968 shares, representing 61.53% of total votes of the Company. In this regard, Ms. Parleerat has proposed the Board of Directors to consider and approve the execution of the business plan after takeover that has been disclosed in the Tender Offer (Form 247-4) (dated 31 July 2020 and amendments thereof on 14 and 24 August 2020). In light of this, the Company has held the Board of Directors' Meeting No. 15/2020 on 8 December 2020, in which it was resolved to grant approval to propose the Shareholders' Meeting to consider approving the acquisition of 2,598,750 shares or equal to 26.25% of the total shares in Winchai from Ms. Parleerat or an entity which Ms. Parleerat holds the entire shares, as the Company's connected person, at the price of Baht 660.00 million.

After the Transaction of share acquisition of Winchai for 2,598,750 shares or 26.3% of total shares of Winchai, the Company will hold 26.25% of total shares in Winchai, and consequently, Winchai shall be an associated company of the Company, and the Company will have the rights to nominate 1 director out of 4 directors for appointment as a new director of Winchai and the Company shall nominate 1 person to appoint as a director of Winchai, to participate in setting the policy and involvement in material engagement of Winchai. However, the Company has no intention to change Winchai's organizational structure, and has no intention to engage in day-to-day operations, of which Mr. Phadej Metiyanon, as Winchai's managing director, is the management position who supervise and is responsible for determination of Winchai's policy regarding day-to-day operations. The Company shall act as a passive shareholder, and receive the return from dividends, whereas Winchai's dividend policy establish to pay dividends at least annually, by taken into the consideration of the net profit contribution from its electricity generation and selling operation, along with the cash available on hand after the reserve maintenance accounts required under Winchai's loan agreement have been fulfilled, the reserves for maintenance and renovation expenditure, or any foreseeable contingencies in each annual budget plan, and in accordance with the applicable laws with respect to the dividend reserve fund. Such reserves' setting and any alteration are required to be decided upon only by a resolution of Winchai's board of directors. Consequently, the Company will effectively be able to expand investment in renewable energy business by increasing contracted



capacity of 45.00 MW and recognizing profit sharing based on its shareholding or return in the form of dividends from the Rom Klao Wind Farm Project, which is a potential and profitable project with PPA tenor of 5 years and extendable for another 5 years. The revenues and profits from electricity distribution of the Project will be able to increase additional stable cash flows to the Company's existing steel sheet business and solar energy business as well as to diversify operational risk to a steadier business with stable revenue which will ultimately allow the Company to minimize steel sheet business' fluctuating performance which is a result from economic and industrial impact, and as such, its revenues and profits are uncertain.

Therefore, the Transaction is a part of the Company's objectives and strategies to lower dependency on steel sheet business' fluctuating performance and to seek new investment opportunity in renewable energy business with low fluctuation and stable performance. The share acquisition of Winchai will increase capacity by expanding investment in renewable energy power plant project with clean and environment-friendly technologies, that complies with the government policies to support the use of renewable energy that will create sustainable energy security of the nation. The Company will be able to benefit from the operation of Winchai that invests in the Project because the Company will realize stable profit sharing based on its shareholding or return in the form of dividends from the Project, and will, in turn, generate higher return to the shareholders of the Company.

3.2 Advantages of Entering into the Transaction

1) Business Risk Diversification

By entering into the Transaction, the Company will have acquired shares of Winchai, who operate renewable energy business by investing in wind power plant project under the Project which is located in Mukdaharn with contracted capacity of 45.00 MW. Effectively, the Company will be able to diversify business risk to a steadier investment in wind power plant business with stable revenue which will ultimately allow the Company to minimize steel sheet business' fluctuating performance which is a result from economic and industrial impact, and as such, its revenues and profits are uncertain. This can be seen from the operating results for three quarters based on the most recent statements of income, namely, the first quarter of 2020, the second quarter of 2020 and the third quarter of 2020, which continued to show its operating loss. Moreover, the Company will also be able to diversify energy source for renewable energy business that the Company invested in the solar power plant with the production capacity of 7.83 MW in the third quarter of 2020.

2) Enhancing Stable and Consistent Performance in the Future

Entering into the Transaction will allow the Company to expand its investment in renewable energy business, as well as recognizing profit sharing based on its shareholding or return in the form of dividends from the Rom Klao Wind Farm Project. Winchai's dividend policy establish to



pay dividends at least annually, by taken into the consideration of the net profit contribution from its electricity generation and selling operation, along with the cash available on hand after the reserve maintenance accounts required under Winchai's loan agreement have been fulfilled, the reserves for maintenance and renovation expenditure, or any foreseeable contingencies in each annual budget plan, and in accordance with the applicable laws with respect to the dividend reserve fund. The Project is a potential and profitable project with PPA tenor of 5 years and extendable for another 5 years. The revenues and profits from electricity distribution of the Project will be able to increase additional stable cash flows to the Company's existing investments in steel sheet business and solar energy business which will enable the Company to expand investments in other businesses to further risk diversification and minimize fluctuation of the Company's performance, which will ultimately, create additional value to the shareholders and generate higher return from potential investments to the shareholders in long run.

3) Eliminate Risk of Unsuccessful Project Development

By entering into the Transaction, the Company will have acquired wind power plant business of Winchai, which invests in the Project that has been developed and started commercially operation (COD) since 2019 with PPA and other related licenses completely. As a result, the Company will be able to realize revenue from power production and distribution immediately and will not have to bear any burden, such as, applying for PPA and licenses for new project development, which enable the Company to save time and mitigate risk regarding project development completely.

3.3 Disadvantages of Entering into the Transaction

1) Opportunity Cost to Invest or Expand Other Business in Short Term

By entering into the Transaction, the Company will have to use cash for Baht 660.00 million to acquire shares of Winchai which might cause the Company to lose opportunity to use that cash to invest or expand other business of the Company such as steel sheet business and solar power plant business. However, revenue from steel sheet business has decreased from the past and the operating result for three quarters based on the most recent statements of income, namely, the first quarter of 2020, the second quarter of 2020 and the third quarter of 2020, which continued to show its operating loss. As such, share acquisition of Winchai will enhancing stable and consistent performance in the future and diversify operational risk which will make the Transaction better off and enable the Company to recognize profit sharing based on its shareholding or return in the form of dividends which will increase additional stable cash flows to the Company as well as enable the Company to expand investments in other businesses in long run.



Nonetheless, the Company does not have plan to change the business and operation of the Company and does not have plan to expand investment in other project in short term. Therefore, the Company currently does not require the cash to invest or expand any other business.

2) Dilution Effect from Right Offering if the Existing Shareholders Do Not Subscribe the Right Offering Up to One's Existing Shareholding Entirely

By entering into the Transaction, the existing shareholders of the Company will have dilution effect because the Company will offer newly issued ordinary shares to the existing shareholders by way of rights offering (RO) for 20,000,000 shares at par value of Baht 0.50 for Baht 9.10 per share (or representing the price before the change of the par value of the Company's shares at Baht 182.00 per share) for a total value of Baht 182.00 million. The Company intends to use the proceeds from the right offering of Baht 60.00 million as a source of fund for the Transaction and will use the reaming proceeds to repay short-term loans of the Company and as working capital. Therefore, there will be price dilution, EPS dilution, and control dilution effects to the existing shareholders who do not subscribe the right offering up to one's existing shareholding entirely.

The detail is as follows;

- Price Dilution

Price Dilution = (Market Price Before Offering – Market Price After Offering) / Market Price Before Offering	
Market Price Before Offering	= Weighted average price of the Company's shares in the period of 15 business days prior to the Board of Directors' Meeting resolved to propose the right offering to the Extraordinary General Meeting of Shareholders No. 1/2021 which is between 16 November – 4 December 2020 which equals Baht 184.66 per share.
Market Price After Offering	= (Market Price x Existing Paid-up Shares) + (Offering Price x Total Offering Shares) / (Existing Paid-up Shares + Total Offering Shares) = (184.66 x 6,000,000) + (182.00 x 1,000,000) / (6,000,000 + 1,000,000) = Baht 184.28 per share
Price Dilution	= (184.66 - 184.28) / 184.66 = 0.21%

Hence, after the right offering, the price dilution will be equal to 0.21%

- Control Dilution

Control Dilution = Total Offering Shares / (Existing Paid-up Shares + Total Offering Shares)	
Control Dilution	= Total Offering Shares / (Existing Paid-up Shares + Total Offering Shares) = 20,000,000 / (120,000,000 + 20,000,000) = 14.29%

Note: Control dilution calculation number of shares at par value of Baht 0.50 per share because the Board of Directors' Meeting No. 15/2020 on 8 December 2020 approved to to propose the Extraordinary General Meeting of Shareholders to approve change of par value of shares of the Company from Baht 10.00 per share to Baht 0.50 per share.

Hence, after the right offering, the price dilution will be equal to 14.29%



- **EPS Dilution**

Because the Company has net loss for last 12-month as of 30 September 2020 which is Baht 108.84 million. Hence, EPS dilution cannot be calculated.

3.4 Advantages of Entering into the Transaction with the Connected Person

1) The Reasonable Transaction Price

The IFA has valued Winchai based on the various approaches to find fair valuation range for entering into the Transaction. The IFA has an opinion that Discounted Cash Flow is an appropriate approach because such approach can reflect the future performance under reasonable business plans and assumptions. Thus, the IFA found the fair valuation range of Winchai to be in the range of Baht 701.27 – 808.24 million. Comparing to such range to the Transaction Price of Baht 660.0 million, the Transaction Price is lower than the fair valuation range. Moreover, the IFA considers that Winchai has potential to generate return to the Company at IRR of 10.41% which is higher than the Company's WACC of 5.19% - 6.82%. Therefore, the IFA has an opinion that the Transaction is reasonable.

2) Ability to Conduct and Negotiate Quickly and Efficiently

Since entering into the Transaction is a transaction with Ms. Paleerat who is a major shareholder holding 61.53% of total shares of the Company, Chairman of the board of directors, and Chief Executive Officer of the Company, the negotiation can be done quickly, Efficiently, the Transaction enables the Company to realize stable profit sharing and dividend from Winchai faster than entering into the Transaction with a third party since the Company might require longer time to negotiate and might be inefficient to operate business during the negotiation.

3.5 Disadvantages of Entering into the Transaction with the Connected Person

1) Possible Conflict of Interest

Since entering into the Transaction is a transaction with Ms. Paleerat who is a major shareholder holding 61.53% of total shares of the Company, Chairman of the board of directors, and Chief Executive Officer of the Company, the Company might be considered or questioned that the Transaction might not be transparent or might benefit Ms. Paleerat. However, the Transaction has to be proposed for approval from Audit Committee, the Board of Directors, and shareholder's meeting of the Company. As such, Ms. Paleerat who is a director with interest in the Transaction did not attend the meeting and will not have voting right in the shareholders' meeting of the Company. In this regard, the Transaction must be transparent, fairness/maximize benefit, and based on arm-length basis. In addition, the Company's directors and management must comply with law and act with prudent, care, and honesty (Fiduciary duties). The Board of Directors has considered and viewed that the conditions and price of the Transaction and



Winchai's business will help minimize the fluctuating performance of the steel sheet business, as its business generates a steady revenue from production and distribution of power, in line with the Company's business restructuring plan. As a result, the Company will be able to better cope with such impact from the industrial fluctuations, which will be beneficial to the Company and its shareholders accordingly. Moreover, Ms. Paleerat as a major shareholder holding 61.53% of total shares of the Company will have mutual interest as minor shareholders, so the possibility of conflict of interest is low.

2) Compliance Obligation from Entering into Connected Transaction In the Future

After entering into the Transaction, the Company will hold 26.25% of total shares of Winchai, whose other major shareholders is Nathalin Co., Ltd. whose ultimate shareholders are close relatives of Ms. Paleera are Mr. Choedchoo Panboonhom (father), Miss Neeracha Panboonhom (sister), Mrs. Wilaisri Panboonhom (mother), Mr. Paween Panboonhom (brother); consequently, Winchai is connected person of the Company. Therefore, if Winchai enters into transaction that is not under general commercial conditions with the Company, the Company will have obligation to comply with the Notifications on Connected Transactions (obligation that will be required depends in size of connected transaction which the Company will have to calculate such size for each transaction), which required to;

- (1) To report and disclose the information memorandum on such acquisition of assets, which is a connected transaction of the Company, to the SET immediately, which must at least contain the information as required in the Notifications on Connected Transactions,
- (2) To appoint an independent financial advisor to carry out the relevant functions, including provide its opinions as required by the Notifications on Connected transactions, whereby the independent financial advisor's report shall be delivered to the shareholders for consideration along with the invitation letter for the Shareholders' Meeting,
- (3) To convene a Shareholders' Meeting of the Company to approve such transaction on acquisition of assets, which is a connected transaction, 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, excluding such votes of the interested shareholders.

3.6 Risks of Entering into the Transaction

1) Risk from Compliance with the Conditions Precedent of the Agreement to Buy and to Sell Shares

Since the Transaction will only take place after the conditions precedent as specified in the Agreement to Buy and to Sell Shares between the Company and Ms. Paleerat shall have been



fulfilled. Such conditions precedent includes (1) the shareholders' meeting of the Company shall have resolved to approve the execution of the Transaction, and (2) Winchai has obtained an approval from the financial institution in respect of the change of shareholding structure of Winchai in accordance with the Transaction. Hence, the risks of entering into the Transaction are as follow;

- **Approval from Shareholders' Meeting of the Company**

Since the Transaction is regarded as an acquisition of assets pursuant to the Notifications on Acquisition or Disposal of Assets. Upon calculation of the Transaction size using the value of net tangible assets calculation method based on the Company's financial statements for the period ended 30 September 2020, which had been reviewed by the Company's auditor, the highest value shall be equal to 40.22%, which is equal to 15.00% or higher, but lower than 50.00%, and as such, this is regarded as a transaction in type 2 pursuant to the Notifications on Acquisition or Disposal of Assets. However, to encourage the shareholders' participation in the Transaction, the Company considers to propose this agenda to the Shareholders' Meeting to consider approving of such transaction. In view of this, the Transaction has been approved by this shareholders' meeting, the transaction shall not be included for the transaction size calculation of the next acquisition of assets

Additionally, the Transaction is also regarded as a connected transaction of a listed company under the Notifications on Connected Transactions. Upon calculation of the transaction value of the acquisition of assets, the Transaction size is equal to 95.70% of the Company's net tangible assets and such Transaction value is regarded to exceed Baht 20.00 million and also exceed 3.00% of the Company's net tangible assets. Therefore, the Company is required to comply with the Public Limited Companies Act and the Notifications on Connected Transactions, which require the Company to convene a shareholders' meeting of the Company to approve the Transaction. In order to obtain approval from the shareholders' meeting with no less than three-fourths of all votes of the shareholders present at the meeting and entitled to vote, excluding such votes of the interested shareholders i.e. Ms. Parleerat, as a major shareholder of the Company holding 61.53% of total shares of the Company, the Chairman of the Board of Directors, and Chief Executive Officer of the Company.

- **Approval from the Financial Institution of Winchai**

Since Winchai has a loan agreement with a financial institution in Thailand for the Project development. The loan agreement specifies that throughout the term of the loan agreement, Winchai must proceed to have Nathalin Group, Ms. Paleerat and persons with the surname Panboonhom maintain direct and indirect shareholding in Winchai together not less than 75.00% of total registered shares of Winchai. Before the Transaction, Nathalin Group, Ms. Paleerat hold



shares of Winchai for 48.75% and 26.25%, respectively, together representing 75.00% of total registered shares of Winchai. Therefore, the Company has to obtain an approval from the financial institution precedent to the entering into the Transaction, which is specified in the conditions precedent of the Agreement to Buy and to Sell Shares. Currently, Ms. Paleerat is in process of obtaining approval to waive such condition under the condition that after entering into the Transaction, the Company will pledge 26.25% of shares of Winchai as collateral to the financial institution as before. (every shareholder of Winchai has to pledge shares of Winchai as collateral to the financial institution according to one's shareholding) In this regard, the Company expects that the approval will be obtained by February 2021.

2) Risk from Right Offering of Newly Issued Ordinary Shares

The Company will increase registered capital to offer the right offering of the newly issued shares at the ratio of 6 existing shares to 1 new share at the offering price of Baht 9.10 per share for the total amount of Baht 182.00 million, of which the Company plans to use the proceed of Baht 60.00 million to invest in the share acquisition transaction of Winchai. Therefore, if the right offering is not sufficiently subscribed by the shareholders, the Company might have the risk of not having sufficient fund for the consideration of the share acquisition transaction of Winchai.

However, in the event that Ms. Paleerat, the major shareholder of the Company and the Seller of Winchai, subscribe the right offering entirely according to her shareholding, the Company will receive the proceed of Baht 111.99 million from Ms. Paleerat's right offering subscription, prior to the right offering subscription Ms. Paleerat holds 3,691,968 shares or 61.53% of total issued shares of the Company.



3) Risk from Financial Obligation after Entering into the Transaction

- Risk from Financial Obligation of Loan Agreement of TIWI

The Company intends to use excess cash of the Company from sales of inventory to TIWI of Baht 200.0 million as a collateral for loan agreement of TIWI from a financial institution in form of uncommitted facility, letter of credit and trust receipt, which the Company has obligation to pledge collateral for the loan agreement of no less than Baht 200.0 million. Once TIWI sell the purchased inventory and repay the loan, the Company will be able to retrieve the pledged cash.

In this regard, the Company has notified the financial institution to use the cash of Baht 200.0 million that is currently pledged as collateral to the loan agreement to pay for the Transaction of share acquisition of Winchai, and the Company has already received approval from the financial institution.

After completion of the Transaction of share acquisition of Winchai, should TIWI not be able to fully repay the loan of Baht 200.0 million, the Company will still have obligation to be guarantor of the loan agreement. Therefore, the Company has to bear risk of such financial obligation on the loan agreement of TIWI.

Nevertheless, the Company believes that TIWI will be able to sell the inventory in order to repay the loan of no less than Baht 200.0 million and, in the worst case scenario, the Company might consider other source of fund to repay the loan, for example, cash that the Company expects to receive from the right offering to according to the resolution of the Board of Directors' Meeting No. 15/2020 on 8 December 2020 to propose this matter to the Extraordinary General Meeting of Shareholders No. 1/2021 for approval, issuance of bill of exchange, or dividend from the investment in common shares of Winchai. Hence, the Company and the IFA are confident that the Company will have sufficient fund for the financial obligation originated after entering into the Transaction.

- Risk from Financial Obligation of Loan Agreement of Winchai

Because after entering into the Transaction, the Company will have to pledge 26.25% of shares of Winchai as a collateral of Winchai's loan agreement that being used for funding the development costs of Winchai's project (every shareholder of Winchai has to pledge shares of Winchai as collateral to the financial institution according to one's shareholding). Hence, if Winchai defaults on the loan agreement, the Company might have risk that the pledged shares of Winchai might be seized by the financial institution.

However, because Winchai invests in the Project that operates wind power plant business with stable revenue and profit and, according to the projection of the IFA, Winchai will have average cash flow from operation during the period that it still has such loan between 2021 – 2028 of Baht 623.84 million, while Winchai has to repay the loan until 2028 which will be repaid quarterly



of Baht 342.80 million. Hence, Winchai will be able to generate sufficient cash flow from operation for loan repayment of the loan agreement of Winchai.

4) Risk from Not Being Able to Extend PPA Period with EGAT

As the PPA period is 5 years and when the PPA period expires, Winchai might have risk of not being able to extend PPA period or delayed extension. Such risk might result in Winchai's delayed revenue realization, or inability to realize revenue.

However, if Winchai or EGAT wish to extend PPA period once the PPA period expires, one must notify the other party at least 30 days prior to the expiration of PPA period. The extension shall be for another 5 years. Winchai has the right to extend PPA period as long as Winchai does not fail to comply with the terms and conditions the PPA. In this regard, Winchai plans to extend the PPA for at least 25 years according to the useful life of equipment of the Project. Therefore, the IFA believes that Winchai will be able to operate continuously for at least 25 years.

5) Risk of Unexpected Performance of Winchai

Since Winchai invests in wind power plant in the Project which has recently stated commercial operation (COD) in April 2019, the Project is fairly new with short track record and might be subjected to significant impact from factors such as wind speed, climate, and natural disasters which are specific to wind power plants. Thus, the Company might have to bear risk from lower return on investment in Winchai whose performance might not be as expected and might not be able to produce and distribute power as projected.

However, before entering into the Transaction, the Company has studied the feasibility of the Project before the investment decision including projection of revenue, profits, and return on the Project based on assumptions made by experts and advisors; i.e., technical/engineering advisor to evaluate the capacity and capability or power generation and revenue projection from power distribution, legal advisors to advise on applicable rules and regulations and other processes regarding the investment, to review land deeds and other relevant licenses, as well as other specialized advisors to ensure reasonable conditions of the Transaction and compliance with all relevant rules and regulation.

Moreover, in 2020, Winchai paid dividend for performance of 2019 for Baht 100.00 million, or equivalent to dividend payout ratio for 38.64% of net profit of 2019. Also, Winchai's dividend policy establish to pay dividends at least annually, by taken into the consideration of the net profit contribution from its electricity generation and selling operation, along with the cash available on hand after the reserve maintenance accounts required under Winchai's loan agreement have been fulfilled, the reserves for maintenance and renovation expenditure, or any foreseeable contingencies in each annual budget plan, and in accordance with the applicable



laws with respect to the dividend reserve fund. Such reserves' setting and any alteration are required to be decided upon only by a resolution of Winchai's board of directors.



3.7 Appropriateness of the Acquisition of Asset

To evaluate the fair value of Winchai, the IFA has gathered and considered information based on Winchai's financial statements for the past 2 years by which the financial statements for 2018 – 2019 were audited by Price Waterhouse Coopers ABAS Ltd. as well as other publicly available information. However, the opinion of the IFA is based upon the assumption that such information is correct, complete, and credible under the current circumstances. Significant changes in business operation may alter the fair value of Winchai and shareholders' decision considered in the Transaction.

The IFA has valuated group of the Company through 5 approaches as follows

- 1) Book Value Approach
- 2) Adjusted Book Value Approach
- 3) Market Comparable Approach which consists of 3 approaches
- 4) Price to Book Value Ratio (P/BV)
- 5) Price to Earnings Ratio (P/E)
- 6) Enterprise Value to Earnings before Interest, Tax, Depreciation and Amortization (EV/EBITDA)
- 7) Transaction Comparable Approach
- 8) Discounted Cash Flow Approach



3.7.1 Book Value Approach

Book Value Approach is the approach that values the net asset value or total equity of Winchai at a moment in time. The IFA used the value with regards to Winchai's financial statement as of December 31, 2019.

Table summary book value approach of Winchai

Equity (Financial Statement) Unit: Baht million	31 December 2019
Issued and paid-up capital	818.90
Retained Earnings (loss)	170.27
Total Equity value of Winchai	989.17
Equity Value in transaction at 26.3%	259.66

The fair valuation under book value approach for the Company as of 31 December 2019 results in a total equity value of Baht 259.66 million which lowers than transaction value equates to Baht 660.00 million by baht 400.34 million or approximately lower than 60.66 percent to the transaction value. Nonetheless, the book value approach to valuation reflects the equity value of Winchai at a moment in time without taking into account of future performance, economic, and industry trends which does not reflect the ability to generate future profit for Winchai. Thus, the IFA views that this approach is an inappropriate approach to evaluate the fair value of Winchai.

3.7.2 Adjusted Book Value Approach

This valuation approach determines the valuation of net assets on balance sheet or the value of equity on the Winchai's financial statement shown in financial statement as of 31 December 2019, then adjusted by the items which would occur after the date on the financial statement and any additional asset appraisal with regards to the asset appraisal report conducted by the independent asset appraiser.

However, the operation of Winchai shows no indication of any change in book value that will affect the calculation of share value and fair value. Therefore, the adjusted book value approach equates to the prior valuation method of Winchai. Nonetheless, the adjusted book value approach to valuation reflects the equity value of Winchai at a moment in time without taking into account of future performance, economic, and industry trends which does not reflect the ability to generate future profit for Winchai. Thus, the IFA views that this approach is an inappropriate approach to evaluate the fair value of Winchai.



3.7.3 Market Comparable Approach

The Market Comparable Approach is the share valuation based on the assumption that companies with similar or identical business should contain similar market value ratio. The comparable company selection to value enterprise value of Winchai, the selected comparable companies may have some differences such as accounting, policy, investment policy, size of the company, revenue structure, source of non-core revenue, quality of the business, etc. Therefore, the comparable companies with similar business nature might not cover all the similarities, which might have some differences as mentioned above. However, Wind power plants are not yet widely adopted by listed companies in Stock Exchange of Thailand. The listed companies which operated wind power plants in Thailand are Gunkul Engineering Public Company¹ Limited, Energy Absolute Public Company Limited², BCPG Public Company Limited³, Meta Corporation Public Company Limited and Sermsang Power Corporation Public Company Limited. However, The IFA has the opinion that should not include Gunkul Engineering Public Company Limited, Energy Absolute Public Company Limited and BCPG Public Company Limited as comparable companies for market comparable approach since those 3 companies has installed capacity a lot higher than Winchai and has a well-diversified portfolio of renewable power plants. Therefore, it should be used to compare against Winchai. Consequently, the IFA has to apply renewable energy instead as a filter to select appropriate comparable companies in terms of enterprise's size and revenue's size by applying listed companies which operates in renewable energy business in Thailand and half of total revenue must come from renewable energy which the total revenue is between Baht 100.00 million to Baht 3,000.00 million for appropriateness in companies' selection.

¹ Gunkul Engineering Public Company has the total installed capacity of 631.9 megawatt

² Energy Absolute Public Company Limited has the total installed capacity of 664.0 megawatt

³ BCPG Public Company Limited has the total installed capacity of 406.8 megawatt



The IFA consider and selected the comparable companies by screening the companies which operating renewable power in Thailand and revenue generate from renewable energy is more than half of total revenue.

To determine the fair value of Winchai through market ratio comparisons, the IFA used the following ratios

1. Price to Book Value Ratio ("P/BV")
2. Price to Earnings Ratio ("P/E")
3. Enterprise Value to Earnings Before Interest, Taxes, Depreciation, and Amortization ("EV/EBITDA")



Table: Comparable companies selected for the IFA consideration

Company	Business Description	(Baht million)		Total MW	MW from renewable energy	Proportion of Wind power
		Market Capitalization	Revenue ^{1/}			
Padaeng Industry Public Company Limited	Mainly operate in generating and distributing electricity from renewable energy such as Solar power Wind power etc. both in domestic and abroad.	1,977.50	386.50	49.30	49.30	100.00
Eastern Power Group Public Company Limited	Operate in 2 main business 1) printing business 2) generating and distributing electricity from renewable energy both domestic and abroad.	4,442.00	1,469.40	416.70	56.70	13.60
Green Resource Public Company Limited	Operate in real estate development and renewable energy	899.80	127.50	11.00	11.00	100.00
Meta Corporation Public Company Limited	Operate business in electrical engineering system and generating distributing renewable energy	573.80	58.00	628.98	288.00	45.79
Sernsang Power Corporation Public Company Limited	Operating in generating and distributing Solar power and renewable energy	10,971.80	1,822.80	296.00	48.00	16.20
Prime road Public Company Limited	Operating in generating and distributing solar power and renewable energy both domestic and abroad.	8,168.60	395.50	208.74	208.74	100.00

Source: Capital IQ as of 8 December 2020

Remark: 1/ Revenue from last 12 month as of 30 September 2020



1. Price to Book Value Approach (P/BV)

The share valuation under P/BV is based on the book value of Winchai as of December 31, 2019 as stated in the book value approach which is Baht 989.17 million multiplied by the median of the P/BV ratio of comparable companies for the past 7 – 360 working days

Table: P/BV of Comparable Companies

Company	P/BV Ratio (Times)								
	7 Days	15 Days	30 Days	60 Days	90 Days	120 Days	180 Days	270 Days	360 Days
Padaeng Industry Public Company Limited	0.42	0.42	0.40	0.37	0.37	0.35	0.31	0.30	0.33
Eastern Power Group Public Company Limited	0.96	0.91	0.85	0.80	0.79	0.77	0.73	0.72	0.73
Green Resource Public Company Limited	1.09	1.10	1.10	1.08	1.03	0.99	0.89	0.85	0.87
Meta Corporation Public Company Limited	0.28	0.26	0.24	0.24	0.25	0.26	0.30	0.49	0.60
Sernsang Power Corporation Public Company Limited	2.08	1.90	1.64	1.51	1.49	1.48	1.42	1.43	1.46
Prime road Public Company Limited	2.94	3.82	3.39	3.24	3.17	2.99	2.57	2.45	2.39
Median of P/BV	1.02	1.01	0.97	0.94	0.91	0.88	0.81	0.79	0.80
Book value of Winchai (Baht million)	989.17	989.17	989.17	989.17	989.17	989.17	989.17	989.17	989.17
Equity Value (Baht million)	1,013.77	996.77	963.56	930.89	899.97	870.90	801.81	779.53	790.37
Equity value in entering into the transaction at 26.3% (Baht million)	266.12	261.65	252.93	244.36	236.24	228.61	210.48	204.63	207.47

Source: Capital IQ as of 8 December 2020

Median of P/BV ratio of comparable companies over the past 12 months is 0.79 – 1.02 times which indicates that the equity value with the range of Baht 204.63 – 266.12 million which is lower than the transaction value of Baht 660.00 million by Baht 393.88 – 455.37 million or 59.68 percent - 69.00 percent of transaction value.

Nonetheless, the P/BV ratio reflects financial position at a point in time which does not reflect the market value of some assets and events which occurred after the financial statement's date and the asset's ability to generate profit in the future. Thus, this valuation approach may not reflect the fair value of Winchai.



2. Price to Earnings Approach (P/E)

The share valuation under P/E ratio is based on the financial statement for the past 12 months as of December 31, 2019 which equates to Baht 258.91 million multiplied by the median of the P/E ratio of the comparable companies.

Table: P/E of Comparable Companies

Company	P/E Ratio (Times)								
	7 Days	15 Days	30 Days	60 Days	90 Days	120 Days	180 Days	270 Days	360 Days
Padaeng Industry Public Company Limited	17.03	16.72	16.17	15.01	14.81	13.95	12.33	12.21	13.42
Eastern Power Group Public Company Limited	3.07	2.93	2.72	2.56	2.53	2.48	2.34	2.33	2.35
Green Resource Public Company Limited	67.81	68.25	68.17	67.20	63.92	61.18	55.28	52.79	53.71
Meta Corporation Public Company Limited	(5.75)	(5.40)	(5.09)	(5.09)	(5.21)	(5.42)	(6.21)	(10.22)	(12.55)
Sermsang Power Corporation Public Company Limited	13.82	12.66	10.90	10.04	9.95	9.88	9.47	9.49	9.70
Prime road Public Company Limited	27.07	35.15	31.13	29.81	29.16	27.46	23.59	22.55	21.96
Median of P/E	17.03	16.72	16.17	15.01	14.81	13.95	12.33	12.21	13.42
Net Profit of Winchai (Baht million)	258.91	258.91	258.91	258.91	258.91	258.91	258.91	258.91	258.91
Equity Value (Baht million)	4,409.35	4,328.26	4,185.53	3,886.44	3,834.33	3,610.67	3,191.08	3,160.60	3,474.38
Equity value in entering into the transaction at 26.25% (Baht million)	1,157.46	1,136.17	1,098.70	1,020.19	1,006.51	947.80	837.66	829.66	912.03

Source: Capital IQ as of 8 December 2020

Remark: 1/ Due to Meta Corporation Public Company Limited's net profit is negative, therefore the IFA does not use this information in calculating P/E

Median of P/E ratio of comparable companies over the past 12 months is 12.21 – 17.03 times which indicates that the equity value with the range of Baht 829.66 – 1,157.46 million which is



higher than the transaction value by baht 169.66 – 497.46 million or 25.7 percent - 75.37 percent of transaction value.

Nonetheless, the P/E ratio reflects does not take into account of the following differences for each company – revenue structure, capital structure, future performance, as well as the current and future production capacity. Thus, this valuation approach may not reflect the fair value of Winchai.

3. Enterprise Value to Earnings Before Interest, Taxes, Depreciation, and Amortization (EV/EBITDA)

The share valuation under EV/EBITDA of Winchai from enterprise value in Financial Statement for the period of 31 December 2019 which is baht 460.3 million multiplied by median of EV/EBITDA of comparable companies. The shareholders' equity value of the Company is detailed as follows.

Table: EV/EBITDA of comparable companies

Company	EV/EBITDA Ratio (Times)								
	7 Days	15 Days	30 Days	60 Days	90 Days	120 Days	180 Days	270 Days	360 Days
Padaeng Industry Public Company Limited	6.97	6.80	6.49	5.84	5.73	5.24	4.34	4.27	4.95
Eastern Power Group Public Company Limited	11.40	11.07	10.55	10.15	10.07	9.96	9.61	9.57	9.63
Green Resource Public Company Limited	22.89	23.00	22.98	22.74	21.92	21.24	19.76	19.14	19.37
Meta Corporation Public Company Limited	(5.22)	(5.06)	(4.92)	(4.92)	(4.98)	(5.07)	(5.44)	(7.27)	(8.34)
Sernsang Power Corporation Public Company Limited	37.71	36.02	33.48	32.24	32.11	32.01	31.42	31.44	31.75
Prime road Public Company Limited	127.59	129.46	128.53	128.23	128.08	127.68	126.79	126.55	126.42
Media of EV/EBITDA	22.89	23.00	22.98	22.74	21.92	21.24	19.76	19.14	19.37
EBITDA of Winchai (Baht million)	460.25	460.25	460.25	460.25	460.25	460.25	460.25	460.25	460.25
Enterprise Value (Baht million)	10,535.99	10,586.15	10,576.66	10,465.16	10,088.75	9,774.81	9,096.73	8,810.60	8,915.84
Add: Cash and cash equivalent (Baht million)	51.37	51.37	51.37	51.37	51.37	51.37	51.37	51.37	51.37
Deduct: IBD (Baht million)	(2,677.55)	(2,677.55)	(2,677.55)	(2,677.55)	(2,677.55)	(2,677.55)	(2,677.55)	(2,677.55)	(2,677.55)
Equity value (Baht million)	7,909.81	7,959.97	7,950.48	7,838.98	7,462.57	7,148.64	6,470.55	6,184.42	6,289.66
Equity value in entering into the transaction at 26.25% (Baht million)	2,076.33	2,089.49	2,087.00	2,057.73	1,958.93	1,876.52	1,698.52	1,623.41	1,651.04

Source: Capital IQ as of 8 December 2020

Remark: 1/ Due to Meta Corporation Public Company Limited's net profit is negative, therefore the IFA does not use this information in calculating EV/EBITDA

The median of the comparable company's EV / EBITDA ratio for the past 12 months was 19.14 – 23.00 times, resulting in EV/EBITDA is Baht 1,623.41 – 2,089.49 million which is higher than the transaction value which equates to baht 660.00 million by baht 963.41 – 1,429.49 million or 45.97 – 116.59 percent of transaction value.

Nonetheless, the method does not take into account the differences of each company such as income structure, capital structure, future performance including current and future capacity. As a result, this valuation method may not reflect the true value of Winchai.



3.7.4 Transaction Comparable Approach

The Transaction Comparable Approach is the valuation approach that uses the median of EV/EBITDA ratio for the period of during the past 12 months of comparable companies whereby their target companies conduct their business operations in renewable energy industry. The median of the EV/EBITDA is multiplied by the EBITDA of Winchai for the ending December 31, 2019. Hence, for the appropriateness of comparable, the IFA selected past transaction not exceeding 10 years in calculation and chooses comparable companies which operate in renewable energy in Thailand. For this approach of the valuation, there are some differences between each transaction and the transactions such as transaction value and transaction date which might result in inaccurate valuation. The details of each transaction are as follows

Table: Comparable Transaction

Date	Target Company	Country	Total MW	MW from renewable energy	Proportion of renewable energy	Transaction Proportion (%)	Transaction value (Baht million)	EV/EBITDA (Times)
Jun - 10	Eastern Power Group Public Company Limited	Thailand	416.70	56.70	13.60	41.00	369.7	5.43
May -18	B Grimm Yanhee Solar Power Limited	Thailand	59.70	59.70	100.00	51.00	600.0	2.80
Jan- 19	Earth Tech Environment Public Company Limited	Thailand	9.40	9.40	100.00	9.80	193.7	18.58
Oct- 15	TPC Power Holding Public Company Limited	Thailand	123.70	129.70	129.70	0.60	41.0	107.31
Median								12.01

Source: Capital IQ as of 8 December 2020



Table: business description of comparable companies

Target Company	Business Description	Country	(Baht million)	
			Market Capitalization ^{1/}	Revenue
Eastern Power Group Public Company Limited	Operate in 2 main business 1) printing business 2) generating and distributing electricity from renewable energy both domestic and abroad.	Thailand	4,442.00	1,469.40
B Grimm Yanhee Solar Power Limited	Generating and Distributing electricity from Solar power	Thailand	-	509.00
Earth Tech Environment Public Company Limited	Generating and distributing renewable energy, power plant engineering and construction of power plant	Thailand	-	325.20
TPC Power Holding Public Company Limited	Holding Company in company that generating and distributing renewable energy	Thailand	6,499.40	246.00

Source: Capital IQ as of 8 December 2020 by financial statement as of 30 September 2020

Remark: ^{1/}Market capitalization 1 day before transaction announcement

Median of the EV/EBITDA ratio of other trading transaction in the past is 12.01 times.

Table of Share Valuation of Transaction Comparable Approach

Unit: Baht Million	LTM
	Median
Median of EV/EBITDA (Times)	12.01
EBITDA including dividend receive from investment in WINCHAI	460.25
Enterprise Value	5,525.32
Add: Cash and cash equivalent	51.37
Minus: Interest bearing debt	(2,677.55)
Equity value (Baht million)	2,899.14
Equity value in entering into the transaction at 26.25% (Baht million)	761.03

Source: Financial Statement of Winchai as of 31 December 2019

The total equity value of Winchai from transaction comparable approach is Baht 761.03 million which is higher than transaction value equates to baht 660.00 million by baht 101.03 million or 15.3 percent of transaction value.

Nonetheless, this approach that does not take into account the differences of individual transactions such as the size of the transaction and timing of the transaction. Thus, this valuation approach might not reflect the fair value of Winchai.



3.7.5 Discounted Cash Flow Approach

The IFA has projected free cash flow of the Company from operation in the future over the period of 24 years ending 31 December 2044 by Free cash flow to equity ("FCFE") which is corresponds to the remaining useful life of power plant of the Company (the power plant has 25 years of useful life). The IFA refers to electricity generation assumptions, tariff assumption, and other assumptions that is significant to the valuation based on the information publicly available and the Company's management interview.

1) Revenue Assumption

The IFA has projected revenue of Winchai which mainly come from Romklao Wind farm project which referred to Power purchase agreement to EGAT with 45.00 MW installed capacity at 115.00 kV pressure level.

The project is a wind power plant farm which convert wind energy to electricity. The project is a very small power producer (VSPP) with total installed capacity 45.00 MW. The Project started COD with EGAT on 1 April 2019. The Project is supported by renewable energy project by Ministry of Energy, which result in additional advantage on adder from electricity sales from EGAT at baht 3.50 per 1 kilowatt hour for 10 years starting from COD.

The Project has received tax privileges from the Board of Investment ("BOI") under the Investment Promotion Act (BE 2520) for power business; CIT of the Project on net profits are exempted for 8 years from commercial operation date which will end on 31 March 2027

Table summary of details of the Project

Romklao windfarm project	Detail
COD	1 April 2019
Ending project ^{1/}	31 March 2024
Ending Adder	31 March 2029
Installed Capacity	44.85 MW
Contracted Capacity	45.00 MW

Source: PPA between Winchai and EGAT

Note: 1/ PPA renew every 5 years

2/ Install capacity = 13 Wind Turbine x 3.45 MW for each turbine

- Installed Capacity

The IFA uses net energy generated from wind power according to technical due diligence of the Project of Poyry Energy Ltd. (Poyry Energy is business and engineer consultant who has operated in more than 18 countries in various industries with expertise in infrastructure and renewable projects especially wind farm projects) The net energy according to technical due diligence of Poyry Energy Ltd. Is an estimate net energy from wind turbines for 13 wind turbine of type V136 at height 162 meters. The net energy is as follow:



Table illustrates net energy generated per year and capacity factor

	Confidence level			
	P50 ^{1/}	P75 ^{2/}	P90 ^{3/}	LTM ^{4/}
Net energy generated per year (GWh/a)	144.00	131.60	120.30	119.68
Capacity factor (%) ^{5/}	36.65 %	33.50%	30.62%	30.46%

Source: Technical due diligence report of wind power from Poyry Co., Ltd. and calculation of the IFA

Remark: /1 Confidence level 50.00% (P50) means Confidence level 50.00% able to generate net energy by wind power not less than 144.00 GWh per year according to technical due diligence of Romklao Wind Farm project from Poyry Energy Co.,Ltd.

/2 Confidence level 75.00% (P75) means Confidence level 75.00% able to generate net energy by wind power not less than 131.60 GWh per year according to technical due diligence of Romklao Wind Farm project from Poyry Energy Co.,Ltd.

/3 Confidence level 90.00% (P90) means Confidence level 90.00% able to generate net energy by wind power not less than 120.30 GWh per year according to technical due diligence of Romklao Wind Farm project from Poyry Energy Co.,Ltd.

/4 Actual wind power last 12 months (October 2019 – September 2020) derived by the IFA

/5 Capacity factor means percentage of net energy generate per year

However, the IFA considered based on Conservative Basis by using net energy generated at confidence level at 90.00% with 120.30 kilowatt per hour per year as revenue assumption of the Project for the rest of the Project life which closest to actual wind power for the last 12 months of the Project.

- Transmission loss

The location of the Project has 2 purchase points at the installation point of electrical measurement located at EGAT's Mukdahan high-voltage power station, result in connecting transmission line from the installation point to the power purchase point. This result in the loss of electricity on the way. Therefore, the IFA has considered wind quality and quantity assessment report from Poyry Energy Ltd. of Romklao Wind Farm Project. The energy loss rate from the transmission line was determined to be 1.40% throughout the projection period.

- Tariff

EGAT will purchase electricity which categorized into 2 main period 1) Peak period which is the period when the nationwide demand for electricity to carry out the country's economic transactions and to support the consumption of electricity by the public sector. Peak period is a period from Monday - Friday 09.00 – 22.00 and public holidays during 09.00 - 22.00. and 2) Off-peak period is a period when the demand for electricity to support economic driving and the consumption sector declined. There is a period are during Monday - Friday



between the time 22.00 - 09.00 and Saturday - Sunday National Labor Day and public holidays as usual during the time 00.00 - 24.00 according to EGAT's announcement.

Table illustrated wholesales tariff of different type of power producer

Type of power producer	Peak period	Off-peak period
VSP / SPP	4.22	2.36

Source: TOU for November 2020 from EGAT

The IFA project the generation of electricity of the Project according to the weighted average generated capacity during peak period and off-peak period from October 2019 to September 2020 divided with total output of electricity generation of the Project. The detail is as follows;

Table summary of electricity generation of Romklao Windfarm during October 2019 to September 2020

Electricity generation period	Electricity generation after deduct transmission loss (Kilowatt hour)	%
Peak	29,307,662.00	24.84 ^{1/}
Off-peak	88,695,270.00	75.16 ^{2/}
Total	118,002,932.00	100.00

Source: historical electricity generation from Winchai

Remark: 1/ Peak hour percentage = Electricity generate during peak hour from October 2019 to September 2020 / Total electricity generation from October 2019 to September 2020

2/ Off Peak hour percentage = Electricity generate during off-peak hour from October 2019 to September 2020 / Total electricity generation from October 2019 to September 2020

However, Peak and Off-peak rate calculated from the IFA are different from enclosure 2 of the Company due to the IFA uses different electricity generation after deduct transmission loss and peak rate and off-peak rate from October 2019 to September 2020 in order to align with the projection with the IFA which started quarter 4 of 2020.

The Project tariff is a wholesales tariff brought by EGAT for Small Power Producer (SPP) of Non-firm contract. This tariff is a wholesales tariff which include adjustment of wholesale tariff ($F_{\bar{t}}$). Therefore, the IFA uses wholesales tariff at 115.00 kV starting from September 2019 to October 2022 which equal to baht 2.61 per kilowatt hour (assumption that proportion peak period at 24.84% and off-peak period at 75.16%) and wholesales price escalate at 0.28% per year. The wholesales price escalation referred from PDP 2018 – 2037 Revision 1 (the retail price for the year 2020 is baht 3.55 per kilowatt hour and for the year 2037 is baht 3.72 per kilowatt hour)



Table illustrated wholesale tariff

Pressure level	Wholesales tariff (baht/kWh)		Wholesales escalation (% per year)
	Peak	Off-peak	
115.00 kV	4.22	2.36	0.28 ^{1/}

Source: wholesale tariff for non-firm contract from December 2019 to November 2020 by EGAT

Remark: 1/ the escalation is based on wholesale tariff from PDP 2018 revision 1 announced on October 2020

According to the assumptions aforementioned, the projection of revenue from electricity distribution is as follows;

Table of the Projection of revenue of the Project

Unit: Baht million	Q4/2020	2021	2022	2023	2024	2025	2026	2027	2028
Capacity (MWh)	44.85	44.85	44.85	44.85	44.85	44.85	44.85	44.85	44.85
Generation (MWh) ^{1/}	29,653.95	118,615.80	118,615.80	118,615.80	118,615.80	118,615.80	118,615.80	118,615.80	118,615.80
Net tariff (Baht/kWh)	6.11	6.11	6.12	6.13	6.14	6.14	6.15	6.16	6.16
Revenue ^{2/}	181.09	725.20	726.06	726.91	727.77	728.63	729.50	730.36	731.23
Unit: Baht million	2029	2030	2031	2032	2033	2034	2035	2036	2037
Capacity (MWh)	44.85	44.85	44.85	44.85	44.85	44.85	44.85	44.85	44.85
Generation (MWh) ^{1/}	118,615.80	118,615.80	118,615.80	118,615.80	118,615.80	118,615.80	118,615.80	118,615.80	118,615.80
Net tariff (Baht/kWh)	6.17	2.68	2.69	2.69	2.70	2.71	2.72	2.72	2.73
Revenue ^{2/}	420.74	317.82	318.70	319.57	320.46	321.34	322.22	323.11	324.00
Unit: Baht million	2038	2039	2040	2041	2042	2043	Q1/2044		
Capacity (MWh)	44.85	44.85	44.85	44.85	44.85	44.85	44.85		
Generation (MWh) ^{1/}	118,615.80	118,615.80	118,615.80	118,615.80	118,615.80	118,615.80	29,653.95		
Net tariff (Baht/kWh)	2.74	2.75	2.75	2.76	2.77	2.78	2.78		
Revenue ^{2/}	324.89	325.79	326.69	327.59	328.49	329.40	82.58		

Source: The IFA's projection

Remark: 1/ Total electricity generation (deduct Transmission loss) = (electricity generate per year x operating per year) x (1- transmission loss)

2/ Revenue from electricity generation = electricity generation x wholesale tariff to EGAT

2) Cost and Expense from Operation ("OPEX") assumption

The IFA has projected costs and expenses from operation of the Project which include (1) cost of goods sold ("COGS") and (2) selling, general and administrative expense ("SG&A") as follow;

2.1 Cost of sales and services

COGS include operating and maintenance expense, asset management, power development fund, property insurance, land rental and utility. The IFA has projected COGS according to average historical COGS for the period of 9 months in 2019 and 2020 (January to September). However, the assumption has been adjusted for annual period in the projection. In addition, O&M contract, Asset management contract and insurance contract of Winchai are used for



the assumption. COGS of the Project grow at 2.00% per year according to Thailand's medium-term target inflation in 2020 (between 1.00 – 3.00) which is the rate that is able to reflect COGS of wind business. The detail is as follows;

Table summary of COGS assumption of the Project

COGS	2019 ^{1/}	3Q2020 ^{2/}	Projection ^{3/}	Growth	Details
O&M expense	-	-	31.93	2.00% / year according to O&M contract	O&M contract
Technical advisory and project management fee	-	-	24.74	2.00% / year Based on Thailand's inflation rate	Asset Management contract
Power Development fund (baht/kilowatt hour)	-	-	0.01	-	Government's policy
Property insurance	-	-	6.35	-	Insurance contract
Utility	4.61	3.11	3.86	2.00% / year Based on Thailand's inflation rate	Average historical cost of the Project per month for 2019 and 2020
Land rental	7.72	7.61	7.67	7.00% every 5 years	Average historical of the Project cost per month for the year 2019 and 2020

Source: historical COGS of Winchai and the IFA's projection

Remark: 1/ Actual expense per month in 2019

2/ Actual expense per month in 2020 for the period 9 months from January and September 2020 which the IFA has adjusted for 12 months basis (pro data) in cost projection.

3/ The Average COGS derived from the total actual COGS in 2019 and 2020

4/ Technical advisory and project management fee is the expense paid to Prodigy Co., Ltd. from managing the Project, Engineering consultant, procurement, finance, legal, and other system related to the Project. The Owner Engineer will manage the related system in the Project in order to evaluate the effectiveness of wind power plant and audited the work from O&M consultant.

5/ Land rental expense derived from the actual land rental cost in year 2019 and 2020

2.2 SG&A

SG&A include salary, bonus, other management fee, audit fee, and other miscellaneous expense. The IFA project SG&A according to historical SG&A of Winchai and will project SG&A to grow at 2.00% per year according to Thailand's medium-term target inflation in 2020 (between 1.00 – 3.00) which is the rate that is able to reflect SG&A of wind business. The detail is as follows;



Table summary of SG&A Assumption of the Project

SG&A	2019 ^{1/}	3Q2020 ^{2/}	Projection ^{3/}	Growth
SG&A	20.06	8.92	14.49	2.00% / year Based on Thailand's inflation rate

Source: historical SG&A of Winchai and the IFA's projection

Remark: 1/ Actual expense per month in 2019

2/ Actual expense per month in 2020 for the period 9 months from January and September 2020

3/ The average SG&A used for the projection derived from the total actual cost of SG&A for the year 2019 and 2020

Summary of Costs and Expenses from Operation Projection

According to the assumptions and projections of costs and expenses from operation can be summarized as follows;

Table of Projection of Costs and Expenses from Operation of the Project

Unit: Baht million	Q4/2020	2021	2022	2023	2024	2025	2026	2027	2028
COGS	19.09	77.22	78.58	79.98	81.80	83.39	84.87	85.23	87.92
SG&A	3.64	14.74	15.03	15.33	15.64	15.95	16.27	16.60	16.93
OPEX	22.73	91.96	93.62	95.31	97.44	99.34	101.14	101.83	104.85
Unit: Baht million	2029	2030	2031	2032	2033	2034	2035	2036	2037
COGS	89.92	91.67	93.30	94.97	96.67	98.86	100.78	102.59	104.43
SG&A	17.27	17.61	17.97	18.33	18.69	19.07	19.45	19.84	20.23
OPEX	107.19	109.28	111.27	113.29	115.36	117.93	120.23	122.42	124.66
Unit: Baht million	2038	2039	2040	2041	2042	2043	Q1/2044		
COGS	106.30	108.71	110.83	112.82	114.85	116.93	29.56		
SG&A	20.64	21.05	21.47	21.90	22.34	22.79	5.77		
OPEX	126.94	129.76	132.30	134.72	137.19	139.71	35.33		

Source: The IFA's projection

3) Other Assumption

3.1 Depreciation and Amortization (D&A)

The IFA has projected D&A of the Project as straight-line method with the useful life of power plant of 25 years and other equipment of 5 years according to Winchai's financial statement as of 2019. The detail as follows;



Table summary of PPE, depreciation method, and useful life

PPE	Depreciation method	Useful life
Land improvement and building ^{1/}	Straight-line Method	25 years
Power plant substation and Power plant components	Straight-line Method	25 years
Right of use of transmission line	Straight-line Method	25 years
Other Equipment	Straight-line Method	5 years

Source: Financial statement of Winchai for the year 2019

Remark: 1/ Land improvement used for land adjustment for the construction of Power plant

2/ Right of use of transmission line and substation of power and other power plant component has 25 years of useful life according to note to financial statement of Winchai

3.2 Capital Expenditure

Due to O&M contract with Vetas Wind Technology (Thailand) Co., Ltd. that Winchai has which provide the cost of replacement of the spare part of Wind power plant and other equipment related in the contract. Therefore, the IFA will not project the CAPEX in order to reflect the nature of O&M contract of Winchai.

3.3 Financial cost

Due to Winchai's financial costs arising from debt burden for the power plant project development. The IFA estimates the financial costs including repayment of the principal obligation under the current loan agreement of Winchai.

Table summary of Financial cost of Winchai

Proportion of loan	Loan amount (Baht million)	Interest rate	Repayment
Float rate	1,078.0	THB Fix 3 month ^{1/} + 2.75% per year	Repay principle amount every quarter baht 85.7 million
Fixed rate	800.0	5.00%	
	800.0	5.30%	

Remark: 1/ BOT

2/ The repayment of Winchai has include the loan facility of Winchai already.

Source: Loan agreement of Winchai

However, for consideration on a Conservative Basis, the IFA chooses to use an interest rate based on THB Fix 3 months for 2 period of time: 1) Interest rate based on THB Fix 3 months of the year 2020 for the projection from 2020 to 2021 2) Interest rate based on THB Fix 3 months of 2019 for the projection from 2022 to 2044. As the IFA expects that after the COVID-19 epidemic Interest rates will return to normal. The details as follows;



Table summary assumption of financial cost for the projection

Proportion of loan	Loan amount (Baht million)	Year	Interest rate
Float rate	1,078.0	2563 - 2564	0.60% per year + 2.75% per year
		2565 - 2587	1.40% per year + 2.75% per year
Fixed rate	800.0	2563 - 2587	5.00%
	800.0		5.30%

Source: BOT Loan agreement and the IFA's projection

3.4 Corporate income tax

The Project has received tax privileges from the Board of Investment (“BOI”) under the Investment Promotion Act (BE 2520) for power business; CIT of the Project on net profits are exempted for 8 years from commercial operation date. In addition, the Project will also receive 50.00 percent CIT reduction for 5 years after the expiration of the exemption period. The IFA project CIT of the Project according to this privilege.

3.5 Working capital

The IFA has projected WC of Winchai based on collection period according to invoice of Winchai and payment period according to historical payment period of Winchai. The details is as follows;

Table summary of WC assumption of the Project

Unit: Days	2019	3Q2020	Average 2019 and 9 months of 2020	Projection
DSO	145.87	42.31	94.09	60.00
DPO	68.40	67.12	67.76	67.76

Source: Financial Statement of Winchai and the IFA's projection

Remark: 1/ In 2019, collection period calculated from outstanding invoice which are November to December which is in the period that has high wind speed which result in higher electricity generation to EGAT throughout the year. Therefore, outstanding account receivable as of 31 December 2019 is higher when compare to 9 months period of 2020

2/ For the period 9 months of 2020, the collection period calculated from outstanding invoice of August and September which is in the period where wind speed is lower result in lower electricity generation to EGAT. Therefore, the outstanding account receivable is lower for the year 2019.

The IFA has calculated DSO of Winchai from period of time which are 1) year 2019 from audited financial statement and 2) for the period 9 months from management account of the year 2020 which result in 94.09 days of DSO. However, when comparing to PPA which stated that the collection period of Winchai from EGAT will be 30 days from the date that EGAT received invoice from Winchai. However, the period which EGAT received invoice is another 30 days. Therefore, DSO of Winchai is 60 days. By this reason, in each closing period of Winchai, there will be 2 months pending invoice waiting to be paid from EGAT. Hence,



the IFA uses the outstanding account receivable balance from the pending last 2 months invoice for the assumption throughout the projection.

Moreover, in the year 2019, DSO accounted for 145.87 days which is a result from the electricity generation from winter season which accounted for the highest wind power in the year. Therefore, the outstanding balance for the year 2019 is higher than outstanding balance for the period 9 months of 2020 which is in rainy season.

Nonetheless, the IFA uses 60 days of DSO in order to align with the collection policy of Winchai according to PPA to EGAT and in order to insist in Conservative basis in the projection.

3.6 Terminal Value

The IFA has not project the terminal value of the power plant after 25 years of useful life. Moreover, Winchai rent the land in operating the power plant therefore, after the ending of useful life of Winchai, Winchai has no obligation to sell the land. However, the IFA has projected that decommission of the power plant equated to the residual value. Due to the residual value of the power plant has higher value than the decommission value in order to insist in Conservative basis. Therefore, the IFA projected that decommission of the power plant equate to the residual value of the power plant.

3.7 Discount Rate

Discount rate that is used to calculate present value of free cash flow that the IFA has projected is cost of equity (“Ke”) as follows;

The IFA calculate cost of equity (Ke) according to;

$$K_e = R_f + \beta \times (R_m - R_f)$$

Whereas

Risk Free Rate (Rf)	Based on interest rate of 25-year government bond as of 8 Dec 2020 of 2.01% which align with the useful life of the power plant of Winchai
Market Return (Rm)	Based on 10-year average SET Total Return Index which covers economic cycle between Jan 2010 – Dec 2020 of 7.12%
Adjusted Beta (β_L)	Leverage beta of Winchai's 5- year histrocial (Data from Capital IQ) for Ke which unlevered beta equate to 0.62 based on Padaeng Industry Public Company Limited Eastern



Power Group Public Company Limited Green Resource Public Company Limited Meta Corporation Public Company Limited Sermuang Power Corporation Public Company Limited and Prime road Public Company Limited. (The IFA used 2-year beta for Prime road according to Prime road had just operate Solar power in 2019 in order to reflect beta of the company). Then, the IFA adjust the beta from the comparable companies with capital structure of the Project.

The details are as follows;

$$\begin{aligned} K_e &= 2.01\% + ([0.9 - 1.9] \times [7.12\% - 2.01\%]) \\ &= 5.19\% - 11.92\% \text{ (changing from D/E ratio)} \end{aligned}$$

The summary of the Cost of capital (Ke) in the projection of the IFA. The detail is as follows;

Table summary of cost of capital

	Q4/2020	2021	2022	2023	2024	2025	2026	2027	2028
Levered Beta	1.94	1.61	1.27	1.06	0.90	0.79	0.71	0.65	0.62
D/E	2.12	1.59	1.04	0.69	0.45	0.28	0.14	0.04	-
CIT (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.50%	10.00%
Ke (%)	11.92%	10.25%	8.51%	7.40%	6.63%	6.07%	5.65%	5.32%	5.19%
	2029	2030	2031	2032	2033	2034	2035	2036	2037
Levered Beta	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62
D/E	-	-	-	-	-	-	-	-	-
CIT (%)	10.00%	10.00%	10.00%	10.00%	15.00%	20.00%	20.00%	20.00%	20.00%
Ke (%)	5.19%	5.19%	5.19%	5.19%	5.19%	5.19%	5.19%	5.19%	5.19%
	2038	2039	2040	2041	2042	2043	Q1/2044		
Levered Beta	0.62	0.62	0.62	0.62	0.62	0.62	0.62		
D/E	-	-	-	-	-	-	-		
CIT (%)	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%		
Ke (%)	5.19%	5.19%	5.19%	5.19%	5.19%	5.19%	5.19%		

Source: the IFA's calculation



4) Valuation by DCF

The IFA summarized the projection of the Project by using free cash flow to equity (FCFE) due to the straightforward of finance cost. Therefore, FCFE is the appropriate method in value the fair value of the Project. The details is as follows;

Table summary of the projection of the Project

Unit: Baht million	Q4/2020	2021	2022	2023	2024	2025	2026	2027	2028
Net Profit	96.44	395.01	409.29	418.16	433.95	449.43	464.74	444.92	439.95
D&A	34.60	138.39	138.39	138.39	137.58	137.31	137.31	137.31	137.31
NWC	55.23	(0.45)	(0.45)	(0.51)	(0.52)	(0.47)	(0.48)	(0.28)	33.36 ^{1/}
Net borrowing	(85.70)	(342.80)	(342.80)	(342.80)	(342.80)	(342.80)	(342.80)	(342.80)	(40.70)
FCFE	100.56	190.16	204.43	213.24	228.21	243.47	258.77	239.15	569.92
Discount Factor	0.89	0.81	0.75	0.70	0.65	0.61	0.58	0.55	0.53
PV(FCFE)	89.85	154.10	152.67	148.28	148.82	149.67	150.57	132.13	299.34
Unit: Baht million	2029	2030	2031	2032	2033	2034	2035	2036	2037
Net Profit	158.61	64.11	63.11	62.07	55.94	52.88	51.74	50.70	49.62
D&A	137.31	137.31	137.31	137.31	137.31	137.31	137.31	137.31	137.31
NWC	33.57 ^{1/}	(0.51)	(0.52)	(0.53)	(0.59)	(0.60)	(0.55)	(0.56)	(0.57)
Net borrowing	-	-	-	-	-	-	-	-	-
FCFE	329.49	200.91	199.90	198.86	192.66	189.59	188.51	187.45	186.37
Discount Factor	0.50	0.47	0.45	0.43	0.41	0.39	0.37	0.35	0.33
PV(FCFE)	164.52	95.36	90.20	85.30	78.57	73.50	69.47	65.67	62.07
Unit: Baht million	2038	2039	2040	2041	2042	2043	Q1/2044		
Net Profit	48.51	46.97	45.66	44.44	43.19	41.90	10.34		
D&A	137.31	137.31	137.31	137.31	137.31	137.31	34.33		
NWC	(0.64)	(0.65)	(0.60)	(0.60)	(0.61)	39.73 ^{2/}	20.07 ^{2/}		
Net borrowing	-	-	-	-	-	-	-		
FCFE	185.19	183.64	182.38	181.15	179.89	218.94	64.73		
Discount Factor	0.32	0.30	0.29	0.27	0.26	0.25	0.24		
PV(FCFE)	58.63	55.27	52.18	49.27	46.51	53.82	15.71		

Source: the IFA's projection

Remark: 1/ The increase in NWC of the year is due to the ending of Adder advantage from EGAT in 31 March 2029

2/ The increase in NWC is due to the ending of the Project life

Table summary of value of the Project

Unit: Baht million	30 September 2020
Present value of the Project's free cash flow to Equity ("PV(FCFE)")	2,541.50
Add: Cash and restricted cash as of 30 September 2020	331.31
Equity Value of Winchai	2,872.81
Equity Value 26.25% of Winchai	754.11

Remark: 1/ Financial Statement of Winchai as of Quarter 3 of 2020



Value of Winchai calculated from Discounted Cash Flow Approach in base case is baht 754.11 million.

5) Sensitivity Analysis

The IFA has conducted Sensitivity Analysis of discount rate by increasing/decreasing 3.00% because it is an important factor that might impact the valuation. The changes of +/- 3.00% can reflect key factors of the assumptions that the IFA determines highly variable. The result is as follows;

Table summary of sensitivity analysis of Winchai

(Baht million)		Cost of equity (Ke)				
		-3.0%	-1.5%	Base case	+1.5%	+3.0%
Revenue	-3.0%	719.02	714.52	710.06	705.64	701.27
	-1.5%	741.27	736.65	732.07	727.53	723.03
	Base case	763.56	758.81	754.11	749.45	744.84
	+1.5%	785.88	781.01	776.19	771.41	766.67
	+3.0%	808.24	803.24	798.30	793.40	788.54

Source: the IFA's projection

The IFA chooses the 2 factors in sensitivity which are 1) Cost of Capital of the Project in order to reflect the fluctuation of various factors such as interest rate of Government bond, interest rate in the market and beta of comparable companies. The IFA set a change of Ke of $\pm 3.00\%$ and 2) revenue of the Project to reflect the future revenue stream due to the generation of the electricity has various factors to concern such as Wind speed, Humidity, Seasonal, Availability factor and other unpredictable factors. However, from the analyze of the IFA, toward the season of 2019 the Project has lower electricity generation than expected due to the lower wind speed during the period that expected to have higher wind speed. Hence, the IFA use revenue as a factor that is fluctuate on electricity generation. Moreover, the Project established in 2019 which has risk on revenue stream. The IFA set a change of Ke of $\pm 3.00\%$.

From the table above, the sensitivity analysis of Winchai is between baht 701.27 – 808.24 million which covers the consideration for acquisition of asset of baht 660.0 million. Also, the IFA consider the potential to generate return for Winchai result internal rate of return (IRR) equate to 10.41%, which is higher than the weighted average cost of capital (WACC), which is 5.19% - 6.82%. Therefore, the Transaction is appropriate.

The DCF approach reflects business operation plan, ability to make profit and growth prospect as well as return of equity in the future, which is estimated from revenues and expenses based on an assumption that is considered to be fair and appropriate by the IFA. Hence, the IFA concludes that this valuation approach is appropriate for the valuation of the Company.



3.7.6 Summary of Valuation of the value of Winchai

The IFA projected Winchai's equity value by valuation approaches which can be summarized as follows

Table summary of equity value of Winchai

Approaches	Equity value (Baht million)	Details
1. Book value	259.66	The Book Value is the approach that reflect the financial position at one point in time without take into account of market value of certain assets and significant events after the date of financial statement. Moreover, it will not be able to reflect the ability of asset to generate profit from Winchai's business in the future. Hence, the IFA does not select this valuation approach.
2. Adjusted book value	-	The Adjusted Book Value Approach reflects the net value of assets which is closer to the current value when compared to the Book Value Approach. This approach also considers major incidents occurred after the date of the referred financial statement. Nonetheless, this approach does not reflect future profitability, related industry trends as well as other external factors which has the potential to affect the future performance of the business. Hence, the IFA disregards this valuation approach as there are no asset appraisal reports conducted.
3.1 P/BV	204.63 – 266.12	The Price to Book Value Ratio reflects financial position at a point of time, from comparing with the average ratio of comparable companies. The IFA concludes that the P/BV ratio is not the appropriate approach for the valuation, since it does not reflect the market value of certain assets and significant events after the date of referred financial statement as well as the ability to make profits from the assets for business in the future. Therefore, it is not an appropriate approach. Hence, the IFA does not select this valuation approach.
3.2 P/E	829.66 – 1,157.46	The Price to Earnings Ratio refers to the earnings per share for over the past 12 months and multiplied by the P/E ratio. The IFA concludes that this approach does not taking into account of the difference of business structure, such as, revenue structure and cost structure; therefore, this approach might not fully reflect the actual value. Hence, the IFA does not select this valuation approach.
3.3 EV/EBITDA	1,623.41 – 2,089.49	The EV to EBITDA ratio refers to the EBITDA for over the past 12 months and multiplied by the EV to EBITDA ratio. The IFA concludes that this approach does not taking into account of the difference of business structure, such as, revenue structure and cost structure; therefore, this approach might not fully reflect the actual value. Hence, the IFA does not select this valuation approach
4. Transaction Comparable	761.03	The Transaction Comparable Approach reflects the ability to generate cash flow from operation deducted by the effects of capital structure in different enterprise. The IFA views that this valuation approach contains uncertainty of various factors such as transaction size and time of transaction, which might indicate the misleading share value from the valuation. Hence, the IFA does not select this valuation approach.



Approaches	Equity value (Baht million)	Details
5. Discounted Cash Flow	701.27 – 808.24	DCF approach reflects business operation plan, ability to make profit and growth prospect as well as return of equity in the future, which is estimated from Winchai's revenues and expenses based on an assumption that is considered to be fair and appropriate by the IFA. Hence, <u>the IFA concludes that this valuation approach is appropriate for the share valuation of Winchai.</u>

The IFA conclude that DCF is appropriate valuation method of Equity value of Winchai since approach reflects business operation plan, ability to make profit and growth prospect as well as return of equity in the future. The IFA project various assumption such as sales of electricity according to Winchai's PPA and other assumption that is important to the projection according to historical performance Technical due diligence and information from the Company and public information. The IFA conclude that fair value of Winchai is baht 701.27 – 808.24 million. Also, the IFA consider the potential to generate return for Winchai result internal rate of return (IRR) equate to 10.41%, which is higher than the weighted average cost of capital (WACC), which is 5.19% - 6.82%. Therefore, the Transaction is appropriate.



4. Summary of the Opinion of the Independence Financial Advisor

According to the Company Board of Directors' Meeting No. 15/2020, which was held on December 8, 2020 has resolved to grant approval to propose the Shareholders' Meeting to consider approving the acquisition of shares in Winchai Co., Ltd. in the amount of 2,598,750 shares or representing 26.25% of all shares in Winchai from Ms. Parleerat Panboonhom or an entity which Ms. Parleerat holds the entire shares, as the Company's connected person, at the price of baht 660.00 million (Six Hundred Sixty Million Baht Only) in cash (the Share Acquisition Transaction). However, the Share Acquisition Transaction will take place only after the conditions precedent as specified in the agreement to buy and sell shares between the Company (as buyer) and Ms. Parleerat Panboonhom (as seller) (the Agreement to Buy and to Sell Shares) shall have been fulfilled.

To consider the appropriateness of the Transaction, Avantgarde Capital Company Limited as the IFA of the Transaction analyzed the objectives of the Transaction, historical operating performance from financial statement from the start operating date of Winchai, information from the management team, and public information in order to analyze advantages and disadvantages of entering into the Transaction.

The transaction is one of the strategies and business plans of the Company in a way of reducing dependence on the production and distribution of galvanized steel sheet which is considered to be volatile. Also, increasing the investment in power business which is considered to be less volatile and had stable income. The acquisition of asset from Winchai will increase the capacity from investing in renewable power which the Company has the opportunity to receive a higher from Winchai investment in the Project. The Company will be recognized share of profit according to shareholding proportion in Winchai and dividend income of Winchai is quite stable. This will increase the return to the Company's shareholders. Therefore, the IFA conclude that the transaction is appropriate.

The IFA has performed various method in valuing equity value of Winchai for this transaction. Hence, the IFA conclude that discounted cash flow (DCF) model is the appropriate method which reflects future operating performance under business operation plans and fair assumptions.

The fair value of Acquisition of Asset from Winchai is Baht 701.27 – 808.24 million. When comparing to transaction price at the amount Baht 660.0 million is lower than the fair value of the Acquisition of Asset. Also, the IFA consider the potential to generate return for Winchai result internal rate of return (IRR) equate to 10.41%, which is higher than the weighted average cost of capital (WACC), which is 5.19% - 6.82%. Hence, the IFA conclude that the transaction value is appropriate.

In this regard, the IFA has an opinion that the Acquisition of Asset of Winchai is appropriate and the shareholders should approve the Transaction. However, to consider the Transaction, shareholders shall consider information, opinion and other details prepared by the IFA as mentioned earlier such as assumptions for projected financial performances, the sensitivity analysis to evaluate the impact of fair value on the major assumptions such as discount rate etc. as well as advantages and disadvantages of



entering into the Transaction. However, the decision to approve or disapprove for this Transaction is subject to the consideration of shareholders.



The independent financial advisor certified that the IFA carefully considered and provided financial opinions in accordance with the professional standard by taking into account the best interest of the shareholders.

The Independent Financial Advisor

Avantgarde Capital Co., Ltd.

-Signed-

(Mr. Worawas Wassanont)

Supervisor

-Signed-

(Mr. Worawas Wassanont)

Managing Director



5. Appendix

5.1 Information regarding the Company

5.1.1 Business overview of the Company

Company Name	Thailand Iron Work Public Company Limited		
Location	86 Moo 1 Suksawad Road, Tambol Laemphapa, Phrasamutjeedee District, Samutprakarn Province 10290 Thailand		
Type of Business	Business production and distribution of galvanized steel sheet Color coated steel roofing products Installation of roof and wall contractors as well as production and operation of solar power plants.		
Registration Number	0107537001714		
Website	www.tiw.co.th		
Issued Share capital	Baht 73,050,000.0		
Paid-up Capital	Baht 60,000,000.0		
Board of Director		Name	Position
	1	Ms. Parleerat Panboonhom	Chairman of the board of directors
	2	Mr. Prasit Kanchanasakdichai	Director
	3	Mr. Kriengchai Trinapakorn	Director
	4	Mr. Kriangkrai Danchaivichit	Director
	5	Miss Sukanya Tipmanee	Director
	6	Mr.Sudwin Panyawongkhanti	Independent Director / Audit Committee Chairman
	7	Miss Ratana Sithiprasana	Independent Director / Audit Committee
	8	Miss Punchada Sirivunnabood	Independent Director / Audit Committee

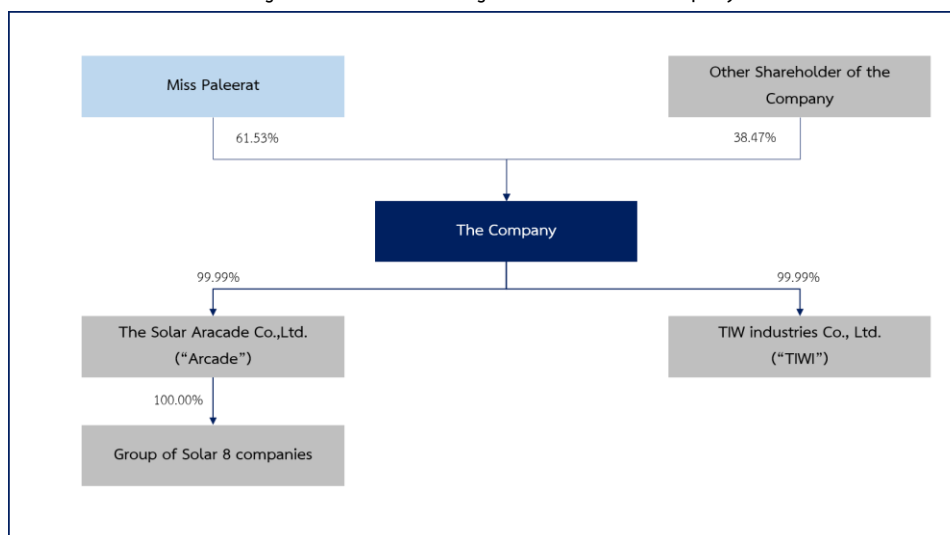
5.1.2 History of the Company

Thailand Iron Works Co., Ltd. was established on April 10, 1958 as a joint investment between Mr. Boonchit Keturainak and Kinoshita Co., Ltd., Japan. By starting the business of manufacturing galvanized steel sheets in the country to replace the imported products from abroad. Since at that time, the company was the country's first manufacturer of galvanized sheet metal. It was promoted under the Investment Promotion Act which was in effect at that time. The Office of the Board of Investment is the person who endorses the said investment promotion for the Company. In the year 2020, the company has received the transfer of solar power plant business from Living Energy Company Limited, including entering into the entire business transfer agreement, other agreements and contracts and other documents related to the investment in the business. The Company established The Solar Arcade Company Limited to enter into the Entire Business Transfer Agreement from Living on June 18, 2020 and the entire business was transferred on July 24, 2020. Subsidiaries operating solar power plants installed on the roof of buildings totaling 8 companies, totaling 10 projects,

with a total installed capacity of 7.8 MW (Solar Power Plant Group), which has a power purchase agreement with MEA and PEA at the price of FIT at 6.6 and 6.2 baht per kWh, respectively. A total of 25 years from the date of SCOD, which currently has approximately 17 years remaining.

5.1.3 Structure of the Company

Diagram illustrates holding structure of the Company



5.1.4 Shareholders of the Company

Table of top 10 shareholders of the Company

	Name	No. of Shares	%
1	Ms. Parleerat Panboonhom	3,691,968	61.53
2	Mr. Prasit Kanchanasakdichai	654,000	10.90
3	Mr. Kriangkrai Danchaivichit	650,000	10.83
4	MITSIAM INTERNATIONAL LTD.	300,000	0.00
5	Mrs. Wilaiwan Arjariyanondha	53,000	5.00
6	Ms. Pakavalee Jearsawatvattana	35,800	0.88
7	Mr. Phairoj Bundayanond	32,000	0.60
8	Miss Kuntida Khongrunghpakorn	31,000	0.53
9	Mr.Suroj Trilojwong	30,000	0.52
10	Mr.Thaninchote Tantipantarak	29,900	0.50

5.1.5 Board of Director of the Company as of 8 December 2020

	Name	Position
1	Ms. Parleerat Panboonhom	Chairman of the board of directors
2	Mr.Sudwin Panyawongkhanti	Independent Director / Audit Committee Chairman
3	Miss Ratana Sithiprasana	Independent Director / Audit Committee
4	Miss Punchada Sirivunnabood	Independent Director / Audit Committee
5	Mr. Prasit Kanchanasakdichai	Director
6	Mr. Kriengchai Trinapakorn	Director
7	Mr. Kriangkrai Danchaivichit	Director
8	Miss Sukanya Tipmanee	Director

5.1.6 Type of Products and Services

Products and services of the Company can be categorized into 5 main groups

(1) Galvanized iron sheet

Can be divided into 2 types

- Corrugated galvanized iron sheet – large and small corrugated sheet, galvanized iron (GI) with zinc color, color-coated galvanized iron in green, blue and red. It is commonly used in households and buildings such as roofing, fencing, building granary etc.
- Flat galvanized iron sheet– commonly used in industries such as advertising board, air conditioner duct, roof ventilator, bathroom door, document cabinet, tool box, water grating, and water tank etc.

Farmers are the main target customer group for sale of the Company's products. Such target group accounts for 80% of the total revenues. Farmers and other customers purchase the Company's products through distributors at construction material store or modern trade.

(2) Metal sheet

Can be divided into 2 types

- Color-coated metal sheet residence, car park, canteen, coffee shop, petro station, condominium, apartment and temple etc. Customers may choose any color of metal sheet.
- Aluzinc Metal Sheet commonly used as roof tile and side installation, awning, canopy, frame, venting, ceiling and fence, etc.

Sheet metal contractors are the main customer group for sale of the Company's products, accounting for 80% of the total revenue. Sheet metal contractors purchase products from the Company's distributors including flat iron manufacturers, construction



material stores, and modern trade. Trademark of the Company's metal sheet is 3 Stars, which is in accordance with Thai Industrial Standards.

(3) ZAM and product made from ZAM

products with trademark of Nisshin Steel Company Limited. ZAM is a hot-dipped galvanized sheet with coating that consists of 87 – 92% zinc, 5-10% aluminum and 3% magnesium. They are commonly used for area with high level of erosion such as wiring rack, windproof panel, fermentation plant, farm building, and grape arbor. The products can withstand high-level of erosion and have better usage and general coated products. They help reducing word procedure and overall costs.

(4) Roofing and siding installation services

The Company has introduced another business by becoming a specialized contractor service for an installation of galvanized iron sheet, Alu-zinc or other type of materials as roofing and siding. During the year 2017-2019, Roofing & Siding Department has imported high-resistance ZAM from Japan as part of roofing material. The Company also provides installation service for roofing made from other materials as required by customers. The service is provided according to terms and conditions of contract as either subcontractor or contractor. Specification of material used and completion date of installation are determined in advance. In respect of receipt of payment, the Company will be paid based on completion of work according to project milestones. Usually, it is agreed under the contract that the Company may submit its invoice once every month.

The target customers include large and small projects, construction of new factory buildings, and repair of old and damaged factory roof with innovative construction technology called "Roof On Roof" which is usually used with construction of large warehouse and factory. Hence, the target customers and groups are local juristic persons or joint venture incorporated in Thailand with investment by foreigners. The service areas are located throughout regions of Thailand.



Example of prior project

- 1) Extension Factory 2 project of Saginomiya (Thailand) Co., Ltd.
- 2) New Warehouse Project of Endo (Thailand) Co., Ltd.
- 3) New Warehouse 2 Project of Nippon Konpo (Thailand) Co., Ltd.
- 4) Iron fence installation project ZAM Fence of Nippon Konpo (Thailand) Co., Ltd.
- 5) New Warehouse Project of Thai Fukuda Corporation Limited

(5) Solar power business

The Company established The Solar Arcade Company Limited, which has 8 subsidiaries operating solar power plants installed on the roof structures, totaling 10 projects with a total installed capacity of 7.8 MW (group Solar power plant business), which has power purchase agreements with the MEA and PEA at FIT format prices at 6.6 and 6.2 baht per kWh, respectively. A total of 25 years from the date of SCOD, which currently has approximately 17 years remaining.

5.1.7 Financial Position and Performance of the Company

The IFA summarized Winchai's performance and financial position based on financial statements from the year 2017 – 2019 and quarter 3 of 2020 audited by Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, as summarized below



1) Key Summary of Financial Statement

Income Statement

Table summary of key figure in the Company's statement of comprehensive income in 2017 – 2019 and quarter 3 of 2018 - 2019

	2017		2018		2019		Quarter 3 2018		Quarter 3 2019	
	Baht million	%	Baht million	%	Baht million	%	Baht million	%	Baht million	%
Revenue from sales	443.34	95.75	561.09	97.24	379.25	96.06	299.74	95.82	321.48	93.66
Revenue from services	19.66	4.25	15.93	2.76	15.55	3.94	13.09	4.18	21.74	6.34
Total revenue from sales and services	463.00	100.00	577.02	100.00	394.80	100.00	312.82	100.00	343.22	100.00
Cost of sales	(340.33)	(73.51)	(471.77)	(81.76)	(351.47)	(89.02)	(268.78)	(85.92)	(385.55)	(112.33)
Cost of services	(12.43)	(2.68)	(18.52)	(3.21)	(16.31)	(4.13)	(12.65)	(4.04)	(17.81)	(5.19)
Total cost of sales and services	(352.76)	(76.19)	(490.29)	(84.97)	(367.77)	(93.15)	(281.43)	(89.96)	(403.36)	(117.52)
Gross Profit	110.24	23.81	86.73	15.03	27.03	6.85	31.39	10.04	(60.14)	(17.52)
Profit from investment in subsidiaries	-	-	-	-	9.73	2.46	9.73	3.11	-	-
Other revenue	3.84	0.83	4.35	0.75	4.07	1.03	3.32	1.06	23.67	6.90
Selling expense	(8.56)	(1.85)	(10.87)	(1.88)	(11.88)	(3.01)	(8.98)	(2.87)	(5.97)	(1.74)
Administrative expense	(26.58)	(5.74)	(41.41)	(7.18)	(21.68)	(5.49)	(17.28)	(5.52)	(26.73)	(7.79)
Management fee	(10.45)	(2.26)	(10.18)	(1.76)	(9.74)	(2.47)	(8.00)	(2.56)	(5.58)	(1.63)
Profit from exchange rate	1.48	0.32	1.04	0.18	0.46	0.12	0.37	0.12	0.01	0.00
Operating Profit	69.97	15.11	29.66	5.14	(2.00)	(0.51)	10.57	3.38	(74.73)	(21.77)
Finance Cost	(0.36)	(0.08)	(1.85)	(0.32)	(2.77)	(0.70)	(2.08)	(0.66)	(5.03)	(1.47)
Profit before income tax	69.61	15.03	27.81	4.82	(4.78)	(1.21)	8.50	2.72	(79.76)	(23.24)
Income tax	-	-	(0.47)	(0.08)	(0.57)	(0.15)	(0.42)	(0.13)	(15.65)	(4.56)
Net profit	69.61	15.03	27.34	4.74	(5.35)	(1.36)	8.07	2.58	(95.42)	(27.80)
Net profit to the Company	69.61	15.03	23.07	4.00	(5.35)	(1.36)	8.07	2.58	(95.42)	(27.80)
Net profit to non-controlling interest	-	-	-	-	-	-	-	-	-	-

Source: Consolidated financial statement as of 31 December 2017 -2019 and Quarter 3 of 2020



Financial Position

Table summary of key figure in the Company's statement of financial position in 2017 – 2019 and quarter 3 of 2019

	31 Dec 2017		31 Dec 2018		31 Dec 2019		Quarter 3 2020	
	Baht million	%	Baht million	%	Baht million	%	Baht million	%
Asset								
Cash and cash equivalent	110.83	12.63	103.05	10.28	91.14	9.61	463.31	26.86
Current investment	123.56	14.08	81.47	8.12	-	-	-	-
Trade and other receivable	41.00	4.67	41.20	4.11	34.43	3.63	41.20	2.39
Current portion of long-term to employee	2.43	0.28	2.48	0.25	2.66	0.28	2.36	0.14
Inventory	321.86	36.69	515.06	51.36	552.34	58.23	375.93	21.79
Other current asset	11.96	1.36	6.00	0.60	3.65	0.38	27.57	1.60
Total current asset	611.63	69.71	749.26	74.72	684.22	72.13	910.37	52.78
Restricted cash	45.00	5.13	45.00	4.49	70.00	7.38	264.88	15.36
Deferred tax asset	15.65	1.78	15.65	1.56	15.65	1.65	-	-
Investment in subsidiaries	-	-	-	-	-	-	-	-
Long-term investment	-	-	1.22	0.12	1.21	0.13	-	-
Long-term loan to employee	3.87	0.44	3.08	0.31	3.55	0.37	2.94	0.17
Property, plant, and equipment	201.17	22.93	188.58	18.81	174.01	18.34	319.80	18.54
Other non-current asset	0.04	0.00	-	-	-	-	-	-
Right of use	-	-	-	-	-	-	175.34	10.16
Goodwill	-	-	-	-	-	-	51.64	2.99
Total non-current asset	265.73	30.29	253.53	25.28	264.42	27.87	814.59	47.22
Total assets	877.36	100.00	1,002.79	100.00	948.64	100.00	1,724.96	100.00
Liabilities								
Short-term loan from Financial institution	62.41	7.11	63.59	6.34	78.94	8.32	462.65	26.82
Short-term loan from related parties	-	-	-	-	-	-	8.00	0.46
Short-term loan	-	-	13.06	1.30	-	-	48.00	2.78
Trade and other payable	21.79	2.48	55.79	5.56	8.60	0.91	48.26	2.80
Current portion of finance lease	-	-	0.35	0.03	-	-	172.42	10.00
Current portion of long-term liabilities from finance lease	-	-	-	-	0.31	0.03	7.13	0.41
Other current liabilities	2.61	0.30	1.42	0.14	0.58	0.06	0.56	0.03
Total current liabilities	86.82	9.90	134.21	13.38	88.43	9.32	747.03	43.31



	31 Dec 2017		31 Dec 2018		31 Dec 2019		Quarter 3 2020	
	Baht million	%	Baht million	%	Baht million	%	Baht million	%
Finance lease	-	-	-	-	0.30	0.03	216.82	12.57
Long-term liabilities from finance lease	-	-	0.69	0.07	-	-	-	-
Employee benefit obligation	22.39	2.55	19.84	1.98	23.21	2.45	19.83	1.15
Total non-current liabilities	22.39	2.55	20.54	2.05	23.51	2.48	236.65	13.72
Total liabilities	109.21	12.45	154.74	15.43	111.94	11.80	983.68	57.03
Shareholders' Equity								
Issued shares	100.00	11.40	73.05	7.28	73.05	7.70	73.05	4.23
Paid-up Capital	60.00	6.84	60.00	5.98	60.00	6.32	60.00	3.48
Share premium	140.00	15.96	140.00	13.96	140.00	14.76	140.00	8.12
Retained Earning								
Appropriate								
-Legal reserve	10.00	1.14	10.00	1.00	10.00	1.05	10.00	0.58
-Other reserve	106.00	12.08	106.00	10.57	106.00	11.17	106.00	6.15
Unappropriated	452.14	51.53	532.05	53.06	520.70	54.89	425.28	24.65
Equity of the Company	768.14	87.55	848.05	84.57	836.70	88.20	741.28	42.97
Non-controlling interest	-	-	-	-	-	-	0.00	0.00
Total shareholder's equity	768.14	87.55	848.05	84.57	836.70	88.20	741.28	42.97
Total liabilities and equity	877.36	100.00	1,002.79	100.00	948.64	100.00	1,724.96	100.00

Source: Consolidated financial statement of 31 December 2017 – 31 December 2019 and Quarter 3 of 2020



Key financial ratio

Table of the Company's key financial ratios in 2017 – 2019 and Quarter 3 of 2020

	2017	2018	2019	Quarter 3 2020
Liquidity ratio				
Current ratio (times)	7.04	5.58	7.74	1.22
Quick ratio (times)	3.34	1.75	1.49	0.72
Account receivable day (days)	23.60	26.00	34.96	27.91
Inventory day (days)	342.78	323.76	554.25	374.54
Account payable day (days)	30.71	30.01	33.43	28.80
Cash Cycle (days)	335.66	319.74	555.78	373.65
Profitability ratio				
Gross profit margin (%)	23.81	15.03	6.85	(17.52)
Operating profit margin (%)	15.11	5.14	(0.51)	(21.77)
Net profit margin (%)	15.03	4.74	(1.36)	(27.80)
Return-on-equity (%)	9.13	3.38	(0.64)	(11.99)
Solvency ratio				
Debt-to-equity ratio (times)	0.14	0.18	0.13	1.33
Interest coverage ratio (times)	194.36	16.03	(0.72)	5.09

Source: calculation of the IFA



2) Discussion on Consolidated Financial Position and Operating Results

Operating Results

Revenue from Sales and Services

Revenue from sales and services consists of revenue from galvanized steel sheet, revenue from installation and revenue from Solar energy business.

In 2018, revenue from sales and services was baht 561.09 million, an increase from 2017 which was baht 443.34 million, amounting to baht 117.75 million or equivalent to a 26.56 percent growth rate. The main reason for the growth rate in revenue from sales is due to the increase in the sales of steel coil amounting to baht 20.4 million and the increase in the sales of Tristar steel sheet amounting to baht 1.4 million. While the increase in revenue from service, amounting to baht 2.2 million, is due to the increase in the number of projects from 2017.

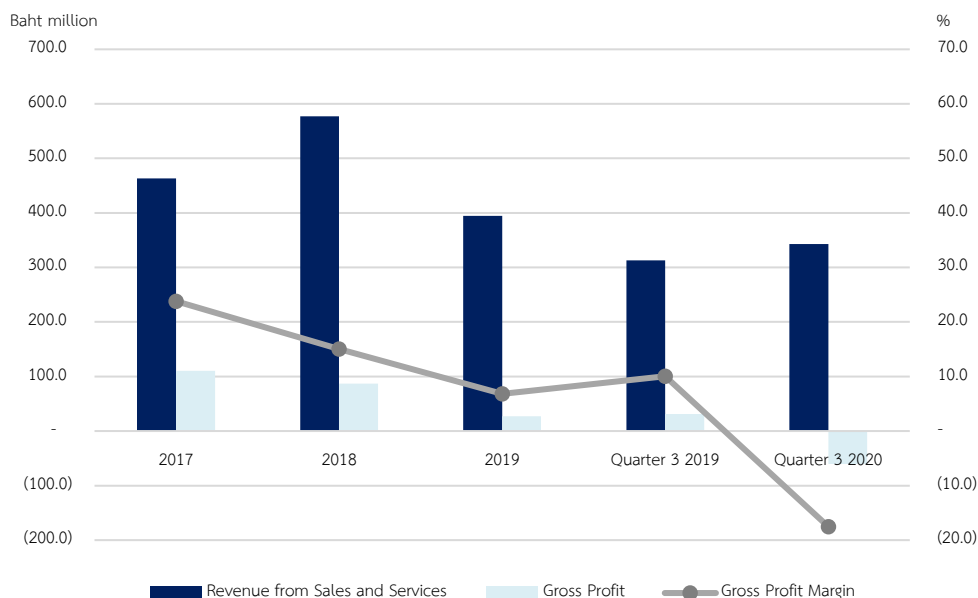
In 2019, revenue from sales and services was baht 379.25 million, a decrease from 2018 which was baht 561.09 million, amounting to baht 181.84 million or equivalent to a 32.41 percent decrease. The main reason for the decrease in revenue is due to the flooding crisis that occurred within many of the Company's main sales areas. Consequently, this drove down the farmers' purchasing power, the Company's main customer base, and thus decreased the Company's sales.

In quarter 3 of 2020, revenue from sales and services was baht 321.48 million, an increase from quarter 3 of 2019 which was baht 299.74 million, amounting to baht 21.74 million or equivalent to a 7.25 percent growth rate. The main reason for the increase in revenue is due to the imposition of TIS Standard on the galvanized steel sheet in quarter 3 of 2020. This prompted the customers into worrying that the products would be undersupplied and thus, customers bought the products as stockpile. In addition, the Company has also invested in The Solar Arcade Co., Ltd., which is a holding company that invests in 8 solar power plant businesses, possess 10 power purchase agreements and have an accumulated electrical generation capacity of 7.8 MW. The Company's revenue from the investment was baht 9.3 million.



Gross Profit

Diagram illustrate revenue, gross profit, and gross profit margin of the Company for the year 2017 -2019 and Quarter 3 of 2019 -2020



In 2018, gross profit was baht 86.73 million, a decrease from 2017 which was baht 110.24 million, amounting to baht 23.51 million or equivalent to a 21.33 percent decrease. The main reason for the decrease is because the Company had set aside the value of obsolete products in 2018. Therefore, this caused the cost of sales to be cheaper in 2017 than in 2018 which decreased the Company's gross profit in 2018.

In 2019, gross profit was baht 27.03 million, a decrease from 2018 which was baht 86.73 million, amounting to baht 59.70 million or equivalent to a 68.83 percent decrease. The main reason for the decrease is due to the flooding crisis that occurred within many of the Company's main sales areas. Consequently, this drives down the farmers' purchasing power, the Company's main customer base, and thus decreased the Company's sales.

In quarter 3 of 2020, gross profit was baht (60.14) million, a decrease from quarter 3 of 2019 which was baht 31.39 million, amounting to baht 91.53 million or equivalent to a 291.55 percent decrease. The main reason for the decrease is due to the decrease in the Company's galvanized steel sheet production capacity while having the same cost of good, in comparison with quarter 3 of 2019. In addition, the Company had a high historical cost of products from stocking thus drove the production cost up.



Selling and Administrative Expenses

In 2018, selling and administrative expenses were baht 52.28 million, an increase from 2017 which was baht 35.14 million, amounting to baht 17.14 million or equivalent to a 82.78 percent growth. The main reason for the increase is due to the increase in the Company's selling and administration expenses in 2018, consisting of legal advisory fee and employee benefits fee.

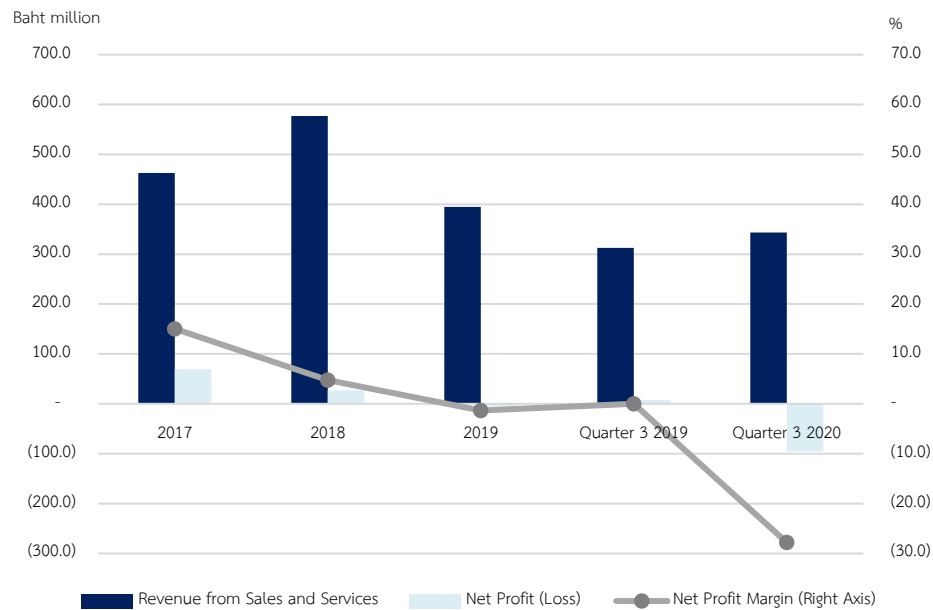
In 2019, selling and administrative expenses were baht 33.56 million, a decrease from 2018 which was baht 52.28 million, amounting to baht 18.72 million or equivalent to a 38.38 percent decrease. The main reason for the decrease is due to the decrease in the Company's selling and administration expenses in 2019, the additional expenses such as legal advisory fee and employee benefits fee were already provided in 2018.

In quarter 3 of 2020, selling and administrative expenses were baht 32.71 million, an increase from quarter 3 of 2019 which was baht 26.26 million, amounting to baht 6.45 million or equivalent to a 21.26 percent growth.



Net Profit

Diagram illustrate net profit and net profit margin of the Company for the year 2017 – 2019 and Quarter 3 of 2019 -2020



In 2018, net profit was baht 27.34 million, a decrease from 2017 which was baht 69.61 million, amounting to baht 42.27 million or equivalent to a 60.72 percent decrease. The main reason for the decrease is because the Company had set aside the value of obsolete products in 2018. Therefore, this caused the cost of sales to be cheaper in 2017 than in 2018 which decreased the Company's gross profit in 2018. In addition, the Company's selling and administration expenses increased in 2018, consisting of legal advisory fee and employee benefits fee.

In 2019, net profit was baht (5.35) million, a decrease from 2018 which was baht 27.34 million, amounting to baht 32.7 million or equivalent to a 119.57 percent decrease. The main reason for the decrease is due to the flooding crisis that occurred within many of the Company's main sales areas. Consequently, this drove down the farmers' purchasing power, the Company's main customer base, and thus decreased the Company's sales.

In quarter 3 of 2020, net profit was baht (95.42) million, a decrease from quarter 3 of 2019 which was baht 8.07 million, amounting to baht 103.49 million or equivalent to a 1,281.87 percent decrease. The main reason for the decrease is due to the decrease in the Company's galvanized steel sheet production capacity while having the same cost of good, in comparison with quarter 3 of 2019. In addition, the Company had a high historical cost of products from stocking thus drove the production cost up.



Consolidated Financial Position

Assets

In 2018, total assets were baht 1,002.79 million, an increase from 2017 which was baht 877.36 million, amounting to baht 125.43 million or equivalent to a 14.30 percent growth. The main reason for the growth is due to the increase in inventory as the Company had a policy of purchasing more raw materials to supply the increase in sales. At the end of 2018, the Company's inventory was baht 515.1 million, an increase from the end of 2017 which was baht 321.9 million, amounting to bath 193.2 million or equivalent to a 60.0 percent growth.

In 2019, total assets were baht 984.64 million, a decrease from 2018 which was baht 1,002.79 million, amounting to baht 54.16 million or equivalent to a 5.40 percent decrease. The main reason for the growth is due to the decrease in the Company's property, plant and equipment. At the end of 2019, the Company's property, property and equipment were baht 170.4 million, a decrease from 2018 which was baht 188.6 million, amounting to baht 14.6 million or equivalent to a 7.7 percent decrease.

At the end of quarter 3 of 2020, total assets were baht 1,724.96 million, an increase from 2019 which was baht 948.64 million, amounting to baht 776.32 million or equivalent to a 81.84 percent growth. The main reason for the growth is due the increase in the Company's restricted cash which were deposits pledged on loans from financial institutions. At the end of quarter 3 of 2020, the Company's restricted cash was baht 264.9 million, an increase from the end of 2019 which was baht 70.0 million, amounting to baht 194.9 million or equivalent to a 278.4 percent growth.

Liabilities

At the end of 2018, total liabilities were baht 154.74 million, an increase from 2017 which was baht 109.21 million, amounting to baht 45.53 million or equivalent to a 41.69 percent growth. The main reason for the growth is due to the increase in the Company's trade payable and other payable as payments to the importers were made by Trust Receipt (TP). At the end of 2018, the Company's trade payable and other payable were baht 55.8 million, an increase from 2017 which was baht 21.8 million, amounting to baht 34.0 million or equivalent to a 156.0 percent growth.

At the end of 2019, total liabilities were baht 111.94 million, a decrease from 2018 which was baht 154.74 million, amounting to baht 42.81 million or equivalent to a 27.66 percent decrease. The main reason for the decrease is due to the decrease in the Company's trade payable and other payable as the Company has repaid the Trust Receipt. At the end of 2019, the Company's trade payable and other payable were baht



8.6 million, a decrease from 2018 which was baht 55.8 million, amounting to baht 47.2 million or equivalent to an 84.6 percent growth.

At the end of quarter 3 of 2020, total liabilities were baht 983.68 million, an increase from 2019 which was baht 111.94 million, amounting to baht 871.74 million or equivalent to a 778.77 percent growth. The main reason for the growth is due to the increase in the Company's short-term loan from financial institution to made payments for the acquisition of the solar power plant business group. At the end of quarter 3 of 2020, the Company's short-term loan from financial institution was baht 462.65 million, an increase from 2019 which was baht 78.94 million, amounting to baht 383.71 million or equivalent to a 486.09 percent growth.

Shareholders' Equity

At the end of 2018, total shareholders' equity was baht 848.05 million, an increase from 2017 which was baht 768.14 million, amounting to baht 79.90 million or equivalent to a 10.4 percent growth.

At the end of 2019, total shareholders' equity was baht 836.70 million, a decrease from 2018 which was baht 848.05 million, amounting to baht 11.35 million or equivalent to a 1.34 percent decrease.

At the end of quarter 3 of 2020, total shareholders' equity was baht 741.28 million, a decrease from 2019 which was baht 836.70 million, amounting to baht 95.42 million or equivalent to a 11.40 percent decrease.

5.1.8 Market conditions and Industry trend

During the year 2019, there was an economic shutdown which resulted in higher competition. Many countries issued many forms of policies to protect their local steel industries. This included the US-China trade war. The United States issued US Section 232 tariffs with the main objective to manage oversupply of steels products from China in the United States. The European Union also used Eu's safeguard measures to manage oversupply of steel products from China in the United States being imported to the European Union. The Department of Foreign Trade, Thailand-issued anti-dumping measures for many steel products. Dumping of hot dipped galvanized cold rolled steel coil and sheet were reviewed and investigated and announced in the government gazette on 21 February 2020. In addition, the Ministry of Industry issued mandatory standards on products requiring that only products with standard certifications from Thai Industrial Standards Institute can be imported for distribution. The standard imposed on galvanized cold rolled steel sheet, which is the Company's main product, is TIS50-2562 for galvanized steel sheet. This standard will prevent dumping of the import of galvanized steel sheet product from overseas as the product cannot be distributed in Thailand unless granted standard certification from Thai Industrial Standards Institute. It is expected that the requirement for this standard certification will be enforced in March 2020.

Competition in the market can be described for each category of product as follows:

1. Cold rolled corrugated galvanized steel sheet or "corrugated galvanized steel sheet"

Corrugated galvanized steel sheet has been the Company's main product for over 60 years. Most customers of the product are farmers in the countryside. During the past year, there was economic slowdown and draught. Draught is also expected to continue to a higher degree in the year 2020. Prices of crops have decreased due to decrease in price support from the government. As a result, revenues generated from the agriculture industry has decreased and so as purchasing power of farmers. In addition, there was dumping of cheap and low quality products supported by the Chinese government in the market. The Company's competitors were able to bring such products into the market, which caused decrease in sales of existing manufacturers and distributors. However, the Department of Foreign Trade has announced to investigate foreign galvanized steel sheet dumping this year. The Company hopes to see more concrete preventive measures, similar to other steel industries which had received protection. The Ministry of Industry has issued regulations on industrial standards mandatory to this type of product and the regulations will be enforced in the near future. Therefore, the Company is confidence that this year it can generate



better revenues and operating performance than the last year despite economic slowdown and increasing degree of draught.

2. Galvanized steel coil

The Company can produce both color-coated and non color-coated galvanized steel coil. At present, there are only a few manufacturers in the country. There was high competition of this product group during the past year due to slowdown of construction industry which is major customer of this product. Competition included substitute products, particularly aluminum-zinc coated steel sheet or "Aluzinc" of which has played an important role and gained high popularity. This product is imported from China and there has been continuous Alu-zinc dumping on Thai market. Although there is anti-dumping measures on the product from China, there has been avoidance on tariff classification by mixing alloy in the product. Recently, the Department of Foreign Trade has issued additional measures to handle such matter. However, implementation of such measures in practice is still unclear. As such, there was a flood of Alu-zinc to Thailand. The Company focuses on color-coated product as the Company's color-coated galvanized coil has received Thai Industrial Standards Institute certification. The Company is one of the only few manufacturers who have received certification for such product. Therefore, the product can be used for public sector and organizations which require high quality standard product. The Company can color-coating the product by itself and can create varied colors than the imported product. The imported product takes time in production and transportation and does not meet required standards. The Company believes that there are demands for standard quality product and there is an opportunity to expand the market share if the Company uses marketing budget to promote the product and create awareness of the product among the customers.

3. Special galvanized steel (ZAM)

Special galvanized steel or ZAM is a product of which the Company received special cooperation from Nisshin Steel (Thailand) Co., Ltd. The company was from Japan but the business has now been transferred to Nippon Steel Trading (Thailand) Co., Ltd. ZAM is a hot-dipped galvanized sheet with coating that consists of zinc, aluminum and magnesium. The product can withstand high-level of erosion and has longer usage. Nisshin Steel (Thailand) Co., Ltd. is an originator of this product in Asia-Pacific region. At present, it has been used for many types of works. The Company has been promoting trial of such product and it has been well-received, particularly for roofing of factories located within a 30-kilometer radius from the coast which is the distance where there are issues with using other types of coated steel sheets. In addition, ZAM is suitable for constructing solar panel foundation, including solar farm and solar rooftop which have



gained increasing popularity. The important competitive products of ZAM are coated steel under the brand “Superdyma” from Nippon Steel and product under the brand “PosMAC” from POSCO, Korea. However, if popularity and acceptance by foreign market is compared, ZAM is more accepted due to its shiny surface, similar to stainless steel, and withstanding high-level of erosion.

4. Solar Power Plant

The challenges in the solar power plant business are quite high. Considering the nature of the market structure and the future competitive situation. Although the generation of electricity from solar energy has many attractive factors which are worth building a business upon. As electricity is essential for economic growth of the country and the demand for electricity will be even higher in the future. However, considering the market environment with few buyers (EGAT, PEA and MEA) and the government who referees the market (criteria for the purchase, related regulations, volume and purchase rate) who is able to make decisions upon the price of the adder for new power purchase agreements which is the main income for the business in this industry. In addition, the government has set a ceiling on the amount of electricity purchased from solar energy which is stipulated in the power purchase agreement. This will limit the size of the market for solar farm investment and development in the future. Considering the competition, there is a tendency that the competition to enter the industry will increase. Especially, the competition for the PPA which is due to the fact that there are many players interested in this business. This includes foreign companies with high technology and the ability of cost-managing the solar power generation.



5.1.9 The Company's pricing policy and product delivery policy

- (1) Before-sale customer responsibility policy before sales. Before-sales servicing at every step ranging from analysis on customers' needs to present the products that meet their needs, delivery accurate price quotations with detailed product descriptions and present the customers with courtesy and respect.
- (2) During-sale customer responsibility policy in which all price quoted are fairly value according to the market conditions within that period. This also includes delivering the right documents to the customers such as tax invoice, product quality assurance and delivery slip. The documents delivered to the customers must be comprehensive. The delivering process should be fast and efficient. During the negotiation, the documents will be revealed every time to prevent any mistakes in the transaction.
- (3) After-sale customer responsibility policy includes ensuring there is an after-service to the customers after the products are sold. Follow up after-sales service by having a quality inspection team after sales both in terms of product and document including listening to opinions and suggestions from every customer in order to develop and adjust competitive strategies for sales and marketing. Product warranty terms can be summarized as follows
 - 1) The company will warrant products against manufacturing errors that will result in abnormal use.
 - 2) The warranty covers problems arising from normal use only. The warranty will be void in the event of use other than normal use, for example:
 - Damage caused by improper installation
 - Lack of installation knowledge and expertise
 - Incorrect configuration. Does not comply with the installation instructions.
 - Damage caused by transportation and other conditions As specified in the product warranty card
- (4) Warranty is determined based on warranty card, receipt or other evidence from the day the transaction was carried out



5.1.10 Procurement of Products and Services

Details on procurement of products for distribution in the past year, number of factories, total production capacity, procurement of raw material or products, number of raw material distributors and proportion between local and overseas raw material purchase.

(1) Procurement of products and Local manufacturers and distributions

- Cold-rolled steel sheet (CRC) manufacturers and distributors are: NS-Siam United Steel Company Limited, Thai Cold Rolled Steel Sheet Public Company Limited, Mitsui & Co., (Thailand) Ltd. and Marubeni-Itachu Tubulars (Thailand) Ltd.
- 55% aluminum-coated hot-dipped galvanized steel sheet (GL) manufacturer and distributor is: Dongkuk Steel (Thailand) Ltd.

Overseas Manufacturer

- Zinc manufacturer is: Toho Zinc Co., Ltd. and Korea Zinc Co., Ltd
- Hot-dip galvanized steel sheet (GI) distributor is: Zhejiang Catarich International Trade Co., Ltd. and Changzhou Machinery & Equipment Import & Export Co Ltd.
- Hot-dipped galvanized steel sheet with aluminums and magnesium coating (ZAM) distribution is: Nisshin Steel Co., Ltd.

The Company has a network with manufacturers and distributors of steel in Thailand and overseas. Hence, the Company is able to source raw material at suitable price and quality for each product type. At present, the Company procures raw material with similar quality locally and overseas. Hence, it can manufacture high quality products and does not face any issue with the lack of raw material.

(2) Procurement of products for roofing and siding installation service

The Company procures galvanized iron sheet from local distributors. The Company then cut and form the products at the Company's factory area or site. All other components are sourced locally. Hence, the Company does not have any issue with the lack of raw material.

Affix Stamp Duty
Baht 20

Proxy Form B

Made at

Date..... Month..... Year.....

(1) I/We, nationality,
residing/located at No.....Road, Tambol/Kwaeng,
Amphur/Khet Province, Postal code

(2) Being a shareholder of Thailand Iron Works Public Company Limited holding..... shares in total
which are entitled to cast votes as follows:

Ordinary shares: shares in total which are entitled to cast votes; and

Preferred shares: shares in total which are entitled to cast votes.

(3) I/we wish to appoint

1) age years,
Residing/located at No. Road, Tambol/Kwaeng,
Amphur/Khet Province, Postal code

or 2) age years,
Residing/located at No. Road, Tambol/Kwaeng,
Amphur/Khet Province, Postal code

or 3) age years,
Residing/located at No. Road, Tambol/Kwaeng,
Amphur/Khet Province, Postal code

or Dr. Ratana Sithiprasasna , Independent director and Member of the Audit Committee

Only one person as my/our proxy to attend and vote for me/us at the Extraordinary General Meeting of Shareholders No. 1/2021 of Thailand Iron Works Public Company Limited to be held on Wednesday, January 27, 2021 at 14.00 hours at Social Room Meeting Room, 2nd floor, W Bangkok Hotel, No. 106 North Sathon Road, Silom, Bang Rak, Bangkok or such other date, time and place as may be adjourned.

(4) I/We authorise my/our proxy to cast the votes on my/our behalf at the above Meeting in the following manners:

Agenda 1 To consider approving the Minutes of the Extraordinary General Meeting of Shareholders No. 1/2020, held on Tuesday, June 9, 2020

(A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.

(B) The proxy must cast the votes in accordance with the following instructions:

Approve Disapprove Abstain

Agenda 2 To consider approving the acquisition and acceptance of transfer of shares in Winchai Co., Ltd.

(A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.

(B) The proxy must cast the votes in accordance with the following instructions:

Approve Disapprove Abstain

Agenda 3 To consider approving the reduction of the Company's registered capital by cancelling the authorized but unissued ordinary shares

(A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.

(B) The proxy must cast the votes in accordance with the following instructions:

Approve Disapprove Abstain

Agenda 4 To consider approving the amendment of Clause 4 of the Memorandum of Association to be in line with the reduction of the Company's registered capital

(A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.

(B) The proxy must cast the votes in accordance with the following instructions:

Approve Disapprove Abstain

Agenda 5 To consider approving the change of the par value of the Company's shares

(A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.

(B) The proxy must cast the votes in accordance with the following instructions:

Approve Disapprove Abstain

Agenda 6 To consider approving the amendment of Clause 4 of the Memorandum of Association to be in line with the change of the par value of the Company's shares

(A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.

(B) The proxy must cast the votes in accordance with the following instructions:

Approve Disapprove Abstain

Agenda 7 To consider approving the increase of the Company's registered capital by THB 10,000,000 from the current registered capital of THB 60,000,000 to be THB 70,000,000 by issuing 20,000,000 newly issued ordinary shares with a par value of THB 0.50 per share

(A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.

(B) The proxy must cast the votes in accordance with the following instructions:

Approve Disapprove Abstain

Agenda 8 To consider approving the amendment of Clause 4 of the Memorandum of Association to be in line with the increase of the Company's registered capital

- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
- Approve Disapprove Abstain

Agenda 9 To consider approving the right offering of the newly issued ordinary shares of the Company

- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
- Approve Disapprove Abstain

Agenda 10 To consider approving the amendment of the Company's objectives

- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
- Approve Disapprove Abstain

Agenda 11 To consider approving the amendment of Clause 3 of the Memorandum of Association to be in line with the amendment of the Company's objectives

- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
- Approve Disapprove Abstain

Agenda 12 To consider approving the change of the Company's name and seal

- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
- Approve Disapprove Abstain

Agenda 13 To consider approving the amendment of Clause 1 of the Memorandum of Association of the Company to be in line with the change of the Company's name

- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
- Approve Disapprove Abstain

Agenda 14 To consider approving the amendment of the Articles of Association of the Company to be in line with the change of the Company's name and seal and the e-meeting regulation

- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
 - Approve Disapprove Abstain

Agenda 15 To consider approving the change of the Company's office address

- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
 - Approve Disapprove Abstain

Agenda 16 To consider approving the amendment of Clause 5 of the Memorandum of Association to be in line with the change of the Company's office address

- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
 - Approve Disapprove Abstain

Agenda 17 Other businesses (if any)

(5) The proxy's voting for any agenda that is not consistent with the intention specified under this proxy shall be deemed invalid and shall not be considered as my/our voting as the shareholder.

(6) If I/we did not indicate nor clearly specify my/our voting instructions in any agenda or if the meeting considered or resolved any matter other than those stated above, or if there was any change or addition to the factual matters, then the proxy would be entitled to cast the votes on my/our behalf at its own discretion.

Any acts performed by the proxy during the meeting except the proxy's voting that is not consistent with my/our intention as specified under this proxy, shall be deemed to have been done by me/us in all respects.

Signed..... Grantor
(.....)

Signed..... Grantee
(.....)

Signed..... Grantee
(.....)

Signed..... Grantee
(.....)

Remarks

1. A shareholder may grant a proxy to only one person. The number of shares held by a shareholder may not be divided into several portions and granted to more than one proxy in order to divide the votes.
2. A proxy granted for the election of directors may be made for any particular director(s) or for all directors to be elected.
3. Any additional agenda can be specified in the attachment to the proxy form.

Attachment to Proxy Form B

A proxy is granted by a shareholder of Thailand Iron Works Public Company Limited.

For the Extraordinary General Meeting of Shareholders No. 1/2021 of Thailand Iron Works Public Company Limited to be held on Wednesday, January 27, 2021 at 14.00 hours at Social Room Meeting Room, 2nd floor, W Bangkok Hotel, No. 106 North Sathon Road, Silom, Bang Rak, Bangkok or such other date, time and place as may be adjourned.

.....

Agenda no re:

- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
 - Approve..... votes Disapprove.....votes Abstain.....votes

Agenda no re:

- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
 - Approve..... votes Disapprove.....votes Abstain.....votes

Agenda no re:

- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
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 - Approve..... votes Disapprove.....votes Abstain.....votes

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- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
 - Approve..... votes Disapprove.....votes Abstain.....votes

Affix Stamp Duty
Baht 20

Proxy Form C

(This Form is designed for foreign shareholder who has appointed a Custodian to act as his/her Depository and Trustee in Thailand)

Made at

Date..... Month.....Year.....

(1) I/We,
Residing/located at No. Road, Tambol/Kwaeng,
Amphur/Khet Province, Postal code
in the capacity of a Depository and Trustee (Custodian) for
who is a shareholder of Thailand Iron Works Public Company Limited, holding shares in
total which are entitled to cast votes as follows:

Ordinary shares: shares in total which are entitled to cast votes; and

Preferred shares: shares in total which are entitled to cast votes.

(2) I/we wish to appoint

1) age years,
residing/located at No. Road, Tambol/Kwaeng.....
Amphur/Khet Province, Postal code.....

or 2) age years,
residing/located at No. Road, Tambol/Kwaeng.....
Amphur/Khet Province, Postal code.....

or 3) age years,
residing/located at No. Road, Tambol/Kwaeng.....
Amphur/Khet Province, Postal code.....

or Dr. Ratana Sithiprasasna , Independent director and Member of the Audit Committee

Only one person as my/our proxy to attend and vote for me/us at the Extraordinary General Meeting of Shareholders No. 1/2021 of Thailand Iron Works Public Company Limited to be held on Wednesday, January 27, 2021 at 14.00 hours at Social Room Meeting Room, 2nd floor, W Bangkok Hotel, No. 106 North Sathon Road, Silom, Bang Rak, Bangkok or such other date, time and place as may be adjourned.

(3) The number of votes which are granted to my/our proxy to vote at the above meeting are as follows:

- All of my/our shares eligible to vote
 - Only partial number being
 - ordinary shares which are entitled to cast votes; and
 - preferred shares which are entitled to cast votes,
- Totalling votes.

(4) I/We authorise my/our proxy to cast the votes on my/our behalf at the above Meeting in the following manners:

Agenda 1 To consider approving the Minutes of the Extraordinary General Meeting of Shareholders No. 1/2020, held on Tuesday, June 9, 2020

- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
 - Approve Disapprove Abstain

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- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
 - Approve Disapprove Abstain

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- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
 - Approve Disapprove Abstain

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- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
 - Approve Disapprove Abstain

Agenda 5 To consider approving the change of the par value of the Company's shares

- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
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- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
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- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
 - Approve Disapprove Abstain

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- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
 - Approve Disapprove Abstain

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- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
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- (B) The proxy must cast the votes in accordance with the following instructions:
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- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
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- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
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- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
 - Approve Disapprove Abstain

Agenda 15 To consider approving the change of the Company's office address

- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
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- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
 - Approve Disapprove Abstain

Agenda 17 Other businesses (if any)

(5) The proxy's voting for any agenda that is not consistent with the intention specified under this proxy shall be deemed invalid and shall not be considered as my/our voting as the shareholder.

(6) If I/we did not indicate nor clearly specify my/our voting instructions in any agenda or if the meeting considered or resolved any matter other than those stated above, or if there was any change or addition to the factual matters, then the proxy would be entitled to cast the votes on my/our behalf at its own discretion.

Any acts performed by the proxy during the meeting except the proxy's voting that is not consistent with my/our intention as specified under this proxy, shall be deemed to have been done by me/us in all respects.

Signed..... Grantor
(.....)

Signed..... Grantee
(.....)

Signed..... Grantee
(.....)

Signed..... Grantee
(.....)

Remarks

1. This Proxy Form C is designed for only foreign shareholder of record who has appointed a Custodian to act as his/her Depository and Trustee in Thailand.
2. Documentary evidences require to be enclosed together with this proxy are as follows:
 - (1) A Shareholder's power of attorney which authorizes the Custodian to sign the proxy on his/her behalf.
 - (2) A letter of certification confirming that the person who signed the proxy has been authorized to engage in a custodian business.
3. A shareholder may grant a proxy to only one person. The number of shares held by a shareholder may not be divided into several portions and granted to more than one proxy in order to divide the votes.
4. A proxy granted for the election of directors may be made for any particular director(s) or for all directors to be elected.
5. Any additional agenda can be specified in the attachment to the proxy form.

Attachment to Proxy Form C

A proxy is granted by a shareholder of Thailand Iron Works Public Company Limited.

For the Extraordinary General Meeting of Shareholders No. 1/2021 of Thailand Iron Works Public Company Limited to be held on Wednesday, January 27, 2021 at 14.00 hours at Social Room Meeting Room, 2nd floor, W Bangkok Hotel, No. 106 North Sathon Road, Silom, Bang Rak, Bangkok or such other date, time and place as may be adjourned.

.....

Agenda no re:

- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
 - Approve..... votes Disapprove.....votes Abstain.....votes

Agenda no Re:

- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
- (B) The proxy must cast the votes in accordance with the following instructions:
 - Approve..... votes Disapprove.....votes Abstain.....votes

Agenda no Re:

- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
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 - Approve..... votes Disapprove.....votes Abstain.....votes

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- (A) The proxy is entitled to cast the votes on my/our behalf at its own discretion.
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 - Approve..... votes Disapprove.....votes Abstain.....votes

Articles of Association: Shareholder's Meetings

36. In a shareholders' meeting, there must be at least 25 shareholders or one-half of the total shareholders and holding not less than one-third of the total shares issued present in persons or by proxies (if any) in order to constitute a quorum.

If within an hour from the time fixed for the shareholders' meeting, the quorum prescribed by the first paragraph is not constituted, the meeting, if called upon the requisition of the shareholders, shall be dissolved. If such meeting is called other than by the shareholders' requisition, another meeting shall be called and a notice of the meeting shall be sent to the shareholders at least 7 days prior to the meeting date. At such meeting, no quorum shall be necessary.

37. In any shareholders' meeting, a shareholder is entitled to appoint a proxy to represent him at the meeting and have the right to vote.

The instrument appointing a proxy shall be in written and signed by the shareholder appointing the proxy in accordance with a form as prescribed by the Public Company Registrar and shall at least have the following particulars:

- a) the amount of shares held by such shareholder;
- b) the name of the proxy;
- c) the meeting for which the proxy is appointed to attend and vote.

Such instrument appointing the proxy shall be submitted to the chairman or the person authorised by the chairman prior to the proxy attending the meeting.

38. In the event the meeting has not completed its consideration for the agenda prescribed in the notice of the meeting or for matters raised by the shareholders holding not less than one-third of the total shares issued and it is necessary that the consideration be adjourned, the meeting shall fix place, date, and time for the next meeting and the board of directors shall give a notice of the meeting indicating the place, date, time, and agenda to shareholders of not less than 7 days prior to the meeting date. The said notice shall also be published in a newspaper with at least 3 days prior to the meeting date.

39. The chairman of the board of directors shall be the chairman for the shareholders' meeting. In the event the chairman is not present or is unable to discharge his duties, vice-chairman, if any, shall serve as the chairman. If there is no vice-chairman or such vice-chairman is unable to discharge his duties, the shareholders present shall elect one of their members to be the chairman.

40. In every shareholders' meeting, all shareholders shall have one vote for each share.

A shareholder who has a special interest in any resolution may not vote on such resolution, except for the election of directors.

A resolution of any shareholders' meeting shall be passed by majority votes of all shareholders attending the meeting and having the right to vote, except for the following cases where a resolution of not less than three-fourths of the votes of the shareholders attending the meeting and having the right to vote is required:

- a) the sale or transfer of the Company's business whether in whole or in substantial part to any other person;
- b) the purchase or acceptance of any transfer of the business of other public or private companies; and
- c) the enter into, alteration or termination of any agreement concerning the lease, in whole or in substantial part, of the Company's business, an assignment to any person for the management of the Company's business, or the merger with any other person for the purpose of profit and loss sharing.

Required Documents

For the attendance to the Extraordinary General Meeting of Shareholders No.1-2564

1. The shareholder attends the meeting by himself/herself

Please show the Identity card or the Official identification card or the driving license or any card that show the picture of the shareholder and the Registration Form.

2. In case of Proxy

2.1 The proxy must show his/her Identity card or the Official identification card or the driving license or any card that show the picture of the proxy and the Registration Form.

2.2 The Grantor, individual person, must sign in the proxy form in the same manner as in his/her copy of the Identity card or the Official identification card or the driving license or any card that show the picture of the Grantor. Such paper should be attached to the proxy form and submitted to the company prior to the attendance to the meeting.

2.3 The Grantor, juristic person, must sign in the proxy form in the same manner as in the company's certificate showing name of authorized signatories. Such paper should be attached to the proxy form and submitted to the company prior to the attendance to the meeting.

3. The company will not permit the shareholder or the proxy to attend the meeting in case that he/she cannot show any evidence as specify in the above mention.

Information of directors proposed by the company as a proxy

Name-Surname: Dr.Ratana Sithiprasasna

Position: Independent Director, Member of the Audit Committee, Member of the Nomination Remuneration and Corporate Governance Committee

Family relationship with other directors: None

Nationality: Thai

Number of Shareholding: None

Interest at any agenda item: None

Highest academic qualifications: Ph.D. in Tropical Medicine, Mahidol University

IOD Training Program: Directors Accreditation Program (DAP) Class of 177/2020

Current positions in other companies or organizations: None

Any business matters that may cause conflict with the Company.: None

Attendance at the Board of Directors Meeting in the past year: 6/6

Attendance at the Audit Committee Meeting in the past year: 3/3

Map of the Meeting Venue

the Extraordinary General Meeting of Shareholders No. 1/2021

of Thailand Iron Works Public Company Limited

to be held on Wednesday, January 27, 2021 at 14.00 hours at Social Room Meeting Room, 2nd floor,

W Bangkok Hotel, No. 106 North Sathon Road, Silom, Bang Rak, Bangkok

