



Siamraj Public Company Limited
289/9 Moo 10, Old Railway Road, Samrong,
Phrapradaeng, Samutprakarn 10130, Thailand
Tel : 02-743-5010-25 Fax : 02-743-5007-8

**Information Memorandum Concerning the Acquisition of Assets Pursuant
to Schedule 2 (only the information stipulated in Clauses 1, 2, 3, 5(3), 7 and 8 of Schedule 2)**

Ref. SR-L2560/005

August 9, 2017

Re: Information Memorandum Concerning the Acquisition of Assets Pursuant to Schedule 2 (only the information stipulated in Clauses 1, 2, 3, 5(3), 7 and 8 of Schedule 2)

To: Shareholders of Siamraj Public Company Limited

Enclosure: Information Memorandum Concerning the Acquisition of Assets Pursuant to Schedule 2 (only the information stipulated in Clauses 1, 2, 3, 5(3), 7 and 8 of Schedule 2)

Siamraj Public Company Limited (“**Company**” or “**SR**”) would like to hereby inform you that the Board of Directors’ Meeting No. 7/2017 held on July 27, 2017, resolved to approve TKS Venture Co., Ltd. (“**TKS**”), a subsidiary¹ of the Company, to enter into the lease transaction of the land neighboring Thammasat University Hospital, Rangsit Center Branch, from Thammasat University at the approximate area of 6 Rai 2 Ngan and proceed with the construction and management of the parking building project at Thammasat University Hospital (Rangsit Center Branch) (“**Project**”) with the 30-year lease term from the completion date of construction for the building. The total investment value is 394 million Baht dividing into the investment for the construction of project at the amount of 350 million Baht and the rental fee to be paid throughout the term of lease agreement at the amount of 44 million Baht. The resolution was also passed to ratify the execution of the land lease agreement for the construction and management of the parking building at Thammasat University Hospital (Rangsit Center Branch) with Thammasat University (“**Lessor**”) on July, 17 2017 (the “**Land Lease Agreement**”) and other relevant proceeding conducted thereto.

Such transaction is an acquisition of the assets of the Company which has the maximum transaction value of 29.38 percent calculated from the total value of consideration basis of the reviewed Consolidated Financial Statements of the Company for the 3-month period ending 31 March 2017 in accordance with the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and 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 Disposition of Assets, 2004 (the “**Notifications on Acquisition or Disposal**”). In addition, upon

¹ SR Commercial Holding Co., Ltd. (“**SRCH**”) currently holds TKS’s shares in an amount of 80 percent, whereby SR holds SRCH’s shares in an amount of 99.99 percent.



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the combination of the value of such transactions with the value of the other asset acquisition transaction of the Company that has occurred during the past 6 months which is equivalent to 7.27 percent (comprising the investment transaction in SR Power Holding Co., Ltd. of 0.56 percent, investment transaction in SRCH of 6.11 percent and investment transaction in TKS of 0.60 percent), the total value of the transactions will be equivalent to 36.65 percent, which will be classified as a Class 2 Transaction, i.e. a transaction with a value equivalent to 15 percent or higher, but lower than 50 percent in accordance with the Notifications on Acquisition or Disposal. As a result, the Company is required to:

- (1) disclosure of the information memorandum of such transactions to the Stock Exchange of Thailand and the shareholders; and
- (2) delivery of the information memorandum of such transactions to its shareholders within 21 days after disclosing to the Stock Exchange of Thailand the acquisition and disposal of the assets.

In order to be in compliance with the Notifications on Acquisition or Disposal, the Company would like to deliver the Information Memorandum on the Acquisition of Assets in respect of the lease transaction of the land neighboring Thammasat University Hospital, Rangsit Center Branch, from Thammasat University and proceed with the construction and management of the parking building project at Thammasat University by the Company's subsidiary (details as set out in Enclosure) to all shareholders whose names appear on the share register as at the latest closing date on June 30, 2017.

Please be informed accordingly.

Yours Sincerely,

(Mr. Kiat Vimolchalao)

Director and Chief Executive Officer

Authorized to sign behalf of the Company



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Enclosure

**Information Memorandum Concerning the Acquisition of Assets Pursuant
to Schedule 2 (only the information stipulated in Clauses 1, 2, 3, 5(3), 7 and 8 of Schedule 2)**

1. Information Memorandum Disclosed Pursuant to Schedule 1 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 Disposition of Assets B.E. 2547 (as amended)

(1) Transaction date:

July 17, 2017

(2) Related Parties and their Relationship with the Company:

Lessor : Thammasat University

Lessee : TKS Venture Co., Ltd., a Company's subsidiary (SRCH having SR holds its shares of 99.99 percent and it holds the shares in TKS at 80 percent)

Relationship : The Lessor is not a connected person of the Company.

(3) General Description, Class, and Value of the Transaction:

TKS has entered into the Land Lease Agreement with the Lessor on July 17, 2017 and determined the conditions and terms on the land lease ("Leased Property") to be utilized for the construction and management of parking building at Thammasat University Hospital (Rangsit Center Branch) with the material details of the Land Lease Agreement as follows:

Leased Property : Land situated on the Land Title Deed No. 1867, Tambon Khlong Nucang, Amphur Khlong Luang, Pathumthani Province (partially) with the area approximately of 6 Rai 2 Ngan.

Design and Construction of Building : The Lessee agrees to be responsible for the design and construction of building to construct the parking building and the commercially leased area as well as the utilities systems, the building pursuant to which consisting of five stories: plaza area in the first floor having the area of 6,400 sq. m. and parking area in the second to fifth floors having the area of 25,600 sq. m. (central facility area included), using its own investment in order for the ownership to be given up to the Lessor subject to the terms of agreement.



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- Term of the Design and Construction** : Within 2 years from the date that the contractual parties have registered the lease rights and delivered the Leased Property to the Lessee.
- Ownership of the Project's building** : Building and structures together with all component parts and equipment supplementary to the structures shall be the ownership of the Lessor forthwith upon the completion date of construction for the building and structures and the Lessor has already inspected and accepted the building and structures.
- Lease term** : 30 years from the completion date of construction for the building and structures and the Lessor has already inspected and accepted the building and structures. The Lessee is entitled to operate its business or utilize the building and structures within the project's area.
- Rental fees** : For the initial 5-year, at 1,300,000 Baht per year and shall be increased at the rate of 5 percent for every 5 years.
- Agreement on the revenue sharing** : The Lessee agrees to share the revenue from the parking service fee, rental fee for the commercial area of the building and other service fees to the Lessor according to the determined conditions.

Class and Value of Transaction

- (1) Rental fee throughout the term of Land Lease Agreement totaling 44 million Baht.
- (2) Investment in the construction of project totaling 350 million Baht.

Total transaction value is 394 million Baht or 29.38 percent calculated from the total value of consideration basis based on the reviewed Consolidated Financial Statements of the Company ending 31 March 2017 with the details of calculation as follows:

(a) Net Tangible Assets: NTA

Not applicable, as it is a Land Lease Transaction.

(b) Net Profit from Operation

Not applicable, as it is a Land Lease Transaction.



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(c) **Total Value of Consideration**

$$= \frac{(\text{Rental fee payable under the agreement} + \text{Value of construction cost}) \times 100}{\text{Total assets as of 31 March 2017}}$$

$$= \frac{(44.21 + 350) \times 100}{1,341.93} \text{ (million Baht)} = 29.38 \text{ percent}$$

(d) **Value of Securities**

Not applicable, as no new securities have been issued.

In this regard, upon the combination of the value of such transaction with the value of the other asset acquisition transactions of the Company that has occurred during the past 6 months, the details shall be as follows:

Details of Asset Acquisition Transaction	Million Baht	Transaction Date	Transaction Value (percentage)
1. Lease rights of the land for the construction and management of the parking building at Thammasat University Hospital			
1.1 Projected preliminary investment budget	350.00	17 Jul 17	
1.2 Rental fee of the lease agreement (30 years)	44.21		
Total value of project	394.21		
Value in proportion to the Company's investment in TKS (100 percent)	394.21		29.38
<i>Acquisition transaction occurred during the past 6 months</i>			
2. Investment in SR Power Holding Co., Ltd., in the proportion of 99.99 percent	7.50	18 May 17	0.56
3. Investment in SR Commercial Holding Co., Ltd., in the proportion of 99.99 percent	82.00	5 Jul 17	6.11
4. Investment in TKS Venture Co., Ltd., in the proportion of 80 percent	8.00	12 Jul 17	0.60
Total acquisition transaction in the past 6 months			7.27
Total transaction value			36.65

Therefore, the total transaction value shall be equal to 36.65 percent which will be classified as a Class 2 Transaction, i.e. a transaction with a value equivalent to 15 percent or higher, but lower than 50 percent in accordance with the Notifications on Acquisition or Disposal. As a result, the Company is required to disclose an



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information memorandum on the entering into such transactions to SET, and deliver a notice to the shareholders within 21 days from the disclosure date to SET.

(4) Details of the asset to be acquired or disposed

TKS shall lease the land with the approximate area of 6 Rai 2 Ngan, on a 30-year term from the completion date of construction for the building and structures and the Lessor has already inspected and accepted the building and structures, to be used for the construction and management of the parking building at Thammasat University Hospital (Rangsit Center Branch). Within such term, TKS is entitled to operate its business or utilize the building and structure within the project's area.

(5) Total value of consideration

The total investment value of such lease is 394 million Baht, which consists of the total amount of expenses incurred from the lease of land of 44 million Baht (determined by Thammasat University) and the construction costs of the project of 350 million Baht which is an average cost calculated from the construction cost proposed by contractors for the Company's consideration.

(6) Methods used to determine the total value of consideration

The Land Lease Transaction constitutes the execution of a long-term Land Lease Agreement for the construction and management of the parking building project at Thammasat University Hospital (Rangsit Center Branch). The consideration is considered the Thammasat University.

(7) Expected benefits:

The management of parking building will generate the revenue by collecting parking fees per hour, and the Company would receive rental fees obtained from the lease in plaza area on the first floor. This business is a new source of revenue that the Company shall be able to generate a fixed revenue throughout the contractual term of 30 years and shall also support SR's sustainable growth. Moreover, this is also a beginning of the project for parking service together with the commercial area. In this regard, the Company intends to focus on the same business segment as usual.

(8) Source of Funds:

The Company will use the cash flow from its business operation and will secure loans from financial institutions. In this regard, during the initial 3 installments of 2017, SR's debt to equity ratio was at 0.43 times which reflects the strength of the capital structure and the competency to secure the loan. SR anticipates that the securing of a loan should result in no conditions that will affect the rights of its shareholders.



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(9) Opinion of the Board of Directors on the entering into the transaction:

The Board of Directors has considered and opined that the acquisition of lease rights for the construction and management of such parking building demonstrates an investment with potential and capability of generating the sustainable revenue for the Company which is reasonable and beneficial to the Company and its shareholders as described under Item 1(7) of this Information Memorandum.

(10) Opinion of the Audit Committee and/or directors of the Company which are different from those of the Board of Directors under Item 1(9)

All members of the Audit Committee have considered with due consideration and express no opinions which are different from or in conflict with those of the Board of Directors.

2. Responsibility THof the Board of Directors in Respect of the Information Memorandum Contained in the Documents Delivered to Shareholders

I, Mr. Kiat Vimolchalao, as the Director and Chief Executive Officer, have carefully reviewed the information in this Information Memorandum. Accordingly, we certify that the information in this Information Memorandum is correct, complete, does not contain any false statements, and not misleading to any person and that this Information Memorandum does not omit material information which should be disclosed.

3. Opinion of an Independent Expert with Regard to the Disposal Transaction

-None-

4. Financial projections (if any) in the present year, including assumptions on trade, economics, industry and review of the figures by a certified public auditor and the opinion of an independent financial advisor that the projections have been carefully prepared

-None-

5. Material Cases or Claims under the Process

Referring to the consolidated financial statement ending March 31, 2017, the Company is subject to the following lawsuit which has an adverse impact on the assets of exceeding 5 percent of the shareholders' equity:

During the year 2012, the Company received 42 notices of import duty assessment from the Customs Department. The notices claimed that the Company should have paid the underpayments of import duty, value added tax and related tax penalty in amounting to about Baht 65.89 million, (31 December 2016: Baht 65.89 million) which was already recorded as a liability under "Provision for import duty and value added tax". The Company has appealed and filed to the Appeal Board against such claims. Currently, the outcome of the case is under the consideration of the Appeal Board.



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6. **Benefits or Connected Transactions Between the Company and its Directors, Management and Shareholders Holding the Shares Directly or Indirectly Amounting to 10 percent or More under the reviewed financial statements ending March 31, 2017**

-None-

Best regards,

(Mr. Kiat Vimolchalao)

Director and Chief Executive Officer

Authorized to sign behalf of the Company