

**ZIGA Innovation Public Company Limited**

999/9,10,11 Moo 9 Nai Khlong Bang Pla Kot sub-district,  
Phra Samut Chedi district, Samut Phrakan Province 10290  
Tel 02-816-9315 Fax 02-816-9315 #444



No. ZIGA 005/2017

24 November 2017

Subject: Informing on the acquisition of assets of ZIGA Innovation Public Company Limited

Attention: The President  
The Stock Exchange of Thailand

Attachment: Disclosure of Information Concerning the Acquisition of Assets

The Board of Directors' meeting of ZIGA Innovation Public Company Limited (the "Company") No. 6/2017 held on 13 November 2017 approved the acquisition of assets; 5 plots of property totaling 27 rai 3 ngan and 67.76 sq.w. or 11,162.76 sq.w., at the price of 18,125 Baht per sq.w. or 202,325,025.00 Baht in total, and the investment in a new factory and equipment which are at the price not exceeding 170,000,000 Baht and 108,000,000 Baht respectively. Total value of the investment is at the price not exceeding 480,000,000 Baht, increasing 130,000,000 Baht from an investment budget approved by the Board of Directors' meeting No. 1/2017 held on 23 February 2017, which resolved to approve the budget of 350,000,000 Baht for the new factory and equipment as disclosed in the prospectus. The budget for the land investment is 150,000,000 Baht, budget for factory is 100,000,000 Baht and budget for equipment is 100,000,000 Baht. The budget for the land investment increase from 150,000,000 Baht, which was approved by the board of director meeting no. 1/2017 due to the Company has acquired larger plot of land than expected. In addition, this land will be land fill prior to the transfer registration process which cause the land price to be higher than the estimated budget. Thus, with the larger plot of land, the Company plan to build a larger factory, which lead to a higher budget for this purpose.

The transaction is concerned as acquisition of assets according to the Notification of the Capital Market Supervisory Board No. TorChor 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 Notification concerning acquisition or disposal of assets"), with the transaction size of 43.03 percent, using to the value of total consideration basis which is the calculation basis providing the highest transaction value based on the Company's reviewed financial statements as of 30 September 2017. The transaction is considered as Class 2 transaction; which the transaction value is higher than 15 percent but less than 50 percent. Thus, the Company has an obligation to report and disclose the information of transaction to the Stock Exchange of Thailand ("SET") immediately and submit the information; with the minimum requirement according to List (1) of the Notification concerning acquisition or disposal of assets, to its shareholders within 21 days from the date of disclosure of information to SET.

The details of the acquisition of assets has been disclosed in the Information Memorandum of the Acquisition of Assets of ZIGA Innovation Public Company, as attached.

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Please be informed accordingly,

Best regards,

Ms. Valarlak Ngamchitcharoen

Managing Director

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Disclosure of Information Concerning the Acquisition of Assets of  
ZIGA Innovation Public Company Limited  
(Acquisition of Property, Building and Equipment)

1. Information Memorandum (1) Details of the acquisition or disposal of assets

1.1 Transaction Date

The Board of Directors' meeting of ZIGA Innovation Public Company Limited (the "Company") No. 6/2017 held on 13 November 2017 resolved to approve the acquisition of property and approve the budget for the acquisition of property, factory and equipment at the price not exceeding 480 million Baht. The purchase agreement executed on 15 November 2017 and expects to complete the land transfer registration process by 28 February 2018. Factory will start building within first quarter of 2018 and will be finished within year 2018. The machine will start production within year 2018.

1.2 Counterparty

1.2.1 Property

Buyer : ZIGA Innovation Public Company Limited

Seller : Green Work Land Co., Ltd

<u>Shareholder name</u>	WORKING AND PLANNING CO.,LTD.	50.00 %
	Mr. Sanporn Talodsuk	35.00 %
	Miss Monruedee Moncharoen	14.00 %
	Miss Wimonphan Tasen	1.00 %
	Total	100.00 %

<u>Director</u>	Mr. Sanporn Talodsuk	
<u>Shareholder 's WORKING AND PLANNING CO.,LTD.</u>	Miss Monruedee Moncharoen	50.00 %
	Mr. Sanporn Talodsuk	40.00 %
	Mr. Pairote Moncharoen	10.00 %
	total	100.00 %

<u>Director's WORKING AND PLANNING CO.,LTD.</u>	Miss Monruedee Moncharoen	
	Mr. Sanporn Talodsuk	

Relationship : The Company and the seller of assets do not have a relationship in term of a connected person according to the Notification of the Capital Market Supervisory Board No. TorChor 21/2551 Re: Rules on Connected Transaction, dated 31 August 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, 2003, dated 19 November 2003 (as amended).

1.2.2 Machine

1). Slitter

Buyer : ZIGA Innovation Public Company Limited

Seller : PVS Machinery (Thailand) Co., Ltd

<u>Shareholder name</u>	Mr. Vimol Hawanit	38.00 %
	Miss Sawangjit Hawanit	30.00 %
	Mr. Sumet Hawanit	30.00 %
	Mrs. Bang-On Hawanit	2.00 %
	Total	100.00%

Director  
Mr. Vimol Hawanit  
Mrs. Bang-On Hawanit  
Mr. Sumet Hawanit

Relationship The Company and the seller of assets do not have a relationship in term of a connected person according to the Notification of the Capital Market Supervisory Board No. TorChor 21/2551 Re: Rules on Connected Transaction, dated 31 August 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, 2003, dated 19 November 2003 (as amended).

2). Other machines

New machines are under selecting process by the procurement procedure of the Company, in case that the seller of new machine has a relationship in term of a connected person according to the Notification of the Capital Market Supervisory Board No. TorChor 21/2551 Re: Rules on Connected Transaction, dated 31 August 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, 2003, dated 19 November 2003 (as amended), the company will comply with the rules.

### 1.2.3 Factory

New factory is under design process, in case that the contractor of new factory has a relationship in term of a connected person according to the Notification of the Capital Market Supervisory Board No. TorChor 21/2551 Re: Rules on Connected Transaction, dated 31 August 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, 2003, dated 19 November 2003 (as amended), the company will comply with the rules.

## 1.3 General Characteristic and Size of the Transaction

### 1.3.1 Characteristic of Transaction

The Board of Directors' meeting No. 6/2017 held on 13 November 2017, resolved to approve the acquisition of property and the budget for building and machinery which the essence of the transaction are summarized as follows;

Property ( Budget 202,325,025 Baht )

- Transaction Characteristic : Acquisition of 5 plots of property totaling 27 rai 3 ngan and 62.76 sq.w., or 11,162.76 sq.w.
- Transaction Date : the Company entered into the land purchase agreement on 15 November 2017 and expects to complete the land transfer registration process by 28 February 2018
- Objective of the Transaction : To acquire the property for factory construction and equipment installation; the machinery for production line, and for warehouse and finished goods storage.
- Value of Consideration : 202,325,025.00 Baht in total, which equals to 18,125 Baht per sq.w. The payment is divided into 3 installments in cash as follows:  
the first installment payment will be paid in the amount of 20,232,502.50 Baht within 15 November 2017  
the second installment payment is equal to 20,232,502.50 Baht within 21 November 2017  
the third installment payment which is 161,860,020 Baht will be paid not over than 28 February 2018.
- Other condition : In case the property's area is different from the area specified in the agreement, the amount of payment increase/decrease  
The purchase agreement contains a condition allowing that, in case of a difference between the actual area of the property and the area stated in the agreement, the increase/decrease price of the property will be calculated at the price of 18,125 Baht per sq. w. The increase/ decrease amount of payment occurred will be added/ deducted from the price previously mentioned. The seller agree to be solely responsible for any of land transfer registration fee, stamp duty, corporate income

tax, specific business tax and other expenses to be paid to government agencies as required for ownership transfer of property.

**Machine<sup>1)</sup> (Budget not exceeding 108,000,000 Baht)**

**1). Slitter ( Price 18,190,000 Baht )**

Transaction Characteristic : The Company has executed a purchase contract for a steel coil cutting machine at the price of 18.19 million Baht.

Transaction Date : 18 September 2017

Delivery Date : Within August 2018

Objective of the Transaction : To support the production capacity increasing

Value of Consideration : Total payment of 18,190,000 Baht, in cash. The payment is divided into 4 installments as follows:  
the first installment of 5,457,000 Baht paid on 5 October 2017  
the second installment shall be paid in the amount of 5,457,000 Baht within February 2018  
the third installment shall be paid in the amount of 5,457,000 Baht within Mar 2018  
the fourth installment shall be paid in the amount of 1,819,000 Baht within August 2018.

**2). Other machines ( Budget not exceeding 89,810,000 Baht )**

Transaction Characteristic : Currently the Company is in the selecting process for purchasing of slitter, forming machine, chamfering machine and tapping machine.

Value of Consideration : Budget not exceeding 89,810,000 Baht

**Factory<sup>1)</sup> ( Budget not exceeding 170,000,000 Baht)**

Transaction Characteristic : Current in the design process

Remark 1 Budget for new machine is 108,000,000 Baht and Budget for factory is 170,000,000 Baht

**1.3.2 Size of Transaction**

According to the Notification concerning the acquisition and disposition of assets, based on the Company's reviewed consolidated financial statements as of 30 September 2017, the maximum transaction size of the acquisition of property, building and equipment of the Company equaled to 43.03 percent of the total value of consideration to be paid, with the details as follows;

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Basis	Method of Calculation		Value of Transaction	Value of Transactions executed within the past 6 months	Total Value of Transactions
1. Net Tangible Assets	Cannot be applied since the acquired assets are property, building, and equipment				
2. Net Profit	Cannot be applied since the acquired assets are property, building, and equipment				
3. Total Value of Consideration	<u>Value of Consideration</u>	<u>480,000,000.00</u>	43.03%	-	43.03%
	Total Assets	1,115,510,602.00			
4. Value of Securities	Cannot be applied since there was no issuance of securities				

According to the previous table, the value of current transaction is equal to 43.03 percent which is higher than 15 percent but lower than 50 percent, and is concerned as Class 2 transaction regarding to the Notification concerning the acquisition and disposition of assets. Hence the Company has an obligation to report and disclose the information of transaction to the Stock Exchange of Thailand immediately and submit a written notice to its shareholders within 21 days from the date of disclosure of information to the Stock Exchange, which shall be sent to shareholders consequently.

#### 1.4 Details of Acquired Assets and Future Business Plan

The acquired assets are the property equipment and factory which the details of assets are as follows;

##### 1.4.1 Summary Details of Acquired Assets

###### Property

Property of Assets	:	5 empty plots of property totaling 27 rai 3 ngan and 62.76 sq.w. or 11,162.76 sq.w.		
Location	:	Prachauthit – Wat Khu Sang road, Nai Khlong Bang Pla Kot sub-district, Phra Samut Chedi district, Samut Phrakan Province		
Document of Title	:	Deed No.	Parcel No.	Area
1 <sup>st</sup> Plot		59805	465	4 rai 3 ngan 30.10 sq.w.
2 <sup>nd</sup> Plot		59806	418	6 rai 0 ngan 41.10 sq.w.
3 <sup>rd</sup> Plot		59513	399	8 rai 2 ngan 8.10 sq.w.
4 <sup>th</sup> Plot		59509	59	7 rai 0 ngan 78.9 sq.w.
5 <sup>th</sup> Plot		currently waiting for the observation and subdivision of land		1 rai 1 ngan 4.56 sq.w.
		Total		27 rai 3 ngan 62.76 sq.w.

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Obligation : Pledged to bank, the pledged collateral will be released before transfer  
 Previous Owner : Green Work Land Co., Ltd  
 Laws Affecting the Assets : The assets located in purple zone which is industrial and warehouse area  
 Future Plan : The Company shall construct a factory and install machinery on the land with the approximate cost of factory construction of 170 million Baht and the cost of machinery of 108 million Baht.

**Equipment**

Property of Assets : A slitter machine used to slit steel coil for steel conduit production line

**Factory**

Property of Assets : Current in the design process

**1.4.2 Future Business Plan**

After entering into the transaction, the Company shall construct a factory building and install machinery; a steel coil cutting machine and steel conduit production line. The building shall be utilized as a warehouse for finished goods and steel coils which are the Company's primary raw material.

**1.5 Total Value of Consideration**

The value of consideration for the acquisition of property, building and equipment, as approved, is equal to 480,000,000.00 Baht with the details as specified in 1.3.

**1.6 Basis used in Determining the Value of Consideration**

The budget of 480 million Baht has been approved for the acquisition of property, factory building construction and new machinery. The Company has acquired a property for new factory building construction and equipment installation; the machinery for pre-zinc structural steel and pre-zinc steel conduit production line.

**1. Property**

The acquisition price has been compared with the market price of nearby property and there was not any significant difference in price.

The Acquired Property	Value
Area of Acquired Property (Square Wa)	11,162.76
Price (Baht per sq.w.)	18,125.00
<b>Total Value of the Acquired Property (Baht)</b>	<b>202,325,025.00</b>



2.Machine

The acquisition price was negotiated between the company and seller.

**Expected Benefit from the Transaction**

1.7.1 Currently the production capacity is almost full so the Company plans to construct a factory building on the property and install new equipment for steel conduit production line capacity which will consequently increase revenue and profit to the Company, generated from increasing sales from the current business. The Company can apply its manufacturing technology, knowledge and experience to further expand its business. The Company expects the production capacity to increase from around 59,000 tons/year on 31 March 2017 to around 78,000 tons/year.

1.7.2 The objective for the acquisition of property is to build a factory building for utilized for production and warehouse to serve increasing growth of sales of the Company.

1.7.3 The location of the property is close to the current location of the Company which helps the Company to manage its business conveniently.

**1.7 Source of Fund for the Acquisition of Assets**

The capital raised from the initial public offering (IPO) around 350,000,00 Baht and/or loans and/or working capital of the Company around 130,000,000 Baht.

**1.8 Opinion of the Board of Directors**

The Board of Directors opined that the transaction of asset acquisition is beneficial to the Company and consistent with the Company's business plan which is reasonable and beneficial to both the Company and its shareholders. The company had no independent appraiser to evaluate the land price but compared price with land on nearby location. The offered price is lower than the land with similar location on nearby land and term of payment is reasonable as the company pay only deposit in advance and pay the remaining after transfer registration process.

For the machine, the Company compared price with other seller and the price is similar to other sellers. In addition the Company used to buy machine with this seller and it has good quality and service. Then it is reasonable to choose this seller and the term payment is reasonable as the company will pay by the percentage of completion.

For the factory, the Company set the budget by estimate labour cost and construction material cost so it is reasonable.

**1.9 Opinion of the Audit Committee and/or the Board of Directors which is different from the Board of Director's opinion**

- None -

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Managing Director