

( “TRANSLATION” )

No. TG 024 / 2561

6 February 2018

Subject Schedule for the Extraordinary General Meeting of the Shareholders No. 1/2561, Plans for listing CAZ (Thailand) Co., Ltd. on the Market of Alternative Investment (mai) – Revised 3

Attention The President  
The Stock Exchange of Thailand

Enclosure Information on asset disposition of CAZ (Thailand) Co., Ltd

As the Board of Directors of Takuni Group Public Company Limited ("the Company") held the Board of Directors meeting No. 2/2561 on 5 February 2018, the Company would like to inform the resolutions of the Board of Directors' Meeting as follows:

- To approve CAZ (Thailand) Company Limited ("CAZ") to file a request for registration as a public listed company in the Market of Alternative Investment (mai)**
- To approve the change in par value and number of shares of CAZ (Thailand) Co., Ltd. as follow;**

Items	Before changing par value	After changing par value
1. Registered Capital	100,000,000.00 Baht	100,000,000.00 Baht
2. Paid up Capital	100,000,000.00 Baht	100,000,000.00 Baht
3. Par value	100.00 Baht/Share	0.50 Baht/Share
4. Number of shares	1,000,000 Shares	200,000,000 Shares

- To approve the issuance and offering of new ordinary shares of CAZ (Thailand) Company Limited ("CAZ") by offering 80,000,000 shares at par value of Baht 0.5 in an initial public offering (IPO) and to the Company's shareholders based on the shareholder proportion (pre-emptive right).**

This will affect the Company's ordinary shareholders resulting in a decrease in share of profit or voting rights in CAZ decreased from 51.30% to 36.64% or equivalent to 14.66%. However, CAZ will still be the Company's subsidiary after IPO as the Company still has control over CAZ.

The transaction is considered the disposition of assets in accordance with the Notification of the Capital Market Supervisory Board No. Tor Chor 20/2551 re: Rules on Entering into Materials Transactions Deems as Acquisition or Disposition of Assets and the Notification of the Stock Exchange of Thailand in respect of the

Disclosure of Information and the Performance of the Listed Company in Acquisition and Disposition of Assets, 2004 (“Notification of Acquisition or Disposition of Assets”) with the transaction size of 30.24% of net profit of the Company’s consolidated financial statements as of 30 September 2017. The transaction size is higher than 15% threshold criteria but lower than 50% threshold criteria. Therefore, the Company has an obligation to report and disclose the transaction by preparing at least an information memorandum (as set out in Schedule 1 to the Notifications on the Acquisition or Disposal of Assets) and to circulate a notification (as set out in Schedule 2 to the Notifications on the Acquisition or Disposal of Assets) to its shareholders within 21 days after the date of the disclosure to the Stock Exchange of Thailand. The Company has no obligation to seek the shareholders’ resolution.

**4. To approve the issuance and offering of new ordinary shares of CAZ (Thailand) Co., Ltd. in an initial public offering (IPO) and to the Company’s shareholders based on the shareholder proportion (pre-emptive right).**

This IPO will affect the Company’s ordinary shareholders resulting in a decrease in share of profit or voting rights in CAZ decreased from 51.30% to 36.64% or equivalent to not more than 28.57%. Therefore, the Company’s shareholders should have the opportunity to hold shares in CAZ by their pre-emptive right of not more than 16,000,000 shares (calculated from 50 shares of Takuni: 1 share of CAZ) or not more than 20.00% of the total number of ordinary shares to be offered to the general public (80,000,000 shares), which is 5.71% of the paid up capital after the IPO has been completed (280,000,000 shares). The allocation of the right to subscribe for the new ordinary shares of CAZ will reduce the effect of the dilution effect to the shareholders of the Company. The details of the proportions are as follows.

Securities offered to the Company's ordinary shareholders	: CAZ's newly issued ordinary shares (Currently, CAZ's shares are not listed on the Market for Alternative Investment (mai)).
Number of shares offered to the Company's ordinary shareholders	: No more than 16,000,000 shares, representing 20.00% of the total number of IPO.
The allocation ratio of the Company's ordinary shareholders	: The Board of Directors is assigned and notified later. This will be offered to all ordinary shareholders whose names appear in the share register of the Company.
The closing date of the Company's share register to determine the list of shareholders.	: After the office of the Securities and Exchange Commission (SEC) has approved the application form of CAZ, the Board of Directors will determine

and notify later. The Company will announce the book closing date no less than 14 days in accordance with the regulations of the Stock Exchange of Thailand. ("SET").

Offering price of CAZ shares	: The price is the same as the IPO price, which will be determined and announced later. (At par value of Baht 0.50)
Subscription and / or payment schedule	: The timing is close to the IPO offering which will be scheduled and announced later.
Other details	: The shareholders of the Company are entitled to subscribe for CAZ shares no more than their rights. In the event that the ordinary shareholders of the Company exercise the right to subscribe for CAZ shares not fully allocated and / or fractions of shares resulting from the decimal, the CAZ Board of Directors or the underwriter and underwriter of CAZ's shares have the power to allot such shares to the public. Other conditions and details necessary for the offering of shares as deemed appropriate and not contrary to or inconsistent with the law and / or relevant rules and regulations of SEC and SET and / or other relevant agencies in order to make the CAZ's initial public offering be successful.

**5. To schedule for the Extraordinary General Meeting of Shareholders No. 1/2561**

The Board of Director set the convening of the EGM to be held on Tuesday, March 13, 2018 at 2.00 pm. at Meeting Room, 3rd Floor, Takuni Group Plc. 140/1 Kanchanapisek Road, Bangkae, Bang Khae, Bangkok. 10160, consisting of the following;

1. To certify the Minutes of the Annual General Meeting of Shareholders for the year 2016
2. To consider and approve the listing of CAZ (Thailand) Co., Ltd. on the Market of Alternative Investment (mai)

3. To approve the issuance and offering of new ordinary shares of CAZ (Thailand) Company Limited ("CAZ") by initial public offering (IPO) and to the Company's shareholders based on the shareholder proportion (pre-emptive right)
4. Other matters (if any)

The record date for the right to attend the Extraordinary General Meeting of Shareholders No. 1/2561 on February 20, 2018

Please be informed accordingly.

Yours sincerely,

(Ms. Nita Treeweeranuwat)  
Vice President

**Information Memorandum on the Listing of CAZ (Thailand) Company Limited, a subsidiary of Takuni Group Public Company Limited, on the Market for Alternative Investment, and the Shareholding Reduction in Takuni Group Public Company Limited**

The Board of Directors meeting of Takuni Group Public Company Limited (“the Company”, “Takuni”) No. 2/2018 dated 5 February 2018 has passed the resolution for the Listing of CAZ (Thailand) Company Limited (“CAZ”), a subsidiary of Takuni Group Public Company Limited, on the Market for Alternative Investment (mai). CAZ also expects to increase its capital by issuing new ordinary shares by an Initial Public Offering (IPO), and offered to the Company’s existing shareholders to mitigate an impact on those shareholders after the Company’s stake in CAZ is reduced. The transaction is considered the disposition of assets in accordance with the Notification of the Capital Market Supervisory Board No. Tor Chor 20/2551 re: Rules on Entering into Materials Transactions Deems as Acquisition or Disposition of Assets and the Notification of the Stock Exchange of Thailand in respect of the Disclosure of Information and the Performance of the Listed Company in Acquisition and Disposition of Assets, 2004 (“Notification of Acquisition or Disposition of Assets”) with the transaction size of 30.24% of net profit of the Company’s consolidated financial statements as of 30 September 2017.

The transaction size is higher than 15% threshold criteria but lower than 50% threshold criteria. Therefore, the Company has an obligation to report and disclose the transaction by preparing at least an information memorandum (as set out in Schedule 1 to the Notifications on the Acquisition or Disposal of Assets) and to circulate a notification (as set out in Schedule 2 to the Notifications on the Acquisition or Disposal of Assets) to its shareholders within 21 days after the date of the disclosure to the Stock Exchange of Thailand. The Company has no obligation to seek the shareholders' resolution. However, it expects to get approval on the mai listing and the capital increase of CAZ from the Company's shareholders meeting. Details of the transaction are set out as follows:

## **1. Transaction date**

CAZ plans to be listed on the mai by offering its new shares through the IPO and to the holders of the Company's ordinary shares according to their pre-emptive right. Meanwhile, the Company expects to dispose of its shares currently held in CAZ immediately after the Office of the Securities and Exchange Commission (SEC) approves the relevant share offering of CAZ. All these transactions are expected to be completed within 2018.

## **2. Related parties**

Seller of securities: CAZ (Thailand) Company Limited, a subsidiary of the Company, in proportion of 51.30% of CAZ paid-up capital.

Buyer of securities: General public and the Company's shareholders

### 3. Nature of the transaction

CAZ will apply to be listed on the mai in order to raise funds by offering its shares through the IPO. CAZ intends to increase its capital from Baht 100,000,000 to Baht 140,000,000 having a par value of Baht 0.50. Those shares will be allocated as follows:

1. 64,000,000 shares, with par value of Baht 0.50, will be offered through the IPO
2. 16,000,000 shares, with par value of Baht 0.50, will be offered to the Company's shareholders according to their pre-emptive rights.

After the relevant share offering of CAZ, the Company's shareholding in CAZ will be reduced from 51.30% of the registered capital to 36.64%. (Calculated from the number of shares in respect of the IPO and the offering to the Company's shareholders).

#### Calculation Bases

1. Net Asset value = Net asset value of CAZ proportionally disposed of<sup>1</sup> / Net asset value of the Company<sup>2</sup>  
= Baht 90.65 million \* 14.66% / Baht 756.97 million  
= 1.76%
2. Net Profit = Net profit of CAZ proportionally disposed of<sup>3</sup> / Net profit of the Company<sup>4</sup>  
= Baht 12.25 million \* 14.66% / Baht 5.94 million  
= 30.24%
3. Total value of consideration = Total value of consideration<sup>5</sup> / Total assets of the Company  
= Baht 97.53 million \* 14.66% / Baht 1,497.86 million  
= 0.95%

From the above table, the net profit basis shows the highest result, that is, the transaction size is equal to 30.24%., which is classified as Category 2, meaning that the value of the transaction is larger than 15 % but does not exceed 50 % of the Company's net profit. Therefore, the Company has an obligation to report and disclose the transaction by preparing at least an information memorandum (as set out in Schedule 1 to the Notifications on the Acquisition or Disposal of Assets) and to

<sup>1</sup> Net asset value of CAZ from the financial statements for the year ended 31 December 2016

<sup>2</sup> Net asset value of TAKUNI from the financial statements for the period ended 30 September 2016

<sup>3</sup> Net profit of CAZ from the financial statements for the year ended 31 December 2016

<sup>4</sup> Net profit of TAKUNI trailing 12-months earning since Q4 2016 to Q3 2017

<sup>5</sup> The total value of consideration consists of Book value of CAZ as at 31 December 2016

circulate a notification (as set out in Schedule 2 to the Notifications on the Acquisition or Disposal of Assets) to its shareholders within 21 days after the date of the SET disclosure. Nevertheless, the shareholders' approval is not required.

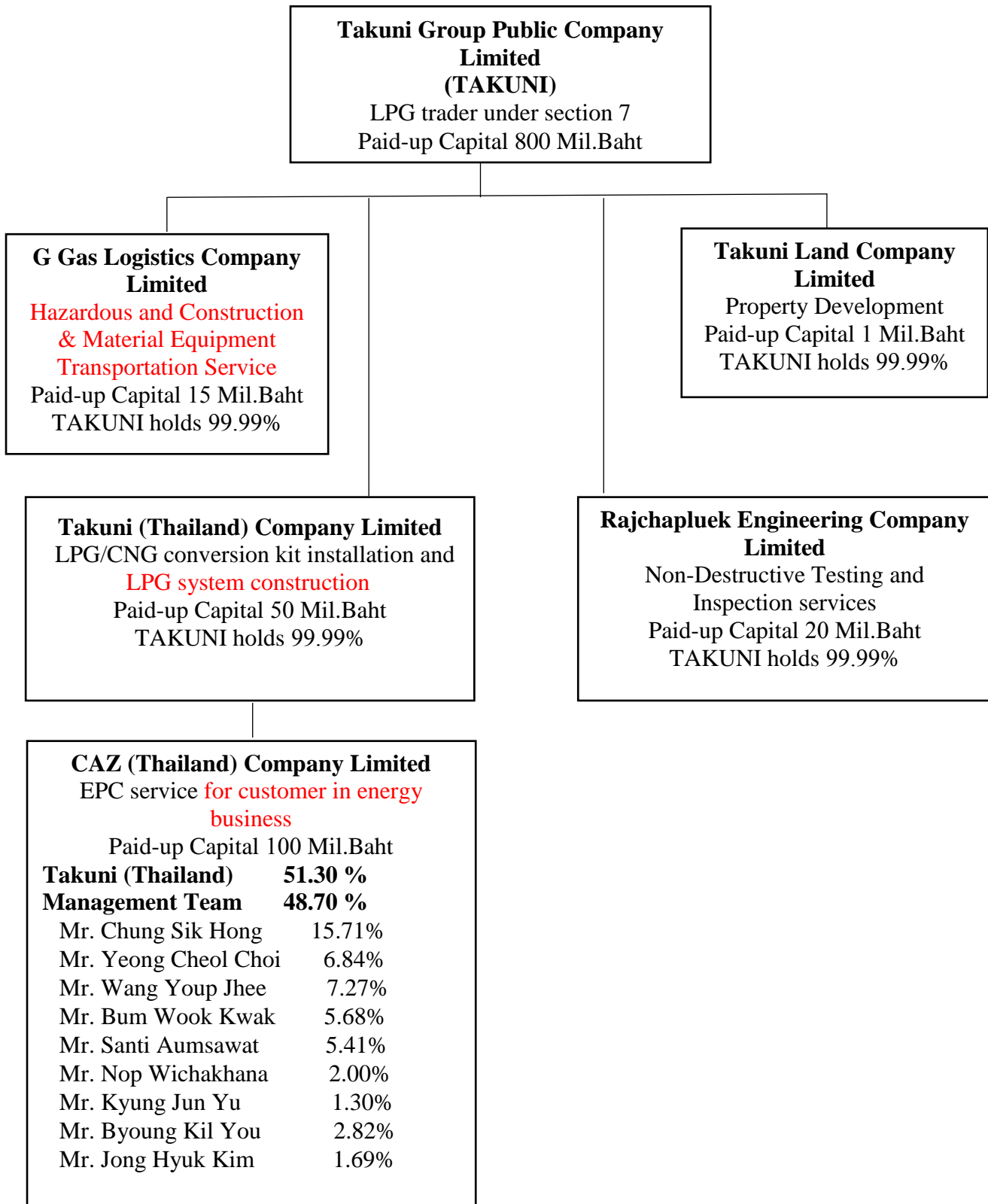
#### **4. Indicative details relating to the disposed assets**

##### Details relating to the share offering of CAZ

Type of the offered securities:	New ordinary shares of CAZ
Number of the offered shares:	80,000,000 shares divided into: (1) 64,000,000 shares, with par value of Baht 0.50, which will be offered through the IPO (2) 16,000,000 shares, with par value of Baht 0.50, will be offered to the Company's shareholders according to each individual's pre-emptive right
Rights to purchase the offered shares:	The Company's board approve the proportion to purchase CAZ share as 50 shares of TAKUNI per 1 share of CAZ
Par value Baht:	Baht 0.50 per share
Offering price:	Same as the IPO price (Currently, the IPO price has not been determined.)
Offering period:	Nearby time of the IPO period (Currently, the IPO period has not been determined.)

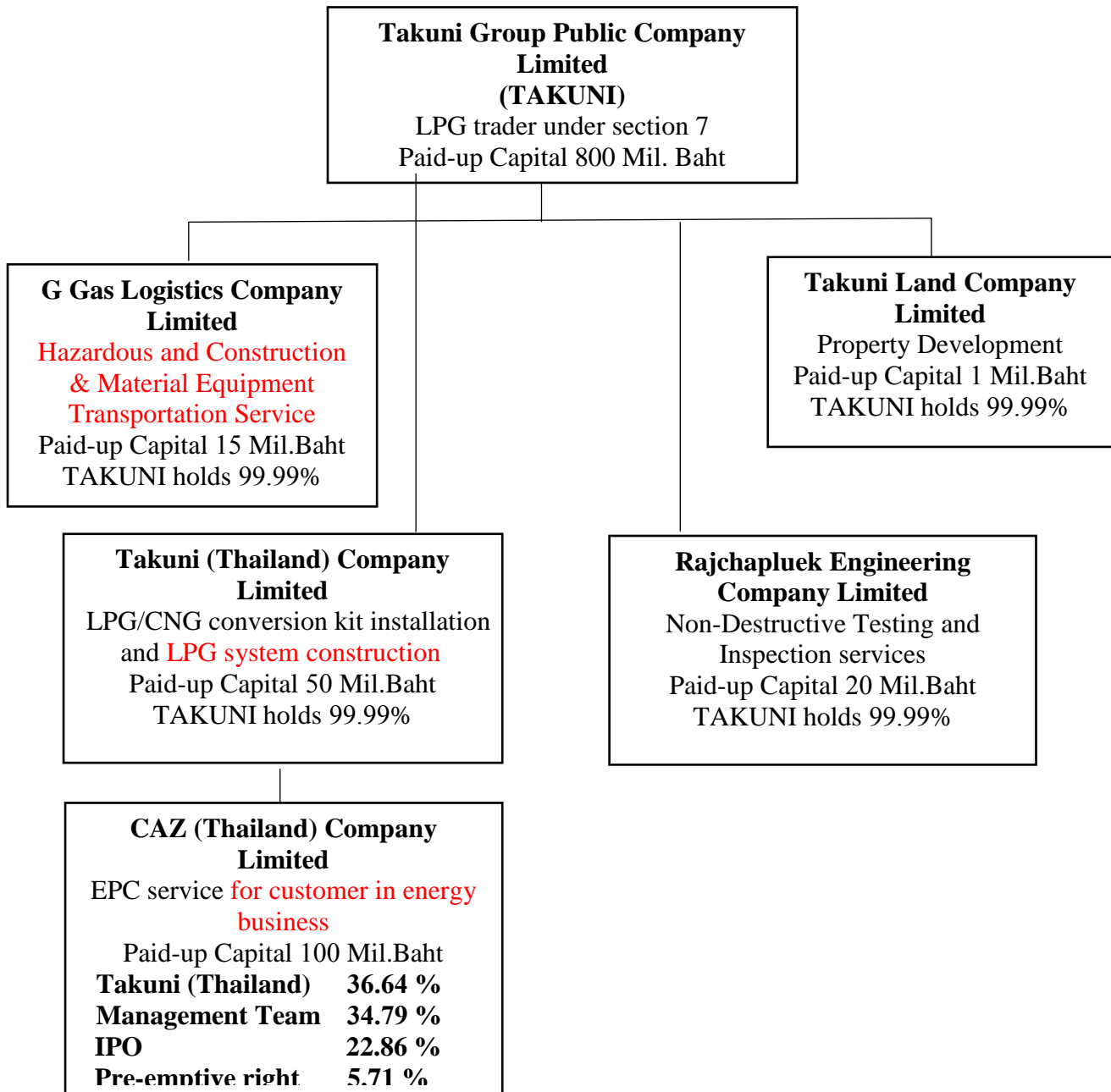
Detail of shareholding in CAZ before and after CAZ listed in the Market of Alternative Investment (mai)

### Current Business group chart





## After IPO restructuring group chart



### Details relating to CAZ

Nature of business:

Oil and Gas Construction Company (Engineering Procurement Construction) including Engineering Design, Fabrication, Civil and Erection work with project value more than Baht 100 million. CAZ's customers are mainly in energy business such as PTT Group, Multinational Corporation

Capital Structure:

As of 5 February 2018, CAZ had a registered capital of Baht 100,000,000, divided into

1,000,000 ordinary shares with a par value of Baht 100.

Board of Directors:

As of 5 February 2018, there are 8 directors as follow:

1. Mr. Chung Sik Hong
2. Mr. Yeong Cheol Choi
3. Mr. Somchai Kanbuakaew
4. Ms. Nita Treeweeranuwat
5. Mr. Prasert Treeweeranuwat
6. Mr. Suthi Thum-Umnauysuk
7. Mr. Narongrit Tavorntvisitporn
8. Mr. Yingyong Techarungnirun

Summary of financial position and operating result	<u>Financial Information</u> <u>(Baht)</u>	<u>Year 2015</u>	<u>Year 2016</u>
	Cash and cash equivalents	4,267,243	7,476,453
	Current Asset	182,998,816	188,564,372
	Non-Current Asset	94,040,212	375,115,608
	<b>Total Asset</b>	<b>277,039,280</b>	<b>563,679,980</b>
	Current Liabilities	187,270,311	236,963,032
	Non-Current Liabilities	12,697,794	229,190,196
	<b>Total Liabilities</b>	<b>199,968,105</b>	<b>466,153,228</b>
	Issued and paid-up capital	54,500,000	58,500,000
	<b>Total Shareholder</b>	<b>77,070,000</b>	<b>97,526,752</b>
	Total Income	743,014,000	661,473,000
	Cost of services	(667,498,616)	(582,517,260)
	Administrative expenses	(53,420,240)	(50,417,484)
	EBIT	22,095,185	28,538,988
	Interest expense	(3,684,541)	(12,551,783)
	<b>Net profit (Loss)</b>	<b>14,671,595</b>	<b>12,252,102</b>

## 5. Total value of consideration

CAZ will offer shares to the existing Company's shareholders in proportion to their shareholding (pre-emptive rights) at the same offering price as that in the IPO. Currently, the IPO offering price has not yet been determined.

## 6. Value of disposed assets

Book value of CAZ's as at 31 December 2016	:	Baht 97.53 million
Book value per share (par value Baht 100.00)	:	Baht 97.53
Book value per share (par value Baht 0.50)	:	Baht 0.49

## 7. Expected benefits from the transaction

### Benefits to shareholders of TAKUNI

1. Shareholders of the Company will receive the right to purchase the IPO shares according to the shareholding proportion in the Company (pre-emptive right).
2. The shareholder will have more investment options to invest in either the Company or CAZ depending on their investment policies.
3. Increase in investment value of CAZ that the Company held, based on market price of CAZ which is listed on the Market of Alternative Investment (mai).

### Benefits to the Company

1. Reduce the financial burden to support CAZ for expanding the business as CAZ will be able raise fund itself through financial products in the capital market.
2. To be listed on the mai will help the process of operation to be more effective.
3. The Company's share price will more accurately reflect as there is a market price for reference.

### Benefits to CAZ

1. CAZ will have additional capital through fund raising for its business expansion, or CAZ's loan repayment, and/or reserve as working capital.
2. CAZ will have more channel to the future fund raising, which has more flexibility to access.
3. CAZ will be more strengthened and increase its competitive advantage.
4. To be listed on the mai will increase liquidity and value of CAZ ordinary share.

## 8. Business Reliance, Financial support on the Company and Conflict of Interest

CAZ has carried out certain essential actions to decrease the reliance, financial support and conflict of interest between the Company as follows;

1. After listing in the mai, CAZ will expand its potential to raise funds and alleviate the Company's burden to provide financial support to CAZ as the Company is one of its shareholders.
2. The Company has certain financial support to CAZ as the guarantor with the financial institution, which is the requirement for credit facility support. Currently, there is negotiation for unload such the collateral. The Company believe that unloading the collateral will be done after CAZ is listed in the mai. Moreover, the Board of Director of the Company has approved related transaction policy which is clearly state that any financial support must be taking into account the necessity and reasonability in doing, have fair condition and create the maximum benefit to the Company. In case of guarantor to CAZ, the Company must have no expense and disadvantage the Company's benefit. The

Audit Committee of the Company and CAZ, as a receiver or creditor for the financial support, will consider the reasonable for such a transaction.

3. Business operation of CAZ is not overlap with the Company business. CAZ provides EPC service, **including Engineering Design, Fabrication, Civil and Erection work** with project value more than Baht 100 million. CAZ's customers are mainly in energy business **such as PTT Group, Multinational Corporation**. Meanwhile, the Company business are
  - 1) **LPG Trading**
  - 2) **Hazardous and Construction & Material Equipment Transportation service**
  - 3) **LPG/CNG conversion kit installation and LPG system construction which are (1) LPG industrial and household usage such as department store, hotel, restaurant. (2) LPG Depot construction, LPG station construction, LPG filling plants**
  - 4) **Non-Destructive Testing and Inspection service**
  - 5) **Property Development.**

However, CAZ decides not to compete with the Company as CAZ has know-how and competitive advantage in complex construction services. Once CAZ perform service for the small value project, there will be high opportunity cost. The Company, on the other hand, concentrate on LPG service as well as diversify to other business than CAZ business. The business operation between CAZ and the Company will not overlap.

4. In case the business transaction between the Company and CAZ are required, the Company and CAZ will enter into such transaction by taking into account the necessity and reasonability in doing so and the condition of entering into such transaction will be based on Arm's Length Basis. The Company and CAZ will comply with the relevant rules and regulations prescribed by the SEC and SET.

## **9. Plan to use the proceeds from the IPO and the share sale by the Company**

CAZ will raise funds through the IPO and the offering to the Company's shareholders with an intention to use to expand its business or CAZ's loan repayment, and/or reserve as working capital.

## **10. Conditions precedent for the transaction**

- (1) The Extraordinary General Meeting of Shareholders of the Company approves the mai listing of CAZ and its capital increase through the IPO and the share offering to the Company's shareholders according to their pre-emptive rights.
- (2) The Extraordinary General Meeting of Shareholders of CAZ approves the IPO and the share offering to the Company's shareholders according to their pre-emptive rights.
- (3) The IPO proposed by CAZ obtains approval from the SEC.
- (4) The listing of CAZ's securities is approved by the mai.

## 11. Effects of the share offering on the Company and its shareholders

### (1) Effects on the profit sharing and voting rights (Control Dilution)

CAZ's capital increase will cause the Company's profit sharing or voting rights as a shareholder of CAZ to be reduced by 14.66%. Therefore, CAZ plans to issue and allocate 16,000,000 new shares with a par value of Baht 0.50 to the Company's shareholders according to their pre-emptive rights in order to mitigate the effect of control dilution.

### (2) Effects on the market price of the Company's ordinary shares (Price Dilution)

The offered shares are to be issued by CAZ expected that there will be no effects on the market price of the Company's ordinary shares. However, the reduction in the Company's stake in CAZ will cause the Company's recognized revenue from CAZ to be decreased.

Although, TAKUNI's decrease in the shareholding proportion in CAZ, CAZ's performance can be expected to improve from funding on the mai which will create more potential of expanding its business. TAKUNI will recognize earnings from CAZ not less than before.

## 12. Opinion of the Company's Board of Directors and Audit Committee

The Board of Directors and Audit Committee took the view that this transaction is reasonable because the transaction will enhance the stability of CAZ and enable CAZ to raise funds through the capital market on its own, so that the proceeds from this transaction will be used to fund the business expansion or CAZ's loan repayment, and/or reserve as working capital.

The Company certifies that all information contained in this Information Memorandum is true and accurate and has carefully been prepared, mainly taking into account the benefits to the shareholders. This Information Memorandum has been prepared for information disclosure only, not to persuade or to be an offer for the acquisition or subscription for any securities.

Please be informed accordingly

Yours sincerely,

(Ms. Nita Treeweeranuwat)  
Vice President