

*-Translation-*

Ref. No. PorBor. 029 / 2020

19 June 2020

Subject: Entering into Transaction of Disposing of Subsidiary's Machines for the Debenture Debt repayment

To: President  
The Stock Exchange of Thailand

Enclosure: Information Memorandum on the Asset Disposal, Schedule 1 of Rich Asia Corporation Public Company Limited

Reference to the Board of Directors' meeting of Rich Asia Corporation Public Company Limited ("the Company") No. 5/2020, held on June 16, 2020, has unanimously resolved approve as followings.

1. Approve for the Company to participate the vote of approval in the Extraordinary General Meeting of Shareholders No. 2/2020 held on 17 June 2020 of Rich Asia Industry Company Limited ("Subsidiary Company") in order to do legal registration of transferring the ownership of 87 machines no. 41-318-306-0197 to 0286, located at 88 Rama II Road (Thonburi – Paktor) Moo 2 Kalong Sub-district, Muang Samut Sakhon District, Samut Sakhon which is the property of Rich Asia Industry Company Limited as per certificate of machinery registration no. 420331 at 55,000,000 Baht (Fifty-five million baht) ("Machines of Subsidiary Company"), for the Debenture Debt repayment to Chote Pittayachai 4 Co., Ltd. at the Central Office for Machinery Registration, Department of Industrial Works, Ministry of Industry and asset acquisition for the Debentures of 55,000 units (Fifty-five thousand units), equal to the value of 55,000,000 Baht (Fifty-five million baht) from Chote Pittayachai 4 Co., Ltd.
2. Entering into transactions in item 1 mentioned above is considered as assets acquisition and assets disposal in accordance with 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 Asset 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 Acquisition or Disposal of Asset BE 2547 (2004) dated 29 October 2004 (including amended) (the "Notification on Acquisition or Disposal of Assets"). Whereby the highest transaction value of assets acquisition of 11.98 percent according to the value of consideration basis and having the highest transaction value of assets disposal of 34.57<sup>1</sup> percent according to the value of consideration basis, the calculation is based on the Company's reviewed consolidated financial statements for the 3-month period as of March 31, 2019,

1) Calculate the size of transaction 6 months backward which include waiver of rights to purchase the new ordinary shares of Rich Asia Industry Co., Ltd. ("Subsidiary Company")

Therefore, the entering of this transaction being considered as Type 2 transaction under the Notification on Acquisition or Disposal of Assets. Therefore, the Company is required to immediately disclose the information memorandum on entering into such transaction to the Stock Exchange of Thailand (the "SET") and send a circulated letter to the shareholders of the Company within 21 days from the disclosure date on entering into such transaction to the SET.

The details of such transaction appear in the enclosed Information Memorandum on the Asset Disposal, Schedule 1 of Rich Asia Corporation Public Company Limited.

Please be informed accordingly.

Yours sincerely

- SOMKIAT VONGSAROJANA -

Mr. Somkiat Vongsarajana  
Managing Director

**Information Memorandum on the Asset Acquisition and Asset Disposal, Schedule 1 of****Rich Asia Corporation Public Company Limited**

The Board of Directors meeting of Rich Asia Corporation Public Company Limited ("the Company") No. 5/2020, held on 16 June 2020, has an unanimous resolution to submit to the Extraordinary General Meeting of Shareholders No. 2/2020 which will be held on 17 June 2020 to consider participation to vote for Rich Asia Industry Company Limited ("Subsidiary Company") to do legal registration of transferring the ownership of 87 machines no. 41-318-306-0197 to 0286, located at 88 Rama II Road (Thonburi – Paktor) Moo 2 Kalong Sub-district, Muang Samut Sakhon District, Samut Sakhon which is the property of Rich Asia Industry Company Limited as per certificate of machinery registration no. 420331 at 55,000,000<sup>1</sup> Baht (Fifty-five million baht) ("Machines of Subsidiary Company") to the Debenture Creditors at the Central Office for Machinery Registration, Department of Industrial Works, Ministry of Industry in order to swap the debenture of Rich Asia Corporation Public Co., Ltd. no. of 55,000 units (Fifty-five thousand units) equivalent to 55,000,000 Baht (Fifty-five million baht) from the Debenture Creditors.

The transaction mentioned above is considered as assets acquisition and assets disposal in accordance with 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 Asset 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 Acquisition or Disposal of Asset BE 2547 (2004) dated 29 October 2004 (as amended) (the "Notification on Acquisition or Disposal of Assets") whereby having the highest transaction value of assets acquisition of 11.98 percent according to the value of consideration basis and having the highest transaction value of assets disposal of 34.57<sup>2</sup> percent according to the value of consideration basis, the calculation is based on the Company's reviewed consolidated financial statements for the 3-month period as of 31 March 2020.

Therefore, the entering of this transaction being considered as Type 2 transaction under the Notification on Acquisition or Disposal of Assets. Therefore, the Company is required to immediately disclose the information memorandum on entering into such transaction to the Stock Exchange of Thailand (the "SET") and send a circulated letter to the shareholders of the Company within 21 days from the disclosure date on entering into such transaction to the SET.

The material details of the transaction are as follow.

**1. Day/month/year in which the transaction occurs**

Within June 2020

1) The price was set in mediation agreement amended version dated June 17, 2019 between Debenture Creditors, the Company and Subsidiary Company  
2) Calculate the size of transaction 6 months backward which include waiver of rights to purchase the new ordinary shares of Rich Asia Industry Co., Ltd. ("Subsidiary Company")

## 2. Involved parties and relationships between the parties

Machinery Sale and/or Transfer of Ownership																																														
Seller	Rich Asia Industry Company Limited (“Subsidiary Company”)																																													
Purchaser	<p>Chote Pittayachai 4 Co., Ltd.</p> <p>Who is not a related person of the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorChor 21/2551 (2008) Re: Rules on Connected Transactions 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, dated 19 November 2003 (as amended) (collectively, the "Notifications on Connected Transactions")</p> <p>Chote Pittayachai 4 Co., Ltd., shareholding structure information as of 18 July 2019</p> <table border="1"> <thead> <tr> <th>Shareholders</th> <th>No of shares</th> <th>Shareholding percentage (%)</th> </tr> </thead> <tbody> <tr> <td>Chote Pittayachai 5 Co., Ltd.*</td> <td>9,569</td> <td>95.69</td> </tr> <tr> <td>Other shareholders (14 debenture creditors)</td> <td>431</td> <td>4.31</td> </tr> <tr> <td><b>Total</b></td> <td><b>10,000</b></td> <td><b>100.00</b></td> </tr> </tbody> </table> <p><u>Note</u> * Attorney of debenture creditor about 501 persons, who is an agent for the reconciliation of debentures.</p> <p>Chote Pittayachai 5 Co., Ltd., shareholding structure information as of 17 May 2019</p> <table border="1"> <thead> <tr> <th>Shareholders</th> <th>No of shares</th> <th>Shareholding percentage (%)</th> </tr> </thead> <tbody> <tr> <td>Kudun and Partners PS Limited*</td> <td>8,569</td> <td>85.69</td> </tr> <tr> <td>Other shareholders (12 debenture creditors)</td> <td>1,431</td> <td>4.31</td> </tr> <tr> <td><b>Total</b></td> <td><b>10,000</b></td> <td><b>100.00</b></td> </tr> </tbody> </table> <p><u>Note</u> * Attorney of debenture creditor about 501 persons, who is an agent for the reconciliation of debentures.</p> <p>Kudun and Partners PS Limited, Shareholding structure information as of 29 May 2020</p> <table border="1"> <thead> <tr> <th>Shareholders</th> <th>No of shares</th> <th>Shareholding percentage (%)</th> </tr> </thead> <tbody> <tr> <td>Kudun and Partners Limited</td> <td>10,197</td> <td>50.985</td> </tr> <tr> <td>Ms.Zhao Qiaozhi</td> <td>9,800</td> <td>49.000</td> </tr> <tr> <td>Mr.Kudun Sukhumananda</td> <td>1</td> <td>0.005</td> </tr> <tr> <td>Mr.Ekachai Chotipitayasunon</td> <td>1</td> <td>0.005</td> </tr> <tr> <td>Ms.Mayuree Supsuttiporn</td> <td>1</td> <td>0.005</td> </tr> <tr> <td><b>Total</b></td> <td><b>20,000</b></td> <td><b>100.00</b></td> </tr> </tbody> </table>	Shareholders	No of shares	Shareholding percentage (%)	Chote Pittayachai 5 Co., Ltd.*	9,569	95.69	Other shareholders (14 debenture creditors)	431	4.31	<b>Total</b>	<b>10,000</b>	<b>100.00</b>	Shareholders	No of shares	Shareholding percentage (%)	Kudun and Partners PS Limited*	8,569	85.69	Other shareholders (12 debenture creditors)	1,431	4.31	<b>Total</b>	<b>10,000</b>	<b>100.00</b>	Shareholders	No of shares	Shareholding percentage (%)	Kudun and Partners Limited	10,197	50.985	Ms.Zhao Qiaozhi	9,800	49.000	Mr.Kudun Sukhumananda	1	0.005	Mr.Ekachai Chotipitayasunon	1	0.005	Ms.Mayuree Supsuttiporn	1	0.005	<b>Total</b>	<b>20,000</b>	<b>100.00</b>
Shareholders	No of shares	Shareholding percentage (%)																																												
Chote Pittayachai 5 Co., Ltd.*	9,569	95.69																																												
Other shareholders (14 debenture creditors)	431	4.31																																												
<b>Total</b>	<b>10,000</b>	<b>100.00</b>																																												
Shareholders	No of shares	Shareholding percentage (%)																																												
Kudun and Partners PS Limited*	8,569	85.69																																												
Other shareholders (12 debenture creditors)	1,431	4.31																																												
<b>Total</b>	<b>10,000</b>	<b>100.00</b>																																												
Shareholders	No of shares	Shareholding percentage (%)																																												
Kudun and Partners Limited	10,197	50.985																																												
Ms.Zhao Qiaozhi	9,800	49.000																																												
Mr.Kudun Sukhumananda	1	0.005																																												
Mr.Ekachai Chotipitayasunon	1	0.005																																												
Ms.Mayuree Supsuttiporn	1	0.005																																												
<b>Total</b>	<b>20,000</b>	<b>100.00</b>																																												

Machinery Sale and/or Transfer of Ownership			
	Kudun and Partners Limited, Shareholding structure information as of 30 April 2020		
	<b>Shareholders</b>	<b>No of shares</b>	<b>Shareholding percentage (%)</b>
	Mr.Kudun Sukhumananda	35,750	35.75
	Mr.Sarawut Krailartsiri	35,000	35.00
	Mr.Ekachai Chotipitayasunon	19,500	19.50
	Mr.Konggot Yongsawatdigul	9,750	9.75
	<b>Total</b>	<b>100,000</b>	<b>100.00</b>
<b>Detail of the asset disposal</b>	<b>Machine</b>	87 machines	
	<b>Registration No.</b>	41-318-306-0197 to 0286	
	<b>Located at</b>	88 Rama II Road (Thonburi – Paktor) Moo 2 Kalong Sub-district, Muang Samut Sakhon District, Samut Sakhon	
	<b>License</b>	The Certificate of machinery registration no. 420331	
<b>Selling price</b>	Baht 55,000,000 in aggregate (One hundred million baht)		
<b>The transfer of ownership</b>	Subsidiary Company will transfer and register the ownership of machines at the Central Office for Machinery Registration, Department of Industrial Works, Ministry of Industry within June 2020		

### 3. General characteristics of the transaction and transaction value and details of the asset disposal

#### 3.1 General Characteristics

The Subsidiary Company will transfer the ownership of 87 machines no. 41-318-306-0197 to 0286, located at 88 Rama II Road (Thonburi – Paktor) Moo 2 Kalong Sub-district, Muang Samut Sakhon District, Samut Sakhon which is the ownership of Rich Asia Industry Company Limited as per certificate of machinery registration no. 420331, for debt repayment to the Company's debenture creditor.

#### 3.2 Calculation of transaction value

The calculation under the Notification on Acquisition or Disposal of Assets based on the reviewed consolidated financial statements of the Company for the 3-month period as of 31 March 2020 has the details as follows.

##### (1) Net Tangible Asset Criteria

Cannot be calculated due to this is the transaction of the disposal of machines

##### (2) Net Profits from Normal Operation Criteria

Cannot be calculated due to this is the transaction of the disposal of machines

**(3) Total Value of Consideration Criteria****(3.1) Transaction on assets acquisition**

$$\text{Total Value of Consideration} = \frac{(\text{Paid or received transaction value} \times 100)}{\text{Total asset of the listed company}}$$

Paid or Received Transaction Value = The highest value between value of Consideration or book value

Paid or Received Transaction Value = The highest value between 55,000,000 and 55,000,000

Paid or Received Transaction Value = 55,000,000

$$\text{Total Value of Consideration} = \frac{(55,000,000 \times 100)}{459,239,797.08}$$

$$= 11.98 \%$$

**(3.2) Transaction on assets Disposal**

$$\text{Total Value of Consideration} = \frac{(\text{Paid or received transaction value} \times 100)}{\text{Total asset of the listed company}}$$

Paid or Received Transaction Value = The highest value between value of Consideration or book value

Paid or Received Transaction Value = The highest value between 158,765,153 and 103,765,240

Paid or Received Transaction Value = 158,765,153\*

$$\text{Total Value of Consideration} = \frac{(158,765,153 \times 100)}{459,239,797.08}$$

$$= 34.57\%$$

**Note:** \*Within 6 months period backward, the Company has the transaction on assets disposal as follow:

(a) Disposal of waiver of rights to purchase the new ordinary shares of Rich Asia Industry Co., Ltd. ("Subsidiary Company"), Value of Consideration and book value of 103,765,153 Baht as per information memorandum

on entering into the transaction for acquisition and disposal of the Subsidiaries' land and properties to repay debenture debt No.PorBor.026/2020 dated 20 May 2020.

(b) Disposal of the Subsidiaries' machines, Value of Consideration amount of 55,000,000 Baht (Fifty-five million baht) and book value amount of 87 Baht (Eighty seven Baht only) as per information memorandum on entering into the transaction of acquisition and disposal of the Subsidiaries' machines to repay debenture debt as per this information memorandum.

**(4) Value of Securities Issued as Consideration for the Acquisition of the Asset Criteria**

Cannot be calculated due to this is the transaction of the disposal of machines

From the calculation of the transaction value above, the highest transaction value equals 34.57 percent based on the value of consideration basis. The highest transaction value is derived from this method of calculation, whereby the calculation is based on the Company's reviewed consolidated financial statements for the 3-month period as of 31 March 2020. Therefore, the entering of this transaction have the total highest transaction value of 34.57 percent based on the value of consideration basis, being considered as a Class 2 transaction under the Notification on Acquisition or Disposal of Assets. Therefore, the Company is required to immediately disclose the information memorandum on entering into such transaction to the Stock Exchange of Thailand (the "SET") and send a circulated letter to the shareholders of the Company within 21 days from the disclosure date on entering into such transaction to the SET.

### 3.3 Rational and background of the transaction

Rich Asia Corporation Public Company Limited ("the Company") has the debtor which is Rich Asia Industry Company Limited, subsidiary of the company. As the debenture creditor expedite the Company to pay the debt, on 19 February 2018 the Company has mortgage the subsidiary's machine as collateral for repayment in the amount of 100 million baht, and on 28 March 2018, the subsidiary's land and buildings as additional collateral for repayment in the amount of 400 million baht, until the Company can repay the debt.

Subsequently, the mortgagee (debenture creditor) has claim and will prosecute the subsidiary to enforcement of mortgage, therefore the Company has mediate negotiation with the debenture creditor and be offered to transfer the ownership of machine to the mortgagee, for repayment debt in the amount equal to 55,000,000 Baht (Fifty five million baht). Hence, the Company has considered to dispose the subsidiary's machines for debt repayment to the debenture creditor.

Furthermore, the subsidiary company was sued as the defendant in black case no. Por. 1430/2561 to Samut Sakhon Province Court for breach of contract and oblige for the mortgage of land and buildings of the Subsidiary Company which has mortgaged as collateral for the payment of Company's debentures, and the Company was called as a co-defendant. Later on 27 May 2019, entered into a compromise agreement to the court. Whereby the Subsidiary Company agreed to transfer the ownership of the mentioned Land and Buildings to settle disputes in this case. The court has ordered according to the aforementioned compromise agreement, as the red case no. Por. 682/2562. On 23 August 2019, Subsidiary Company disposes Land and Buildings mentioned above for the payment of debenture creditor as per judgment already.

### 4. Description of the asset to be disposed of

Details of Machines are as follows



Characteristics of asset	<u>Machine</u>	87 machines		
	<u>Registration No.</u>	41-318-306-0197 to 0286		
	<u>List of Machines</u>			
		<u>Registration No.</u>	<u>Machine Name</u>	<u>Amount of Machine</u>
		41-318-306-0197	Weighing Machine	1
		41-318-306-0198 to 0199	Crain	2
		41-318-306-0200 to 0201	Transformer	2
		41-318-306-0202	Slitter	1
		41-318-306-0203 to 0207	Crain	5
		41-318-306-0208	Forming Machine	1
		41-318-306-0209 to 0213	Forming Machine	5
		41-318-306-0214	Slitter	1
		41-318-306-0215 to 0218	Packing Machine	4
		41-318-306-0219 to 0221	Threading Machine	3
		41-318-306-0222	Marking Machine	1
		41-318-306-0223	Threading Machine	1
		41-318-306-0224	Testing Machine	1
		41-318-306-0225	Facing Machine	1
		41-318-306-0226	Testing Machine	1
		41-318-306-0227	Facing Machine	1
		41-318-306-0228	Packing Machine	1
		41-318-306-0229 to 0231	Straightening Machine	3
		41-318-306-0232 to 0235	Air Compressor	4
		41-318-306-0236 to 0237	Transformer	2
		41-318-306-0238 to 0270	Crain	33
		41-318-306-0271 to 0272	Cooling Tower	2
		41-318-306-0273 to 0274	Galvanizing Plant	2
	41-318-306-0275 to 0284	Crain	10	
	41-318-306-0285	Boiler	1	
	41-318-306-0286	Wasted Water Treatment	1	
	<b>Total (Machine)</b>		<b>90</b>	
	* Withdrawn the machine no. 41-318-306-0217 to 0218 and 41-318-306-0228, total of 3 machines according to the request no. 0787/42 dated 19 April 1999 and remained 87 machines.			

Location	88 Rama II Road (Thonburi – Paktor) Moo 2 Kalong Sub-district, Muang Samut Sakhon District, Samut Sakhon
Document of right	Certificate of machinery registration no. 420331
Legal rights	Absolute ownership
Liability	Kudun and Partners PS Limited as the mortgagee on the behalf of debenture creditor, and attorney of other debenture creditor 501 persons
The use prior to the disposal	Manufacture and trade for steel pipe and structural steel products

#### 5. Description of the asset to be acquired

Details of Debentures are as follows

Asset to be acquired	Debentures of Rich Asia Corporation Public Company Limited				
Characteristics of asset	<table> <tr> <td>Debentures</td> <td>55,000 units</td> </tr> <tr> <td>Total Value</td> <td>55,000,000 Baht</td> </tr> </table>	Debentures	55,000 units	Total Value	55,000,000 Baht
Debentures	55,000 units				
Total Value	55,000,000 Baht				
Document of right	Certificate of debenture, amounted of 55,000,000 Baht				
Legal rights	Absolute ownership				
Liability	Chote Pittayachai 4 Co., Ltd.				
The use prior to the disposal	-				

#### 6. Total value of consideration

Total value of consideration for Subsidiary's machines is debenture which has total value of 55,000,000 Baht.

#### 7. Criteria to determine the total value of consideration

The transaction of disposal of subsidiary's machine which has received the Company's debenture by return total amount of 55 million baht is the price and term from negotiation between the Company and the debenture creditors, together with the valuation of machines by an appraiser who has been approved by the Securities and Exchange Commission (the "SEC").

The value of consideration has been considered from the price negotiated between the Company and debenture creditors, compared with the market value of Machines that appraised by Rich Appraisal Co., Ltd. the appraiser who is approved by the SEC, with an assessment for public purposes. Such value of the consideration is higher than the market value as the following details:

Details	Forced Sales Value	Sales and Purchase Value
Machines of Rich Asia Industry Co., Ltd.	53.85 million baht	55 million baht

#### 8. Expected benefits to the Company from the asset disposal

8.1 This asset disposal, enabling the Company could repay the remaining debt to the debenture creditors and enable to continuously business operation. Thus, the Company has the outstanding debts with the debenture creditor amount of 1,230 million baht.

8.2 As the business has low liquidity, this disposing of land and buildings could accelerate debt repayment to the debenture creditor.

#### 9. Plans for utilizing the proceeds from the asset disposal

This transfer of subsidiary's Machines to the creditor (the purchaser), the subsidiary will subrogate the right from the existing debenture creditors, as explained in 3.3 onward.

For the machines in business operation after the subsidiary has disposed assets to pay debts to creditor (the purchaser) in accordance with has mediate negotiation with debenture creditors as explained in 3.3, the creditor (the purchaser) agrees with the subsidiary to rent such asset for further business operation. The subsidiary has considered the rental conditions, the rental price including the ability to control various costs and expenses, and found that it was worthwhile to rent the mentioned assets. For the period that the creditor (the purchaser) let the subsidiary to rent starting from 18 June 2020 to 30 September 2021. However, not less than 6 months before the end of the rental period, the creditor (the purchaser) and the subsidiary agree to negotiate about the rental renewals. In case of there is no negotiation, it is considered that the subsidiary does not desire to continue such rental assets. Currently, the Subsidiary Company has not yet acknowledged that the transferee (the purchaser) would transfer the ownership of machines in near future, and this transfer does not have an agreement or contract for the right to buy back. For the subsidiary's production capacity is estimated at 5% per month (maximum production capacity of 40,000 tons per month). The production is around 2,000 tons per month on average, representing an income of 40,000,000 Baht per month. Also, the conglomerate has a new business plan that is the 100% battery electric vehicles, which the subsidiary require production space for setting up line of assembling the mentioned electric vehicle and has obtained approval of investment promotion from the Board of Investment of Thailand (BOI). On November 6, 2019 which promotion type 4.18 business of Battery Electric Vehicles and parts and have privileges and benefits as per Investment Promotion Acts BE 2520. Therefore, the Company will receive a worthwhile from business rehabilitation when compared to the rental cost. In case of the subsidiary has necessity to

move out of rental space, the Company has own another plot of Land, located at 91 Moo 1, Na Khok Subdistrict, Mueang Samut Sakhon District, Samut Sakhon Province, which can be utilizable for the business operation and currently is in improvement process.

**10. Conditions for the entering into the transaction**

This entering into the transaction is considered as disposal of listed company's assets under Class 2 of the Notification on Acquisition or Disposal of Assets. Therefore, the Company is required to immediately disclose the information memorandum on entering into such transaction to the Stock Exchange of Thailand (the "SET") and send a circulated letter to the shareholders of the Company within 21 days from the disclosure date on entering into such transaction to the SET.

**11. Opinion of the Board of Directors on the entering into the transaction**

The resolution of the Board of Directors' Meeting No. 5/2020, held on 16 June 2020, has carefully considered this transaction, by considering the conditions of the transaction, the appropriateness of the sale value and opine that could resolve the Company's liabilities.

**12. Opinion of the Audit Committee and/or opinion of the director which is different from the opinion of the Board under Clause 11**

All directors of the Company have the same opinions as specified in the above Board of Directors' resolution (unanimous) and no audit committee member has different opinion from such Board's resolution.

The Board of Directors certifies that all information contained in this Information Memorandum is true, complete and accurate in all respects.

Please be informed accordingly.

Yours sincerely

- SOMKIAT VONGSAROJANA -

Mr. Somkiat Vongsarojana

Managing Director