

**Information Circular on the Entire Business Transfer**
**From Tamose Trading Company Limited and Meesup Transport Company Limited**

1. **Date, month and year of the entire business acquisition**

The transaction shall be made after acquiring the approval from PAP shareholder's meeting.
  
2. **The Transferor information**

Name	Relationship
<b>Transferee :</b> Pacific Pipe Public Company Limited (PAP)	PAP is a shareholder of Tamose Trading Company Limited and Meesup Transport Company Limited
<b>Transferor :</b> Tamose Trading Company Limited	A subsidiary of Pacific Pipe Public Company Limited. PAP holds 99.99% of total shares of Tamose Trading Company Limited.
<b>Transferor :</b> Meesup Transport Company Limited	A subsidiary of Pacific Pipe Public Company Limited. PAP holds 99.97% of total shares of Meesup Transport Company Limited.

**3. The Transferor information**

Tamose Trading Company Limited was established on 21 December 1999. It has a paid-up capital of 100,000,000.00 baht. The business objectives are selling structural steel pipe manufactured by Pacific Pipe Public Company Limited and providing a one-stop service of supplying and selling construction materials in both structural works and system works.

Meesup Transport Company Limited was established on 16 January 1996. It has a paid-up capital of 14,000,000.00 baht. The business objectives are distributing products of Pacific Pipe Public Company Limited and Tamose Trading Company Limited.

**4. Details of related parties transfer**

4.1. The entire asset for business of Tamose Trading Company Limited and Meesup Transportation Company Limited, according to the company financial statement as at 12.00 A.M. of 31 December 2018 or the day before the acquisition determined by Chief Executive Officer. (On 31 December 2018, said asset of Tamose Trading Company Limited and Meesup Transportation Company Limited are approximately 739 million baht and 122 million baht respectively.)

- 4.2. The entire liability from business of Tamose Trading Company Limited and Meesup Transportation Company Limited, according to the company financial statement as at 12.00 A.M. of 31 December 2018 or the day before the acquisition determined by Chief Executive Officer. (On 31 December 2018, said liabilities of Tamose Trading Company Limited and Meesup Transportation Company Limited are approximately 459 million baht and 8 million baht respectively.)
- 4.3. Any contracts, intellectual property rights, licenses, privileges and any rights to operate of Tamose Trading Company Limited and Meesup Transportation Company Limited.
- 4.4. All employees of Tamose Trading Company Limited and Meesup Transportation Company Limited ended 31 December 2018 or the day before the acquisition determined by Chief Executive Officer. (On 31 December 2018, Tamose Trading Company Limited and Meesup Transportation Company Limited have 93 and 123 employees respectively.)

## 5. Transfer asset value and transfer price payment detail

### Business transfer price

Equals to the net assets and liabilities value of Tamose Trading Company Limited and Meesup Transportation Company Limited as at 12.00 A.M. of 31 December 2018 or the day before the acquisition determined by Chief Executive Officer stated in 4.1 and 4.2. (On 31 December 2018, book value of assets of Tamose Trading Company Limited and Meesup Transportation Company Limited are approximately 280 million baht and 114 million baht respectively.)

### Payment

The Company will pay the transfer price by a lump-sum payment per net book value or market price value of Tamose Trading Company Limited and Meesup Transportation Company Limited as at 12.00 A.M. of 31 December 2018 or the day before the acquisition determined by Chief Executive Officer.

## 6. Summary of financial statement of transfer company

Lists of important balance sheets of the transfer company as of 31 December 2018 and 2017 are as follows;

### 6.1. Tamose Trading Company Limited

	As 31 <sup>st</sup> December	
	2018 (Audited)	2017 (Audited)
<b>Asset</b>		
<b>Current assets</b>		
Cash and cash equivalents	98,255,501	137,236,451
Trade and other receivables	543,243,338	469,563,458
Inventories	66,790,770	52,393,514
Advance for raw material	6,399,023	12,710,800
Other current assets	16,795,748	906,308
<b>Total current assets</b>	<b>731,484,380</b>	<b>672,810,531</b>
<b>Non-current assets</b>		
Equipment	4,576,311	3,794,342
Intangible assets	9	4,174
Deferred tax assets	2,765,451	1,649,317
Other non-current assets	581,835	478,077
<b>Total non-current assets</b>	<b>7,923,606</b>	<b>5,925,910</b>
<b>Total assets</b>	<b>739,407,986</b>	<b>678,736,441</b>
<b>Liabilities and shareholder's equity</b>		
<b>Current liabilities</b>		
Short-term loans from financial institutions	163,406,003	55,130,854
Trade and other payables	225,238,003	332,954,993
Short-term loans from related party	50,000,000	-
Income tax payable	3,621,704	7,433,934
Other current liabilities	16,670,478	8,825,535
<b>Total current liabilities</b>	<b>458,936,188</b>	<b>404,345,316</b>
<b>Non-current liabilities</b>		
Provision for long-term employee benefits	999,099	5,834,624
<b>Total non-current liabilities</b>	<b>999,099</b>	<b>5,834,624</b>
<b>Total liabilities</b>	<b>459,935,287</b>	<b>410,179,940</b>
<b>Shareholder's equity</b>		
Share capital		
Registered		
1,000,000 ordinary shares of Baht 100 each	100,000,000	100,000,000
Issued and fully paid up		
1,000,000 ordinary shares of Baht 100 each	100,000,000	100,000,000
Retained earnings		
Appropriated-statutory reserve	4,000,000	1,000,000
Unappropriated	175,472,699	167,556,501
<b>Total shareholder's equity</b>	<b>279,472,699</b>	<b>268,556,501</b>
<b>Total liabilities and shareholders' equity</b>	<b>739,407,986</b>	<b>678,736,441</b>

**6.2. Meesup Transport Company Limited**

	As 31 <sup>st</sup> December	
	2018 (Audited)	2017 (Audited)
Asset		
Current assets		
Cash and cash equivalents	25,154,317	60,459,358
Trade and other receivables	4,081,090	3,661,532
Short-term loan to related party	50,000,000	-
Other current assets	398,307	403,615
Total current assets	79,633,714	64,524,505
Non-current assets		
Motor vehicles and equipment	42,973,408	51,794,749
Intangible asstes	12,849	16,702
Deferred tax assets	311,359	256,208
Total non-current assets	43,297,616	52,067,659
<b>Total assets</b>	<b>122,931,330</b>	<b>116,592,164</b>
Liabilities and shareholder's equity		
Current liabilities		
Trade and other payables	5,908,222	5,314,488
Income tax payable	1,433,797	2,192,304
Other current liabilities	60,352	43,130
Total current liabilities	7,402,371	7,549,922
Non-current liabilities		
Provision for long-term employee benefits	1,556,793	1,281,040
Total non-current liabilities	1,556,793	1,281,040
Total liabilities	8,959,164	8,830,962
Shareholder's equity		
Share capital		
Registered		
140,000 ordinary shares of Baht 100 each	14,000,000	14,000,000
Issued and fully paid up		
120,000 ordinary shares of Baht 100 each, 60 percent paid-up	7,200,000	7,200,000
20,000 ordinary shares of Baht 100 each, fully paid-up	2,000,000	2,000,000
Retained earnings		
Appropriated-statutory reserve	1,650,000	1,650,000
Unappropriated	103,122,166	96,911,202
Total shareholder's equity	113,972,166	107,761,202
<b>Total liabilities and shareholders' equity</b>	<b>122,931,330</b>	<b>116,592,164</b>

## 7. Benefits of acquisition of the entire business from Tamose Trading Company Limited and Meesup Transport Company Limited

### 7.1. Lessen redundant work

Being a representative and distributor of Pacific Pipe Public Company Limited causes expense and document work from purchasing, selling and delivering products for the Pacific Pipe Public Company Limited to the subsidiaries. The acquisition will not only reduce said cost but also allow the operating to be faster, more convenient, and help lessen redundant process of operating via a dealer.

### 7.2. Reduce redundant management cost

The business transfer will reduce the cost of general management and increase efficiency and convenience in financial and general management which will positively affect the Company's growth in the long-term.

### 7.3. Reduce cash flow from value added tax and withdrawal tax paid between related parties

Regarding 7.1, reducing redundant management cost, the acquisition will help reduce value added tax and withdrawal tax paid between the related companies.

## 8. Source of fund of the entire business transfer payment

All investment expenses are from the internal fund of Pacific Pipe Public Company Limited.

## 9. Process of the acquisition of the entire business

### 9.1. The shareholder's meeting of Tamose Trading Company Limited and Meesup Transportation Company Limited resolved the acquisition of the entire business to Pacific Pipe Public Company Limited

Such transfer must be approved by the shareholder's meeting of Tamose Trading Company Limited and Meesup Transportation Company Limited, in compliance with the company's article no.3 stated that the selling of significant assets of Tamose Trading Company Limited must comply with The stock Exchange of Thailand (SET) regulations regarding rules, methods and disclosure of material transactions deemed as acquisition or disposal of assets. The transaction must be approved by the shareholders of Tamose Trading Company Limited and Meesup Transportation Company Limited, which is Pacific Pipe Public Company Limited, a registered company in SET that directly or indirectly holds over 50% shares of the registered capital of Tamose Trading Company Limited and Meesup Transportation Company Limited

### 9.2. The shareholder's meeting of Pacific Pipe Public Company Limited's resolution on the acquisition of entire business from Tamose Trading Company Limited and Meesup Transportation Company Limited

Under Section 107 of the Public Limited Company Act B.E. 2535, such business acquisition enters purchasing and obtaining the transfer of a limited company. Pacific Pipe Public Company Limited must acquire the approval from the shareholder's meeting with not less than 3 quarters of the votes from shareholders who attend the meeting and have rights to vote.

9.3. The business transfer of Tamose Trading Company Limited and Meesup Transportation Company Limited

Pacific Pipe Public Company Limited, Tamose Trading Company Limited and Meesup Transportation Company Limited must all sign the entire business acquisition contract which will be active after being approved by the shareholder's meeting of Pacific Pipe Public Company Limited or other date determined by the Chief Executive Officer. Both transferor companies must proceed with the entire business transfer including assets, liabilities, contracts, employees, insurances, memos and licenses without any obligation since the day of the transfer. Both transferor companies agree to cease operation, any business and seek for business advantages or benefits from the day of the transfer.

9.4. The Shareholder's meeting of Tamose Trading Company Limited and Meesup Transportation Company Limited resolved that the companies cease operation after the acquisition is completed

According to Section 1194 of The Thailand Civil and Commercial Code, such ceasing of operation must be approved by extraordinary resolution of the shareholder's meeting and with the majority of not less than 3 quarters of the votes from shareholders who attend the meeting and have rights to vote.

9.5. The ceasing to operate of Tamose Trading Company Limited and Meesup Transportation Company Limited

After the transfer is complete, Tamose Trading Company Limited and Meesup Transportation Company Limited will proceed with the registration to cease operation at the Department of Business Development, Ministry of Commerce and arrange payment of liquidation within the accounting period that the entire business transfer is active.

10. **Effects of the entire business acquisition on the shareholder's advantage**

With the entire acquisition, Pacific Pipe Public Company Limited will obtain assets, liabilities, rights and responsibility of Tamose Trading Company Limited and Meesup Transportation Company Limited. However, both companies are already its subsidiaries that the Company holds approximately 99.99% and 99.97% shares respectively. The acquisition does not significantly affect the overall operating result of Pacific Pipe group and the benefits of the shareholders.