

No. SIAM 033/2016

December 28, 2016

Subject : To notify more information of the investment in Indirect Subsidiary Company

To : The President
The Stock Exchange of Thailand

Siam Steel International Public Company Limited ("the Company") would like to inform that Siam Biomass Product Limited ("SBP") an indirect subsidiary company in which the Company holds 100 % of its total issued shares through Siam International Energy ("SIE"), will increase capital from Baht 1,000,000 to Baht 100,000,000 detail as follows:

- 1. Transaction date** : SBP will increase capital at Department of Business Development, Ministry of Commerce within Quarter 1/2017
- 2. General Characteristics of Transaction** : SBP will increase capital from Baht 1,000,000 to Baht 100,000,000 by issuing new share of 9,900,000 shares at a par value of Baht 10 which SIE will hold all shares to keep the same proportion of share. SBP will increase capital, in order to invest in new company namely, Siam Biomass Product – South Phrasaeng Limited .
- 3. Calculation of the Transaction size** : This transaction size dose not regarded as transaction of acquisition and disposition of material assets of listed companies. The transaction value calculation for consideration, the transaction size is lower than 15 % of the total assets as follows:
$$\frac{\text{Total consideration } 99,000,000 \times 100}{\text{Total assets } 3,472,000,000} = 2.85\%$$
and it's not a connected transaction.
- 4. Total value of the consideration** : SIE will held 9,000,000 shares, par value of Baht 10 per share, total amount of Baht 99,000,000.

- 5. Objective** : To invest in new company namely, Siam Biomass Product – South Phrasaeng Limited which is currently under the preparation to operate on renewable energy in the future.
- 6. Detail of acquisition of assets** : Shares of SBP amount of 9,900,000 shares
- 7. The criteria used to determine the value of the consideration** : SIE will hold 9,900,000 shares, par value of Baht 10 per share , total amount of Baht 99,000,000.
- 8. To indicate net profit excluding special items which is the part of assets acquired or disposed within 2 years prior to the transaction , if necessary** : None
- 9. Expected Benefits for the Company** : Increasing capital to establish of new indirect subsidiary company in renewable business is in line with the Company's business plan, investment strategy and business objectives into renewable energy business and will has the best benefits in the future
- 10. Source of Fund** : Working capital of SIE
- 11. Plan of using money from selling the assets** : None
- 12. Issuing share for buying the assets** : None
- 13. Conditions of Transaction** : This transaction size does not regarded as transaction of acquisition and disposition of material assets of listed companies and it is not a connected transaction so it does not comply with the regulations of SET.
- 14. The Company will invest in the Other which has connected person** : None
- 15. Opinion of the Board of Directors regarding the Transaction** : None

16. Opinion of the Audit Committee or / : None
Board of Directors which are
Different from the opinions of
The Board of Directors according to
Item 15.

Please be informed accordingly.

Yours sincerely,

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Surapol Kunanantakul
Director