

2 October 2017

Subject: Notification of Information Memorandum of Related Party Transaction in Relation to Share Purchase and Taking Assignment of Claims in Loan

To: President
The Stock Exchange of Thailand

The Meeting of Board of Directors of WHA Utilities and Power Public Company Limited (“Company”) No. 8/2017 on 29 September 2017 passed a resolution approving the Company to accept the right under the Strategic Partnership Agreement between the Company and Hemaraj Land and Development Public Company Limited (“Hemaraj”) to conduct the business of distribution and retail trade of natural gas. In accepting the said right, the Company or its subsidiary shall purchase the entire shares of Hemaraj in Gulf WHA MT Natural Gas Distribution Co., Ltd. (“Gulf WHA MT”), a joint venture company between Hemaraj and Gulf Energy Development Public Company Limited together with accepting the assignment of entire claims in a loan borrowed by Gulf WHA MT from Hemaraj. The said share purchase and acceptance of assignment of claims are the related party transactions under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and the Notification of Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. (“Related Party Transaction Notification”). The transaction size is 0.19 of the Company’s net tangible assets calculated from the latest financial statement ended on 30 June 2017. The transaction size is more than 0.03 but does not exceed 3 percent of the Company’s net tangible assets. The Company therefore wishes to disclosure the details of such transaction pursuant to the Related Party Transaction Notification as follows:

1. Transaction date, month and year

After receiving approval from the Board of Directors No. 8/2017 on 29 September 2017

2. The relevant parties and relationship

Seller Hemaraj Land Development Public Company

Purchaser WHA Utilities and Power Public Company Limited or its subsidiary

The relationship of the parties is that Hemaraj group holds shares in the Company at the proportion of 70 percent. Hemaraj therefore has the status of a major shareholder of the Company and a connected person under the Related Party Transaction Notification. The transaction of share purchase and acceptance of assignment of claims in the loan borrowed by Gulf WHA MT from Hemaraj between the Company or its subsidiary and Hemaraj is a related party transaction.

3. General characteristics of the transaction

The Company will accept the right under the Strategic Partnership Agreement between the Company and Hemaraj to conduct the business of distribution and retail trade of natural gas. In accepting the said right, the Company or its subsidiary shall purchase the entire shares of Hemaraj in Gulf WHA MT Natural Gas Distribution at the number of 2,499,000 shares, equaling 51 percent of the total shares of Gulf WHA MT, at the price of Baht 2.50 per share or in the amount of Baht 6,247,500. And, the Company or its subsidiary shall accept the assignment of claims in the loan in the amount of Baht 6,885,000 borrowed by Gulf WHA MT from Hemaraj at the price of Baht 6,885,000. The total amount to be paid by the Company or its subsidiary to Hemaraj is Baht 13,132,500. After the purchase of Gulf WHA MT Natural shares from Hemaraj, Gulf WHA MT Natural will become a subsidiary of the Company.

The information of Gulf WHA MT

Registered capital	:	Baht 49,000,000 (Par price of 10 baht per share)
Paid up capital	:	Baht 12,250,000 (Price of 2.5 baht per share)
Total number of shares issued	:	4,900,000 shares
Date of Incorporation	:	27 May 2015
Nature of Business	:	To conduct the business of placing pipeline and distribution of natural gas. Presently, Gulf WHA MT has 2 projects located at Hemaraj Eastern Seaboard Industrial Estate 2 and Hemaraj Eastern Seaboard Industrial Estate 4. The investment for each project is made through special vehicle companies. Gulf WHA MT has the investment plan in the future for 4 projects with the target investment in industrial estate or industrial zone.
List of shareholders	:	<ol style="list-style-type: none"> 1. Hemaraj holds 2,499,000 shares. 2. Gulf Energy Development Public Company Limited holds 2,400,997 shares. 3. Mrs. Porntipa Chinvetkitvanit holds one share. 4. Mr. Boonchai Thirati holds one share. 5. Mr. Ravi Kurmarohita holds one share.
List of Directors	:	<ol style="list-style-type: none"> 1. Mrs. Porntipa Chinvetkitvanit 2. Mr. Boonchai Thirati 3. Mr. Somyos Anantaprayoon 4. Ms. Jareeporn Jarukornsakul 5. Mr. David Richard Nardone 6. Ms. Yupapin Wangviwat

Financial information as of 31 August 2017*	Total Assets	11,852,821.04 Baht
	Total Liabilities	20,351.79 Baht**
	Retained Earning (loss)	(417,530.75) Baht
	Shareholders' equity	11,832,469.25 Baht

*Based on the Internal Management Account of Gulf WHA MT as of 31 August 2017, which is not reviewed or audited by an auditor.

**This amount has not included the loan to be acquired by the Company as stated in this letter as Hemaraj was granted the loan on 28 September 2017.

4. Rules for fixing of total value of the transaction

From the valuation approach of Gulf WHA MT by means of **book value (plus carrying cost) and comparison price method [in line with the condition under an existing written agreement between the project's co-developers that the current two shareholders of Gulf WHA MT are to sell a portion of their shares at par price to another co-developer who will at certain point in the future also become a co-shareholder of Gulf WHA MT]. The results of both approaches are the same** i.e. the share value is Baht 2.50 per share and the loan value is at Baht 6,885,000. Therefore, the rules for fixing of value of the share purchase and accepting the assignment of claim in the loan is both of book value and marker price method.

The Company's net tangible assets pursuant to the Company's financial statement as of 30 June 2017 is Baht 6,796,960,000. The transaction of share purchase and accepting the assignment of claim in the loan is 0.19 percent of the Company's net tangible assets.

5. Source of funds for purchase of assets

Working capital of the Company. This has no effect on the main business of the Company.

6. Persons having Interest in the transactions and being not entitled to vote in this agenda of the Meeting of the Board of Directors

Mr. Somyos Anantaprayoon*, Ms. Jareeporn Jarukornsakul, Mr. David Richard Nardone and Mr. Vivat Jiratikarnsakul. The 4 persons are the directors in Hemaraj.

*Mr. Somyos Anantaprayoon did not attend the Meeting of Board of Directors No. 8/2017.

7. Opinion of the Board of Directors on the transaction

The Meeting of Board of Directors No. 8/2017 on 29 September 2017 was of the opinion that the price for share purchase and accepting the assignment of claim in the loan in the amount of Baht 13,132,500 is appropriate since the said price is the fair value pursuant the valuation approach by means of book value and marker price of Gulf WHA MT. The investment in the business of distribution and retail trade of natural gas will help creating growth to the Company and is in line the intention of the Company to be the service provider in the field of power and facilities in the industrial sectors on an one stop service basis.

In consideration of the said matter, Mr. Somyos Anantaprayoon*, Ms. Jareeporn Jarukornsakul, Mr. David Richard Nardone and Mr. Vivat Jiratikarnsakul, all of whom are the directors in Hemaraj and have interest in such matter, are not entitled to vote.

*Mr. Somyos Anantaprayoon did not attend the Meeting of Board of Directors No. 8/2017.

8. Opinion of the Audit Committee and/or the Directors which is different from the opinion of the Board of Directors

After consideration, the Audit Committee's opinion is not different that of the Board of Directors of the Company.

Please be informed accordingly.

Yours Faithfully

(Mr. Wisate Chungwatana)
Chief Executive Officer

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