

- Translation -

UAC.CS/006/2018

March 23, 2018

Subject: Plan to spin-off Subsidiary Company to be listed in mai

To: The President
The Stock Exchange of Thailand

Enclosure: Information Memorandum on Disposition of Assets of UAC Global Public Company Limited

UAC Global Public Company Limited (UAC or the Company) would like to inform that the Board of Directors Meeting No. 3/2018 which held on 23 March 2018 (the Meeting) has resolved to approve plan to spin-off UAC Advance Polymer & Chemicals Company Limited (UAPC), subsidiary company, to be listed in the Market for Alternative Investment (mai) by increasing registered capital from Baht 180,000,000 to 240,000,000 Baht by issuance of Ordinary Shares to Initial Public Offering (IPO) amounting of 120,000,000 shares as par value of Baht 0.50 (after conversion to a Public Company Limited, UAPC will change par value from 100 Baht to 0.50 Baht) or equivalent to 25.00 percent of Total Paid-up Capital after capital increase (Spin-off Plan). Furthermore, the Meeting also approved to offer UAPC Ordinary Shares which were held by UAC amounting of 54,000,000 shares at par value of 0.50 Baht or 11.25% of Total Paid-up Capital after capital increase together with IPO of UAPC at the same price. by proportion of shareholding (Pre-emptive Right amounting of 126,707,006 shares as par value of Baht 0.25 or 30.17 percent of total shares sold to public of 420,000,000 shares or 35.00 percent of Total paid up capital after the Initial Public Offering (IPO).

IPO of UAPC will not exceed 36.25% of Total Paid-up Capital after capital increase and UAC will be a major shareholder of UAPC at proportion of 63.75% of Total Paid-up Capital after capital increase. Since the decrease of holding portion in UAPC may affect to the benefit of UAC existing shareholders, the Meeting has resolved to approve to allocate UAPC newly issued shares to UAC existing shareholders by proportion (Pre-emptive Right) amounting 87,000,000 shares at par value of 0.50 Baht or 50% of IPO (174,000,000 shares)

Spin-off Plan is consistent to UAC Plan by growing UAPC with business competency, strong financial position and being able to access varieties of funding by themselves for future business expansion.

Hence, Spin-off Plan and offer UAPC shares to public together with IPO are regarded as a disposal of assets of listed company pursuant to the Notification of the Capital Market Supervisory Board No.Tor.Jor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposition of Assets (as amended) and the Notification of the Board of Governors of the SET entitled Disclosure of Information and Other Acts of the Listed Company Concerning the Acquisition or Disposition of Assets, 2004 (the "Major Transaction Rules"). The highest value when calculated based on the net profit test from operation which equals 4.39%, based on the 2017 consolidated financial statements of the Company as of 31 December 2017. This transaction is not classified as acquisition and disposition of assets since the size is lower than 15%; the Meeting can approve and proceed this transaction. However, this transaction will be presented in the 2018AGM for acknowledgment on 4 April 2018. The details of Spin-off Plan and other related matters will be shown in Information Memorandum on Disposition of Assets of UAC Global Public Company Limited as attached.

Please be informed accordingly.

Sincerely yours,

-Signature-

(Miss Nilrat Jarumanopas)

Chief Financial Officer

Authorized to sign on behalf of the Company

UAC Global Public Company Limited

The Board of Directors Meeting of UAC Global Public Company Limited. (“the Company” or “UAC”) No. 3/2018 held on 23 March 2018 has resolved to approve to plan to spin-off UAC Advance Polymer & Chemicals Company Limited (UAPC), subsidiary company, to be listed in the Market for Alternative Investment (mai) and issuance Ordinary Shares to Initial Public Offering (IPO) (Spin-off Plan) as details below;

1. Approve plan to spin-off UAPC to be listed in the Market for Alternative Investment (mai) by increasing registered capital from Baht 180,000,000 to 240,000,000 Baht by issuance of Ordinary Shares to Initial Public Offering (IPO) amounting of 120,000,000 shares as par value of Baht 0.50 or equivalent to 25.00 percent of Total Paid-up Capital after capital increase.
2. Approved to offer UAPC Ordinary Shares which were held by UAC amounting of 54,000,000 shares at par value of 0.50 Baht or 11.25% of Total Paid-up Capital after capital increase together with IPO of UAPC at the same price.
3. Approve to offer and allocate UAPC newly issued shares to UAC existing shareholders by proportion (Pre-emptive Right) amounting 87,000,000 shares at par value of 0.50 Baht or 50% of IPO (174,000,000 shares). IPO amount equals to 36.25% of Total Paid-up Capital after capital increase. UAPC, at its discretion, may not offer for sale or may not allocate the newly issued ordinary shares to any person or subscriber if such offer for sale or allocation will, or may result in: (a) a violation of any laws, rules or regulations of the Kingdom of Thailand or of any other countries, and/or the Articles of Association of UAPC, or (b) additional compliance or any additional action of UAPC other than that would be required under the relevant laws or regulations regarding the issuance and offer for sale of securities under the law of the Kingdom of Thailand; or (c) any non-compliance with the requirements, procedures, or conditions required in the offer for sale or the allocation of shares; or (d) UAPC is not complied with the free float criteria of the Stock Exchange of Thailand. In this regard, the specific group of investors who are the existing shareholders of the Company entitled to the allocation of shares under aforementioned allocation restriction shall be referred to as the “Entitled Shareholders for the Allocation of Shares”. For the purpose not being considered as in violation of the securities laws of other countries, or not burdening UAPC with duties to perform any additional action other than that would be required under the relevant laws or regulations regarding the issuance and offer for sale of securities under the law of the Kingdom of Thailand, the Company does not deliver the documents in relation to the subscription of the newly issued ordinary shares of UAPC to any of its shareholders whose addresses as shown in the share register are outside Thailand or has foreign nationality. However, UAPC may offer for sale or allocate the shares to any investor or subscriber who is foreign or is not resided in Thailand under the exception of the foreign laws.

Hence, Spin-off Plan and offer UAPC shares to public together with IPO are regarded as a disposal of assets of listed company pursuant to the Notification of the Capital Market Supervisory Board No.Tor.Jor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposition of Assets (as amended) and the Notification of the Board of Governors of the SET entitled Disclosure of Information and Other Acts of the Listed Company Concerning the Acquisition or Disposition of Assets, 2004 (the “Major Transaction Rules”). The highest value when calculated based on the net profit test from operation which equals 4.39% as details below;

1. Date of the transaction

The Spin-off Plan and Pre-emptive Right will be happened after SEC approves UAPC to issue and offer newly issued shares to public and UAPC completes all required conditions described in Clause 9 which expected to be completed within 2018.

2. Parties involved and their relationship with the listed company

Buyer : UAC and UAPC (subsidiary company)
Seller : Public Investor and UAC Existing Shareholders who have Pre-emptive right
(Collectively called “Public”)

3. General characteristics of the transaction

3.1 Spin-off UAPC and listed in mai by offering newly issued shares

To spin-off UAPC and listed in mai, UAPC has to be converted to Public Company Limited, change par value from 100 Baht to 0.50 Baht per share and increase registered capital from 180,000,000 Baht to 240,000,000 Baht by issuing new shares of 120,000,000 shares at par value of 0.50 Baht or 25% of Total Paid-up Capital of UAPC. After IPO, in the proportion of 33,000,000 shares to public investors and 87,000,000 to UAC existing shareholders as Pre-emptive Right, UAC’s portion in UAPC will reduce from 100% to 75% of Total Paid-up Capital after IPO.

3.2 Offer UAPC shares of UAC’s portion

UAC will offer UAPC shares at 54,000,000 shares at par value of 0.50 Baht to Public, equivalent to 11.25% of Total Paid-up Capital after capital increase (480,000,000 shares), together with IPO at the same price. Therefore, UAC’s portion will reduce from 100% to 63.75% of Total Paid-up Capital after capital increase or Control Dilution will be 36.25%.

Hence, Spin-off Plan and offer UAPC shares to public together with IPO are regarded as a disposal of assets of listed company pursuant to the Notification related to Acquisition or Disposition of Assets with the highest value when calculated based on the net profit test from operation which equals 4.39%, based on the 2017 consolidated financial statements of the Company as of 31 December 2017. This transaction is not classified as acquisition and disposition of assets since the size is lower than 15%. The Meeting mutually agreed to present this transaction in the 2018AGM for acknowledgment on 4 April 2018.

Criteria to calculate size of transaction;

Criteria	Method	Size
1. Net Asset Value (NTA)	$\frac{\text{NTA of UAPC}^{1/}}{\text{NTA of UAC}^{2/}}$ by disposed in proportion	$\frac{36.25\% * -2.22}{1,004.62} = -0.08\%$
2. Net Profit	$\frac{\text{Net Profit of UAPC}^{3/}}{\text{Net Profit of UAC}^{4/}}$ by disposed in proportion	$\frac{36.25\% * 11.52}{95.17} = 4.39\%$
3. Total Value of Consideration	$\frac{\text{Book Value of UAPC}^{5/} * \text{Disposition Portion}}{\text{Total Assets of UAC}^{6/}}$	$\frac{36.25\% * 239.18}{3,134.91} = 2.77\%$
4. Value of Securities	Not applicable as no share has been issued	Not applicable as no share has been issued

Remarks: 1/ NTA of UAPC from audited financial statement as of 31 December 2017 is calculated from Total Assets - Total Liabilities - Deferred Tax Assets - Goodwill (852.05 - 612.87 - 0.59 - 240.80) without deducting Intangible Assets like Customer Relationship and Production Formula.

2/ NTA of UAC from audited consolidated financial statement as of 31 December 2017 only shareholders' equity, excluded non-controlling interests is calculated from Total Assets - Total Liabilities - Non-controlling Interests - Deferred Tax Assets - Goodwill (3,134.91 - 1,826.10 - 36.39 - 26.99 - 240.80) without deducting Intangible Assets like Customer Relationship and Production Formula.

3/ Net Profit of UAPC of 2017 from audited financial statement as of 31 December 2017

4/ Net Profit of UAC of 2017 from audited consolidated financial statement as of 31 December 2017

5/ Value of Consideration refers from book value of UAPC from audited financial statement as of 31 December 2017 equals to 239.18 million Baht, not referring to market price since UAPC IPO offering price is not determined yet.

6/ Total Assets of UAC from audited consolidated financial statement as of 31 December 2017

4. Details of assets being disposed

4.1 IPO of UAPC

Issuer	1. UAPC newly issued share by UAC ADVANCE POLYMER & CHEMICALS Company Limited. 2. UAPC shares of UAC's portion by UAC Global Public Company Limited.
Number of ordinary shares offer	1. 120,000,000 shares or 25% of Total Paid-up shares after capital increase, divided into - 33,000,000 shares (27.50%) for public investors - 87,000,000 shares (72.50%) for existing shareholders by Pre-emptive Right or 50% of Total IPO shares (174,000,000 shares) 2. 54,000,000 shares of UAC's portion for public investors
Par Value	Baht 0.50 per share
Share Allotment ratio to Company and Record Date for right of shareholders on offering	Board of Directors and/or Managing Director and/or authorized person from Board of Directors and/or Managing Director will determine and inform later on by offering to Company Ordinary Shareholders which their name appeared in Record Date after the Securities and Exchange Commission (SEC) has approved the right for UAPC to offer ordinary shares to public not less than 14 days follows through Securities and Exchange Act.
Offering Price	Not mentioned yet, anyhow the price will be informed later on. The price of offering UAPC Ordinary Shares to existing shareholders will be the same price which offers to public.
Offering Period	Offering period of buying or paying UAPC Ordinary Shares will reserve for existing Shareholders first before reserve of buying or paying of offering SLP ordinary shares to the public for the first time which will be inform later on.
Other information	Shareholders of company may have the right to reserve of buying UAPC Ordinary Shares not more than their right. In a case, allocated Ordinary Shares and/or have any fractions then UAPC Board of Directors or Managing Director or underwriter and guarantee on offering UAPC shares will have the right to allocated mentioned Ordinary Shares in order to offer to sell to public. As well as, set up the conditions and other details related to offering to sell Ordinary Shares and not contradict the law and/or related rules of Securities and Exchange Commission and The Stock Exchange of Thailand and/or any related sectors in order to be successful on offering to sell UAPC Ordinary Shares to public.

4.2 Entire business of UAC Advance Polymer & Chemicals Co., Ltd. (UAPC)

General information on UAPC

Type of business	Production and distribution of chemicals, mainly latex (polymer emulsions and polymer solutions)
Address	Headquarters : 9/81 Soi Suphaphong 3, Si Nakharin Road, Nong Bon Sub-district, Prawet District, Bangkok Factory : 50 Moo 3, Sikhio-Chaiyaphum Road (Highway No. 201), Sikhio Sub-district, Sikhio District, Nakhon Ratchasima Province Warehouse : 998 Moo 2, Bang Pu Industrial Estate, next to Soi 1C, off Soi Thetsaban Bang Pu 77 (Bang Pu Industrial Estate), Sukhumvit Sai Kao Road (Highway No. 3), Phraekkasa Sub-district, Mueang Samut Prakan District, Samut Prakan Province
Capital structure: Before IPO	As of 23 March 2018, UAPC had a paid-up registered capital of 180 million Baht, divided into 1,800,000 ordinary shares with a par value of Baht 100 per share. According to Spin-off Plan, UAPC will be converted to Public Company Limited, change par value from 100 Baht to 0.50 Baht and increase registered capital from 180,000,000 Baht to 240,000,000 Baht divided into 480,000,000 ordinary shares at par value of 0.50 Baht.
After IPO	240,000,000 Baht divided into 480,000,000 ordinary shares at par value of 0.50 Baht

Board of Directors of UAPC consists of 8 persons as following;

Name	Position in UAPC	Holding portion in UAPC as of 7 March 2018 (share/%)		Position in UAC	Holding portion in UAC as of 7 March 2018 (share/%)	
		Share	%		Share	%
1. Mr. Bovon Wongsinudom	Chairman and Independent Director	-	-	-	1,200,050/	0.18
2. Mr. Kitt Jivacate	Director	1	0.00	Director and Chief Executive Officer	372,858,963/	55.85
3. Miss Nilrat Jarumanopas	Director	1	0.00	Director and Chief Financial Officer	30,393,901	4.55
4. Mr. Chatchaphol Prasopchoke	Director	1	0.00	Director and President	4,448,442	0.67
5. Mr. Adisak Rakwongprayoon	Director and General Manager	-	-	-	-	-
6. Mr. Kamphol Panyakomes	Independent Director and Chairman of the Audit Committee	-	-	-	971,537	0.15
7. Mr. Pramin Panthaweesak	Independent Director and Member of the Audit Committee	-	-	-	814,000	0.12
8. Miss Ounreun Sutjaritthum	Independent Director and Member of the Audit Committee	-	-	-	-	-

Remarks: 1/ Accumulated shares of Mr. Waroon Wongsinudom (son) of 1,200,050 shares

2/ Accumulated shares of

Mr. Kitt Jivacate	322,496,663 shares
Miss Chavisa Jivacate (Daughter)	25,203,200 shares
Miss Alisa Jivacate (Daughter)	25,159,100 shares

Shareholders List

As of 23 March 2018, UAPC has registered and paid-up capital of 180,000,000 Baht divided into 1,800,000 shares at par value of 100 Baht as details below;

No.	Name	Amount	%
1.	UAC Global Public Company Limited	1,799,997	100.00
2.	Mr. Kittti Jivacate	1	0.00
3.	Miss Nilrat Jarumanopas	1	0.00
4.	Mr. Chatchaphol Prasopchoke	1	0.00
Total		1,800,000	100.00

Summary of financial position and operating results

- Table summarizing operational performance and financial position of UAPC for 2015-2017:

(Unit: Baht million)	2015 ^{1/} (May - Dec)	2016 (Jan - Dec)	2017 (Jan - Dec)
Revenues from sales	251.41	339.57	346.74
Other revenues	0.84	1.90	1.73
Total revenues	252.25	341.47	348.47
Costs of sales	184.91	217.85	263.12
Selling expenses	12.95	23.48	25.56
Administrative expenses	21.95	28.80	27.60
Finance costs	19.62	20.32	17.36
Profit before income tax	12.82	51.01	14.83
Income tax	4.22	12.79	3.31
Net profit	8.60	38.22	11.52

Remark: 1/ UAPC has done entire business transfer of APC since 30 April 2018 by transferring assets, liabilities, agreements, employees, licenses and related rights of APC business operation, including all benefits related to transferred assets. UAPC has started operation since 1 May 2015; then, 2015 operating results has started from May - December 2015, totally 8 months.

(Unit: Baht million)	2011	2012	2013
Assets			
Current assets			
Cash and cash equivalents	2.93	2.91	0.42
Trade accounts receivable	84.59	78.63	85.47
Inventories	70.43	53.23	43.86
Total current assets	157.95	134.77	129.75
Non-current assets			
Property, plant and equipment	152.20	166.30	365.28
Goodwill	240.80	240.80	240.80
Intangible Assets	137.08	125.19	113.31
Deferred Tax Assets	0.12	0.32	0.60
Other non-current assets	0.32	1.18	2.31
Total non-current assets	530.52	533.79	722.30
Total assets	688.47	668.56	852.05
Liabilities and shareholders' equity			
Current liabilities			
O/D from financial institutions	-	0.01	39.78
Trade accounts & Other payable	60.17	57.78	92.41
Current portion of Long Term Debts	59.31	64.67	84.39
Short-term loans	-	-	30.00
Corporate income tax payable	6.70	7.83	0.96
Total current liabilities	126.18	130.29	247.54
Non-current liabilities			
Long Term Debts	359.31	298.03	353.07
Deferred tax liabilities	13.79	11.84	10.63
Employee benefit obligations	0.59	1.58	1.63
Total non-current liabilities	373.69	311.45	365.33
Total liabilities	499.87	441.74	612.87
Shareholders' equity			
Issued and paid-up capital	180.00	180.00	180.00
Retained earnings - Unappropriated	8.60	46.82	58.34
Other items	-	-	0.84
Total shareholders' equity	188.60	226.82	239.18

(Unit: Baht million)	2011	2012	2013
Total liabilities and shareholders' equity	688.47	668.56	852.05

Note: The financial statements for 2015-2017 were audited by the auditor, Miss Somjintana Pholhiranrat, DIA International Auditing Co., Ltd. who is Certified Public Accountant as SEC-approved auditor.

5. Total value of consideration and criteria for determination of consideration value

Total value of consideration from IPO of UAPC depends on IPO offering price which is not currently determined. Offering price will be determined after SEC approved the right for UAPC to offer ordinary shares to public.

6. Total Value of Disposing Assets

Value of the disposing assets or value of UAPC shares which UAC sells to public is referred to book value of UAPC from audited financial statement as of 31 December 2017 equals to 239.18 million Baht or 0.66 Baht per share (Paid-up shares are 360,000,000 shares at par value of 0.50 Baht) multiply with total offering shares of 174,000,000 shares; then Total Value of Disposing Assets is 115.60 million Baht. Hence, Total Value of Disposing Assets is not referred to market price since UAPC IPO offering price is not determined yet.

7. Expected benefits from this transaction

For UAC's existing shareholders

- 1) The offer of UAPC newly issued shares to UAC's existing shareholders by Pre-emptive Right will be a chance to them to invest directly in UAPC, Production and distribution of chemicals, mainly latex (polymer emulsions and polymer solutions), in addition to invest in UAC. Moreover, all related dilution effects will be reduced.
- 2) The shareholders will have alternative options to invest in either UAC or UAPC depending on their investment policies.

For UAC

- 1) Reduce financial support or long term source of fund required from the Company as UAPC will be capable to raise funds through the IPO and other financial sources following the listing.
- 2) The shares value of the Company will accurately reflect the actual market value of UAPC's shares.
- 3) The Company will have more funds from selling UAPC shares for working capital.
- 4) Dilution effect will be reduced because IPO offering price is higher than PP or RO; UAC and UAPC will receive targeted amount of cash with less offering shares.

For UAPC

- 1) Spin-off UAPC and listed in mai will increase channel for fund raising in the future which will accommodate and increase UAPC's funding access, consequently, increase competitive advantage and business expansion.
- 2) UAPC will have sufficient fund to support the expansion of its business and for its working capital.
- 3) Enhance appearance of BPP to be more public.
- 4) After listed in mai, UAPC's value will be accurately reflected and will increase share liquidity.

8. Plans on Using Fund from IPO

UAPC expects to use fund from IPO for business operation, working capital and pay back long term loan with financial institution.

9. Conditions of this transaction

1. The shareholders meeting of UAPC approves the conversion into a public company limited, par change, capital increase and the listing of its shares on mai.
2. UAPC affects the registration of capital increase and par change with the Department of Business Development, the Ministry of Commerce.
3. The SEC approves the IPO of UAPC.
4. The SET approves to list UAPC shares.

10. Effects of the Spin-Of on the Company and the Company's Shareholders

1. Effects on Earning Per Share or Voting Rights (EPS Dilution/Control Dilution)

The IPO will cause a dilution of earning per share or voting rights of not more than 36.25% of such earning or voting rights. However, UAPC will remain to be a subsidiary of the Company.

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

The offering of shares by UAPC shall not cause any direct effect to the market price of the Company's shares. However, the dilution UAPC's shares held by the Company will reduce the realized profit of the Company from UAPC from 100% to 63.75%.

11. Opinion of the Board of Directors and Audit Committee of the Company

All 7 members of the Board of Directors, including the Audit Committee, are of the view that the entering into this transaction is reasonable. Apart from increasing strength of the Company as well as UAPC in order to expand business in the future, it will enable UAPC to raise funds in the capital market

and increase the investment value in UAPC by reflecting actual market price. Moreover, UAC will use fund from selling UAPC shares for working capital or to generate more benefits.

12. Opinion of the Audit Committee and/or directors of the Company that is different from the Board of Directors' opinion provided in Item 9

-None-