

No. 7UP 042/62

June 26, 2019

Subject : Notification for Resolution of Board of Director's Meeting No. 8/2019 regarding the Acquisition and Disposition of Assets of the Company

Attention: President, The Stock Exchange of Thailand

According to the resolution of the Board of Director's Meeting No. 8/2019 of Seven Utilities and Power Public Company Limited ("The Company" or "7UP") held on June 25, 2019, the Meeting has approved for the investment in Pracharath Project for 3 Southern Provinces. Ferrum Energy Co., Ltd. ("Ferrum Energy") shall invest for this amalgamation. Ferrum Energy is the subsidiary of Ferrum Capital Co., Ltd. ("Ferrum Capital") which is hold by 99.99 percent. 7UP holds Ferrum Capital by 99.99 percent. For the amalgamation, Ferrum Energy shall purchase Eco Energy Group Corporation Co., Ltd. ("Eco") from Ms. Suyanee Suwanyos by 122,266,665 shares and from Mr. Tanapoom Panyaprukchot by 8,500,000 shares ("Seller Group"). The Seller Group has no relationship with management, directors, major shareholders, and controller of the Company and its subsidiaries. Ferrum Energy shall purchase shares at the price of Baht 0.3823 per share, total investment value is Baht 50.00 million (par value of Baht 5.00 per share) which is accounted for 76.92 percent of paid-up capital.

The transaction is considered as an acquisition of assets. The transaction size which is calculated by 4 criteria and use the maximum value basis which is the value of assets acquired compared with the value of assets of the listed company or of the listed company and its subsidiaries collectively, as the case may be. The size of the transaction is equal to 17.93 percent when including the value of transactions of the same type in the past 6 months, the total value of transaction equals to 24.83 percent which is calculated by the financial statement as of 31st March 2019. The transaction shall be classified as Acquisition of Asset Type 2 as stipulated in the Notification of the Capital Market Supervisory Board No. TorChor. 20/2008 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (as amended), and the Notification of the Board of Governors of the Stock Exchange of Thailand No. BorJorPor 21/01 Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, B.E. 2004 (as amended) ("the Acquisition or Disposal of Assets Notifications"). In order to enter into the Acquisition of Assets Type 2 pursuant to the Acquisition or Disposal Assets Notifications, the Company shall comply the following duties;

(1) To disclose information on the disposal of assets to the Stock Exchange of Thailand;

(2) Send letter of notification to shareholders regarding the assets disposition of the Company and its subsidiaries within 21 days from the date of the Company inform to the Stock Exchange of Thailand according to the Acquisition or Disposal of Assets Notifications.

Summary of the details of the Transaction

1. Date/month/year of the Transaction

The Board of Directors' Meeting of Seven Utilities and Power Public Company Limited ("The Company" or "7UP") No. 8 / 2019 on June 25, 2019 has approved for the investment in Eco Energy Group Corporation Co., Ltd. ("Eco") in the proportion of 76.92 percent as an operator to produce and sell electricity from all renewable energy. The investment shall be conducted through Ferrum Energy Co., Ltd. ("Ferrum Energy"). Ferrum Energy is a subsidiary of Ferrum Capital Co., Ltd. ("Ferrum Capital") while Ferrum Capital holds 99.99 percent of shares in Ferrum Energy. Ferrum Capital is a subsidiary of Seven Utilities and Power Public Company Limited. 7UP holds 99.99 percent of shares in Ferrum Capital.

2. Involved parties and relationships with the Company and/or the Buyer

Buyer : Ferrum Energy Co., Ltd. ("**Ferrum Energy**")

Seller : Ms. Suyanee Suwanyos by 122,266,665 shares and
Mr. Tanapoom Panyaprukchot by 8,500,000 shares ("**Seller Group**")

Relationship : Seller Group has no relationship with management, directors, major shareholders, and controller of the Company and its subsidiaries in regard to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions

Ferrum Energy Co., Ltd. (“**Ferrum Energy**”) shall invest in power plant project with the investment value of Baht 50.00 million. Ferrum Energy shall purchase shares of Eco Energy Group Corporation Co., Ltd. (“**Eco**”) from Ms. Suyanee Suwanyos, Mr. Tanapoom Panyaprukchot, and Mr. Saran Chalinkup (“**Seller Group**”)

Shareholders of Eco Energy Group Corporation Co., Ltd. prior to the transaction	Number of shares	Share Proportion (percentage)	Relationship with Listed Company
Sinapec Company PTE. LTD.	38,833,333	22.84	None
Ms. Suyanee Suwanyos	122,266,665	71.92	None
Mr. Thanapoom Panyapruktichot	8,500,000	5.00	None
Mr. Saran Chalayonkup	400,000	0.24	None
Mr. Taweessin Sirijindamai	1	0.00	Management of 7UP
Mr. Taratip Taratamrat	1	0.00	Management of 7UP
Total	170,000,000	100.00	

Shareholders of Eco Energy Group Corporation Co., Ltd. after the transaction	Number of shares	Share Proportion (percentage)	Relationship with Listed Company
Ferrum Energy Co., Ltd.	130,766,665	76.92	Subsidiary of Subsidiary
Sinapec Company PTE. LTD.	38,833,333	22.84	None

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Mr. Saran Chalayonkup	400,000	0.24	None
Mr. Taweessin Sirijindamai	1	0.00	Management of 7UP
Mr. Taratip Taratamrat	1	0.00	Management of 7UP
Total	170,000,000	100.00	

3. General Information of the Transaction

Investment in Eco Energy Group Corporation Co., Ltd. (“Eco”) by cash for Baht 50.00 million and hold shares in proportion of 76.92 percent via Ferrum Energy Co., Ltd. is an Acquisition of Assets. Eco Energy is a major shareholder in Pracharath Biomass Maelan Co., Ltd. and Pracharath Biomass Bannangsata Co., Ltd. Both companies are granted for Power Purchase Agreement (“PPA”) from biomass of Pracharath project in 3 Southern provinces. The investment is classified as Asset Acquisition. The calculation basis is based on the Acquisition or Disposal of Assets Notifications which has 4 criteria as the following;

Calculation Basis	Formula	Transaction Size
<p>Calculation based on the value of net tangible assets (NTA)</p>	<p>$\frac{(\text{NTA}^* \text{ of investment in the company} \times \text{Proportion of assets acquired or disposed}) \times 100}{\text{NTA of the listed company}^{**}}$</p> <p><i>*Net tangible assets (NTA) = total assets – intangible assets – total liabilities – non-controlling interests (if any) (Intangible assets are such as goodwill and deferred expenses. Exceptions from deduction are for intangible assets that generate major income such as the concession and patent permit.)</i></p> <p><i>**In case the company produces consolidated financial statements, use NTA from consolidated financial statements (data should be extracted from the latest financial statements)</i></p>	NA
<p>Calculation based on net operating profits</p>	<p>$\frac{(\text{Net operating profits of the investment} \times \text{Buying or selling ratio}) \times 100}{\text{Net operating profits of the listed company}^{**}}$</p> <p><i>** In case the company produces consolidated financial statements, use the net operating profits from consolidated financial statements (data should be extracted from the latest financial statements)</i></p>	NA

Calculation Basis	Formula	Transaction Size
Calculation based on total value of consideration paid or received	<p><u>Value of transaction paid or received* x 100</u> Total assets of listed company**</p> <p>*1) In case of assets disposal, compare total value of consideration paid or received and its book value. Whichever is higher will be used for the calculation</p> <p>2) In case the consideration is listed securities, compare the market value of securities or NTA. Whichever is higher will be used for the calculation</p> <p>3) In case of investment disposal to the extent that a subsidiary or affiliate no longer viable, calculate total value of consideration by incorporating the cash loans, guarantees, and other liabilities as well.</p> <p>**In case the company produces consolidated financial statements, use total assets from consolidated financial statements (data should be extracted from the latest financial statements)</p>	17.93
Calculation based on value of equity shares issued for the payment of assets	<p><u>Equity shares issued for the payment of assets x 100</u> Paid-up shares of the company**</p> <p>** Excluding equity shares issued for the payment of assets</p>	NA

The criteria used for the amalgamation is the value of assets acquired compared with the value of assets of the listed company or of the listed company and its subsidiaries collectively. The transaction size is 17.93 percent. In addition, considering asset acquisition transactions for the past 6 months, 7UP maximum transaction size based on the Value of Consideration Criteria equivalent to 24.83 percent, which is considered from financial statement as of March 31, 2019. The transaction is classified as **Class 2 Transaction** with the following details;

No.	Asset Acquisition	Transaction Value (Million Baht)	Transaction Size (Percent)	Board of Director' Approval Date
3	Universal West Management Co., Ltd.	135.00	6.90	April 9, 2019
Total Asset Acquisition Transactions for the past 6 months		135.00	6.90	

The Details of Transaction

1.1 Ferrum Energy purchases Eco's shares from Ms. Suyanee Suwanyos by 122,266,665 shares, from Mr. Tanapoom Panyaprukchot by 8,500,000 shares, and from Mr. Saran Chalinkup by 400,000 shares ("Seller Group") which is account for 76.92 percent of paid-up capital by cash in the amount of Baht 50.00 million.

1.2 Ferrum Energy shall have additional investment in order to complete the power plant for Baht 152.42 million for Pracharath Biomass Maelan Co., Ltd. and Baht 150.42 million for Pracharath Biomass Bannangsata Co., Ltd. However, Eco shall increase the capital by 20.73 percent and seek for loan by 79.27 percent for these additional investments.

4. Details of the Acquired Assets

4.1 Eco Energy Group Corporation Co., Ltd. ("Eco")

Business Type : Operate to produce and sell electricity from all renewable energy, construction for renewable energy power plant, and machinery installation for all renewable energy power plant

Established Date : December 11, 2014

Registered Address : 40 Ramindra Rd. Minburi, Minburi, Bangkok

Registered Capital : 850,000,000 Baht

Paid-up Capital : 850,000,000 Baht

Par Value : Baht 5.00 per share

4.2 Pracharath Biomass Maelan Co., Ltd. (“**Maelan**”)

Business Type : Operate to produce and sell electricity from all renewable energy, acquire and trade for all biomass plant, and biomass processing plant.

Established Date : September 10, 2018

Registered Address : 8/6 Soi Pattanakarn 30, Pattanakarn Rd., Suanluang, Suanluang, Bangkok

Registered Capital : 15,000,000 Baht

Paid-up Capital : 15,000,000 Baht

4.3 Pracharath Biomass Bannangsata Co., Ltd. (“**Bannangsata**”)

Business Type : Operate to produce and sell electricity from all renewable energy, acquire and trade for all biomass plant, and biomass processing plant.

Established Date : September 10, 2018

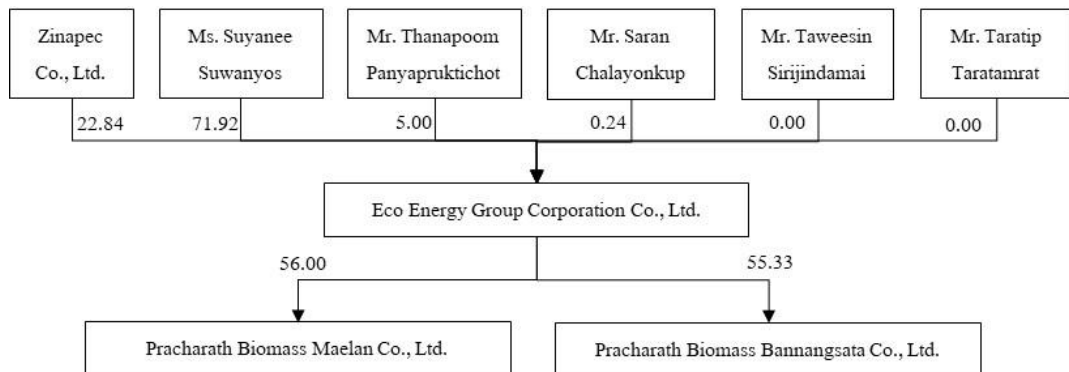
Registered Address : 8/6 Soi Pattanakarn 30, Pattanakarn Rd., Suanluang, Suanluang, Bangkok

Registered Capital : 15,000,000 Baht

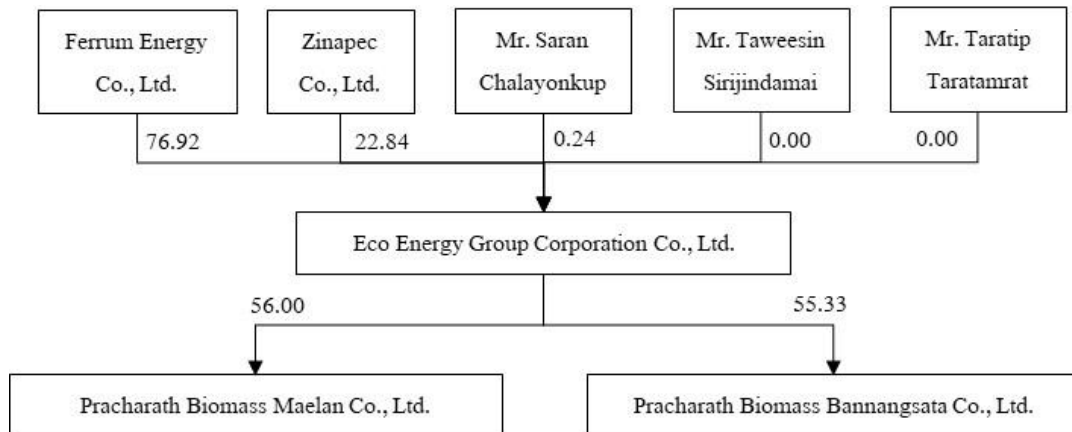
Paid-up Capital : 15,000,000 Baht

4.4 Group Structure

4.4.1 Prior to the amalgamation



4.4.2 After the amalgamation



5 Total value of consideration and other conditions

Ferrum Energy shall compensate for the amalgamation for Eco's shares by 130,766,665 shares which is accounted for 76.92 percent by cash payment in the amount of Baht 28.80 million on 20th June 2019 (accounted for 57.60 percent) and cash payment in the amount of Baht 21.20 million on 26th June 2019 (accounted for 42.40 percent). The payment shall be paid to the original shareholders by share's proportion.

6. Expected Benefits

Benefit for 7UP from the transaction is long-term revenue and benefit for the Company which shall encourage the Company's operation. Moreover, this is counted for the expansion in renewable energy business in order to reduce business risk and meet the objective of capital increase.

7. Source of Funds

7.1 Cash payment for the amount of Baht 28.80 million of Ferrum Energy Co., Ltd. to Seller Group on 20th June 2019 has source of fund by loan from Universal West Management Co., Ltd. Ferrum Energy Co., Ltd. is a shareholder of Universal West Management Co., Ltd. by 30.00 percent.

7.2 Cash payment for the amount of Baht 21.20 million of Ferrum Energy Co., Ltd. to Seller Group on 26th June 2019 has source of fund by loan from Universal West Management Co., Ltd. Ferrum Energy Co., Ltd. is a shareholder of Universal West Management Co., Ltd. by 30.00 percent.

7.3 Additional capital increase in the proportion of 20.73 percent from Baht 303.61 million within 2019 shall receive from 7UP via Ferrum Capital and Ferrum Energy in form of loan to subsidiaries.

7.4 The rest of the investment in the proportion of 79.27 percent from Baht 303.61 million shall come from financial institute loan to Eco.

8 Opinion of the Board of Directors regarding the Transaction

8.1 Opinion of the Board of Directors that the price of this transaction is appropriate. Because hire a financial advisor using Discounted Cash Flow Approach method. By purchase price between Baht 46.38-94.77 millions. The Board of Directors is of the opinion that the price not over Baht 60 Millions. The Internal Rate of Return is 15.74% and Economic Internal Rate of Return is 26.79%

8.2 Opinion of the Board of Directors about condition Eco have long times to process the business and involved in debtor, creditor and others lists. The buyer and guarantor would like to responsible for the burden and expenses that happened before June 1, 2019 If there is damage and burden in the future, the buyer and guarantor will be responsible for all.

8.3 Opinion of the Board of Directors that have benefit from this investment because Eco is a shareholder in Maelan in the proportion of 56 percent and Bannangsata in the proportion of 55.33 percent. Which is a company that produces and sells electricity from renewable energy and increase the operational potential of the company in the renewable energy business. And this transaction is long-term revenue and benefit for the Company which shall encourage the Company's operation. Moreover, this is counted for the expansion in renewable energy business in order to reduce business risk and meet the objective of capital increase.

9 Opinion of the Audit Committee and/or Director which is different from the Board of Directors

No Audit Committee member or director has an opinion that differs from or conflicts with the opinion of the Board of Directors as specified in Article 8.



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The Company hereby certifies that the statements contained in this Information Memorandum are accurate.

Please be informed accordingly.

Yours sincerely,

(Mr. Chanin Kiatthaveepong)

Authorized Persons to Disclose Information

The office of company secretary

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