

No. SKE-SET-018/64

11 November 2021

Subject: Acquisition of asset – Investment in RDF plant project in Kaeng Khoi District, Saraburi Province

To: President

The Stock Exchange of Thailand

Enclosure: Information memorandum of the asset acquisition by N15 Technology Company Limited, a subsidiary of Sakol Energy Public Company Limited

Sakol Energy Public Company Limited (the “Company”) would like to inform that Board of Directors’ Meeting No. 6/2021 held on Thursday, 11 November 2021, resolved to approve the investment in RDF plant project in Kaeng Khoi District, Saraburi Province by N15 Technology Company Limited (“N15 Technology”), the Company’s subsidiary for distribution to SCI Eco Services Company Limited (including associated companies) who is the major customer group for utilization of the fuel in the facilities at Kaeng Khoi area with total investment value of not exceeding THB 400 million.

The investment in RDF plant project in Kaeng Khoi District, Saraburi Province is an acquisition of asset with the total consideration value of 23.23% of the total assets according to the Company’s consolidated financial statements as of 30 September 2021 which has been audited by a certified public accountant. The transaction is considered an acquisition of asset and Class 2 transaction according to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 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 Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 (as amended) (collectively, “Notifications on Acquisition or Disposal of Assets”). The transaction size is greater than 15% but not exceeding 50% of the Company’s total assets. The Company did not have any asset acquisition taking place during 6 months prior to the entry into this transaction. Hence, the Company shall immediately prepare a report disclosing information memorandum on such transaction to the Stock Exchange of Thailand (“SET”) in accordance with Schedule (1) of the Notifications on Acquisition or Disposal of Assets and shall serve a circular notice to the Company’s shareholders within 21 days from the date of disclosure of information to the SET. The transaction is not considered a connected transaction under the notifications on connected transactions.

Please be informed accordingly.

Your sincerely,



(Mr. Jakkraphong Sumethchotimetha)

Managing Director

Authorized Person for Information Disclosure

Information Memorandum in relation to Asset Acquisition

of

N15 Technology Company Limited, Subsidiary of Sakol Energy Public Company Limited

The Board of Directors' Meeting No. 6/2021 held on Thursday, 11 November 2021 resolved to approve the investment in RDF plant project in Kaeng Khoi District, Saraburi Province by N15 Technology Company Limited ("N15 Technology"), the Company's subsidiary for distribution to SCI Eco Services Company Limited (including associated companies) who is the major customer group for utilization of the fuel in the facilities at Kaeng Khoi area with total investment value of not exceeding THB 400 million.

The investment in RDF plant project in Kaeng Khoi District, Saraburi Province is an acquisition of asset with the total consideration value of 23.23% of the total assets according to the Company's consolidated financial statements as of 30 September 2021 which has been audited by a certified public accountant. The transaction is considered an acquisition of asset and Class 2 transaction according to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 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 Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 (as amended) (collectively, "Notifications on Acquisition or Disposal of Assets"). The transaction size is greater than 15% but not exceeding 50% of the Company's total assets. The Company did not have any asset acquisition taking place during 6 months prior to the entry into this transaction. Hence, the Company shall immediately prepare a report disclosing information memorandum on such transaction to the Stock Exchange of Thailand ("SET") in accordance with Schedule (1) of the Notifications on Acquisition or Disposal of Assets and shall serve a circular notice to the Company's shareholders within 21 days from the date of disclosure of information to the SET. The transaction is not considered a connected transaction under the notifications on connected transactions.

Material information of the transaction is as set out below.

1. **Date/ Month/ Year of the transaction**

- 1.1 The Company expects to enter into the design and construction agreement within the first quarter of 2022.
- 1.2 The Company expects to enter into the land lease agreement within the first quarter of 2022.

2. **Parties involved and the relationship with the company**

- 2.1 The investment in RDF plant project in Kaeng Khoi District, Saraburi Province (the entry into design agreement and construction agreement)

Employer: N15 Technology Company Limited (the subsidiary)

Contractor: Under the selection process  
 Relationship with the Company: Not a connected person.

2.2 The entry into land lease agreement

Lessee: N15 Technology Company Limited  
 Landlord: Sakol Energy Public Company Limited  
 Relationship with the Company: Not a connected person.

3. **General characteristic of the transaction and Calculation of Transaction Value**

3.1 General characteristic of the transaction

Transaction	Value
1) The investment in RDF plant project in Kaeng Khoi District, Saraburi Province	Not exceed THB 400 million
2) The entry into land lease agreement with Sakol Energy Public Company Limited for 10 years period.	7.56 million Baht
<b>Total</b>	Not exceed THB 400 million

3.2 Type and value of transaction

The investment in RDF plant project in Kaeng Khoi District, Saraburi Province is an acquisition of asset under the Notifications on Acquisition or Disposal of Assets. The Company did not have any asset acquisition taking place during 6 months prior to the entry into this transaction. The investment in RDF plant project in Kaeng Khoi District, Saraburi Province has the value of consideration as calculated below:

$$\begin{array}{rcl}
 \text{Total consideration paid or received} \times 100 & = & \text{THB 400 million} \times 100 \\
 \hline
 \text{Total asset of the Company} & & \text{THB 1,721.67 million} \\
 & = & 23.23\%
 \end{array}$$

The investment in RDF plant project in Kaeng Khoi District, Saraburi Province is an acquisition of asset with the total consideration value of 23.23% according to the consideration method which is the highest value, and it shall be considered as the class 2 transaction of which the transaction size is greater than 15% but not exceeding 50% of the Company's total assets. Hence, the Company shall immediately prepare a report disclosing information memorandum on such transaction to the Stock Exchange of Thailand ("SET") in accordance with Schedule (1) of the Notifications on Acquisition or Disposal of Assets and shall serve a circular notice to the Company's shareholders within 21 days from the date of disclosure of information to the SET. The transaction is not considered a connected transaction under the notifications on connected transactions.

**4. Details of asset**

RDF plant project in Kaeng Khoi District, Saraburi Province with the capacity of 200,000 tons per annum.

**5. Value of consideration**

The consideration value of this asset acquisition transaction consists of the total investment of approximately THB 400 million.

**6. Value of acquired asset**

It expects to invest in this project does not exceed THB 400 million which is equivalent to the total consideration value.

**7. Method of determination of consideration**

Calculation Methods	Transaction Value
1. Net tangible assets method	-
2. Net profit method	-
3. Consideration method	23.23%
4. Value of newly issued shares as consideration method	No new shares issued

This transaction has the highest value of 23.23% according to the consideration method and the Company did not have any asset acquisition taking place during 6 months prior to the entry into this transaction.

**8. Expected benefits**

The Company expects to receive the return of investment in this project which operates the RDF plant project in Kaeng Khoi District, Saraburi Province with the capacity of 200,000 tons per annum of which this business has been supported by the government sector and this project can be considered as the risk diversification of the Company's businesses and can generate the profits for the Company continuously in the future including it will also generate the good return for shareholders in the long term.

**9. Source of fund for the transaction**

- Working capital and cash flow from the Company's performance.
- Loan from financial institutions with a restriction on dividend payment by N15 Technology as one of the loan covenants.

**10. Conditions of the entry into the transaction**

- None -

**11. Opinion of the Board of Directors on the entry into the transaction**

The Board of Directors' Meeting No. 6/2021 held on Thursday, 11 November 2021 which the members of the Audit Committee also attended the meeting has resolved to approve the entering into such transaction as they pondered and viewed that the business of waste classification and disposal services is beneficial to the business operation of the Company's group, because the business of waste classification and disposal services of N15 Technology tends to grow progressively as it is in line with the form and trend of environmental conservation whereby the transformation of waste into alternative energy is the best way of waste disposal. Therefore, the entry into such transaction was in the best interest of the Company and shareholders including it was reasonable and in line with the Company's business expansion policy. The Company will have total assets, revenue, and profit from the consolidated financial statements, and it will bring benefits and enhancing the Company's business potential in the long term.

**12. Opinion of the Audit Committee and/or the director(s) of the Company which is different from the Board of Directors' opinion under Clause 11**

- None -