



**Information Memorandum on Acquisition of Assets and Execution of Connected Transaction
of Sermasang Power Corporation Public Company Limited (Additional)**

The Board of Directors' Meeting of Sermasang Power Corporation Public Company Limited (the "Company") No. 3/2021, held on May 31, 2021 has passed the resolutions to approve the investment in the 9.9 MW biomass power plant project by purchasing all shares in Uni Power Tech Company Limited ("UPT") from existing shareholders of UPT including the right to receive loan repayment in respect of which UPT is owed to a shareholder of UPT (the "Transaction") with a total investment of THB 500,000,000.

The execution of the Transaction is regarded as an acquisition of assets by the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (including its amendment) 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 or Disposition of Assets B.E. 2547 (including its amendment) (collectively, the "Notifications on Acquisition or Disposition of Assets"). In addition, the Transaction is regarded as a connected transaction under the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions (including its amendment) 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 Connected Transactions B.E. 2546 (including its amendment) (collectively, the "Notifications on Connected Transactions").

Therefore, the Company would like to disclose the information memorandum regarding the acquisition of assets pursuant to the Notifications on Acquisition or Disposition of Material Assets and the execution of the connected transaction to the Stock Exchange of Thailand (the "SET"), with the details as follows:

1. Date of the Transaction

The Company expects to execute the Transaction to acquire the shares of UPT in the amount of 119,070 shares with a par value of THB 1,000 per share, or equivalent to 49 percent of UPT's total paid-up capital within July 2021 and expected to execute the transaction to acquire 123,930 shares of UPT with a par value of 1,000 baht per share, or equivalent to 51 percent of UPT's total paid-up capital within May 2022. The total UPT's share acquired is 243,000 shares, representing 100 percent of UPT's total paid-up capital.



2. Related Parties and Relationship with the Company

Buyer : The Company

Seller : 1. Absolute Products Company Limited, which the shares are held by the following shareholders:

(1) Mr. Viwat Kraipisitkul holds 405,000 shares or approximately 45 percent of the total issued and sold shares.

(2) Mrs. Thanyanee Kraipisitkul holds 225,000 shares or approximately 25 percent of the total issued and sold shares.

(3) Mr. Thanawat Kraipisitkul holds 90,000 shares or approximately 10 percent of the total issued and sold shares.

(4) Miss Thanthaphon Kraipisitkul holds 90,000 shares or approximately 10 percent of the total issued and sold shares.

(5) Mr. Piyawat Kraipisitkul holds 90,000 shares or approximately 10 percent of the total issued and sold shares.

2. Vertical Holdings Company Limited, which the shares are held by the following shareholders:

(1) Mrs. Thanyanee Kraipisitkul holds 9,998 shares or approximately 99 percent of the total issued and sold shares

(2) Mr. Thanawat Kraipisitkul holds 1 share or approximately 0.01 percent of the total issued and sold shares

(3) Miss Thanthaphon Kraipisitkul holds 1 share or approximately 0.01 percent of the total issued and sold shares

3. Mr. Viwat Kraipisitkul

4. Mr. Thanawat Kraipisitkul

5. Mr. Piyawat Kraipisitkul

6. Miss Thanthaphon Kraipisitkul



- Relationship with the Company :
1. Mr. Viwat Kraipisitkul is a major shareholder, authorized director, and chief executive officer, as of May 11, 2021 holding 51,991,300 shares representing 17.8 percent of the total issued and sold shares of the Company which includes shares held directly and indirectly.
 2. Mr. Thanawat Kraipisitkul is a major shareholder and director as of May 11, 2021 holds 24,671,700 shares representing 13.1 percent of the total issued and sold shares of the Company which includes shares held directly and indirectly.
 3. Miss Thanthaphon Kraipisitkul is a major shareholder and authorized director and management as of May 11, 2021 holds 42,940,400 shares representing 15.1 percent of the total issued and sold shares of the Company which includes shares held directly and indirectly.
 4. Mr. Piyawat Kraipisitkul is a major shareholder as of May 11, 2021 holds 43,827,500 shares representing 15.1 percent of the total issued and sold shares of the Company which includes shares held directly and indirectly.

3. General Description of the Transactions

The Company will invest in UPT by purchasing shares in the total amount of 243,000 shares consisting of the ordinary shares of 200,000 shares and the preferred share of 43,000 shares with a par value of THB 1,000 per share, representing 100 percent of UPT's total paid-up capital including the debt that UPT has owed to a shareholder of UPT. The total investment value is THB 500,000,000. In this regard, the Company will invest in UPT in 2 phases as follow:

- (1) Within July 2021 the Company shall acquire the UPT's shares in the amount of 119,070 shares which consist of the ordinary share of 76,070 shares and the preferred share of 43,000 shares with a par value of THB 1,000 per share, or equivalent to 49 percent of UPT's total paid-up capital. The acquired shares are representing 99.05 percent of the total voting right of UPT including the debt that UPT has owed to a shareholder of UPT amounting to THB 15,000,000 and
- (2) Within May 2022 (after 3 years from the Commercial Operation Date (COD)) the Company shall acquire the remaining UPT's shares in the amount of 123,930 shares with a par value of THB 1,000 per share, or equivalent to 51 percent of UPT's total paid-up capital. The acquired shares are representing 0.95 percent of the total voting right of UPT.



in 2 phases, which are (1) the acquisition of 119,070 shares with a par value of THB 1,000 per share, or equivalent to 49 percent of UPT's total paid-up capital and (2) the acquisition of 123,930 shares with a par value of THB 1,000 per share, or equivalent to 51 percent of UPT's total paid-up capital after 3 years from the Commercial Operation Date (COD) with a total investment value of THB 500,000,000.

4. Details of assets to be acquired

4.1 Assets acquired

All of UPT's shares comprising of 200,000 ordinary shares and 43,000 preferred shares, totaling 243,000 shares with a par value of THB 1,000 per share, representing 100 percent of UPT's total issued and sold shares including the debt that UPT has owed to a shareholder of UPT amounting to THB 15,000,000.

4.2 General Information of UPT

Name	Uni Power Tech Company Limited
Date of registration the company	June 29, 2014
Registration number	0105554085619
Registered Capital	THB 243,000,000
Paid up Capital	THB 243,000,000
Head office	No.325/6-13 Lanluang Road, Mahanak Square, Dusit, Bangkok 10300.
Nature of Business	Operating the business of generating and distributing electricity from biomass. The company is operating the biomass power plant at the capacity of 9.9 MW located at Si-kiew Sub-district, Si-kiew District Nakhon Ratchasima Province. The commercial operation date (COD) was May 24, 2019 with 20 years term of electricity sale and purchase with Provincial Electricity Authority from COD.
Directors	1. Miss Thanthaphon Kraipisitkul 2. Mr. Piyawat Kraipisitkul



3. Mr. Thanawat Kraipisitkul

4.3 Shareholding structure of UPT before and after entering into the Transaction

Shareholders of UPT	Before entering into the Transaction		After entering into the Transaction	
	Registered Capital THB 243,000,000		Registered Capital THB 243,000,000	
	Number of Shares	percent	Number of Shares	percent
1. Absolute Products Company Limited	112,570	46.33	-	-
2. Mr. Thanawat Kraipisitkul	50,000	20.58	-	-
3. Mr. Piyawat Kraipisitkul	20,000	8.23	-	-
4. Vertical Holdings Company Limited	6,500	2.67	-	-
5. Mr. Viwat Kraipisitkul	33,930	13.96	-	-
6. Miss Thanthaphon Kraipisitkul	20,000	8.23	-	-
7. The Company	-	-	243,000	100
Total	243,000	100	243,000	100

4.4 Financial Information of UPT

Unit: Baht

Financial Statement	Ended as of December 31, 2018	Ended as of December 31, 2019	Ended as of December 31, 2020
Total assets	594,589,774	845,133,083	821,315,752
Total liabilities	417,831,578	673,702,819	558,939,341
Total shareholders' equity	176,758,196	171,430,263	262,376,411



Unit: Baht

Profit and loss statement	Ended as of December 31, 2018	Ended as of December 31, 2019	Ended as of December 31, 2020
revenue	1,074,246	175,480,832	306,129,562
cost	-	134,542,306	218,174,412
administrative expense	12,769,265	28,940,735	2,860,978
earnings before interest and tax	(11,695,020)	11,997,792	85,094,173
Financial cost	-	17,325,725	26,398,025
Profit (loss) before income tax expense	(11,695,020)	(5,327,933)	58,696,148
Income tax expenses	-	-	-
Profit (loss) for the year	(11,695,020)	(5,327,933)	58,696,148

** UPT started the machine and recognized full-year earnings in the year 2020

4.5 Significant litigation/disputes of UPT

UPT has 1 litigation case in dispute at the Nakhon Ratchasima Administrative Court, which is significantly related to the business operation of the company. The company was sued for revocation of a Building Construction License (Aor. 1) and a Factory License (Ror Ngor. 4) of UPT. The Nakhon Ratchasima Administrative Court has a judgment to revoke the Building Construction License (Aor. 1) and a Factory License (Ror Ngor. 4) effective from the date of issuance of such licenses. In addition, it has an order to temporarily compulsory suspend the enforceability of the Building Construction License (Aor. 1) and a Factory License (Ror Ngor. 4) until the final judgment or the court orders otherwise.

However, the Supreme Administrative Court has issued an order following an appeal petition with the reversal of the order of the Nakhon Ratchasima Administrative Court to dismiss the request to



compulsory suspend the enforceability of the Building Construction License (Aor. 1) and a Factory License (Ror Ngor. 4). Therefore, such licenses are still enforceable and effective.

The case is currently being considered by the Supreme Administrative Court. In the case that the Supreme Administrative Court follow the judgment of Nakhon Ratchasima Administrative Court to revoke the Building Construction License (Aor. 1) and a Factory License (Ror Ngor. 4), in such case UPT cannot continue to operate the biomass power plant unless UPT proceeds to apply for the new Building Construction License (Aor. 1) and a Factory License (Ror Ngor. 4) with the relevant authorities. In this regard, UPT may apply for the new licenses pursuant to the relevant procedure as specified in relevant regulations.

In order to prevent and remedy the aforementioned risks, the Share Purchase Agreement which the Company will enter into with the seller shall stipulate the conditions in the case that the Supreme Administrative Court has a judgment to revoke the Building Construction License (Aor. 1) and a Factory License (Ror Ngor. 4) as follows:

- (1) the seller shall responsible and assist UPT to file the applications for the new relevant licenses to enable the operation of biomass power plant within 1 year from the date of the judgment of the Supreme Administrative Court and the seller shall responsible for any actual expenses which UPT has to pay to keep the biomass power plant in ready-to-use condition throughout the period during which biomass power plants cease to operate until the biomass power plants can operate normally.
- (2) In the case that the biomass power plant cannot operate within 1 year from the date of the judgment of the Supreme Administrative Court, the Company reserve the right to terminate the Share Purchase Agreement and the seller shall be obliged to pay for any actual damages incurred including but not limited to the investment value of THB 500,000,000, the relevant Transaction's cost and the Company's financial cost minus the actual received dividend by the Company.
- (3) The seller shall provide the bank guarantee which covers the total value of investment or THB 500,000,000 as of the date of the Transaction in order to prevent the risk. The key terms of the bank guarantee to prevent the risk from the litigation/disputes of UPT are as follow:

Detail	The collateral damage from disputes
Collateral provider	A commercial bank in Thailand



Guarantee limit	THB 500,000,000 (equivalent to the Transaction value)
Guarantee period	13 years
Other significant conditions	The guarantee amount will be reduced in accordance with the estimated dividend that the Company has expected to receive from UPT shares.

5. Calculation of the Transaction Size

5.1 Acquisition or disposal transaction

The Company uses information from the reviewed quarterly financial statements ended March 31, 2021 to calculate the transaction size with details as follows:

Basis of Calculation	Formular	Transaction Size
1. Net Tangible Assets	$(\text{NTA of UPT}^1 \times \text{Proportion of assets acquired}) \times 100 / \text{NTA of the Company} = (262.78 \times 100\%) \times 100 / 4,485.27$	5.85
2. Net Operating Profits	$(\text{Net operating profits of UPT} \times \text{Buying ratio}) \times 100 / \text{Net operating profits of the Company} = (58.70 \times 100\%) \times 100 / 739.37$	7.94
3. Total Value of Consideration	$(\text{Value of transaction paid} \times 100) / \text{Total assets of the Company} = (500 \times 100) / 16,481.47$	3.03
4. Value of Securities	This is not applicable because the Company issues no securities.	

¹ calculated from the financial statements of the UPT ended December 31, 2020

The execution of the Transaction has the highest transaction size of 7.94 percent based on net operating profits of asset acquired relative to the net operating profits of the Company and the



Company has not entered into the acquisition transaction which was presented during the 6 months prior to the Transaction.

5.2 Related Parties Transaction

It is a connected transaction in type of asset with the value of 11.15 percent of the net tangible assets of the Company calculated from the reviewed quarterly financial statements of the Company ended March 31, 2021.

Financial Information	The Company's reviewed consolidated financial statements ended March 31, 2021.
Total assets	16,481,474
Less: Intangible assets including deferred tax assets and exclude assets that contribute core revenue ^{/1}	4,768
Less: Total liabilities	11,647,105
Less: Non-controlling interests	344,329
Net tangible assets (NTA)	4,485,272

Remark: 1/ The main income-generating intangible assets are the right to use the land, the right to connect the power distribution system, communication and external power distribution system, computer's software, communication system and external power distribution, and royalties and permits during construction.

The Company has not entered into any transaction with connected persons or related persons and close relatives of such persons in the past 6 months.

6. Total Value of Consideration and Payment

The total value of consideration for the total shares of UPT of 243,000 shares consisting of 200,000 ordinary shares and 43,000 preferred shares with a par value of THB 1,000 per share, representing 100 percent of UPT's total paid-up shares of UPT including the debt that UPT has owed to a shareholder of UPT is THB 500,000,000. It is a cash payment divided into 3 installments as follows:

1st Installment: THB 34,250,000, to be paid on July 7, 2021

2nd Installment: THB 365,750,000, to be paid on July 30, 2021

3rd Installment: THB 100,000,000, to be paid on December 7, 2022

In this regard, the UPT's shares transfer from the seller to the Company shall divide into 2 phase in order to comply with the Notification of the Provincial Electricity Authority Re: the Regulation regarding



the Transfer of Rights and Obligations in an Application for Selling Electricity or in the Power Purchase Agreement dated July 19, 2019, which prohibits the power producer who is a juristic person from changing the number of shareholders causing the decrease of the number of the existing shareholders to be less than half of the existing shareholders according to the details in the application and the offer for sale of electricity submitted and prohibits to change the number of shares held by the existing shareholders to be less than 51 percent of the total shares for 3 years from the Commercial Operation Date (COD).

- (1) Within July 2021 the Company shall acquire the UPT's shares in the amount of 119,070 shares which consist of 76,070 ordinary shares and 43,000 preferred shares with a par value of THB 1,000 per share, or equivalent to 49 percent of UPT's total paid-up capital. The acquired shares are representing 99.05 percent of the total voting right of UPT including the debt that UPT has owed to a shareholder of UPT amounting to THB 15,000,000 and
- (2) Within May 2022 (after 3 years from the Commercial Operation Date (COD)) the Company shall acquire the remaining UPT's shares in the amount of 123,930 shares with a par value of THB 1,000 per share, or equivalent to 51 percent of UPT's total paid-up capital. The acquired shares are representing 0.95 percent of the total voting right of UPT.

7. Total Value of Acquired or Disposed Assets

The Company shall acquire all shares of UPT which consist of 200,000 ordinary shares and 43,000 preferred shares totaling 243,000 shares with per par value of THB 1,000 or equivalent to 100 of total issued and sold shares of UPT including the outstanding debt which UPT is owed to a shareholder of UPT in the amount of THB 15,000,000. The total investment value is THB 500,000,000.

8. Basis of Determination of the Value of Consideration

The Company determines the total purchase price at THB 500,000,000. The criteria for consideration and determining the purchase price was considered from the following factors:

1. Price agreed by both parties
2. The determination of the consideration value is based on the discounted cash flow approach. This reflects the profitability of such businesses in the future by considering the benefits that the Company will receive in the future.
3. Information from reliable sources from external independent consultants.
 - Legal due diligence report from Kudun and Partners Limited (Legal Advisor)



- Accounting and financial report from Accounting Complete Solution Company Limited a (Accounting Advisor)

9. Expected Benefits to the Company

The Company expects this investment will benefit the Company and shareholders because it is an investment in accordance with the Company's goal of expanding investment in renewable power plants. The project has long-term power purchase agreements with the government and the commercial operation have been launched. In addition, the project has a good performance which reduce the risk of unsuccessful project development and be able to recognize revenue immediately. Moreover, the remaining electricity purchase agreements term are approximately 18 years, along with government policy to fully support the production of electricity from other renewable energy.

10. Source of Funds

The Company will use the working capital from the operating result of the Company and/or funds from the financial institution which the loan is expected to be unconditional in affecting the rights of the Company's shareholders.

11. Conditions for entering into the transaction

11.1 To execute the Transaction, it will occur when the conditions precedent specified in the Share Purchase Agreement have been completed or waived with important precedent conditions including but not limited to:

- (1) The shareholders' meeting of the Company has passed a resolution to approve the execution of the Transaction;
- (2) UPT obtains consent from financial institutions who sponsor the credit to change the shareholding structure according to the Transaction above;
- (3) The Company has been assigned the right to receive repayment of the loan in respect of which UPT is owed to Miss Thantaporn Kraipisitkul;
- (4) The Company has received a letter of guarantee by the bank as collateral for damages from the dispute.

11.2 Entering into the Transactions, the Company must obtain approval from the Board of Directors and the shareholders' meeting of the Company including disclosing information regarding the acquisition of assets and connected transactions to the SET.

12. Interested directors and/or connected persons



To consider the agenda of the Board of Directors' Meeting No. 3/2021, held on May 31 , 2021 to approve the investment in the biomass power plant project with a capacity of 9.9 MW by purchasing all shares in UPT from the existing shareholders of UPT, who is the Company's connected person, the directors who have a conflict of interest and/or are connected persons which are Mr. Viwat Kraipisitkul, Mrs. Thanyanee Kraipisitkul, Mr. Thanawat Kraipisitkul, and Miss Thanthaphon Kraipisitkul neither were present at the meeting nor voted on such matter.

13. Opinion of the Board of Directors and the Audit Committee

The Board of Directors has considered and deemed that it is reasonable and for the best interest of the Company and shareholders because it increases the potential of the Company's business operations, which will be able to generate income and profits for the Company leading to the creation of value-added for shareholders.

14. Opinion of the Audit Committee

The Audit Committee's opinions are not different from those of the Board of Directors.