

(Translation)

**Notification of the Allocation of the Warrants to Purchase Newly Issued Ordinary Shares of Sermsang Power Corporation Public Company Limited No. 2 (SSP-W2)**

**1. Details of Securities Offered**

The warrants to purchase the Company's ordinary shares of Sermsang Power Corporation Public Company Limited No. 2 (the "**SSP-W2 Warrants**") in amount of not exceeding 253,550,000 units to the existing shareholders of the Sermsang Power Corporation Public Company Limited (the "**Company**") proportionate to their respective shareholding (Rights Offering) with free of charge at the allocation ratio of 4 existing shares per 1 unit of SSP-W2 Warrants, should there be any fraction from the calculation based on the allocation ratio, such fraction shall be discarded. The SSP-W2 Warrants shall have the term of 3 years and 11 months from the issuance date of SSP-W2 Warrants with the exercising ratio of 1 unit of SSP-W2 Warrant shall have the right to purchase 1 ordinary share of the Company, in this regard, the Company has scheduled June 15, 2021 as the date for determining the name of shareholders entitled to be allocated the SSP-W2 Warrants (Record Date) and schedule June 22, 2021 to be the date of issuing the SSP-W2 Warrant to the shareholders.

<b>Warrants Issuer</b>	: Sermsang Power Corporation Public Company Limited
<b>Category of the issued warrants</b>	: Warrants to purchase the newly issued ordinary shares of Sermsang Power Corporation Public Company Limited No. 2
<b>Type of the Warrants</b>	: In named certificate and transferable
<b>Number of the Warrants issued</b>	: Not exceeding 253,550,000 units
<b>Numbers of ordinary shares reserved to accommodate the exercise of the Warrants</b>	: Not exceeding 253,550,000 shares with the par value of THB 1 per share representing 35.00 <sup>1</sup> percent of all issued and sold shares of the Company on February 25, 2021.
<b>Offering Price per unit</b>	: THB 0 per unit
<b>Allocation Methods</b>	: The Company will allocate the SSP-W2 Warrants to the Company's existing shareholders proportionate to their respective shareholding (Rights Offering) at the ratio of 4 existing ordinary shares to 1 unit of the SSP-W2 Warrants after the approval is granted by the 2021 Annual General Meeting of Shareholders and scheduling June 15, 2021 as the record date to determine the list of shareholders entitled to be allocated with the SSP-W2 Warrants. Should there be any fraction remaining from the calculation, such fraction shall be discarded.

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<sup>1</sup> The calculation method of the ratio of the number of underlying shares: (the number of underlying shares for this offering Warrants + the number of underlying shares for CD or other offering warrants, excluding the allocated shares for ESOP-CD or ESOP-warrant) / (the number of issued and sold shares of the Company including the other newly issued shares which the Company is offering together with this offering Warrants)

<b>Issuance Date</b>	: June 22, 2021
<b>Tenure</b>	: 3 years 11 months from the issuance and allocation date of the SSP-W2 Warrants.
<b>Exercise Ratio</b>	: 1 unit of the SSP-W2 Warrants is entitled to purchase 1 newly issued ordinary share unless the exercise ratio is adjusted by the conditions of right adjustment.
<b>Exercise Price</b>	: THB 20 per share unless the exercise price is adjusted by the conditions of right adjustment. In this regard, the exercise price shall not be lower than the par value of the Company's shares.
<b>Exercise Period</b>	: The SSP-W2 Warrant holders shall be entitled to exercise their rights to purchase the Company's newly issued ordinary shares under the SSP-W2 Warrants on the last Business Day of February, May, August, and November of each calendar year throughout the term of the SSP-W2 Warrants. The first Exercise Date shall be on February 28, 2021 and the last exercise date shall be on May 21, 2025 which is 1 day prior to the SSP-W2 Warrants expiration date.  In the event that the last Exercise Date coincides with the holiday of the Stock Exchange of Thailand (the "SET"), such Exercise Date shall be rescheduled to the preceding business day.
<b>Exercise Notice Period</b>	: The holders of the SSP-W2 Warrants wishing to exercise their rights to purchase the Company's newly issued ordinary shares under the SSP-W2 Warrants shall give notice of intention to purchase the Company's newly issued ordinary shares during 9.00 to 15.00 hours, in advance at least 5 business days before each Exercise Date, except for the last exercise of the SSP-W2 Warrants, such exercise notice must be given at least within 15 days prior to the last Exercise Date.  In the event that the exercise date falls on a holiday of the Company, the exercise date shall be postponed to the last business day preceding such exercise date.
<b>Secondary Market for the Warrants</b>	: The Company shall list the SSP-W2 Warrants as listed securities on SET.
<b>Secondary Market for the Newly Issued Ordinary Shares for Exercise of the Warrants</b>	: The Company shall list the newly issued ordinary shares to accommodate the exercise of the SSP-W2 Warrants as listed securities on SET.
<b>Warrant Registrar</b>	: Thailand Securities Depository Co., Ltd. (the "TSD")
<b>Impact on the Company's shareholders from the exercise of the</b>	: 1. The ordinary shares issued from the exercise of the SSP-W2 Warrants on this occasion shall enjoy the same rights and status as the Company's ordinary shares previously issued and paid-up in all respects. The rights to be obtained as ordinary shareholders

**Warrants  
(Dilution Effect)**

from the exercise of the SSP-W2 Warrants shall commence from the date on which the TSD recorded the shareholder's increased shares in the system.

2. The impacts on the Company's shareholders from the issuance and allocation of the SSP-W2 Warrants to the existing shareholders are as follow:

**2.1 The Control Dilution Impact**

In the event that all of the SSP-W2 Warrants are fully exercised by the Company's existing shareholders who obtained the allocation of the SSP-W2 Warrants in proportionate to their respective shareholding (Rights Offering), the shareholders would not be affected by the Control Dilution.

In the event that the warrant holders who exercise the SSP-W2 Warrants are not the shareholders of the Company who obtained the allocation of the SSP-W2 Warrants in proportion to their shareholding percentage (Rights Offering), the shareholding of the existing shareholders of the Company will be diluted by 18.52 percent, which can be calculated as follows;

$$\begin{aligned} \text{Control dilution} &= \frac{\text{the number of shares reserved for SSP-W2 Warrants}}{\text{(the number of paid-up shares of the Company + the allocated stock dividend + the number of shares reserved for SSP-W1 Warrants + the number of shares reserved for SSP-W2 Warrants)}} \\ &= \frac{253,550,000}{92,200,000 + 101,420,000 + 253,550,000} \\ &= 18.52\% \end{aligned}$$

**2.2 Price Dilution Impact**

After the issuance and allocation of the SSP-W2 Warrants to the existing shareholders and such warrant holders fully exercise their rights under the SSP-W2 Warrants, the market price of the share will not be diluted since the market price after the offering is greater than the market price prior to the offering, which can be calculated as follows;

$$\text{Price dilution} = \frac{\text{(the market price prior to the offering - the market price after the offering)}}{\text{the market price prior to the offering}}$$

Hence, the market price will not be diluted since the market price after the offering is greater than the market price prior to the offering

Whereas:

The market price prior to the offering = the weighted average price of the Company's ordinary shares on SET for the past 7 consecutive business days prior to the date on which the Board of Directors' meeting No. 1/2021 on February 25, 2021, passes its resolution to propose the 2021 Annual General Meeting of Shareholders to consider approving the issuance offering and allocate of the SSP-W2 Warrants in which it is equivalent to 15.76 baht per share

The market price after the offering =  $(\text{the market price prior to the offering} \times \text{the total paid-up share of the Company including the dividend stock}) + (\text{exercise price of SSP-W1 Warrants} \times \text{the number of shares reserved for SSP-W1 Warrants}) + (\text{exercise price of SSP-W2 Warrants} \times \text{the number of shares reserved for SSP-W2 Warrants}) / (\text{the number of paid-up shares} + \text{the allocated stock dividend} + \text{the number of shares reserved for SSP-W1 Warrants} + \text{the number of shares reserved for SSP-W2 Warrants})$   
 = 16.27 baht per share

### 2.3 Earnings per Share Dilution Impact

After the issuance and allocation of the SSP-W2 Warrants to the existing shareholders and such warrant holders fully exercise their rights under the SSP-W2 Warrants, the earning will be diluted by 25.93 percent, which can be calculated as follows;

$$\begin{aligned} \text{EPS Dilution} &= (\text{EPS prior to the offering} - \text{EPS after the offering}) / \text{EPS prior to the offering} \\ &= (0.73. - 0.54) / 0.54 \\ &= 25.93\% \end{aligned}$$

Whereas:

$$\text{EPS prior to the offering} = \frac{\text{the net profit}}{\text{the number of paid-up shares} + \text{the allocated stock dividend}}$$

$$\begin{aligned}
 &= 736,293,722 / (922,000,000 + 92,200,000) \\
 &= \text{THB 0.73 per share} \\
 \text{EPS after the offering} &= \frac{\text{the net profit}}{\text{(the paid-up shares + the allocated stock dividend + the shares reserved for the SSP-W2 Warrants + the number of shares reserved for SSP-W2 Warrants)}} \\
 &= 736,293,722 / (922,000,000 + 92,200,000 + 101,420,000 + 253,550,000) \\
 &= \text{THB 0.54 per share}
 \end{aligned}$$

**Conditions of Right Adjustment** : The Company shall adjust the under and the exercise ratio to purchase the Company's newly issued ordinary shares under the SSP-W2 Warrants upon the occurrence of any of the following events, with a purpose to secure the interest and returns for the holders of the SSP-W2 Warrants not to be less favorable:

- (1) When the Company changes the par value of its ordinary shares as a result of a combination or split of the Company issued shares. The adjustment of the exercise price and the exercise ratio shall become effective immediately upon the change of the par value of the Company ordinary shares;
- (2) When the Company offers for sale any newly issued shares at a price per share lower than 90 percent of the market price calculated by the method specified in the Terms of and Conditions Rights;
- (3) When the Company offers for sale any newly issued securities granting the security holders rights to convert debentures or warrants to ordinary shares, or a right to purchase ordinary shares at a price per share of the shares reserved for such rights is lower than 90 percent of the market price per share of such ordinary shares calculated by the method specified in the Terms and Conditions of Rights;
- (4) When the Company pays all or parts of the dividend in the form of newly issued shares to the shareholders;
- (5) When the Company pays dividend in cash exceeding 90 percent of the net profit after the reduction of the corporate income tax according to the separate financial statements of the Company for the operation of any fiscal year;
- (6) Any other events similar to (1) to (5) which would cause any returns to be received by the holders of the SSP-W2 Warrants, once exercised, to be less favorable.

In this regard, the Company's Board of Directors and/or the Executive Committee and/or any person delegated by the Company's Board and/of Directors and/or the Executive Committee shall have an authority to consider and determine the conditions and other details concerning the adjustment of the exercise price and the exercise ratio.

**Other Conditions** : the Company's Board of Directors and/or the Executive Committee and/or any person delegated by the Company's Board of Directors

and/or the Executive Committee shall have an authority to undertake any and all necessary actions as required by the applicable laws in connection with the issuance and allocation of the SSP-W2 Warrants, including but not limited to the following authorities; (1) set out and revise the terms and conditions and any other details necessary for and in relation to the issuance and allocation of the SSP-W2 Warrants; (2) negotiate, agree, enter into, amend, execute the agreement, applications, waiver requests, evidences, the disclosure of the sale report and documents that are necessary for and relevant to the issuance and allocation of the SSP-W2 Warrants, including contacting, filing, amendment, and execution of applications, waiver requests, evidences, information disclosure, sale reports and documents with the Securities and Exchange Commission (the “SEC”), the SET, the government authorities or agencies relevant to the issuance and allocation of the SSP-W2 Warrants, as well as listing the SSP-W2 Warrants and Company’s newly issued ordinary shares under the SSP-W2 Warrants as securities in the SET; and (3) undertake any other actions that are necessary for or relevant to this issuance and allocation of the SSP-W2 Warrants.

## **2. Subscription, Offering and Allocation of the SSP-W2 Warrants**

### **2.1 Offering Methods of the SSP-W2 Warrants**

This SSP-W2 Warrants were issued without being processed through underwriter as the allocation of the SSP-W2 Warrants in amount of not exceeding 253,550,000 units to the Company’s existing shareholders in proportion to their shareholding percentage (Rights Offering) with free of charge at the allocation ratio of 4 existing shares per 1 unit of SSP-W2 Warrants, should there be any fraction from the calculation based on the allocation ratio, such fraction shall be discarded.

The Company’s existing shareholders entitled to be allocated with the SSP-W2 Warrants are those whose names are set out in the record date to determine the list of shareholders entitled to be allocated with the SSP-W2 Warrants (Record Date) as at June 15, 2021. Thus, the offering methods of the SSP-W2 Warrants is not determined by the Company.

### **2.2 Date and Method of Subscription and Payment of the SSP-W2 Warrants**

The SSP-W2 Warrants is issued and allocated to the Company’s existing shareholders in proportion to their shareholding percentage (Rights Offering) with free of charge. Therefore, there is no date and method of subscription and payment of the SSP-W2 Warrants.

Please refer an additional detail in the Terms and Conditions Governing the Rights and Obligations of the Issuer and Holders of the Warrants to purchase the newly issued ordinary shares of Sermang Power Corporation Public Company Limited No. 2 (**Enclosure 3**).