

Information Memorandum on Allocation of Newly Issued Ordinary Shares of Sermuang Power Corporation Public Company Limited to accommodate the exercise of the Warrants to Purchase the Company's ordinary shares of Sermuang Power Corporation Public Company Limited No. 1

The Board of Directors' Meeting of Sermuang Power Corporation Public Company Limited (the "**Company**") No. 1/2021 held on February 25, 2021 resolved to approve the capital increase in the amount of THB 101,420,000 by issuing newly-issued ordinary shares in the amount of not exceeding 101,420,000 shares, at the par value of THB 1 per share to accommodate the exercise of the warrants to purchase ordinary shares of the Company No. 1 (the "**SSP-W1 Warrants**") for allocation to the Company's existing shareholders proportionate to their respective shareholding in the amount of not exceeding 101,420,000 shares. The Company will propose this matter to the 2021 Annual General Meeting of Shareholders on April 28, 2021 for consideration and approval accordingly.

Given that the issuance of newly issued ordinary shares are material, the Company has prepared the information essential to the shareholders' decision under the Notification of the Capital Market Supervisory Board No. TorJor. 73/2558 Re: List of Information in the Notice of Shareholders' Meeting of Listed Company for Seeking Approval of the Issuance and Offering of Securities (as amended), with the details as follows:

1. Details of Offering of Newly Issued Shares

1.1 Number of Shares Offered

The Company will allocate the newly-issued shares in the amount of not exceeding 101,420,000 shares at the par value of THB 1 per share to accommodate exercise of the SSP-W1 Warrants at the allocation ratio of 10 existing ordinary shares to 1 unit of the SSP-W1 Warrants which issued and offering to the existing shareholders proportionate to their respective shareholding free of charge. Should there be any fraction of SSP-W1 Warrants remaining from the calculation at the allocation ratio, such fraction shall be discarded. Providing that, 1 unit of the SSP-W1 Warrants is entitled to purchase 1 newly issued ordinary share unless the exercise ratio is adjusted by the conditions of right adjustment. Please refer to summary of the Key Features of SSP-W1 Warrants as appear in **Enclosure 3**.

In order to provide the terms and conditions of the SSP-W1 Warrants to be appropriate according to the capital market and money market conditions and for the benefits of the Company and shareholders. The Board of Directors meeting, therefore, proposes to the shareholders' meeting to consider authorizing of the Board of Directors and/or the Executive Committee and/or the person assigned by the Board of Directors and/or the Executive Committee to have power to take all necessary actions in connection with the issuance and allocation of the Warrants in compliance with the law, including but not limited to the power to the following actions:

- (1) set out and amend any rules, terms, conditions and other details relating to the issuance and allocation of the SSP-W1 Warrants, including the date for determining the list of shareholders entitled to be allocated with the SSP-W1 Warrants;
- (2) negotiate, agree, enter into, amend, add, sign agreements, applications for permission, waiver, evidence, disclosure, report on the offering for sale, and various documents necessary for and in connection with the issuance and allocation of the SSP-W1 Warrants, as well as contact, filing, amendment, addition and signing of the applications for permission, waiver, evidence, disclosure, report on the offering for sale, and various documents with the

Securities and Exchange Commission (the “SEC Office”), the Stock Exchange of Thailand (the “SET”), governmental agencies or relevant authorities in relation to the issuance and allocation of the SSP-W1 Warrants and the listing of the SSP-W1 Warrants and the newly issued ordinary shares from the exercise of the SSP-W1 Warrants as listed on the SET; and

- (3) take any other arrangements as necessary and appropriate in connection with the issuance and allocation of the SSP-W1 Warrants in order to ensure the successful completion of the foregoing arrangements and the issuance and allocation of the SSP-W1 Warrants on this occasion.

1.2 Type of Investors

The Company will offer the SSP-W1 Warrants to the Company’s existing shareholders proportionate to their respective shareholding (Warrant - RO).

1.3 Determination and Justification of the Offering Price

The Company will offer the SSP-W1 Warrants to the Company’s existing shareholders proportionate to their respective shareholding free of charge.

1.4 Procedures for Offering and Allocation

The Company will allocate the SSP-W1 Warrants to the Company’s existing shareholders proportionate to their respective shareholding free of charge at the allocation ratio of 10 existing ordinary shares to 1 unit of the SSP-W1 Warrants. Should there be any fraction of SSP-W1 Warrants remaining from the calculation at the allocation ratio, such fraction shall be discarded. The SSP-W1 Warrants (unless the exercise ratio is adjusted by the conditions of right adjustment, the exercise price shall not be lower than the par value of the Company’s shares) shall have the term of 8 months from the issuance date of the SSP-W1 Warrants with the exercise price is THB 12 per share, please refer the conditions and details of the SSP-W1 Warrants as appear in the Summary of the Key Features of SSP-W1 Warrants, **Enclosure 3.**

2. Purpose of Issuance of Newly Issued Ordinary Shares and Plan for Use of Proceeds

The company’s purpose of issuing newly issued ordinary share is to repay short-term debt and debenture in order to support company’s business expansion. As well as to strengthen financial structure, and enhance liquidity of the company.

3. Opinions of the Board of Directors

3.1. Rationale and Justification for the Registered Capital Increase

1. It is necessary for the Company to increase its registered capital and issue newly issued ordinary shares to accommodate the exercise of the SSP-W1 Warrants; and
2. To secure the Company’s fund to accommodate its business plan to use the proceeds as its working capital; and to expand the Company’s business.

3.2. Feasibility of the Plan for Use of Proceeds

The Board of Directors considers and is of the view that for the purpose of business expansion and investment in the future, the Company needs to use funds on a regular basis, and as such, the issuance of the SSP-W1 Warrants on this occasion will allow the Company's existing shareholders to gradually increase the capital to support such business expansion plan.

3.3. Justifications of the Capital Increase and Sufficiency of Source of Funds

After the Company's study of the justifications and benefits from this capital increase as described above, the Board of Directors is of the view that this capital increase is justifiable because it will not only be beneficial to the Company and the Company's shareholders, but also allow the existing shareholders to potentially receive increased return in the future from their holding of the SSP-W1 Warrants.

If the Company's proceeds from the offering of the SSP-W1 Warrants on this occasion do not cover the total budget required for the project in accordance with the Company's business plan, the Company may consider securing financing from financial institutions or by other means in the future.

3.4. Expected impact on the Company's business operations, financial position and operating results from the issuance and offering of the Warrants and the implementation of the plan for use of proceeds

The issuance and offering of newly issued ordinary shares to accommodate the exercise of the SSP-W1 Warrants are in accordance with the Company's plan to secure its funding source, so as to enable the Company to use such proceeds from the capital increase for the purposes as described in Item 2 above. Such arrangements as mentioned above will be beneficial to the Company by continuously generating cash flow and profits in the future without any negative impact on the Company's business operations, financial position, and operating results.

3.5. Certification of the Board of Directors

In the event where any director of the Company fails to perform his/her functions as required by law, objectives and Articles of Association of the Company as well as resolutions of the shareholders' meeting, with integrity and due care to protect the Company's interests in connection with this capital increase, and such failure by action or inaction in the performance of his/her functions has caused damage to the Company, the Company may claim damages from such director. If the Company does not claim such damages, the shareholders, holding among them in aggregate not less than 5 percent of all issued and sold shares, may give notice to the Company to proceed with such claim, failing which, the shareholders may take legal actions to claim damages from such director on behalf of the Company pursuant to Section 85 of the Public Limited Companies Act B.E. 2535 (1992) (as amended).

In addition, should such failure by action or inaction in the performance of his/her functions as required by law, objectives and Articles of Association of the Company as well as resolutions of the shareholders' meeting, with integrity and due care to protect the Company's interests in this capital increase, have caused any director, executive or related persons to derive any undue benefits, the Company may take legal actions against such director be held liable to return such benefits to the Company, or the shareholders, holding among them in aggregate not less than 5 percent of all votes in the Company, may give notice to the Company to do so, failing which within 1 month from the date of receipt of such notice, the shareholders may take legal actions

to recover those benefits from such directors on behalf of the Company pursuant to Section 89/18 of the Securities and Exchange Act B.E. 2535 (1992) (as amended).

In this connection, the Board of Directors certifies that the Board of Directors has exercised its due care to consider and is of the view that the allocation of newly issued shares to accommodate exercise of the SSP-W1 Warrants is justifiable.

The Company hereby certifies that the information in this report is correct and complete in all respects.

Please be informed accordingly.

Sincerely,

- Signed -

(Mr. Varut Tummavaranukub and Ms. Thantaporn Kraipisitkul)

Authorized Person to Disclose Information