

(F 53-4)

-Translation-**Capital Increase Report Form****Sermasang Power Corporation Public Company Limited****6 July 2021**

Sermasang Power Corporation Public Company Limited (the “**Company**”), hereby reports on the resolutions of the Board of Directors’ Meeting No. 4/2021, which was held on July 6 ,2021, regarding the capital decrease, capital increase and new share allocation, as follows:

1. Capital Decrease

The Board of Directors’ Meeting No. 4/2021 has resolved to approve the reduction of the Company’s registered capital by THB 317 from the current registered capital of THB 1,369,170,000 to be THB 1,369,169,683 by canceling the unissued ordinary shares remaining in the amount of 317 shares with a par value of THB 1.00 per share, which are ordinary shares issued to support the payment of stock dividends to the shareholders of the Company without canceling the unissued ordinary shares to support the exercise of the warrants to purchase the Company's ordinary shares (SSP-W1 and SSP-W2) and to approve the amendment of the Memorandum of Association Clause 4 of the Company to correlate with the reduction of the registered capital of the Company.

2. Capital Increase

After the Shareholders’ Meeting approved the reduction of the Company’s registered capital from the current registered capital of THB 1,369,170,000 to be THB 1,369,169,683 by canceling the unissued ordinary shares remaining in the amount of 317 shares with a par value of THB 1 per share, which are ordinary shares issued to accommodate the stock dividend payment, the Board of Directors’ Meeting has resolved to grant approval to propose the Extraordinary General Meeting of Shareholders No. 2/2021 to consider approving the Company’s registered capital increase by THB 50,000,000 from the current registered capital of THB 1,369,169,683 to THB 1,419,169,683 by issuing 50,000,000 newly issued ordinary shares with a par value of THB 1 per share, as per the following details:

Capital Increase	Type of Shares	Amount of Shares (shares)	Par Value (THB per share)	Total (THB)
<input checked="" type="checkbox"/> Specific Purpose of Use of Proceeds	Ordinary Shares	50,000,000	1.00	50,000,000
	Preferred Shares	-	-	-
<input type="checkbox"/> General Mandate	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-

3. Allocation of New Shares

3.1 Specific Purpose of Use of Proceeds

Allocation to	Amount of Shares (shares)	Ratio (Old : New)	Offering Price (THB per share)	Share Subscription and Payment Date and Time
UOB Key Hian Private Ltd. ("UOBKH")	30,000,000	2.82	12.10	Within the first quarter of 2022
Mr. Pongsak Thamathataree ("Mr.Pongsak")	20,000,000	1.88	12.10	Within the first quarter of 2022

Remarks:

1. The Board of Directors' Meeting No. 4/2021 resolved to grant approval to propose the Shareholders' Meeting to consider approving the reduction of the Company's registered capital by THB 317 from the current registered capital of THB 1,369,170,000 to THB 1,369,169,683 by canceling the unissued ordinary shares remaining in the amount of 317 shares with a par value of THB 1 per share, which are ordinary shares issued to support the payment of stock dividends to the shareholders of the Company without canceling the unissued ordinary shares to support the exercise of the warrants to purchase the Company's ordinary shares (SSP-W1 and SSP-W2)

2. The Board of Directors' Meeting No. 4/2021 resolved to grant approval to propose the Shareholders' Meeting to consider approving the Company's registered capital increase by THB 50,000,000 from the current registered capital of THB 1,369,169,683 to THB 1,419,169,683 by issuing 50,000,000 newly issued ordinary shares with a par value of THB 1 per share.

3. The Board of Directors' Meeting No. 4/2021 held on July 6, 2021 has approved the resolution and grant approval to propose the Shareholders' Meeting to consider the following details:

1. Allocation of not exceeding 30,00,000 newly issued ordinary shares with a par value of THB 1.00 per share at the offering price of THB 12.10 per share, totaling THB 363,000,000.00, to UOB Kay Hian Private Limited, the details are which appear in the information memorandum on the offering of newly issued ordinary shares to a specific person of the Company (Enclosure 2)
2. Allocation of not exceeding 20,000,000 newly issued ordinary shares with a par value of THB 1.00 per share at the offering price of THB 12.10 per share, totaling THB 242,000,000.00, to Pongsak Thammatucharee, the details are which appear in the information memorandum on the offering of newly issued ordinary shares to a specific person of the Company (Enclosure 2)

In this regard, the issuance of such newly issued ordinary shares is a share offering where the Board of Directors resolves to specify the exact offering price to propose to the Shareholders' Meeting to consider specifying the exact offering price at THB 12.10 per share, which is not lower than 90 percent of the market price pursuant to the requirements the Capital Market Supervisory Board No. TorJor. 72/2558 Re: Permission for Listed Companies to Offer Newly Issued Shares to Specific Investors dated October 28, 2015 (as amended) (the "Notification No. TorJor. 72/2558"). The market price for the offering of the newly issued ordinary shares to the Investor is calculated from the weighted

average price of the Company's shares traded on the SET during the period of 15 consecutive business days prior to the date on which the Board of Directors passed its resolution to propose the Shareholders' Meeting of the Company to consider approving the issuance and allocation of the Company's newly issued ordinary shares by way of private placement, whereby the weighted average price of the Company's shares for the previous 15 consecutive business days during the period from June 15, 2021 to July 5, 2021 is equal to THB 13.3614 per share (Source: SETSMART from www.setsmart.com) ("**Market Price**")

In addition, the issuance of such newly issued ordinary shares requires approval of the Shareholders' Meeting of the Company with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote. Despite the approval of the Shareholders' Meeting for the offering and allocation of the Company's newly issued ordinary shares, the Company still requires to obtain approval from the Office of the Securities and Exchange Commission (the "**SEC Office**") as specified by the Notification No. TorJor. 72/2558 prior to proceeding with the offering and allocation of the Company's newly issued ordinary shares.

Should the offering price of the newly issued ordinary shares by way of private placement be lower than 90 percent of the market price of the Company's shares prior to the SET's order to accept such newly issued ordinary shares as listed securities, the Company is obliged to prohibit the Investor from selling all such newly issued ordinary shares within one year from the date on which the Company's newly issued ordinary shares start trading on the SET (Silent Period). Upon a lapse of six months after the Company's newly issued ordinary shares have started trading on the SET, the Investor may gradually sell up to 25 percent of all locked-up shares in accordance with the requirements set out in the Notification of the Stock Exchange of Thailand Re: Rules, Conditions and Procedures for Consideration of Application for Listing of Ordinary Shares or Preferred Shares for Capital Increase as Listed Securities B.E. 2558 (2015), dated 11 May 2015 (as amended).

In addition, the Board of Directors' Meeting resolved to grant approval to propose the Shareholders' Meeting to consider authorizing the Board of Directors or the Executive Committee or the Chief Executive Officer or the person authorized by the Board of Directors or the Executive Committee or the Chief Executive Officer to take any arrangements in relation to the issuance, offering, allocation and subscription for such newly issued ordinary shares, including the following matters:

- (1) To determine, amend, add details relating to the issuance, offering, allocation and subscription for the newly issued ordinary shares, the offering date of the newly issued ordinary shares, and the payment method for the newly issued ordinary shares (whereby the period of allocation and subscription may be on one or several occasions), including such arrangements relating to the issuance, offering, allocation and subscription for such newly issued ordinary shares, and the information filing and disclosure to the SET;
- (2) To sign, amend, change, contact or report any information in the applications and evidence necessary for and in connection with the issuance, offering, allocation, subscription and delivery of such newly issued ordinary shares, including contact and filing of the applications, documents and evidence with the Ministry of Commerce, the SEC Office, the SET, government agencies and/or other relevant authorities, and the listing of the Company's newly issued ordinary shares on the SET, and to have the authority to take any other actions as deemed necessary and appropriate to ensure the successful completion of the Company's issuance, offering and allocation of the newly issued ordinary shares by way of private placement.

Pursuant to the Notification No. TorJor. 72/2558, the Company is required to complete the share offering within the period as approved by the Shareholders' Meeting, but not exceeding 3 months from the date the Shareholders' Meeting passes its resolution to approve the offering of the

newly issued shares, or complete the share offering within 12 months from the date the Shareholders' Meeting passes its resolution to approve the share offering in the event where it is clearly specified by the Shareholders' Meeting that upon a lapse of such 3 months, the Board of Directors or the person authorized by the Board of Directors shall determine the offering price based on the market price during the offering period.

3.2 The Information of the specific investors

1. UOB Kay Hian Private Limited

Name	: UOB Kay Hian Private Limited
Type of Business	: Securites and financial businesses
Business Description	: Operating as a brokerage services in Singapore
Address	: 8 Anthony Road 01-01 Singapore, 229957 Singapore
Source of Fund	: UOB Kay Hian Private Limited engages in securities investment

UOB Kay Hian Private Limited has a policy to invest in various securities in Thailand and is interested to investing in the Company newly issued shares. After Private placement transaction, UOB Kay Hian Private Limited will hold 2.82% of number of issued and paid-up shares of the Company.

Remark: Ultimate shareholders of UOB Key Hian Private Limited are UOB Key Hian Holding Limited at 100.0 percent, which registered in Singapore Stock Exchange. UOB Key Hian Holding Limited held by 1. United Oversea Bank Limited 2. K.I.P Incorporated and 3. Mr. Wee Ee Chao at 37.44 percent 30.85 percent and 10.94 percent respectively, whereby other shareholding portion belong to Institutional investor and minority shareholders.

2. Mr. Pongsak Thammathataree

Name	: Mr. Pongsak Thammathataree
Nationality	: Thai
Address	: Room 1902 Marriott Hotel, Sukhumvit 57, Klongton-nua, Wattana, Bangkok 10110
Profession/Experience	: 1987-1999 working as a physician at Su-ngai Kolok Hospital, Phanthong Hospital, Rayong Hospital 1999-2014 engaging in services business in healthcare industry 2015 onwards - investor

Source of Fund	:	Return from being a shareholder in the following companies
	-	Shareholder in proportion of 18.90% of issued and paid-up share of Com7 Public Company Limited based on shareholder information as of April 30, 2021
	-	Shareholder in proportion of 5.31% of issued and paid-up share of Dohome Public Company Limited based on shareholder information as of April 4, 2021
	-	Shareholder in proportion of 4.17% of issued and paid-up share of Rojukiss International Public Company Limited based on shareholder information as of April 30, 2021
	-	Shareholder in proportion of 4.10% of issued and paid-up share of J.S.P. Property Public Company Limited based on shareholder information as of March 10, 2021
	-	Shareholder in proportion of 3.29% of issued and paid-up share of JMT Network Services Public Company Limited based on shareholder information as of August 24, 2021
	-	Shareholder in proportion of 2.52% of issued and paid-up share of Chayo Group Public Company Limited based on shareholder information as of June 11, 2021
	-	Shareholder in proportion of 2.26% of issued and paid-up share of SGF Capital Public Company Limited based on shareholder information as of April 1, 2021
	-	Shareholder in proportion of 2.13% of issued and paid-up share of Pato Chemical Industry Public Company Limited based on shareholder information as of March 19, 2021
	-	Shareholder in proportion of 1.81% of issued and paid-up share of Jay Mart Public Company Limited based on shareholder information as of March 24, 2021
	-	Shareholder in proportion of 1.07% of issued and paid-up share of Siam Steel International Public Company Limited based on shareholder information as of May 13, 2021
	-	Shareholder in proportion of 0.80% of issued and paid-up share of Sky Tower Public Company Limited based on shareholder information as of May 10, 2021

Mr. Pongsak Thammathataree is a well-known investor in Thailand's capital market and is interested in investing in newly issued shares of the Company. After PP Transaction, Mr. Pongsak Thammathataree will hold 1.88% of total issued and paid-up shares of the Company.

3.3 Relationship of the private placement who will be allocated the Company's newly-issued ordinary shares with the Company

Prior to the capital increase and offering of the newly issued shares of the Company by the way of private placement, the Company has no relationship with the Investors and after the offering of the newly issued shares of the Company, there is no Investor who holds the shares in the proportion that will be the major shareholder of the Company. The Investors shall not nominate any person to be the director and/or the executive of the Company, therefore, it will not consider as the connected person of the Company. Thus, the issuance and offering of the newly issued shares of the Company by the way of private placement shall not be considered as the connected transaction of the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 entitled Rules on Connected Transactions (as amended) and the Notification of the Board of Governors of the SET entitled Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (A.D. 2003) (as amended).

3.4 Reasons for Allocating Capital Increase Shares to Investors and Benefits That the Company Expects to Receive from Investors' Investments

The Board of Directors has considered and deemed that the Investors who will be allocated the Company's newly issued ordinary shares are the person with financial potential and have sufficient sources of funds for the subscription of the Company's newly issued shares. In this regard, the Investors who will be allocated the newly issued ordinary shares of the Company will not participate in management (Financial Investor), therefore, the Company has no plan to change the directors, executives, policies or business plans in any respect. In this regard, the capital increase and the allocation of the newly issued ordinary shares of the Company by the way of private placement is to support the business expansion and investment of the Company in the future, which will result in the Company's better profitability including it will decrease the burden of the borrowing money from the financial institutions for business expansion. In addition, the Company expects that the Company will have an opportunity to receive additional advice from investors including the benefits of a business network from the Investors because the Investors are investors with a diverse business network and credibility.

4. Schedule for the Shareholders' Meeting for Approval of the Capital Increase and New Share Allocation

The Extraordinary General Meeting of Shareholders No. 2/2021 is scheduled to be held on October 19, 2021 at 10.00 hours through electronic meeting platform (E-AGM), whereby:

- ☐ The share register shall be closed to suspend any share transfer for the right to attend the Shareholders' Meeting from until the Shareholders' Meeting is adjourned.
- ☒ The record date to determine the list of shareholders entitled to attend the Shareholders' meeting shall be August 23, 2021 (Record Date).

5. Approval for Capital Increase/New Share Allocation from Relevant Authorities and Conditions of Such Approval (if any)

1. This capital increase requires approval from the Shareholders' Meeting with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote.

2. The Company shall obtain approval for the offering of the newly issued ordinary shares by way of private placement from the SEC Office as required in the Notification No. TorJor. 72/2558.
 3. The Company shall register the registered capital increase and the change of its paid-up capital and the amendment of the Memorandum of Association with the Department of Business Development, Ministry of Commerce.
 4. The Company shall apply for approval from the Stock Exchange of Thailand for listing of the newly issued ordinary shares as listed securities on the SET.
6. **Objectives of Capital Increase and Plans for Utilizing Proceeds Received from the Capital Increase**

As the Company aims to expand investment and develop a total of 400 megawatts of power plant projects by 2024 through the investment in renewable energy power plant projects for Greenfield Project Investment as well as investment in projects that are already operating (Operating Assets). Moreover, the Company is considering the proposal and conditions for investing in several renewable energy power plant projects.

Therefore, the Company intends to raise capital to provide funding for future expansion. Moreover, the Company plans to use the proceeds from this capital increase to expand its renewable energy business both domestically and internationally. According to the Company's investment plan which the Company will be expanded from investing in renewable energy business during 2021 -2020 which represents approximately 900 - 1,400 million baht. The details are as follows:

- 1) Small Power Producer power plant (SPP) located in northeastern part of Thailand which require approximately 400 – 700 million baht of funding. The Company expects that if the terms of the transaction are negotiated successfully, the Company will be able to invest in the project within the fourth quarter of 2021. (“**Investment project in Thailand**”)
- 2) Renewable energy power plant which size is comparable to Small Power Producer power plant (SPP) located in Vietnam and require approximately 500 – 700 million baht of funding. The Company expects that if the terms of the transaction are negotiated successfully, the Company will be able to invest in the project within the first quarter of 2022. (“**Investment project in Vietnam**”)

Remark Very Small Power Producer (“VSPP”) is a renewable power plant with less than 1 megawatt contracted capacity. Small Power Producer (“SPP”) is a renewable power plant with less than 90 megawatt contracted capacity. Independent Power Producer (“IPP”) is a renewable power plant with more than 90 megawatt contracted capacity.

Both renewable energy power plants are already operated (Operating Assets). Therefore, these 2 investments are free from risk of development and construction and has satisfactory past performance. After complete the investment, the Company will be able to recognize revenue from sales of electricity immediately which is highly stably due to long-term power purchase agreement.

The Company would like to clarify that the process of investment in both renewable energy power plant is in process of feasibility studies and observes status of the power plants relating to financing, legal, technical, and an engineering qualification, and negotiation with relevant contract parties. The progress of the project feasibility study is satisfactory. However, the Company is unable to disclose the name and other details of the projects at this time because the Company has a restriction on the confidentiality of the projects that require the consent from the relevant parties. Moreover, the disclosure of any specific details of the project may have a negative impact on the Company’s investment negotiation which may

cause other investors who are interested in investing in the projects aware of the Company's negotiation information with the project owners.

Hence, after the completion of capital increase and offering of newly issued ordinary shares of the Company through a private placement, the Company will receive capital of 605.0 million baht which the Company expects to be sufficient investment for one of the two projects mentioned above. The Company will consider the preferred rate of return of investment, revenue from sales of electricity, technical and engineering qualification, readiness of raw material (such as intensity of sunlight in the project area for investment in Solar power plant or wind speed in the project area for investment in Wind power plant). Also, the Company will assess on the historical ability of electricity generation of the project, cost structure, other qualifications and conditions that are different in each project (Project Specific Risks) together with rules and regulations relating to power plant operation, and source of funding of the Company.

If the Company has successfully completed the above proposal of investment in above renewable energy power plant, the Company will bring the investment project for board of director to consider the appropriateness and advantage of the investment. Hence, the above investment in the renewable energy power plant is not a connected transaction according to the Connected Transaction Notification.

In the event that the Company unable to receive the capital increase, the Company may lose the opportunity to expand the business according to the Company's business plan. However, if the Company has to invest more than the amount received from this capital increase, the Company will consider using other source of funds while take into account of financial status of the Company and capital market condition for the maximum benefit to the Company and shareholders. For instance, the Company may consider using the cash from the issuance of debenture no.1/21 of 600 million baht on July 21st, 2021 for the objective of working capital at the amount of 340 million baht to support investment in renewable energy that the Company desire to invest, issuance of new debenture, or loans from financial institution to support the investment of renewable energy power plant that the Company is in the process of studying and negotiating.

The investment in the renewable energy business mentioned above is currently uncertain because the Company is under study feasibility and negotiate with related contract parties. However, during the negotiation process, the Company will consider a suitable method to deal with the proceed from capital increasing by using as a working capital of the Company for the maximum benefit of the Company and shareholders. Hence, if the Company unable to reach the agreement to invest in the 2 projects, the Company will use the proceed from capital increasing to support the business expansion in 2022 which is align with the Company's investment plan to expand investment in renewable energy to 400 megawatts in 2024. Currently, the Company has total of 372.3 megawatts in renewable energy power plant. The Company's investment expansion plan is considering both Greenfield Project Investment as well as Operating Assets. The Company has considered the preliminary information of several renewable energy power plant project to seek investment opportunities to achieve investment goal in order to obtain the maximum benefit of the Company and Shareholders.

If the investment negotiation is successful, the Company will disclose information memorandum to Stock Exchange of Thailand and other action as required by relevant laws and regulations

7. Expected Benefits to the Company from the Capital Increase/New Share Allocation

The Company has additional sources of funds for investment in renewable energy businesses in the future. According to the Company policy, it is set to expand investment and develop a total power plant project of 400 megawatts by 2024, which will help strengthen financial strength and stability of the company's financial position as well as increase business potential which will enhance the Company's performance in the long run

In addition, the capital increase to a specific investor (Private Placement) will reduce the burden of capital increase for the existing shareholders of the Company. Also, it can be operated immediately after being approved by the existing shareholders of the Company

8. Expected Benefits to the Shareholders from the Capital Increase/New Share Allocation

Shareholders will receive benefits in the form of an increase in share value and dividends, which the company has a policy to pay dividends to shareholders at the rate of 40 percent of the net profit according to its separate financial statements after deduction of all types of reserves stipulated in the Company's Articles of Association and by law which states that the dividend payment shall not affect operations, financial condition, liquidity, business expansion. Any other future necessities and other factors related to the Company's management

In this regard, when comparing the benefits that shareholders will receive from the capital increase to a specific investor (Private Placement) transaction with the impact on their share of profits or their voting rights, the Company foresees that the offering of new ordinary shares will be more beneficial to the shareholders compared to the effect on share price or voting rights dilution because the Company will receive funds to be used as a source of funds to support the investment expansion and development of the Company's power plant projects This will strengthen both the financial structure and the company's debt-to-equity ratio in the long run. As a result, the company The ability to borrow more for investment in future projects.

9. Other Details Essential for the Shareholders' Decision on Approval of the Capital Increase/New Share Allocation

In case each of UOBKH and Mr.Pongsak subscribe for the newly issued ordinary shares allotted to such specific investors in full as follows:

- (1) UOBKH subscribes for 30,000,000 newly issued ordinary shares allotted to such specific investor; and
- (2) Mr. Pongsak subscribes for 20,000,000 newly issued ordinary shares allotted to such specific investor.

The effects arising thereof on the existing shareholders of the Company are as detailed as follows:

9.1 Price Dilution after Share Offering through a Private Placement

$$= \frac{(\text{Market Price before offering}) - (\text{Market Price after offering})}{\text{Market Price before offering}}$$

$$= \frac{(13.3614 \times 1,014,199,683) + (12.1000 \times 50,000,000)}{1,014,199,683 + 50,000,000} = \text{Market Price after offering}$$

$$= \frac{13.3614 - 13.3021}{13.3614}$$

$$= 0.44 \%$$

9.2 Earnings per Share Dilution after Share Offering through a Private Placement

$$= \frac{\text{EPS before offering} - \text{EPS after offering}}{\text{EPS before offering}} \times 100$$

$$= \frac{(0.7290 - 0.6948)}{(0.7290)} \times 100$$

$$= 4.70\%$$

whereby the Earnings per share after offering = (The Company's accumulated loss in the past 12 months ending March 31, 2021

$$= \frac{(\text{Number of ordinary shares after the issuance of newly issued ordinary shares allotted to specific investors})}{(1,014,199,683 + 50,000,000)} = 0.6948 \text{ THB/Share}$$

9.3 Control Dilution after Share Offering through a Private Placement

$$= 1 - \frac{\text{Number of paid-up shares of the Company's ordinary and preferred shares}}{\text{Number of the Company's ordinary and preferred shares after the issuance of newly issued shares allotted to specific investors}} \times 100$$

$$= \frac{1 - \frac{1,014,199,683}{(1,014,199,683 + 50,000,000)}}{X 100}$$

$$= 4.70\%$$

Please see the details regarding the offering of newly issued ordinary shares to a specific person (Private Placement) in Enclosure 2.

10. Schedule of Actions after the Board of Directors' Resolution to Approve the Capital Increase/New Share Allocation

No.	Procedures	Date
1.	The Board of Directors' Meeting No. 4/2021	July 6, 2021
2.	The record date to determine the list of shareholders entitled to attend the Extraordinary General Meeting of Shareholders No. 2/2021	August 23, 2021
3.	The Extraordinary General Meeting of Shareholders No. 2/2021	October 19, 2021
4.	Registration of the registered capital increase with the Ministry of Commerce	Within 14 days from the date of the resolution of the Shareholders' Meeting
5.	Private placement of the newly issued ordinary shares	Within 3 months from the date of the Shareholders' Meeting's resolution or within 12 months from the date of the Shareholders' Meeting's resolution to approve the share offering should the Shareholders' Meeting clearly resolve that upon a lapse of such 3 months, the Board of Directors or the person authorized by the Board of Directors shall determine the offering price based on the market price during the offering period
6.	Registration of the change of the paid-up capital with the Ministry of Commerce	Within 14 days from the date of the Company's receipt of payments for the newly issued ordinary shares

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

Sermsang Power Corporation Public Company Limited

(Signed:)

(Mr.Varut Tummavaranukub)

Director

(Signed:)

(Miss Thantaporn Kraipisitkul)

Director