

(Translation)

Information Memorandum Re: Disposition of Assets by UA Withya Public Company Limited (IM 1)

The Board of Directors meeting of UA Withya Public Company Limited (the **Company** or the **Seller**) no.4/2563 held on 9 July 2020 approved the Company's disposition of its particular assets to Absolute Clean Energy Public Company Limited (**ACE**) and/or its subsidiaries (collectively referred to as the **Purchaser**); the assets to be disposed of are set out as follows:

- (a) Ordinary shares in three subsidiaries of the Company (the "**Targets**"), which include the following:
1. 23,999,998 ordinary shares in UWC Komen Biomass Co., Ltd. (**UKB**) having a par value of THB 10 (ten Baht) each, all of which are fully paid, accounting for 99.99% of the total shares in UKB;
 2. 1,593,748 ordinary shares in UWC Amphan Biomass Co., Ltd. (**UAB**) having a par value of THB 100 (one hundred Baht) each, all of which are fully paid, accounting for 99.99% of the total shares in UAB; and
 3. 1,662,498 paid-up ordinary shares in Satuek Biomass Co., Ltd. (**SBM**) having a par value of THB 100 (one hundred Baht) each, all of which are fully paid, accounting for 99.99% of the total shares in SBM,
- (collectively referred to as the **Shares**); and

- (b) Claims in relation to outstanding loans

All rights of claim held by the Company as a creditor in relation to all outstanding loans owed to it by UAB and SBM, together with accrued interest (collectively referred to as the **Outstanding Loans**) as at the completion date for sale of the Shares will be transferred to the Purchaser. As at 31 March 2020, the total Outstanding Loans owed by UAB and SBM are approximately THB 456,077,319 (Four hundred fifty-six million seventy-seven thousand three hundred and nineteen Baht) and THB 305,233,892 (Three hundred and five million two hundred thirty three thousand eight hundred and ninety two Baht), respectively, equaling to THB 761,311,211 (Seven hundred sixty-one million three hundred eleven thousand two hundred and eleven Baht) in total.

On 15 June 2020, the Company and ACE entered into a Memorandum of Understanding for the sale and purchase of the Shares in order to define indicative terms and conditions of the sale and purchase of the Shares as well as the transfer of claims in relation to the Outstanding Loans. On 10 July 2020, the Company and the Purchaser entered into a Share Sale and Purchase Agreement in order to establish the agreed details and conditions for the sale and purchase of the Shares and the transfer of the Outstanding Loans (the **SPA**). The Company and the Purchaser will complete the sale and purchase of the Shares as well as the transfer of claims in relation to the Outstanding Loans in accordance with the agreed terms and conditions of the SPA within 21 August 2020 or such other date as mutually agreed by the parties in writing (the **Completion Date**)

The sale of Shares and the transfer of claims in relation to the Outstanding Loans as mentioned above (the **Transaction**) constitute a disposition of assets worth approximately THB 851.20 million (eight hundred fifty-one million two hundred thousand Baht) in total, which represents the highest transaction size of 70.82 percent computed according to the total consideration approach (using the Company's reviewed consolidated financial statements for the three-month period ended 31 March 2020). In combination with all other assets disposed of by the Company during the past six months before the date of approval of the Transaction, the Transaction size will be equal to 73.66 percent. As such, this Transaction can be classified as a listed company's disposition of assets under category 1 according to the Notification of the Capital Market Supervisory Board no. Thor Chor.20/2551 re: rules for entering into substantial transactions within the

definition of an acquisition or disposition of assets (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand re: information disclosure and actions required of listed companies in relation to an acquisition or disposition of assets, B.E.2547 (as amended) (collectively referred to as the **Acquisition and Disposition Notifications**). Therefore, the Company has an obligation to do the following:

- (i) prepare and promptly disclose an information memorandum and other information relating to the Company's disposition of these assets containing at least information required under Schedule 1 of the Acquisition and Disposition Notifications to the Stock Exchange of Thailand (the **SET**);
- (ii) appoint an Independent Financial Advisor (**IFA**) to give opinion to the Company's shareholders relating to this disposition of assets and to prepare and provide other documents as may be requested by any regulatory agencies, and send IFA's opinion report to the shareholders together with the notice of the shareholders meeting for their consideration; and
- (iii) hold a General Meeting of Shareholders to consider and approve the Transaction by sending the notice of the shareholders' meeting to the shareholders at least 14 days prior to the meeting date and the Transaction must be approved with a minimum of three-quarters of the total votes cast by shareholders present and eligible to vote; however, votes by any person having a conflict of interest in the Transaction will be disregarded.

On the grounds that this Transaction is a disposition of the Company's total equity interest in all of its subsidiaries engaging in biomass power plant business, this also falls within the criteria of a divestiture of a substantial part of the Company's business to a third party pursuant to section 107 of the Public Limited Companies Act B.E.2535 (as amended) (the **PLC Act**). Under those circumstances, a shareholders' approval with a minimum of three-quarters of the total votes cast by shareholders present and eligible to vote and votes by any interested shareholders will be disregarded.

Notably, the Transaction does not fall within the remit of a related party transaction under the Notification of the Capital Market Supervisory Board no.Thor Chor.21/2551 re: rules for entering into related party transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand re: information disclosure and actions required of listed companies in relation to a related party transaction, B.E.2546 (as amended) (collectively referred to as the **Related Party Transaction Notifications**).

Key elements of the Transaction can be set out as follows:

1. Date/month/year of the Transaction

Within 21 August 2020 and/or such other date as may be agreed in writing by the Company and the Purchaser.

2. Transaction parties and their relationship with the listed company

Purchaser : Absolute Clean Energy Public Company Limited and/or its subsidiaries

Seller : The Company

Relationship between the transaction parties:

No relationship has been maintained by and between the Purchaser and the Company that may cause this Transaction to fall within the definition of a related party transaction of a listed company under the Related Party Transaction Notifications.

3. General characteristics of the Transaction and details relating to the disposed assets

3.1 General characteristics of the Transaction

In 2015, the National Energy Policy Board (**NEPB**) approved the Power Development Plan for Years 2015-2036 (the **PDP 2015**) and the Alternative Energy Development Plan (the **AEDP**), which stressed the importance of strengthening the national security of energy through the diversification of fuels used in power generation and the enhancement of using renewable energy in power generation. In the light of the PDP 2015, the Company then saw a potential growth and recurring income in the biomass power generation business due primarily to the secured Power Purchase Agreements with state agencies. Furthermore, the conduct of power generation business could expand its business operations and diversify risks associated with its existing business, i.e. the manufacturing of infrastructure and telecommunication towers that mainly relied on bidding opportunities tendered by the public sectors. Therefore, the Company pondered the investment in power generation business with the aim of widening the range of its business operations, and finally decided to acquire Shares in the Targets.

At the time of the acquisition of Shares in the Targets, all the Targets' operations had been already on suspension due to unfavorable returns. However, the Company foreseen a probability of managing and reducing costs of fuels used in the power generation of the Targets, which would give rise to a possibility that the Targets' operating results could generate profit in the future.

In the course of its acquisition in the Targets, the Company had conducted due diligence, assessed costs of additional investment, including the projection of maintenance and overhaul costs which may incur in order that the Targets' machinery could efficiently resume their operations. In addition, the Company appointed Capital Link Advisory Co., Ltd. as Independent Financial Advisor (the **IFA**) to give opinion about the acquisition of UAB and SBM to the Extraordinary General Meeting of Shareholders no. 2/2015 of the Company and the IFA opined that the shareholders should have approved the proposed transaction.

Upon completion of the share acquisition in the Targets, the Company figured out that to assure the effective cost management, UAB and SBM needed to modify their machinery to be compatible with other alternative biomass fuels, such as woodchips and Napier grass, in substitution of bark and rice husks, of which very high in price at that time and from time to time shortage in supply, which caused high costs of production and were not a reasonable choice of fuels. Moreover, the duration and expenses for the Targets' machinery modification exceeded the expectations because of their cessation of operation for such a long-time. Regarding the composition of those power plants machinery, many components warranted modification and improvements, given that they lacked maintenance for such a long time. As a result, UAB and SBM have had a negative performance since then and UKB began to suffer loss in 2020.

In the late of 2019, the Company's Board of Directors vigilantly discussed and concluded that since the continuously negative operating results of the Targets, which was due to operation expenses over income, depreciation expenses, high costs of fuels which was attributable to the interrupted operation and pre-running test of machinery, and impairment costs of assets that needed to be appraised annually together with the interest burden from its issuances of debentures to finance the Company's investment in the power generation business, the divestment of the three biomass power plants will enable the Company to use the proceeds towards: (i) redemption of its debentures which would become mature in the near future and (ii) release of its guarantee obligations in relation to credit facilities granted by financial institutions to UKB. Consequently, the Company's debt to equity ratio could significantly reduce. Indeed, the Company expected to focus on its core business, i.e. the manufacturing of infrastructure and telecommunication towers, which it has more than 50 years' expertise.

In fact, the Company also considered other alternative remedies, such as capital increase and seeking additional loans to reinforce the financial liquidity of its biomass power generation business unit. However, the Targets' continued negative operating results caused the Company debt to equity ratio to stay high, which disqualified the Company for seeking financial support from financial institutions. That situation further led to a constant decrease in the market price of the Company's ordinary shares. As such, the fund-raising scheme by way of capital increase could not satisfy the Company's requirements in terms of investor attractiveness for the demand for newly issued shares together with the price of newly issued shares.

For the above reasons, the Company viewed that the business reorganization by divesting its loss-making investment in its biomass power generation business should be a last resort to recover its financial conditions, which will then enable it to seek financial support from financial institutions to support the expansion of its core business in the future. Therefore, the Company's Board of Directors' meeting found it appropriate to propose to the shareholders' meeting to consider and approve the disposition of equity interest in three biomass power plants with combined generating capacity of 26.9 MWs, by divestment of its ordinary shares held in the three subsidiaries and transfer of its claims in respect of the Outstanding Loans owed to it by UAB and SBM to the Purchaser.

On 10 July 2020, the Company and ACE entered into the SPA under which the Company agreed to sell the following assets to the Purchaser:

(a) Ordinary shares in the Company's three subsidiaries (collectively, the **Targets**)

1. 23,999,998 ordinary shares in UKB having a par value of THB 10 (ten Baht) each, all of which are fully paid, accounting for 99.99% of its total shares at a sale and purchase price of THB 8.29 (eight Baht and twenty-nine Satang) per share or THB 198,959,983.42 (one hundred ninety-eight million nine hundred fifty-nine thousand nine hundred and eighty-three Baht and forty-two Satang) in total;
2. 1,593,748 ordinary shares in UAB having a par value of THB 100 (one hundred Baht) each, all of which are fully paid, accounting for 99.99% of its total shares at a sale and purchase price of THB 0.01 (one Satang) per share or THB 15,937.48 (fifteen thousand nine hundred thirty seven Baht and 48 Satang) in total; and
3. 1,662,498 ordinary shares in SBM having a par value of THB 100 (one hundred Baht) each, all of which are fully paid, accounting for 99.99% of its total shares at a sale and purchase price of THB 0.01 per share or THB 16,624.98 (sixteen thousand six hundred twenty-four Baht ninety-eight Satang) in total.

(b) Claims in relation to Outstanding Loans

On the Completion Date, all the Company's claims in the Outstanding Loans owed by UAB and SBM to it will be transferred to the Purchaser. As at 31 March 2020, the total Outstanding Loans owed by UAB and SBM are approximately THB 456,077,319 (Four hundred fifty-six million seventy-seven thousand three hundred and nineteen Baht) and THB 305,233,892 (Three hundred and five million two hundred thirty three thousand eight hundred and ninety two Baht), respectively, equaling to THB 761,311,211 (Seven hundred sixty-one million three hundred eleven thousand two hundred and eleven Baht in total).

The Company and the Purchaser agreed to determine the enterprise value of the Targets estimated on a cash-free and debt-free basis. In this connection, the Company and the Purchaser agreed that the total enterprise value is THB 851,200,000 (the **Enterprise Value**).

In addition, after the Completion Date, the Company and the Purchaser also agreed to adjust the Enterprise Value by the amount of cash, interest-bearing liabilities and actual net

working capital of the Targets as at the Completion Date under the terms and method specified in the SPA.

3.2 Details relating to the disposed assets

Details relating to the Company's disposed assets are as follows:

(1) Ordinary shares in the Targets:

- (a) 23,999,998 ordinary shares in UKB having a par value of THB 10 (ten Baht) each, all of which are fully paid, accounting for 99.99% of its total shares

General information

Nature of business	Engaging in biomass power plant business. The power plant is situated in Muang Nakhon Ratchasima district, Nakhon Ratchasima province. It has total generating capacity of 9.9 MWs, of which the capacity of 8 MWs is now under a feed-in tariff (FIT) agreement with the Provincial Electricity Authority (PEA). The commercial operation date was 11 October 2011.
Head office	386, Village no.8, Mitraparb Rd., Ban Po sub-district, Muang Nakhon Ratchasima district, Nakhon Ratchasima province.
Registered capital	THB 240,000,000
Par value	THB 10 per share
Paid-up shares	Fully paid
Total number of shares	24,000,000 shares

List of directors as at 30 June 2020

No.	Name	Position
1.	Mr. Wutichai Leenabanchong	Director
2.	Mr. Theerachai Leenabanchong	Director
3.	Ms. Onchulee Lawsmithikul	Director
4.	Mr. Monthon Chatuwallopkul	Director

List of shareholders

No.	Name	As at 30 June 2020		Post-Transaction	
		Number (shares)	Shareholding percentage	Number (shares)	Shareholding percentage
1.	The Company	23,999,998	99.99	0	0.00
2.	Mr. Wutichai Leenabanchong	1	0.005	0	0.00
3.	Mr. Theerachai Leenabanchong	1	0.005	0	0.00
Total		24,000,000	100.00	24,000,000	100.00

Other entities in which UKB holds 10% or more of their equity interest

-None-

Summary of financials for the period ended 31 March 2020

Financial information	Quarter 1/2020	FY 2019	FY 2018
Total assets	620,777,140	635,623,040	587,916,806
Total liabilities	350,797,118	358,213,556	345,766,621
Shareholders' equity	269,980,022	277,409,484	242,150,185
Total income	119,607,840	315,293,253	275,541,084
Costs	127,037,301	278,113,954	232,823,167
Net income	(7,429,461)	37,179,299	42,717,917

- (b) 1,593,748 ordinary shares in UAB having a par value of THB 100 (one hundred Baht) each, all of which are fully paid, accounting for 99.99% of its total shares

General information

Nature of business	Engaging in biomass power plant business. The power plant is situated in Satuek district, Buriram province. It has total generating capacity of 9.5 MWs, of which the capacity of 8 MWs is now under a feed-in tariff (FIT) agreement with PEA. The commercial operation date was 6 February 2018.
Head office	100 Village no.6 Donmon sub-district, Satuek district, Buriram province
Registered capital	THB 159,375,000
Par value	THB 100 per share
Paid-up shares	Fully paid
Total number of shares	1,593,750 shares

List of directors as at 30 June 2020

No.	Name	Position
1.	Mr. Wutichai Leenabanchong	Director
2.	Mr. Theerachai Leenabanchong	Director
3.	Ms. Onchulee Lawsmithikul	Director
4.	Mr. Monthon Chatuwallopkul	Director

List of shareholders

No.	Name	As at 30 June 2020		Post-Transaction	
		Number (shares)	Shareholding percentage	Number (shares)	Shareholding percentage
1.	The Company	1,593,748	99.99	0	0.00
2.	Mr. Wutichai Leenabanchong	1	0.005	0	0.00
3.	Mr. Theerachai Leenabanchong	1	0.005	0	0.00
Total		1,593,750	100.00	0	0.00

Other entities in which UAB holds 10% or more of their equity interest

-None-

Summary of financials for the period ended 31 March 2020

Financial information	Quarter 1/2020	FY 2019	FY 2018
Total assets	327,043,890	317,294,852	438,198,034
Total liabilities	545,851,010	520,146,373	598,120,908
Shareholders' equity	(218,807,121)	(202,851,521)	(159,922,874)
Total income	28,346,287	115,013,844	99,443,185
Costs	44,301,887	307,942,491	176,806,364
Net income	(15,955,600)	(192,928,647)	(77,363,179)

- (c) 1,662,498 ordinary shares in SBM having a par value of THB 100 (one hundred Baht) each, all of which are fully paid, accounting for 99.99% of its total shares.

General information

Nature of business	Engaging in biomass power plant business. The power plant is situated in Satuek district, Buriram province. It has total generating capacity of 7.5 MWs, of which the capacity of 6.5 MWs is now under an adder power sale and purchase agreement with PEA. The commercial operation date was 24 January 2006. It is underway to restructure the current agreement into the feed-in-tariff basis.
Head office	111 Village no.6 Donmon sub-district, Satuek district, Buriram province
Registered capital	THB 166,250,000
Par value	THB 100 per share
Paid-up shares	Fully paid
Total number of shares	1,662,500 shares

List of directors as at 30 June 2020

No.	Name	Position
1.	Mr. Wutichai Leenabanchong	Director
2.	Mr. Theerachai Leenabanchong	Director
3.	Ms. Onchulee Lawsmithikul	Director
4.	Mr. Monthon Chatuwallopkul	Director

List of shareholders

No.	Name	As at 30 June 2020		Post-Transaction	
		Number (shares)	Shareholding percentage	Number (shares)	Shareholding percentage
1.	The Company	1,662,498	99.99	0	0.00
2.	Mr. Wutichai Leenabanchong	1	0.005	0	0.00
3.	Mr. Theerachai Leenabanchong	1	0.005	0	0.00
	Total	1,662,500	100.00	0	0.00

Other entities in which SBM holds 10% or more of their equity interest

-None-

Summary of financials for the period ended 31 March 2020

Financial information	Quarter 1/2020	FY 2019	FY 2018
Total assets	218,352,426	213,749,848	267,472,824
Total liabilities	370,715,171	346,975,306	420,469,187
Shareholders' equity	(152,362,746)	(133,225,458)	(152,996,363)
Total income	30,712,203	57,622,246	58,694,512
Costs	49,849,489	187,851,341	128,885,618
Net income	(19,137,287)	(130,229,095)	(70,191,106)

(2) Claims in the Outstanding Loans

On the Completion Date, all the Company's claims in the Outstanding Loans owed by UAB and SBM to it will be transferred to the Purchaser. As at 31 March 2020, the total Outstanding Loans owed by UAB and SBM are approximately THB 456,077,319 (Four hundred fifty-six million seventy-seven thousand three hundred and nineteen Baht) and THB 305,233,892 (Three hundred and five million two hundred thirty three thousand eight hundred and ninety two Baht), respectively, equaling to THB 761,311,211 (Seven hundred sixty-one million three hundred eleven thousand two hundred and eleven Baht) in total.

4. Calculation of transaction size

Sale and purchase of the Shares in the Targets and Transfer of claims in Claims in the Outstanding Loans

Applicable approach	Calculation formula	Transaction size
1. Net tangible assets (NTA)	NTA of the Targets, multiplied by the disposed percentage, divided by NTA of the Company For UKB: $(\text{THB } 251,545,690 * 99.99\%) / \text{THB } 447,035,538 = 56.27\%$ For UAB and SBM: Calculation cannot be made given their negative NTA	UKB = 56.27% UAB and SBM = n.a.
2. Net profit	Net profit of the Targets, multiplied by the disposed percentage, divided by net profit of the Company Calculation cannot be made given each of the Company, UAB and SBM has operating losses	n.a.
3. Total consideration	Total consideration paid or received, divided by total assets of the Company <u>UKB</u> : $\text{THB } 599,368,894 / \text{THB } 1,921,326,418 = 31.20\%$ <u>UAB</u> : $\text{THB } 456,093,256 / \text{THB } 1,921,326,418 = 23.74\%$ <u>SBM</u> : $\text{THB } 305,250,517 / \text{THB } 1,921,326,418 = 15.89\%$	UKB = 31.20% UAB = 23.74% SBM = 15.89%

Applicable approach	Calculation formula	Transaction size
4. Value of shares issued as payment-in-kind	Number of shares issued by the Company as payment, divided by its total issued and outstanding shares <i>This approach is not applicable because there will be no securities issuance as payment for the Transaction by the Company.</i>	
Maximum size according to the total consideration approach (UKB 31.20% + UAB 23.74% + SBM 15.89%)		70.82%
Maximum size in combination with the disposition of assets by the Company during the past six months according to the total consideration approach		73.66%

The disposition of ordinary shares in the Targets and Outstanding Loans has the total value of approximately THB 851,200,000 million (eight hundred fifty-one million two hundred thousand Baht) and can be evaluated as the maximum size of 70.82 percent according to the total consideration approach (using the Company's review consolidated financial statements for the last three-month period ended 31 March 2020). In combination with all other assets disposed of by the Company during the past six months before the date of approval of the transaction, this transaction size will be equal to 73.66 percent. As such, this Transaction can be classified as a listed company's disposition of assets under category 1 according to the Acquisition and Disposition Notifications.

5. Total consideration and calculation criteria

The Company and the Purchaser agreed to refer to the total Enterprise Value of the Targets estimated on a cash-free and debt-free basis to determine the consideration for the sale of Shares and the transfer of Outstanding Loans. The Company and the Purchaser agreed that the total enterprise value is THB 851,200,00 (eight hundred fifty-one million two hundred thousand Baht).

In addition, after the Completion Date, the Company and the Purchaser also agreed to adjust the Enterprise Value by the amount of cash, interest-bearing liabilities and actual net working capital of the Targets as at the Completion Date under the terms and method specified in the SPA. As agreed in the SPA, the considerations due to the Purchaser from the sale of Shares and the transfer of Outstanding Loans consist of the following:

Sale and purchase of the Shares in the Targets

1. 23,999,998 ordinary shares in UKB having a par value of THB 10 (ten Baht) each, all of which are fully paid, accounting for 99.99% of its total shares at a sale and purchase price of THB 8.29 (eight Baht and twenty-nine Satang) per share or THB 198,959,983.42 (one hundred ninety-eight million nine hundred fifty-nine thousand nine hundred and eighty-three Baht and forty-two Satang) in total;
2. 1,593,748 ordinary shares in UAB having a par value of THB 100 (one hundred Baht) each, all of which are fully paid, accounting for 99.99% of its total shares at a sale and purchase price of THB 0.01 (one Satang) per share or THB 15,937.48 (fifteen thousand nine hundred thirty seven Baht and 48 Satang) in total; and
3. 1,662,498 ordinary shares in SBM having a par value of THB 100 (one hundred Baht) each, all of which are fully paid, accounting for 99.99% of its total shares at a sale and purchase price of THB 0.01 per share or THB 16,624.98 (sixteen thousand six hundred twenty-four Baht ninety-eight Satang) in total.

Transfer of claims in the Outstanding Loans

As at 31 March 2020, the total Outstanding Loans owed to the Company by UAB and SBM are approximately THB 456,077,319 (Four hundred fifty-six million seventy-seven thousand three hundred and nineteen Baht) and approximately THB 305,233,892 (Three hundred and five million two hundred thirty three thousand eight hundred and ninety two Baht), respectively, equaling to approximately THB 761,311,211 (Seven hundred sixty-one million three hundred eleven thousand two hundred and eleven Baht) in total. Payment due to the Company in exchange for its transfer of claims in respect of the Outstanding Loans are detailed as follows:

1. Consideration for the transfer of the Outstanding Loan in SBM

- If SBM can complete the change of the Power Purchase Agreement in Adder basis between SBM and the Provincial Electricity Authority (**PEA**) (the “**Adder PPA**”) into the Power Purchase Agreement in Feed-in-Tariff (FiT) basis between SBM and Electricity Generating Authority of Thailand (“**EGAT**”) (the “**FiT PPA**”) on or before the Closing Date, the consideration for the transfer of the Outstanding Loans in SBM will equal to THB 150,200,000 (one hundred fifty million two hundred thousand Baht)
- If SBM cannot complete the change of the Adder PPA into the FiT PPA on or before the Closing Date, the consideration for the transfer of the Outstanding Loans in SBM will equal to THB 120,000,000 (one hundred twenty million Baht). Notwithstanding the foregoing, if SBM can complete the change of the Adder PPA into the FiT PPA within 150 days from the Closing Date, the Purchaser agrees to pay an additional consideration in the amount of THB 30,200,200 (thirty million two hundred thousand Baht). In such case, the Purchaser is entitled to reduce the consideration for the transfer of the Outstanding Loans in SBM at a rate of THB 200,000 (two hundred thousand Baht) per day from the Closing Date until Scheduled Commercial Operation Date specified in the new FiT PPA (“**SBM Reduction Amounts**”). The Company agree to responsible for expenses, which are incurred after the Closing Date and are not booked in the financial statement of SBM as at the Closing Date, arising from the adjustment of equipment to support the change of the Adder PPA into the FiT PPA according to requirements of EGAT under the FiT PPA which SMB is required to pay and/or to enable SBM to sell electricity to EGAT under the FiT PPA in accordance with the conditions specified in the SPA. The Company agree that the Purchaser can (i) deduct such expenses from the consideration for the transfer of Outstanding Loan in SBM to be paid to the Company and/or (ii) demand the Company to pay such expenses to the Purchaser. In any event, the aggregate of expenses, plus the SBM Reduction Amounts shall not exceed THB 30,200,000.

On the basis that the Company and the Purchaser agreed over the Total Enterprise Value based on an assumption that SBM is able to change its adder PPA into the FiT PPA, both parties determined that the reduction in the Total Enterprise Value is conditional upon SBM’s ability to make such change. The reason that SBM intended to convert its existing adder PPA into the FiT type is that the selling price of electricity is higher under the FiT PPA comparing to the very low selling price of electricity under the adder PPA, which will improve the revenue structure of SBM. However, the conversion of the PPA mainly depends upon the commissioning and operations testing conducted by EGAT.

2. Consideration for the transfer of the Outstanding Loan in UAB

- If SBM enable to convert its adder PPA into a FiT PPA as required in the SPA, the consideration for the transfer of the Outstanding Loans owed by UAB can be calculated as follows:

Consideration = Enterprise Value of the Targets + cash – interest bearing liabilities + UAB's liabilities + SBM's liabilities - UKB's shares sale and purchase price – UAB's share sale and purchase price - SBM's share sale and purchase price – consideration of Outstanding Loans in SBM

- if SBM fails to convert its adder PPA into a FiT PPA as required in the SPA, the consideration for the transfer of the Outstanding Loans owed by UAB can be calculated as follows:

Consideration = Enterprise Value of the Targets – 30,200,000 + cash – interest bearing liabilities + UAB's liabilities + SBM's liabilities - UKB's shares sale and purchase price – UAB's share sale and purchase price - SBM's share sale and purchase price – consideration of Outstanding Loans in SBM

If the indicative consideration is calculated from the financial information of the Targets as at 31 March 2020 based on an assumption that there is no change in the Total Enterprise Value, cash and interest-bearing liabilities of the Targets, and (a) SBM is able to convert its adder PPA into a FiT PPA, then the proceeds from this transaction (before expenses and the SBM Reduction Amounts which may be deducted from the consideration for the transfer of Outstanding Loans owed by SBM as detailed above (if any)) will be approximately THB 520,890,000, or (b) SBM fails to convert the SBM adder PPA into a FiT PPA, then the proceeds from this transaction will be approximately THB 490,690,000.

On the date of the SPA Agreement, the Purchaser have provided the Company with a security deposit of THB 51,120,000 and will subsequently put an additional security deposit of THB 34,000,000 after all the conditions imposed in the SPA are fulfilled by the Seller.

6. Conditions to the Transaction

- (1) The Transaction must be approved by the Company's shareholders with a minimum of three-quarters of total votes cast by shareholders present and eligible to vote, excluding votes by any interested shareholders in accordance with the PLC Act and/or other applicable rules and regulations prescribed by the Office of the Securities and Exchange Commission and the SET.
- (2) All key conditions precedent as set out in clause 12. of the Information Memorandum Re: Disposition of Assets by Ua Withya Public Company Limited (IM2) (*Schedule 2*) must be fulfilled or waived by the relevant party.

7. Application of the proceeds of this Transaction

The Company expects to apply the proceeds derived from this Transaction as follows:

1. THB 300 million will be applied towards repayment of secured bonds which will become mature in March 2021. In the Company's view, these debentures should not be rolled over, considering that the Company has continuously suffered accumulated losses for many years, which are attributable to the negative performance of the power generation business unit, resulting in the downgrading of the Company's credit rating. In addition, the core purpose

of the initial issuance of debentures was to finance the investment in power generation business and the purpose of subsequent issuances was to apply the proceeds towards redemption of the preceding debentures. Consequently, the investors' attractiveness for the debentures was depreciated. Further, if the existing debentures are rolled over, the Company must bear an increase in accrued interest on the debentures due to its downgraded credit rating. Considering the economic situations, there is also a possibility that the Company might suffer an increase in costs of financing.

2. THB 60 million will be applied towards repayment of other loans.
3. THB 160.89 million or THB 130.69 million (depending upon the ability to convert the SBM adder PPA into the FiT PPA) will be applied towards provision for working capital of the both domestically and internationally profitability projects of the core business of the Company.

8. Expected benefits to be derived by the Company

The divestment of investment in the three biomass power plants is carried out in accordance with the Company's revised business plan and strategies, aiming to generate profit from the core business and to expand to other businesses which have potential to make better profit than the biomass power plant business, in which the Company's expertise is probably limited and which is incapable of making profit. The Company expects to obtain benefits from this Transaction as follows:

1. Improvement in financial liquidity: The Company will have adequate cash flow to repay the secured bonds that will become mature in the near future, which will give rise to its stronger debt serviceability;
2. Ability to seek financing sources to fund other profit-making projects in the future: an overall operating results and financial condition of the Company will improve as a result of the reduction in accumulated losses in connection with the power generation business, coupled with the decrease in the debt to equity ratio. In the past, the Company's major sources of financing came from the issuance of debentures, which incurred high costs of financing. Since 2016, the Company has had three issuances of debentures, as set out below:

(a) the No. 1/2016 debentures in the total denomination of THB 800 million

Issuing date	: 29 January 2016
Term	: 2 years
Maturity date	: 29 January 2018
Interest rate	: 5.40% per annum
Reported use of proceeds	: The total proceeds were used to invest in the Targets.
Sources of redemption funding	: - THB 600 million was obtained from the No.1/2018 secured debentures issuance; and - THB 200 million was derived from related parties' loans.

(b) the No.1/2018 secured debentures in the total denomination of THB 600 million

Issuing date	:	19 January 2018
Term	:	2 years
Maturity date	:	19 January 2020
Interest rate	:	6.50% per annum
Reported use of proceeds	:	The total proceeds were used to fully redeem the No.1/2016 debentures
Sources of redemption funding	:	- THB 300 million was obtained from the repayment of loans by UKB after receiving financial support from a financial institution; and - THB 300 million was derived from the proceeds of the No.1/2020 issuance of secured debentures.

(c) the No.1/2020 secured debentures in the total denomination of THB 300 million

Issuing date	:	19 December 2019
Term	:	1 year and 3 months
Maturity date	:	20 March 2021
Interest rate	:	6.50 per annum
Reported use of proceeds	:	The total proceeds will be used to fully redeem the No.1/2018 debentures.
Sources of redemption funding	:	Proceeds of the divestment of the Targets

3. Enhanced the opportunity to derive revenue and profit from the Company's core business – infrastructure and telecommunication towers: this will lead to the recovery of its operating results and financial condition, enabling the Company to make further investment returns to shareholders;
4. Reduction in the Company's obligations in relation to the guarantee provided for UKB loans; and
5. Minimization of contingent risks associated with the biomass power generation business, e.g. risk relating to the rather short remaining term of the power sale agreements, risk relating to the operating results in the future which may not meet expectations, and risk relating to fluctuations over biomass fuels; and release of an obligation to seek finances for maintenance or additional investment in relation to the biomass power generation business.

9. Board of Directors' opinion on the Transaction

The Company's Board of Directors unanimously voted in favour of the Transaction and propose the Transaction for further consideration and approval of a shareholders' meeting. In the Board of Directors' opinion, this Transaction is appropriate, reasonable, and beneficial to the Company. The continuously negative operating results of the Targets, which was due to operation expenses over income, depreciation expenses, high costs of fuels which was attributable to the interrupted operation and pre-running test of machinery, and impairment costs of assets that needed to be appraised annually together with the interest burden from its issuances of debentures to finance the Company's investment in the power generation business. Hence, the divestment of the three biomass power plants was expected to enable the Company to apply the proceeds towards: (i) redemption of its debentures which would become mature in the near future and (ii) release of its guarantee obligation in relation to credit facilities granted by financial institutions to UKB. Consequently, the Company's debt to equity ratio could significantly reduce. Also, it appeared that in 2018, the NEPB revised the PDP 2018 and the AEDP by reducing the projected biomass power generation capacity from 5,570 MWs to 3,376 MWs, representing a decrease of 39.3%. As such, there is a risky possibility that the future performance might not meet expectations, coupled with the rather short remaining term of the PPAs. The divestment of the biomass power generation business would minimize the Company's capital injection in its limited-expertise business. Indeed, the Company will point its focus on investment in its core business, i.e. the manufacturing of infrastructure and telecommunication towers, which it has more than 50 years' expertise

In fact, the Company also considered other alternative remedies, such as capital increase and seeking additional loans to reinforce the financial liquidity of its biomass power generation business unit. However, the Targets' continued negative operating results caused the Company debt to equity ratio to stay high, which disqualified the Company for seeking financial support from financial institutions. That situation further led to a constant decrease in the market price of the Company's ordinary shares. As such, the fund-raising scheme by way of capital increase could not satisfy the Company's requirements in terms of investor attractiveness for the demand for newly issued shares together with the price of newly issued shares.

For the above reasons, the Company viewed that the business reorganization by divesting its loss-making biomass power generation business should be a last resort to recover its financial conditions, which will then enable the Company to seek financial support from financial institutions. The Transaction is carried out in accordance with the Company's corporate and business strategy restructuring, aiming to generate profit from the core business and to grow in other profitability potential businesses than the biomass power generation business, in which the Company may probably have limited expertise. In addition, the Company's financial liquidity will be reinforced, enabling it to repay the secured bonds which will become mature in the near future and to have working capital to expand its core business, both locally and abroad. Consequently, the Company will have an opportunity to gain higher investment returns, which will then lead to the recovery of its operating results and financial condition.

10. Opinion of the audit committee and/or any directors in contrast with the board's opinion referred to in clause 9.

No opinion in contrast with the board's opinion mentioned above is given by the audit committee or any board member.