

- Translation -

SGP/SET-127

July 18, 2016

Re Information memorandum on the acquisition of shares of power plant in Myanmar by the subsidiary
To The President
The Stock Exchange of Thailand

Where as the Board of Director's meeting of Siamgas and Petrochemicals Public Company Limited ("SGP" or "The Company") no. 2/2559 held on April 18, 2016 has passed resolution for the Company to invest in 230 Megawatt (MW) combine cycle power plant in Myanmar with the purchase price of USD 48 million. (equivalent to baht 1,688.16 million calculate from the average exchange rate of Bank of Thailand on July 15, 2016 in which USD 1.00 equivalent to baht 35.17) In this regards, a subsidiary name SIAM GAS POWER PTE. LTD. ("SPW") (100% Company's owned subsidiary and registered in Singapore) will invest under the Sales and Purchase Agreement which signed on July 18, 2016.

The transaction is deemed as an acquisition of asset under the capital Market Supervisory Board No. Tor Jor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and Notification of the Board of Governors of the Stock Exchange of Thailand (SET) Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 dated 29 October 2004 ("Notification of Acquisition or Disposition"). When calculated the transaction, the largest transaction size is equal to 11.99% according to Net Profit from Operation criteria.

The transaction size of the asset acquisition is lower than 15% calculated on the net profit method. Therefore the Company does not fall into the criterion and thus, is not required to prepare and disclose to the SET, the information memorandum regarding the Acquisition and Disposal of Assets Notification. Nevertheless, the Company has acquired the other company shares over 10% of paid up capital of target Company and has to disclose information under SET Rules Re: Rules, Conditions and Procedures Governing the Disclosure of Information and Other Acts of a Listed Company. The Company would like to report the transaction details as follows.

1.1 Date/month/year of the transaction

SPW which is a 100% owned subsidiary and registered in Singapore has signed a Sales and Purchase Agreement on July 18, 2016

1.2 Contract Parties and Relationship with the Registered Company

Buyer : **SPW which is a subsidiary of the Company**

Seller : **MSN International Limited (“MSN”)**

1) Mr.TangWengFei

2) Mr.Sein Wan

3) Mr.Than Soe

4) Mr.Oak Ghar Aye

Asiatech Energy Pte. Ltd. (“AEPL”)

Mr. Tang WengFei

Myanmar Lighting (IPP) Co., Ltd. (“MLIPP”)

1) Mr.Sein Wan

2) Mr.Than Soe

3) Mr.Oak Ghar Aye

General Information of MSN

Nature of Business : Provide Energy Service

Country of Incorporation : Malaysia

Percentage of shares holding: Name of Shareholders **Before SPW** **After** **SPW**

1) Mr. Tang Weng Fei 30% 21.7%

2) Mr. Sein Wan 23% 16.1%

3) Mr. Than Soe 23% 16.1%

4) Mr. Oak Ghar Aye 23% 16.1%

5) SPW 0% 30.0%

General Information of AEPL

Nature of Business : Provide Energy Service

Country of Incorporation : Singapore

Percentage of shares holding: Name of Shareholders **Before SPW** **After** **SPW**

1) Mr. Tang Weng Fei 100% 70%

2) SPW 0% 30%

General Information of MLIPP

Nature of Business : Power Plant

Country of Incorporation : Myanmar

Percentage of shares holding: Name of Shareholders **Before SPW** **After** **SPW**

1) Mr. Tang WengFei 0% 21.7%

2) Mr. Sein Wan 33.3% 16.1%

3) Mr. Than Soe 33.3% 16.1%

4) Mr. Oak Ghar Aye 33.3% 16.1%

5) SPW 0% 30.0%

Relationship of the contract parties :

The contract parties neither are connected persons nor related persons to the buyer. MSN AEPL, MLIPP, including directors and shareholders of the seller do not have any relation that would render the said transaction a related transaction under the Notification of the Capital Market Supervisory Board No. Tor.Jor. 21/2551 re: Criteria in making Related Transaction and Notification of the Board of Governor of the SET re: Disclosure of Information and Other Acts of Listed Companies concerning the Acquisition and Disposition of Assets B.E. 2546 (“Notification on Related Transaction”)

1.3 Description of the Transaction and Detail of the Asset Acquired

SPW invests in shares of 230 MW combine cycle power plant in Myanmar with the total investment value of USD 48 million. (equivalent to baht 1,688.16 million calculate from the average exchange rate of Bank of Thailand on July 15, 2016 in which USD 1.00 equivalent to baht 35.17) The investment is divided into two steps as follow:

1st Step

SPW enter into transaction with seller by paying USD 24 million. (equivalent to baht 844.08 million calculated from the average exchange rate of Bank of Thailand on July 15, 2016 in which USD 1.00 equivalent to baht 35.17) The transaction is expected to occur within July 2016.

SPW purchase MSN and AEPL shares from the seller in the proportion of 30% of paid up capital of MSN and AEPL.

2nd Step

SPW purchase MLIPP shares from the seller in the proportion of 30% of paid up capital of MLIPP by paying USD 24 million (equivalent to baht 844.08 million calculated from the average exchange rate of Bank of Thailand on July 15, 2016 in which USD 1.00 equivalent to baht 35.17) In this regards, the Company will pay the remaining amount to the seller when SPW was granted permission from the relevant authorities in Myanmar to hold shares in MLIPP directly. The transaction is expected to finish within November 2016.

1.4 Transaction Size Calculation Method

Criteria of Calculation	Calculation Method	Transaction size (%)
1. Net Tangible Asset	$(\% \times \text{NTA of target company} \times 100) / \text{NTA of the Registered Company}$	$(2,212.60 \times 30\% \times 100\%) / 7,741.58 = 8.57\%$
2. Net Profit	$(\% \times \text{Net Profit of target company} \times 100) / \text{Net Profit of the Registered Company}$	$(427.26 \times 30\% \times 100) / 1,068.98 = 11.99\%$
3. Value of consideration	$(\text{Value of consideration} \times 100) / \text{Total assets of the Company}$	$(1,688.16 \times 100) / 28,287 = 5.97\%$
4. Value of Share capital issued for payment	$(\text{Number of Share Capital Issued for Asset Payment} \times 100) / \text{Number of Share Issued and Paid-Up}$	- None -

When calculated from the various criteria and by using the highest value calculable from one of the criteria, by referring to the consolidated Financial Statement of the Company and subsidiaries for the period ending on March, 31 2016 and the largest transaction size is equal to 11.99% according to Net Profit from Operation criteria. Thus the Company is not required to disclose to the SET the information memorandum regarding the Acquisition and Disposal of Assets Notification.

1.5 Total Value of Consideration

The investment in MSN, AEPL, and MLIPP is in the amount of USD 48 million (equivalent to baht 1,688.16 million calculate from the average exchange rate on July 15, 2016 in which USD 1.00 equivalent to baht 35.17) The payment will be in Cash.

1.6 Source of Fund

Source of fund will come from net working capital and loans from financial institution.

1.7 Criteria use to calculate the transaction value

The Company determines the total purchase price of USD 48.0 million in which the price is agreed upon by both parties.

1.8 Expected benefit to the Company

The Company expected that this investment is an opportunity to expand into other energy business. The investment in power plant in Myanmar shall resulting in higher income and returns from investment, which shall create additional value to the Company.

1.9 Opinion of the Company's Board of Directors on the Transaction

The Board of Directors has an opinion that the investment in power plant business will give the Company a stable income and diversify revenue from other sources, other than revenue from sale of LPG which is the Company main revenue.

1.10 Opinion of Audit Committee and/or Directors which differs from the Opinion of the Board of Director as expressed in 1.9 above

There was no director or audit committee member with differing opinion from those stated above.

Please be informed accordingly,

Yours sincerely,

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(Jintana Kingkaew)
Deputy Managing Director/CFO