

ALPHAXSET-2411-004

14 November 2024

Subject : Disposition of the Company's investment in its subsidiaries engaging in hemp and/or cannabis business which considered as a disposition of assets and the cessation of being a subsidiary Company

To : Director and Manager,

The Stock Exchange of Thailand

Enclosure : Information Memorandum on the Disposal of assets of Alpha Biotech Company Limited

Alpha Divisions Public Company Limited (the "Company") hereby notifies to the Stock Exchange of Thailand ("SET") that the Board of Directors' Meeting No. 8/2024, which was held on November 14 2024 at 3:30 p.m., the resolutions have passed on important topics as follows:

1. Resolved to approve the disposition of the Company's investment in property development by the disposal of ordinary shares and claims in relation to outstanding loans including accrued interest as the financial statements of Alpha Biotech Company Limited ("BIO") to non-connected person and sign the share purchase agreement and/or related documents to sell 1,199,997 ordinary shares of BIO. BIO is represented 99.99 percent of paid-up capital and claims held by the Company as a creditor in relation to all outstanding loans owed to it by BIO with accrued interest as at the completion date for sale of the Shares will be transferred to 1. Mr.VIRADETH BOUPHA and 2. Mr. Sumet Niraaphienanan, which is not a connected person of the Company. As of 30 September, 2024 the total outstanding loans owed by BIO are THB 31,576,166. The initial total value of sale of the Shares and the transfer of claims relating to the outstanding loans are THB 151,575,866 after the disposal of investment in subsidiary, the Company has no outstanding shares holding in the BIO and BIO shall cease to be the subsidiary of the Company.

The transaction does not qualify as a related party transaction under the Securities and Exchange Commission (SEC) Notification No. Tor Jor. 21/2551 regarding Related Party Transaction Regulations and the SET Notification regarding Information Disclosure and Practices of Listed Companies in Related Party Transactions B.E. 2546 (including amendments) ("**Related Party Transactions Notifications**"). However, the transaction does qualify as a disposition of assets according to SEC Notification No. Tor Jor. 20/2551 regarding Material Transactions Qualifying as Asset Acquisitions or Dispositions and SET Notification regarding Information Disclosure and Practices of Listed Companies for Asset Acquisitions or Dispositions B.E. 2547 (including amendments) (collectively referred to as "**Asset Acquisition or Disposition Notifications**"). The calculated transaction size, based on the net tangible assets (NTA) criterion which provides the largest transaction size, is 2.89%. Including other disposition transactions conducted by the Company over the past six months prior to the agreement of this transaction, calculated on the total consideration basis, the cumulative transaction size reaches 14.47%. This transaction thus qualifies

as a Type 1 transaction under the Asset Acquisition or Disposition Notifications, as it is a transaction of less than 15%.

In this regard, the Company hereby discloses the information memorandum associated with the transaction to the SET pursuant to the Acquisition and Disposition Notifications, details of which are as provided in the attachment.

Please be informed accordingly,

Your Faithfully,

(Mr. Kumpon Suangburanakul)
Chief Executive Officer

Information on the Disposition of Assets
by Alpha Divisions Public Company Limited

At the Board Meeting of Alpha Divisions Public Company Limited (the "Company" or "Seller"), Meeting No. 8/2024, held on November 14, 2024, a resolution was passed to approve the sale of ordinary shares in Alpha Biotech Co., Ltd. ("BIO") and the transfer of claims on loan receivables with accrued interest, as reflected in BIO's financial statements, to 1. Mr. VIRADETH BOUPHA and 2. Mr. Sumate Nirapiyanun (collectively referred to as the "Buyer"), who are not related persons to the Company. The Company also authorized the signing of share purchase agreements and/or related documents for the sale of shares and claims on loan receivables. The details are as follows:

1. Ordinary Shares of the Subsidiary

Ordinary shares of Alpha Biotech Co., Ltd. ("BIO") totaling 1,199,997 shares with a par value of THB 100 per share, fully paid-up, representing 99.99% of total shares (collectively referred to as "Shares for Sale").

2. Loan Receivable Claims

The Company will transfer its creditor rights in the loan receivable along with accrued interest, as per BIO's financial statements, to the Buyer on the date of the share sale completion ("Completion Date"). As of September 30, 2024, the loan receivable amounted to approximately THB 31,576,166.

The transaction does not qualify as a related party transaction under the Securities and Exchange Commission (SEC) Notification No. Tor Jor. 21/2551 regarding Related Party Transaction Regulations and the SET Notification regarding Information Disclosure and Practices of Listed Companies in Related Party Transactions B.E. 2546 (including amendments) ("Related Party Transactions Notifications"). However, the transaction does qualify as a disposition of assets according to SEC Notification No. Tor Jor. 20/2551 regarding Material Transactions Qualifying as Asset Acquisitions or Dispositions and SET Notification regarding Information Disclosure and Practices of Listed Companies for Asset Acquisitions or Dispositions B.E. 2547 (including amendments) (collectively referred to as "Asset Acquisition or Disposition Notifications"). The calculated transaction size, based on the net tangible assets (NTA) criterion which provides the largest transaction size, is 2.89%. Including other disposition transactions conducted by the Company over the past six months prior to the agreement of this transaction, calculated on the total consideration basis, the cumulative transaction size reaches 14.47%. This transaction thus qualifies as a Type 1 transaction under the Asset Acquisition or Disposition Notifications, as it is a transaction of less than 15%.

The Company hereby announces the asset disposition information concerning the sale of BIO's ordinary shares and the claims on BIO's loan receivables, detailed as follows:

1. Date of Transaction

The Board of Directors approved the signing of the share purchase agreement to sell BIO's ordinary shares to 1. Mr. VIRADETH BOUPHA and 2. Mr. Sumate Nirapiyanun. The Company expects the transaction to complete within November 2024, following the clearance of all encumbrances and obligations related to the transaction, including the fulfillment or waiver of all conditions precedent specified in the share purchase agreement.

2. Contract Parties and Relationship with the Listed Company

Seller:	Alpha Divisions Public Company Limited
Buyers:	1. Mr. VIRADETH BOUPHA; 2. Mr. Sumate Nirapiyanun
Relationship with the Company:	Non-related persons

3. General Nature of the Transaction

The Company will sell 1,199,997 ordinary shares in Alpha Biotech Co., Ltd. ("BIO") with a par value of THB 100 per share, fully paid, representing 99.99% of BIO's total shares, valued at not less than THB 119,999,700 (One hundred nineteen million, nine hundred ninety-nine thousand, seven hundred baht). BIO has no investments in subsidiaries. Additionally, the creditor rights in the loan receivables owed by BIO to the Company, totaling THB 31,576,166 (Thirty-one million, five hundred seventy-six thousand, one hundred sixty-six baht) as of September 30, 2024, will be sold, resulting in a total disposition value of THB 151,575,866 (One hundred fifty-one million, five hundred seventy-five thousand, eight hundred sixty-six baht).

The Company and the Buyer have agreed to determine the total enterprise value of the target company (Enterprise Value) on a Cash-Free and Debt-Free Basis, assuming that the target company has no cash and no interest-bearing liabilities. The agreed enterprise value is set at not less than THB 151,575,866 ("Enterprise Value"), based on a negotiated price between the Buyer and the seller and calculated using the Price-to-Book Ratio as a benchmark. This valuation was conducted by Sims Property Consultants Co., Ltd., an independent appraisal firm approved by the Securities and Exchange Commission (SEC). Additionally, the price includes creditor rights for loan claims that BIO holds against the company as of September 30, 2024. Upon completion of the divestment of its investment in the subsidiary, the Company will no longer hold any shares in BIO, thus terminating BIO's status as a subsidiary of the Company.

4. Transaction Size

4.1 Calculation of Transaction Size

The Company calculated the transaction size under the Asset Acquisition or Disposition Notifications based on the reviewed financial statements of the Company and BIO for the nine-month period ending September 30, 2024. The details are as follows:

1. Net Tangible Asset Basis (NTA)

Transaction Size	=	$(\text{NTA of BIO} \times 100\%) \times 100$	=	$(155.59^{1/} \times 100\%) \times 100$	=	2.89%
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		NTA of the Company		5,379.18 ^{2/}		

2. Net Profit Basis

Transaction Size	=	$(\text{Net Profit of BIO} \times 100\%) \times 100$	=	$(-6.13^{3/} \times 100\%) \times 100$	=	N/A
		<hr/>		<hr/>		
		Net Profit of the Company		(-67.49) ^{4/}		

3.Total Consideration Basis

$$\begin{array}{rcccl} \text{Transaction} & = & \text{Total amount to be received} \times 100 & = & 151.58^{5/} \times 100 & = & 2.58\% \\ \text{Size} & & \frac{\hspace{10em}}{\text{Total Asset of the Company}} & & \frac{\hspace{10em}}{5,882.54^{6/}} & & \end{array}$$

4. Market Value of Issued Securities for Payment of Assets

This criterion is not applicable as the Company will not issue new shares for payment.

Note

- 1/ The Net Tangible Assets (NTA) of BIO, based on the financial statements of BIO as of September 30, 2024, reviewed by a certified public accountant
- 2/ The Net Tangible Assets (NTA) of the company, based on the company's consolidated financial statements as of September 30, 2024, reviewed by a certified public accountant, excluding the value of the hydropower concession, totaling 896.97 million baht
- 3/ The net operating profit attributable to BIO over the trailing 12-month period from October 1, 2023, to September 30, 2024, calculated from BIO's financial statements for the nine-month periods ended September 30, 2023, and September 30, 2024, reviewed by a certified public accountant, and from BIO's financial statements as of December 31, 2023, audited by a certified public accountant
- 4/ The net operating profit attributable to the company over the trailing 12-month period from October 1, 2023, to September 30, 2024, calculated from the company's consolidated financial statements for the nine-month periods ended September 30, 2023, and September 30, 2024, reviewed by a certified public accountant, and from the company's consolidated financial statements as of December 31, 2023, audited by a certified public accountant
- 5/ The total transaction consideration is based on the company's valuation by an independent appraiser approved by the Securities and Exchange Commission includes creditor rights for loan claims that BIO holds against the company as of September 30, 2024.
- 6/ The total assets of the company, based on the company's consolidated financial statements as of September 30, 2024, reviewed by a certified public accountant

The transaction for the sale of common shares in the target company and all loan claim rights, as described above, has a total value of 151,575,866 baht. This represents a transaction size, calculated on a net tangible asset basis, of 2.89%. When combined with the size of asset acquisitions and disposals by the company within the past six months prior to the agreement date of this transaction, calculated on a total consideration basis, the transaction size is 14.47%. Therefore, this transaction qualifies as a Type 1 transaction according to the Notification on Acquisition or Disposal of Assets, which is defined as a transaction with a value less than 15%. As such, the Company is disclosing information regarding this transaction to the Stock Exchange of Thailand

4.2 Total Consideration and Payment Terms

Total Consideration	:	151,575,866 baht
Payment Terms	:	The Company will receive the full payment within the specified period, which is expected to be in November 2024.
Value of Disposed Assets	:	The value of BIO shares and loan claim rights that the Company will sell through this transaction.
Basis for Determining the Consideration	:	1) The price mutually agreed upon between the Company and the Buyer. 2) The asset valuation conducted by Sims Property Consultant Co., Ltd., an independent appraiser approved by the Securities and Exchange Commission.

5. Details of the Disposed Assets

The assets that the Company will dispose of are as follows:

5.1 Common Shares of the Target Company:

1,199,997 common shares of BIO, with a par value of 100 baht (One Hundred) per share, fully paid-up, representing 99.99% of the total shares. The general information of BIO is as follows:

Company Name	:	Alpha Biotech Co., Ltd.
Business Description	:	Engages in the production and distribution of raw materials and extracts from hemp and/or cannabis plants.
Address	:	98 Attakrawi Building 1, 5 th Floor, Soi Ari, Sukhumvit Road 26, Khlong Tan Subdistrict, Khlong Toei District, Bangkok
Registered and Paid-up Capital	:	120,000,000.00 baht
Par Value	:	100 baht per share
Total Share	:	1,200,000 shares

5.2 Key Financial Information:

Key financial information of BIO, based on audited financial statements as of December 31, 2022 - December 31, 2024, and reviewed financial statements as of September 30, 2024.

Unit: Thousand baht

End of Accounting Period	Consolidate Financial Statement			
	31 Dec 2021	31 Dec 2022	31 Dec 2023	30 Sep 2024
	(Audit)	(Audit)	(Audit)	(Reviewed)
Total Assets	95,808.22	254,156.55	194,685.07	187,643.56
Total liabilities	66,391.05	86,474.92	34,175.91	32,052.13
Registered and Paid-up Capital	30,000.00	120,000.00	120,000.00	120,000.00
Total Equity	29,417.17	167,681.63	160,509.16	155,591.43
Total Revenue	1.81	99,039.21	1,382.90	1,417.07
Total Expenditure	584.64	50,774.75	8,555.38	6,334.80
Net Profit (Loss)	(582.83)	48,264.46	(7,172.47)	(4,917.72)
Accumulated profit(loss) not yet allocated	(582.83)	47,681.63	40,509.16	35,591.43
Net profit (loss) per share (baht/share)	(1.94)	40.22	(5.98)	(4.10)
Book Value per share (baht/share)	98.06	139.73	133.76	129.66

5.3 Board of Directors of BIO

As of September 30, 2024, the Board of Directors consists of:

1. Mr. Teera Chutiwaraporn Director
2. Mr. Kawin Vipaveesuntat Director

5.4 Shareholder of BIO

Shareholder detail

No.	Name	As of 29 April 2024		After Transaction	
		No. of share	% of Holding (%)	No. of share	% of Holding (%)
1.	Alpha Divisions PCL	1,199,997	99.99	0	0.00
2.	Mr. Teera Chutiwaraporn	1	0.0001	1	0.0001
3.	Mr. Kawin Vipaveesuntat	1	0.0001	1	0.0001
4.	Mr. Somkiat Khunrae	1	0.0001	1	0.0001
5.	Mr.VIRADETH BOUPHA	0	0.00	587,998	48.9998
6.	Mr. Sumet Niraaphienanan	0	0.00	611,999	50.9999
	Total	1,200,000	100.00	1,200,000	100.00

6. Approvals Required by Relevant Authorities

For this transaction, the Company requires the approval of its Board of Directors but does not require approval from a shareholders' meeting or any other authority.

7. Expected Benefits to the Company

The Company believes that conducting this business involves risks and uncertainties related to regulations of governmental authorities, which could impact the group's operations. The funds from this transaction will be directed toward the power generation and/or finance businesses, enhancing opportunities to generate revenue and profit, thus strengthening the Company's financial performance and stability. This investment will also support the pursuit of other business opportunities in the future.

8. Planned Use of Proceeds from the Transaction

The Company intends to use the proceeds from this transaction to invest in the renewable energy power plant and/or finance businesses.

9. Board of Directors' Opinion

The Board of Directors has unanimously resolved to approve the disposal of assets as detailed above. After careful consideration, the Board finds that undertaking such a transaction is reasonable and serves the best interests of the Company and its shareholders. This decision is based on BIO's ongoing financial losses and the inherent risks and uncertainties associated with this business due to regulatory requirements imposed by government authorities, which may impact the business operations of the group. The Company intends to use the proceeds from this transaction to focus on investments in renewable energy businesses and/or financial sector investments, which are expected to generate greater overall benefits for shareholders compared to continuing investments in the production and distribution of precursor substances and extracts derived from hemp and/or cannabis plants.

10. Audit Committee's Opinion

The Audit Committee concurs with the opinion of the Board of Directors without any differing views.