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No. TSE(PCL) 001/08-2019

14 August 2019

Subject: The acquisition of the solar power plant projects in category of ground mounting with the installed capacity of 5 MW

To: President
The Stock Exchange of Thailand

Enclosure the information memorandum on the acquisition of BS Solar Energy Company Limited No.1

Thai Solar Energy Public Company Limited (the "**Company**") would like to inform that Solar Visible Company Limited which is a subsidiary owned 100% of the total paid-up capital by the Company has acquired all shares of total paid-up capital, representing 100% of BS Solar Energy Company Limited ("**BSE**") which operates 1 solar power plant projects in category of ground mounting for government agencies and agricultural cooperatives with the installed capacity of 5 MW located at Udonrthani Province by acquiring 49% of the total paid-up capital at the first stage and the Company will have investment of 100% of the total paid-up capital after 3 years from the commercial operation date (COD) or within the first quarter of 2022 of which the total investment is Baht 219 million as detailed in the Enclosure 1.

In this regard, the transaction size of the acquisition of such assets pursuant to the Notification of Capital Market Supervisory Board No. Tor. Jor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposal of Assets B.E. 2547 (2004) ("**Acquisition and Disposal of Assets Notifications**") has the highest value of 1.45% based on the Consideration method and after combining with the value of transactions on acquisition of assets of the Company during the past 6 months before the date of entry into this transaction, the total value of transaction shall be 22.96% based on the net profit method of which the transaction value is higher than 15% but lower than 50% of which the Company is required to disclose information regarding the disposal of assets of the Company to the Stock Exchange of Thailand (the "**SET**") immediately upon the entry into the transaction and to provide the information memorandum regarding the disposal of assets of the Company to the shareholders within 21 days following the date of disclosure of this transaction to the SET.

Nevertheless, such acquisition is not considered an entry into the transaction with the Company's connected person. Thus, it is not regarded as the connected transaction pursuant to Notification of the Capital Market Advisory Board No. Tor Jor.21/2551, Re: Rules on Connected Transactions, and the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure and Acts of Listed Companies on Connected Transactions B.E. 2546 (2003).

Please be informed accordingly.

Your sincerely,

- *Singed* -

(Mr. Somphop Prompanapitak)

Chief Operating Officer

For more information, please contact Support Organization Department

Tel. 02-258 4530 – 3 # 2401, 2405

**INFORMATION MEMORANDUM
ON
THE ACQUISITION OF BS SOLAR ENERGY COMPANY LIMITED NO.1**



Information Memorandum on the Acquisition of BS Solar Energy Company Limited No.1

The Board of Directors held on 14 August 2019 has resolved to approve the investment in BS Solar Energy Company Limited ("BSE") which operates 1 solar power plant projects in category of ground mounting for government agencies and agricultural cooperatives with the installed capacity of 5 MW located at Udonthani Province, dividing into 2 stages as follows: first stage: acquiring 49% of the total paid-up capital and second stage: the Company will have investment of 100% of the total paid-up capital after 3 years from the commercial operation date (COD) or within the first quarter of 2022 of which the total investment is Baht 219 million, and has resolved to authorize the authorization of directors to bind the Company or the Chief Executive Officer or any person authorized by such persons to have the power to negotiate and determine the details, terms and conditions and other procedures for the benefits of the acquisition of such shares including the entry into shares purchase agreement, share subscription agreement and any other documents relating to BSE and to have the power to perform any acts which are necessary and appropriate for the above matter.

In this regard, the transaction size of the acquisition of such assets pursuant to the Notification of Capital Market Supervisory Board No. Tor. Jor.20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposal of Assets B.E. 2547 (2004) ("**Acquisition and Disposal of Assets Notifications**") has the highest value of 1.45% based on the Consideration method and after combining with the value of transactions on acquisition of assets of the Company during the past 6 months before the date of entry into this transaction, the total value of transaction shall be 22.96% based on the net profit method of which the transaction value is higher than 15% but lower than 50% of which the Company is required to disclose information regarding the disposal of assets of the Company to the Stock Exchange of Thailand (the "**SET**") immediately upon the entry into the transaction and to provide the information memorandum regarding the disposal of assets of the Company to the shareholders within 21 days following the date of disclosure of this transaction to the SET.

Nevertheless, such acquisition is not considered an entry into the transaction with the Company's connected person. Thus, it is not regarded as the connected transaction pursuant to Notification of the Capital Market Advisory Board No. Tor Jor.21/2551, Re: Rules on Connected Transactions, and the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure and Acts of Listed Companies on Connected Transactions B.E. 2546 (2003).

Material information of the transaction is as set out below.

1. Date/ Month/ Year of the transaction

The Company will enter into the transaction to acquire 49% shares in BSE of which it will be completed by the Third quarter of 2019, and to subsequently, acquire 51% shares in BSE after 3 years from the commercial operation date (COD) it expects to complete within the first quarter of 2022, totalling 100% shares of total paid-up capital of BSE.

2. Parties involved and the relation with the listed company

Purchaser	:	Solar Visible Company Limited ("SV") which is a subsidiary owned 100% of the total paid-up capital by the Company
Seller	:	Bang Chak Green Energy Company Limited, having its head office at 46/3, Soi Sukhaphiban 5, Soi 57 Ao Ngoen Sub-district, Sai Mai District, Bangkok with the registered capital of Baht 100 million divided into 1 million shares with the par value of Baht 100 each.

The structure of Board of Directors and shareholders are as follows:

Director

1. Mr. Boontham Soosongkram

<u>Shareholders</u>	<u>No. of Shares</u>	<u>%</u>
1. Mr. Boontham Soosongkram	999,998	99.9998
2. Ms. Nahathai Soosongkram	1	0.0001
3. Ms. Yupaporn Jandai	1	0.0001
Total	1,000,000	100.0000

Relationship with the Company : The seller has no relationship with the major shareholders, directors and executives of the Company and its subsidiaries. Therefore, such acquisition is not considered an entry into the transaction with the Company's connected person. Thus, it is not regarded as the connected transaction pursuant to Notification of the Capital Market Advisory Board No. Tor Jor. 21/2551, Re: Rules on Connected Transactions, and the Notification of the Board of Governors of the Stock Exchange of Thailand re: Disclosure and Acts of Listed Companies on Connected Transactions B.E. 2546 (2003).

3. General characteristic of the transaction and Calculation of Transaction Value

The Company will invest in BSE which operates 1 solar power plant projects in category of ground mounting for government agencies and agricultural cooperatives with the installed capacity of 5 MW located at Udonrthani Province. BSE already had the sale and purchase license in category of solar power plant and power purchase agreement with the Provincial Electricity Authority.

The Company will invest into 2 stages as follows: first stage: acquiring 49% of the total paid-up capital which it will be completed by the third quarter of 2019 and second stage: acquiring 51% of the total paid-up capital after 3 years from the commercial operation date (COD) or within the first quarter of 2022, totalling 100% of the total paid-up capital and the total investment is Baht 219 million.

The Company will pay the purchase price to the seller by the third quarter of 2019 after the completion of conditions precedent as follows;

1. The legal due diligence report showing that BSE has no pending litigations or legal risks
2. To deliver of shares transfer documents of 49% shares
3. To deliver of assets and accounting documents including relevant documents
4. To deliver of all relevant transfer documents of 51% shares to the Legal Advisor of company to ensure that the 51% shares shall be transferred to the Company after 3 years from the commercial operation date.

If the seller cannot transfer the shares completely or breaches any terms of agreement, the Company shall have the right to claim for actual damage.

The entry into this transaction is considered as the acquisition of such assets pursuant to the Notification of Capital Market Supervisory Board No. Tor. Jor.20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposal of Assets B.E. 2547 (2004) of which the calculation of transaction value will be based on the consolidated financial statements for the second quarter ended 30 June 2019 audited by the auditor, the details of the calculation of transaction value are as follows:

	Method	Calculation Formula	Transaction Size
1.	Net tangible assets method	$\frac{\text{Net tangible asset of the acquired company} \times 100}{\text{Net tangible asset of the Company}}$ $= \frac{\text{Baht 40.31 million} \times 100\% \times 100}{\text{Baht 4,857.05 million}}$	0.83%
2.	Net profit method	$\frac{\text{Net profit of the acquired company} \times 100}{\text{Net profit of the Company}}$	N/A ¹
3.	Consideration method	$\frac{\text{Total consideration paid} \times 100}{\text{Total assets of the Company}}$ $= \frac{\text{Baht 219 million} \times 100}{\text{Baht 15,102.03 million}}$	1.45%
4.	Value of newly issued shares as consideration method	$\frac{\text{Number of shares issued as consideration} \times 100}{\text{Number of issued and paid-up shares of the Company}}$	N/A ²
		The highest transaction size	1.45%

Remark: ¹ Unable to calculate this method because of BSE Net loss.

² Unable to calculate this method as the Company does not issue any shares as consideration for the acquisition of assets.

In this regard, the transaction size of the acquisition of such assets pursuant to the Notification of Capital Market Supervisory Board No. Tor. Jor.20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposal of Assets B.E. 2547 (2004) ("**Acquisition and Disposal of Assets Notifications**") has the highest value of 1.45% based on the Consideration method and after combining with the value of transactions on acquisition of assets of the Company during the past 6 months before the date of entry into this transaction, the total value of transaction shall be 22.96% based on the net profit method of which the transaction value is higher than 15% but lower than 50% of which the Company is required to disclose information regarding the disposal of assets of the Company to the Stock Exchange of Thailand (the "**SET**") immediately upon the entry into the transaction and to provide the information memorandum regarding the disposal of assets of the Company to the shareholders within 21 days following the date of disclosure of this transaction to the SET.

4. Details of Transaction

General information of BS Solar Energy Company Limited

Incorporate Date : 27 September 2016

Type of Business : Operating 1 solar power plant projects in category of ground mounting for government agencies and agricultural cooperatives with the installed capacity of 5 MW

Commercial Operation Date (COD) : 12 December 2018 of which the purchasing period is 25 years and the Feed-in Tariff (FIT) of Baht 4.12 according to the power purchase agreement with Provincial Electricity Authority.

Head Office : 46/3, Soi Sukhaphiban 5, Soi 57 Ao Ngoen Sub-district, Sai Mai District, Bangkok

Plant Location : 76 Moo 3, Ban Pong Sub-district, Sri Thart District, Udonthani Province

Registered Capital : Baht 63,000,000

Paid-up Capital : Baht 63,000,000 divided into 630,000 ordinary shares with the par value of Baht 100 each

Board's Structure : Board's structure before entry into transaction

1. Mr. Boontham Soosongkram

Board's structure after entry into transaction

1. Miss Cathleen Maleenont
2. Mr. Somphop Prompanapitak
3. Mr. Kitipong Thannom
4. Miss Sirirat Huaithan

Shareholding Structure : Shareholding structure before entry into transaction

<u>List of Shareholders</u>	<u>No. of Shares (Share)</u>	<u>% Shareholding</u>
1. Bangjak Green Energy Company Limited*	629,997	99.9995
2. Miss Nahathai Susongkhram	1	0.0002
3. Mr. Boontham Susongkhram	1	0.0002
4. Miss Vupaporn Jandai	1	0.0001
Total	630,000	100.0000

Remark: * the subsidiary enters into the transaction with the seller only and the seller shall be responsible for procuring the remaining of shares for the subsidiary.

Shareholding structure after entry into transaction (49% and 100%)

<u>List of Shareholders</u>	<u>1st Stage</u>		<u>2nd Stage</u>	
	<u>No. of Shares (Share)</u>	<u>% Shareholding</u>	<u>No. of Shares (Share)</u>	<u>% Shareholding</u>
1. Bangjak Green Energy Company Limited	321,297	50.9995	-	-
2. Miss Nahathai Susongkhram	1	0.0002	-	-
3. Mr. Boontham Susongkhram	1	0.0002	-	-
4. Miss Vupaporn Jandai	1	0.0002		
5. Solar Visible Company Limited	308,698	48.9997	629,998	99.9997
6. Ms. Cathleen Maleenont*	1	0.0002	1	0.0002
7. Mr. Somphop Prompanapitak*	1	0.0002	1	0.0002
Total	630,000	100.0000	630,000	100.0000

Remark: such shareholders are the representative assigned by the Company to hold the shares to comply with the applicable laws

Financial Information : Summary of financial status and performance of BSE for the period ending 31 December of 2017 - 2018 as follows:

Unit: Baht Million	31 December 2017	31 December 2018
Total Assets	39,744,136	275,537,783
Total Liabilities	15,086	235,231,492
Total Equity	39,729,050	40,306,291
Total Revenues	-	3,533,856
Cost of Sale	35,000	8,706,615
Net Profit (loss)	(35,000)	(5,172,759)

5. Value of consideration and payment conditions

Total consideration value is Baht 219 million (of which the payment of consideration will be made in full) for acquiring of 49% shares in BSE of which it will be completed by the third quarter of 2019 and for acquiring of 51% shares in BSE after 3 years from the commercial operation date (COD) or within the first quarter of 2022, totalling 100% of the total paid-up capital of BSE. The consideration value is based on the appropriate return of investment.

6. Basis used to determine the value of consideration

The value of consideration is derived from negotiation between the parties, with reference to financial status, operating result and growth of business.

7. Expected benefits

The Company expects that such investment will create benefit to the Company and shareholders due to it is the investment in the business that has trend to grow in the future together with the government policy that supports the electricity producing from renewable energy.

8. Source of Fund for the Entry into Transaction

The Company's cash flow and loan of financial institution of which such loan will not affect the right of the shareholders.

9. Conditions of the entry into the transaction

- None -

10. Opinion of the Board of Directors on the Entry into the Transaction

The Board of Directors has considered and viewed that the entry into this transaction is reasonable and beneficial to the Company and the shareholders due to it is the business expansion to support the growth which will receive revenue and profit resulting in the increase of share value for the shareholders.

11. Opinion of the Audit Committee and/or the director(s) of the Company which is different from the Board of Directors' opinion

None of the directors and/or the Audit Committee had a different opinion from of the Board of Directors of the Company.