

-Translation-

No. TSE(PCL) 006/03-2562

21 March 2019

Subject: The appointment of Audit Committee, the appointment of new director and the acquisition of the solar power plant projects in category of ground mounting with the installed capacity of 5 MW **(Amended No.2)**

To: President
The Stock Exchange of Thailand

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

Thai Solar Energy Public Company Limited (the “**Company**”) would like to inform that the Board of Directors no.3/2019 held on 21 March 2019 has resolved the followings:

1. To approve Mr. Pala Sookawesh, the independent director to act as the member of Audit Committee in replacement of Mr. Boonchoo Direksataporn who has requested for retirement which will be effective from 22 April 2019.
2. To propose the 2019 Annual General Meeting of shareholders to approve the appointment of Mr. Aran Apichari to act as the director and independent in replacement of Mr. Boonchoo Direksataporn who has requested for retirement.
3. To approve the investment in BS Bangsai Solar Company Limited (BSS) which operates the solar power plant projects in category of ground mounting with the installed capacity of 5 MW located at Phra Nakhon Si Ayutthaya 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) of which the total investment is Baht 132.5 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 10.99% based on the net profit 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 15.82% 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 BANGSAI SOLAR COMPANY LIMITED NO.1



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

The Board of Directors no.3/2019 held on 21 March 2019 has resolved to approve the investment in BS Bangsai Solar Company Limited (“BSS”) which operates the solar power plant projects in category of ground mounting with the installed capacity of 5 MW located at Phra Nakhon Si Ayutthaya 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) of which the total investment is Baht 132.5 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 BSS 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 10.99% based on the net profit 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 15.82% 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 BSS of which it will be completed by the first quarter of 2019, and to subsequently, acquire 51% shares in BSS after 3 years from the commercial operation date (COD) **it expects to complete within the first quarter of 2020**, totalling 100% shares of total paid-up capital of BSS.

2. Parties involved and the relation with the listed company

- Purchaser** : Solar Visible Company Limited 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 BSS which operates 1 solar power plant projects in category of ground mounting with the installed capacity of 5 MW located at Phra Nakhon Si Ayutthaya Province. BSS 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 first quarter of 2019 and second stage: acquiring 51% of the total paid-up capital after 3 years from the commercial operation date (COD), totalling 100% of the total paid-up capital and the total investment is Baht 132.5 million.

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

1. The legal due diligence report showing that BSS 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 year ended 31 December 2018 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	$\frac{\text{Net tangible asset of the acquired company} \times 100}{\text{Net tangible asset of the Company}}$ $= \frac{\text{Baht 122.06 million} \times 100\% \times 100}{\text{Baht 4,750.26 million}}$	2.57%
2.	Net profit method	$\frac{\text{Net profit of the acquired company} \times 100}{\text{Net profit of the Company}}$ $= \frac{\text{Baht 19.11 million} \times 100}{\text{Baht 173.95 million}}$	10.99%
3.	Consideration method	$\frac{\text{Total consideration paid} \times 100}{\text{Total assets of the Company}}$ $= \frac{\text{Baht 132.5 million} \times 100}{\text{Baht 14,689.24 million}}$	0.90%

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 ¹
		The highest transaction size	10.99%

Remark: 1 Unable to calculate this method as the Comapyn 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 10.99% based on the net profit 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 15.82% 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 Bangsai Solar Company Limited

Incorporate Date	:	9 December 2016											
Type of Business	:	Operating 1 solar power plant projects in category of ground mounting with the installed capacity of 5 MW											
Commercial Operation Date (COD)	:	26 December 2016 of which the purchasing period is 25 years and the Feed-in Tariff (FiT) of Baht 5.66 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	:	52 Moo 1, Bang Yi Tho Sub-district, Bangsai District, Phra Nakhon Si Ayutthaya Province											
Acquired Asset	:	Up to 300,000 shares with a par value of Baht 100 each, representing 100% of the total paid-up capital of Infinity Solar Company Limited											
Registered Capital	:	Baht 82,000,000											
Paid-up Capital	:	Baht 82,000,000 divided into 820,000 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. Kitiphong Thunnom 4. Miss Sirirat Hauytharn											
Shareholding Structure	:	Shareholding structure before entry into transaction <table><tr><th>List of Shareholders</th><th>No. of Shares (Share)</th><th>% Shareholding</th></tr><tr><td>1. Prime Alternative Energy Company Limited</td><td>418,200</td><td>51.00%</td></tr><tr><td>2. Bang Chak Green Energy Company Limited*</td><td>401,796</td><td>48.96%</td></tr></table>			List of Shareholders	No. of Shares (Share)	% Shareholding	1. Prime Alternative Energy Company Limited	418,200	51.00%	2. Bang Chak Green Energy Company Limited*	401,796	48.96%
List of Shareholders	No. of Shares (Share)	% Shareholding											
1. Prime Alternative Energy Company Limited	418,200	51.00%											
2. Bang Chak Green Energy Company Limited*	401,796	48.96%											

		3. Star Solar Company Limited	1	00.01%		
		4. Ms. Thanattha Visanrayapong	1	00.01%		
		5. Mr. Natthapat Paankeddee	1	00.01%		
		6. Mr. Boontham Soosongkram	1	00.01%		
		Total	820,000	100.00%		
		<u>Remark:</u> 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 before entry into transaction (49% and 100%)				
		List of Shareholders	1st Stage		2nd Stage	
			No. of Shares (Share)	% Shareholding	No. of Shares (Share)	% Shareholding
		1. Prime Alternative Energy Company Limited	418,200	51.00	-	-
		2. Ms. Thanattha Visanrayapong	1	0.0001	-	-
		3. Mr. Natthapat Paankeddee	1	0.0001	-	-
		4. Solar Visible Company Limited	401,796	48.999	819,998	99.99
		5. Ms. Cathleen Maleenont*	1	0.0001	1	0.0001
		6. Mr. Somphop Prompanapitak*	1	0.0001	1	0.0001
		Total	820,000	100.00	820,000	100.00
		<u>Remark:</u> 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 BSS for the period ending 31 December of 2017 – 2018 as follows:				
		Unit: Baht Million	31 December 2017	31 December 2018		
		Total Assets	361,157,822.26	350,454,018.77		
		Total Liabilities	258,206,127.03	228,396,398.00		
		Total Equity	102,951,695.23	122,057,620.77		
		Total Revenues	42,931,686.47	42,427,832.58		
		Cost of Sale	18,389,994.52	15,262,503.91		
		Net Profit (loss)	20,972,845.23	19,105,925.54		

5. Value of consideration and payment conditions

Total consideration value is Baht 132.5 million (of which the payment of consideration will be made in full) for acquiring of 49% shares in BSS of which it will be completed by the first quarter of 2019 and for acquiring of 51% shares in BSS after 3 years from the commercial operation date (COD), totalling 100% of the total paid-up capital of BSS. 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.
