

-Translations-

Ref: TSE(PCL) 006/09-2016

September 21, 2016

Subject: Investment in biomass power plants *(Additional disclosure)*

To: President
The Stock Exchange of Thailand

According to the resolution of the Board of Directors' Meeting of Thai Solar Energy Public Company Limited ("The Company") held on September 21, 2016 has considered and approved of the acquisition of assets transactions;

1. Approved the acquisition of assets by investment in Oscar Save The World Co., Ltd. ("OSCAR") that operates two biomass power plants, located in Nakorn Si Thammarat Province, at 70% of registered capital. OSCAR obtained signed power purchase agreements (PPAs) with the PEA of 2 projects with total capacity of 17.6 MW (8.8 MW for each plant). *The total investment including construction cost will be 1,955 mil Baht.* The Company would like to report information memorandum for disclosure of the acquisition of assets to SET as attached herewith (Attachment No.1).
2. Approved the joint-investment in Bangsawan Green Co.,Ltd. ("BSW") that operates one biomass power plant, located in Suratthani Province, at the initial investment 49% of registered capital and there will increase to be 100% of registered capital after COD 3 years. The total investment and construction will be 550 mil Baht. The Company would like to report information memorandum for disclosure of the acquisition of assets to SET as attached herewith (Attachment No.2).

The total value of the transactions is derived from the calculation under the total value of consideration basis, equal to *42.0%*. Combined with the transactions during the past 6 months, the transactions calculated under the total value of consideration basis equal to *42.8%*, deemed as transactions with total value of 15% or higher but less than 50%. By this, entering into the transaction of acquisition of assets follows Torchor. 20/2551 Re: The acquisition of assets and the notification of The Stock Exchange of Thailand Re: Disclosure of information concerning the acquisition and disposition of assets of listed companies B.E. 2547 thus size of transaction of total company's assets considered to be acquisition of assets type 2 with the size of transaction of 15 percent but not more than 50 percent of total assets of company. Moreover, the company need to disclose to The Stock Exchange of Thailand immediately and send notification to shareholders within 21 days counting from dated disclosed to The Stock Exchange of Thailand. The notification to shareholders need to included information.

Please be informed accordingly.

Sincerely Yours,

Signed

(Mr.Somphop Prompanapitak)
Chief Operating Officer

Disclosure of information memorandum of investment in Oscar Save The World Co.,Ltd. ("OSCAR")

1. Date, month and year on which the transaction occurs:

Within October 2016

2. Transaction party and relationship

Buyer : Thai Solar Energy Public Company Limited – The Company

Seller : Thainakorn Parawood Co.,Ltd. – TNP

Paid-up Capital: 40 million Baht

No. of shares: 400,000 shares (PAR Value = 100 Baht)

Head Office: 308 Moo 9, Chandee-Suankhan Road, Saihra, Chawang, Nakorn Si Thammarat

Branch Address: Bangkok Business Center Bldg., 29, 17 Fl., Unit 1705, Sukhumvit63 (Ekamai) Road,
Klongton Nua, Wattana, Bangkok

Directors

1. Mr. Manote Luengvoraphan
2. Mr. Thawatchai Luengvoraphan
3. Mr. Samphan Luengvoraphan
4. Mr. Suphod Luengvoraphan
5. Miss Phenjit Luengvoraphan

Shareholders

- | | <u>%</u> |
|--------------------------------------|----------|
| 1. Mr. Manote Luengvoraphan | 21.50 |
| 2. Mr. Thawatchai Luengvoraphan | 21.50 |
| 3. Mr. Samphan Luengvoraphan | 21.50 |
| 4. Miss Arisa Luengvoraphan | 21.50 |
| 5. Mr. Suphod Luengvoraphan | 4.00 |
| 6. Miss Phenjit Luengvoraphan | 2.00 |
| 7. Mrs. Anong Luengvoraphan | 2.00 |
| 8. Mr. Phaisan Luengvoraphan | 2.00 |
| 9. Mr. Phenthip Chantarawattanawanit | 2.00 |
| 10. Mrs. Siriphorn Waraphiwatpong | 2.00 |

Relationship: Buyer has no relationship with the Seller as Executive, Major Shareholder, Control Person or person who nominated as an Executive or control authority of TSE and TNP as well as those who are involved and relatives of such person in coordinated with TorChor 21/2551 Re: Rules on Connected Transaction which refers to Notification of the Board of Governors of The Stock Exchange of Thailand Re: Disclosure of information and other acts of listed Companies concerning the Connected Transaction B.E.2546

3. General information on the transaction

The Company's business plan is to expand its solar power plant business and other business opportunities in renewable energy in AEC. Oscar Save The World Co.,Ltd. ("OSCAR") operating two biomass power plants, located in Nakorn Si Thammarat Province, at 70% of registered capital. OSCAR obtained signed a power purchase agreements (PPAs) with the PEA of 2 projects with total capacity of 17.6 MW (8.8 MW for each plant).

Type & Size of the Transaction:

- | | | |
|--|---|---------|
| 3.1 Asset Value Basis | = $\frac{70\% \times 86.7 \times 100}{4,201.2}$ | = 1.4% |
| 3.2 Net Profit Basis | = NONE (OSCAR recorded net losses) | |
| 3.3 Total Value of Consideration Basis | = $\frac{1,955 \times 100}{5,961.8}$ | = 32.8% |
| 3.4 Securities Value basis | = NONE (non-listed) | |

The value of the transaction is derived from the calculation under the total value of consideration basis, equal to 32.8%, combined with the transactions during the past 6 months, deemed as transactions with total value of 15% or higher but less than 50%. By this, entering into the transaction of acquisition of assets follows Torchor. 20/2551 Re: The acquisition of assets and the notification of The Stock Exchange of Thailand Re: Disclosure of information concerning the acquisition and disposition of assets of listed companies B.E. 2547 thus size of transaction of total company's assets considered to be acquisition of assets type 2 with the size of transaction of 15 percent but not more than 50 percent of total assets of company. Moreover, the company need to disclose to The Stock Exchange of Thailand immediately and send notification to shareholders within 21 days counting from dated disclosed to The Stock Exchange of Thailand. The notification to shareholders need to included information.

4. Details of the assets acquisition

Information of the Company: "OSCAR" – Oscar Save the World Co.,Ltd.

Date of Establishment: August 3, 2006

Type of Business : Operator of two biomass power plants, located in Nakorn Si Thammarat Province (with signed a power purchase agreements (PPAs) with the PEA of 2 projects with total capacity of 17.6 MW (8.8 MW for each plant)

SCOD : [OSCAR I](#)

OSCAR has been granted the Authorized SCOD Extension to February 6, 2018
(The initial SCOD was November 30, 2015)

[OSCAR II](#)

Target SCOD is within Q1, 2019

Office Address : 57 Park Venture Ecoplex, 12 Fl., Unit 1212, Wireless Road, Lumpini, Pathumwan, Bangkok

Factory Address : 308 Moo 9, Chandee-Suankhan Road, Saihra, Chawang, Nakorn Si Thammarat

Registered Capital : 225 mil. Baht

Paid-up Capital : 111.25 mil Baht: - 500,000 shares (paid-up at PAR value=100 Baht, totaling 50 mil Baht)
- 1,750,000 shares (paid-up at 35 Baht per share, totaling 61.25 mil Baht)

Directors : Before the Transaction

After the Transaction

1. Mr. Jessada Hongboonrued
2. Mr. Wutichai Leenabanchong
3. Mr. Theerachai Leenabanchong
4. Mr. Monthon Chatuwallopkul
5. Mr. Peratus Dhanarachwattana
6. Mr. Manote Luengvoraphan
7. Mr. Thawatchai Luengvoraphan

1. Mr. Manote Luengvoraphan
2. Ms. Cathleen Maleenont
3. Mr. Somphop Prompanapitak
4. Mr. Vic Kichodhan

Shareholders		<u>Before the transaction</u>		<u>After the transaction</u>	
		<u>No. of shares</u>	<u>%</u>	<u>No. of shares</u>	<u>%</u>
	1. Thainakorn Parawood Co.,Ltd.	2,205,000	98	675,000	30
	2. Mr. Manote Luengvoraphan	22,500	1	-----	---
	3. Mr. Manote Luengvoraphan	22,500	1	-----	---
	4. Thai Solar Energy PCL	-----	---	1,574,999	70
	5. Ms. Cathleen Maleenont	-----	---	1	---

Financial Status and Business operation results of OSCAR during 2013 – 2015 and as of 1H/2016;

(unit : mil Baht)

	Reviewed	Audited		
	1H/2016	2015	2014	2013
Total Assets	87.02	109.08	31.25	18.68
Total Liabilities	0.34	17.62	0.71	13.26
Proportion of Shareholders	86.68	91.46	30.54	5.42
Total Revenue	0.07	0.16	0.04	0.04
Total Expenses	2.47	10.29	1.87	1.29
Ney Profit (Loss)	(2.39)	(10.13)	(1.83)	(1.26)

5. Value of consideration and method of payment

As amount of 1,955 Million Baht which can be divided as follows;

- 5.1 Value of buying OSCAR shares from TNP amounting to 220 mil Baht – [considered appropriate for the rate of return of the investment](#)
- 5.2 Construction expenses of Power Plant amounting to 1,440 mil Baht
- 5.3 Project development expenses amounting to 295 mil Baht

6. Value of Acquisition of Assets

70% of the ordinary shares of OSCAR

7. Criteria use to determine value of consideration

The value of consideration is agreed by both parties to a contract that induces them to enter into the agreement to exchange mutual performances with considerations of the financial status, business operation performance and potential growth from the business

8. Benefits to the company

The investment is considered a business potential for growth in the future since the biomass power plant project has been supported by the government together with agreements with PEA that have been granted, therefore this investment is considered as stable business that will drive growth to revenue and profit in a long term and also will provide positive impact on business operation for the Company. The 2 Projects in OSCAR investment are in the process of changing the agreement from Adder scheme to be FIT scheme.

9. Source of Investment to acquire asset

From The Company's working capital and lending from financial institutions without conditions affecting the rights of The Company's shareholders

10. Conditions of entering the Transaction

- NONE -

11. Opinion of Board of Directors related to entering into transaction

Opinion from Board of Directors and every Audit committee sees that transaction on acquisition of asset is reasonable and effective to business in the future due to investment in OSCAR as stable business will help on generate revenue and profit in long term. Moreover it will expand the extension in term of normal business of TSE in order to diversification TSE business to provide variety and covered in more relevant business.

12. Opinion of Audit Committee and/or Board of Directors differ from Board of Directors

- NONE -

Disclosure of information memorandum of investment in
Bangsawan Green Co.,Ltd. (BSW)

1. Date, month and year on which the transaction occurs:

Within October 2016

2. Transaction party and relationship

Shareholder Group A : Jirat Palm Co.,Ltd – “JIRAT”

Paid-up capital 80 mil Baht

No. of shares 800,000 shares (PAR Value = 100 Baht)

Head Office 89 Moo 3 Tumbol Khlong Sai, Ta Chang, Surat Thani

<u>Director</u>	<u>Shareholders</u>	<u>%</u>
1. Mr.Jarat Winotaka	1. Mr. Jarat Winotaka	66.67
	2. Mrs. Benchang Winotaka	16.67
	3. Ms. Chulalak Winotaka	16.66

Shareholder Group B : Thai Solar Energy Public Company Limited – The Company

Relationship: Buyer has no relationship with the Seller as Executive, Major Shareholder, Control Person or person who nominated as an Executive or control authority of TSE and JIRAT as well as those who are involved and relatives of such person in coordinated with TorChor 21/2551 Re: Rules on Connected Transaction which refers to Notification of the Board of Governors of The Stock Exchange of Thailand Re: Disclosure of information and other acts of listed Companies concerning the Connected Transaction B.E.2546

3. General information on the transaction

The Company's business plan is to expand its solar power plant business and other business opportunities in renewable energy in AEC. TSE and JIRAT mutually agreed on investing in biomass power plant under a new set-up company with register capital of 1 mil Baht to operate a biomass power plant, located in Surat Thani Province, with total capacity of 4.6 MW. The estimated project cost is 550 mil Baht.

Type & Size of the Transaction:

3.1 Asset Value Basis	=	NONE
3.2 Net Profit Basis	=	NONE
3.3 Total Value of Consideration Basis	=	$\frac{550 \times 100}{5,961.8} = 9.2\%$
3.4 Securities Value basis	=	NONE (non-listed)

The value of the transaction is derived from the calculation under the total value of consideration basis, equal to 9.2%. And when combined with the transactions of OSCAR projects asset acquisition (as shown in Attachment No.1), it's deemed as transactions with total value of 42.0% which is at the level of 15% or higher but less than 50%. By this, entering into the transaction of acquisition of assets follows Torchor. 20/2551 Re: The acquisition of assets and the notification of The Stock Exchange of Thailand Re: Disclosure of information concerning the acquisition and disposition of assets of listed companies B.E. 2547 thus size of transaction of total company's assets considered to be acquisition of assets type 2 with the size of transaction of 15 percent but not more than 50 percent of total assets of company. Moreover, the company need to disclose to The Stock Exchange of Thailand immediately and send notification to shareholders within 21 days counting from dated disclosed to The Stock Exchange of Thailand. The notification to shareholders need to included information.

4. Details of the assets acquisition

Information of the Company: "BSW" – Bangsawan Green Co.,Ltd.

Type of Business : Operator of a biomass power plant with the PEA with total selling capacity of 4.6 MW

Office Address : 3199 Maleenont Tower, 16th Floor, Rama IV Road, Klongtan, Klongtoey, Bangkok

Factory Address : Surat Thani Province

Initial Registered Capital : 1 mil. Baht - 100,000 shares (PAR Value = 10 Baht)

Authorized Person : Ms. Cathleen Maleenont

Shareholders : Jirat Palm Co.,Ltd. 51,000 shares (51%)

Thai Solar Energy PCL 49,000 shares (49%)

Joint-Investment Conditions:

1. JIRAT shall officially transfer the rights of PPA to BSW [without further additional cost to BSW](#)
2. The Company invests at the initial 49% of registered capital and there will increase to be 100% of registered capital after COD 3 years.
3. [The Company targets SCOD within Q3, 2017](#)

5. Value of consideration and method of payment

As amount of 550 Million Baht which can be divided as follows;

5.1 Construction expenses of Power Plant amounting to 450 mil Baht

5.2 Project development expenses amounting to 100 mil Baht

6. Value of Acquisition of Assets

49% of the ordinary shares of BSW and will acquire 100% of shares from JIRAT

7. Criteria use to determine value of consideration

The value of consideration is agreed by both parties to a contract that induces them to enter into the agreement to exchange mutual performances with considerations of the financial status, business operation performance and potential growth from the business

8. Benefits to the company

The investment is considered a business potential for growth in the future since the biomass power plant project has been supported by the government together with agreements with PEA that have been granted, therefore this investment is considered as stable business that will drive growth to revenue and profit in a long term and also will provide positive impact on business operation for the Company.

9. Source of Investment to acquire asset

From The Company's working capital and lending from financial institutions without conditions affecting the rights of The Company's shareholders

10. Conditions of entering the Transaction

- NONE -

11. Opinion of Board of Directors related to entering into transaction

Opinion from Board of Directors and every Audit committee sees that transaction on acquisition of asset is reasonable and effective to business in the future due to investment in OSCAR as stable business will help on generate revenue and profit in long term. Moreover it will expand the extension in term of normal business of TSE in order to diversification TSE business to provide variety and covered in more relevant business.

12. Opinion of Audit Committee and/or Board of Directors differ from Board of Directors

- NONE -