



Thai Solar Energy Public Company Limited
บริษัท ไทย โซลาร์ เอ็นเนอร์ยี จำกัด (มหาชน)

3199 Maleenont Tower 16th Floor, Rama IV Road, Klongtan, Klongtoey, Bangkok 10110, Thailand
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Tel.: (66-2) 661-2701 Fax.: (66-2) 661-2705

No. TSE (PCL) 015/02-2560

20 February 2017

Re: Acquisition of solar power plant in category of ground mounting with the accredited power generation of 154.98 MW in Onikoube, Miyagi Prefecture, Japan ([Additional disclosure](#))

To: The President
The Stock Exchange of Thailand

Enclosure: Information memorandum regarding the acquisition of solar power plant in category of ground mounting with the accredited power generation of 154.98 MW in Onikoube, Miyagi Prefecture, Japan

Thai Solar Energy Public Company Limited would like to inform you the resolutions of the Board of Directors' Meeting No. 1/2017 held on 20 February 2017 as follows:

1. The meeting resolved to approve the investment by the Company and Sino-Thai Engineering And Construction Public Company Limited (“**STEC**”) in solar power plant in category of ground mounting with the accredited power generation of 154.98 MW as specified in certification for power distribution granted by Ministry of Economy, Trade and Industry (METI Certification) in Onikoube, Miyagi Prefecture, Japan with the transaction value of JPY 61,240 million or equivalent to approximate of Baht 19,658 million¹ through a joint investment company to be incorporated with a shareholding structure between the Company and STEC of 60:40 (the “**Joint Investment Company**”) of the total investment value and approve the Joint Investment Company:
 - 1) To acquire all issued and paid-up shares of PurpleSol G.K., a limited company incorporated in Japan to obtain certification for power distribution granted by Ministry of Economy, Trade and Industry (METI Certification) and other required and necessary licenses including agreement regarding grid connection with electricity utility provider;
 - 2) To acquire all issued and paid-up shares of SolarOne G.K., a limited company incorporated in Japan to acquire ownership and possessory right to the project land in the approximated area of 2,080 Rai [which includes land ownership of 1,841 Rai and leased land of 232 Rai](#); and
 - 3) To enter into the share purchase agreement with Kamisol Limited (the “**Seller**”) subject to the terms and conditions to be mutually agreed between the Company and the Seller.

¹ Converted into Thai Baht using average monthly exchange rate of Thai commercial banks during January 2017 as provided by the Bank of Thailand which is equivalent to Baht 32.1 to JPY 100

In this regard, the Company shall incorporate a subsidiary named TSE Overseas Group Company Limited with 100% shareholding by the Company (“**Subsidiary**”)² which shall apply for approval as an international head quarter to the [Thai Director-General of the Revenue Department](#) according to measures promoting establishment of international headquarter pursuant to the Royal Decree issued under the Revenue Code regarding Reduction and Exemption from Revenue Taxes (No. 586) B.E. 2558 and the Notification of the Director-General of the Revenue Department re: Determination of Rules, Methods, and Conditions for Reduction of Revenue Taxes, Exemption of Revenue Taxes, and Exemption of Special Business Taxes of Companies which are International Head Quarter dated 29 May 2015 (“**Revenue Department Announcement**”) to obtain benefits on reduction of taxes associated with the Project. The qualifications and conditions for approval as international head quarter can be summarized as follows:

- 1) the company shall be incorporated under the laws of Thailand to provide managerial, technical, supporting services or financial management to its associated enterprise or branch, whether such associated enterprise or branch is located in Thailand or overseas, and shall include international trading center which has obtained an approval as international head quarter;
- 2) minimum paid-up capital on the last date of each accounting period of Baht 10 million;
- 3) provide managerial, technical, supporting services or financial management to its associated enterprise which is incorporated under foreign laws;
- 4) minimum operating expenses paid to recipient in Thailand within an accounting period of Baht 15 million;
- 5) apply for and is granted an approval as international headquarter from the Director-General of the Revenue Department; and
- 6) comply with criteria, methods and conditions as prescribed by the Director-General of the Revenue Department.

Based on the above criteria and conditions, the Company is of the view that it can procure the Subsidiary to meet all of the qualifications as prescribed in the Revenue Department Announcement in order to be approved by the Director-General of the Revenue Department as international headquarter and obtain benefits on reduction of taxes and exemption of taxes pursuant to such measures promoting establishment of international headquarter. [It is expected that the approval process will take not more than an accounting period from the establishment of the Subsidiary.](#)

[If the Subsidiary does not receive an approval from the Thai Director-General of the Revenue Department, it will be subject to tax rates as prescribed under Thai laws.](#)

The Subsidiary shall hold 60% of shareholding of the paid-up capital of the Joint Investment Company and the Joint Investment Company shall acquire assets of the Project.

In this regard, the transaction size of the asset acquisition of the project 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 dated 31 August 2008, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of

² Incorporation of the Subsidiary is in process and shall be completed prior to the transaction being proposed to the shareholders for approval

Information and Other Acts of Listed Companies Concerning the Acquisition and Disposal of Assets B.E. 2547 (2004) dated 29 October 2004 ("**Acquisition and Disposal of Assets Notifications**") has the highest value of 310.94% based on the consideration value method. In addition, the Company had acquisition of assets during the past 6 months and the transaction size of such transactions based on the consideration value method are as follows:

Acquisition of Assets by the Company	Transaction Size
1. Acquisition of solar power project in category of ground mounting for local government and coconut farmer cooperatives in Prachuapkirikan Province with capacity of 1.0 MW	0.80%
2. Investment in Oscar Save The World Company Limited which operates biomass power plant with capacity of 17.6 MW	32.80%
3. Investment in Bangsawan Green Company Limited which operates biomass power plant with capacity of 4.6 MW	9.20%
Total transaction size in the past 6-month period	42.80%

The transaction size of the Project together with transactions of the Company within the past 6 months of 42.8% in aggregate will be equivalent to 353.74%. Therefore, this transaction is considered an acquisition of assets, Type 4 or Back Door Listing where the value of such acquisition equals to 100% or higher and the Company is required:

- (1) To disclose information regarding the acquisition or disposal of assets of the Company to the Stock Exchange of Thailand (the "SET");
- (2) To appoint the independent financial advisor; and
- (3) To hold a shareholders' meeting to consider and approve such asset acquisition, with the approved votes of not less than three-fourths of the total votes of shareholders attending the meeting and having the right to vote, excluding the votes of the shareholders having an interest in the matter in accordance with the Acquisition and Disposal of Assets Notifications. In addition, such acquisition is considered a purchase or transfer to the Company another company's business under Section 107 (2)(b) of the Public Limited Company Act B.E. 2535 (1992) (as amended), which prescribes that the Company must hold shareholders' meeting to consider and approve the purchase of business with the approved votes of not less than three-fourths of the total votes of shareholders attending the meeting and having the right to vote, excluding the votes of the shareholders having conflict of interest in the matter.

However, the Company has reviewed and is of the view that such transaction is not required for submission of an application to list securities of the Company on the SET again (Relisting) because the acquisition of the Project meets all of the following conditions as prescribed under Clause 24 of the Acquisition and Disposal of Assets Notifications:

- The acquired business is similar to and complements the business of the Company
 The entry into such transaction is considered similar to and complements the business of the Company because the Company's core business is renewable energy business with the focus on solar power plants. Currently, the Company has a total of 36 solar power projects in Thailand and Japan with 29 projects in Thailand and 7 projects overseas with capacity of 143.68 MW (121.7 MW in Thailand and 21.98 MW in Japan). The projects can be summarized as follows:

Thailand				Japan			
Category	Number	Capacity	COD	Category	Number	Capacity	COD
Thermal	1	4.5 MW	2011	<u>PV Farm</u>			
PV Farm	10	80 MW	2014	- Kuno	1	0.5 MW	2015
PV Rooftop	14	14 MW	2015	- Shima	1	1.25 MW	2016
Cooperatives	1	1 MW	2016	- Hikeme	1	1.50 MW	2016
Biomass	3	22.2 MW	In process of construction	- Ryugasaki	1	1.99 MW	2016
				- Jyoso	1	1.25 MW	Pre-development
				- Sakura	1	1.99 MW	25%
				- Hanamizuki	1	13.5 MW	20%
Total	29	121.7 MW		Total	7	21.98 MW	
- COD	26	99.5 MW		- COD	4	5.24 MW	
- On progress	3	22.2 MW		- On progress	3	16.74 MW	

The transaction will result in the Company acquiring the right to operate another solar power plant project with capacity of 154.98 MW and project land. Therefore, the acquired business from the entry into such transaction is within the same category of the Company's existing core business.

- The Company does not have a policy to materially change its core business
 The Company is determined to be a leading operator of renewable energy business and has an objective to expand investment locally and overseas in other types of renewable energy such as biomass power, wind power, biogas, and waste. During the past 6 months, the Company has invested in solar power plant in category of ground mounting for local government and cooperatives, investment in Oscar Save The World Company Limited which operates biomass power plant with capacity of 17.6 MW, and investment in Bangsawan Green Company Limited which operates biomass power plant with capacity of 4.6 MW. Based on its past business together with its entry into such transaction, it can be viewed that the Company will continue to be a leading operator of renewable energy business in Thailand and in Asia. Therefore, the Company does not have a policy to materially change its core business.

3. The group company, as a result of the acquisition of the project, remains qualified for listing on the SET

The entry into such transaction is considered the acquisition of rights to operate another solar power plan project. The acquisition of the assets of the project will result in the Company acquiring right to operate solar power plant business with the capacity of 154.98 MW and the project land. The transaction will be beneficial to the Company in terms of growth and expansion of the Company's investment and generate additional revenue to the Company.

After considering qualifications and suitability of the group company post-acquisition, the Company views that its group company remains qualified and suitable for listing on the SET.

4. There will be no significant change to the Board of Directors of the Company and the control or the major shareholders having the control over the Company
Following completion of the transaction, apart from appointment of new directors to replace those who retire by rotation, the Company will not **significantly** change its Board of Directors and the three major shareholders as of 3 November 2016 shall not be significantly changed.

Nevertheless, such acquisition of the Project 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 dated 31 August 2008, 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) dated 19 November 2003.

2. To authorize directors or any person authorized by such directors to have the power to negotiate and determine the details, terms and conditions and other procedures which are necessary for the acquisition of shares, transfer of shares, enter into any agreements and/or memorandums of understanding and any other documents related thereto, including liaise with government authorities or relevant regulatory bodies such as the Office of the Securities and Exchange Commission and the SET, and the power to perform any acts which are necessary and appropriate for the above matter.
3. To enter into loan agreements with financial institutions in the total amount of up to **Baht 6,000 million** for the acquisition of such shares.
4. To appoint Finnex Advisory Company Limited as an independent financial advisor to provide opinions to the shareholders in relation to the acquisition of the Project including to prepare any other necessary documents required by relevant authorities.
5. To propose the acquisition under Item 1 to the 2017 Annual General Meeting of Shareholders for consideration and approval. The Board of Directors of the Company shall determine the date of the 2017 Annual General Meeting of Shareholders and other relevant details, the date for



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determination of the list of shareholders who will be entitled to attend the 2017 Annual General Meeting of Shareholders (Record Date), and the date for the gathering the list of shareholders pursuant to Section 225 of the Securities and Exchange Act B.E. 2535 (as amended) during the Board of Directors' Meeting No. 2/2017 to be held on 28 February 2017 and shall inform the shareholders accordingly.

Please be informed accordingly.

Your sincerely,

-Mr. Somphop Prompanapitak-

(Mr. Somphop Prompanapitak)
Chief Operating Officer

Business Support Department
Tel. 02-661 2701 – 4 # 2801-2803

**Information memorandum regarding the acquisition of solar power plant
in category of ground mounting with the accredited power generation of
154.98 MW in Onikoube, Miyagi Prefecture, Japan**



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Information memorandum regarding the acquisition of solar power plant in category of ground mounting with the accredited power generation of 154.98 MW in Onikoube, Miyagi Prefecture, Japan

of

Thai Solar Energy Public Company Limited

- 1) The Board of Directors' Meeting No. 1/2017 of Thai Solar Energy Public Company Limited held on 20 February 2017 has resolved to approve the investment by the Company and Sino-Thai Engineering And Construction Public Company Limited (“**STEC**”) in solar power plant in category of ground mounting with the accredited power generation of 154.98 MW as specified in certification for power distribution granted by Ministry of Economy, Trade and Industry (METI Certification) in Onikoube, Miyagi Prefecture, Japan with the transaction value of JPY 61,240 million or equivalent to approximate of Baht 19,658 million³ through a joint investment company to be incorporated with a shareholding structure between the Company and STEC of 60:40 (the “**Joint Investment Company**”) and approve the Joint Investment Company: To acquire all issued and paid-up shares of PurpleSol G.K., a limited company incorporated in Japan to obtain certification for power distribution granted by Ministry of Economy, Trade and Industry (METI Certification) and other required and necessary licenses including agreement regarding grid connection with electricity utility provider;
- 2) To acquire all issued and paid-up shares of SolarOne G.K., a limited company incorporated in Japan to acquire ownership and possessory right to the project land in the approximated area of 2,080 Rai **which includes land ownership of 1,841 Rai and leased land of 232 Rai**; and
- 3) To enter into the share purchase agreement with Kamisol Limited (the “**Seller**”) subject to the terms and conditions to be mutually agreed between the Company and the Seller.

In this regard, the Company shall incorporate a subsidiary named TSE Overseas Group Company Limited with 100% shareholding by the Company (“**Subsidiary**”) ⁴ which shall apply for approval as an international head quarter to the **Thai** Director-General of the Revenue Department according to measures promoting establishment of international headquarter pursuant to the Royal Decree issued under the Revenue Code regarding Reduction and Exemption from Revenue Taxes (No. 586) B.E. 2558 and the Notification of the Director-General of the Revenue Department re: Determination of Rules, Methods, and Conditions for Reduction of Revenue Taxes, Exemption of Revenue Taxes, and Exemption of Special Business Taxes of Companies which are International Head Quarter dated 29 May 2015 (“**Revenue Department Announcement**”) to obtain benefits on reduction of taxes associated with the Project. The qualifications and conditions for approval as international head quarter can be summarized as follows:

- 1) the company shall be incorporated under the laws of Thailand to provide managerial, technical, supporting services or financial management to its associated enterprise or branch, whether such

³ Converted into Thai Baht using average monthly exchange rate of Thai commercial banks during January 2017 as provided by the Bank of Thailand which is equivalent to Baht 32.1 to JPY 100

⁴ Incorporation of the Subsidiary is in process and shall be completed prior to the transaction being proposed to the shareholders for approval

- associated enterprise or branch is located in Thailand or overseas, and shall include international trading center which has obtained an approval as international head quarter;
- 2) minimum paid-up capital on the last date of each accounting period of Baht 10 million;
 - 3) provide managerial, technical, supporting services or financial management to its associated enterprise which is incorporated under foreign laws;
 - 4) minimum operating expenses paid to recipient in Thailand within an accounting period of Baht 15 million;
 - 5) apply for and is granted an approval as international headquarter from the Director-General of the Revenue Department; and
 - 6) comply with criteria, methods and conditions as prescribed by the Director-General of the Revenue Department.

Based on the above criteria and conditions, the Company is of the view that it can procure the Subsidiary to meet all of the qualifications as prescribed in the Revenue Department Announcement in order to be approved by the Director-General of the Revenue Department as international headquarter and obtain benefits on reduction of taxes and exemption of taxes pursuant to such measures promoting establishment of international headquarter. [It is expected that the approval process will take not more than an accounting period from the establishment of the Subsidiary.](#)

[If the Subsidiary does not receive an approval from the Thai Director-General of the Revenue Department, it will be subject to tax rates as prescribed under Thai laws.](#)

In this regard, the transaction size of the asset acquisition of the project 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 dated 31 August 2008, 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) dated 29 October 2004 ("**Acquisition and Disposal of Assets Notifications**") has the highest value of 310.94% based on the consideration value method. In addition, the Company had acquisition of assets during the past 6 months and the transaction size of such transactions based on the consideration value method are as follows:

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- (1) To disclose information regarding the acquisition or disposal of assets of the Company to the Stock Exchange of Thailand (the “SET”);
- (2) To appoint the independent financial advisor; and
- (3) To hold a shareholders’ meeting to consider and approve such asset acquisition, with the approved votes of not less than three-fourths of the total votes of shareholders attending the meeting and having the right to vote, excluding the votes of the shareholders having an interest in the matter in accordance with the Acquisition and Disposal of Assets Notifications. In addition, such acquisition is considered a purchase or transfer to the Company another company’s business under Section 107 (2)(b) of the Public Limited Company Act B.E. 2535 (1992) (as amended), which prescribes that the Company must hold shareholders’ meeting to consider and approve the purchase of business with the approved votes of not less than three-fourths of the total votes of shareholders attending the meeting and having the right to vote, excluding the votes of the shareholders having conflict of interest in the matter.

After consideration, the Company is of the view that such transaction is not required for submission of an application to list securities of the Company on the SET again (Relisting) because the acquisition of the Project meets all of the following conditions as prescribed under Clause 24 of the Acquisition and Disposal of Assets Notifications:

1. The acquired business is similar to and complements the business of the Company
 The entry into such transaction is considered similar to and complements the business of the Company because the Company’s core business is renewable energy business with the focus on solar power plants. Currently, the Company has a total of 36 solar power projects in Thailand and Japan with 29 projects in Thailand and 7 projects overseas with capacity of 143.68 MW (121.7 MW in Thailand and 21.98 MW in Japan). The projects can be summarized as follows:

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Cooperatives	1	1 MW	2016	- Hikeme	1	1.50 MW	2016
Biomass	3	22.2 MW	In process of construction	- Ryugasaki	1	1.99 MW	2016
				- Jyoso	1	1.25 MW	Pre-development
				- Sakura	1	1.99 MW	25%
				- Hanamizuki	1	13.5 MW	20%
Total	29	121.7 MW		Total	7	21.98 MW	



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- COD	26	99.5 MW		- COD	4	5.24MW	
-On progress	3	22.2 MW		-On progress	3	16.74 MW	

The transaction will result in the Company acquiring the right to operate another solar power plant project with capacity of 154.98 MW and project land. Therefore, the acquired business from the entry into such transaction is within the same category of the Company's existing core business.

2. The Company does not have a policy to materially change its core business
 The Company is determined to be a leading operator of renewable energy business and has an objective to expand investment locally and overseas in other types of renewable energy such as biomass power, wind power, biogas, and waste. During the past 6 months, the Company has invested in solar power plant in category of ground mounting for local government and cooperatives, investment in Oscar Save The World Company Limited which operates biomass power plant with capacity of 17.6 MW, and investment in Bangsawan Green Company Limited which operates biomass power plant with capacity of 4.6 MW. Based on its past business together with its entry into such transaction, it can be viewed that the Company will continue to be a leading operator of renewable energy business in Thailand and in Asia. Therefore, the Company does not have a policy to materially change its core business.
3. The group company, as a result of the acquisition of the project, remains qualified for listing on the SET
 The entry into such transaction is considered the acquisition of rights to operate another solar power plant project. The acquisition of the assets of the project will result in the Company acquiring right to operate solar power plant business with the capacity of 154.98 MW and the project land. The transaction will be beneficial to the Company in terms of growth and expansion of the Company's investment and generate additional revenue to the Company.

After considering qualifications and suitability of the group company post-acquisition, the Company views that its group company remains qualified and suitable for listing on the SET.

4. There will be no significant change to the Board of Directors of the Company and the control or the major shareholders having the control over the Company
 Following completion of the transaction, apart from appointment of new directors to replace those who retire by rotation, the Company will not significantly change its Board of Directors and the three major shareholders as of 3 November 2016 shall not be significantly changed.

Nevertheless, such acquisition of the Project 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 dated 31 August 2008, and the Notification of the Board of Governors of the Stock Exchange of Thailand, Re:



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Disclosure and Acts of Listed Companies on Connected Transactions B.E. 2546 (2003) dated 19 November 2003.

Material information of the transaction is as set out below.

1. Date/ Month/ Year of the transaction

The Company and the Seller shall enter into the share sale and purchase agreement upon receipt of approval from the 2017 Annual General Meeting of Shareholders and completion of all conditions precedent as specified in the share sale and purchase agreement. [The important conditions precedent are \(1\) results of legal, financial, and technical due diligence which are correct, complete and suitable for investment; \(2\) all relevant licenses are in force and effect pursuant to the relevant laws and sufficient for project operation; and \(3\) complete ownership and/or possessory right in project land.](#)

2. Parties involved and the relation with the listed company

Purchaser: TSE Overseas Group Company Limited

[100% subsidiary of Thai Solar Energy Public Company Limited](#)

Seller: Kamisol Limited, [a company incorporated in Belize. The Company will further inform the relevant details to the shareholders](#)

Relation with the listed company: None

3. General characteristic of the transaction

The Company will invest in solar power plant project in category of ground mounting in Onikoube, Miyagi Prefecture, Japan with the transaction value of JPY 61,240 million or equivalent to approximate of Baht 19,658 million.⁵ The project has obtained the right to operate solar power plant with the accredited power generation of 154.98 MW as specified in certification for power distribution granted by Ministry of Economy, Trade and Industry (METI Certification) for Tohoku Electric Power Co., Inc for the period of 20 years at the Feed-in Tariff (FIT) rate of JPY36 per Kilowatt-Hour [with estimated commercial operation date in 2021](#). The investment will be through its 100% subsidiary namely TSE Overseas Group Company Limited⁶ which shall apply for approval as an international head quarter to the [Thai](#) Director-General of the Revenue Department according to measures promoting establishment of international headquarter pursuant to the Royal Decree issued under the Revenue Code regarding Reduction and Exemption from Revenue Taxes (No. 586) B.E. 2558 and the Notification of the Director-General of the Revenue Department re: Determination of Rules, Methods, and Conditions for Reduction of Revenue Taxes, Exemption of Revenue Taxes, and Exemption of Special Business Taxes of Companies which are International Head Quarter dated 29 May 2015 (“**Revenue Department Announcement**”) to obtain benefits on reduction of taxes associated with the Project.

In this regard, the transaction size of the asset acquisition of the project pursuant to the Notification of Capital Market Supervisory Board No. Tor. Jor. 20/2551 Re: Rules on Entering into Material

⁵ Converted into Thai Baht using average monthly exchange rate of Thai commercial banks during January 2017 as provided by the Bank of Thailand which is equivalent to Baht 32.1 to JPY 100

⁶ Incorporation of the Subsidiary is in process and shall be completed prior to the transaction being proposed to the shareholders for approval

Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008, 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) dated 29 October 2004 ("**Acquisition and Disposal of Assets Notifications**") calculated based on information under the Company's consolidated financial statements for the 9-month period ending 30 September 2016 are as follows:

	Method	Transaction Size
1.	Net tangible assets method	$\frac{\text{Net tangible asset of the acquired company}}{\text{Net tangible asset of the Company}} \times 100$ <p>Unable to calculate this method as the net tangible asset of PurpleSol G.K. and SolarOne G.K. in 2016 has negative value.</p>
2.	Net profit method	$\frac{\text{Net profit of the acquired company}}{\text{Net profit of the Company}} \times 100$ <p>Unable to calculate this method as PurpleSol G.K. and SolarOne G.K. incurred net loss in 2016.</p>
3.	Consideration method	$\frac{\text{Total consideration paid}}{\text{Total assets of the Company}} \times 100$ $\frac{19,658}{6,322.11} \times 100 = \mathbf{310.94\%}$
4.	Value of newly issued shares as consideration method	$\frac{\text{Number of shares issued as consideration}}{\text{Number of issued and paid-up shares of the Company}} \times 100$ <p>Unable to calculate this method as the Company does not issue any shares as consideration</p>

The calculation of transaction size through methods as prescribed in the Acquisition and Disposal of Assets Notifications based on information under the Company's consolidated financial statements for the 9-month period ending 30 September 2016 which has been audited by the Company's auditor provides that the highest value of transaction is 310.94% of the Company's total assets based on the consideration method. In addition, the Company had acquisition of assets during the past 6 months and the transaction size of such transactions based on the consideration value method are as follows:

Acquisition of Assets by the Company	Transaction Size
1. Acquisition of solar power project in category of ground mounting for local government and coconut farmer cooperatives in Prachuapkirikan Province with capacity of 1.0 MW	0.80%

Acquisition of Assets by the Company		Transaction Size
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3.	Investment in Bangsawan Green Company Limited which operates biomass power plant with capacity of 4.6 MW	9.20%
Total transaction size in the past 6-month period		42.80%

The transaction size of the Project together with transactions of the Company within the past 6 months of 42.8% in aggregate will be equivalent to 353.74%. Therefore, this transaction is considered an acquisition of assets, Type 4 or Back Door Listing where the Company is required to disclose information regarding the acquisition or disposal of assets of the Company to the Stock Exchange of Thailand, appoint the independent financial advisor, request for approval to enter into the transaction with the Stock Exchange of Thailand by relisting with the Stock Exchange of Thailand pursuant to the rules of the Stock Exchange of Thailand regarding Listing of Ordinary Shares or Preferred Shares as Listed Securities, and hold a shareholders' meeting to consider and approve such asset acquisition, with the approved votes of not less than three-fourths of the total votes of shareholders attending the meeting and having the right to vote, excluding the votes of the shareholders having an interest in the matter.

After consideration, the Company is of the view that such transaction is not required for submission of an application to list securities of the Company on the SET again (Relisting) because the acquisition of the Project meets all of the following conditions as prescribed under Clause 24 of the Acquisition and Disposal of Assets Notifications:

- The acquired business is similar to and complements the business of the Company
 The entry into such transaction is considered similar to and complements the business of the Company because the Company's core business is renewable energy business with the focus on solar power plants. Currently, the Company has a total of 36 solar power projects in Thailand and Japan with 29 projects in Thailand and 7 projects overseas with capacity of 143.68 MW (121.7 MW in Thailand and 21.98 MW in Japan). The projects can be summarized as follows:

Thailand				Japan			
Category	Number	Capacity	COD	Category	Number	Capacity	COD
Thermal	1	4.5 MW	2011	<u>PV Farm</u>			
PV Farm	10	80 MW	2014	- Kuno	1	0.5 MW	2015
PV Rooftop	14	14 MW	2015	- Shima	1	1.25 MW	2016
Cooperatives	1	1 MW	2016	- Hikeme	1	1.50 MW	2016
Biomass	3	22.2 MW	In process of construction	- Ryugasaki	1	1.99 MW	2016
				- Jyoso	1	1.25 MW	Pre-development
				- Sakura	1	1.99 MW	25%



Thai Solar Energy Public Company Limited
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Thailand				Japan			
Category	Number	Capacity	COD	Category	Number	Capacity	COD
				- Hanamizuki	1	13.5 MW	20%
Total	29	121.7 MW		Total	7	21.98 MW	
- COD	26	99.5 MW		- COD	4	5.24 MW	
- On progress	3	22.2 MW		- On progress	3	16.74 MW	

The transaction will result in the Company acquiring the right to operate another solar power plant project with capacity of 154.98 MW and project land. Therefore, the acquired business from the entry into such transaction is within the same category of the Company's existing core business.

2. The Company does not have a policy to materially change its core business
 The Company is determined to be a leading operator of renewable energy business and has an objective to expand investment locally and overseas in other types of renewable energy such as biomass power, wind power, biogas, and waste. During the past 6 months, the Company has invested in solar power plant in category of ground mounting for local government and cooperatives, investment in Oscar Save The World Company Limited which operates biomass power plant with capacity of 17.6 MW, and investment in Bangsawan Green Company Limited which operates biomass power plant with capacity of 4.6 MW. Based on its past business together with its entry into such transaction, it can be viewed that the Company will continue to be a leading operator of renewable energy business in Thailand and in Asia. Therefore, the Company does not have a policy to materially change its core business.
3. The group company, as a result of the acquisition of the project, remains qualified for listing on the SET
 The entry into such transaction is considered the acquisition of rights to operate another solar power plan project. The acquisition of the assets of the project will result in the Company acquiring right to operate solar power plant business with the capacity of 154.98 MW and the project land. The transaction will be beneficial to the Company in terms of growth and expansion of the Company's investment and generate additional revenue to the Company.

After considering qualifications and suitability of the group company post-acquisition, the Company views that its group company remains qualified and suitable for listing on the SET.

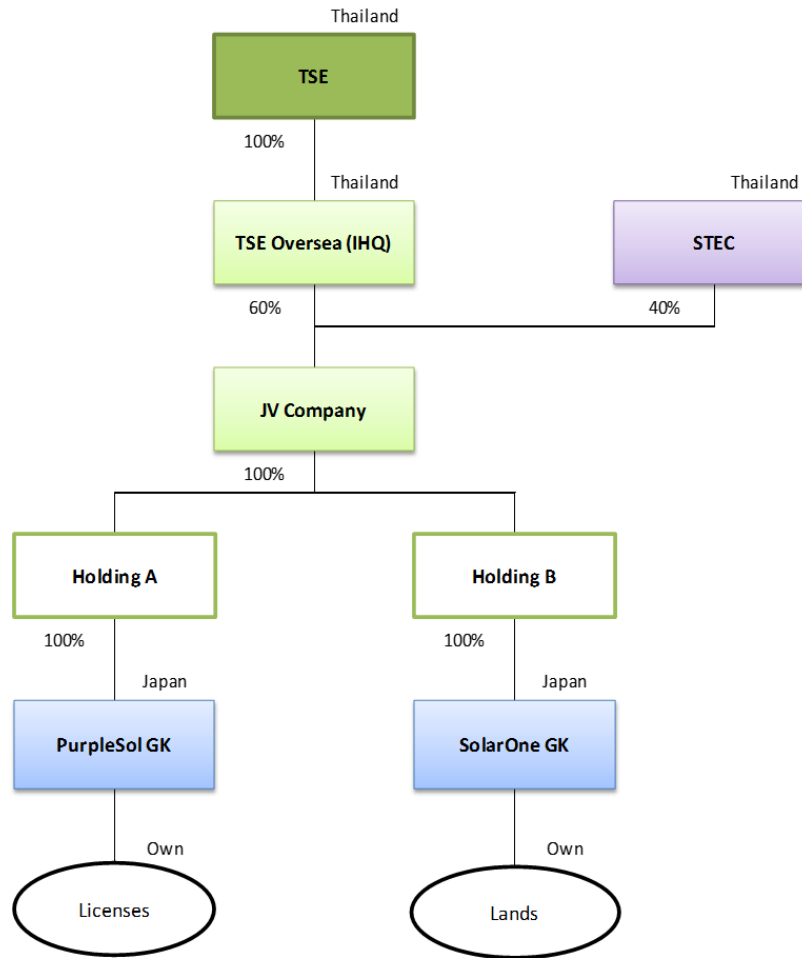
4. There will be no significant change to the Board of Directors of the Company and the control or the major shareholders having the control over the Company Following completion of the transaction, apart from appointment of new directors to replace those who retire by rotation, the Company will not **significantly** change its Board of Directors and the three major shareholders as of 3 November 2016 shall not be significantly changed.

Although the entry into the transaction by the Company falls within all exceptions under Clause 24 of the Acquisition and Disposal of Assets Notifications and, therefore, the Company is exempted from applying for relisting, the Company is still required to disclose the transaction to the Stock Exchange of Thailand, appoint the independent financial advisor, hold a shareholders' meeting to consider and approve such asset acquisition, with the approved votes of not less than three-fourths of the total votes of shareholders attending the meeting and having the right to vote, excluding the votes of the shareholders having an interest in the matter without requesting for approval from the Stock Exchange of Thailand by relisting with the Stock Exchange of Thailand pursuant to the rules of the Stock Exchange of Thailand regarding Listing of Ordinary Shares or Preferred Shares as Listed Securities.

4. Details of assets acquired

The Company shall acquire: (1) all issued and paid-up shares of PurpleSol G.K. to obtain certification for power distribution granted by Ministry of Economy, Trade and Industry (METI Certification) and other required and necessary licenses including agreement regarding grid connection with electricity utility provider; and (2) all issued and paid-up shares of SolarOne G.K., a limited company incorporated in Japan to acquire ownership and possessory right to the project land in the approximated area of 2,080 Rai **which includes land ownership of 1,841 Rai and leased land of 232 Rai.**

The investment structure of the project (please see below diagram) is under process and review. The Company shall complete **incorporation of the Subsidiary and other relevant companies for the purpose of investment** before the 2017 Annual General Meeting of Shareholders.



	Major Milestones	Timeframe
1.	Incorporation of the Subsidiary and other relevant companies for the purpose of investment	Prior to shareholders' meeting
2.	Acquisition of assets of the Project	Approximately 90 days from the date on which the shareholders approve the transaction
3.	Development and construction of solar power plant	Approximately 3 years
4.	Commercial Operation Date	Within 2021

5. Value of consideration

The total transaction value is JPY61,240 million or equivalent to Baht 19,658 million (based on average exchange rate during the past year for the year 2016, information from the Bank of Thailand, at the exchange rate of Baht 32.1 per JPY100, details of which are as follows:

Item	Million Japanese Yen	Million Baht
Total value of acquisition of licenses of Onikoube Project	13,948	4,477.3
Total value of acquisition of PurpleSol G.K. shares with 100% shareholding	590	189.4
Total value of SolarOne G.K. shares with 100% shareholding	1,083	347.7
Value of engineering, procurement and construction of the project (EPC)	36,552	11,733.2
Value of investment in grid connection	3,000	963.0
Value of financial costs and other expenses	6,067	1,947.4
Total	61,240	19,658.0

The subsidiary will pay the Seller upon completion of conditions as asset out in the share sale and purchase agreement.

6. Basis used to determine the value of consideration

The value of consideration is determined based on the estimated investment cost of the Project and the feasibility study of the Project prepared by the independent advisor specialized in solar power plant in Japan including the suitable consideration of investment based on the feasibility study.

7. Expected benefits

1. to obtain a significant opportunity for the Company to expand its solar power plant business to Japan.
2. To enhance the Company's financial status and increase operating cash flow of the Company in the future.
3. To added value for the Company and shareholders in the long-term period.
4. To allocate risk of revenues of the Company from investment in Thailand which might be impact from the inconsistency of economic, political and government's policy in relation to the renewable energy by expanding its business to Japan.

8. Sources of fund

The Company will obtain the financial support from a financial institution **in the amount of not exceeding 85% of the transaction value**, together with the working capital of the Company, the offering of the Company's short-term debentures and the operating cash flow of the Company which will be ordinarily received during 5 year periods of the development of the Project before the Commercial Operation Date, COD.

9. Conditions of the entry into the transaction

The Company will enter into the transaction after all conditions precedent as specified in the share purchase agreement have been satisfied and fulfilled. In addition, as such transaction is considered the acquisition of assets, Type 4 pursuant to the Acquisition and Disposal of Assets Notifications, the Company shall have the obligations as follows:

1. to disclose the information memorandum in respect of the entry into such transaction to the SET;
2. to appoint the independent financial advisor to provide advice regarding the entry into the transaction to the Board of Directors of the Company and to submit such advice to the SET and the shareholders for acknowledgement;
3. to deliver the invitation letter to the shareholders' meeting, together with the advice of the independent financial advisor at least 14 days prior to the date of the meeting; and
4. to obtain the approval from the shareholders' meeting with the approved votes of not less than three-fourths of the total votes of shareholders attending the meeting and having the right to vote, excluding the votes of the shareholders having conflict of interest.

However, the Company has reviewed and is of the view that such transaction is not required for submission of an application to list securities of the Company on the SET again (Relisting) because:

1. the acquired business is similar and complements the business of the Company;
2. the Company does not have a policy to materially change its core business;
3. the group company, as a result of such assets of the Project being acquired, remains qualified for listing on the SET; and
4. there will be no significant changes to the Board of Directors of the Company and the control or the major shareholders who have control over the Company.

10. Opinion of the Board of Directors on the entry into the transaction

The Board of Directors' meeting No. 1/2017 held on 20 February 2017, considered that the transaction is reasonable and will benefit the Company and the shareholders, therefore; resolved to approve the Company:

- 1) To acquire all issued and paid-up shares of PurpleSol G.K., a limited company incorporated in Japan to obtain certification for power distribution granted by Ministry of Economy,

Trade and Industry (METI Certification) and other required and necessary licenses including agreement regarding grid connection with electricity utility provider;

- 2) To acquire all issued and paid-up shares of SolarOne G.K., a limited company incorporated in Japan to acquire ownership and possessory right to the project land in the approximated area of 2,080 Rai which includes land ownership of 1,841 Rai and leased land of 232 Rai; and
- 3) To enter into the share purchase agreement with Kamisol Limited subject to the terms and conditions to be mutually agreed between the Company and the Seller.

11. Opinion of the Audit Committee and/or the director(s) of the Company which is different from the Board of Directors' opinion under Clause 10

None of the directors and/or the Audit Committee had a different opinion from of the Board of Directors of the Company No. 1/2017 on 20 February 2017. The Company shall propose such opinion of the Board of Directors No. 1/2017 in respect of the entry into the transaction to the 2017 Annual General Meeting of Shareholders for approval.
