



บริษัท บางจาก คอร์ปอเรชั่น จำกัด (มหาชน)

สำนักงานใหญ่ : 2098 อาคารเอ็ม ทาวเวอร์ ชั้นที่ 8

ถนนสุขุมวิท แขวงพระโขนงใต้ เขตพระโขนง

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No. 10000/003/2020

11<sup>th</sup> February 2020

**Subject:** Acquisition of all shares in Nam San 3A Power Sole Co., Ltd. and Nam San 3B Power Sole Co., Ltd. of BCPG Public Company Limited to invest in hydro power plant project in the Lao People's Democratic Republic and investment in the construction and operation of transmission line system and substation to the Socialist Republic of Vietnam

**Attn:** President  
The Stock Exchange of Thailand

**Enclosure 1.** Information Memorandum on acquisition of all shares in Nam San 3A Power Sole Co., Ltd. and Nam San 3B Power Sole Co., Ltd. of BCPG Public Company Limited to invest in hydro power plant project in the Lao People's Democratic Republic and investment in the construction and operation of transmission line system and substation to the Socialist Republic of Vietnam

Bangchak Corporation Public Company Limited (the "Company") had its board of directors' meeting No. 1/2020 on 24 January 2020 acknowledging the transaction of BCPG Public Company Limited, a company whose 70.04 percent of total shares are held by the Company. As the Company has been informed that BCPG Public Company Limited (by a subsidiary of the Company) signed the share purchase agreement on 10 February 2020, which constitute the legal effect of the transaction, the Company would like to inform that the board of directors of the Company has been aware of the necessity and urgency of the transaction, and the details of BCPG Public Company Limited's acquisition of all shares in Nam San 3A Power Sole Co., Ltd. and the acquisition of all shares in Nam San 3B Power Sole Co., Ltd. of BCPG Public Company Limited to invest in hydro power plant project in the Lao People's Democratic Republic and investment in the construction and operation of transmission line system and substation to the Socialist Republic of Vietnam details as per the attached Information Memorandum as Enclosure 1.

Please be informed accordingly

Your faithfully

- Signed -

(Mr. Chaiwat Kovavisarach)  
Chief Executive Officer and President

Investor Relations  
Tel 0 2335 8663

**Information Memorandum of Bangchak Corporation Public Company Limited  
on the acquisition of all shares in Nam San 3A Power Sole Co., Ltd. and  
Nam San 3B Power Sole Co., Ltd. of BCPG Public Company Limited  
to invest in the hydro power plant project in the Lao People's Democratic Republic and investment  
in the construction and operation of transmission line system and substation to  
the Socialist Republic of Vietnam**

The board of directors' meeting of Bangchak Corporation Public Company Limited ("Company") No. 1/2020 on 24 January 2023 has resolved

To acknowledge BCPG Indochina Company Limited's ("BIC") (its former name is BCPG Biopower 2 Co., Ltd), a subsidiary of the Company (the Company held 70.04 percent of total shares in BCPG Public Company Limited ("BCPG") and BCPG held 100 percent of total shares in BIC), acquisition of 100 percent of all shares in Nam San 3A Power Sole Co., Ltd. ("Nam San 3A"), a limited company registered in the Lao People's Democratic Republic ("Lao PDR"), to invest in a hydro power plant project in the Lao PDR with the total installed capacity of 69 MW ("Nam San 3A Project"). BIC has acquired all the shares in Nam San 3A on 20 September 2019 and has completed the full payment and

To acknowledge the acquisition of all shares in ("Nam San 3B"), a limited company registered in the Lao PDR, to invest in a hydro power plant project in the Lao PDR with the total installed capacity of 45 MW ("Nam San 3B Project") under the framework of investment not exceeding USD 113.2 million and acknowledge the investment in the construction and operation of transmission line system and substation from Nam San 3A and Nam San 3B to the substation of Vietnam Electricity ("EVN") at the border of Lao-Vietnam respectively ("Transmission Line System") according to the resolution approving the entry into the transaction of the board of directors of BCPG.

The details of the Information Memorandum regarding the acquisition of shares in Nam San 3A and Nam San 3B and investment in construction and operation of Transmission Line System by BIC are as follows:

## **1. Details of Nam San 3A Project**

### **1.1. Transaction Date**

BIC has entered into a share purchase agreement to acquire all shares in Nam San 3A on 19 September 2019 and Phongsubthavy Roads and Bridges Construction and Irrigation Sole Co., Ltd (the "Seller") has proceeded to transfer 100 percent of shares of Nam San 3A to BIC on 20 September 2019.

### **1.2. The Parties Involved and the Relationship with the Company**

#### **1.2.1. Parties Involved**

Buyer : BCPG Indochina Company Limited, a subsidiary of the Company (the Company holds a ratio of 70.04 percent of total shares in BCPG and BCPG holds a ratio of 100 percent of total shares in BIC)

Seller : Phongsubthavy Roads and Bridges Construction and Irrigation Sole Co., Ltd., a limited company registered in the Lao PDR

#### **1.2.2. Relationship with the Company**

Phongsabhavy Roads and Bridges Construction and Irrigation Sole Co., Ltd has no relationship with the Company and is not considered connected persons of the Company and BCPG, a subsidiary of the Company.

### 1.3. The General Characteristics

The paid registered capital of Nam San 3A is LAK 232,000,000,000 (or approximately THB 804,354,609<sup>1</sup>), divided into 1,000,000 ordinary shares with the par value of LAK 232,000 (or approximately THB 804.35<sup>1</sup>), which are fully paid. Nam San 3A is a Build-Operate-Transfer (BOT) concessionaire to develop and operate the Project. Nam San 3A is also a contracting party to the power purchase agreement with Électricité du Laos (“EDL”). The contract duration is 27 years starting from 29 January (Commercial Operation Date) with the total installed capacity of 69 MW. Currently, the Project is completely constructed and in its commercial operation with the following details:

<b>Project Names and Types</b>	Nam San 3A Hydro Power Plant Project
<b>Project Location</b>	Xiangkhouang, the Lao PDR
<b>Commercial Operation Date (COD)</b>	29 January 2016
<b>Term of Concession Agreement and SPA</b>	27 years from the Commercial Operation Date
<b>Installed Capacity</b>	69 MW
<b>Type of Electricity Sale</b>	Take-or-Pay Condition

On 4 January 2020, Nam San 3A has entered into the power purchase agreement with Vietnam Electricity (“EVN”) to sell electricity to EVN in Socialist Republic of Vietnam instead of EDL which EDL issued the written consent letter for Nam San 3A to sell electricity to EVN without any additional obligations to Nam San 3A. When Nam San 3A commences commercial operation with EVN, the power purchase agreement with EDL will be terminated.

<b>Scheduled Commercial Operation Date</b>	Within the third quarter of 2022
<b>Term of Agreement</b>	25 years from the Commercial Operation Date
<b>Contractual Capacity</b>	69 MW
<b>Electricity rate</b>	0.0732 USD per kWh for 90 percent of the amount of electricity generated per annum 0.0361 USD per kWh for the remaining of the purchase

BIC has acquired all the ordinary shares of Nam San 3A and repaid the debt between Nam San 3A and the Seller, including the affiliate of the Seller in the total price not exceeding USD 174.04 million (or approximately THB 5,315.18 million<sup>2</sup>).

### 1.4. Details of Assets Acquired and to be Acquired

100 percent of total issued and sold ordinary shares, fully paid-up in Nam San 3A which are 1,000,000 shares. The par value of LAK 232,000 (or approximately THB 804.35<sup>1</sup>) with the purchase price at USD 174.04 million (or approximately THB 5,315.18 million<sup>2</sup>) which the Seller had transferred all the shares in Nam San 3A to BIC on 20 September 2019.

<sup>1</sup> Calculation for exchange rate is at LAK 288.43 to THB 1 rate as of 18 September 2019 as announced by Bank of Thailand.

<sup>2</sup> Calculation for exchange rate is at THB 30.54 to USD 1 rate as of 18 September 2019 as announced by Bank of Thailand.

**1.4.1. Information of Nam San 3A****(a) General Information of Nam San 3A**

Company Name : Nam San 3A Power Sole Co., Ltd.

Registered Address : Phontongsavath Village, Chanthabouly District, Vientiane Capital, the Lao PDR

Company's Incorporation Date : 21 November 2013

**(b) Shareholder List of Nam San 3A before and after entering into the transaction**

No.	Shareholders	Number of Shares <u>before</u> Acquisition (Shares)	Shareholding Percentage <u>before</u> Acquisition (Percent)	Number of Shares <u>after</u> Acquisition (Shares)	Shareholding Percentage <u>after</u> Acquisition (Percent)
1.	Phongsavath Roads and Bridges Construction and Irrigation Sole Co., Ltd.	1,000,000	100	-	-
2.	BIC	-	-	1,000,000	100
<b>Total</b>		<b>1,000,000</b>	<b>100</b>	<b>1,000,000</b>	<b>100</b>

**(c) Directors of Nam San 3A before and after entering into the transaction**

No.	Directors' Full Names <u>before</u> entering into the transaction	Directors' Full Names <u>after</u> entering into the transaction
1.	Mr. Phongsavath Senaphuan	Mr. Bundit Sapianchai
2.	Ms. Viengsavanh Senaphuan	Ms. Phatpuree Chinkulkitnivat
3.	Mr. Sonepheth Khamvongsa	Mr. Charnvit Trangadisaikul

**(d) Financial Statements of Nam San 3A**

Summarized financial statements and operation result of Nam San 3A for fiscal year of 2016, 2017 and 2018<sup>3</sup> (using the average exchange rate being at LAK 291.46 to THB 1 as of 17 January 2020 announced by the Bank of Thailand) are detailed below:

Income Statement

<sup>3</sup> Audited by Ernst & Young Lao Co., Ltd. with reference to International Financial Reporting Standard (IFRS) (Using the exchange rate as at 17 January 2020 as it is the last business day before the board of directors of BCPG Public Company Limited had the resolution to approve the transaction. However, such exchange rate is not materially changed from the current exchange rate)

Income Statement	1 Jan 2016 – 31 Dec 2016 (Audited)		1 Jan 2017 – 31 Dec 2017 (Audited)		1 Jan 2018 – 31 Dec 2018 (Audited)	
	LAK million	THB million	LAK million	THB million	LAK million	THB million
Revenue from sale of Electricity	160,295.8	550.0	196,027.4	672.6	204,312.7	701.0
Other Revenues	0.3	0.0	1,893.7	6.5	3,765.0	12.9
<b>Total revenue</b>	<b>160,296.1</b>	<b>550.0</b>	<b>197,921.1</b>	<b>679.1</b>	<b>208,077.7</b>	<b>713.9</b>
Operating expenses	6,802.3	23.3	12,257.5	42.1	15,095.5	51.8
Depreciation and Amortization	35,526.0	121.9	38,421.0	131.8	38,426.6	131.8
Financial Cost	-	-	7.3	0.0	156.4	0.5
<b>Net Profit</b>	<b>117,967.8</b>	<b>404.7</b>	<b>147,235.3</b>	<b>505.2</b>	<b>154,399.2</b>	<b>529.7</b>

### Financial Position

Financial Position	31 Dec 2016 (Audited)		31 Dec 2017 (Audited)		31 Dec 2018 (Audited)	
	LAK million	THB million	LAK million	THB million	LAK million	THB million
Cash	17.5	0.1	823.2	2.8	210.4	0.7
Accounts Receivable	29,430.2	101.0	8,779.20	30.1	14,029.40	48.1
Related Receivable	179,214.3	614.9	-	-	594.1	2.0
Other Current Assets	-	-	72.6	0.2	60	0.2
<b>Total Current Assets</b>	<b>208,662.0</b>	<b>715.9</b>	<b>9,675.00</b>	<b>33.2</b>	<b>14,893.90</b>	<b>51.1</b>
Intangible Asset	1,003,371.6	3,442.6	964,999.40	3,310.9	926,627.10	3,179.3
Net-Land, Building and Equipment	-	-	1,009.50	3.5	975.1	3.3
Other Non-current Assets	937.1	3.2	-	-	1,101.20	3.8
<b>Total Non-current Assets</b>	<b>1,004,308.7</b>	<b>3,445.8</b>	<b>966,008.90</b>	<b>3,314.4</b>	<b>928,703.30</b>	<b>3,186.4</b>
<b>Total Assets</b>	<b>1,212,970.8</b>	<b>4,161.7</b>	<b>975,683.90</b>	<b>3,347.6</b>	<b>943,597.20</b>	<b>3,237.5</b>
Short-term Loans	44,287.4	152.0	44,311.90	152.0	4,373.00	15.0
Related Liabilities	4,110.2	14.1	376,253.10	1,290.9	675,082.40	2,316.2
Accounts Receivable and Other Receivables	2,372.5	8.1	10,414.10	35.7	15,879.80	54.5
Other Current Liabilities	-	-	158.2	0.5	822.1	2.8
<b>Total Current Liabilities</b>	<b>50,770.1</b>	<b>174.2</b>	<b>431,137.30</b>	<b>1,479.2</b>	<b>696,157.30</b>	<b>2,388.5</b>
<b>Total Liabilities</b>	<b>50,770.1</b>	<b>174.2</b>	<b>431,137.30</b>	<b>1,479.2</b>	<b>696,157.30</b>	<b>2,388.5</b>
Equity Shares	1,048,056.8	3,595.9	385,896.80	1,324.0	232,000.00	796.0
Retained Earnings	114,143.9	391.6	158,649.80	544.3	15,439.90	53.0
<b>Total Shareholders' Equity</b>	<b>1,162,200.7</b>	<b>3,987.5</b>	<b>544,546.60</b>	<b>1,868.3</b>	<b>247,439.90</b>	<b>849.0</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>1,212,970.8</b>	<b>4,161.7</b>	<b>975,683.90</b>	<b>3,347.6</b>	<b>943,597.20</b>	<b>3,237.5</b>

## 1.5. Total Consideration Value and Terms of Payment

### 1.5.1. Consideration Value

The total consideration for 100 percent of total ordinary shares in Nam San 3A is USD 174.04 million (or approximately THB 5,315.18 million<sup>2</sup>).

### **1.5.2. Terms of Payment**

- (1) On 20 September 2019, BIC paid the purchase price to the Seller in the amount of USD 144.87 million (or approximately THB 4,424.33 million<sup>2</sup>).
- (2) BIC has paid the purchase price in addition to the Seller in the amount of USD 28.17 million (or approximately THB 860.31<sup>2</sup>) as the Seller has caused Nam San 3A to enter into a power purchase agreement with EVN which has resulted in the increasing of tariff and income of Nam San 3A, and has satisfied other conditions as agreed with BIC.
- (3) If Nam San 3A can negotiate on the Operation and Maintenance Agreement with the contractor as the Seller has agreed with BIC, BIC will pay an additional purchase price to the Seller in the amount of USD 1.00 million (or approximately THB 30.54 million<sup>2</sup>).

### **1.6. Value of the Assets Acquired and to be Acquired**

100 percent of total ordinary shares in Nam San 3A is equivalent to USD 174.04 million (or approximately THB 5,315.18 million<sup>2</sup>). Nam San 3A has no outstanding debt.

### **1.7. Expected Benefits to the Company and Shareholders**

#### **1.7.1. Expected Benefits to BCPG**

- (1) The investment in hydroelectric power plant is in accordance to BCPG's business expansion strategy, which focuses on the renewable electricity energy business.
- (2) The hydroelectric power plant project is expected to generate a stable income and yield a reasonable return on investment.
- (3) The investment in hydroelectric power plant project will introduce BCPG to the additional type of technology, diversifying its portfolio of renewable energy generation business and revenue stream.
- (4) The investment will expand the investment geography foothold of BCPG into the Lao PDR, a resource-rich country, and the Socialist Republic of Vietnam which has a promising economic growth.
- (5) BCPG will immediately recognize the revenue it has been commercially operated. The Project has remaining concession terms of more than 20 years.
- (6) The investment will enhance BCPG's expertise in managing and operating hydroelectric power plant project to further BCPG's expertise in managing and operating other future hydroelectric power plant projects.
- (7) As the result of this investment, the business partnership with the Seller has been created and strengthened. The Seller is equipped with experiences and expertise in renewable energy project development in the Lao PDR, the Socialist Republic of Vietnam and other neighboring countries. It will offer to BCPG further investment opportunity as BCPG is ready to invest and has experience in managing the business with international standard.

#### **1.7.2. Expected Benefits to the Shareholders**

The investment in the hydroelectric power plant project will bring a greater diversification to BCPG's asset portfolio which in turn generate more stable performance, and hence more stable dividend to the shareholder.

### **1.8. Sourced of Fund**

Sources of fund for the transaction will be derived from (1) internal cash flow of BCPG and (2) loans from financial institutions.

## **1.9. Conditions for Entering into the Transaction and Key Terms of Agreement**

### **1.10. Conditions Precedent**

The Seller has fulfilled all the conditions precedent for the acquisition of Nam San 3A. The material condition precedent includes:

- (1) The Bank of Lao PDR has approved the payment of purchase price.
- (2) The Seller has entered into the asset transfer agreement to transfer certain assets relating to the Nam San 3A Project to Nam San 3A.

### **1.11. Use of Proceed**

None, as the transaction is the asset (shares) acquisition transaction not the asset disposal.

### **1.12. Type and Details of Securities Issued by the Company to Pay for Assets**

None

### **1.13. Characteristic and Scope of Interest to the Related Party**

None

### **1.14. Opinion of the Board of Directors on the Entry into the Transaction**

The Board of Directors' meeting acknowledged the acquisition of 100 percent of total shares in Nam San 3A by BIC and the necessity and urgency of the Transaction and directors' fiduciary duty in connection with the Transaction

### **1.15. Opinion of the Audited Committee and/or the Directors of the Company which is Different from the Board of Directors' Opinion**

None

## **2. Details of Nam San 3B Project and Investment in the Transmission Line System**

### **2.1. Transaction Date**

The Board of Directors' meeting of BCPG No.2/2020 held on 20 January 2020 resolved to approve BIC to proceed with the transaction. BIC had signed the SPA of Nam San 3B on 10 February 2020 and the transfer of 100 percent of total shares in Nam San 3B is expected to be complete within the end of February 2020 ("Closing") provided that the conditions precedent under the share purchase agreement of Nam San 3B are satisfied or waived for Nam San 3B Project, and is expected to invest in Transmission Line System within 2020.

### **2.2. The Parties Involved and the Relationship with the Company**

#### **2.2.1. Nam San 3B**

- Buyer : BCPG Indochina Company Limited, a subsidiary of the Company (the Company holds 70.04 percent of total shares in BCPG and BCPG holds 100 percent of total shares in BIC)
- Seller : Phongsuthavy Roads and Bridges Construction and Irrigation Sole Co., Ltd., a limited company registered in the Lao PDR

#### **2.2.2. Investment in Construction and Operation of Transmission Line System**

BIC or its subsidiary works together with Phongsbthavy Roads and Bridges Construction and Irrigation Sole Co., Ltd. in investing in the construction and operation of Transmission Line System.

### 2.2.3. Relationship with the Company

Phongsbthavy Roads and Bridges Construction and Irrigation Sole Co., Ltd has no relationship with the Company and is not considered connected persons of the Company and BCPG, a subsidiary of the Company

## 2.3. The General Characteristics

### (a) Nam San 3B

The paid registered capital of Nam San 3B is LAK 163,200,000,000 (or approximately THB 559,939,614.36<sup>4</sup>), divided into 1,000,000 ordinary shares with the par value of LAK 163,200 (or approximately THB 559.94<sup>4</sup>) Nam San 3B is a Build-Operate-Transfer (BOT) concessionaire to develop and operate the Nam San 3B Project. Nam San 3B is also a contractual party to the power purchase agreement with EDL, the contract term is 27 years starting from 25 August 2015 (Commercial Operation Date) with the total contractual capacity of 45 MW. Currently, the Project is completely constructed and in its commercial operation with the following details:

<b>Project Names and Types</b>	Hydro Power Plant Project Nam San 3B
<b>Project Location</b>	Xiangkhouang, the Lao PDR
<b>Commercial Operation Date (COD)</b>	25 August 2015
<b>Term of Concession Agreement and SPA</b>	27 years from the Commercial Operation Date
<b>Installed Capacity</b>	45 MW
<b>Type of Electricity Sale</b>	Take-or-Pay Condition

On 4 January 2020 Nam San 3B has entered into the power purchase agreement with Vietnam Electricity (“EVN”) to sell electricity to EVN in the Socialist Republic of Vietnam instead of EDL which EDL issued the written consent letter for Nam San 3B to sell electricity to EVN without any additional obligations to Nam San 3B. When Nam San 3B commences commercial operation with EVN, the power purchase agreement with EDL will be terminated.

<b>Scheduled Commercial Operation Date</b>	Within the third quarter of 2022
<b>Term of Agreement</b>	25 years from the Commercial Operation Date
<b>Contractual Capacity</b>	45MW
<b>Electricity rate</b>	0.0732 USD per kWh for 90 percent of the amount generated per annum 0.0361 USD per kWh for the remaining from the purchase

<sup>4</sup> Calculation for exchange rate is at LAK 291.64 to THB 1 rate as of 17 January 2020 as announced by Bank of Thailand. (Using the exchange rate as at 17 January 2020 as it is the last business day before the board of directors of BCPG Public Company Limited had the resolution to approve the transaction. However, such exchange rate is not materially changed from the current exchange rate)



**(b) Investment in Construction and Operation of Transmission Line System**

On 4 January 2020 Nam San 3A and Nam San 3B have entered into a power purchase agreement with EVN to sell electricity to EVN at the Socialist Republic of Vietnam instead of EDL. Accordingly, it is necessary to construct the Transmission Line System from the projects to the substation of EVN with the total distance of 79 kilometers.

BIC or subsidiary of BCPG will invest in the construction and operation of Transmission Line System with the Seller. The amount of investment not exceeding USD 10.00 million (or approximately THB 304.60 million<sup>5</sup>). BIC and BCPG's subsidiary (including Nam San 3A and Nam San 3B) and the Seller and its subsidiary shall have the right to use the said Transmission Line System.

**2.4. Details of Assets Acquired and to be Acquired**

The acquired assets will be the following:

- (1) 100 percent of total issued and sold ordinary shares, fully paid-up in Nam San 3B, which are 1,000,000 shares. The par value is LAK 163,200 per share (or approximately THB 559.94<sup>4</sup>), with the total purchase price of not exceeding USD 113.18 million (or approximately THB 3,447.46 million<sup>5</sup>). The Seller expects to transfer all shares in Nam San 3B to BIC by the end of February of 2020 provided that conditions precedent under the SPA are satisfied or waived.
- (2) Ownership in the Transmission Line System from Nam San 3A Project and Nam San 3B Project to the substation of EVN at the border of Lao-Vietnam with the total distance of approximately 79 kilometers at the ownership ratio of not exceeding 50 percent of the total ownership in the investment not exceeding USD10.00 million (or approximately THB 304.60 million<sup>5</sup>). The investment will be taken place within 2020.

**2.4.1. Information of Nam San 3B****(a) General Information of Nam San 3B**

Company Name : Nam San 3B Power Sole Co., Ltd.

Registered Address : Phontongsavath Village, Chanthabouly District, Capital, the Lao PDR

Company's Incorporation Date : 21 November 2013

**(b) Shareholder List of Nam San 3B before and after entering into the transaction**

No.	Shareholders	Number of Shares <u>before</u> Acquisition (Shares)	Shareholding Percentage <u>before</u> Acquisition (Percent)	Number of Shares <u>after</u> Acquisition (Shares)	Shareholding Percentage <u>after</u> Acquisition (Percent)
1.	Phongsubthavy Roads and Bridges Construction	1,000,000	100	-	-

<sup>5</sup> Calculation for exchange rate is at THB 30.46 to USD 1 rate as of 17 January 2020 as announced by Bank of Thailand. (Using the exchange rate as at 17 January 2020 as it is the last business day before the board of directors of BCPG Public Company Limited had the resolution to approve the transaction. However, such exchange rate is not materially changed from the current exchange rate)

No.	Shareholders	Number of Shares before Acquisition (Shares)	Shareholding Percentage before Acquisition (Percent)	Number of Shares after Acquisition (Shares)	Shareholding Percentage after Acquisition (Percent)
	and Irrigation Sole Co., Ltd.				
2.	BIC	-	-	1,000,000	100
<b>Total</b>		<b>1,000,000</b>	<b>100</b>	<b>1,000,000</b>	<b>100</b>

## (c) Directors of Nam San 3B before and after entering into the transaction

No.	Directors' Full Names before entering into the transaction	Directors' Full Names after entering into the transaction
1.	Mr. Phongsavath Senaphuan	Mr. Bundit Sapianchai

## (d) Financial Statement of Nam San 3B

Summarized financial statements and operation result of Nam San 3B for fiscal year of 2016, 2017 and 2018<sup>6</sup> (using the average exchange rate being at LAK 291.46 to THB 1 at the rate as of 17 January 2020 as announced by the Bank of Thailand) are detailed below

Income Statement

Income Statement	1 Jan 2016 – 31 Dec 2016 (Audited)		1 Jan 2017 – 31 Dec 2017 (Audited)		1 Jan 2018 – 31 Dec 2018 (Audited)	
	LAK million	THB million	LAK million	THB million	LAK million	THB million
Revenue from sale of Electricity	118,185.43	405.49	115,285.44	395.54	136,006.71	466.64
Other Revenues	0.24	0.00	1,906.45	6.54	1,124.13	3.86
<b>Total Revenue</b>	<b>118,185.67</b>	<b>405.50</b>	<b>117,191.89</b>	<b>402.09</b>	<b>137,130.84</b>	<b>470.50</b>
Operating Expenses	6,388.22	21.92	12,526.28	42.98	12,036.86	41.30
Depreciation and Amortization	31,167.52	106.94	34,846.20	119.56	30,206.99	103.64
Financial Cost	0.00	0.00	4.15	0.01	106.93	0.37
<b>Net Profit</b>	<b>80,629.93</b>	<b>276.64</b>	<b>69,815.26</b>	<b>239.54</b>	<b>94,780.06</b>	<b>325.19</b>

Financial Position

Financial Position	31 Dec 2016 (Audited)		31 Dec 2017 (Audited)		31 Dec 2018 (Audited)	
	LAK million	THB million	LAK million	THB million	LAK million	THB million
Cash	114.55	0.39	42.04	0.14	179.13	0.61
Accounts Receivable	7,495.51	25.72	8,826.24	30.28	8,690.35	29.82

<sup>6</sup> Audited by Ernst & Young Lao Co., Ltd. with reference to International Financial Reporting Standard (IFRS) (Using the exchange rate as at 17 January 2020 as it is the last business day before the board of directors of BCPG Public Company Limited had the resolution to approve the transaction. However, such exchange rate is not materially changed from the current exchange rate)

Financial Position	31 Dec 2016 (Audited)		31 Dec 2017 (Audited)		31 Dec 2018 (Audited)	
	LAK million	THB million	LAK million	THB million	LAK million	THB million
Related Receivables	149,595.59	513.26	170,107.99	583.64	28,298.10	97.09
Other Current Assets	-	-	8.84	0.03	1,315.55	4.51
<b>Total Current Assets</b>	<b>157,205.64</b>	<b>539.37</b>	<b>178,985.11</b>	<b>614.10</b>	<b>38,483.13</b>	<b>132.04</b>
Intangible Asset	834,419.49	2,862.90	799,573.30	2,743.34	769,366.31	2,639.70
<b>Total Non-current Assets</b>	<b>834,419.49</b>	<b>2,862.90</b>	<b>799,573.30</b>	<b>2,743.34</b>	<b>769,366.31</b>	<b>2,639.70</b>
<b>Total Assets</b>	<b>991,625.14</b>	<b>3,402.27</b>	<b>978,558.40</b>	<b>3,357.44</b>	<b>807,849.44</b>	<b>2,771.73</b>
Short-term Loans	-	-	36,173.44	124.11	54,178.50	185.89
Related Liabilities	-	-	-	-	568,592.05	1,950.84
Accounts Receivable/ Other Receivables	2,234.26	7.67	9,644.46	33.09	11,777.91	40.41
Other Current Liabilities	-	-	-	-	622.98	2.14
<b>Total Current Liabilities</b>	<b>2,234.26</b>	<b>7.67</b>	<b>45,817.90</b>	<b>157.20</b>	<b>635,171.43</b>	<b>2,179.27</b>
Long-term Loans	39,554.33	135.71	-	-	-	-
Total Non-current Liabilities	39,554.33	135.71	-	-	-	-
<b>Total Liabilities</b>	<b>41,788.59</b>	<b>143.38</b>	<b>45,817.90</b>	<b>157.20</b>	<b>635,171.43</b>	<b>2,179.27</b>
Equity Shares	853,268.43	2,927.57	853,268.43	2,927.57	163,200.00	559.94
Retained Earnings	96,568.11	331.33	79,472.07	272.67	9,478.01	32.52
<b>Total Shareholders' Equity</b>	<b>949,836.55</b>	<b>3,258.89</b>	<b>932,740.50</b>	<b>3,200.24</b>	<b>172,678.01</b>	<b>592.46</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>991,625.14</b>	<b>3,402.27</b>	<b>978,558.40</b>	<b>3,357.44</b>	<b>807,849.44</b>	<b>2,771.73</b>

## 2.5. Total Consideration Value and Terms of Payment

### 2.5.1. Nam San 3B

#### (a) Consideration Value

Cash from ordinary shares in the amount of 100 percent in Nam San 3B for the amount not exceeding USD 113.18 million (or approximately USD 3,447.46 million<sup>5</sup>).

#### (b) Terms of Payment

On the Closing Date, BIC will pay the purchase price to the Seller in the amount not exceeding USD 113.18 million (or approximately THB 3,447.46 million<sup>5</sup>).

### 2.5.2. Investment in Transmission Line System

#### (a) Consideration Value

Investment value in construction and operation of Transmission Line System in the total not exceeding USD 10.0 million (or approximately THB 304.6 million<sup>5</sup>) is determined based on the value in the cost of Transmission Line System.

**(b) Condition of Payment**

BIC and/or BCPG's subsidiary will pay the investment price to the Seller in cash in the amount not exceeding USD 10.0 million (or approximately not exceeding THB 304.6 million<sup>5</sup>). The payment will be paid by installments, subject to the completion of each phrase of the construction of Transmission Line System.

**2.6. Value of the Assets Acquired and to be Acquired**

- (1) 100 percent of total ordinary shares in Nam San 3B is equivalent to USD 113.18 million (approximately THB 3,447.46 million<sup>5</sup>). Nam San 3B will have no outstanding debt as set forth under Clause 10.2(2) Other Key Terms of Agreement.
- (2) Ownership of not exceeding 50 percent in Transmission Line System is equivalent to USD 10.0 million (approximately THB 304.6 million<sup>5</sup>)

**2.7. Basis Used to Determine the Value of Consideration**

Consideration of the acquisition of ordinary shares in Nam San 3B, being 100 percent of total registered capital, is not exceeding USD 113.18 million (or approximately THB 3,447.46 million<sup>5</sup>) which is determined from the negotiation between BCPG and the Seller and the analysis of project possibility together with the outcome of due diligences by the advisors of BCPG. Investment value in Transmission Line System is not exceeding USD 10.0 million (or approximately THB 304.6 million<sup>5</sup>) which is determined from the negotiation of value between BCPG and the Seller with the analysis of the cost of construction of the Transmission Line System.

**2.8. Expected Benefits to the Company and Shareholders of the Company**

Please see Clause 1.7

**2.9. Sources of Fund**

Sources of fund for the transaction will be derived from (1) internal cash flow of the Company and (2) loans from financial institutions.

**2.10. Conditions for Entering into the Transaction and Key Terms of Agreement**

**2.10.1. Conditions Precedent**

The material condition precedent of the transaction for acquisition of Nam San 3B which the Seller shall fulfill or be waived by BIC within the Closing Date, includes:

- (1) The Bank of Lao People's Democratic Republic has approved the transfer of money for the payment of purchase price.
- (2) The appointed auditor of Nam San 3B has audited financial position of Nam San 3B for fiscal year of 2019 in the way which is satisfactory to BIC and the auditor has made an opinion on financial position which is satisfactory to BIC.
- (3) The Seller enters into the asset transfer agreement to transfer certain assets relating to Nam San 3B Project to Nam San 3B.

**2.10.2. Other Key Terms of Agreement**

- (1) The Seller shall assist and support BIC in operating Nam San 3B hydro power plant project, for the purpose of smooth transition and operation of the project, during the transition period which is 3 years from the completion date of share transfer.
- (2) The Seller agrees to take responsibility in the whole amount of outstanding debt at the completion date of share transfer of Nam San 3B.

**2.11. Use of Proceed**

None, as the transaction is the asset (shares) acquisition transaction not the asset disposal.

**2.12. Type and Details of Securities Issued by the Company to Pay for Assets**

None

**2.13. Characteristic and Scope of Interest to the Related Party**

None

**2.14. Opinion of the Board of Directors on the Entry into the Transaction**

The Board of Directors' meeting acknowledged the acquisition of 100 percent of total shares in Nam San 3B from the Seller and resolved to acknowledge the investment in construction and operation of the Transmission Line System with the Seller and the necessity and urgency of the Transaction and directors' fiduciary duty in connection with the Transaction.

**2.15. Opinion of the Audited Committee and/or the Directors of the Company which is Different from the Board of Directors' Opinion**

None